

**Statement of Robert C. Bonner
Commissioner of U.S. Customs and Border Protection
Senate Appropriations Committee
Subcommittee on Homeland Security
March 2, 2005**

I. Introduction and Overview

Chairman Cochran, Ranking Member Byrd, Members of the Subcommittee, it is a privilege and an honor to appear before you today to discuss U.S. Customs and Border Protection's (CBP) FY 2006 budget request.

I want to begin by expressing my gratitude to the Committee for the support it provided for important initiatives implemented by CBP last year. That support enabled CBP to make significant progress in securing our borders and protecting our country against the terrorist threat. As the Commissioner of CBP, I look forward to working with you to build on these successes.

As the frontline border agency, CBP's mission is to prevent terrorists and terrorist weapons from entering the United States. That extraordinarily important priority mission means improving security at our physical borders and ports of entry, but it also means extending our zone of security beyond our physical borders – so that American borders are not our first line of defense.

And we must do this while continuing to perform our traditional missions well. These missions include apprehending individuals attempting to enter the United States illegally, stemming the flow of illegal drugs and other contraband, protecting our agricultural and economic interests from harmful pests and diseases, protecting American businesses from theft of their intellectual property, regulating and facilitating international trade, collecting import duties, and enforcing U.S. trade laws. In FY 2004, CBP processed almost 30 million trade entries, collected \$27 billion in revenue, seized 2.2 million pounds of narcotics, processed 428 million pedestrians and passengers, 121 million privately owned vehicles, and processed and cleared 23.5 million sea, rail and truck containers.

We must perform all of this important security and border-related work without stifling the flow of legitimate trade and travel that is so important to our nation's economy. In other words, we have "twin goals:" Building more secure and more efficient borders.

The FY 2006 budget for CBP totals \$6.7 billion, including \$5.6 billion in appropriated resources and \$1.1 billion from user fees. The total program increase request for FY 2006 is \$261million. This increase is paramount to help CBP fulfill its priority mission of preventing terrorists and terrorist weapons from entering the United States. As Commissioner, I will continue to ensure funds are devoted to support the traditional missions for which CBP is responsible, including resources for the

automation and information technology programs that will improve overall operations of the agency.

Mr. Chairman, although I will touch on each of the priority programs and initiatives in my statement, I want to point out that in many cases, funds spent in one area have a direct and positive impact on other areas. For example, funds spent on automation and information technology provide invaluable assistance to our priority mission of preventing terrorists and terrorist weapons from entering the United States. Also, funds spent on our priority anti-terrorism mission often result in improvements in our effectiveness and efficiency in carrying out our traditional missions, such as interdicting narcotics.

By way of summary of the FY 2006 budget for CBP, I can tell you that the program increases we are requesting include:

- \$125 million to continue the deployment and enhancement of Weapons of Mass Destruction Detection Technology to our nation's ports of entry (POE);
- \$19.8 million for the continued deployment of surveillance and intrusion detection technology along our nation's land borders through the America's Shield Initiative;
- \$36.9 million to hire 210 new Border Patrol Agents thereby increasing border security and enhancing control of the borders between the ports of entry;
- \$20 million to replace 12 of the Border Patrol's 58 Vietnam-era vintage helicopters ensuring that Agents on the ground have adequate and reliable air support;
- \$5.4 million to enhance and improve the efficiency our cargo, conveyance and passenger screening systems ensuring that legitimate trade and travel crosses our borders without delay and that terrorists and their weapons, criminals or contraband are intercepted before entering the U.S.;
- \$2.0 million for expansion of the Immigration Advisory Program to additional overseas locations ensuring that terrorists, criminals or persons traveling with fraudulent documents do not board aircraft bound for the U.S.;
- \$5.4 million to expand the Container Security Initiative to strategically important foreign seaports;
- \$8.2 million for the Customs-Trade Partnership Against Terrorism to increase supply chain security and expedite the clearance of legitimate trade;
- \$1.0 million for the operating expenses associated with the Arizona Border Control Initiative;

- \$3.0 million for the operation of the Automated Biometric Identification System (IDENT)/Integrated Automated Fingerprint System (IAFIS) so that CBP Officers and Border Patrol Agents can positively identify known terrorists and criminals attempting to enter the U.S.;
- \$31.7 million to operate and maintain the long range radar system in partnership with the Department of Defense, ensuring that aircraft are detected and tracked as they attempt to enter U.S. airspace; and
- \$3.2 million to contribute to the development of the DHS-wide Homeland Security Data Network.

In my statement, I will discuss these programs and others that CBP has been working on during the past year, and outline the actions CBP is planning to take in each area. I would like to begin, though, with a brief update for the Subcommittee on the status of CBP after its second year of existence as a consolidated agency within DHS.

II. Customs and Border Protection - The Second Year

Fiscal Year 2004 was the first full year that CBP operated as the single, unified border agency for the United States. From a strategic and operational standpoint, this consolidation has significantly increased our ability to execute our anti-terrorism and traditional missions at our Nation's borders more effectively than ever before, thereby enhancing the security of the United States, its citizens and the economy. I believe firmly that the United States is safer today than it was on September 11, 2001, because of the creation of CBP and the efforts and vigilance of CBP's personnel.

A. Achieve One Face at the Border

With the creation of CBP, one agency has the responsibility for the entirety of our country's borders, for all purposes, customs, immigration, agriculture protection and, importantly, terrorism. This means that for the first time in our nation's history, we are able to design a comprehensive strategy for our borders.

To create "One Face at the Border," CBP had to unify and integrate its operations and workforce. CBP is the largest merger of people and functions taking place within the DHS. Nowhere was unification more critical than at the ports of entry (POEs) where 19,000 legacy Customs, Immigration and Agriculture inspectors joined together to carry out CBP's priority and traditional missions. To unify the Inspector workforce at the POEs, CBP established a new frontline team – the CBP officer and CBP Agriculture Specialist. In March 2004, former Agriculture Inspectors became CBP Agriculture Specialists and in July, all former Customs and Immigration Inspectors were converted to the CBP Officer position with a new series, title and job description. The two occupational groups wear the same uniform and have been unified under a single compensation system for overtime and premium pay, ensuring efficient and equitable

assignment of work and compensation. This consolidation was commemorated in August when the new CBP badges with the DHS seal were issued to our personnel. Today CBP Officers and CBP Agriculture Specialists are our frontline team at all of our nation's ports of entry and overseas pre-clearance locations.

B. Secure and Improve the Flow of Global Trade

For the first time ever, on December 9, 2004, the World Customs Organization (WCO) Policy Committee endorsed a Framework of Standards to secure and facilitate global trade. The WCO represents 164 Customs administrations from around the world and accounts for 99 percent of all global trade. The framework is based in large part on principles designed and implemented by CBP in the aftermath of September 11, including: the 24-Hour Rule; the Advanced Targeting System located at the National Targeting Center; the Container Security Initiative, and the Customs-Trade Partnership Against Terrorism (C-TPAT). The WCO framework encourages cooperation among worldwide Customs administrations to secure international supply chains and facilitate the movement of legitimate trade and travel.

C. Develop and Implement a Comprehensive Border Control Strategy

As a sovereign nation, it has always been important that we control our borders. In light of the terrorist attacks of September 11, and the continuing threat posed to our country by international terrorists, it is now absolutely essential that we do so. and it is likewise essential that we have a coherent and understood strategy for doing so. We are developing a new Border Patrol strategy designed to achieve the goal of operational control of the United States borders. This strategy will build on the previous Border Patrol strategies, but will be enhanced to reflect the current threat environment.

CBP's Office of Border Patrol is a vital part of CBP, responsible for controlling the border between official ports of entry. In the last two years, the Border Patrol has made significant strides in improving our ability to control our border and establish a substantial probability of apprehending terrorists and their weapons as they attempt to illegally enter the United States between the ports of entry. For example, CBP has tripled the number of Border Patrol Agents on the Northern Border since 9/11, centralized the Border Patrol's command structure, and deployed additional technology to improve border enforcement operations, including cameras, electronic sensors, and Unmanned Aerial Vehicles.

As important as these milestones are, we cannot afford to become complacent or let down our guard. To meet the threat of global terrorism, we must implement a layered, defense in-depth strategy to protect our borders. New challenges and opportunities are on the horizon for CBP. Our achievements over the past year and the President's FY 2006 budget will serve as the foundation to meet them.

D. Integrate Air and Marine Operations

The FY 2005 Department of Homeland Security (DHS) Appropriations Act directed the transfer of missions and assets of the Air Marine Operations (AMO) from Immigration and Customs Enforcement (ICE) to CBP. The transfer will be completed in two phases. Phase One, which was completed on October 31, 2004, moved AMO intact from ICE to CBP. This included the transfer of operational responsibility and responsibility for all AMO personnel, missions, commitments, facilities, and assets to CBP.

Phase Two, which commenced in late November, is the integration of all CBP air and marine personnel, missions, and assets. To accomplish this, CBP is using the Transition Management Office (TMO) process that was used successfully during the merger of the legacy CBP entities. CBP has made significant progress in Phase Two. I am confident that upon completion of this process, we will have a more integrated, effective and efficient aviation and marine program.

E. Provide Assistance to the New Government of Iraq

In August, teams of CBP Officers and Border Patrol Agents were deployed to the Jordanian International Police Training Center to train officers of the Iraqi Department of Border Enforcement. The Iraqis have been provided with courses on border security tactics, human rights, defensive tactics, weapons training, and vehicle searches; in addition to basic customs and immigration activities. To date, CBP personnel have assisted in the training of more than 2,100 Iraqi border control officers. The training provided by CBP personnel will continue in the aftermath of the recent elections and focuses on keeping saboteurs, terrorists and armaments from crossing into or out of Iraq. The Iraqi officials CBP trained are now putting these skills to use at their country's borders and ports of entry.

III. Meeting Our Twin Goals: Building More Secure and More Efficient Borders

As the single, unified border agency of the United States, CBP's mission is extraordinarily important to the protection of America and the American people. In the aftermath of the terrorist attacks of September 11th, CBP has developed numerous initiatives to meet our twin goals of improving security and facilitating the flow of legitimate trade and travel. The FY 2006 budget will help us expand upon those initiatives to ensure further protection of both the American people and the American economy. Our strategy in implementing these initiatives involves a number of factors, including: (A) constant improvement of our targeting systems to better screen people and goods entering and departing the U.S.; (B) extending our zone of security outward by partnering with other countries; (C) extending our zone of security outward by partnering with the private sector; (D) deploying advanced inspection technology and equipment at our ports of entry to improve our ability to detect weapons of mass destruction; and (E) deploying advanced detection and monitoring equipment between

our ports of entry to detect illegal crossings of our land borders with Mexico and Canada.

A. Enhancing Our Ability to Identify High-Risk People and Cargo

Information is one of the most important keys to our ability to increase security without stifling legitimate trade and travel. Good information enables us to more accurately identify – or target – what is “high risk,” defined as a potential threat, and what is low risk or absolutely no risk whatsoever. The separation of high risk from no risk is critical because searching and scrutinizing 100 percent of the cargo and people that enter the United States would cripple the flow of legitimate trade and travel to the United States. What is necessary and advisable is searching 100 percent of the high-risk cargo and people that enter our country. To do this, we need to be able to identify what is high risk, and do so as early in the process as possible. CBP has several programs and initiatives that help us accomplish that task.

Automated Targeting System

The Automated Targeting System (ATS), which is used by National Targeting Center (NTC) and field targeting units in the United States and overseas, is essential to our ability to target high-risk cargo and passengers entering the United States. ATS is the system through which we process advance manifest and passenger information to pick up anomalies and “red flags” and determine what passengers and cargo are “high risk,” and therefore scrutinized at the port of entry or, in some cases, overseas.

The funding increases sought for ATS in the FY 2006 budget will allow for the continued improvement of the system as well as provide it with the capacity to process the electronic data related to the ever-increasing number of people and goods entering the United States. For example, the funding will allow us to develop and implement a version of ATS that, for the first time, will be able to identify potentially high-risk travelers in passenger vehicles. It will also be used to upgrade our passenger targeting system by improving the amount of government data that the system can access and analyze as well as provide us with the capacity to train more people on the use of the system. On the cargo side, the funding will permit ATS to increase its capacity and upgrade its capabilities by utilizing cutting edge information analysis technologies developed by CBP and the private sector.

B. Extending our Zone of Security Outward– Partnering with Other Countries

Container Security Initiative (CSI)

To meet our priority mission of preventing terrorists and terrorist weapons from entering the United States, CBP must extend our zone of security outward – so that our borders are not the first line of defense to keep terrorists and terrorist weapons out of the U.S. We have done this by partnering with other countries on our Container

Security Initiative (CSI), one of the most revolutionary and successful homeland security initiatives developed and implemented after September 11, 2001.

Almost 25,000 seagoing containers arrive and are off loaded at U.S. seaports each day. That equates to nine million cargo containers annually. Because of the sheer volume of sea container traffic and the opportunities it presents for terrorists, containerized shipping is uniquely vulnerable to terrorist attack. Under CSI, which is the first program of its kind, we are partnering with foreign governments to identify and inspect high-risk cargo containers at foreign ports, before they are shipped to our seaports and pose a threat to the U.S. and to global trade.

The three core elements of CSI are:

- First, identifying “high-risk” containers, using ATS and the 24-hour rule, before they set sail for the U.S.
- Second, performing security inspections of “high risk” containers at the foreign CSI port before they are shipped to the U.S.
- Third, using technology to perform security inspections of the high-risk containers, including both radiation detection equipment and large-scale imaging machines, to detect potential terrorist weapons.

CSI continues to generate exceptional participation and support. Right now, CSI is operational in 35 foreign seaports, including: Rotterdam, the Netherlands; Le Havre and Marseilles, France; Bremerhaven and Hamburg, Germany; Antwerp and Zebbrugge, Belgium; Singapore; Yokohama, Tokyo, Nagoya and Kobe Japan; Hong Kong; Gothenburg, Sweden; Felixstowe, Liverpool, Southampton, Thamesport, and Tilbury United Kingdom; Genoa, La Spezia, Naples, Gioia Tauro and Livorno Italy; Busan, Korea; Durban, South Africa; and Port Kelang and Tanjung Pelepas, Malaysia; Piraeus, Greece; Algericas, Spain; and Laem Chabang, Thailand; Halifax, Montreal and Vancouver, Canada; and most recently Shanghai, China.

I want to express my gratitude to the Committee members for their support of CSI in FY 2005. With the \$5.4 million increase in funding requested for FY 2006, we will continue expanding CSI capabilities to ports with strategic importance or ports through which containers from high risk areas are transshipped. The FY 2006 budget will allow for future expansion of the program to additional high-risk or strategic foreign ports.

Immigration Advisory Program

The Immigration Advisory Program (IAP) extends our zone of security outward by screening passengers before boarding aircraft destined for the United States. Immigration Advisory Program teams identify high risk and terrorist watchlisted passengers using the Automated Targeting System and are able to intervene by questioning high risk passengers at overseas boarding areas of foreign hub airports. They are able to check documentation of high-risk passengers prior to departure and

make preliminary decisions whether the passenger will be admissible to the United States upon arrival. If potentially fraudulent identification or immigration documents are identified, or the individual's purpose poses a threat, the airline is advised not to board the passenger and the host country law enforcement is contacted. The IAP teams have access to the passenger screening information produced by CBP's NTC through the vetting of passenger manifests against terrorist watch lists and criminal databases. If a "hit" occurs or documents are found to be deficient or fraudulent, the passenger is not allowed to board the aircraft. There are two significant advantages to this approach. First, terrorists, criminals or inadmissible aliens are not allowed to board, thereby preventing their entry into the U.S. and/or the inconvenience and expense of an in flight diversion of the aircraft. Second, the U.S. government avoids penalties and the costs of detaining the individual before being deported and the airline avoids the costs of transporting the individual back to the originating airport.

IAP is currently operating on a pilot basis in Amsterdam's Schipol Airport in the Netherlands and at Chopin Airport in Warsaw, Poland. The FY 2006 budget includes \$2.0 million to expand IAP to two additional overseas locations. I thank the Committee for their support of this program in the FY 2005 DHS Appropriations Act.

C. Extending our Zone of Security – Partnering with the Trade

Customs-Trade Partnership Against Terrorism (C-TPAT)

The Customs-Trade Partnership Against Terrorism (C-TPAT) is a voluntary partnership between CBP and industry to secure international supply chains from end-to-end. C-TPAT importers secure supply chains from the foreign factory loading docks of their vendors to the port of arrival in the U.S. CBP, in return, offers C-TPAT shipments expedited processing and provides C-TPAT participants with other benefits.

As C-TPAT has evolved, we have steadily added to the rigor of the program. In order to join C-TPAT, a company must conduct a self-assessment of its current supply chain security procedures using C-TPAT security criteria and best practices developed in partnership with logistics and security experts from the trade. A participant must also commit to increasing its supply chain security to meet minimal supply chain security criteria. Perhaps most importantly, participants also make a commitment to work with their business partners and customers throughout their supply chains to ensure that those businesses also increase their supply chain security. By leveraging the influence of importers and others on different participants in the supply chain, C-TPAT is able to increase security of U.S. bound goods to the point of origin (i.e., to the point of container stuffing). This reach -- to the foreign loading dock -- which is beyond the regulatory reach of the U.S. government, is critical to the goal of increasing supply chain security.

C-TPAT is currently open to all importers, cross-border air, sea, truck, and rail carriers, brokers, freight forwarders, consolidators, non-vessel operating common carriers, and U.S. Marine and Terminal operators. We are currently enrolling certain foreign manufacturers in the C-TPAT program as well, and we will continue to develop

ways to include this important element of the supply chain in the program. The intent is to increase point of origin to point of arrival security into the supply chain with active C-TPAT links at each point in the logistics process.

Although C-TPAT is a partnership, the risk is too great to simply take participants at their word when it comes to their supply chain security. We have created a cadre of specially trained supply chain security specialists to validate the commitments made by C-TPAT participants – to ensure that they are increasing supply chain security as they have promised CBP. These specialists meet with personnel from C-TPAT participants and their business partners and observe the security of their supply chains, including security at overseas loading docks and manufacturing plants, as well as transportation links outbound to the U.S. Through this process, we work with C-TPAT participants to identify ways that they can further increase their supply chain security and we ensure that companies that are not honoring their commitments lose their C-TPAT benefits. As of January 12, 2005, C-TPAT had reviewed and verified the security profiles for 4,460 companies; there are more than 3,500 company profiles pending acceptance. We have validated or are in the process of validating parts of the supply chain of over 1,200 of the 4,460 certified partners, or approximately 27 percent. Our FY 2006 program increase request of \$8.2 million will enable outreach activities and continue validations and verifications of C-TPAT certified partner profiles.

D. Using Technology to Detect Weapons of Mass Destruction at our Ports of Entry

As trade increases, CBP's reliance on Non-Intrusive Inspection (NII) technology to secure the borders becomes more and more critical. Only by using NII technology to speed the inspections process for weapons of mass destruction (WMD) and contraband can CBP meet its twin goals of increasing security and at the same time facilitating trade.

CBP uses various technologies in different combinations to substantially increase the likelihood that a nuclear or radiological weapon or weapons grade material will be detected. In addition, CBP also uses NII technology to detect and interdict narcotics, currency and other contraband secreted in large containers and commercial shipments. Technologies deployed to our nation's land, sea and air ports of entry include large-scale X-ray and gamma-imaging systems – systems that can image the contents of an entire container in minutes. These systems include the Vehicle and Cargo Inspection System (VACIS), Mobile VACIS, Truck X-ray, Mobile Truck X-ray, Rail VACIS, Mobile Sea Container Examinations Systems and the Pallet Gamma-ray System. In September 1996, our first large-scale NII system, a Truck X-ray, became operational in Otay Mesa, California. Today, we have 145 large-scale NII systems deployed.

In addition, we have developed and are implementing a comprehensive radiation detection strategy at our ports of entry. Pursuant to that Strategy, we are deploying nuclear and radiological detection equipment to include personal radiation detectors (PRDs), radiation portal monitors (RPMs) and radiation isotope identifier devices

(RIIDs). In combination with our layered detection strategy – working overseas to prevent the proliferation of nuclear materials and to detect them before they are shipped to the U.S. – and our use of multiple inspection technologies, these tools currently provide CBP with significant capacity to detect nuclear or radiological weapons and materials. We currently have over 400 RPMs deployed at our borders.

The FY 2006 request includes \$125 million to continue the acquisition, deployment, and enhancement of Weapons of Mass Destruction Detection Technology at our nations ports of entry. These actions will be coordinated with the Domestic Nuclear Detection Office (DNDO), which is being established to develop, acquire and support the deployment of the national nuclear detection architecture, including future acquisition issues. CBP's radiation detection strategy will be integrated into the overall strategy developed by DNDO.

Our investment in WMD Detection technology is paying off as demonstrated by the following recent event. On January 26, 2005, at the Los Angeles seaport a PRD activated in proximity to a vessel from Kwan Yang, South Korea. A search of the vessel revealed that the source of the radiation was located in the ship's engine room. Subsequent screening with a Radiation Isotope Identifier and analysis by CBP Laboratory and Scientific Services Personnel stationed at the NTC revealed that the material was Cobalt 60, a material used in industrial and medical applications. Following coordination with the Science and Technology Directorate's Secondary Reachback Program, scientists were dispatched from the Department of Energy Radiation Assistance Program and it was confirmed that the radiation levels posed no threat to safety and that it was emanating from a gauge in the ship's fire extinguishing system. Although this alarm proved to be benign, the event demonstrates CBP's improving ability to detect sources of radiation in conveyances arriving at our borders and quickly take appropriate action to resolve any potential threats. Indeed, since CBP installed the first RPMs in May 2002, we have resolved over 10,000 radiation hits of vehicles or cargo shipments crossing our borders.

E. Detecting and Responding to Illegal Crossings Between our Ports of Entry

America's Shield Initiative (ASI)

The America's Shield Initiative, formerly known as the Integrated Surveillance Intelligence System (ISIS), is an effort to develop a comprehensive and unified system of electronic surveillance of our entire land borders. ASI is a critical part of CBP's strategy to build smarter borders. This, in turn, is critical to the Border Patrol's ability to increase its apprehension capabilities along our borders, and thereby establish greater control of our borders. The deployment of ASI is critical to prevent terrorists from entering the U.S. and to achieve operational control of our nation's borders.

I thank the Committee for the \$64.2 million provided for ASI in the FY 2005 Appropriations Act. These resources are being used to solicit and award a contract for the nation-wide integration of legacy ISIS capabilities and to deploy additional systems

along our borders. Nation-wide integrated ASI capabilities will provide the Border Patrol with a tactical, command and control, situational awareness and intelligence collection and management system. The \$19.8 million requested for FY 2006 would enable CBP to broaden substantially its ASI coverage of the northern and southern borders by deploying the system where no coverage currently exists. In addition, with the advent of ASI, system capabilities will be improved to enhance the sensor and video surveillance capabilities of currently installed components, integrate new, state of the market surveillance technologies and increase interoperability with other law enforcement agencies.

ASI acts as an important force-multiplier that allows CBP's Border Patrol agents to remotely monitor the border and respond to specific illegal border crossings rather than having to exhaustively patrol an area adjacent to the border. By contrast, Border Patrol operations without ASI support are not only less effective, they are more resource-intensive and less safe for Border Patrol Agents. Expanding the portion of the border covered by electronic surveillance, integration of new components and technologies, and improved Agent support equipment via the ASI program will provide the Border Patrol with the increased ability to meet its and CBP's priority mission threats.

Border Patrol Aircraft Modernization and Replacement

Aviation is one of the most effective force multipliers used in securing our nation's borders. Aircraft perform a multitude of missions in this environment, including border surveillance, operational patrol, personnel deployment to permit rapid response to intrusions, and medical evacuation. In FY 2004, CBP Border Patrol Aircraft flew almost 46,000 hours, apprehending 96,341 persons and assisted in seizing \$103.6 million in illegal narcotics. This equates to 2.1 arrests and \$2,259 in seized contraband for each flight hour. The largest segment of the Border Patrol fleet is its helicopters; including 58 that are Vietnam era vintage. The high level of flight time is taking its toll on these important assets. New parts are no longer manufactured, requiring that salvaged parts be used to repair broken or damaged aircraft. The \$20.0 million requested will allow CBP to begin implementation of the fleet modernization and replacement plan through the acquisition of 12 new helicopters. This initiative will improve Border Patrol Agent safety and ensure that these valuable assets, essential to effective border control, continue to be available to our frontline personnel.

Border Patrol Agent Staffing

An increase of \$36.9 million is included in the FY 2006 budget to enhance Border Patrol staffing by 210 Agents. The additional Agents will be deployed along the southwest border to areas with the highest concentration of illegal entry activity. To date in, FY 2005, there has been a 15 percent increase in apprehensions along the southwest border when compared to the aliens from the same time period in FY 2004. In addition, there has been an increase in the number of Special Interest Aliens (SIA) and High-Risk Other Than Mexican illegal entrant aliens that pose an increased threat

to U.S. national security. CBP has experienced significant operational success in targeted areas. Additional Agents and supporting resources are necessary to sustain and expand the progress made in border control efforts.

Arizona Border Control Initiative –ABCI

This landmark program supporting the mission of CBP to detect and deter terrorist activities and cross-border illegal trafficking of people and drugs was initiated on March 16, 2004, in the Border Patrol's Tucson Sector. Working in partnership with Immigration and Customs Enforcement (ICE), the government of Mexico, state, local, tribal and federal law enforcement organizations, the CBP Border Patrol-led ABCI was designed to produce a safer and more secure southwest border at one of the weakest segments of our border with Mexico.

The goals of ABCI were and are to: 1) achieve operational control of the Arizona border 2) support CBP's priority antiterrorism mission; 3) significantly impair the ability of smuggling organizations to operate; and 4) decrease the rate of violent crime and reduce the need for social services in southern Arizona. In FY 2004, as part of ABCI, CBP repatriated 14,058 Mexican nationals on a voluntary basis to the interior of Mexico by means of commercial flights. This is the first successful interior repatriation effort, and it is a result of cooperation of and coordination with the Government of Mexico. These flights decreased the incidence of border crossing recidivism and reduced the number of heat related exposure deaths in the Arizona desert by 69 percent – from 45 in FY 2003, to 14 in FY 2004 (during the period of July 12th through September 30th). ICE will assume responsibility for the interior repatriation flights in FY 2006. Our FY 2006 budget request of \$1.0 million will assist in offsetting the costs of CBP's continued participation in the ABCI. These resources will be used for Border Patrol Agent support costs and other operational expenses including fuel, vehicle maintenance, and overtime associated with increased border surveillance within the Arizona area of operation.

Long Range Radar

The FY 2006 CBP budget includes a total of \$44.2 million, an increase of \$31.7 million over base resources for our share of the joint agreement with the Department of Defense (DOD) to assume financial responsibility for the operations and maintenance costs of the primary component of the Federal Aviation Administration (FAA) long-range radar system. Beginning in FY 2006, CBP and DOD will share these costs equally.

Continued access to the primary component of the long-range radar system is essential to our ability protect the United States from acts of terrorism and drug smuggling via cross-border aviation. The FAA's primary radar system is used to track aircraft that either do not have transponders or have their transponders turned off in an attempt to avoid radar detection. Most small, non-commercial aircraft do not have transponders and these are the vehicle of choice for smugglers attempting to bring

loads of cocaine, marijuana and heroin to the United States from Mexico and other source countries in Central and South America.

IDENT/IAFIS

The Automated Biometric Identification System/Integrated Automated Fingerprint Identification System otherwise known as IDENT/IAFIS, was established to merge the capabilities of the FBI's criminal master fingerprint file and the former Immigration and Naturalization Service's immigration violator database. These systems have been integrated into one system that captures biometric and biographical information through the use of a "10 Print" fingerprint machine and computer based facial imagery. The goals of the system are to identify repeat immigration offenders and identify criminals and previously deported aliens who should be detained. IDENT/IAFIS provides CBP's front line personnel with access to approximately 48 million criminal history records dating back to the 1920's. All Border Patrol field locations now have access to integrated IDENT/IAFIS and all CBP Ports of Entry will have access to the system by the end of this year. Previous studies indicate that combining IDENT and IAFIS checks increases the probability of identifying criminal aliens by almost ten percent. In addition, significant efficiencies are gained by being able to electronically scan fingerprints to and get a response back from the databases within ten minutes. From October 1, 2003, through August 31, 2004, IDENT/IAFIS technology assisted Border Patrol Agents in the arrest of 138 homicide suspects; 67 kidnapping suspects; 226 sexual assault suspects 431 robbery suspects; 2,342 suspects for assaults of other types and 4,801 suspects involved with illegal drugs.

The Directorate of Border and Transportation Security has assumed ownership of the IDENT/IAFIS system. The FY 2006, \$3.0 million budget initiative will offset CBP's share of IDENT/IAFIS operations and maintenance costs.

IV. Automation / Information Technology

Mr. Chairman, no discussion of a successful strategy to protect the American people and the American economy in the 21st century would be complete without consideration of the central importance of automation and information technology to CBP's mission.

A. Automated Commercial Environment

The Automated Commercial Environment (ACE) is an important project for CBP, for the business community, for our country, and for the future of global trade. If done properly, it will reform the way we do business with the trade community. It will also greatly assist CBP in the advance collection of information for targeting high-risk cargo to better address the terrorist threat. And in doing so, it will help us expedite the vast majority of low-risk trade.

The successful implementation of ACE has been and continues to be one of my top priorities as Commissioner. Increasing support from Congress and the Administration for ACE has been essential to the development of the new system. Funding of \$321 million in FY 2005 has enabled us to continue development and begin to expand the first installment of ACE benefits to the trade community. Indeed, since my testimony last year, I can tell you that the development of ACE and the efforts to put its capabilities to work on America's borders have continued full throttle. We have over 350 importers, brokers, and carriers using the ACE Secure Data Portal and, since June 2004, have been collecting an increasing amount of duties and fees via the ACE Period Monthly Statement. CBP is also operating a pilot test of the ACE truck cargo release software in the port of Blaine, Washington, and plans to expand this new capability to ports across our northern and southern borders. In parallel with this development, CBP is working with the DHS Chief Information Officer and the US-VISIT program to ensure compliance with the DHS Enterprise Architecture and position the ACE architecture so that it can be leveraged to support the broad homeland security mission.

Included within the \$321 million for ACE is \$16 million dedicated to continuing support of the International Trade Data System (ITDS). ITDS is our mechanism for coordinating intergovernmental support for ACE and ensuring that ACE meets the needs of government agencies with a need for trade data and a stake in border security. To that end, the ITDS Board of Directors has adopted a standard set of trade data as a step toward realizing the concept of using the ACE portal as the "single window" into government for the trade community. We are pleased to report that the original group of eight participating agencies in ITDS has now grown to twenty-six. Representatives from these agencies are actively involved in defining the releases of ACE software.

I want to thank Congress again for its past support of ACE. The continued support of ACE with \$321 million in funding for FY 2006 will enable us to keep pace with our schedule for future ACE releases including:

Account Revenue and Secure Trade Data

ACE Release 5, scheduled to be complete in FY 2007 will leverage the inherent capabilities of CBP's core financial system, SAP. Release 5 will integrate the entry summary business process from manifest receipt to entry liquidation. Through this release, ACE will become the system of record for all entry summaries.

Screening and Targeting Capabilities

The Targeting Foundation scheduled for release during Fiscal Years 2005 and 2006 will extend ACE capabilities to entry summary processing through enhanced links to the NTC and its systems. Advanced Targeting capabilities will be expanded providing risk assessment and modeling, data mining, link analysis and pattern recognition capabilities.

B. Homeland Security Data Network - HSDN

The Homeland Security Data Network addresses the Department of Homeland Security's requirement for a system capable of managing and disseminating sensitive and classified information in a secure environment. The HSDN effort will streamline and modernize the classified data transmission capabilities of DHS in order to facilitate communication and collaboration within DHS and with other federal agencies including the Department of Defense. When implemented, the HSDN will facilitate transmission of data between DHS offices and other networks including the Anti-Drug Network (ADNET), Automatic Digital Network (AUTODIN) and the Defense Message System (DMS). HSDN will provide a scalable infrastructure, capable of supporting the growth and evolution of the DHS mission. CBP's share of this DHS-wide initiative is \$3.2 million in FY 2006.

V. Other Traditional Missions

Although CBP's priority mission is preventing terrorists and terrorist weapons from entering the United States, we know that we must – and will – accomplish that priority mission while continuing to perform our traditional missions well. Included among those missions are our responsibilities for interdicting drugs, apprehending individuals who enter the United States illegally, regulating and facilitating international trade, and protecting U.S. agricultural and economic interests from harmful pests and diseases.

A. Drug Interdiction

Our anti-terrorism and counter-narcotics missions are not mutually exclusive, and one does not necessarily come at the expense of the other. The initiatives we have put in place to prevent terrorists and terrorist weapons from entering the United States have enabled us to be more effective in seizing other illegal contraband, including illegal drugs. Indeed, one of the first results we saw after implementing ATS for commercial trucks on the land border was a large narcotics seizure from a targeted shipment. And, it is worth noting that the lessons we have learned in our battle against international drug trafficking will help us in the fight against international terrorism.

It would be a grave mistake for drug traffickers and other criminals to misinterpret our focus on terrorism as a weakening of resolve on other fronts. If anything, we have made life even more miserable for drug smugglers as we have intensified our overall presence along America's borders. Our heightened state of security along America's borders has strengthened, not weakened, our counternarcotics mission. As we have added staffing for both inspectors at the ports of entry and Border Patrol Agents between the ports of entry, acquired more inspection technology, conducted more questioning of travelers, and carried out more inspections of passengers and goods in response to the terrorist threat, we have seized greater amounts of narcotics. In FY 2004, for example, we seized almost 2.2 million pounds of illegal drugs, and made

some of the largest individual seizures ever recorded by officers safeguarding our borders.

The CBP Office of Air and Marine Operations (AMO) protects the Nation's borders and the American people from the smuggling of narcotics and other contraband with an integrated, coordinated and highly trained air and marine interdiction force. To accomplish the mission, AMO's thoroughly trained interdiction assets are deployed throughout the Western Hemisphere. The Air and Marine Operations Center (AMOC) in Riverside California, provides command, control, communications, and intelligence for those assets by assimilating information from a wide array of sensors.

Effective coordination between inspectors at the ports of entry and agents who carry out investigative activities is essential to the success of our counternarcotics mission. For that reason, CBP will continue to cooperate closely with special agents from ICE to carry out this mission.

B. Apprehend Individuals Entering Illegally Between the Ports of Entry

CBP's Office of the Border Patrol is specifically responsible for patrolling thousands of miles of Mexican and Canadian international land borders. Its primary task is securing America's borders between official ports of entry by preventing the illegal entry of people, goods, and contraband across our borders.

The Border Patrol relies on agents, enforcement equipment (such as a fleet of specialized aircraft and vehicles of various types), technology (such as sensors and night vision cameras), tactical infrastructure (such as roads and vehicle barriers), and intelligence to carry out its mission. Applied in the correct combination, these resources can effectively deter, detect, monitor, and respond to illegal border crossings, as we have seen in locations such as the San Diego Sector and during operations such as Desert Safeguard.

In FY 2004, the Border Patrol played a key role in safeguarding the United States from the entry of terrorists, criminals, and illegal immigrants. Among the nearly 1.2 million people apprehended by the Border Patrol in FY 2004 were 643 aliens from special interest countries.

CBP will continue to work with other agencies and the Mexican Government to re-institute and increase the operational tempo of the Arizona Border Control Initiative this year. Under this initiative, CBP will aim to substantially reduce the number of illegal entries that occur in Arizona, and, as a result, will reduce the number of deaths that occur as aliens try to cross the Arizona desert. In turn, CBP will increase its ability to apprehend potential terrorists seeking to enter through the Arizona corridor.

C. Prevent Individuals from Entering Illegally at the Ports of Entry

With respect to preventing individuals from entering the country illegally at the ports of entry, CBP continues to stop hundreds of thousands of people a year who are inadmissible into the U.S. for a variety of reasons, including prior immigration violations, criminal history, or the possession of false or fraudulent documents, and potential terrorists.

We are helped in this effort by our close work with the Department of State to ensure CBP inspectors have the tools they need to verify the identity of visa holders and the authenticity of visas issued by the Department of State. Data on holders of immigrant visas is transferred electronically to ports of entry. When the electronic record is updated to reflect an immigrant's admission at a port of entry, that data is transferred electronically to the Bureau of Citizenship and Immigration Services (CIS) for production of a permanent resident card and creation of the immigrant file.

- In FY 2004, CBP processed more than 262 million aliens attempting to enter the United States through the ports of entry; 643,091 were deemed inadmissible under U.S. law. CBP Officers also intercepted: 78,255 fraudulent immigration documents; recorded 1.8 million lookout intercepts; and, apprehended 399 travelers for terrorism or national security concerns. In addition, 19,740 criminal aliens attempting entry were not admitted and 566 stowaways were intercepted.

D. Regulate and Facilitate International Trade

CBP maintains responsibility for regulating and facilitating legitimate international trade. As I mentioned earlier, many of the initiatives CBP implements serve the twin goals of increasing security and facilitating trade. With the right level of industry partnership and the right combination of resources, we can develop innovative solutions that not only protect legitimate trade from being used by terrorists, but also create a better, faster, more productive system for moving goods and people across our borders and thus contributing to U.S. economic growth. The key to the success of this effort is partnerships, and we devote considerable time and effort to dialogue and interact with both large and small enterprises engaged in trade.

We have two major venues for engaging the trade community on an ongoing basis. The Commercial Operations Advisory Committee, created under the Federal Advisory Committee Act, is the primary group that provides advice on the CBP issues. The Committee meets quarterly and holds lively discussions on the full range of critical issues on our common agenda. The COAC was particularly important in helping us implement the Trade Act, and they most recently have worked on a series of measures to implement the Maritime Trade Security Act and to improve the Customs-Trade Partnership Against Terrorism (C-TPAT).

Another key group of our private sector partners is the Trade Support Network (TSN), whose members work on developing specific requirements for the Automated

Customs Environment to ensure ACE delivers the critical functionality required by both CBP, the trade and other government agencies. The TSN recently created a Supply Chain Security Committee, which will be the focal point for helping us identify information required to achieve the end-to-end view of the supply chain and identify the parties capable of reporting that data.

As I have indicated, we have continued to work with the trade on these security and trade facilitation matters over the past year, and we will continue to do so in the year ahead. In FY 2004, CBP processed 27.6 million entries of goods, a 7.9 percent increase over FY 2003 levels and processed 23.5 million sea, truck and rail containers entering the United States, an increase of 5.5 percent over FY 2003. CBP also collected more than \$27 billion in revenue in FY 2004: second only to the Internal Revenue Service in the federal government sector. CBP officers also completed 2,681 cargo merchandise seizures totaling almost \$233 million and effected 8,586 seizures of counterfeit commodities with a fair market value of \$48.4 million

To increase our effectiveness and provide national direction over trade concerns, CBP has a National Trade Strategy that focuses on priority trade issues such as revenue collection, intellectual property rights, anti-dumping and countervailing duties, textile enforcement, and risks associated with intentional or unintentional contamination of agricultural products. The goals of the National Trade Strategy are to collect the appropriate duties, protect American businesses and our economic interests from theft of intellectual property and from unfair trade practices, and from the contamination of agricultural products by aggressively targeting high-risk shipments. In addition, CBP is responsible for key deliverables in the Administration's Strategy Targeting Organized Piracy (STOP) initiative, a multi-agency effort to improve protection of intellectual property rights, such as using state of the art analytical techniques to target suspect shipments and using post-entry audits.

E. Protect U.S. Agricultural and Economic Interests and the Food Supply

CBP also enforces the laws and regulations pertaining to the safe importation and entry of agricultural food commodities into the U.S. The traditional goals of the Agriculture Inspections (AI) program have been to reduce the risk of introduction of invasive species into the U.S., protect U.S. agricultural resources, maintain the marketability of agricultural products, and facilitate the movement of law-abiding people and commodities across the borders. Accordingly, inspecting potentially high-risk travelers and cargo is critical to keeping the prohibited items out of the U.S., monitoring for significant agricultural health threats, encouraging compliance with regulations, and educating the public and importers about agricultural quarantine regulations. In August, 2004, CBP Agriculture Specialists at the Port of Miami, intercepted and quarantined a shipment of habanero peppers infested with Mediterranean Fruit Fly larvae and the False Coddling Moth. This shipment was manifested as coming from the Netherlands but was suspected of originating elsewhere. The quick actions of the CBP Agriculture Specialists prevented an incident that could have created severe economic losses to Florida's burgeoning agricultural products industry.

With the creation of CBP, the AI program has expanded its focus to include a new priority mission of preventing potential terrorist threats involving agriculture. Indeed, the threat of intentional introductions of pests or pathogens as a means of biological warfare or terrorism is an emerging concern. To address this threat and to enhance its traditional AI missions, CBP has already begun using the Automated Targeting System, and its collective expertise regarding terrorism and agriculture, to strengthen our ability to identify shipments that may pose a potential risk to our agricultural interests.

In addition, CBP working closely with the Food and Drug Administration (FDA) to implement the Bioterrorism Act to guard against threats to the food supply. The implementation of Phase III of the Act requires that prior notice of importation or intent to import all food to be consumed by humans be provided to both CBP and the FDA. Under the BTA, food products shipped by truck require two hours advance notice, by rail and air four hours and by sea eight hours. Enforcement of the provisions of the BTA are designed to protect the food that is on every table of every American household and to detect potential incidents of bio- and agroterrorism involving food. These efforts have built on our priority and traditional missions to make the food supply more secure, and will be supported in part by the targeting funding sought in the FY 2006 budget.

VI. Conclusion

Mr. Chairman, Members of the Subcommittee, I have outlined a broad array of initiatives today that, with your assistance, will help CBP continue to protect America from the terrorist threat while fulfilling our other important traditional missions. Because of your support, we are far safer today than we were on September 11th. But our work is not complete. With the continued support of the President, DHS, and the Congress, CBP will succeed in meeting the challenges posed by the ongoing terrorist threat and the need to facilitate ever-increasing numbers of legitimate shipments and travelers.

Thank you again for this opportunity to testify. I will be happy to answer any of your questions.