



Joint written testimony of CBP's U.S. Border Patrol Chief Michael Fisher, Office of Air and Marine Assistant Commissioner Michael Kostelnik, Office of Technology Innovation & Acquisition Assistant Commissioner Mark Borkowski, and Office of Field Operations Acting Assistant Commissioner Kevin McAleenan for a House Committee on Appropriations, Subcommittee on Homeland Security hearing on The President's Fiscal Year 2013 budget request for CBP

Release Date: February 29, 2012

B-318 Rayburn

Introduction

Chairman Aderholt, Representative Price, members of the Subcommittee, it is an honor for us to appear before you today to discuss the work that U.S. Customs and Border Protection (CBP) does in securing America's borders. CBP, with over 60,000 employees, is the largest uniformed, federal law enforcement agency in the country. As America's frontline border security agency and the guardians of our borders, CBP is responsible for protecting the United States and the American people from the entry of dangerous goods and people. CBP's priority mission is to protect the American public while facilitating lawful travel and trade. This includes ensuring that all persons and cargo enter the U.S. legally and safely through official ports of entry (POEs), preventing the illegal entry into the U.S. of persons and contraband at and between POEs, ensuring the safe and efficient flow of commerce into the United States, and enforcing trade and tariff laws and regulations.

CBP carries out these important missions through the diligence of our personnel, as well as the use of intelligence, targeting, technology, infrastructure, and a broad range of other assets and capabilities. We have deployed a multi-layered, risk-based approach to enhance the security of our borders while facilitating lawful travel and trade. This layered approach to security reduces our reliance on any single point or program that could be compromised. It also extends our zone of security outward, ensuring that our physical border is not the first or last line of defense, but one of many.

Before beginning, we would like to acknowledge the support of the Subcommittee and express our sincere gratitude for the consistent commitment that this Subcommittee has shown to the mission and the people of CBP since our inception in 2003. We appreciate your efforts, and we appreciate the assistance you have continuously offered. Today we will outline the ways in which CBP has used the resources provided by Congress to improve lawful trade and travel and the security of our borders. We will also illustrate how the President's Fiscal Year (FY) 2013 Budget supports CBP's efforts to perform our mission more effectively through targeted investments to increase efficiencies while identifying many efficiencies and administrative savings that will enable CBP to maintain frontline operations.

Commitment to Border Security

CBP guards approximately 4,000 miles of border with Canada, 2,000 miles of border with Mexico, and 2,600 miles of shoreline; processes approximately 340 million travelers a year at POEs; and processes more than 29 million trade entries annually. CBP's Border Patrol and Air and Marine agents patrol our Nation's land and maritime borders, and associated airspace, to prevent illegal entry of people and goods into the United States.

CBP has many charges, responsibilities, and challenges – Our foundational priorities for the next year include:

- Completing the job we started in Arizona three years ago – in concert with U.S. Immigration and Customs Enforcement (ICE) – and sustain success in that region while remaining vigilant in other areas across the southwest border.
- Working with the Transportation Security Administration (TSA) and international partners to implement the Department's aviation security efforts for both passengers and cargo.
- Re-engineering CBP's trade functions to reduce border-related transaction costs and create jobs in the U.S. economy.
- Implementing the Twenty-First Century Border Declaration with Mexico and the Beyond the Border Declaration with Canada to enhance North American security and boost economic competitiveness.

Improving and Sustaining Southwest Border Security

We are three years into the Southwest Border Initiative, launched in March 2009, to bring unprecedented focus and intensity to southwest border security, coupled with a smart and effective approach to enforcing immigration laws in the interior of our country. We have more than doubled the size of the Border Patrol since the inception of CBP in March 2003 to more than 21,000 agents today; tripled deployments of Border Liaison Officers to work with their Mexican counterparts; and initiated screening of southbound rail and vehicle traffic to look for illegal weapons and cash that, when smuggled across the border, help to fuel the cartel violence in Mexico. Over the last year we have brought greater unity to our enforcement efforts, expanded collaboration with other agencies, and improved response times. Last February, we announced the Arizona Joint Field Command (JFC)—an organizational realignment that brings together Border Patrol, Air and Marine, and Field Operations under a unified command structure to integrate CBP's border security, commercial enforcement, and trade facilitation missions to more effectively meet the unique challenges faced in the Arizona area of operations.

From FY 2009-2011, DHS has seized 74 percent more currency, 41 percent more drugs, and 159 percent more weapons along the Southwest border as compared to FY 2006-2008— these results demonstrate the effectiveness of our layered approach to security. CBP has also deployed additional technology assets—including mobile surveillance units, thermal imaging systems, and large-and small-scale non-intrusive inspection equipment—along the southwest border, and currently has 128 aircraft and six Unmanned Aircraft Systems (UAS) that provide critical aerial surveillance assistance to personnel on the ground. Over the next two years we will continue the deployment of technology to Arizona to enhance our security efforts and maintain our commitment to ensuring a safe and secure border. The FY 2013 Budget supports the continued deployment of proven, effective surveillance technology along the highest trafficked areas of the southwest border and will allow CBP to deploy a mix of Integrated Fixed Towers in Arizona and further strengthen border security.

With the aid of the FY 2010 Border Security Supplemental we added technology, manpower, and infrastructure to the southwest border. This included the addition of 1,000 new Border Patrol agents; 250 new CBP officers; improvements to tactical communications systems; and two forward operating bases to enhance border security activities. The Supplemental also provided CBP two new UAS and last year we opened a new launch and recovery site in Corpus Christi, Texas that allows the UAS program to fly along the southwest border from the eastern tip of California to the Gulf of Mexico in Texas. The President's FY 2013 Budget continues these efforts: the request annualizes the positions provided in the FY 2010 Supplemental and continues to support the largest deployment of law enforcement officers to the frontline in our agency's history: 21,370 Border Patrol agents and 21,186 CBP officers at our ports of entry who work 24/7 with state, local, and federal law enforcement in targeting illicit networks trafficking in people, drugs, illegal weapons, and money. Additionally, over the next year, CBP will begin to realize the benefits of the FY 2012 Consolidated Appropriations Act with the addition of new CBP officers, as provided by the law, to support POE and National Targeting Center (NTC) operations. These additional officers will enhance CBP's ability to process legitimate travelers and cargo at the new and expanded POEs, leading to increased seizures and lower wait times.

While there is still work to be done, every key measure shows we are making significant progress along the southwest border. Border Patrol apprehensions—a key indicator of illegal immigration—have decreased 53 percent since FY 2008, and are less than one fifth of what they were at their peak in 2000. We have matched these decreases in apprehensions with increases in seizures of cash, drugs, and weapons. In FY 2011, CBP seized more than \$126 million in illegal currency and nearly five million pounds of narcotics nationwide. According to 2010 FBI crime reports, violent crimes in southwest border states have dropped by an average of 40 percent in the last two decades, and some of the safest communities in America are at the border.

As we make progress in places like Arizona, we must remain vigilant in other areas across the southwest border. We are focused on combating the transnational criminal organizations (TCOs) operating within the region through a coordinated and integrated operational strategy. We have established a focused, unified enforcement effort and are integrating intelligence and leveraging communities of interest. We are pursuing enhanced coordination with the Government of Mexico (GOM) and are conducting targeted operations.

The complexity and shared interests of our borders, particularly the southwest border, have spurred many longstanding partnerships, which strengthen manpower, technology, and intelligence. Our FY 2013 budget request supports a mixture of integrated technology applications as we leverage all available resources at our disposal and across the Federal government to intensify our layered enforcement strategy. CBP often collaborates with the Department of Defense (DoD) to tailor existing technology to integrate into our law enforcement mission. CBP also benefits from joint opportunities to evaluate potential future technologies. For example, CBP works with the U.S. Army Night Vision and Electronic Sensors Directorate and Rapid Reaction Technology Office (DoD) to leverage their specialized expertise. CBP will continue to pursue opportunities to cooperatively test, evaluate, and operate DoD technology for CBP's unique mission area, potentially creating efficiencies and improving our southwest border technology enhancements.

Collaboration also extends beyond our physical borders into the drug transit zones of the Eastern Pacific and Caribbean. Combined air and surface operations along the maritime drug lanes from South America to southern Mexico and the coastal approaches to the U.S. by CBP, U.S. Coast Guard and U.S. Navy had been instrumental in preventing bulk drugs from reaching Mexico and the southwest border. Carried on a variety of vessels, including self-propelled semisubmersible (SPSS) and fully submersible vessels, fishing boats, and 'go-fast' boats, the drugs passing through the transit zones pose a continuing threat to both the U.S. and Mexico.

CBP will continue its work strengthening the security of our borders, which includes apprehending people attempting to enter the United States illegally and reducing cross-border crime. In FY 2011, CBP officers arrested nearly 8,200 people wanted for crimes, including murder, rape, assault and robbery, at ports of entry. CBP officers also denied entry to more than 215,000 people attempting to enter the U.S. through an air, land or sea port of entry who were found inadmissible for immigration, customs, health, criminal or national security reasons. On the southwest border, our partnership with Mexico has been critical to our success, and we look forward to expanding this collaboration. Our outbound enforcement program under the Southwest Border Initiative has proven effective and we continue 100 percent screening of southbound rail shipments for illegal weapons and cash. As we refine our strategies we are continually improving coordination with other U.S. law enforcement agencies and the GOM to maximize results. These activities serve to enforce U.S. export laws while depriving criminal organizations in Mexico of the illicit currency and firearms that fuel their illegal activities.

To further our cooperation with Mexico, Secretary Napolitano recently announced that she intends to sign a Declaration of Principles with the Ministry of Finance and Public Credit of Mexico concerning bilateral strategic security initiatives. This agreement strengthens law enforcement collaboration through mutual efforts to thwart contraband trafficking, trade fraud, and intellectual property rights infringement. Under the terms of the agreement, CBP will continue to assist Mexico with their pre-inspection of goods and aid in the development of a Mexican supply chain security program. Additionally, the agreement reaffirms the U.S.-Mexico partnership and commitment to facilitate efficient and secure bilateral trade – which is ultimately dependant on a secure border environment. This important, bi-national commitment demonstrates a unified focus to improve global supply chain security – which is highlighted later in this testimony. CBP recognizes that the border is much more complex than a simple line on a map: it is an entire area, extending into both our country and our neighboring countries. Security along the border must be dynamic, yet coordinated to foster long-term security cooperation and build lasting partnerships.

We have been extremely successful in reaching many of our goals for the southwest border region, and the Congressional attention and funding related to this region has helped CBP achieve measurable successes.

Securing the Northern and Coastal Borders, and Maintaining Regional Relationships

The national airspace, coastal borders, and northern border region are critical to national security and are integral to CBP's current goals, successes, and future vision. CBP works closely with our federal, state, local, tribal, and international partners to secure these regions, participating in collaborative efforts such as the Joint Interagency Task Force (JIATF) South, which coordinates information sharing from investigative agencies within DHS and the Department of Justice (DOJ) and directs law enforcement action to intercept potential smuggling attempts in the maritime approaches to the United States.

Over the past two years, we have made critical security improvements along the northern border – investing in additional law enforcement, technology, and infrastructure. Currently on our northern border, we have over 2,200 Border Patrol

agents – a significant increase since 9/11 – and over 3,700 CBP officers managing the flow of people and goods through ports of entry and crossings. The American Recovery and Reinvestment Act (ARRA) provided funds that helped modernize more than 35 aging land ports of entry along the northern border to meet our security and operational needs. We have also deployed new technology along the northern border, including thermal camera systems, Mobile Surveillance Systems, and Remote Video Surveillance System. In 2011, with the cooperation of the Federal Aviation Administration (FAA), CBP expanded its operational airspace along the northern border, enabling CBP UAS operations from the Lake-of-the-Woods region in Minnesota to the vicinity of Spokane, Washington, a distance of approximately 950 miles.

We have also expanded our strong partnerships with federal, state, local, and tribal agencies, as well as the Canadian government, in protecting our communities, borders and critical infrastructure from terrorism and transnational crime. Last year, in conjunction with the Royal Canadian Mounted Police (RCMP) and the Canada Border Services Agency (CBSA), the Department released a joint border threat assessment. The assessment provides U.S. and Canadian policymakers, resource planners, and law enforcement officials with a strategic overview of significant threats—including drug trafficking, illegal immigration, illicit movement of prohibited or controlled goods, agricultural hazards, and the spread of infectious disease—along our shared border. This assessment has been augmented with the priority initiatives of the Beyond the Border declaration to enhance cross-border security and increase the legitimate flow of people, goods, and services between the U.S. and Canada. The priorities include: implementing pre-inspection pilot programs; instituting common risk assessments; harmonizing trusted shipper programs; creating a single entry point for the import process; and enhancing information sharing between our two governments. Ensuring the security of our northern border requires a different approach than that of our southwest border, but in both environments there are opportunities to streamline our operations and utilize our resources in the most effective and efficient manner possible.

Securing the Flows of People and Cargo in the Air and Sea Environments

Focusing on the entire supply chain (goods) and transit sequence (people) allows CBP to intercept potential threats before they reach our borders. CBP works at foreign and domestic locations to prevent cross-border smuggling of contraband such as controlled substances, weapons of mass destruction, and illegal or diseased plants and animals. CBP personnel also work to prevent and intercept the illegal export of U.S. currency or other monetary instruments, stolen goods, and strategically sensitive technologies. As part of the Container Security Initiative (CSI), CBP officers deployed overseas at over 50 major international seaports prescreen shipping containers to detect and interdict illicit material before arrival on U.S. shores. CBP has expanded its intelligence and targeting efforts to separate shipments and individuals according to the risks they pose to U.S. security.

The FY 2013 budget request includes an additional \$38.7 million for targeting systems and staff to increase our targeting capabilities and improve our technology based operations to better support our officers and agents in the field. This includes support for our successful Immigration Advisory Program (IAP) and National Targeting Center-Passenger operations that will increase targeting capabilities by updating rules in real-time and providing CBP with 24/7 targeting capability to better support officers in the field. Improvements in targeting lead to greater efficiencies in the field and allow CBP to focus on higher risk passengers and cargo. Additionally, the budget requests \$31 million to address resource requirements for critical maintenance and improvements to our Automated Targeting System (ATS) – the technology infrastructure that supports our ability to incorporate intelligence and improved technologies to target suspect inbound/outbound shipments for examinations and passengers for inspection.

The budget request proposes a transfer of the United States Visitor and Immigrant Status Indicator Technology (US-VISIT) Program to CBP and ICE to better align the functions of USVISIT with the missions of these components and to identify potential efficiencies and effectiveness within mission support and —corporatel functions such as logistics, human resources, and information technology. The FY 2013 request transfers \$261.5 million of the USVISIT Program to CBP. CBP will assume responsibility for the core US-VISIT operations including the management of the biometric storage and matching service. ICE will assume responsibility of the US-VISIT overstay analysis services. The US-VISIT systems will complement existing CBP systems by adding the biometric identification and screening capabilities that are used across and beyond DHS. DHS is working with CBP, US-VISIT and ICE to ensure a smooth transition of operations.

To further improve the flow of goods and enhance our layered security systems, the U.S. Government (USG), in collaboration with state, local, tribal, international, and private sector stakeholders, has begun a number of efforts to strengthen the global supply-chain. The Administration's new National Strategy for Global Supply Chain Security represents a government-wide effort to achieve two goals:

- Promote the efficient flow of legitimate commerce while protecting the supply chain from exploitation and reducing disruptions; and

- Foster a global supply chain system that is prepared for and can withstand evolving threats and hazards and can rapidly recover from disruptions.

Recognizing the interconnected nature of the global supply chain system, this new strategy emphasizes that continued collaboration with global stakeholders is critical. DHS and the Department of State will lead a six month engagement period with the international community and industry stakeholders to solicit feedback and specific recommendations on how to implement the strategy in a cost effective and collaborative manner. Early next year, a consolidated report on the status of implementation efforts will be developed. The results of the outreach will be combined with other, ongoing work, including threat and risk assessments, to support Federal department and agency implementation planning.

Expediting the movement of goods and people is critical to economic and business success and, over the last two years, we have made significant progress to strengthen aviation security for passengers and cargo – a top priority for the Department. Through trusted traveler and trusted shipper programs, CBP utilizes mutually-agreed upon information sharing that enables us to know more about a traveler or piece of cargo before it begins its journey. Using these programs CBP can expedite screening for certain shippers and travelers who undergo rigorous background checks—allowing CBP to focus law enforcement resources on the relatively small number of people and shipments that have the potential to cause harm.

Global Entry—currently available at 20 U.S. international airports and with over one million participants—allows pre-approved members a streamlined, automated alternative to regular passport processing lines. President Obama recently announced that we will be expanding the program in 2012 to four additional airports, as part of the Administration's efforts to foster travel and tourism. This highly successful program has helped to dramatically reduce wait times for travelers since its inception, allowing our CBP officers to focus on the most serious security threats at points of entry to our country. Our partners at TSA will be applying this risk-based screening methodology to domestic travel to improve security and expedite travel for those travelers we know the most about, through their PreCheck program.

These trusted programs represent an important evolution in the way we handle airline security and have also been applied to cargo security. In 2012 we will build on the successes we have achieved in air cargo security through our Air Cargo Advanced Screening (ACAS) program. This program allows for enhanced screening of express consignment packages bound for the U.S. Over the next year, the ACAS program will increase the number of participating countries that provide targeting data and we will begin to add new types of air cargo carriers. As part of a broader cargo security initiative, CBP works with TSA to allow participating shippers to screen air cargo, following strict standards to support the 100 percent screening requirements of the 9/11 Act for cargo transported on passenger aircrafts. Additionally, DHS reviews our foreign partners' cargo screening standards to determine whether their programs provide a level of security commensurate with U.S. air cargo security standards. Those who meet these requirements may officially conduct screening for cargo traveling to the U.S.

Security and Trade Facilitation

As Secretary Napolitano recently stated, our homeland security and our economic policies are complimentary – and to the extent possible, security measures should be designed to facilitate the safe and efficient movement of people and goods while securing our critical infrastructure. Our economy depends in part on our ability to secure and facilitate the flow of people and goods to and from our shores. Border security policies must do both: protect against threats while allowing the movement of legitimate trade and travel across our borders, which drives trade and tourism revenue that supports hundreds of thousands of jobs. In FY 2011, CBP officers at 331 POEs inspected 340 million travelers and more than 105.9 million cars, trucks, buses, trains, vessels and aircrafts. CBP also processed nearly \$2.3 trillion in trade in FY 2011, a 14 percent increase over FY 2010, and collected over \$37 billion in total duties, taxes, and fees, as well as over \$355 million in antidumping and countervailing duties. CBP officers in FY 2011 also conducted 24,800 seizures of Intellectual Property Rights (IPR) violations. The ability to secure the flows of goods, conveyances, and people to and through the U.S. is crucial to CBP's success in protecting our Nation. Last year we stepped up coordination with Canada to speed inspection of goods like car parts so that factories on both sides of the border can operate more efficiently. We have continued to work closely with our Mexican counterparts to protect shared critical infrastructure and expand trusted traveler and shipper programs. These efforts are not only speeding legitimate trade, but they are also stopping illegal goods from entering the country – goods that can undermine domestic businesses that play by the rules.

Through partnerships with the trade community, CBP has had a positive impact on commercial trade that will be enhanced with the FY 2013 budget request. The primary focus of CBP's efforts with its USG partner agencies is to advance the adoption of DHS's risk-based approach to reduce barriers to efficient and safe commercial activity and to support U.S. job development. As the Executive Agent at the border for 46 Federal agencies we are currently pursuing two significant initiatives with our U.S. government partners: increased information sharing to leverage existing

inspection and regulatory expertise to facilitate admissibility determinations; and developing trust-based partnerships across the Federal government.

Last year, CBP formally established two industry centers focused on trade processing in the electronics and pharmaceuticals industries. By having these Industry Integration Centers for Excellence and Expertise (CEE) focus on industry-specific issues, CBP is able to provide tailored support to unique trading environments. The Centers are being developed in an effort to increase uniformity of practices across ports of entry, facilitate the timely resolution of trade compliance issues nationwide, improve enforcement efforts, and further strengthen critical agency knowledge on key industry practices. We expect this work will lead to more targeted inspections and increased seizures of high-risk cargo. In FY 2013, with the additional \$3 million enhancement requested, CBP, in consultation with its trade community partners, will establish four additional CEEs designed to address issues within critical trade sectors such as textiles, petroleum, consumer products and mass market retail imports, agriculture, automotive, machinery and manufacturing imports.

In FY 2012, our primary trade enforcement initiative will be enhancements to our IPR enforcement capacity to support economic competitiveness. Thanks to the efforts of this Congress, further assistance in this area was provided under the National Defense Authorization Act of 2012 (NDAA), which grants CBP authority under certain circumstances to share unredacted samples of suspected counterfeit electronic goods with right holders prior to seizure. The new authority in the NDAA will enable CBP to work more closely with private sector partners to identify violators of intellectual property protections.

Our FY 2013 budget request bolsters these efforts with a \$10 million increase for IPR supply and distribution chain management, which will transform IPR risk assessment, increase efficiency, and support U.S. economic competitiveness. This CBP-private sector partnership program aims to improve IPR targeting by enabling CBP to identify and release shipments of authentic goods without inspection.

Another priority trade issue that CBP will focus its resources on in FYs 2012 and 2013 is shipments of merchandise subject to antidumping/countervailing duties (AD/CVD). CBP has created a multi-disciplinary Re-engineering Dumping (RED) Team to review the AD/CVD process and to develop enforcement solutions. This group is reviewing the entire spectrum of the AD/CVD import process from foreign place-of-manufacture to collection of final duties and identifying the threats, challenges, and vulnerabilities in each stage of the process.

To further focus our trade enforcement resources, CBP is initiating an enhanced inspection effort based on an assessment of importer risk announced last month in the President's State of the Union address. The initiative will protect the American consumer from importations of illegitimate and potentially dangerous products without impacting the economic benefits provided by fair and legitimate trade. CBP will use the capabilities of its Automated Targeting System to identify high-risk shipments of pharmaceuticals, electronics, and wearing apparel imported in the maritime, air cargo, express consignment and international mail environments. Physical examinations of these high-risk shipments will be performed to confirm intellectual property rights violations and other admissibility concerns. The initiative will exclude all of CBP's trusted trading partners (such as members of the Importer Self-Assessment (ISA) Program, Customs-Trade Partnership Against Terrorism (C-TPAT), CBP's National Accounts, and participants in CBP's Centers of Expertise and Excellence).

Conclusion

The President's FY 2013 Budget provides CBP with the resources necessary to carry out our dual mission of protecting the United States against threats and securing our Nation's borders while facilitating lawful travel, trade, and immigration. Thank you for the opportunity to appear before you today. We look forward to your questions.

This page was last reviewed/modified on February 29, 2012.