

# **Transcript of House Appropriations Subcommittee on Homeland Security Hearing on the Proposed Fiscal 2012 Appropriations for the Customs and Border Protection**

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Hearing Held on March 9, 2011

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ADERHOLT:

The hearing is called to order. This morning we welcome Alan Bersin, Commissioner of U.S. Customs and Border Protection as we consider the President's FY'12 budget request to secure our borders and facilitate lawful travel and trade.

Commissioner, we thank you for being here and we look forward to hearing your testimony this morning.

CBP has experienced dramatic growth in the past eight years. Today it is the largest agency within Department of Homeland Security with a budget of \$11.8 billion dollars and a workforce of nearly 60,000. Given the significance of CBP's mission to our nation's security and prosperity and considering the continuing threats we face, Congress has certainly provided robust resources. Going forward, we expect to see results for those investments.

Commissioner, at a time of financial crisis, the American people are demanding responsible budgets and accountability for every dollar spent. That's why I'm pleased to see your budget pledges to cut cost and put a priority on frontline operations.

As I've said before, these are also priorities of this subcommittee. I am, however, concerned that the President's request for the CBP includes undefined efficiencies and administrative savings that will likely impact operations.

For example, the request cuts 60 million from air and marine personnel in assets which will likely reduce surveillance of the Southwest border. It also reduces overtime flexibility for CBP officers by \$20 million that will likely increase wait times at ports of entry.

I am not convinced that this request stabilizes CBP's budget to sustain the workforce, much less support investments in technology, infrastructure and assets needed to meet the mission.

Commissioner, during this time of fiscal crisis, there are two things we need, truth in budgeting and clear results. First, let's tackle the truth in budgeting.

Those so-call -- those so-called efficiencies in savings I mentioned earlier, in addition to program reductions, account for \$330 million. While some proposals representational (ph) savings, the rest are merely budget fixings. Operations will suffer and true needs will be deferred.

The President's request also proposed a hypothetical increase to Customs' user fees of \$55 million for FY'12. Authorizing legislation would -- would be needed to require passengers -- be - - entering the U.S. from Canada and Mexico to pay the fee. If not enacted, the history tells us these changes are difficult to enact. CBP will likely expect this subcommittee to fill that \$55 million hole.

The second thing we need is results, a clear understanding of how your request supports operational needs. The United States has invested billions in the Southwest border operation in recent years across law enforcement agencies, but in particular in the CBP.

We're scheduled to hear from the Field Operations and Border Patrol next week on detailed operations.

But today, Commissioner, I look forward to having a clear understanding of how you will define operational control of the border and -- and your plans to get there. Equally significant to this subcommittee is, particularly is pleased to have the esteemed Mr. Price. He is invested in CBP strategy to push out the border and I'd like to hear how this request supports CBP's overall overseas operations to secure trade and travel in the United States.

The American public demands straightforward answers to our border security efforts, truth in budgeting and transparency with respect to operational needs are essential in this fiscal climate.

I appreciate you be -- appearing before us today, before this subcommittee and thank you in advance for your candor and help us to understand ZB -- CBP's budget request for FY'12.

At this point I'd like to recognize the sub -- subcommittee's distinguished ranking member, Foreman Chairman of this committee, Mr. Price, for his opening remarks.

PRICE:

Thank you Mr. Chairman. I'll be very brief because I know because of the joint session we are going to be pressed for time, so let me just welcome you, Commissioner and make a couple of brief comments.

Over the past few years, the size and assets of CBP has grown substantially. Since 2006, just five years ago, the number of border patrol agents who patrol the Mexican and Canadian borders and the coastal waters surrounding Florida and Puerto Rico has grown by 70 percent from 12,349 to 21,370 border patrol agents funded in 2012.

Meanwhile, the number of CBP officers has grown by 18 percent to more than 21,186 officers funded in 2012, largely to enhance Southwest border port of entry operations. Your 2012 budget request reflects your heavy reliance on people for all of your activities with over 2/3 of the request funding salaries and benefits alone.

From 2010 to 2012, salaries and benefits grew by \$1.1 billion. This leaves very few dollars to invest in new technologies and tools for your personnel -- plan to connect -- conduct maintenance on your -- on your facilities.

Moreover, during this time of fiscal restraint, you most likely will be asked to do more with less. We need to make sure that in doing so, critical operations are not negatively affected.

Commissioner, your agency carries on one of the core functions of DHS, keeping dangerous goods and people out of the country while facilitating lawful across-border movement. Accomplishing that task is an ever changing -- in an -- in an ever changing threat environment requires an agency that's flexible and forward-leaning, making good use of intelligence and preferably intercepting threats before they reach our borders.

A good example of that approach, I believe, is the Immigration Advisory Program, which places CBP officers in foreign airports to stop potential terrorists from boarding flights to the U.S. I commend you on the progress of that initiative and I'm pleased to note the expansion of this program in your budget request, along with additional funds to improve our targeting capabilities.

Recognizing the staffing needs at our ports of entry, I'm also glad you've proposed 300 new CBP officers and new canine teams. And I want to call attention to your efforts in the critically important area of officer integrity, specifically you've proposed \$26 million to enhance CBP's polygraph program and to conduct timely background investigations.

I do have some concerns about what's missing from this request. There's no new funding for air cargo security, even though CBP informally asked this committee to provide additional resources after the attempted air cargo bombing plot out of Yemen last Fall.

The budget substantially reduces funding to your facilities, delaying maintenance and repairs and alterations. It reduces air and marine programs, which your own budget brief says, "will reduce the ability to safely and effectively transport personnel and equipment in support of border security missions."

And finally, the budget contains changes in maritime container security efforts that seem to be at odds with both what the Secretary and CBP have been proposing for the last few years. I look forward to discussing each of these in detail during the hearing today.

Commissioner, we hold the men and women of CBP in the highest regard. We place great value in the work they and you do day in and day out. Many operate in very dangerous areas, they've put their lives on the line to protect us. I know we're going to discuss this in more detail next week at our hearing on Southwest border violence.

As we begin this hearing to more closely examine your 2012 budget, it's important to note that no program or account will be off limits to scrutiny. Our obligation is take a balanced, realistic approach, to weigh risks carefully and to make prudent investments.

Commissioner, I have no doubt that you share this point of view. I look forward to working with you again this year. Thank you.

ADERHOLT:

Thank you Mr. Price.

Again, Commissioner, we thank you for being here this morning and for taking time to address the subcommittee and we would at this time like to hear your testimony before the subcommittee.

BERSIN:

Good morning and thank you, Mr. Chairman, ranking member Price, Representative Lowey. CBP, all of its nearly 60,000 employees join me in thanking this committee and the Congress generally for the support that you've provided to -- providing the resources and the funding necessary to accomplish the mission sets that the nation has assigned to Customs and Border Protection.

I recognize, Mr. Chairman that time is limited today, so I will shorten an already brief statement so that we can get to the questions and answers. But I do want to re -- reiterate and emphasize the high points.

Customs and Border Protection is charged with keeping dangerous people and dangerous things out of the American homeland and away from American communities and families. We do that in terms of two direct approaches.

First, we are charged with protecting the land borders of the United States. This encompasses the Southwest border, which has garnered most of the attention in the last years because of the activities there and in Mexico, but it also encompasses the Canadian border, more than 5,400 miles that are on the northern border from Maine to Seattle and the state of Washington.

It also encompasses in concert with the United States Coast Guard, responsibilities on the littorals, the maritime approaches are off the coasts of the United States.

The resources that this committee has provided have had an impact and will continue to have an impact on all of those mission sets having to do with the border. We also look at the border not simply as a boundary between the United States and Mexico and the United States and Canada, but we also look at it as securing the flow of goods and people toward the United States.

And it -- when -- the mentions -- to this issue as the ranking member and the Chairman both indicated. We have a responsibility to secure the flows, to be sure the dangerous people and dangerous things are identified as far away from the physical borders as possible and as early in time as possible. That is why we have the international footprint of CBP.

We also have an enormous responsibility with regard to the expediting of lawful trade and traffic. And the approach that CBP takes to this task is by risk management. By assessing risk and being able to distinguish between trusted travelers, trusted shippers and those about whom or about which we have adverse information or about which we lack sufficient information to make a judgment as to how we ought to expedite their passage across our physical borders.

These two mission sets, securing the land border, Southwest border, the Northern border, the littorals and also securing the flow of goods and people through programs such as the Immigration Advisory Program or the Container Security Initiative are the way in which we accomplish our tasks.

The 2012 budget that has been proposed by the administration is under consideration by this committee and the Congress provides us with the resources that we need to do this job. It's not a perfect budget. It never is. But I hope that in discussions with this committee and generally between the administration and the Congress, that we can sharpen the budget, fill the gaps that are perceived to exist and continue the progress that we've made both in protecting the land borders, protecting the aviation borders, protecting the maritime approaches and also securing flows of people and goods so that we can continue to partner with the private sector to process \$2 trillion worth of imports that come into the United States each day -- each year, pardon me.

And we can also expedite the movement of \$1.8 trillion in exports that leave this country each year.

With regard to the challenges, rather than go into them as I thought I originally would, I think the ranking member and the Chairman have each raised the major challenges that we face with regard to maintaining the personnel, or also maintaining the ability to make efficiencies, show efficiencies in a time of constrained budget and yet keep the productivity of our men and women of CBP high and growing and also make their activities more efficient and effective at the same time.

With that, Mr. Chairman, and in the interest of beginning the dialogue so critical to -- to this enterprise, let me again thank you on behalf of the 58,000 men and women of CBP for the support his committee has always shown our effort. Thank you, sir.

ADERHOLT:

Thank you, Commissioner and your -- we will enter your full statement into the record and we thank you for your opening comments. The first issue that I'd like to bring up are just clear goals for the border security.

The United States government has made significant investments in Mexico directly and the United States law enforcement agency, in particular, the Department of Homeland Security, to counter Mexican drug trafficking organizations and to assist the Calderon administration.

While it is clear that these efforts are disrupting cartel activity, it remains to be seen what the end goal actually is and how we intend to get there, especially as the Calderon administration draws to an end in 2012.

Would you -- how would you describe our progress collectively, the United States and Mexican efforts to -- to undermine the drug trafficking organizations and what evidence of the impact on the cartels?

BERSIN:

Mr. Chairman, a -- an issue critical to our border security and also to our national security. The enterprise of cooperation with Mexico is a work in process. But in fact, we have started down a path that is truly historical.

The decision in 2006 of President Calderon to take on the organized crime elements that had so infiltrated both Mexican politics and Mexican society and were having such a -- a detrimental impact on our border and on our country was truly a turning point in Mexican history and in the history of our two countries, particularly at the United States-Mexican border.

That effort has led to the kind of violence that we've seen in Mexico that has resulted in the deaths of more than 35,000 Mexicans since 2006. Recognizing how critical Mexican national security is to our own border security, and I would argue, our national security, the Obama administration continuing the work of Merida has actually taken the level of collaboration and cooperation to a new level and a new status.

This is a work in process, but I believe that we have achieved something that is critical as we look forward. I believe regardless of changes that might take place in the leadership of the United States or Mexico, that we have, with our neighbor to the south, for the first time really since the 19th century treaty that ended the U.S.-Mexican War, reached a level of collaboration and cooperation that will never, ever go back to where it was where we had correct borders, not violent borders, but never terribly cooperative borders between the United States and Mexico.

The key to this has been the understanding between President Obama and President Calderon that in fact the issue of guns going south and cash going south and drugs coming north are not the occasion for finger pointing, which it was for so much of our bilateral history.

Mexicans blaming us for the consumption of drugs in the United States for their problems with violent crime. Mexicans blaming the United States for the passage of weapons into Mexico without accepting the notion that there was a mafia of frightening proportion growing in their country.

That actually is a -- thankfully is a matter of the past. For the first time in our history, instead of pointing fingers at one another, the United States and Mexico recognize drugs coming north, guns and cash going south as being part of a common problem for which we have shared responsibility.

That acceptance, Mr. Chairman, has permitted us, for the first time, to not only design common solutions, but to be well along the path of implementing them. It's a major change for the good.

ADERHOLT:

Just to follow up on that, you mentioned it has changed historically, the finger pointing. As the presidential elections year -- election year approaches, 2011 is a critical year -- President Calderon is of course under increasing pressure internally and had (ph) even seen evidence even more lately that of -- of lashing out at the United States.

And I know that he has called the United States notoriously insufficient and saying, how can Americans cooperate? By reducing drug use, which they haven't done and the flow of weapons hasn't slowed, it's increased.

While the tone was better in the Calderon meetings with the President last week, there's still that concern and let me just follow with that and just your take on that.

BERSIN:

Mr. Chairman, I -- I -- I think that actually, that's an index of the relationship that we now have, that in fact, when you are engaged in the kind of partnership that we now have, there can be candid, even publically candid, remarks about the shortcomings that are perceived in the performance of the other partner.

So for example, yes, the fact is that President Calderon underlines with regard to what drug trafficking -- the critical role played by drug consumption in this country. He also outlines with regard to illegal immigration, the lack of a legitimate labor market between the United States and Mexico and the desire on the part of some Americans for both secure borders and cheap labor.

I look at that as the candor and the frank discussion that will permit us to start to address those issues together. So for example, we point out to the Mexicans, in ways that were unsayable even three or five years ago, that they have a major problem with corruption in their law enforcement, the fact their state and local law enforcement and much of their judiciary, unfortunately, remains plagued by problems and corruption.

Those are the kinds of public statements and acknowledgements that, I think, reflect the deeper partnership and the greater potential for cooperation than has ever existed before, but I take your point. There are candid exchanges between partners that, in fact, our peoples, both in Mexico and the United States, need to hear and increasingly understand.

ADERHOLT:

You've often stated in your comments that, public comments, that the border is as secure as it ever has been, but this assertion doesn't tell us how close we are to actually securing operational control of the border. So that begs the question, given the billions that we have invested into the border, what is your goal for border security and how close are we to achieving it?

BERSIN:

Mr. Chairman, a critical question and well asked and reasonably asked. What -- what does border security mean? So let me begin, perhaps, by describing what it -- what it does not mean and cannot mean. If we understand border security to be the absence of any illegal migration at all across the United State's borders, or the absence of any drug smuggling at all, then in fact we have set a goal that's impracticable and not possible in terms of an absolute sealing of the American border.

That is -- would be an issue of resources and an issue of actually having to correct those problems, as I indicated in your response to your previous answer, has led to an understanding that consumption of drugs in this country is as much a part of the problem as the smuggling of drugs by organized criminals in Mexico across the border.

We need to work on that and under ONDCP and its efforts we are making very serious efforts at curtailing drug use and seeing some progress. The same thing with regard to the labor market, as long as the magnet, the jobs magnet exists, we will see this flow. But, Mr. Chairman, security means that these are not flows that disrupt American family life, community life, either in border communities or in the interior of our country.

And there we need to, basically, take the position that if you try to cross into our country illegally, either the smuggled drugs or to come to work here illegally, you will be detected and you will be arrested, and that is the -- the sense in which we approach our task at customs border protection.

Mr. Chairman, I'm pleased to report to you that compared to certainly five years ago, certainly ten years ago, and I know myself having started with the border, first as the United States Attorney in the Southern District of California 15 years ago, that the border is actually more secure than it's ever been in terms of the ability to detect and apprehend those who come into the country illegally.

But having said that, we have considerable work to do, particularly in the Tucson sector. That sector from Hermosillo, Mexico in Sonora, through Nogales, Sonora to Tucson to Phoenix, half of the illegal immigration in the United States comes through that corridor. Half of the marijuana smuggling into the United States from Mexico takes place through that corridor, and that is why the Secretary Napolitano, beginning in March'09, two years ago, began the greatest buildup of resources in Arizona that we have ever seen.

So as this committee is has facilitated the growth of the border patrol as indicated by the Ranking Member, such that by the end of fiscal year 2012 we will have 21,370 border patrol agents. So I

remember 1993, when I first became involved with the border, and we had 2,800 border patrol agents in the entire country. We now have nearly ten times that many and they're being used to good effect.

And no place better than in -- in the Tucson sector where we have more than 6,000 customs and border protection people, between the ports of entry and at the ports of entry and they are showing results in their work. What do we mean by bringing that border under control and that sector under control? It means reducing the flow of illegal traffic into the United States from Mexico to a point that is -- both assures public safety and is perceived by the people who live on the border, the people who live in Arizona as being safe and secure.

So I can tell you, having lived and worked myself and my family still lives on the border between Baja, California and California. In San Diego, in 1994, when in fact, Proposition 187 was passed and -- by the people of California, a proposition that is reminiscent of Arizona's Bill 1070 this last year in the context of Arizona politics, 565,000 illegal immigrants, illegal aliens crossed over from Mexico and were arrested on the San Diego-Tijuana border.

And at least twice that many, Mr. Chairman, got by the border patrol and made their way up to Los Angeles. Today the situation is completely different in terms of the resources Congress has provided. We have more than 3,000 border patrol agents in the San Diego sector. We have a complete set of infrastructure in terms of fencing and pedestrian fencing and vehicle fencing. We have technology that permits us to detect the very large majority, I estimate 90 percent of the people who are trying to cross illegally into the United States, in that sector.

What the means, Mr. Chairman, is that when we say 58,000 as opposed to 560,000, people were arrested last year in San Diego, I can tell you that my friends and neighbors in San Diego will tell you this border is not out of control. San Diego is one of the safest ten cities in the United States and there's three other border cities that are among the ten safest cities in the United States, El Paso, Texas, Austin, Texas and Phoenix, Arizona.

So this notion of what is -- what will it take to complete the job, I would say respectfully, Mr. Chairman, that until we have the kind of legitimate labor market between the United States and Mexico and until we reduce the level of drug demand in the United States, we are going to continue to have attempted crossings on our border.

The issue is how many and how many do we arrest after detecting them. The situation there is considerably improved and it will be in Arizona as a result of Secretary Napolitano's initiative and frankly the Congress' Southwest Border Supplemental Bill last spring.

ADERHOLT:

Thank you, Commissioner. Let me -- let me turn now to Mr. Price.

PRICE:

Thank you, Mr. Chairman. Commissioner, I'd like to ask you to address air cargo security, first in -- in respect to the capacities that you're developing and secondly some of the budget implications of -- of -- of those efforts. Now prior to the attempted air cargo bombing plot out of Yemen last fall, CBP was receiving international air cargo manifests four hours before cargo arrival in the United States. That is after the plane was airborne.

In response to the October 29, 2010 mailing of improvised explosive devices from Yemen, the National Targeting Center's been working with air carriers so they can analyze cargo manifests before flights take off. In December, CBP began piloting this type of screening with the big four, all cargo carriers. Two of these pilot efforts have been completed. Two others are either ongoing or are starting shortly.

I know you call these pilots, but I don't believe there are any plans to turn them off. Maybe some analysis will -- will follow, but -- but this -- this is going to be we -- we understand a -- a -- a permanent improvement of capacity. So -- so, I want to first, if you could highlight what efforts CBP in conjunction with the carriers has undertaken to strengthen your air cargo security before it arrives in the United States and what you believe the next steps are.

And then secondly, I want to ask you about the budget implications of all this. The 2012 budget, I was -- I was somewhat surprised that it didn't apparently include any additional funding for better targeting of cargo. Last November, CBP told the committee that it needed up to \$80 million for these specific efforts. In December, in our consultations, this figure was revised twice, to \$50 million and then to \$17.3 million for the quote "highest needs."

Now the highest needs include 40 new air cargo targeting positions, funded to upgrade targeting infrastructure and funding to develop new targeting rules. So, since final funding for 2011 has not been resolved, unfortunately has not been resolved, we -- we were unable to provide these -- these resources. However, we did expect to see something in the 2012 budget and apparently it's -- it's not there.

So -- so last December, CBP told the subcommittee it would expand its review of cargo transportation documents known as Bills of Lading to countries surrounding Yemen. That required additional staff, required additional infrastructure improvements to provide adequate bandwidth and hardware to support the workload and additional screening technologies.

So, has something changed or what has changed over the last few months so that you didn't include these needs in the 20112 request, and -- and I guess the obvious question is, are you now planning to fund these activities from base resources?

BERSIN:

Ranking Member Price, thank you for that question that focuses on that dimension of our mission that is securing goods, so that when they arrive at the physical ports of entry we have done everything we need to do to identify as best we can dangerous cargo. And, in fact, the Yemen cargo plot, with regard to packages and freight, led to the same kind of changes that we

saw a year earlier with regard to the processing of passengers as the result of the Abdul Mutallab attempt to blow up Northwest airliner over Detroit.

So let me indicate what we've done and then provide a very direct response to your question about how will this be funded. Two major partnerships characterized our response. And remember what -- as you indicated, what happened in the Yemen -- Yemen cargo plot was that we received intelligence, our government did, from the Saudi intelligence that indicated there were two cargo -- there were two packages that were on their way to the United States that were intended to be detonated in the cargo plane over Chicago.

So the question then was, how do we locate those packages? And I think one of the changes in the global supply chain was we did identify out of this mass of tens of millions of packages and cargoes involved in the international trade. We were, in relatively short order, working together with our partners abroad, able to pluck out those two packages and to neutralize them so they did not do damage to the American homeland.

As we analyzed the situation, we were able then also to identify, very quickly, where the other packages that had come in the preceding days from Yemen were. But what we also noticed was that we needed, as we did in the passenger context, to be doing much more work away from the American homeland and early in time and that's what led to the pilot projects that you indicated, three critical partnerships that characterized the work.

The first is, as I suggested, the partnership with foreign customs and police authorities, which need to be very close and are increasingly close. The second has to do with the partnership within DHS between the Transportation Security Administration, charged with cargo security, and with customs and border protection.

And the linking of the work at CBP and TSA on this has been extraordinary. And I -- I know that government agencies always talk about the extent to which they cooperate, but I can tell you having been in the federal government, this is cooperation, real results, that we see, exemplified and illustrated the way in which our nation has responded to the cargo plot from Yemen. The third partnership, and key to this, is the way in which we've collaborated with the private sector.

From day one, we began working with the express cargo carriers, with the commercial airline -- the commercial airlines and with the large cargo operators, to begin to co-create the solution. So what does the solution look like? And frankly, I would say, parenthetically, that the way in which we have worked with the private sector, contrasts with what, I believe, the Ranking Member and members of the subcommittee are familiar with, which is the contentious manner in which we began to deal with maritime security in the wake of 2001.

That situation is far vastly improved but it has taken a long time for those engaged in maritime trade to look at the requirements that we imposed on them, from top down, in part through Congress imposing requirements on VHS. But we basically mandated a series of changes to require advance information and a whole variety of pre-departure and pre-arrival changes.

We took a different approach frankly, Mr. Price, to this situation air cargo. From day one, Secretary Napolitano convened working groups involving the private sector with TSA and CBP to address the issues. And within a month, we began what you referred to as pilot projects, and they basically had two dimensions to them. We get advance information.

Right now the law provides that when a cargo is coming toward the United States, it must be given to CBP four hours before arrival. It must be entered into our system. Or if the arrival of -- the place of disembarkation is fewer than four hours from our homeland, then it upon wheels up of the -- of the cargo plane or the commercial plane bearing cargo.

What the pilot project basically does, it articulates and starts to implement a new grand bargain between governmental authorities and the private sector. Basically, the grand bargain is, if you give us information early, in advance of the departure, we will use the National Targeting Center and we will analyze the information you give us in terms of manifest data, and we will make a judgment about whether or not we need to screen and look at it and which way we need to look and screen cargo much earlier.

That has led to express cargo and right now the pilot is between the United States government, DHS and the express carriers, FedEx, UPS, and, I believe, will be extended to DHL soon and to TNT in the not too distant future. And basically, what we see from UPS is that we're getting the information sometimes 24 hours earlier, before departure and sometimes even 36 hours and we're able to make this decision and working together as do we screen it?

Do we isolate it? Do we do it abroad or do we do it en route or do we do it when it arrives at the physical boundaries of the United States? That's the nature of the bargain. It's an extraordinary collaboration and will be extended in -- over the next six months to commercial airlines and the large cargo operators. So then, Mr. Price, you say, so why haven't you asked for additional funding to support this? A

And the answer is that we have asked for additional funding as you indicated in your question. We've asked for additional personnel for the National Targeting Center for Cargo. We've -- we've actually asked for a -- a -- a, I believe 33 additional targeters that will work in Herndon and be able to analyze that manifest data.

And sir, I indicate to you, as we have with the Immigration Advisory Program, we will be coming back to the Congress when we have perfected this and when we have gotten to the point where we can say, as a result of the experience we've had, these are the additional measure that we need to take.

And I think you understood we are not bashful about asking resources, but taking the Chairman's caution into account, the environment in which we're operating, the Secretary's determined that we need to perfect these protocols and we're able to do that within our existing resource base together with the additional resources we asked for for the National Targeting Center.

PRICE:

Mr. Chairman, I know my time is expiring. Just -- just one clarification though, I -- I thought these additional personnel that you referred to were -- were aimed at - at the passenger screening operation.

BERSIN:

The National Targeting Center, I -- I will correct the record if I -- I misspeak, but I believe these are going to be -- these are going to be National Targeting Center for Cargo. We have the NTCP, National Targeting Center for Passengers that is in -- in Reston, Virginia and that is the program that works with the Immigration Advisory Program. But I believe that these were destined and we intend to allocate them to the NTCC.

PRICE:

All right, well if you can -- that is not information that we have, but if you can -- if you can get this straight for the record and -- and while you're at it please provide us with whatever accounting you can of -- of where in the budget these items that had earlier -- we'd earlier been briefed on and had anticipated, where in the items these might be, where in the budget these might be embedded. And -- and to the extent that they're not in the budget, how -- how you're making up the difference, so to speak.

That -- that would be very helpful to us as we -- as -- as we try to support this program fully. Understand that's -- we -- we want this to happen. We -- we want to make sure that we understand the full budget implications of the -- of this capacity building though.

BERSIN:

Yes, sir.

PRICE Thank you, sir.

ADERHOLT:

Mr. Dent?

DENT:

Yes, thank you, Mr. Chairman and good morning. Just a couple things following up on Mr. Price's questions, it's my understanding that 100 percent of outbound commercial aircraft carrying cargo is now screened. Is that correct?

BERSIN:

There -- no, I -- I don't believe that 100 percent of the outbound cargo is ...

DENT:

On passenger planes.

BERSIN:

On -- on -- this may be a TSA function. I know that Customs and Border Protection is not screening 100 percent of outbound.

DENT:

On the issue of -- on the issue of inbound -- on the issue of the inbound are you just -- for the Yemen situation. Even if we were to screen 100 percent of all inbound cargo coming on non -- non- passenger aircraft, how confident are you that we are going to detect problematic material in which you know about the ...

BERSIN:

Again, Mr. Dent, with regard to in -- inbound on commercial planes coming to the United States, there is 100 percent screening by TSA certified screeners or by the TSA itself of inbound cargo. And I believe with regard to -- to that -- to that extent we have -- we -- we -- we do have -- we can always improve our screening capacity.

We need to improve our -- our detection capacity in terms of the technology. But that situation is considerably improved from where it was even a few short years ago.

DENT:

It's my understanding on the inbound coming from overseas in, we are still not at 100 percent outbound that we -- we were. You met the mandate.

BERSIN:

I will correct the record again. This is a TSA function ...

DENT:

Yes, I know, understood.

BERSIN:

...I -- I will correct the record if I've misspoken.

DENT:

And -- and one thing too, I wanted to follow-up on the Civil Air Patrol issues. In the past several Congresses I've been advocating the use of the Civil Air Patrol on the border, the Southwestern border. You have a shortage of assets down there.

It seems that the Civil Air Patrol's willing to help. They've been effective in the past helping us with various security missions. What -- what relationship does CBP currently have with the Civil Air Patrol?

BERSIN:

Mr. Dent, I will -- I -- I know from the days in which I was the U.S. attorney that the Civil Air Patrol played a very important role in assisting the Border Patrol in those years to -- to patrol -- because of the increase provided by Congress in the air and marine assets of the Customs and Border Protection, we rely hardly at all now on the Civil Air Patrol.

And I do know of your interest but we do not at this point except in very spotty cases regularly use them in part because the air and marine assets that have been provided by the Congress and are at -- at work, for example, in Arizona are -- are on the order of 10 times what they were years ago. But I -- I -- am ...

DENT:

Are -- are you amenable to -- to establishing some kind of a working relationship with the Civil Air ...

BERSIN:

Absolutely, absolutely. Partnership with -- with Civil Air Patrol is -- with state, local and tribal law enforcement authorities is critical. Yes sir.

DENT:

I'd love to -- I'd love to follow-up with you on that further. I think we could use them and it would be a cost effective way to help us develop some more effective aviation assets. And on SBInet the Secretary announced I think on January the 14th that they ended the SBInet program.

Yet it has endorsed the Integrated Fixed Towers that are at the heart of the SBInet and indicated the Department intended buying 52 more integrated fixed towers for Arizona that's on top of the 15 that I think that are already out there.

So these additional towers are for some of the most problematic areas as you know, but you postponed the purchase of these towers until fiscal year 2012 and delivery isn't expected I think until sometime in early 2013. Why don't -- why aren't we moving aggressively in building on those towers?

BERSIN:

Well, Mr. Dent, you've correctly described the situation. The large scale integration and the virtual fence dimensions of SBInet were ended by the Secretary and I think to the general approval of members of Congress on both sides of the aisle.

But we do -- where the Boeing developed technology, the so-called Block technology or the Aho1 (ph) technology which integrates video and radar works is in the flat terrain and there will be need for it. Where there is -- where there are canyons and mountains that technology is not very useful.

And the Secretary has directed that we fill in the gaps in those areas with mobile surveillance systems, remote video surveillance systems. And our agents confirm that this is the best technique (ph) together with aviation, ISR, the ability to integrate from surveillance from air -- aviation platforms.

The reason, frankly, for the delay -- and I believe we start purchasing in 2012 and continue to purchase in '12 and '13 is that we -- we need to fill in the gaps we have in Arizona, which is our area of greatest priority on the border, but we have the towers in place on the flat areas.

But we need to fill them in with the technology better suited for the canyons and the mountains. But you're right. We want more of those towers to use in other places where the terrain makes them very useful. But -- but priority is one reason there's a delay until 2012.

The second is to simply get the competitive bidding that will be required to give companies other than Boeing an opportunity to compete for this contract and to provide the fixed hours. So we think both as a matter of tactics but also good and efficient business sense that schedule will not do us harm on a security -- from a security perspective and get us a better product in due course.

DENT:

Thanks for that (ph).

ADERHOLT:

Ms. Lowey?

LOWEY:

Thank you, Mr. Chairman and welcome.

And I just want to say to Mr. Bersin, we're very fortunate to have a person of your wisdom, experience, caliber in this position and I thank you very much.

And if you could just clarify in writing for the record, it's my understanding that the 100 percent screening of cargo and passenger airlines won't be completed until the end of 2011. I don't think it can be done soon enough. I think it's urgent and I'd like you to clarify that for us because I'd like to know why. And I'd also -- why it's not completed.

And I'd also like to know if there's some nations that are not being cooperative as you seek to implement better screening procedures abroad and what can we do about it. Perhaps the first one you can submit to us in writing but the second, if you're aware of certain nations that have not been cooperative I'd like to know about it.

BERSIN:

I guess with regard to providing information on both, as you know the legislation provides the extension although the deadline is coming up and I believe that the Secretary if she hasn't already, will be indicating the -- a further extension on the -- on the 100 percent scanning. And with regard to ...

LOWEY:

I just happen to think on that issue it's unacceptable.

BERSIN:

I understand your position ...

LOWEY:

So I'd like to know what you need, how much money, how many people to get it done now.

BERSIN:

I -- I understand. And then with regard to the -- the information on countries that have not been cooperative, no one comes to mind but I -- I would need to consult with Administrator Pistole with regard to the cargo screening from abroad. And -- and I will do that and supplement the record if -- if he so advises.

LOWEY:

Thank you. On another issue, I've recently heard reports about staffing issues at Kennedy Airport including that one quarter of all Customs and Border Patrol officers are handling basic immigration work rather than searching cargo for weapons or drugs.

Perhaps more alarmingly, I've been told that 18 flights a day are arriving from known high-risk, narcotic-producing nations without searches by BPOs due to staffing shortages. So I'd like to know, number one, what steps are you taking to ensure CBP is in fact searching cargo at Kennedy Airport rather than performing administrative tasks?

And secondly, what additional resources do you need from Congress to achieve this mission?

BERSIN:

OK. I was at Kennedy Airport on -- on Friday, on Thursday -- Thursday and Friday of last week and we are constantly looking at the -- at the staffing issues and also the allocation of duties.

So that at Kennedy Airport which has more CBPOs, Customs and Border Protection Officers than any other airport because of the size and the scope of its operations, we have just under 1,800 now, with a -- a staffing model that actually allocates both to the processing of people, which we have to do to prevent dangerous people from coming into the United States, but also increasingly we check, obviously on screening of -- of freight and cargo coming into the United States.

And Kennedy leads the way in terms of outbound checks. We have more outbound checks led by an extraordinarily experienced and good group of officers. But I take your point that we always need to look at, how do we allocate scarce resources and when do we need more resources for any particular function?

I believe that we can improve the situation at Kennedy, but I'm satisfied that the leadership in this new Port Director at Kennedy who I hope you'll have an opportunity to meet, Mr. Brian Humphrey, who was at O'Hare Airport now in charge of Kennedy Airport under Bob Perez's leadership at the district.

And -- and I will make him aware of your concerns and confirm that he's always looking at how best to allocate the resources among the functions that we have.

LOWEY:

I'm not questioning anyone's ability. I'm just saying that I think it's important we get the job done. If you need more assistance you should let us know. In that regard, I've been to the San Diego entryway and I've spent hours there.

And to me it looks like a needle in the haystack so I applaud you. I don't know how you do that work. I also want to say, you -- you talked before about the issues involving our government and the Mexican government. I've met with Calderon. I've been there. I've talked with him.

And I think this has reached proportions that just are extraordinarily dangerous. We know of the 35,000 lives that have been lost there. And I personally think it's not enough to say guns are going there and drugs are going there.

I think we have to push for an assault weapons ban and I think we have to do something about controlling our use of drugs here in the United States of America. What to do about the infiltration of the military, infiltration of the security force for the cartels because the cartels pay more than the government and the corruption is another whole story for another hearing, Mr. Chairman.

But I appreciate your mentioning those issues and I think we just have to do something about it. So thank you again for appearing before us and I think my time is up so I'll save the other question.

ADERHOLT:

OK. I would like to go down to Mr. Carter.

CARTER:

Thank you, Mr. Chairman.

And first, Commissioner, thank you for being here. Thank you for all the people in -- in your department that are doing very important to protect our nation. We in Texas feel it probably

more or as much as any and I would argue more than most in this country as far as what you're doing on our borders. We're very appreciative of it.

My friend just raised the issue of the -- of the -- of a question that seems to come up every time we address the border. We -- we certainly are aware of the violence coming from the South and the -- the question then comes up, where do the weapons come from?

And the -- it seems to be that the finger gets pointed at the United States that we're allowing weapons to be smuggled into Mexico. I -- I don't know whether that's true or not. I -- we assumed it was true. We had this discussion in the last Congress.

We put -- we thought we had put adequate resources on the border to be able to inspect cargoes going south, but we -- at least there are accusations that we are failing in that inspection. First and foremost I want to make sure that that's actually true and then know something about the interdiction that you may have had on weapons going south.

The reason I question it is because AK-47s are not American- manufactured weapons. They are European-manufactured weapons and that's what I see the bad guys carrying. But maybe we were importing them into the United States then shipping them down there. I don't know.

I think that's important that we do interdict weapons flowing south if they're coming from the United States. If we have -- if we have a fault in this violence on the border we need to correct that fault.

My governor in my state has said he's perfectly willing to assist with the resources of Texas law enforcement. Would that be -- would that be of assistance to you if Texas law enforcement were willing to -- and the law enforcement of other states be willing to assist in the interdiction of weapons going south?

Secondly, do you have any evidence of weapons coming in from other sources besides the United States of America?

BERSIN:

With regard to the source of weapons flow into Mexico I think we have to acknowledge that many of the weapons do come from the United States. I think that's been established by the work ICE and ATF as they've traced weapons that are seized in Mexico and traced back to sales in the United States.

I think we should -- we should acknowledge that because it's a fact. But the extent of it though is not certain. You hear charges from certain quarters in Mexico that it's 98 percent and I -- others say 90 percent, others say it's 80 percent. I think we should just acknowledge that it's an issue and we -- we need to deal with it in terms of the new situation.

At the same time there's no question in my mind that weapons are being smuggled into Mexico from their southern border as well as through Central America, particularly some of the heavier weapons that are there.

But again, in keeping with this new relationship between the United States and Mexico, we acknowledge the issue and as you suggest, it's one we need to work on. With regard to outbound operations, Secretary Napolitano beginning in March 2009, instituted for the first time in the history of our border not the southbound checks of which there were intermittent ones, but -- but -- but instead what is new is that there is a regular, systematic check.

Not a 24/7 check but a systematic well-orchestrated effort to intercept guns and cash going south. With regard to the participation of local law enforcement they do participate now all over the border from California to Texas.

Texas DPS is a big partner of ours and -- and Border Patrol agents speak highly of it as -- as do I. With regard to local sheriffs and local police departments in Texas and elsewhere, they are often involved in task forces that are participating in southbound checks and they share in the forfeiture of assets that are seized and liquidated as a result of those seizures.

So the answer is yes, those partnerships are critical and they can always be improved but they are very extensive as we speak.

CARTER:

We are -- we certainly are perfectly willing to be involved in our state and our governor is -- is speaking out publicly that he will be -- he is willing to share any resources you need to protect our country -- our state, because quite honestly we're very concerned about the violence across the border.

I was -- I was with people from Laredo yesterday. We were talking about how much we used to share trip -- a -- great celebration we have in -- on our border, George Washington's birthday celebration. And it used to be flowing back and forth between Nuevo Laredo and Laredo.

Well, that flow now stops and we have snipers protecting our meeting of governors on the International Bridge and that's a dangerous situation that shouldn't occur between friendly neighbors. And -- and it concerns Texans greatly that this is going on.

BERSIN:

It should concern all Americans, Mr. Carter. And I -- I will say that for all the violence taking place in Northern Mexico including Nuevo Laredo, the fact is that we have not seen that spillover violence in -- into the United States even in -- from Juarez to El Paso. And Mr. Carter, it's a major, major mandate of CBP to see that that does not happen.

Working with DOJ and with local law enforcement we need to make clear to the -- to the cartels particularly in the wake of the killing of -- of the law enforcement agent in Mexico that we will not tolerate the -- the -- widespread violence coming over from Mexico into our country and we will not tolerate the killing of American law enforcement officers.

CARTER:

Well -- well my time is up but I assure the State of Texas stands ready, willing and able to assist you in any way you -- you request.

ADERHOLT:

Ms. Roybal-Allard?

ROYBAL-ALLARD:

OK. Thank you, Mr. Chairman.

And welcome, Commissioner. As you are -- are well aware, protecting American business and America's workers from illegal imports is key -- is a key component of CBPs mission. Unfortunately the agency has been unable to prevent Chinese shippers from evading paying dues on many of their shipment in -- into the United States.

In November, Senate investigators posing as business owners easily found 10 Chinese companies willing and able to sneak merchandise into the United States to avoid paying duties which have been imposed to protect more than 120 domestic companies and 12,000 U.S. workers from unfairly traded imports.

Also, steel industry investigators recently discovered a -- a consignment (ph) of tubing bound for the -- Los Angeles marked Used Books, again to avoid detection of the required duties. This failure to address industrial smuggling as you know is costing American jobs and is robbing our - our Treasury of much needed revenue.

What is preventing C -- CB -- CBP from doing a better job of addressing this threat posed by Chinese illegal imports and what -- what is it that you are doing, you know, to address this, and how can we be helpful?

BERSIN:

Ms. Roybal-Allard, I -- I would say that many changes that the Secretary has instituted, and that I'm proud to be implementing, one of the largest has to do with re-emphasizing the importance of our trade function at Customs and Border Protection. That, in addition, to securing the flow of

goods, we need to expedite the lawful movement of goods, and in fact, we see that expediting of lawful traffic as being entirely consistent with, and in fact, critical to raising our -- our -- our security profile.

It is only by expediting the movement of the vast amount of lawful traffic that -- that we can actually concentrate our attention on the very small amount of traffic that present -- prevents risks of harm to our security. And we include in the definition of security, our economic prosperity and our economic competitiveness.

So in fact, we are revamping the relationship between our ports and the trade function at CBP to see to it the trade enforcement of intellectual property rights, of -- of -- of various anti-dumping provisions has a new emphasis in our activities because we don't see that as being antithetical to our security duties.

And I think you will see over the coming weeks and months a focus on such industries as the textiles, as you see a -- a focus on the invasion of -- of -- and the -- and the defrauding on the basis of NAFTA distinctions. I think, you will see increased attention of both from customs and border protection and from immigration and customs enforcement, intellectual property rights enforcement. These are important objectives of the Secretary, and ones that we see as completely consistent with our mission of keeping dangerous people and dangerous things out of the United States.

ROYBAL-ALLARD:

OK, which brings me to my -- my second question -- the National Immigration Forum and the Texas Border Coalition have found that while billions of dollars have been spent between ports of entry such as the vast expanse of desert along the Southwest border, by comparison, DHS has spent little to improve security at the ports of entry.

According to white paper by the Texas Border Coalition, the -- the probability of a person being apprehended for criminal activity between ports of entry is 70 percent and only 30 percent at the ports of entry where the bulk of criminal activity occurs. This is a vulnerability as has been discussed earlier that Mexican drug cartels have exploited. And according to the 2010 National Drug Threat Assessment, more than 90 percent of hard drugs smuggled into the U.S. in 2009 actually, came through our border ports.

In addition, according to the Border Trade Alliance, which is a network of leaders and business and government, insufficient staffing at border crossings is creating bottlenecks that seriously impede the flow of commerce vital to the economy of both countries. Well, I -- I'm pleased that your fiscal year 2012 request -- budget request includes additional funding to meet this need, it falls far short of what is needed to combat drug cartels, and facilitate the flow of the good -- goods and people through our busy border of -- ports of entry.

I -- I understand that earlier you spoke of efforts of -- and of success along a specific corridor in Arizona on the Southwest border, and I applaud your efforts in -- in that area. However, given

the reports that I referenced, can you please tell us what strategies you have to address the threats at the ports of entry? And wouldn't our country be better served if our resources were directed towards these areas that appear to be the main ports -- or the main -- yes -- the main ports of illegal activity?

BERSIN:

Ms. Roybal-Allard, if I...

ADERHOLT:

If you could -- your time is short, but go ahead and answer this question, and then if you'll briefly -- and then we'll -- we'll go on. But go ahead and...

BERSIN:

The issue is -- is not a zero-sum game, and you're exactly right. We need to see the border not as divided irrevocably between -- between the ports and at the ports, we have to see it as a continuous border. And we do view it that way at Customs and Border Protection. So in fact, as you noted, we've asked -- or the budget asked for 300 additional Customs and Border Protection officers that are necessary to staff new ports of entry on the Southwest border.

We've also received 250 borders -- Customs and Border Protection officers in the Southwest supplemental fill, which is in the 2012 budget, actually, made a part of the base budget, but over time, we do need to address that issue. There's no question. In 2006, there were, I'm sorry, fiscal year 2004, there were 17,689 CBP officers, and there were 10,819 Border Patrol officers. In fiscal year 2011, there were 20,700 -- 370 Border Patrol agents and 20,777 CBP officers.

So while we've seen growths in CBP officers, we've seen much greater rates of growth in the Border Patrol. We -- we are conscious of the issue you raise, but we see it as a continuum, and believe that we can continue to grow CBPOs in a way that will address more effectively, the issues you raise.

ADERHOLT:

Mr. Latham?

LATHAM:

Thank you, Mr. Chairman.

Welcome, Commissioner. I -- I've heard from different people inside the department and outside of the department, you know, getting to the issue of contraband coming into this country, and what drugs, and whatever it may be that maybe we're not using the kind of authority we already have, and I'm talking about the border search authority -- that there has been a change. I don't know if you would just tell us what your policy is? If in fact, it's being utilized to -- to the point where it should be?

BERSIN:

Well, Mr. -- Mr. Latham, I can speak as a -- a former prosecutor and -- and assure you that there is no place in the American landscape where American law enforcement has greater powers of search without any reasonable suspicion or any probable cause, but rather as a matter of protecting the American homeland at the physical ports of entry. Those authorities are fully in use. In fact, are even in greater use with regard to matters of questioning.

So for example, in the wake of -- of -- of the -- of the assassination of Agent Jaime -- Zapata in San Luis Potosi, we have -- we have exercised those authorities to the fullest -- to question and hold in secondary anybody with the remotest length to the Zeta group believed to be responsible for the murder of -- of Agent Zapata.

So I want to assure as a prosecutor also as the -- the head of CBP that we understand our authorities. We understand that they need to be used responsibly. But they also need to be used fully, and they are being used to the fullest extent consistent with our tactical objectives.

LATHAM:

And -- and I -- I don't understand why we keep hearing reports that it's not being used as it should be or as widely. Are there -- are any other agencies that you give that authority to?

BERSIN:

When people are cross designated from ICE or in fact, from one of the DOJ agencies or in fact the -- as Mr. Carter suggested, when local law enforcement is part of a taskforce on the outbound, if they are cross designated, they are actually empowered with the same authorities of search or to the fullest extent permitted at the border, which is the widest permitted under American law and jurisprudence.

So, you know, I -- I think what -- what would be helpful is when you were told that the border authority is not being used, it's good to get the case. And I'll be happy to respond to the case because I'm a very firm believer of the exercise of our authority at the border responsibly, but also fully.

LATHAM:

So how does -- how does the contraband come in?

BERSIN:

Those authorities are -- are not exercised on every car that comes in across the -- the -- the United States border. There are -- we have 270,000 vehicles coming into the United States everyday from the Northern border and the Southern border. And what we use are risk management, the experience, and skill and knowledge of our officers, which is not perfect.

But the alternative is not one that the Congress has ever commended to us, which is to open up every trunk and subject every car to an x-ray, which would bring trade and travel into the United States, so critical to our economy, to a halt. But you're right, there is a -- there is a decision that can be made, but I -- I -- I submit to you, sir, that we -- we -- we want to use our powers to the fullest, but we want to use it where we have good reason to believe that they will provide us with a secure result, and not represent an undue burden on the lawful trade and traffic.

LATHAM:

Do we have any idea what percentage of the amount of, say, drugs are being caught at the border?

BERSIN:

Mr. Latham, I've -- I've been involved in border-related activities for 20 years, and I've heard a whole range of estimates. And rather than provide one -- all of which are at best, educated guesses, I'd just as soon share my personal view, which is not an official view offline. It's not a -- I don't -- I can't -- I can't state it without any official informative (ph), and would hesitate to do that...

LATHAM:

Sure, sure.

BERSIN:

...and -- and, you know, -- and thereby mislead people...

LATHAM:

Sure.

BERSIN:

... that there is not more certainty to it because of the position I occupy.

LATHAM:

Ms. Roybal-Allard was talking about trade and a lot of the companies, and you asked, teamed up in the partnership like custom-trade partnership against terrorism and border self-assessment programs, but they still seem to have significant delays. Apparently, there's 47 different agencies involved some way in border inspections. And it's -- is it working?

BERSIN:

Sir, there are now more than 10,000 companies that are part of the customs-trade partnership against terrorism, and these -- as I indicated in the response to Ms. Roybal-Allard's question -- are one of our major objectives consistent with maintaining a high level of security and increasing security levels is to restructure the relationship with the trade and provide a more expedited passage for those members of the trade community who are trusted shippers, who have engaged in the IS -- ISA -- who have engaged in -- in the supply chain security matters.

And I think if you consult with the trade associations, you will see both in the air cargo where we have partnered on the security measure having to do with freight, so too in terms of, what kind of benefits can we provide to the trusted shippers, to the trusted importers, to the trusted customs brokers?

And we are working with the private sector to enhance those benefits, and to work with our partner government agencies. While there're 47 agencies for which we serve as the executive agent, and we take action at the border on their behalf, there are really seven agencies including EPA, FDA notably, Agriculture, the Highway Safety Transportation are the main agencies for which we work. And that's where the ACE program is critical, and I -- I -- I look forward to discussing with the committee...

LATHAM:

Sure.

BERSIN:

... the work we're doing with the automated commercial environment that's critical to the issue you raise.

LATHAM:

Thank you.

BERSIN:

OK.

ADERHOLT:

Let me yield now to Mr. Dent. I understand you've got a quick question for clarification?

DENT:

Yes, Commissioner Bersin, just quickly could you please clarify for the record the respective roles of CBP and TSA with regard to screening and scanned inspecting international air cargo. It's -- it's my understanding the CBP inspects arriving cargo at ports of entry under its Customs authority. But the TSA inspects and screens U.S.-bound cargo overseas and departing the U.S. because of its aviation security responsibility. And it's -- and it's -- and it is the only agency empowered to carry out the -- such a screening overseas. So could you clarify that?

BERSIN:

Yes, that's -- that's -- that's generally correct in terms of where the physical inspections take place. Although, TSA relies on certified screeners in many cases abroad. But we were involved very heavily in this work in partnership with the TSA because the targeting work that takes place is done through the National Targeting Center for cargo in Herndon, Virginia. So for example, when a cargo is placed on a commercial airline or on its first carrier, there is a manifest filing that is processed by CBP officers in Herndon, Virginia.

We are partnering with TSA, so there are TSA officers. We also -- we analyze the passenger manifest as well at the targeting center for passengers. But we co-locate with TSA, so that the targeting is being done by CBP at the NTC. But the actual screening -- you are correct -- it's being done by -- with the TSA personnel or TSA- certified screeners.

DENT:

Thank you.

ADERHOLT:

Let me turn now just briefly. We've got very limited time, and I want to get to -- to a couple more -- just so -- for a second round.

As you know, Commissioner, it's been difficult in getting the customs fee changes enacted in the past. And, of course, it's out of this committee's jurisdiction. But how -- how will CBP make up that \$55 million fee revenue difference if the legislation is not enacted as -- as we had discussed earlier?

BERSIN:

Mr. Chairman, this is -- this is part of a larger issue and challenge that faces CBP. So for example, 37 percent of our CBP officers, 37 percent of the 21,000, 20,186 officers are actually paid by user fees. So when we see a decline, which we've seen during the height of the recession, in 2009, we saw a decline in user fees of 8 percent -- we need to make up the difference, and we do that in the -- in the appropriations.

It -- it is not a satisfactory situation, which is why we've asked for the help of the Congress in -- in both repealing the exemptions from the COBRA fee, to generate the \$55 million in a period of constrained budget resources, but you're correct. If that relief is not there, we need then to turn -- turn to our appropriations.

And we do it in a way consistent with the appropriations. But in a way that does not permit the predictability, or as Ms. Roybal- Allard's question suggested, with the growth trajectory that we've seen where there's an appropriation made in the case of the Border Patrol. And we've seen a steady growth.

ADERHOLT:

Yes, well, as -- as -- as we mentioned earlier, it is about the truth in budget allocating. We need a responsible request from the administration for operations, especially, in light of the fact that, you know, we do have a shortage of officers at major airports. And there's things that need to be, you know, certainly, we need to pay attention to. At this time, let me go ahead and recognize Mr. Price?

PRICE:

Thank you, Mr. Chairman.

And Mr. Commissioner. I -- I want to get into another of the 100 percent mandates you're -- you're dealing with from the 9/11 Act -- this one having to do with the overseas -- with the scanning of U.S.-bound cargo overseas. I will not have time to ask the full question, and you will not have time to fully answer it. So we'll both -- no doubt -- make submissions to the record.

But let me just flag this issue because I think it's important, and I think there is a certain ambiguity in your budget with respect to the -- to -- to your intentions. I've made it abundantly clear that I share the Secretary's skepticism that the 100 percent mandate is -- is achievable, certainly within the 2012 time frame.

She's just said it's not going to work. And I -- I believe it would probably take a prohibitive amount of resources to -- to scan all cargo overseas at any -- at any near point in time. In any event, DHS has chosen a different path. I think you've made that quite clear. You're using a risk-base methodology using advanced information, advanced information and intelligence to target the high risk, highest-risk maritime cargo for -- for scanning overseas.

Now, in -- in light of this, I -- I want to ask you to elaborate on your budget request and on the future, in particular, of the Secure Freight Initiative program, which as you know, is the pilot program involving 100 percent scanning overseas. And the -- and the -- the Container Security Initiative, which involves dozens of ports over -- overseas where the targeting methodology is being implemented and perfected.

The -- the -- the earlier budget request that you made, 2011 and 2012 seem to envision the -- certainly, the scaling down, if not, the phasing out of the Secure Freight Initiative pilots in all places except Pakistan. Yet, your 2012 budget includes funding for two pilots to test the 100 percent screening mandate, and --and one in -- in essence is as I read it, replicating the SFI model used in Pakistan in a different high-threat corridor like on the Arabian Peninsula.

I -- I do not -- do not understand the -- the consistency of that request with -- with the path the department has chosen, and with your earlier funding proposals, and then also, we need to know what the future of CSI is? You know, what -- what's -- is -- is it really feasible to reduce the overseas physical presence of your officers in these ports where this is a very difficult thing to carry out? Is it really feasible to reduce that to the degree that you're suggesting?

And -- and in any event -- what is -- what is the future of the -- of the CSI approach and -- and -- and the kind of pattern you -- you -- you anticipate for continuing and enhancing this kind of work overseas?

ADERHOLT:

Commissioner, let me just say we're --we're -- at that joint session -- if you could just briefly answer Mr. Price and maybe submit the rest of your answer? I do want to let Mr. Carter get one

question in before we go to the joint session, so if you'll briefly answer that, and then we'll go to Mr. Carter?

BERSIN:

Yes, sir. In a word, we should supplement the record and we will because these are very serious issues. And with regard to Secure Freight Initiative, we think that the pilots have demonstrated that we should restrict the application of that model, which is basically, getting x-ray images taken abroad by foreign-service nationals, and transmitted to Virginia for analysis. And we think that that should be restricted to those relatively few countries where American officers would not be safe.

So in fact, we do not have officers in Pakistan, and that's why we've -- we've maintained the SFI in that's -- in that form there. The CSI -- frankly, the changes there, which we need to elaborate -- are fully consistent with the difference in circumstances between 2002 and today. So in fact, in 2002 we had no advanced data. We had no auto -- automated targeting capabilities. We had no NTC. We had no do not load authority. We had a limited overseas presence. We had very few international relationships.

That situation has completely changed eight years later -- nine years later. And the CSI program still very critical needs to evolve and is evolving, and this budget reflects that. But Mr. Chairman, if I may, we'd like to supplement that? And Mr. Price, if possible, I'd like to have an opportunity to go into much greater detail on what the new CSI looks like and how it's consistent with the goals you've espoused and articulate.

PRICE:

Thank you, Commissioner.

ADERHOLT:

Mr. Carter?

CARTER:

Thank you, but we've got a short time schedule here. Operation Stone Garden grants -- those are in -- those are in your budget. They -- they -- how are they being utilized? Hasn't even been any - - any mention of that today, and are there anything that's forbidding them from being utilized?

BERSIN:

No, sir. What we've done is -- is channeled and funneled the Stone Garden grants, which were border related. We funneled them to the area of greatest impact and need, which is the Southwest border. These funds permit the local law enforcement, sheriff's departments in Texas, police departments in California to actually, use their officers' overtime in operations that are related to border security.

The Secretary is -- and I are great proponents of this program and -- and that program will continue, and hopefully, be strengthened over the years to come.

CARTER:

The ways to strengthen, let us know what they are.

BERSIN:

Thank you, sir.

CARTER:

Thank you, Mr. Chairman.

BERSIN:

I will.

ADERHOLT:

Thank you, Commissioner, for being here today and we look forward to working with you on these issues, and meeting is adjourned.

BERSIN:

Thank you -- thank you, Mr. Chairman.