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BEFORE

House Committee on Transportation and Infrastructure
Subcommittee on Economic Development, Public Buildings, and Emergency Management

ON

“Border Station Construction: Minimizing Costs and Leveraging Private Dollars”

May 18, 2016
Washington, DC

Introduction

Chairman Barletta, Ranking Member Carson, and distinguished Members of the Subcommittee, thank you for the opportunity to discuss U.S. Customs and Border Protection's (CBP) progress in maintaining and enhancing inspection facilities to secure and facilitate 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. Every year, at 328 POEs nationwide and 16 Preclearance locations internationally, CBP 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.

Resource demands, including staffing and infrastructure, at the POEs continue to increase as trade and travel volumes continue to grow. Effective and efficient POE infrastructure is critical to CBP's mission to secure and facilitate lawful trade and travel – a mission that is critical to the growth of the U.S. economy and the creation of more jobs. CBP works closely with our stakeholders, Congress, and our Federal partners to maintain and modernize POE facilities, and to enhance our security and facilitation efforts.

Land Border Ports of Entry Modernization

Of the Nation's 328 official POEs, 110 are land ports of entry (LPOE) 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 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 partner with government and private sector entities to develop innovative approaches to meet the growing demand for new and expanded facilities and, in particular, the ongoing modernization needs of CBP's LPOE portfolio.

Partnerships with the Private Sector and Government Entities

While modernizing POE infrastructure and facilities is strategically assessed and executed on a national level, CBP is frequently asked by our stakeholders to provide new or additional services and infrastructure at specific 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.

In January 2014, CBP received additional authority under Section 559 of Division F of the *Consolidated Appropriations Act, 2014*, Pub. L. No. 113-76, which authorizes CBP to enter into partnerships with private sector and government entities at ports of entry to reimburse CBP for

the costs of certain CBP services and to accept donations of real and personal property (including monetary donations) and non-personal services.

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. Donations accepted under Section 559(f) 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. Effective use of these donations will reduce border wait times, support increased traffic flow and volume, create jobs, and meet 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 their 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 (Section 559 Framework), which CBP published on October 1, 2014.¹ This document outlines the harmonized and agreed upon operational and technical evaluation criteria that CBP and GSA use to evaluate the overall viability of each proposal, which typically entails a mixture of real and personal property improvements and/or staffing enhancements. 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 undertake to systematically plan, develop, and formally accept proposed donations in close coordination with its public and private sector partners, while also preserving GSA's role in managing CBP's real property needs.

In order to implement their statutory authorities, in FY 2015, CBP and GSA stood up the Donation Acceptance Program (DAP), which is dedicated to exploring, fostering and facilitating partnerships for POE infrastructure and technology improvements. Last year, CBP and GSA entered into partnerships with the City of Donna, Texas, the City of El Paso, Texas, and the City of Pharr, Texas and are currently coordinating with each to plan and develop their respective conceptual proposals into executable projects, some of which are expected to be completed this year or early next. CBP and GSA anticipate announcing a new round of viable and mutually beneficial partnerships later this month, bringing the approximate dollar value of planned private and public sector investment in U.S. POEs since program launch to \$43 million.

Furthermore, on April 29, 2016, CBP announced a new process for accepting and evaluating donation proposals that are valued at \$3 million or less on a year-round basis. The Small-Scale Donation Proposal Process is a more streamlined and simplified avenue for stakeholders

¹http://www.cbp.gov/sites/default/files/documents/DAA%20Proposal%20Evaluation%20Procedures%20%26%20Criteria%20Framework_Public%20FINAL.pdf.

interested in investing in and expediting small-scale, high-impact border infrastructure, technology, and other related improvements – improvements that when completed, will lend themselves to a more secure, more efficient, and more reliable border transportation network

Conclusion

Legitimate travel and trade play a critical role in the nation's economy and economic growth. CBP recognizes its vital role in sustaining and growing the economy. In coordination with GSA, CBP will continue to thoroughly and systematically analyze and prioritize POE infrastructure needs and explore alternative sources of funding to bridge current and anticipated resource gaps. Through public-private partnerships, such as the DAP, CBP is building effective partnerships with stakeholders to address the port requirements necessary to support growing volumes of travel and trade that are so critical to the U.S. economy.

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