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BEFORE

House Committee on Homeland Security
Subcommittee on Border and Maritime Security

ON

"Keeping Pace with Trade, Travel, and Security: How Does CBP Prioritize and Improve Staffing and Infrastructure"

April 19, 2016
Washington, DC

Chairwoman McSally, Ranking Member Vela, and distinguished Members of the Subcommittee, thank you for the opportunity to discuss U.S. Customs and Border Protection's (CBP) progress in enhancing the security and facilitation of lawful trade and travel at our Nation's ports of entry (POEs).

As America's unified border agency, CBP protects the United States against terrorist threats and prevents the illegal entry of inadmissible persons and contraband, while facilitating lawful travel and trade. The Office of Field Operations (OFO) is the law enforcement entity within CBP responsible for carrying out CBP's complex and demanding mission at 328 ports of entry (POE) nationwide and 16 Preclearance locations internationally. Resource demands, including staffing and infrastructure, at the POEs continue to increase as trade and travel volumes continue to grow.

There are more people and goods coming through our POEs than ever before. Since 2009, we have seen growth in both trade and travel and we expect these trends to continue. Every year, OFO facilitates the travel of hundreds of millions of international visitors to our Nation. In Fiscal Year (FY) 2015, CBP inspected more than 382 million travelers at our air, land, and sea POEs, an increase of 2 percent from the previous year, and an increase of 12.5 percent since FY 2011. CBP also processed more than $2.4 trillion in imports in 2015, while enforcing U.S. trade laws that protect the Nation's economy and the health and safety of the American public.

The facilitation and security of lawful travel and trade is a priority for CBP and we are taking steps, working closely with our stakeholders, Congress, and our Federal partners to increase CBP Officer (CBPO) and CBP Agriculture Specialist (CBPAS) staffing, streamline our business processes, improve our POE facilities, and enhance our security and facilitation efforts. We recognize that CBP's role in securing and facilitating international trade and travel is critical to the growth of our economy and the creation of more jobs.

Port of Entry Staffing

To address the ongoing challenge of securing and facilitating growing volumes of trade and travel, CBP developed a three-pronged Resource Optimization Strategy that 1) identifies POE staffing requirements using a Workload Staffing Model; 2) ensures the efficient use of resources by optimizing current business processes; and 3) explores funding strategies to support staffing increases.

Thanks to the support of Congress, the *Consolidated Appropriations Act, 2014*, Pub. L. No. 113-76, included funding for 2,000 new CBPOs. These additional officers will be allocated utilizing the Workload Staffing Model and directed to those ports with the greatest need. OFO's Workload Staffing Model employs a rigorous, data-driven methodology to identify staffing requirements by considering all the activities performed by CBPOs at our POEs, the volume of those activities, and the levels of effort required to carry them out. The most recent results of the Model – factoring in the additional 2,000 CBPOs from the FY 2014 appropriations - show a need for 2,107 additional CBPOs through FY 2017. Additionally, the Agriculture Resource Allocation Model, CBP's analytical framework for informing CBPAS staffing decisions at POEs, shows a need for an additional 631 CBPAS through the same period.

With nearly 60,000 employees in the United States and abroad, CBP is the Nation's largest Federal law enforcement organization and requires a highly skilled workforce capable of successfully meeting the agency's mission requirements. CBP employs a rigorous hiring process in order to ensure that it hires only those applicants who have the qualifications and suitability necessary to meet CBP's mission requirements. CBP's Office of Human Resources Management (HRM) works diligently to recruit, hire, and retain the men and women serving in frontline positions that secure the Nation's borders and facilitate lawful trade and travel, which is so critical to the Nation's economic prosperity.

Frontline Hiring and Challenges

CBP has made some progress in meeting frontline hiring goals; however, additional work remains. The agency continues to face significant challenges in meeting our staffing goals to include applicants not being able to successfully pass requirements of the CBP hiring process, law enforcement attrition, and an insufficient number of applicants applying for frontline positions. CBP's significant size, scope, and depth of mission – domestically and internationally – requires a considerable number of personnel in frontline positions and CBP must employ only the highest caliber of individuals.

CBP's hiring process for frontline personnel is intentionally rigorous. Individuals must successfully complete an entrance exam, qualifications review, interview, medical exam, drug screening, physical fitness test, polygraph examination, and a background investigation. The hiring process is challenging for most applicants and a large number do not meet the Agency's employment requirements.

The *Anti-Border Corruption Act of 2010*, Pub. L. No. 111-376, requires CBP to administer polygraph examinations to all applicants for law enforcement positions. However, the number of federally certified polygraph examiners is limited, leading to competition among all agencies to fully staff polygraph programs. The polygraph examination helps to ensure the selection of only those applicants who are most suitable for a law enforcement position. While we have seen that the requirement to undergo a polygraph examination has caused some individuals to forego the application process, the polygraph program has also elicited many admissions of wrongdoing, which would not have been otherwise detected.

The polygraph examination is only one of several factors that have challenged CBP's ability to expeditiously hire frontline personnel. Another factor is that some individuals simply do not wish to take an entrance exam. Recent data shows that more than 40 percent of CBP applicants failed to either schedule or show up to take the entrance examination. Additionally, it can be difficult to find applicants who are interested in working in remote locations, where there may be limited medical care, schooling, and opportunities for spousal employment.

External factors also influence CBP's ability to reach its staffing goals, including cyber intrusions and vulnerabilities, which have brought the hiring process to a halt for extended periods. For example, thousands of applications were inaccessible for processing during a six week shutdown of the Office of Personnel Management's (OPM) e-QIP system in 2015. Additionally, several of CBP's background investigation vendors experienced data breaches or had cybersecurity vulnerabilities identified, which severely diminished CBP's capacity to initiate background investigations. Although these issues were all temporary, the processing delays that

resulted from such circumstances generated backlogs that often take longer to resolve than the duration of the particular interruption.

Moreover, CBP's hiring is impacted by the limited availability of qualified and suitable applicants. Societal views and changing generational values are making it more difficult to attract suitable applicants to the law enforcement profession, such as CBP's frontline positions. A recent Rand Corporation study on Police Recruitment and Retention, commissioned by the U.S. Department of Justice, found that less than half of American youths consider a police department or law enforcement agency a "desirable" or "acceptable" place to work.[1] The public scrutiny of law enforcement officers, combined with the requirement to work variable schedules and long shifts, and in some cases, in smaller or remote areas of the country, are all potential reasons why individuals under age 37[2] may be less likely to apply to law enforcement positions.

Compounding the limited applicant pool, CBP faces substantial competition with other law enforcement agencies for quality applicants. The military, other Federal, state and local law enforcement organizations, and first-responder agencies recruit similar individuals and in some cases, offer higher entry-level salaries, may have a shorter, less rigorous hiring process, may not require individuals to relocate, and may offer more desirable work locations. As a result, the market for applicants is highly competitive.

In addition to the hiring challenges, CBP must backfill positions lost through attrition. The attrition rates for CBPO and BPA in FY 2015 were 3.0 percent and 5.5 percent respectively, requiring that CBP hire approximately 2,000 *additional* frontline personnel annually just to manage losses. Uncertainties surrounding pay and compensation, coupled with less-than-desirable duty locations, have driven BPA attrition to a point where losses were significantly outpacing gains.

Frontline Hiring Strategies

To address frontline staffing challenges, CBP established a Frontline Hiring Program Management Office (PMO) that brings the agency's subject matter experts together to develop an integrated and holistic approach to recruiting and hiring frontline personnel. This team is working collectively to integrate previously stove-piped elements of the hiring process and has already made a number of significant improvements, such as developing a frontline hiring data model, which is the first of its kind for CBP. This model provides a high degree of fidelity for the frontline hiring process timelines, identifies potential obstacles in the process, and provides estimates of hiring projections. This model has been the foundation of CBP's frontline hiring process improvement efforts.

The PMO has taken a systematic approach toward addressing the agency's staffing requirements, through the identification of four key factors: (1) Increasing the Quality and Quantity of the

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[1] Wilson, Jeremy M. et al. Police Recruitment and Retention for the New Millennium: The State of Knowledge. RAND Corporation, 2010. Web. 1 Apr. 2016.
[2] The Secretary of the Department of Homeland Security has established the maximum entry age for an original appointment to a position as a law enforcement officer (such as a BPA or a CBPO) to be the day before an individual's 37th birthday. However, acting in accordance with the law, CBP waives the maximum entry age for veterans' preference eligible applicants.

Applicant Pool; (2) Reducing the Time-to-Hire: (3) Department of Defense Collaboration (DoD); and (4) Reducing Attrition.

Increasing the Quality and Quantity of the Applicant Pool

A key component of CBP's efforts is increasing the number of applicants in the pre-employment process. CBP recently established the National Frontline Recruiting Command (NFRC) to coordinate and strengthen recruiting efforts. This team, comprised of CBP frontline personnel and mission-focused experts, developed a National Frontline Recruitment Strategic Plan that outlines the strategic objectives, critical national and local level partnerships and robust outreach strategies for frontline recruiting. CBP employs data-driven techniques to identify locations, event types, and advertising strategies in order to most directly and efficiently reach individuals potentially interested in careers with CBP. Through the NFRC, CBP partners with industry marketing and recruitment experts to leverage innovative business practices and identify ways to promote diversity within CBP's frontline workforce. As a result of this team's work, CBP was able to increase the number of BPA and CBPO applicants from approximately 40,000 in FY 2014 to over 115,000 in FY 2015. Additionally, CBP is on target to more than double the 1,578 recruitment events in FY 2015 this coming year.

Reducing the Time-to-Hire

Currently, it takes over a year for a potential frontline employee to move through a process of more than ten steps before an offer of employment can be made. However, through the recent implementation of process improvements, the average time-to-hire is continuing to decrease. For example, CBP recently piloted several iterations of a "Hiring Hub" concept, which integrates and consolidates many steps and several months of the hiring processes into a two-day timeframe. These Hiring Hubs, which consolidate the interview, polygraph, provisional clearance determination, and employment offer, have decreased processing time to an average of 160 days, reducing the time-to-hire by over sixty percent.

In addition to the Hiring Hubs, which will be expanded throughout FY 2016 and 2017, CBP has implemented a number of additional process improvements to decrease an applicant's time in our process. By hiring additional personnel for medical adjudications, and by streamlining the medical forms, CBP was able to reduce the medical portion of the hiring process by an average of 43 days. Likewise, by hiring additional polygraph examiners and instituting an abbreviated adjudication process, CBP was able to reduce the polygraph processing time by over 35 percent. Finally, CBP implemented a "provisional clearance" policy, which permits applicants who successfully pass the polygraph examination without any significant admissions to enter on duty to the academy while their background investigation is still on-going. Since this policy was implemented, over 1,500 individuals were granted provisional clearances and were able to immediately enter the academy.

Department of Defense Collaboration

CBP is collaborating with the Department of Defense (DoD) in developing new strategies to reduce the time-to-hire of transitioning service members. By taking a holistic approach to our collective business processes and leveraging our combined resources, we are making progress. Together, we are exploring a new method of reciprocity between some elements of the DoD exit process and the CBP pre-employment process. Specifically, CBP is evaluating the feasibility of accepting or granting reciprocity to the scores/results from the military service physical fitness

tests and medical examinations. Additionally, we are reviewing the possibility of offering the CBP Entrance Exam via the DoD's Joint Knowledge Online system. This would allow service members the opportunity to take the entrance examination at any military installation worldwide and would be a first for those stationed in overseas locations. Moreover, CBP is currently conducting hiring hubs at targeted installations following CBP specific recruitment events. CBP and DoD are exploring the option of formalizing this partnership through installation specific memorandums of agreement.

CBP's overall recruitment approach includes robust strategies to recruit veterans and individuals separating from military service. CBP works closely with the DoD to increase awareness about CBP employment opportunities, as well as the benefits available to transitioning service members and veterans. The specific goals of the collaboration are to increase target audience awareness of CBP as a prospective employer, increase the pipeline of applications for mission critical positions, transform the application process to support the use of veteran specific hiring authorities, and consolidate multiple steps of the CBP hiring process at military installations. CBPs goal is to streamline the veteran time-to-hire processing to an average of 90 days.

With the passage of the *Border Jobs for Veterans Act of 2015*, Pub. L. No. 114-68, CBP and DoD have enhanced collaboration on hiring transitioning service members and veterans for CBPO and BPA positions. Veterans currently represent 28.8 percent of the CBP workforce. With 250,000 to 300,000 members of the Armed Forces separating from military service every year, recruiting from this population constitutes a critical element in CBP's efforts to fill existing vacancies and complete the hiring of the 2,000 new CBPOs, as well as to meet revised CBPO manpower requirements outlined in the Department of Homeland Security Appropriations Act of 2016. Veterans and individuals separating from military service are often equipped with the skills necessary to succeed in CBP frontline positions. Through this CBP and DoD partnership, we are seeing an increase in the percentage of applicants who are found to be initially qualified based on their applications. CBP will continue to partner with DoD on major recruiting and hiring events with a specific focus on installations with the highest numbers of transitioning soldiers. In FY 2015, CBP participated in 651 veteran recruitment events and has a target of 1,000 events for FY 2016.

While these efforts are still in various stages of implementation, CBP has experienced an improvement in applicant awareness and engagement. CBP is partnering with DoD transition offices across the Nation to provide information sessions and workshops to transitioning service members. One early success of the CBP and DoD partnership is the creation of CBP's Recruiting Center on Fort Bliss in El Paso, Texas. The Fort Bliss Recruiting Center is the first of its kind for CBP. The DoD Transition Assistance Program Office provided space for CBP's frontline agent and officer recruiters who provide information to transitioning service members on a full-time basis.

Reducing Attrition

Another factor that would improve CBP's ability to reach staffing targets is reducing attrition. CBP is employing a multifaceted approach, including the development of surveys to be used as part of the out-processing in order to accurately identify the causes of choosing to separate from CBP. Additionally, CBP is exploring creative ways to utilize pay and compensation flexibilities such as special salary rates, relocation and retention incentives, tuition assistance, and student loan repayments to incentivize mission critical personnel to remain with CBP. Because mobility

and assignment diversity is important to CBP's law enforcement personnel, the agency is exploring new ways to utilize rotational assignments and reassignment opportunities. Some operational offices are utilizing reassignment programs and/or "job swaps" to offer enhanced mobility and developmental opportunities to those who are seeking a change in location.

Ports of Entry Resource Optimization

While the 2,000 additional officers funded by the *Consolidated Appropriations Act of 2014* will bring significant support to our mission to secure and facilitate trade and travel through our Nation's POEs, as we noted above, the most recent results of the Workload Staffing Model show a need for 2,107 *additional* CBPOs and 631 CBPASs through FY 2017. Even with the growth in international travel and trade, this current need reflects a reduction of 517 CBPOs and 92 CBPASs from FY 2015 results (2,624 and 723 respectively). This reduction is primarily due to CBP's continued focus on transforming all facets of OFO operations to increase productivity while reducing our reliance on staffing resources. CBP will continue to pursue POE infrastructure modernization, business transformation efforts, new reimbursement authorities, and partnerships with our stakeholders to bridge current and anticipated mission resource gaps.

Business Transformation Initiatives

Business Transformation Initiatives (BTI) enable CBP to realign CBPO and CBPAS resources to priority initiatives, reduce CBP's required inspection hours, resulting in a decrease of overall workload requirements and equivalent staffing. CBP is embarking on more transformative initiatives to expand traveler technologies, implement biometrics, automate forms collection, and eliminate duplicative processes to save an estimated total of 536,000 inspection hours and the equivalent of 453 CBPOs through FY 2017. These transformative initiatives and technological advancements provide the platform from which CBP can achieve effective and efficient operational success in the face of increased border and air traffic, budget constraints, and demand for new and expanded services at existing and proposed POEs.

In the air environment, BTIs such as Automated Passport Control (APC) and Mobile Passport Control (MPC), which increase primary processing capacity, reduce the administrative burden on CBPOs by automating parts of the inspection process so they can focus on our law enforcement mission, reduce traveler wait times, use airport facilities more efficiently, and minimize missed connections.

In the land environment, despite steady growth in passenger volume, especially of travelers crossing in privately owned vehicles, in FY 2015, the national average vehicle wait time was 10 percent shorter than the previous year, at 15.6 minutes. Peak wait times have also decreased by 30 percent, to 91 minutes. CBP has been able to achieve these wait time reductions through increased radio frequency identification (RFID) saturation and the corresponding use of Ready Lanes, and also through the ongoing increase in land trusted traveler participation.

Ready Lanes are dedicated primary vehicle lanes that offer expedited inspection for travelers with RFID-enabled documents. Over 38 million travelers have obtained RFID-enabled documents – which include Passport Cards, Enhanced Driver's Licenses, Enhanced Tribal Cards, Border Crossing Cards, and Enhanced Permanent Resident Cards, and Trusted Traveler Cards (Global Entry, SENTRI, NEXUS and FAST) – and two-thirds of all Southwest border crossings are now made with an RFID document. Ready Lane traffic share (not including NEXUS and SENTRI traffic) has increased from 6 percent in 2010 to 38 percent today. In 2015, POEs with

Ready Lanes have taken measures (such as traffic segmentation, improved signage, and more responsive active lane management) to increase Ready Lane benefits for participating travelers. This year, Ready Lane waits averaged 30 percent less than waits in the general lanes.

While Ready Lanes provide a wait time benefit to travelers, they also assist CBP. Since Ready Lanes are more efficient than general lanes, they process more vehicles (about 10 more) per hour than general lanes. In 2015, the average Ready Lane processed 53.1 vehicles per hour, per booth, compared to just 43.5 vehicles in the general lanes. This efficiency benefits CBP managers who are constrained by available booths (facilities) and staff (labor).

CBP's Trusted Traveler Programs, such as SENTRI, NEXUS, and Global Entry, continue to expedite low risk, vetted international travelers while enabling CBP to focus on those unknown or high risk travelers. All Trusted Traveler participants must be pre-approved and undergo a rigorous background check and personal interview before enrollment. In FY 2015, at Southwest border POEs, the average SENTRI crossing was 40.7 seconds faster than traditional processing with SENTRI travelers experiencing an average of 19.1 minutes less (73 percent) in wait times than non-participants.

In May 2013, CBP automated Form I-94 in the air and sea environment. The automated system allows CBPOs to create an I-94 Arrival Record within primary and secondary inspection processing systems at the time of inspection with passenger manifest information, eliminating the need for paper forms and manual data entry. CBP has reported over 86,000 inspection hours avoided related to the automation of the I-94 in the air environment since FY 2013. However, the current land border I-94 process, to include the I-94W, unfortunately remains labor intensive for CBPOs. In order to create a more efficient land border process, CBP intends to enhance the existing I-94 web portal to include additional functionality that allows a traveler to submit information to CBP and pay the required fee prior to arrival at a port of entry. CBP intends to launch the online I-94 application and fee payment later this year, which is estimated to reduce the I-94 process time by almost 50 percent.

The gap in CBPAS staffing will be mitigated through the expansion of agriculture related BTIs like the expansion of Enforcement Link Mobile Operations-Cargo (ELMO-c) initiative to outfit CBPAS with mobile devices. The mobile devices allows CBPASs to release more cargo in a shorter amount of time since they do not have to return to the office. Full deployment of mobile devices to all CBPASs is expected to be completed by the end of 2016.

Finally, CBP is the lead organization within the Department of Homeland Security (DHS) responsible for developing and implementing a comprehensive entry/exit system. CBP, working in partnership with the DHS Science and Technology Directorate (S&T) Apex Air Entry/Exit Re-engineering Program, has benefitted from S&T's deliberate process for analyzing and rigorously evaluating existing entry/exit processes, identifying opportunities for optimization, and implementing improvements that will maximize traveler identity assurance while facilitating legitimate travel and trade in the air and land environments. In the air environment, CBP has been testing biometric facial comparison technology and mobile biometric capture technology and working to incorporate the technology into existing operations in a manner that minimizes adverse impacts to international air traveler processing.

In the land border environment, on the Northern border, CBP and the Canada Border Services Agency have partnered to create a biographic entry/exit data exchange to improve each other's visibility and control of individuals crossing our shared land border. Both countries now exchange data so that information collected on an entry into one country is automatically recorded as an exit from another. CBP is able to match entry and exit land border crossings at over 98 percent, significantly improving the CBP's situational awareness along the northern land border.[3]

On the Southwest land border, CBP has been developing new biometric screening capabilities for non-U.S. citizens entering and departing the United States through a Southwest land border pedestrian crossing. This new capability will assist CBPOs to accurately identify departing pedestrians and record their exit to enhance situational awareness and support the identification of overstays. Most non-U.S. citizens will have their biometrics - facial and iris images - collected upon entry for future comparison to facial and iris images collected during departure. In addition to testing the matching capabilities of new biometric modalities, the field test will also evaluate how this biometric technology captures while the individual is "on the move," how it captures from a distance, and how it operates in the challenging outdoor environment of the Southwest land border. CBP implemented the departure experiment at the Otay Mesa POE near San Diego, California, in February 2016.

CBP's BTIs are an important pillar of the Resource Optimization Strategy and allow CBP to realign CBPO and CBPAS resources to priority initiatives. BTIs also reduce CBP's required inspection hours, resulting in a decrease of overall workload requirements and equivalent staffing. The FY 2017 President's Budget supports CBP's BTIs, which have saved over 600,000 inspectional hours in FY 2015 and are estimated to save over 500,000 inspectional hours through FY 2017.

Land Border Ports of Entry Modernization

Effective and efficient POE infrastructure is critical to CBP's mission to secure and facilitate lawful trade and travel. Of the Nation's 328 official POEs, 110 are LPOEs responsible for operating 167 separate crossings along our borders with Mexico and Canada. Most of the LPOE inspection facilities were not designed to meet the post-9/11 security and operational missions of CBP. Rather, they were built to support the distinct operations of legacy DHS components, such as the U.S. Customs Service, the Animal and Plant Health Inspection Service of the U.S. Department of Agriculture, and the U.S. Immigration and Naturalization Service.

Today, CBP's operations entail sophisticated targeting and communication systems, state-of-the-art detection technology, and a cadre of professional law enforcement personnel to identify, screen, and inspect high-risk persons and cargo and maintain an efficient stream of cross-border travel and trade. However, the success of our operational strategy depends heavily on the condition and operational utility of the inspection facilities and the availability of CBP personnel.

Several LPOEs were built more than 70 years ago and require renovation or replacement to meet present-day operational and security standards. Many constructed as recently as 15 to 20 years

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[3] The current arrangement allows for the sharing of crossing data on all third-country nationals. However, there are plans to expand this partnership to also cover Canadian and U.S. citizens. Since its start on June 30, 2013, CBP has collected over 1 million records from Canada – about 10,000 to 15,000 per day.

ago also require significant modernization to address growing demands for additional processing capacity, new security requirements and enforcement technologies, and the need to maximize the efficiency of existing personnel and resources. To construct and sustain CBP's LPOE inspection facilities, CBP works in close partnership with the General Services Administration's (GSA) Public Buildings Service, which manages many of the LPOE facilities.

As the facility operator at all LPOEs, including those owned or leased by GSA, CBP works in close coordination with GSA to identify long-term future investments for funding through the GSA Federal Buildings Fund. Through this collaborative project team approach, both agencies work to ensure that the available federal funding is directed to the areas of greatest need within the GSA portfolio in accordance with the capital investment plan.

CBP employs a multi-step process to plan for all LPOE modernization investments, whether planned for a CBP-owned or a GSA facility. This process includes gathering data using the Strategic Resource Assessment (SRA) process, evaluating identified needs at each POE location, conducting a sensitivity analysis on the initial ranking of needs, and assessing project feasibility and risk. The culmination of this process is a final prioritization of proposed modernization projects and the development of a capital investment plan in coordination with GSA. This capital investment plan divides the project list into feasible annual work plans that reflect the analytical conclusions and incorporate project phasing and funding requirements. CBP and GSA update the capital investment plan annually, taking into account any changes in DHS's mission and strategy, changing conditions at the LPOEs, and any other factors discovered in the course of projects already under way.

Infrastructure enhancements are critical to the improvement of trade and travel facilitation; these changes are necessary to support current traffic volumes and modern technology. Although stimulus funding appropriated under the *American Recovery and Reinvestment Act* (ARRA), Pub. L. No. 111-5, enabled CBP and GSA to fund many large-scale LPOE capital construction and facility improvement projects, significant additional investment is necessary to modernize the entire LPOE portfolio. Thanks to the support of Congress, CBP received authority to accept reimbursement for activities and donations

Partnerships with the Private Sector and Government Entities

While modernizing POE infrastructure and facilities, improving business processes, and increasing the number of CBPOs have been successful, the updated Workload Staffing Model results continue to show a need for additional capability to fully meet the standards set by statute, regulation, and CBP policies, assuming maintenance of current processes, procedures, technology, and facilities. Furthermore, CBP is frequently asked by our stakeholders to provide new or additional services and infrastructure at POEs across the country. We recognize the potential economic impact for new or expanded service and infrastructure, and we very much want to support these endeavors. However, due to budget restraints and limited resources, we are not always able to accommodate these requests.

A key aspect of CBP's three-pronged Resource Optimization Strategy is the exploration of partnering with the private sector through such activities as reimbursement and potential acceptance of donations. As part of CBP's Strategy, CBP received authority to enter into agreements under Section 560 of Division D of the *Consolidated and Further Continuing Appropriations Act*, *2013*, Pub. L. No. 113-6 (Section 560); Section 559 of Division F of the

Consolidated Appropriations Act, 2014, Pub. L. No. 113-76 (Section 559); and Section 550 of the *Consolidated Appropriations Act of 2016*, Pub. L. No. 114-53.

Under Section 560, CBP received authority allowing the Commissioner of CBP to enter into no more than five agreements, under certain conditions, to provide new or enhanced services on a reimbursable basis in any of CBP's non-foreign operational environments. CBP implemented this authority, entering into agreement with the participating locations[4] before the late December 2013 statutory deadline. In the first six months of the program, CBP was able to provide an additional 7,000 CBP officer assignments and opened primary lanes and booths for an additional 18,000 hours at the request of our partners, increasing border processing throughput at U.S. air and land POEs under this program. In January 2014, CBP received additional authority under Section 559, which authorizes CBP to enter into partnerships with private sector and government entities at ports of entry to reimburse the costs of certain CBP services and to accept donations of real and personal property (including monetary donations) and non-personal services.

Both provisions respond to CBP's efforts to find innovative approaches to meet the growing demand for new and expanded facilities and, in particular, the ongoing modernization needs of CBP's LPOE portfolio.

Reimbursable Services Agreements

Section 559(e) expands CBP's authority, under a five-year pilot program, to enter into reimbursable agreements similar to the FY 2013 "Section 560" authority. This new authority allows CBP to support requests for expanded services, including customs, agricultural processing, border security services, and immigration inspection-related services at POEs; salaries for additional staff; and CBP's payment of overtime expenses at airports. There is no limit on the number of agreements CBP can enter into at CBP-serviced seaports or land border POEs. However, at airports, Section 550 of the Consolidated Appropriations Act, 2016 expanded the statutory limit to 10 agreements per year, which will allow CBP to increase the impact of this program to additional stakeholders and the traveling public. Additionally, the law stipulates that agreements may not unduly and permanently impact existing services funded by other sources.

CBP evaluates each Reimbursable Services Agreement (RSA) proposal based on a single set of objective and carefully vetted criteria to ensure that final recommendations will be most beneficial to CBP, to the requesting parties, and to the surrounding communities. The main factors of consideration include the impact on CBP operations; funding reliability; community and industry concerns; health and safety issues; local/regional economic benefits; and feasibility of program use.

RSAs enable stakeholders to identify enhanced services needed to facilitate growing volumes of trade and travel at specific POEs, and enables CBP to receive reimbursement so that we can fulfill those requirements. The authority provides stakeholders and CBP the flexibility to meet situational or future demand for extended or enhanced services to secure and facilitate the flow of trade or travel at participating ports. At LPOEs this authority enables CBP to open and staff additional lanes or provide services for extended hours to reduce wait times and expedite

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[4] The Section 560 participating partners are the Dallas/Fort Worth International Airport Board, the City of El Paso, Miami-Dade County, the City of Houston / Houston Airport System, and the South Texas Assets Consortium.

commercial and personal traffic. At airports, RSAs enable CBP to staff additional booths on an overtime basis during peak hours. At seaports, RSAs enable CBP to provide additional processing of cruise passengers and commercial cargo, furthering the facilitation of travel and trade.

In the first 26 months of the program, CBP has entered into agreements with 28 stakeholders, providing more than 145,000 additional processing hours at the request of our partners— accounting for the processing of more than 3.5 million travelers and nearly 525,000 personal and commercial vehicles. Among the participating airports, the added hours and supplementary lane openings, in conjunction with other passenger processing initiatives, have helped decrease wait times by an average of almost 30 percent while traveler volume has increased about 7 percent. The program continues to expand as new agreements are signed every year, as authorized by this 5-year pilot program.[5]

Donation Acceptance Authority

Section 559(f), the Donation Acceptance Authority, authorizes CBP and GSA to accept donations of real or personal property (including monetary donations) or non-personal services from private sector or Government entities. Any donation accepted may be used for necessary activities related to the construction, alteration, operation, or maintenance of a new or existing POE, including but not limited to: land acquisition, design, and the deployment of equipment and technologies. These donations are expected to reduce border wait times, support increased traffic flow and volume, create jobs, and address critical operational and regional border master plan infrastructure and technology priorities across the United States.

The Donation Acceptance Authority requires that CBP and GSA establish and publish its procedures and criteria for evaluating donation proposals submitted under Section 559. CBP and GSA coordinated closely to satisfy this statutory requirement by jointly developing the Section 559 Donation Acceptance Authority Proposal Evaluation Procedures & Criteria Framework, which CBP published on October 1, 2014.[6] This document outlines the robust operational and technical evaluation criteria that CBP and GSA use to determine proposal viability. These criteria include, but are not limited to, the impact to CBP operations, increased trade and travel efficiency, economic and community benefits, financial feasibility, and real estate and environmental implications. This document also describes the procedures that CBP and GSA use to systematically plan, develop, and formally accept proposed donations in close coordination with its public and private sector partners.

Last year, CBP announced that proposals submitted by the City of Donna, Texas; the City of El Paso, Texas; and the City of Pharr, Texas had been selected for further planning and development. CBP and GSA have since forged strong, mutually beneficial partnerships with each of the aforementioned municipalities and are actively collaborating with them to accomplish our shared border infrastructure and technology goals. This spring, CBP and GSA expect to announce the FY 2016 donation proposal selections and look forward to working with our new partners to plan and develop their conceptual proposals into executable projects.

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[5] A full list of current participants is available at http://www.cbp.gov/border-security/ports-entry/resource-opt-strategy/public-private-partnerships/reimbursable-services-program.
[6]http://www.cbp.gov/sites/default/files/documents/DAA%20Proposal%20Evaluation%20Procedures%20%26%20Criteria%20Framework_Public%20FINAL.pdf.

In sum, CBP is implementing business improvements, thoroughly and systematically analyzing port of entry infrastructure needs and exploring alternative sources of funding to bridge current and anticipated mission resource gaps. Both the Reimbursable Services Authority and the Donation Acceptance Authority enable CBP to build effective partnerships with stakeholders to address the port requirements necessary to support growing volumes of travel and trade.

Conclusion

Legitimate travel and trade play a critical role in the nation's economic growth, and CBP recognizes its role in sustaining such growth. The combination of highly trained personnel, technology, and modernized facilities form the essential foundation for CBP's operational strategy, which every POE, large or small, must be able to support. CBP continues to evaluate and optimize its primary hiring and business processes and will further develop transformation initiatives to accomplish our mission more effectively and efficiently.

Chairwoman McSally, Ranking Member Vela, and Members of the Subcommittee, thank you for the opportunity to testify today. We are happy to answer any questions you may have.