

USING TECHNOLOGY TO FACILITATE TRADE AND ENHANCE SECURITY AT OUR PORTS OF ENTRY

FIELD HEARING BEFORE THE SUBCOMMITTEE ON BORDER AND MARITIME SECURITY OF THE COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES ONE HUNDRED TWELFTH CONGRESS

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USING TECHNOLOGY TO FACILITATE TRADE AND ENHANCE SECURITY AT OUR PORTS OF ENTRY

Tuesday, May 1, 2012

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON BORDER AND MARITIME SECURITY,
Laredo, TX.

The subcommittee met, pursuant to call, at 2 p.m., in Room 101, De la Garza Building, Laredo Community College—West End, Washington Street, Laredo, Texas, Hon. Michael T. McCaul presiding.

Present: Representatives McCaul and Cuellar.

Mr. MCCAUL. The committee will come to order.

This subcommittee is meeting in Laredo, Texas, to examine the use of technology to facilitate trade and enhance security at the port of entry; and I want to thank, just out of the box, the CBP for a wonderful tour of the bridge to see the great work that our men and women are doing there. I want to thank, also, all of the relevant Federal agencies here, and State agencies, and local law enforcement for the tremendous job that you do day in and day out to help make the Southwest Border safer.

This is an official Congressional hearing, it's not a town hall, and as such we must abide by certain rules of the Committee on Homeland Security and the House of Representatives, so no demonstrations. I don't think we're going to have that problem today. I now recognize myself for an opening statement.

The free flow of trade and commerce through our port of entry is vital to our Nation's economy. Yet today, those ports of entry have also become a route for Mexican cartels to funnel the—their drugs into the United States. Our Federal agents have a never-ending job of preventing this onslaught, and, unfortunately, the search for these illegal drugs has slowed down the flow of commerce and threatens to further weaken our already fragile economy.

How much is really at stake? Well, last year alone \$83.4 billion of commerce came through Laredo—through the Laredo border crossing. Today we learned that it's the largest land port of entry in the United States. The city has lived up to its distinction as "The Gateway City" boasting the busiest commercial truck crossing in the United States; and, as we saw today at the bridge, 5,000 18-wheelers crossing every day, every day, every year.

America's free flow of trade is threatened, however, because our ports of entry remain a battleground in our fight to protect the homeland.

The same ports of entry that serve as a pipeline for economic growth are inundated by illegal drug shipments. According to the Department of Justice, more than 90 percent of all illicit narcotics come into the United States through official ports of entry hidden among cargo and travelers.

Last year in Laredo, Customs and Border Protection Officers seized 21.5 kilos of cocaine and more than 33 kilos of methamphetamine; and where there are drugs flowing north you can be sure to find guns and money flowing south.

Make no mistake, the cartels running drugs across the Southwest Border are highly sophisticated criminal organizations with one goal in mind—to make as much money as possible. They will use any means necessary to ensure their poison reaches the interior of our Nation.

The men and women of CBP are the last line of defense in our fight to stop the drugs from entering the United States. These officers have a difficult task: Separate illicit cargo and travelers from the legitimate ones with minimal interruption to the flow of legal trade.

After September 11, traffic across some ports of entry came to a standstill due to more detailed questioning of travelers and inspection of cargo. This resulted in long truck delays and caused plant closures, threatening companies which rely on these shipments. In the immediate aftermath of a terrorist attack, this may have been a reasonable response, but consistent delays at the border costs time and money, driving up business costs. We do not want to experience that again.

Balancing this trade and security requires a smart application of technology, personnel, and infrastructure. We must adequately secure the border in order to facilitate trade.

Over the last few years, the Department of Homeland Security has increased the number of CBP Officers. While these men and women may be needed to address specific gaps, it is clear that we cannot secure the ports of entry only with boots on the ground.

A key to security is the maintenance and expansion of infrastructure. Our Nation's ports of entry need modernization. We cannot increase capacity if there's not enough truck lanes, passenger lanes, and facilities to conduct secondary screening. Especially in these difficult budgetary times, it is important that funds be targeted to maximize both trade and security.

New forms of technology would allow CBP to more efficiently use its manpower; and every year over 1.6 million trucks pass through the Laredo port of entry. We cannot physically inspect or scan every single one of these trucks. We must separate travelers and cargo through trusted shipper and traveler programs that allow CBP to focus manpower and other assets to find illicit goods and weapons.

Technologies, such as the non-intrusive inspection equipment allow CBP to effectively screen the large volume of travel and commerce at the border. Additional tools, such as license plate readers,

give officers the ability to discern patterns about the frequency and timing of crossings.

While technology has increased our ability to screen cargo and passengers more effectively, I am concerned that the Department still lacks a truly strategic approach to research and development of these technologies that will enhance the way we secure our ports of entry in the future. CBP needs a technology innovation plan which would inform industry of its needs, and allow industry to better recognize the needs of the Department in a way to better leverage scarce funding.

What is missing is a strategy to secure the border, both at and between the ports of entry. Technology must be an integral part of this plan. So the purpose of this hearing is to examine ways to better utilize this technology.

I look forward to the witnesses' testimony—and let me just also say what a—what an impressive tour that we got at the border to see the layers of screening that exist, the X-ray capability—tremendous task that you have to do day in and day out; and I walked away from seeing what we saw today knowing that we are more secure on this border.

[The statement of Mr. McCaul follows:]

STATEMENT OF CHAIRMAN MICHAEL T. MCCAUL

MAY 1, 2012

The free flow of trade and commerce through our ports of entry is vital to our Nation's economy. Yet today, those ports of entry have also become a route for Mexican cartels to funnel their drugs into the United States. Our Federal agents have a never-ending job of preventing this onslaught. Unfortunately the search for these illegal drugs has slowed down the flow of commerce, and threatens to further weaken our already fragile economy.

How much is at stake? Last year alone, \$83.4 billion of commerce came through the Laredo border crossing. The city has lived up to its distinction as "the Gateway City", boasting the busiest commercial truck crossing in the United States.

However, America's free flow of trade is threatened, because our ports of entry remain a battleground in our fight to protect the homeland.

The same ports of entry that serve as a pipeline for economic growth are inundated by illegal drug shipments. According to the Department of Justice, more than 90% of all illicit narcotics come into the United States through official ports of entry hidden among cargo and travelers.

Last year in Laredo, Customs and Border Protection (CBP) Officers seized 21.5 kilos of cocaine and more than 33 kilos of methamphetamines.

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After September 11, traffic across some ports of entry came to a standstill due to more detailed questioning of travelers and inspection of cargo. This resulted in long truck delays and caused plant closures, threatening companies which rely on such shipments. In the immediate aftermath of a terrorist attack, this may have been a reasonable response, but consistent delays at the border costs time and money, driving up business costs. We do not want to experience this again.

Balancing trade and security requires the smart application of technology, personnel, and infrastructure. We must adequately secure the border in order to facilitate trade.

Over the last few years the Department of Homeland Security (DHS) has increased the number of CBP Officers. While these men and women may be needed to address specific gaps, it is clear that we cannot secure the ports of entry only with boots on the ground.

A key to security is the maintenance and expansion of infrastructure. Our Nation's ports of entry need modernization. We cannot increase capacity if there are not enough truck lanes, passenger lanes, and facilities to conduct secondary screening. Especially in these difficult budget times it is important that funds be targeted to maximize both trade and security.

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While technology has increased our ability to screen cargo and passengers more effectively, I am concerned that the Department still lacks a truly strategic approach to research and development of technologies that will enhance the way we secure ports of entry in the future. CBP lacks a technology innovation plan, which would inform industry of its technological needs, and allow industry to better recognize the needs of the Department, in a way to better leverage scarce funding.

What is missing is a strategy to secure the border, both at and between the ports of entry—technology must be an integral part of that plan.

The purpose of our hearing today is to examine ways to better utilize technology to secure our ports of entry and ensure the efficient flow of trade across our borders.

I look forward to the witness's testimony to understand the local perspective of the challenges that Laredo faces, and what the Congress can do to help.

Mr. McCaul. So with that, I want to recognize the Ranking Member, my dear friend and colleague from this great State and this great City of Laredo, Mr. Henry Cuellar.

Mr. Cuellar. Thank you very much, Mr. Chairman.

Again, I'm pleased that the Committee of Homeland Security, the Subcommittee on Border, Maritime, is having this meeting here in Laredo to examine ways to facilitate trade and enhance security at our Nation's ports of entry.

I certainly want to thank the Chairwoman, actually, Ms. Miller, Candice Miller, the Subcommittee Chairwoman; and I certainly want to thank also my good friend, Michael McCaul. Mike and I go back, we started off as classmates back in 2005, and I certainly appreciate his good friend—his good friendship and, of course, working together on issues that are important to the State of Texas.

Earlier as Representative McCaul had said that we visited the World Trade Bridge. We saw the lines of trucks waiting to cross into the United States, viewed the existing infrastructure at the bridge, talked to some of the Customs and Border Protection Officers who process travelers and cargo entry into the United States. We certainly want to thank Mr. Garza and all of his men and women that work very hard to make sure that we facilitate the trucks that are coming in.

We had an opportunity to visit one of the bridges today, it's important to note that the U.S. Customs and Border Protection Laredo Field Office is made up of eight ports entry with 32 border crossings. These include passenger and cargo crossings via bridges, airports, railroads, dams, and one seaport and ferry extending from Brownsville to Del Rio.

The Laredo Field Office processes the largest amount of commercial traffic along the entire U.S.-Mexico border—actually, across the United States. I think Detroit was No. 3, I think Laredo just became No. 3, which is now the largest inland port in the whole United States, with more than \$1.6 billion in fees, duties, and tariffs collected—that was collected in fiscal year 2011. On a typical day, the Laredo Field Office processes 189,000-plus passengers and pedestrians, 5,611 entries of goods via truck, rail, and commercial aircraft.

Those of us who call Laredo home understand the importance of this cross-border travel and commerce not just to our community or border region but really to the entire country.

Mexico is the United States' third-largest trading partner, second-largest export market with an average of about \$1 billion in two-way trade between the countries every single day. Our trade with Mexico also sustains 6 million jobs in the United States. So we have 6 million jobs here in the United States that have been created because of the trade that we have with Mexico, making it—making Mexico vital to our own economic prosperity.

At the same time, border residents, in particular, are aware of the challenges that we face with respect to expanding infrastructure with adding new technology, hiring more Customs and Border Protection Officers to stand the bridges and facilitate trade and ensure security; and one of my sayings—I think you've heard me—we do a good job in hiring the men and women in green, but we need to do more to hire the men and women in blue, which are the ones that take care of our bridges and make sure that we have the retail, the tourism, and the commerce that is so important to our State of Texas.

I hope to hear from our first panel of witnesses about what can be done to maximize our limited personnel, technology, and infrastructure resources; particularly, those, as we see the tight budgetary times that we live in right now. I also hope to hear that—from what we hear in their own respective agencies that—that we're doing the most that we can with these limited resources and we're planning for the future. Cooperation among our various Federal, State, and local agencies, and stakeholders will be the key to our success in this particular effort.

Just before the hearing we had a meeting with representatives from law enforcement during our—we had a working lunch there. We heard from Federal judges—or a Federal judge, and different Federal agencies, State and local agencies, where we talked about the different efforts and we talked about the effort to make sure that the City of Laredo—and you've heard me say this—if you compare the crime rate here in Laredo compared to where I work in Washington, DC, the crime rate in Washington, DC is higher than the crime rate here in Laredo. If you look at the average crime rate on the border compared to the National crime rate and the crime rate here at the border is lower than the National crime rate, and whether you look at murders or you look at assaults or whatever the case be, but, nevertheless, the State, Federal, and local folks here are working very hard to make sure that we keep the violence—we know what's happening in Mexico, no ifs, no buts, but we're working hard to make sure that that spillover doesn't come

over. Is it at 100 percent proof of spillover? No. You know, there are instances where we see some of their problems, but I think that it really speaks loudly of the men and women both at the State, Federal, local law enforcement have been doing a good job, making sure that it stays on the other side.

I also hope, from our second panel of witnesses, that we hear viewpoints on the current status of cross-border trade and security, what they believe that can be done to make sure that we move forward on this issue.

Whether you're a duty-free store, whether you sell goods there at Wal-Mart, or whether—whatever the case might be, hotel, whatever it might be—look at our chamber president and our board and our director here—we want to make sure that we find the right balance between trade and security, which is, again, important to our community.

Finally, the last thing I want to say is that the Federal Government can't do it by itself, the State government can't do it by itself, the local government can't do it by itself, but I think by working together—this is one thing that Mike and I have been talking about, is, to have more cooperation, communication between the Federal, State, and local folks to make sure that we also bring in the private sector; because the last thing we want, with all due respect, is a bureaucrat thinks that he or she knows better than the private sector. So we've all got to work together to make sure that we're able to do this, so I want thank Mr. McCraw, I want to thank Mr. Garza, and, of course, the second witnesses that are coming up—also that are coming up, but I certainly want to thank my good friend, Michael, for being here and hosting this meeting here today.

So thank you very much for allowing us to be here with you today.

Mr. MCCAUL. I think Congressman Cuellar, he's been a great friend and partner to work with on these very important issues that we face as a Nation, and so thank you for your friendship as well.

I want to also thank the Laredo Community College for hosting this hearing; and with that, I'm going to introduce our witnesses for today.

First, Mr. Gene Garza was appointed as the director for the Laredo Field Office in January 2011. He oversees the operation of eight ports of entry extending from Brownsville, Texas, to Del Rio, Texas; and previously, he was the port director of the Laredo port of entry: First with the U.S. Customs Service and then with U.S. Customs and Border Protection.

Mr. Garza, thank you for being here today; and we've spent the entire day together. It's been real pleasure to be with you, sir.

Mr. GARZA. Yes, sir. Thank you.

Mr. MCCAUL. Next we have also another friend and colleague, Mr. Steve McCraw, he's the director of the Texas Department of Public Safety.

He began his career as a State trooper, was a special agent in the FBI, was in the SAC in the San Antonio division where I had the great honor and privilege to work with you as a Federal prosecutor. He was also the Governor's director of the Office of Homeland Security, and, of course, today heads up the Department of

Public Safety. Mr. McCraw, we certainly appreciate you being here today as well.

Mr. McCRAW. I appreciate it.

Mr. MCCAUL. With that, I recognize Mr. Garza for his testimony.

STATEMENT OF GENE GARZA, DIRECTOR OF FIELD OPERATIONS, LAREDO FIELD OFFICE, OFFICE OF FIELD OPERATIONS, U.S. CUSTOMS AND BORDER PROTECTION

Mr. GARZA. Thank you, sir. Chairman McCaul, Ranking Congressman Cuellar, it is a privilege and an honor to appear before you today to discuss the work of Customs and Border Protection; particularly the tremendous dedication of men and women of the Laredo Field Office. I am Gene Garza, I'm the director of field operations.

The Laredo field operations includes eight points of entry that span the border from the outer edge of the Big Bend National Park all the way to Brownsville, Texas, and extends east close to San Antonio and on the east side of Austin.

On an average day, the CBP Officers within the Laredo Field Office process nearly 130,000 passengers, 60,300 conveyances, and seize 431 pounds of drugs. During the fiscal year of 2011, the Laredo Field Office processed almost 50 million travelers, 22 million vehicles and conveyances, and seized more than 5,500 pounds of cocaine, 635 pounds of heroin, and 150,000 pounds of marijuana, and over \$13.3 million in currency, and intercepted 110,000 quarantined plant material, and 13,600 actionable/reportable pests.

CBP has worked to improve the process for all visitors and trade entering the United States. We have simultaneously increased security while expediting the flow of legitimate trade and travel. Today I would like to highlight the importance—improvements made here at the Laredo Field Office.

In Laredo, CBP has undertaken a number of infrastructure improvement projects. Several projects have been completed, or are near completion, with the focus of improvements for the pedestrian traffic, vehicle traffic, bus inspection, and lane flow throughput at the Laredo bridges and CBP's ports of entry. Laredo Bridge 1 we have made improvements to address the pedestrian flow.

We upgraded pedestrian secondary processing areas at the Laredo Bridge 3, Colombia, and opened several new primary inspection booths, and one new exit lane at the World Trade Bridge.

At the Lincoln-Juarez Bridge three additional lanes—non-commercial lanes are largely complete and expect to be open by the summer. The expansion has been collaborative efforts between CBP, GSA, TxDOT, and the City of Laredo, and will significantly expand vehicle processing capacity at Bridge 2.

Thanks to the continued support of Congress, CBP now has 301 large-scale non-intrusive inspection systems deployed throughout our ports of entry with 110 of those deployed on the Southwest Border.

Additionally, CBP has deployed 61 backscatter X-ray vans to the Southwest Border land ports of entry, which provide our officers with a mobile, maneuverable detection system that can scan a number of vehicles efficiently and simultaneously.

To date, CBP has used and deployed systems to connect over 50—56.5 million NII examinations resulting in the seizure of 3.3 million pounds of narcotics and over \$47.5 million in undeclared currency.

Used in combination with our layered enforcement strategy, these tools provide CBP with a significant capability to detect contraband while enabling our staff to efficiently process a significant volume of passenger and trade.

CBP works with the trade community through Customs and Trade Partnership Against Terrorism (C-TPAT), a voluntary public-private partnership program wherein members of the trade community agree to adopt tighter security measures throughout their international supply chain and, in return, are afforded benefits such as reduced examinations, front-of-the-line examination privileges. The initiative in conjunction with the opening of seven new commercial primary lanes at World Trade will increase the facilitation of legitimate trade through the Laredo port of entry.

To facilitate travelers, CBP offers four trusted traveler programs, including SENTRI. The trusted traveler program assists CBP in segmenting risks and facilitating the flow of legitimate travel. There are currently 44,000 SENTRI participants, who cross at ports of entry within the Laredo Field Office, and eight lanes specifically dedicated for SENTRI participants to facilitate travel.

We also implemented Ready Lanes to assist the facilitation of travelers with RFID-enabled technology. We need compliance documents. In 2011, Ready Lanes were opened in Laredo, Texas. Currently, the Laredo Field Office has Ready Lanes at seven bridges. The Lincoln-Juarez Bridge at the Port of Laredo can open two additional Ready Lanes during peak hours if required. Vehicles throughput in the Ready Lanes has increased as much as 25 percent, and wait times for travelers with the RFID-enabled documents have been reduced to an average of about 12 seconds per vehicle. At the Lincoln-Juarez Bridge, approximately 50 percent of the traffic flow, right now, crosses either through the Ready Lane or the SENTRI Lane.

The Laredo Field Office has implemented an aggressive, multi-pronged strategy to mitigate wait times. This includes recognizing peak processing periods that have historically occurred, such as holidays, season pick—peaks, making operational adjustments before peaks occur. The Laredo Field Office also works with CBP stakeholders to identify additional facilitation measures.

For example, the Laredo Field Office coordinates with our Mexican counterparts on the arrival of commercial bus traffic during peak times to avoid traffic jams on the bridge, works to move private school buses at the Port of Del Rio to a dedicated lane in the morning to reduce wait times for the vehicle traffic to process more buses efficiently.

Chairman McCaul and Ranking Member Cuellar, thank you for the opportunity to testify about the work of Customs and Border Protection within the Laredo Field Office to protect our Nation's borders while facilitating the flow of legitimate trade and travel. I will be glad to answer any questions y'all may have for me.

[The prepared statement of Mr. Garza follows:]

PREPARED STATEMENT OF GENE GARZA

MAY 1, 2012

Chairman McCaul, Ranking Member Cuellar, Members of the subcommittee, it is a privilege and an honor to appear before you today to discuss the work of U.S. Customs and Border Protection (CBP), particularly the tremendous dedication of our men and women in the field, both at and between our ports of entry.

I would like to begin by expressing my gratitude to Congress for its continued support of the mission and people of CBP. It is clear that Congress is committed to providing CBP with the resources we need to increase and maintain the security of our borders. We greatly appreciate your efforts and assistance, and I look forward to continuing to work with you on these issues in the future.

The creation of CBP, which established a single, unified border agency for the United States, is a profound achievement, and our responsibilities are immense and challenging. CBP is responsible for protecting more than 3,900 miles of border with Canada and 1,900 miles of border with Mexico, and 2,600 miles of shoreline. In fiscal year 2011, CBP Officers at 331 ports of entry inspected 340 million travelers and more than 105.9 million cars, trucks, buses, trains, vessels, and aircraft. Each day, CBP Officers process over 932,000 travelers entering the United States at our air, land, and sea ports of entry and inspect more than 64,000 truck, rail, and sea containers.

In fiscal year 2011, CBP seized 5 million pounds of narcotics, including nearly 370,000 pounds seized at the ports of entry. These numbers demonstrate the effectiveness of our layered approach to security. Violent crime in border communities has remained flat or fallen in the past decade, according to the Federal Bureau of Investigation's (FBI) Uniform Crime Report, and some of the safest communities in America are at the border. In fact, violent crimes in Southwest Border counties overall have dropped by more than 40 percent and are currently among the lowest in the Nation per capita, even as drug-related violence has significantly increased in Mexico.

On an average day, CBP Officers within the Laredo Field Office, which incorporates ports of entry spanning from the outer edge of Big Bend National Park to Brownsville, process nearly 130,000 passengers and 60,300 conveyances and seize 431 pounds of drugs. During fiscal year 2011, the Laredo Field Office processed almost 50,000,000 travelers and 22,000,000 cars, trucks, buses, trains, ferries, vessels, and aircraft, seized 5,465 lbs of cocaine, 635 lbs of heroin, 150,000 lbs of marijuana, and over \$13,300,000 in currency, and intercepted 110,000 quarantined plant material and 13,600 actionable/reportable pests.

Working with our partners, our strategy is to secure our Nation's borders by employing and enhancing our layers of defense throughout the entire supply chain (for goods) and transit sequence (for people)—starting from their points of origin, movement to the United States, arrival and entry at our borders, routes of egress, and ultimately to final destinations in the United States. This strategy relies upon increased intelligence and risk-management strategies regarding the movement and flow of both travelers and trade. We accomplish our mission of expediting legal trade and travel by separating the “knowns” from the “unknowns.” This risk segmentation allows us to enhance security by focusing more attention on stopping illegitimate trade and those who seek to do us harm, while at the same time facilitating legitimate travel and commerce. Security and prosperity are mutually reinforcing, and the United States and Mexico are closely linked by a common interest in robust security and growing economies. DHS is committed to continuing to work with the Government of Mexico to foster a safe and secure border zone, while facilitating the legal trade and travel that helps our shared border region prosper.

INFRASTRUCTURE

CBP has long recognized the need to maintain facilities and infrastructure that effectively support our mission requirements. Modern facilities must address our constantly evolving border functions, increasing traffic volumes and staffing levels, and new and updated technologies and equipment. To that end, CBP has implemented a facility investment planning process, and capital improvement plan for land border ports of entry. This process combined with the Regional Master Plan concept, which brings all stakeholders together from both sides of the border, ensures that facility and real property funding is allocated in a systematic and objective manner, and is prioritized by mission critical needs that meet the demands from a regional perspective.

In Laredo, CBP has undertaken a number of improvement projects to assist in expediting the flow of legitimate trade and travel. Several projects have been com-

pleted, or are nearing completion, with the focus of improvements on pedestrian traffic, vehicle traffic, bus inspection, and lane flow throughout the Laredo Bridges and CBP's ports of entry (POE). At Laredo Bridge 1, (Gateway to the Americas Bridge), improvements to address pedestrian processing flow have been completed. These efforts included rerouting pedestrian traffic from the current pedestrian walkway to the Secondary Inspection area where five new mobile pedestrian processing stations were installed. The new stations became operational on September 19, 2011 and process at least 8,000 travelers per day.

Additional projects to improve the facilities and inspectional technologies at the Port of Laredo include upgrades to the ports' pedestrian secondary processing area at Laredo Bridge 3 (Colombia Solidarity Bridge), which was completed in November 2011; and opening seven new primary inspection booths and one new exit lane at the World Trade Bridge port of entry, an accomplishment commemorated by officials from the City of Laredo with a ribbon-cutting ceremony on May 6, 2011.

At Lincoln-Juarez Bridge (Laredo Bridge 2), three additional non-commercial lanes at the Lincoln-Juarez POE are largely complete and expected to open in summer 2012. This expansion has been a collaborative effort between CBP, GSA, TX DOT, and the City of Laredo and will significantly expand vehicle processing capacity, helping to alleviate vehicle congestion at this very important crossing.

CBP is also working closely with GSA regarding the feasibility and design of a new bus processing facility. This project will result in a 10,000-square-foot to 15,000-square-foot bus and passenger processing area with individual bus stalls (primary and secondary), pedestrian inspection lanes, and a separate inspection area within a CBP-secured facility.

Funding through the American Recovery and Reinvestment Act have allowed for additional port improvements. This includes two new port facilities; at Amistad Dam and at Los Ebanos Ferry, respectively. CBP also oversaw significant modifications, including an outbound facility, at Falcon Dam. However, due to the current fiscal environment, CBP's construction budget is not projected to have funds that will allow the agency to initiate major new construction contracts. CBP's fiscal year 2012 appropriation for Construction and Facilities Management is limited to sustainment activities, basic building services, and operations of CBP's existing facilities portfolio and real property inventory. The fiscal year 2013 budget request similarly defers new construction projects.

TRADE FACILITATION

As Secretary Napolitano has stated, our homeland security and our economic policies are complementary—and to the extent possible, security measures should be designed to facilitate the safe and efficient movement of people and goods while securing our critical infrastructure. Our economy depends in part on our ability to secure and facilitate the flow of people and goods to and from our borders. Border security policies must do both: Protect against threats while allowing the movement of legitimate trade and travel across our borders, which drives trade and tourism revenue that supports hundreds of thousands of jobs.

The ability to secure the flows of goods, conveyances, and people to and through the United States is crucial to CBP's success in protecting our Nation. The 331 ports incorporate highly technical equipment to prevent items from illegally entering the United States by utilizing Non-Intrusive Inspection units to detect illicit goods and contraband and Radiation Portal Monitors which screen for nuclear and radiological threats. Last year we deepened and broadened our coordination with Canada to speed inspection of goods such as car parts so that factories on both sides of the border can operate more efficiently. We have continued to work closely with our Mexican counterparts to protect shared critical infrastructure and expand trusted traveler and shipper programs. These efforts not only facilitate legitimate trade, but they are also critical in stopping illegal goods from entering the country—goods that can undermine domestic businesses that play by the rules.

Thanks to the continued support of Congress, CBP now has 301 large-scale Non-Intrusive Inspection (NII) systems deployed to our ports of entry. NII are imaging systems that serve as a force multiplier enabling CBP Officers to detect possible anomalies between the contents of a container and the manifest. Of the 301 NII systems deployed, 55 are deployed on the Northern Border and 110 are deployed on the Southwest Border ports of entry, with the remainder at the Nation's airports and seaports and Border Patrol checkpoints. Additionally, CBP has deployed 61 backscatter X-ray vans to Southwest Border land ports of entry, which provide our officers with a mobile, maneuverable detection system that can scan a number of vehicles efficiently and simultaneously. To date, CBP has used the deployed systems to conduct over 56.5 million NII examinations resulting in over 10,500 narcotic sei-

zures with a total weight of 3.3 million pounds of narcotics, and the seizure of over \$47.5 million in undeclared currency. Used in combination with our layered enforcement strategy, these tools provide CBP with a significant capability to detect contraband, including illicit nuclear or radiological materials. The deployment of NII technologies has also enabled our staff to efficiently process a significant volume of passengers and trade.

NII technologies are the only available and effective means of screening the large volume of rail traffic entering the United States from Mexico. CBP currently has rail imaging systems deployed to all eight Southwest Border commercial rail crossings. CBP is currently installing a new, state-of-the-art imaging system, which should be completed this summer, at Laredo. These systems currently provide CBP with the capability to image and scan 100 percent of all commercial rail traffic arriving in the United States from Mexico. The rail NII imaging technology is bi-directional, which provides CBP with the added capability to image southbound trains. In March 2009, CBP began conducting 100 percent outbound screening of rail traffic departing the United States for Mexico for the presence of contraband, such as explosives, weapons, and currency. Since that time, there have been 215 seizures along the Southwest Border as a result of screening of outbound rail cars, which totals approximately 43,000 pounds of marijuana.

Through partnerships with the trade community, CBP has had a positive impact on commercial trade. The primary focus of CBP's efforts with its U.S. Government partner agencies is to advance the adoption of DHS's risk-based approach to reduce barriers to efficient and safe commercial activity and to support U.S. job development. As the Executive Agent at the border for 46 Federal agencies, we are currently pursuing two significant initiatives with our U.S. Government partners: Increased information sharing, leveraging existing inspection and regulatory expertise, to facilitate admissibility determinations; and developing trust-based partnerships across the Federal Government.

CBP works with the trade community through the Customs and Trade Partnership Against Terrorism (C-TPAT), a voluntary public-private partnership program wherein members of the trade community agree to adopt tighter security measures throughout their international supply chain and in return are afforded benefits such as reduced exams, front-of-line examination privileges to the extent possible and practical, and an assigned Supply Chain Security Specialist who helps them maintain compliance. C-TPAT has enabled CBP to leverage private-sector resources to enhance supply chain security and integrity. This initiative in conjunction with previous mentioned opening of seven new commercial primary lanes at World Trade Bridge will increase the facilitation of legitimate trade through the Port of Laredo.

CBP conducts records checks on C-TPAT applicants in its law enforcement and trade databases and ensures that the applicants meet the security criteria for their particular business sector. Applicants who pass extensive vetting are certified into the program. Using a risk-based approach, CBP Supply Chain Security Specialists conduct on-site visits of foreign and domestic facilities to confirm that the security practices are in place and operational.

C-TPAT has been a success—membership in this program has grown from 7 companies at its implementation in 2001 to more than 10,000 as of April 5, 2012. Additionally, CBP is working with foreign partners to establish bi-national recognition and enforcement of C-TPAT. CBP currently has signed mutual recognition arrangements with New Zealand, Canada, Jordan, Japan, and Korea and is continuing to work towards similar recognition with the European Union, Singapore, Taiwan, and other countries.

TRAVEL FACILITATION

To facilitate pre-approved, low-risk travelers into the United States, CBP offers four trusted traveler programs. The Secure Electronic Network for Travelers Rapid Inspection (SENTRI) offers eligible travelers expedited entry into the United States through designated lanes at the U.S.-Mexico land border ports. Membership in SENTRI is valid for 5 years and costs \$122.25 to apply for the program. Beginning in December 2010, all U.S. citizens and lawful permanent residents currently enrolled in SENTRI were extended Global Entry benefits, our trusted traveler program in the air port of entry environment, at no additional fee. There are currently over 44,000 SENTRI participants who cross at ports of entry within the Laredo Field Office and eight lanes specifically dedicated for SENTRI participants to facilitate travel into the United States.

At land ports of entry, we have also implemented Ready Lanes to assist in the facilitation of travelers. A Ready Lane is a vehicle primary lane that only accepts travelers using radio frequency identification (RFID)-enabled travel documents. In

June 2010, CBP launched a Ready Lane pilot at the Ambassador Bridge in Detroit. In October 2010, the first Ready Lane along the Southern Border opened in Del Rio, Texas, and in December 2010 a Ready Lane opened in El Paso, Texas. In July 2011, Ready Lanes were opened in Laredo, Texas. Currently, the Laredo Field Office has Ready Lanes at seven bridges and the Lincoln Juarez Bridge at the Port of Laredo can open an additional two Ready Lanes during peak hours if required, for a total of nine Ready Lanes throughout the Field Office. The results to date suggest that this program successfully expedites the flow of legitimate travel. Vehicle throughput has increased as much as 25 percent in these lanes, and wait times for travelers with RFID-enabled documents have been reduced by an average of 12 seconds per vehicle. Along the Southern Border more than 25,000 vehicles and 44,000 travelers (more than 34 percent of all vehicle traffic) use Ready Lanes each day. For example, at the Lincoln-Juarez Bridge, approximately 50 percent of traffic now crosses in either the Ready Lane or SENTRI lane. Additionally, CBP actively manages lanes to ensure that travelers utilizing Ready Lanes experience wait times of no more than 30 minutes. CBP plans to deploy Ready Lanes to additional high-volume land crossings in the near future.

The Laredo Field Office has implemented an aggressive, multi-pronged strategy to mitigate wait times. This includes recognizing peak processing periods that have historically occurred, such as holidays like Christmas and Holy Week in addition to seasonal peaks such as Spring Break and the summer travel period, and making operational adjustments well before peaks occur. The Laredo Field Office also works with CBP's stakeholders to identify additional facilitation measures. For example, the Field Office coordinates with our Mexico counterparts on the arrivals of commercial bus traffic during peak times to avoid traffic jams on the bridge, and works to move private school buses at the Port of Del Rio to a dedicated lane in the morning to reduce wait times for vehicular traffic and to process the buses more efficiently.

STAFFING AND TRAINING

We have no greater asset than our human resources and we are committed to continuing to recruit, hire, develop, and sustain a premier officer corps. To achieve this goal, we are currently refining the recruitment and hiring processes, improving our retention capabilities, and enhancing our deployment and staffing processes.

We have developed a Workload Staffing Model (WSM) to better align resource needs and requests against levels of threat, vulnerabilities, and workload. By using the model we can adjust optimal staffing levels to changes in workload, processing times, new technologies and processes, mandated requirements, and threats. Once the WSM is finalized, CBP would be happy to brief the committee on this model. The staffing model alone does not determine how our officers are allocated; it is merely a tool to assist us in determining the optimum allocation of officers at each of our land, sea, and air ports.

CBP has also implemented numerous programs, initiatives, and training to build our officer corps and enable officers to more effectively respond to threats of terrorism, better utilize intelligence information, and continue to develop skills, streamline processes, and enhance inspection operations.

We have developed and implemented a comprehensive training curriculum for CBP Officers and CBP Agriculture Specialists. This training curriculum includes basic academy training, as well as comprehensive, advanced, on-the-job, and cross-training courses. CBP continually strives to provide our front-line officers with recurrent and additional training to help them better perform their jobs. For example, CBP has extensive training in place for fraudulent document identification to help CBP Officers detect fraudulent documents and identify travelers who are using stolen travel documents—both in the CBP Officer academy and embedded in 40 additional courses.

Recognizing the complexity of our mission and the broad border authorities of our agency, we have established specialty functions and teams that receive additional focused advanced training. For example, counterterrorism response teams were created for deployment within secondary inspection areas. These teams are provided with a new and intense training curriculum that teaches our officers how to detect deception and elicit information. We have also established targeting and analysis units, roving teams, and prosecution units. Our enforcement officers receive additional advanced training to develop expertise in the questioning of individuals suspected of being involved with organized smuggling of aliens or drugs, terrorism, and document fraud.

To make the best use of our training time and resources, we train our officers when they need to be trained, and for the functions they are performing. This means that not every officer completes every cross-training module, but rather each

officer receives the training needed to do the job he or she is currently performing. CBP has identified Field Training Officers to assess the training needs of the CBP Officers to ensure that these CBP Officers are receiving the training they need to do their jobs, and that internal measures are in place to monitor and assess training needs and accomplishments Nation-wide. CBP is constantly reviewing and revising its training, in accordance with the ever-changing border enforcement environment.

CONCLUSION

Chairman McCaul, Ranking Member Cuellar, and Members of the subcommittee, thank you again for this opportunity to testify about the work of U.S. Customs and Border Protection. CBP is committed to continuing to secure our Nation's borders and safeguard our way of life. Your continued support of CBP helps ensure the security of our borders, and the safety of our Nation. I will be glad to answer any questions you may have.

Mr. McCaul. Thank you, Mr. Garza.

The Chairman now recognizes Mr. McCraw for his testimony.

STATEMENT OF STEVEN C. MCCRAW, DIRECTOR, TEXAS DEPARTMENT OF PUBLIC SAFETY

Mr. McCraw. Mr. Chairman, Ranking Member Cuellar, thank you for the opportunity to be here, and also to appear with Gene Garza, a clear leader in the law enforcement community, he does a great job and a great partner.

From a Texas standpoint in terms of commerce, obviously, Mexico is our No. 1 trading partner, No. 2 for the United States; so trade is vitally important to the United States, but, also, to Texas in terms of Mexico. In fact, we are concerned. We do agree with the Chairman and the Senior Ranking Member of the committee that more technology and more resources on the border is value-added; because the most significant threat to commerce right now is the Mexican cartels, you know, holding our commerce hostage. They do so by exploiting an unsecured border with Mexico. We know they move ton quantities of drugs not just across the border and the border region but throughout the Nation.

Right now the source of the overwhelming majority of drugs anywhere in the Nation is the result of—is the Mexican cartels moving it across these high-value smuggling markets at the Laredo Bridge. We just saw today, that international bridge is, unfortunately, for the cartels who are fighting over and dying for—worse, torturing, killing, and corrupting officials to obtain, maintain, expand these smuggling routes in the United States; and so from a Texas standpoint the use of these routes are problematic.

We certainly would like to see leveraging more technology at the border in a more—in a way that empowers OFO Officers, the men and women in blue, the brave men and women in blue, with the tools that they could rapidly detect, you know, cocaine, marijuana, methamphetamine, and heroin, because those are the four drugs right now that are pouring across that border.

I would say that from a Texas standpoint, in terms of priorities, obviously, you know that the State of Texas invested heavily in terms of border security; and they've done it for one reason, is that they understood, and leaders understood, and the legislature, and the Governor is that—is that to be proactive rather than reactive in a post-9/11 environment is high-value, and it is worth investing in local law enforcement on the border, in local law enforcement communities, and State law enforcement to support them, to do Job

1: Protect its citizens from harm. Harm is, is that any form of violence that would stem from Mexican cartels and gangs that work with them on both sides of the border. That's Job 1.

Job 2 is what can we do to support our Federal partners with their vitally important mission: Secure the border of the mission—the border of our Nation. We understand it's a sovereign responsibility, but what can we do to help? In doing Priority 2, it being so interrelated to Priority 1, it—there is a symbiotic relationship between those two priorities.

The consequences. We can debate the consequences of an un-secure border, but they're significant. Whether you look at it from a purely economic standpoint in terms of the impact of drug trafficking across the Nation, whether you look at it from human trafficking, which as I know you heard today about, you know, one of our troopers in the marine unit on one of our tactical boats was waved down by two individuals in distress and alerted them to a house they had been maintained in, and they were there with 40 other additional individuals, men and women, had been kept there for 3 days without food and water, and the women had been sexually assaulted. That's not just human trafficking, that's kidnapping, that's sexual assault. These are the types of crimes that when you have, you know, predators like the Mexican cartels operating in areas that you have—we're concerned about.

We're concerned about criminal aliens. We talked a little bit about that today, and want to commend ICE—although he's not here—Jerry Robinette at the secure border—secure community initiatives. It has absolutely been useful from a Texas standpoint. Everybody that's been booked into a Texas jail has been checked against the IDENT database back in Vermont and determined whether those individuals have been, come in contact, or are criminal aliens.

In fact, we've identified over 101,000 individuals that were criminal aliens that were responsible for over 331,000 individual crimes ranging from murder, from kidnapping, terrorist threats, assaults as high—in fact, as high—murders as high as 1,600 murders by these criminal aliens. Unless you secure the border, some of these are recidivist, they're going to continue to come back across, and that's why border security is so important. That's why we appreciate your leadership in securing the border, providing these men and women the tools they need, but also the resources they need to secure that—to secure that border. I can assure you from a Texas Department of Public Safety standpoint, we'll stand by them, we'll do everything we can to support them; and, importantly, we don't want to forget this, because you talked about the low crime, the low crime along the Texas/Mexico border is because we've got a very, very competent local law enforcement community that works together and have dedicated their lives to protecting the citizens of their areas with a very dynamic and proactive patrol presence, and we're very thankful that we have that type of capability because, as you know, Texas is a law and order State.

Thank you, sir.

[The prepared statement of Mr. McCraw follows:]

PREPARED STATEMENT OF STEVEN C. MCCRAW

MAY 1, 2012

Good Morning Chairman McCaul, Congressman Cuellar, and other distinguished Members of the Subcommittee on Border and Maritime Security. My name is Steven McCraw. I am the Director of the Texas Department of Public Safety and I would like to thank you for the opportunity to testify before you today on this vitally important economic, public safety, and National security issue.

The most significant vulnerability to the State of Texas remains an unsecured Texas/Mexico border. The Mexican cartels continue to exploit weaknesses in our border defenses including those at the 28 international bridges that connect Texas with Mexico to reap the enormous profits generated by the smuggling of ton quantities of marijuana, cocaine, methamphetamine, and heroin into and throughout the United States to virtually every drug market in the Nation while smuggling tens of billions of dollars, weapons, and stolen vehicles back into Mexico. They also profit from kidnappings, extortions, major theft, and the smuggling and trafficking of people. The amount and type of violence committed by the Mexican cartels is unparalleled in organized crime. They have embraced barbaric terrorist tactics to intimidate and coerce their rivals, law enforcement, elected officials, journalists, military personnel, and the citizens of Mexico. And they continue to corrupt individuals and institutions to protect their criminal enterprise activities and themselves on both sides of the border.

The Mexican cartels will continue to undermine the domestic security of Mexico and the safety and security of Texas and the Nation until the U.S. border with Mexico is secured at the International Ports of Entry (POEs), between the POEs and along our coast. They are highly adaptable and as security is increased in one area, they quickly exploit vulnerabilities in other areas, thus a comprehensive and fully integrated approach is essential.

The Mexican cartels have long exploited the lines and limited CBP resources and technology at our POEs to move ton quantities of drugs into the United States and bulk cash, weapons, and stolen vehicles into Mexico. Large loads of drugs routinely cross the international bridges in trucks, buses, passenger vehicles and rail using a variety of concealment techniques. CBP interdicts thousands of large drug shipments attempting to cross the international bridges but they do not have near enough personnel and technology to prevent the Mexican cartels from continuing to exploit this serious vulnerability as evidenced in the seizures that occur beyond the POEs:

- On March 29, 2012, U.S. Border Patrol agents at a checkpoint located on U.S. 67 four miles south of Marfa seized 2,395.65 pounds of marijuana concealed in voids inside construction equipment located on a flatbed trailer after it crossed into Texas undetected at the Presidio Port of Entry.
- On March 29, 2012, the Parker County Sheriff's Office seized approximately 2,500 pounds of marijuana concealed inside construction equipment that was being transported on a tractor-trailer at a truck stop on I-20.
- On January 12, 2012, a Texas State Trooper stopped a tractor-trailer traveling on U.S. 77 in Refugio County, resulting in the seizure of 341 pounds of marijuana concealed in the trailer with a cover load of limes that originated in Veracruz, Mexico.
- A Colorado High-Intensity Drug Task Force investigation documented the use of buses to smuggle more than 45,000 pounds of marijuana over 11 months that crossed at POEs in El Paso.
- Within a 10-day span of time, a State Trooper patrolling U.S. 59 in Wharton County seized 3,479 pounds of marijuana concealed in a truck load of watermelons and another 4,235 pounds of marijuana concealed in a truck load of oranges.
- On May 29, 2011 a Texas State Trooper seized 12,650 lbs. of marijuana from a truck which had entered through the Phar POE.
- The Mexican cartels also use the POEs to smuggle other drugs as evidenced in the many CBP seizures at the POEs and Border Patrol Checkpoints and by local and State law enforcement officers patrolling the highways.
- For example, a Texas State Trooper in Northern Texas seized 60 pounds of heroin that crossed a POE here in Laredo, Texas.

Some of the highlights from last week include:

- DPS Agents seizing 145 lbs. of cocaine concealed in the roof of a commercial trailer traveling on U.S. 281 near Edinburg, TX.

- A State Trooper seizing 3,277.4 lbs. of marijuana concealed in two large metal containers covered by wooden pallets in a trailer pulled by a truck on U.S. 281 near San Manuel, TX.
- CBP Officers at the Gateway to the Americas Bridge seizing 15.2 pounds of methamphetamine hidden within plastic containers comingled with mole.
- A CBP K-9 Officer near the Hidalgo POE seized 231.57 lbs. of marijuana in four elongated bundles at a drainage area.
- Matagorda County Sheriff's Office Deputies and Palacios Police Department Officers seizing \$1,200,000 in cartel cash from a residence.

Mexico is a highly-valued trade partner and legitimate commerce should not be held hostage by the Mexican cartels. Sufficient personnel and effective technologies are needed to deny the ability of the cartels to exploit these high-value smuggling routes while enabling the rapid and secure movement of people and merchandise through the POEs.

The State of Texas clearly understands that securing our Nation's border with Mexico is the sovereign responsibility of the Federal Government and we commend the brave men and women of the U.S. Customs and Border Protection Service for the tremendous work they do on a daily basis to protect our Nation's borders from all threats with the resources they have been provided. The foremost priority of local and State law enforcement in Texas has been and will continue to be the protection of its citizens from all forms of Mexican cartel and gang-related violence and our second priority is to assist our Federal partners in securing the Texas/Mexico border which is interrelated with our first priority.

The Federal Government can secure our borders if sufficient personnel, technology, aircraft, and maritime assets are dedicated to this mission. Until then, the State of Texas will continue to support CBP with local and State law enforcement personnel, unified ground, air, and maritime patrol operations, centralized intelligence, decentralized information sharing and additional aviation, maritime, and tactical assets. The State will also dedicate investigative and prosecutorial resources and continue to execute the Cross-Border Violence Contingency Plans as needed because the CBP mission is too important to the State of Texas and the Nation.

The consequences of an unsecure border with Mexico are serious:

1. Nation-wide availability and affordability of marijuana, cocaine, methamphetamine, and heroin.
- According to the Department of Justice's 2011 National Drug Threat Assessment the abuse of several major illicit drugs, including heroin, marijuana, and methamphetamine, appeared to be increasing, especially among the young. And the estimated economic cost of illicit drug use to society for 2007 was more than \$193 billion which reflected direct and indirect public costs related to crime (\$61.4 billion), health (\$11.4 billion), and lost productivity (\$120.3 billion).
- The DOJ Assessment states that Mexican-based Trans National Criminal Organizations (TCOs) dominate the supply, trafficking, and wholesale distribution of most illicit drugs in the United States and the reasons for the Mexican organizations' dominance include their control of smuggling routes across the U.S. Southwest Border and their capacity to produce, transport, and/or distribute cocaine, heroin, marijuana, and methamphetamine.
- The collective local, State, and Federal law enforcement drug seizures within the Texas border region increased by 57% from 2008 to 2011 which supports the findings made in the 2011 DOJ National Drug Threat Assessment.

OPERATION BORDER STAR

	2008 (Pounds)	2011 (Pounds)	Percent Change 2008 v 2011
Marijuana	1,051,246	1,658,017	+57.65
Meth	553	2,058	+272.15
Cocaine	10,849	11,402	+5.1
Heroin	66	495	+650
TOTAL DRUGS	1,062,714	1,671,972	+57.33

2. The Empowerment of the Mexican cartels who threaten the domestic security of Mexico.

- The Mexican cartels are motivated by the billions of dollars in profit from drug and human smuggling with estimates ranging as high as \$39 billion a year. The cartels use these enormous profits to battle each other and the Government of Mexico.
 - It is estimated that over 48,000 people in Mexico have lost their lives since 2006 as the cartels fought to gain and or maintain control of the highly lucrative smuggling routes into the United States. As long as the border remains unsecure, the Mexican cartels will continue their campaign of violence and corruption along its Northern Border and Texas must remain vigilant as it shares 64% of the border with Mexico.
3. It provides Texas prison gangs resources to expand their criminal operations on both sides of the border.
- According to the Department of Justice gang suppression, prevention, and corrections programs cost the Nation more than \$5.5 billion each year and that the toll exacted by gang activity in lives lost and damage to the social fabric of communities is certainly higher.
 - The U.S. Department of Justice (DOJ) spends more than \$1 billion a year to suppress gang-related criminal activity and at least \$275 million a year on gang prevention programs, according to 2009 DOJ information.
 - An estimated \$4.2 billion a year is spent on new and repeat incarcerations of gang members in Federal and State correctional facilities and the Bureau of Justice Statistics has reported that gang members were responsible for approximately 4,323 homicides between 2005 and 2009.
 - The number of Texas prison gangs working directly with the Mexican cartels has increased from 4 to 13 within 2 years.
 - The percentage Texas prison gang members incarcerated at the Texas Department of Criminal Justice system for violent offenses is 62%.
4. It increases the risk of our school children along the Texas/Mexico border of being corrupted by the cartels.
- The Texas border region comprises 9.7% of the State's population but has 19.2% of the juvenile felony drug referrals and 21.8% of the juvenile felony gang referrals.
 - Children as young as 12 years old have been paid to transport drugs in stolen vehicles and 25 students in one high school in a Texas border county were transporting drugs for the cartels.
5. It enables the cartels to conduct drug and human smuggling operations on Texas ranches, farms, and cities throughout the State increasing the risk to the public and law enforcement.
- There have been over 2,065 high-speed pursuits in the border region, some involving cartel blocking cars, 77 instances of Caltrops deployed to disable patrol cars, and 62 pursuits ending with the drug loads being driven into the Rio Grande River and met by cartel boat retrieval teams.
 - Seventy-three local, State, and Federal law enforcement officers have been shot at from Mexico in 53 separate incidents while attempting to interdict drug loads on the Rio Grande River and there have been 26 documented cartel-related murders and 22 kidnappings.
6. It increases the trafficking of people in the United States.
- The number of Border Patrol illegal alien arrests in Texas decreased from 175,595 in 2008 to 125,821 in 2011. However, others who were not arrested fell victim to human traffickers and were kidnapped, extorted, compelled into prostitution, and forced into indentured servitude. These crimes are seldom reported and when they are they are not reflected in UCR Index Crimes.
 - A recent example illustrates the seriousness of the problem. On April 9, 2012 a Texas State Trooper assigned to the Tactical Marine Unit was flagged down by two pedestrians in distress who identified a residence where they were held against their will. Thirty-eight illegal aliens were rescued from the residence after being held captive for 3 days without food. The females being held captive had been sexually assaulted.
7. It provides potential terrorists and their supporters a way in to the United States without detection.
- The Rio Grande Valley leads the Nation in the number of illegal aliens arrested along the border between the ports of entry from countries that have

a documented terrorism presence such as Afghanistan, Pakistan, and Somalia.

8. It enables serial criminals from around the world to come to the United States and commit crimes.

- Through the Immigration and Customs Enforcement's Secure Communities Initiative, Texas has identified a total of 101,133 unique criminal alien defendants booked into Texas jails who are responsible for at least 343,226 individual criminal charges over their criminal careers including 1,738 homicides, 645 kidnappings, and 42,402 assaults.

9. The Mexican cartels corrupt local, State, and Federal U.S. law enforcement officials in support of their smuggling operations.

- Since 2004, 132 Federal law enforcement officers have been arrested for corruption along the Southwest Border and according to the DHS Inspector General as of May, 2011 there were 1,036 open investigations of CBP personnel. Border corruption plagues local and State law enforcement as well. Two Texas Sheriffs were convicted for cartel-related corruption and recently a Texas State Trooper seized over \$1 million being transported by a former DPS Officer who was seeking election to a Constable position in South Texas.

10. It exposes Unaccompanied Alien Children (UACs) from Central America and Mexico seeking refuge in the United States to serious risk from human traffickers and criminals.

- Although illegal alien arrests in Texas have decreased since 2008, the number of UACs increased dramatically. According to media reports HHS advised that the number of UACs have increased by 93% since last year
- The Federal Government lacks the capacity to address the dramatic increases in UACs and as word continues to spread more UACs will likely come further stressing the system unless foreign governments can be enlisted to intervene.
- The management of a simple childhood disease, like the chicken pox, has illustrated the challenges in addressing the UAC issue. Approximately, 10% of the UACs that arrive at emergency shelters in Texas have contracted or been exposed to a communicable disease requiring an immediate response from the Texas Department of State Health Services and local health care systems.
- Understandably, the need to coordinate among five separate Federal agencies—DHS/CBP, DHS/ICE, HHS/ASPR, HHS/AFC, and DOD on this issue is challenging.
- The unfortunate paradox that exists is that by adhering to our values to treat these children exceptionally well, we will likely entice greater numbers of children to endanger themselves.

Last, I would like to thank Chairman McCaul, Congressman Cuellar, and other distinguished Members of this subcommittee for your unwavering commitment to securing our Nation's borders in a way that ensures the secure and efficient commerce with Mexico.

Mr. MCCAUL. Let me say thank you for your leadership from the State perspective and thanks for being here today.

Mr. Garza, we got a close look up-front of the bridge and the X-ray machines. The difference I saw from prior trips is I didn't see any more human smuggling. Five thousand 18-wheelers crossing through every day. Not to say that there aren't narcotics coming through, though, but I thought that that was an interesting trend.

Now, as Mr. McCraw testified, they are coming in, but I don't think it's at the port of entry as much as it used to be and I think you're doing a good job in that respect.

The DOJ National Drug Threat Assessment found, though, that the majority of drugs coming through the country into the United States are coming through the ports of entry and I just wanted to get your thoughts as to whether that is an accurate assessment.

Mr. GARZA. Well, sir, thank you for the question.

What we see at the ports of entry is what we seize. That that reaches up north—certainly, through our layered enforcement we have the checkpoints out on the highway that are inspecting vehi-

cles going north as well. You know, we're not—we're not naïve, we're not going to, you know, testify that we catch everything that comes through, but what can I tell—what I can tell you is that we use every means of equipment that we have. We have dedicated canine resources that we use effectively every day. If something is getting through to us, you know, they normally are not coming back and telling us that they have gone through us.

We do work intel through our partners. We work very effectively with all of the law enforcement agencies, both Federal and State. We're doing a lot of outbound searches with DPS, with Border Patrol, with State DPS Officers, as well as the local sheriff, and then, of course, the police department; but, you know, we do operations, daily operations. We know how much we seize, but we don't have any way of knowing how much gets through it.

Mr. MCCAUL. But we know somehow it's still coming into the country.

Mr. Cuellar and I dealt with the funding for the BEST teams, the Border Enforcement Security Teams, do you believe that's a wise investment?

Mr. GARZA. Yes, sir. I think that is very wise. I was one of the first stakeholders, that used to be called Black Jack when we first started here in Laredo, that went on, a very successful program. It went on and it was instituted at every major area within our border and, now, we're trying to do it in the United States, so that is very wise. You have an array of people that are working together, law enforcement people that are working together and they're working off of intelligence, and also we have our Mexican partners in there at some of these BEST units. So nobody can do—even though it is our responsibility, the ports of entry, we have to rely on other agencies, both Federal, State, and local agencies to help us with the enormous task that we have at hand trying to secure our borders.

Mr. MCCAUL. I think the BEST teams in terms of, you know, confiscating the cash for the weapons going south, that really chokes the life blood of these drug cartels.

Now, we—as we talked about at lunch, they're using other ways to launder money back into Mexico, and I think—I want to commend everybody in the room who is participating with the task force in that regard.

Let me ask you about technology. We've—Henry and I have been huge proponents of leveraging existing technology; a lot of it actually being brought back from Iraq and Afghanistan. We talked about the helicopters earlier. We secured three UAVs for the State of Texas. Sensor surveillance technology. Now, I know a lot of that may be between the ports-of-entry type of technology, but what more could you use in terms of—what technology is available or could be available in the near future for you to utilize at the port of entry?

Mr. GARZA. Thank you for the question, sir.

Technology has made the difference in our work at the ports of entry.

Just to give you an example, prior to us having the imaging systems that we have in the cargo lots, which help us move that enormous amount of trucks and merchandise that we have, they used

to unload by hand and it would take anywhere from 4 to 5 or 6 hours. Now the technology that we have where we image that merchandise and that trailer, and we don't see any anomalies in there, it's out the gate. So it has reduced not only inspection time, but it also has reduced costs for the border community and has reduced the wait times as well. When we do not have to see a shipment, it only expedites the trucks that are going through our cargo.

Mr. McCAUL. The portal monitors' radiation, very impressive, 100 percent screening for a nuclear device coming into the Nation, one of the biggest threats that we could see on the horizon. The canines I think are extremely helpful with narcotics. Tell me about explosives. What are you doing to stop explosives coming in?

Mr. GARZA. Well, explosives, we used to have the two explosive dogs here in Laredo. We partner with—anytime we—radiation portal monitors are screening for radiation. In addition to the primary, we have a secondary radiation portal monitors which is used for—to examine anything that has a concern at one of the—of our primary terminals, but we primary—here in Laredo, we partner with the Laredo Police Department. They have two explosive dogs and they're available on a 7×24, and it's just like calling the fire department. We call them if there's a bomb threat on the bridge or in any of our facilities, they come in and they clear it for us; but we do not have explosive dogs anymore.

Mr. McCAUL. I think one of the things we always talk about—"What keeps you up at night?"—and one of the fears I have is Iran's influence in the Western hemisphere.

The tension between Israel and Iran is probably as worse as we've ever seen it, with the potential for a strike on Iran by Israel and the retaliation that would occur, both in Israel and in the Western hemisphere, that's an issue that we have to look at. As Iran gets closer to weapons-grade uranium, for instance, one of my nightmare scenarios is these flights between Caracas and Tehran, that we know are occurring; and Interpol is not able to monitor those flights, what is going back and forth, whether it's people or whether it's, possibly, a weapons-grade type of uranium. That in the Western hemisphere, if that happened, and it came over here, the scenario of it crossing—perhaps, maybe, between a port of entry not through a port of entry—in a backpack, and then used in a major city in the United States with a stick of dynamite to explode a dirty bomb in one of our major cities, that's a scenario that keeps me up a lot.

Mr. McCraw, I wanted you to possibly comment on that scenario and how can we stop that?

Mr. McCRAW. Well, there are too many holes, too little time, Chairman. That's why we worry about securing our National border.

That's why we're, you know, willing to do what we can to help our Federal partners because every day matters. We're mindful that our enemies seek to destroy us and our way of life. They're very patient, and it's been a while since 9/11, we tend to forget; and even though our brave men and women are over in Iraq and Afghanistan, you know—you know, every day, you know, battling for our freedoms, we have to be mindful that they will seek to destroy us and they will seek to attack us again on U.S. soil.

I'd like to bridge a little bit in terms of technology that we're working with the Border Patrol on, and—and really it started with the Texas sheriffs and working collectively. You don't have to spend a lot of—you always don't have to spend a lot of money to do it right, especially right now, because the private sector are the experts when it comes to technologies right now to the extent we can leverage what they do.

We simply took wildlife cameras, okay, which is nothing more—it's got UV on a cell back—cellular phone—cell phone backbone that—motion detection, heat detection for under \$300, you can produce, it can last up to 60 days in terms of battery life, put them in high-traffic areas, work with—closely with our Border Patrol partners and—you know, I was talking to Chief Johnny Espinoza and he said in the Laredo sector alone, they're getting 200 apprehensions a week as a result of these cameras that we deployed. So, you know, you might—you know, you don't have to spend a lot—you don't always have to spend a lot of money to get things right, and you do have to—and I think that both of you understand it very well, and that's the great thing about coming to Laredo, and for that matter all of Texas, is that we all get along and recognize the importance of complementing in the base—efficiencies that we can achieve is teamwork and working together, but technology—to take care of the issue on the bridge at the end of the day it has to be technology; because you cannot process that many truck-tractor semi-trailers over those international bridges, you know, by people alone. You can't keep breaking the seal.

You have to find a way to identify the nuclear-type of option, radiological-type of option, but also the drug option and take—if you can take—if you deny the cartels their profits up to—ranges up to \$39 billion a year for drugs, No. 1, you're going to help the United States substantially in terms of the impact drugs have on our communities; and, No. 2, you're going to deny them the money they're using to battle each other, the citizens of Mexico, and to undermine the domestic security of Mexico.

Mr. MCCAUL. Okay. Thank you.

My last question, getting back to more the threat, I think the Saudi ambassador plot was a real wake-up call. The idea that an Iranian operative would be contracting with what he thought were Los Zetas to assassinate an ambassador in Washington, DC is an eye-opener.

So as we look at what's happening, just right across the river, we know that the Zetas and the Sinaloa are in one of the toughest fights that they've ever been in, and the Mexican military and police are cracking down on them, as well, it's very foreseeable that the violence, as we talked about at lunch time, is going to escalate.

Can you comment about how the violence that's occurring in Mexico, how that impacts the security of the United States?

Mr. MCCRAW. Well, No. 1, what they're buying—what they're fighting for is those valued—high-value, very lucrative drug and human smuggling markets; and we're the demand. As long as it's un-secure, they can move ton quantities of drugs in that impacts this Nation. The last—the same report that you referenced in terms of NDIC DOJ's threat assessment talked about increasing use of drugs—and we were trending down, now we're trending up,

especially in youth—that has an impact on the United States in terms of productivity in terms of social justice, in terms of criminal justice, a number of different factors. So we're mindful of that, but at the same time we're—you know, from a Homeland Security, a National security standpoint, unless you know who comes between the ports of entry and at the ports of entry, you know, as long as we've increased the security overseas in terms of visa, viper, all of the other programs that we've done at the airports, you know, unless we eliminate the ability to come between the ports of entry undetected, you know, and unvetted, we are at risk and will continue to be. We know, from the numbers, we know that the Rio Grande Valley leads the Nation in terms of arrests of foreign nationals from countries that have a known international terrorism presence between the ports of entry. We're mindful of that and we're—we're obviously concerned about it, because you never know, you know, end of the day this about being proactive in a post-9/11 environment, and that's why from a law enforcement standpoint we're worried about that violence. You've got to get in their face.

That's why the Sheriff's Department—you know, I can assure you that Webb County Sheriff is not going to allow a bunch of thugs to overrun ranch land and farm land. When he hears it, he's going to respond, deputies are going to respond. The same thing with Chief Maldonado here, it's the same thing. To the extent that DPS can back that up and ensure that we can provide capabilities to assist them with strike teams or aviation assets or that—tactical boat teams, we will do that; because, you know, in Texas we're not giving up one square inch to these thugs.

Mr. McCAUL. I thank you. The Chairman now recognizes the Ranking Member.

Mr. CUELLAR. Thank you very much.

Mr. McCraw, you make a very good point about, you know, not the best at—I mean, when you look at technology, you don't have to pay all of these amount of dollars, because you can find a lot of good technology out there that's available at cheaper prices. I was trying to get the exact number as to how much money we spent for SPI, as you know, that Federal—was a pilot program that—

Mr. MCCRAW. We spent \$1.2 billion.

Mr. CUELLAR. Exactly. We've spent a lot of money, and one of the things, Mike and I—Congressman McCaul have always said, especially look at some of the technology that the military has used, because if it's good enough for the military, I can't see why we have to go spend all of those dollars and research and develop new things when the wheel has been invented already. So, you know, certainly, I appreciate what you're doing in trying to find that technology.

The other thing is to ask our Homeland Security folks is, I've always said, if you have a structure out there—and I've asked—you know, I've asked in the past: "Well, why cannot DPS put a camera there and share some of the infrastructure, so you don't have to develop—you know, put a tower over here when you already have a tower and work with the local sheriffs and police to do that?" So the more we can do that, I appreciate it, and you made a good point there.

The other thing is that what Congressman McCaul and I were doing is that the last time we were in Iraq, we were all—we know there's billions of dollars of equipment coming back to the United States and as we do go through the budget cuts that we're doing right now, just this Friday there was a story and—and I was on the phone yesterday with Chairman McKeon, who is the Chairman of the Armed Services, for example, the U.S. Air Force is going to send out to the bone yard 18 of those Global Hawks, which are those—the more expensive drones than what the Homeland uses.

So I spoke to him, I said, look, I know Congressman McCaul, and myself, and other folks are interested to see if there's any way—instead of putting those new drones out there, UAVs, and put them in the bone yard, why not use that over here and partner up with—you know, whether it's with the State or with Homeland Security, and that's something that McCaul and I are going to be looking at.

The other thing is, we've asked you and we asked the—General Nichols also, the TAG, to give us a list of what equipment you might be interested so we can go ahead and contact the Department of Defense, and in a letter by McCaul and myself and the group of us, the Texas delegation, both Democrats and Republicans, to help you get that equipment because, you know, the taxpayers have paid for those dollars.

If there's equipment that can be useful to us, we certainly want to work with you. I know that Mr. Dragon over here and—and fold—a few of us are working on trying to put that list, so the faster you can get that, the faster Mr. McCaul and I can help you put that.

Mr. MCCRAW. We already have our list together, Congressman. We appreciate you asking and we do—it's at a page-and-a-half right now and we'll continue to add, but we appreciate the opportunity.

Mr. CUELLAR. Okay. When you get to 10 pages, put a period and we'll turn that in I think.

Mr. MCCRAW. Yes, sir.

Mr. CUELLAR. We really appreciate that, and thank you for what y'all are doing there at the State level.

The other thing is, we want to make sure, Mr. Garza, is that we're innovative in how we do our work on the border, because, you know, we've got to find that right balance between security. We have a lot of opportunities because, like I mentioned, 6 million jobs are created in the—are here in the United States based on the trades that we have with Mexico.

One of the things that I see Mr. Carlos Villareal over here, the No. 1 Aggie that have here in Laredo, Texas, is—is we're, as you know, Laredo is on the verge of being the first city in the State, in the country, should I say, to establish where we have Mexican Customs to be at our Laredo Airport where cargo that's flying over Laredo right now will be able to stop in Laredo, pre-clear it through working with the Mexican Customs and then go into Mexico. We encourage you—and I know we've talked, and you're doing a great job, but make sure that whatever flexibility we need to make sure that your men and women are working with the Mexican Customs, because the program that we're going to establish here, once we get it done—and there's still a couple of little things

that we need to finish, but that will be historic; and I think it'll be a model for the United States once we're open to that.

So Mr. Garza, you've been very, very good. We would ask you to be as flexible and talk to your men and women to make sure that they work the Mexicans, because I want to see this program work. We've been working on it for a long time.

The last time I was in—well, when I was in Cartagena, Colombia, we spoke to Secretary Clinton and we got the letter urging her to finish the last little points that have to—have to be done, because, you know, there's going to reciprocity where the American Customs will be over there. There's some questions about guns and guns on the other side and all of that. So we're trying to push this, but we want to make sure that at the local bases that we're as flexible as possible to make sure this works. So—but, you know, appreciate everything that you're doing on that part there.

Finally, the last thing I want to do—I know we've got some of the private sector here, and y'all have been doing a good job, but we want to make sure this happens up and down the border. Your men and women that are getting—you know, looking at all of the people going through, for example, Laredo, there's a hundred buses a day that come in from across the river, we want to make sure that if there's a bad apple you treat them like a bad apple. But 99.9 percent, or maybe 99 percent of them are good people that are coming over here to spend dollars at the stores. They go to San Marcos, go to the Galleria in Houston, San Antonio, the River Walk, they spend a lot of money over here; and you've heard me say this more than once, I—again, if it's a bad apple, treat them like a bad apple, but the majority of them are coming in, we need to treat them with courtesy and with respect, because they're coming in, and we want to make sure that the first face of the United States—and it's the men and women that you're here—it's the best face we can give them because—especially if they're going to be spending a lot of money over here.

So, again, I know you all are doing a good job, but just make sure that that happens up and down the border. I think out of all of the Congressmen, I've got more ports and bridges than any other Congressman in the country and this is why this committee is very important to me and why we find that—that right balance. So I know, Gene, y'all—

Mr. GARZA. Yes, sir.

Mr. CUELLAR. Y'all have been doing a good job, and encourage y'all to keep—continue doing that.

Mr. GARZA. We'll continue to do that, sir.

Mr. CUELLAR. Okay. Finally, the last thing that I want to mention is, on the technology part of it, there is—and Congressman McCaul and I have pushed this very hard. A lot of times there's good ideas out there. There's a lot of companies, small start-up companies—and I know I was up there in Austin a couple of years ago. There's companies out there that come up with good ideas on how we can provide better security, and I would ask you—I know you've got to go up your chain, you've got to go up what—you know, the—but if you ever see good ideas out there, I would ask you to just try to pass that up as soon as possible. Because what makes our country great is the—you know, the business people that come

up with this innovative—and we’ve talked about the bad guys, how innovative they can be, but I would ask you to just, when you see good ideas up there, to try to move them up there, because sometimes there’s a lot of—there’s a lack of flexibility up there in Washington, DC and—not here, but I’m talking about up there—and we see a lot of good ideas that I think will provide us a lot of security.

I know that, for example, y’all—you’ve got some idea so you can move a lot quicker. I know we’ve got to go up their—up a chain, but, Mr. Garza, I would ask you, you know, to just—you know, you’re a good man. You’ve done a heck of a job. I would ask you that whenever y’all see any good ideas, your men and women, send them up there, so we can get to your folks and say: “Yes, let’s use this idea,” because we saw some of the technology that you’re using here—

Mr. GARZA. Yes, sir.

Mr. CUELLAR [continuing]. And I know there’s a lot more technology, and we’ve seen a lot of this technology, so I would ask you to do that, because technology—you know, personnel is important, the procedures that we use is important, the cooperation, communications are important, but technology is one part that I would ask you to do that, because we’ve got to be one step ahead of the bad guys at all time, and ask you to just send any good ideas up there. Basically, I really don’t have any questions. I really appreciate what y’all of—you know, both you are doing, Mr. McCraw at the State level, and Gene, Mr. Garza, you all have been doing a heck of a job, but just a couple of comments and observations about technology and working together in this pilot program that Mr. Villareal over here and some of us have been pushing.

You remember the first meeting that we had, both customs, Mexican Customs and American Customs, were saying—they literally were like this and saying, “It’s not going to work.” It’s not going to work, and Mr. Villareal had to mention to the Mexican officials that the Laredo Airport has more runways than the Mexico City Airport does and it’s one of the things that we just want to make sure that, you know, programs like this are going to be very historic in nature. We’ve all got to make sure that they’re successful for trade, security, and finding the right balance.

Mr. GARZA. Yes, sir. We have had numerous, numerous meetings with Mexican Customs both at the local level and at the Mexico City level. We’re on top of this. That is at the highest levels of government on both sides waiting to get approval. It certainly has our backing.

Mr. CUELLAR. Thank you very much.

Mr. Chairman, I have no other statements. I just want to thank Mr. McCraw and—

Mr. MCCRAW. Thank you.

Mr. CUELLAR [continuing]. Thank Mr. Garza for the good work that they and their men and women have been doing.

Mr. MCCAUL. If I could just echo the Ranking Member, the best ideas don’t come out of Washington. They come from the local areas, and, you know, every time I come down to the border, I learn something new. We learned a lot of new things today and I encourage Members, other Members, to come down here because you really don’t understand it until you see it.

With that, I want to thank you for—both of you for your great leadership and hard work on this issue.

Mr. GARZA. Thank you, sir.

Mr. MCCRAW. Thank you, sir.

Mr. McCAUL. Appreciate it.

Mr. CUELLAR. Thank you very much.

Mr. McCAUL. I want to thank our second and final panel; and I'd like to make quick introductions and move on to your testimony.

First, we have Mr. Jesse Hereford who is the director of Government Relations and Business Development at S&B Infrastructure as well as the vice chairman of the Border Trade Alliance. He serves as a liaison to elected and non-elected officials at the local, State, and Federal level on issues related to transportation and infrastructure. He worked for Senator Hutchison. Appreciate your service in the Congress and you've held so many leadership positions I can't possibly go through all of them.

Mr. HEREFORD. Thank you.

Mr. McCAUL. Thank you so much for being here.

Mr. HEREFORD. Thank you, Mr. Chairman.

Mr. McCAUL. Next, we have Mr.—I'm told I can call you Willie. Is that—

Mr. MARTINEZ. Yes, please. Please do.

Mr. McCAUL. Willie Martinez, Jr., is the chairman of the Laredo Chamber of Commerce, a native of Puerto Rico. Luis Fortuno and I came in together—

Mr. MARTINEZ. Oh, really. Very nice.

Mr. McCAUL [continuing]. With Mr. Cuellar. A very good man.

Mr. MARTINEZ. He's Governor.

Mr. McCAUL. Now the Governor.

You've made Laredo home since 2001. Retired U.S. Army Captain, currently serves as senior vice president for the International Bank of Commerce. Thank you so much being here, Mr. Martinez.

Mr. MARTINEZ. Thank you.

Mr. McCAUL. Jose Gonzalez is the president of JD Gonzalez, LCB, and has over 20 years experience in the international trade industry. Served as president of Laredo Licensed U.S. Customs and Brokers Association, and is currently serving as the chairman of the board where he assists in representing one of the largest concentrations of customs brokers at working and securing our borders while facilitating legitimate trade, which is exactly the point and purpose of this hearing.

I want to thank all three of you for being here today. With that, the Chairman recognizes Mr. Hereford for his testimony.

STATEMENT OF JESSE HEREFORD, VICE CHAIRMAN, BORDER TRADE ALLIANCE

Mr. HEREFORD. Thank you, Chairman McCaul, Ranking Member Cuellar.

The Border Trade Alliance appreciates the opportunity to submit testimony for this important subcommittee hearing on security and trade facilitation technology at United States' ports of entry.

The Border Trade Alliance was founded in 1986. We are a non-profit organization that serves as a forum for participants to address key issues affecting trade and economic development in

North America. Working with entities in Canada, Mexico, and United States, the BTA advocates in favor of policies and initiatives designed to improve border affairs and trade relations among the three nations.

BTA's membership consists of border municipalities, chambers of commerce, industry, academic institutions, economic development corporations, industrial parks, transport companies, custom brokers, defense companies, manufacturers, and State and local governmental agencies, just to give you some background.

Our organization over the years has had as part of its membership as various technology companies, both large and small, including manufacturers and technology integrators.

The BTA, however, does not endorse one company's technology over another. We wholeheartedly acknowledge that technology must play a pivotal role in any border and port management solution that the Department of Homeland Security pursues.

Without technology we will never have enough Border Patrol agents to secure the vast frontiers along the Southern and Northern Borders, nor will we have sufficient CBP Officers to staff every lane at our ports of entry.

When it comes to the type of technology, however, we are unequivocal in our belief that the Federal Government must place an emphasis on implementing non-intrusive technologies to inspect cargo entering the United States. That is, technologies that do not require CBP Officers to open conveyances in order to clear the contents to enter U.S. commerce. Such intensive inspections slow entry times, lead to longer border wait times at increased costs and, in the case of produce—in the produce industry, can result in a total loss.

I'm trying to get this down to 5 minutes. I've had to skip through a lot.

Mr. MCCAUL. You're doing great.

Mr. HEREFORD. We echo Congressman Cuellar's comments on CBP staffing levels. Border Patrol has seen a huge spike in agents since fiscal year 2004. That year Border Patrol was allocated \$4.9 billion to fund over 10,000 agents, but by fiscal year 2010, Border Patrol was allocated \$10.1 billion to fund just over 20,000 agents.

According to a March 30, 2011 GAO report, the Border Patrol is now better staffed than at any other time in its 86-year history. The same rapid rise in staffing levels cannot be said for CBP inspectors at our ports of entry.

To the extent that the Members of your subcommittee can influence the process, we strongly encourage you to work with the recently-named conferees to the Transportation Reauthorization Conference Committee to ensure that the next highway funding bill includes funding for the Coordinated Border Infrastructure program. I know Congressman Cuellar has worked with us very closely on that program as was the case under SAFETEA-LU.

CBI funds are dispersed to border State departments of transportation to help underwrite costs for transportation projects associated with facilitating international trade in and around the ports of entry with project locations up to 100 miles from the border. These funds can be used for technology that help facilitate trade.

CBI's effect on border State economies is drastic. The program has an annual economic impact of \$55.9 million in Texas, \$26.6 million in California, \$27.5 million in New York, and \$28.3 million in Michigan.

I wanted to shift gears here, and this is not part of my testimony, the written testimony that was submitted, but I will provide copies for each of you.

Congressman, you were talking about good ideas and getting good ideas presented to the committee. There is a Freight Shuttle project that the Texas Transportation Institute has developed, and they're looking at a pilot program in El Paso to start off with and then eventually another phase would be the Laredo to San Antonio corridor; but I wanted to highlight that project just briefly and then wrap up my testimony.

The Freight Shuttle System is an innovative privately-financed and -operated freight transportation alternative for use in highly-congested intercity corridors. This system will be an automated, zero-emission, lower-cost, and higher-performing option for shippers that are increasingly constrained by the congestion growing in our many critical freight corridors. It operates single-unit transporters at 62 miles per hour over a distance of up to 500 miles using tried and tested monorail technology.

Again, I'll make sure to provide all of that to the committee.

Then, just in closing, I wanted to highlight Senator Hutchison, my old boss. She, last week, asked the GAO to conduct a border wait-time study; and in that wait-time study she asked that the CBP processes, technology, infrastructure, and staffing levels be examined and then present that back to the Congress.

So, in closing, the Border Trade Alliance appreciates the opportunity to submit these comments for the record. We welcome the opportunity to testify before your committee in the future and we offer our 25 years of experience in border affairs as a resource to your committee as you investigate these and other important issues affecting border security.

[The prepared statement of Mr. Hereford follows:]

PREPARED STATEMENT OF JESSE HEREFORD

MAY 1, 2012

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ABOUT THE BORDER TRADE ALLIANCE

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WHAT'S AT STAKE?

The subcommittee should be commended for examining not only technology's effect on security at our ports of entry but also how technology might be used to speed legitimate trade and travel through the ports.

Our ports of entry are quite literally our country's gateways to economic health and prosperity.

Customs and Border Protection in fiscal year 2010 facilitated \$2 trillion in trade. Our neighbors in Canada and Mexico are our Nos. 2 and 3 trade partners respectively by imports world-wide. Canada and Mexico in fiscal year 2010 were each responsible for sending more than \$220 billion worth of imports into the United States.¹

Our country maintains an inextricable economic link with Canada and Mexico. Texas, for example, is the No. 1 destination for Mexican imports at a value of a staggering \$75 billion.

Much of the same can be said for U.S. exports, where Canada and Mexico rank 1 and 2 world-wide as destinations for our goods.²

These aren't just economic data compiled by Government statisticians. These numbers mean jobs. One in four U.S. jobs depends on international trade. Consider the border States like California where 617,000 jobs depend on international trade, or Texas, where it's 539,000 or Michigan where it's 210,000.

NON-INTRUSIVE = SUCCESS

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BEWARE THE EXIT PROCESS

In testimony delivered by DHS Secretary Janet Napolitano before the Senate Judiciary Committee on April 25, the Secretary touched on the United States Visitor and Immigrant Status Indicator Technology, or US-VISIT, and stated that in October 2001 she:

" . . . proposed a strategy to Congress to utilize DHS funds to implement an automated vetting and enhanced biographic exit capability. This strategy will allow the Department to significantly enhance our existing capability to identify and target for enforcement action those who have overstayed their authorized period of admission, and who represent a public safety and/or National security threat by incorporating data contained within law enforcement, military, and intelligence repositories."³

The BTA has a long history with US-VISIT, having served on the Department of Justice's Data Management Improvement Act Task Force shortly after 9/11, which was charged with making recommendations to the Department on how to implement an integrated border entry and exit system. While the BTA has never endorsed US-VISIT per se, we have always sought to work with DHS (and its legacy agencies in the Department of Justice and the Department of the Treasury) to implement an entry and exit system that would not harm border communities.

A word of caution as your subcommittee contemplates how such a system might actually work. If DHS is looking to its management of the border entry process for inspiration, then border communities should hold their collective breath when it comes to DHS' development of the Congressionally-mandated immigration exit process.

The need for an exit system is not a new idea. Congress first called for the development of an exit control in the 1996 Illegal Immigration Reform and Immigrant

¹ Canada: \$270,538,454,767 in imports; Mexico: \$220,628,712,432.

² Canada: \$244,199,301,410 in exports; Mexico: \$155,599,424,038.

³ <http://www.ilw.com/immigrationdaily/news/2012,0426-napolitano.shtm>.

Responsibility Act. In the 16 years since, Congress has reiterated and strengthened its mandate in various statutes, including the anti-terrorism USA PATRIOT Act, and DHS has struggled to implement it, missing deadlines as it worked out how to design a system to accommodate travelers in the air, sea, and land exit environments.

Yet the mandate remains in statute and the Congress—and immigration enforcement and reform—require results. In the fiscal year 2010 DHS budget bill, Congress called on the Department to make quarterly reports on its progress in developing US-VISIT for the land borders, leading many to believe that some sort of land border exit program test is coming down the pike.

Border communities in the United States have seen their local economies negatively affected by the economic downturn of this Great Recession and the increasing hassle experienced by shoppers and other visitors crossing the border. Adding another layer of delays to the border crossing experience—this time as travelers attempt to head home—could sink the border economy.

In the pilot tests run by DHS in the air environment, the exit process mirrors the entry process. It need not be so at the land borders. With the right mix of technology and political will, the land border implementation of US-VISIT can result in the exit of foreign and U.S. travelers out of the United States and into Canada and Mexico without the long lines they all endure coming in.

Any US-VISIT solution for the land borders should be implemented with the best interests of border communities as the top priority. Replicating the entry process is a non-starter. Long lines of traffic backups into U.S. communities will be fiercely—and rightly—opposed at a local level and by many in Congress.

But by deploying available technology designed to continue the current unimpeded U.S. exit—not slow it with a new exit process—the Government can implement a US-VISIT land exit solution that meets the mandates of Congress, the needs of local communities, and doesn't become an impediment to trade and travel.

A DISCREPANCY IN AGENCY RESOURCES

In February 2009, Chesley Sullenberger, the famed pilot who successfully ditched his U.S. Airways Airbus in the Hudson River following a bird strike that disabled his aircraft, testified before the House Committee on Transportation and Infrastructure's Subcommittee on Aviation. In his testimony, Sullenberger said:

"In aviation, the bottom line is that the single most important piece of safety equipment is an experienced, well-trained pilot."⁴

In port security, much like in aviation, there is no more important technology than an experienced CBPO who can spot an anomaly or identify a traveler who might seek to do us harm.

Unfortunately, this vital element of border and port security is growing increasingly hard to come by.

Your subcommittee will get no argument from the trade community and the constituency that the BTA represents that the Border Patrol is not an integral component of our Nation's border security strategy.

But the increased attention that Congress and this and previous administrations has directed towards Border Patrol has left the agency responsible for security at the ports of entry, Customs and Border Protection, coming up short in the chase for dwindling human and technological resources.

Border Patrol has seen a huge spike in agents since fiscal year 2004. That year, Border Patrol was allocated \$4.9 billion to fund 10,817 agents. But by fiscal year 2010, Border Patrol was allocated \$10.1 billion to fund just over 20,000 agents.

According to a March 30, 2011 GAO report, the Border Patrol is now better staffed than at any other time in its 86-year history.⁵

The same rapid rise in staffing levels cannot be said for CBP inspectors at our ports of entry.

A NOTE ABOUT SBINET

The BTA recognizes that some Members of this subcommittee were dubious of the effectiveness of SBInet, the so-called "virtual fence" in southern Arizona that was canceled last year by DHS.

Being the only third-party organization allowed to visit the program facility on a fact-finding mission late 2010, and after a presentation with Border Patrol agents in the Tucson sector where the system is deployed and having studied the issue

⁴<http://aircrewbuzz.blogspot.com/2009/02/what-capt-sully-sullenberger-told.html>.

⁵<http://www.gao.gov/new.items/d11508t.pdf>.

closely, we believe that the system should have been allowed to continue, especially in light of subsequent requests for information from DHS calling for much of the same technology already in use as part of SBInet in southern Arizona.

While this testimony has focused mostly on security at the ports of entry, we're not blind to the fact that our constituency is in the midst of an uphill climb to direct attention to the ports when the area between our ports is perceived as porous.

We believe that an effective SBInet program between the ports will allow more human resources to be directed to the ports themselves. We are encouraged that DHS still believes that technology is a vital component to any border security strategy. We hope the Department gives the system in southern Arizona another look as it moves forward with the latest iteration of its border security strategy.

COORDINATED BORDER INFRASTRUCTURE

To the extent that the Members of your subcommittee can influence the process, we strongly encourage you to work with the recently named conferees to the Transportation Reauthorization Conference Committee to ensure that the next highway funding bill includes funding for the Coordinated Border Infrastructure (CBI) program, as was the case under SAFETEA-LU.

CBI funds are disbursed to border State departments of transportation to help underwrite costs for transportation projects associated with facilitating international trade in and around ports of entry, with project locations up to 100 miles from the border. These funds can be used for technology that can help facilitate trade.

CBI's effect on border State economies is dramatic. The program has an annual economic impact of \$55.9 million on Texas, \$26.6 million in California, \$27.5 million in New York, and \$28.3 million in Michigan.

It's because of CBI that Texas can, for example, construct roads leading from a port to the interstate highway system. Even the most modern port is of little benefit to the economy if trade is still encountering bottlenecks in the border region.

CBI helps reduce congestion, facilitates trade, and it creates jobs, something we know Congress and the administration are especially sensitive to in this economy.

The Border Trade Alliance appreciates the opportunity to submit these comments for the record. We welcome the opportunity to testify before your committee in the future and we offer our 25 years of experience in border affairs as a resource to your committee as you investigate these and other important issues affecting border security.

Mr. McCAUL. Thank you, Mr. Hereford.

Mr. HEREFORD. Thank you, Mr. Chairman.

Mr. McCAUL. We appreciate your testimony.

The Chairman now recognizes Mr. Martinez.

STATEMENT OF WILFREDO MARTINEZ, CHAIRMAN, LAREDO CHAMBER OF COMMERCE

Mr. MARTINEZ. Good afternoon distinguished Members of the Subcommittee on Border and Maritime Security and guests.

On behalf of the 750 members of the Chamber and IBC Bank, I'd like to welcome you to our vibrant city on the U.S.-Mexico border. We appreciate you taking the time to visit our border to see first-hand the movement of people and goods that take place on a daily basis in these various locations as we sincerely appreciate you meeting with members of the private sector to discuss non-Governmental issues which have a global economic impact.

I am glad you had the opportunity to visit the port to tour the bridge and to see the movement of traffic. Aside from being the United States' busiest inland port of cargo, Laredo being at the south end (or start) of I-35 also happens to be a major crossing point for tourism and business-related activity. The economy of our community, as all border communities, is heavily dependent on business and trade with our neighbors to the south.

As a representative of the business community, my remarks will address two particular industries. No. 1, that of international trade

and transportation; and No. 2, that of regular traffic which impacts our tourism and retail industries.

Regarding the first, I will keep my remarks to a minimum since I'm sure there will be other testimony by experts who will address issues specific to that industry.

Most people will be amazed to know that two of our international bridges cross over 10,000 trucks daily and our rail bridge crosses over 1,400 rail cars daily as well.

Manufactured and agricultural products that cross our bridges are not destined for this community but rather northbound to be distributed to States along throughout the Northeast, the Midwest, and even the West Coast. Goods headed southbound is that—destined for Mexico City, Monterrey, Guadalajara, and a number of other Mexican markets.

Products and materials intended for manufacturing purposes travel on a “just-in-time” travel schedule which means that production depends heavily on timely deliveries. Delays along the way, for whatever purpose, may end up costing companies thousands or millions of dollars in turn affecting the consumer and our economy. Therefore, it is imperative that the flow of goods across our border move constantly and efficiently.

Regarding the second industry, that of retail and tourism, regardless of the reports of an increase in crime in Mexico, consumers from throughout Mexico visit our city all year round supporting our retail industry which creates jobs for thousands of U.S. citizens. In addition, millions of visitors pass through our city on their way to other points within the United States. The Federal Reserve Bank of Dallas, El Paso branch, reports that as much as 40 percent of local retail sales can be attributed to Mexican nationals and at—the same can be said of each of the crossing points along the U.S.-Mexico border.

Laredo's geographic location also makes it a key crossing point for Mexican tourists visiting other parts of the State, but 1- or 2-hour wait times in 100-degree weather, that we're accustomed to down in Laredo, tend to discourage visitors from planning trips or, at the very minimum, reduce the number of trips they make during the year.

What affects us on the border inevitably has an impact on other communities in other parts of the State as proven by the number of I-94s generated on this border. Retail centers in San Antonio, as well as outlet malls in San Marcos, Texas, will emphatically agree that sales to Mexican nationals have a tremendous positive impact on their profits. As you can see, the transportation and travel that our international bridges facilitate create a significant impact on the business community and our economy.

I'd also like to add that our community has been a strong supporter for border security. Even faced by increased vehicle searches following 9/11 and added security programs such as the US-VISIT, the Western Hemisphere Travel Initiative, which tends to impact on the number of crossings and result in longer lines and extended wait times at the bridges you'll find that support in our community for safe borders has not waived.

Yet it is important that we maintain a careful balance between security and commerce. We cannot afford to hurt our economy in our haste to seal up our borders.

Certainly, there is an illicit movement of drugs and undocumented aliens across our borders. We're all aware of that. But, by far, the larger majority of people moving across our Southern Borders do so in a legal manner and for lawful business and leisure activity. They literally come to spend money in the United States and we must keep that in mind as they make their way into our country. It is imperative that we offer visitors from Mexico entering the United States by land the same treatment that we offer air and sea travelers.

I'm almost done.

Specifically I ask you to consider the following: Support for proper resources to efficiently implement security programs such as providing Federal agencies with sufficient personnel to do a proper job. Provide the required infrastructure to ensure that traffic continues to flow (proper and humane facilities for bus passengers entering the country and for the issuance of I-94 permits).

I have a little bit more. Should I continue? I see the red light, so—

Mr. MCCAUL. It's red, but if you could just summarize that would be great.

Mr. MARTINEZ. I'm going to.

Sensitivity and proper training to ensure that visitors entering our country are made to feel like visitors and not necessary—necessarily suspects. As far as the latest report that I've seen from our—from our Federal agencies, not a single individual involved in any form of terrorism has been detained along the Southern Border. Yes, we must be vigilant, but we must also continue to be courteous.

Ladies and gentlemen, it's our hope that you will take back this message with you to Washington. Particularly given the wave of isolationism seeping through the Nation and calls for militarization of the border, it is important that we keep in mind that sealing the border is a short-sighted way of looking for solutions. Bottlenecks, longer waits, disdain for visitors . . . this will affect our community. But, in the long run, they bring about dire consequences to the economy of this State and the country as a whole.

While we treasure our business ties with our neighbors to the south, we're Americans first. We don't ask that we do away with security, but simply that we conduct it in a civil and efficient manner that will foster our economic growth and retain the United States' reputation as the most prosperous Nation in the world.

Thank you very much. I apologize.

[The prepared statement of Mr. Martinez follows:]

PREPARED STATEMENT OF WILFREDO MARTINEZ

MAY 1, 2012

Good afternoon, distinguished Members of the Subcommittee of Border and Maritime Security and guests. On behalf of the 750 members of the Laredo Chamber of Commerce I'd like to welcome you to our fair city on the U.S.-Mexico border. I want to thank you for taking the initiative to visit border crossings and see first-hand the movement of people and the processing of goods that takes place on a daily basis in these various locations; but, more importantly, I commend you for taking the

time to meet with members of the private sector to discuss non-Governmental issues of concern.

I know that time is limited so I'll be careful to keep my remarks short.

Ladies and Gentlemen, I hope that during your visit you have the opportunity to visit the port; to tour the bridge; and to see the movement of traffic. Aside from being the United States' most important crossing point for the movement of cargo, Laredo, being at the south end (or start) of I-35, also happens to be a major crossing point for tourism and business-related activity. The economy of our community, as all border communities, is heavily dependent on business and trade with our neighbors to the south.

As representative of the business community in general, my remarks will address two particular industries: (1) That of international trade and transportation, and (2) that of regular traffic which impacts our tourism and retail industries.

Regarding the first, I will keep my remarks to a minimum since I am sure there will be other testimony by experts that will address issues specific to that industry. Suffice it to say that two of our international bridges—the World Trade Bridge and the Colombia Bridge—cross over 10,000 trucks daily—and the rail bridge crosses over 1,400 rail cars also on a daily basis. The manufactured and agricultural product that crosses our bridges is not destined for this community—rather, northbound, it is distributed to States along the Northeast, the Midwest, and I dare say, even the West Coast; southbound, it is likewise destined for Mexico City, Monterrey, Guadalajara, and a number of other Mexican markets. Product aimed for manufacturing purposes travels on a “just-in-time” travel schedule. That means that production depends heavily on timely deliveries. Delays along the way, for whatever purpose, may end up costing companies thousands or millions of dollars that affect all of us. It is imperative that the flow of goods across our border move constantly and efficiently.

Regarding the second industry—that of retail and tourism—Let me say that notwithstanding the reports of an increase in crime on the Mexican side of the border, consumers from throughout Mexico visit our city throughout the year and nurture our retail industry. In addition, millions of visitors pass through our city on their way to other points within the United States. The Federal Reserve Bank of Dallas, El Paso Branch, reports that as much as 40% of local retail sales can be attributed to Mexican nationals. The same, perhaps not at the same level, but quite similar can be said of each of the other crossing points along the U.S.-Mexico border.

Let me also add that Laredo's geographic location also makes it a key crossing point for tourists visiting other parts of the State. One- or 2-hour waits in 100-degree weather, however, will tend to discourage visitors from planning trips, or at the very minimum, reduce the number of trips they make during the year. What affects us on the border, inevitably has an impact on other communities in other parts of the State, as evidenced by the number of I-94's generated on this border. Retail centers in San Antonio, as well as outlet malls in San Marcos, TX, will readily corroborate the impact that sales to Mexican nationals have on their figures. Both these destinations attribute a substantial amount of retail sales to Mexican consumers.

I mention all this to give you an idea as to the significance of the international bridges to our business community.

Now, let me add that our community has been a strong supporter of border security. Even faced by increased vehicle searches following 9/11, added security programs, such as US-VISIT, Western Hemisphere Travel Initiative (WHTI), which tend to impact on the number of crossings and result in longer lines and extended wait time at the bridges, you'll find that support in our community for safe borders has not wavered.

Yet, it is important, that we maintain a careful balance between security and commerce. We cannot afford to hurt our economy in our haste to seal our borders.

Certainly, there is an illicit movement of drugs and undocumented aliens across our borders. We are all aware of that. But, by far, the larger majority of people moving across our Southern Borders do so in a legal manner and for lawful business and leisure activity. They, literally, come to spend money in the United States. We must keep that in mind as they make their way into our country. We must offer visitors from Mexico entering the United States by land the same treatment that we offer air and sea travelers. Specifically, I ask you to consider:

- (1) Support for proper resources to properly implement security programs—i.e.:
 - Provide Federal agencies with sufficient personnel to do a proper job.
 - Provide the required infrastructure to ensure that traffic continues to flow (e.g., proper and humane facilities for bus passengers entering the country, and for the issuance of I-94 permits).

(2) Sensitivity and proper training to ensure that visitors entering our country are made to feel like visitors and, not necessarily, suspects. As far as the latest report that I've seen from our Federal agencies, not a single individual involved in any form of terrorism has been detained along the Southern Border. Yes, we must be vigilant, but we must also continue to be courteous.

Ladies and Gentlemen, it is our hope that you will take back this message with you to Washington. Particularly given the wave of isolationism seeping through the Nation and calls for militarization of the border, it is important that we keep in mind that sealing the border is a short-sighted way of looking for solutions. Bottlenecks, longer waits, disdain for visitors . . . these all affect our community. But, in the long run, they bring about dire consequences to the economy of the State and the country as a whole—we're only the crossing point after all. Ladies and Gentlemen, this community is 94% Hispanic. We value our heritage. We treasure our business ties with our neighbors to the south—but, I assure you, we are Americans first. We don't ask that we do away with security, simply that we do so in a civil and efficient manner.

Thank you.

Mr. MCCAUL. Thank you, Mr. Martinez.

Mr. MCCAUL. The Chairman recognizes Mr. Gonzalez.

**STATEMENT OF JOSE D. GONZALEZ, JOSE DAVID GONZALEZ
CUSTOMS BROKERAGE**

Mr. GONZALEZ. Good afternoon, Chairman McCaul and Ranking Member Cuellar. It is a privilege and an honor to appear before you today to provide testimony as I welcome you to Laredo, Texas, the port with the highest volume of truck crossings along the Mexican and U.S. border.

CBP Officers at the Port of Laredo do an incredible job of keeping our country safe; and I had an opportunity to go behind the scenes and get an introduction into the training and technology that CBP Officers utilize to do their job effectively and efficiently when I participated in the CBP Citizens Academy last year; and I was thoroughly impressed at how much CBP Officers do and how quickly they do it.

Regardless of how well CBP Officers are doing, given their resources, I believe there is always an opportunity to improve—especially with additional funding and technology and personnel.

Additional infrastructure requires additional personnel.

In May 2011, seven new primary inspection booths for commercial traffic were opened, nearly doubling the capacity of the World Trade Bridge. With a total of 15 primary inspection booths and improvements to the secondary express and—express and exit gates, the World Trade Bridge has the infrastructure to handle a record number of shipments, but we need additional CBP Officers to use the additional infrastructure.

Technology for non-intrusive scanning of cargo has drastically reduced the slow and costly physical inspection of goods that require unloading the imported merchandise.

In the short term, the Port of Laredo would benefit from additional mobile scanning units to expedite the flow of legitimate trade. In the long term and upon the availability of technology that can scan in less than 1 minute each primary booth should have its own fixed scanning unit so that each conveyance is scanned prior to entering the CBP's import lot.

The accuracy of the data used by CBP to assess risk depends on who files the data.

The filing of the certain information with CBP should be done by a party that is qualified to identify all of the issues, follow the appropriate analysis, and make the appropriate determination so that accurate information is filed. While U.S. licensed customs brokers are trained to analyze and identify the determinative factors, other parties in the supply chain are not.

The GAO identified certain weaknesses in the current in-bond system in a report to Congress dated April 2007. The GAO concluded that in the in-bond system collects inadequate information about the in-bond merchandise, thus underman—undermining CBP's effort to manage associated security risks and ensure proper targeting of inspections. In response to the GAO report, the CBP proposed changes to the in-bond process.

In its attempt to collect adequate information to manage associated security risks and ensure proper targeting of inspections, CBP has proposed requiring the party submitting the in-bond application to provide a statement setting forth the rule, regulation, law, standard, or ban to which the merchandise is subject to, and the name of the Government agency responsible for enforcing it, but only if the filing party has this knowledge. In essence, untrained individuals would not have to provide this statement simply because they have no knowledge of the rules, regulations, laws, standards, or bans that apply to the imported merchandise.

Allowing untrained individuals to make determinations related to the matters of public health and safety is a sure compromise to the supply chain of security. For these reasons, CBP should reexamine the role of the customs broker in increasing the accuracy of the information provided to CBP.

The Customs and Trade Partnership Against Terrorism is a joint Government-business initiative to strengthen overall supply chain and border security. In exchange for adopting stronger security practices, CBP generally affords C-TPAT partners reduced inspections. In the event of that the trailer or cargo is scanned and unloaded, it gets front-of-the-line priority.

Despite the elevated security, C-TPAT shipments are not 100 percent secure and CBP has discovered contraband in these shipments. Once a security-related incident occurs all partners connected to that shipment are suspended from the program without due process. This policy merits reconsideration because the immediate suspension from the program has serious consequences and causes irreparable injury to some C-TPAT partners.

One recent example involved a C-TPAT-certified carrier that has 330 tractors and crosses 25,000 north and southbound shipments a month. One of the carrier's shipments found to contain contraband and the carrier was immediately suspended from the program prior to an investigation.

Upon suspension from the program, the carrier's clients automatically received an electronic notification from—of the suspension. Consequently, its clients held hundreds of shipments at the border while they scrambled to find other carriers with whom they could make alternate arrangements.

CBP should afford its C-TPAT partners with due process by investigating security breaches before taking hasty, immediate actions with such serious consequences.

Chairman McCaul, Ranking Member Cuellar, I commend you for your leadership and continued efforts to increase the security of our country while expediting the flow of trade.

Although CBP is doing a great job with its current resources, I believe that increasing the accuracy of data CBP receives, treating C-TPAT partners like true partners, and providing CBP with additional technology and personnel will further your goal of increasing security and accelerating the flow of legitimate trade.

Thank you for this opportunity to testify today and I will be happy to answer any questions that you may have; and I look forward to working in the future.

[The statement of Mr. Gonzalez follows:]

PREPARED STATEMENT OF JOSE D. GONZALEZ

MAY 1, 2012

INTRODUCTION

Acting Chairman McCaul, Ranking Member Cuellar, distinguished Members of the subcommittee: It is a privilege and an honor to appear before you today to provide testimony regarding the “Use of Technology to Facilitate Trade and Enhance Security at our Ports of Entry.”

First, I commend the subcommittee for holding the field hearing here in Laredo, Texas, the port with the highest volume of trucks along the U.S.-Mexico border and for inviting representatives of the local stakeholders to provide testimony.

CBP Officers at the Port of Laredo do an incredible job of keeping our country safe. I had an opportunity to go behind the scenes and get an introduction into the training and technology that CBP Officers’ utilize to do their job effectively and efficiently when I participated in the inaugural 8-week CBP Field Operations Citizens Academy last year and I was thoroughly impressed at how much CBP Officers do and how quickly they do it. Searching for alternatives to reduce delays while increasing security at the Port of Laredo for commercial traffic is not an easy task. Regardless of how well CBP Officers are doing given their resources, I believe that there is always an opportunity to improve—especially with additional funding for technology and personnel.

ADDITIONAL INFRASTRUCTURE REQUIRES ADDITIONAL PERSONNEL

In May 2011, seven new primary inspection booths for commercial traffic were opened, nearly doubling the capacity at the World Trade Bridge. With a total of 15 primary inspection booths and improvements to the secondary express and exit gate areas, the World Trade Bridge has the infrastructure to handle a record number of shipments. The improvements to the infrastructure can only be fully utilized with additional CBP Officers. Additional personnel are needed now because northbound traffic currently peaks between about 9 a.m. to nearly 4 p.m. every day during the week.

TECHNOLOGY AND PERSONNEL FOR NON-INTRUSIVE SCANNING OF CARGO

Technology for the non-intrusive scanning of cargo has drastically reduced the slow and costly physical inspection of goods that required unloading the imported merchandise. Currently, CBP Officers at the World Trade Bridge utilize fixed and mobile scanning units to detect contraband.

Comparing the fixed and mobile scanning units, the mobile scanning units are more efficient as they can scan approximately 55 conveyances per hour as compared to the fixed scanning units that can scan approximately 20 conveyances per hour. Of course, fewer conveyances are actually processed in that amount of time because in addition to scan time, additional time of approximately 2 to 7 minutes are needed for an officer to analyze the image and compare it to the manifest data.

In the short term, the port of Laredo would benefit from additional mobile scanning units to expedite the flow of legitimate trade. In the long term and upon the availability of the technology that can scan in less than 1 minute, each primary booth should have its own fixed scanning unit so that each conveyance is scanned prior to entering CBP’s import lot.

THE ACCURACY OF DATA USED BY CBP TO ASSESS RISK DEPENDS ON WHO FILES

The filing of certain information with CBP should be done by a party that is qualified to identify all the issues, follow the appropriate analysis, and make the appropriate determinations so that accurate information is filed. While U.S.-licensed customs brokers are trained to analyze and identify the determinative factors, other parties in the supply chain are not. The validity of the information is dependent upon the skills and knowledge of the individuals who prepare those filings. To the extent that the integrity of the filings is called into question, CBP's targeting determinations for shipment scrutiny are compromised. Allowing untrained individuals to make determinations relating to matters of public health and safety is a material compromise of supply chain security.

The Government Accountability Office (GAO) identified certain weaknesses in the current in-bond system in a report to Congress dated April 2007. The GAO concluded that the in-bond system collects inadequate information about the in-bond merchandise, thus undermining CBP's efforts to manage associated security risks and ensure proper targeting of inspections. In response to the GAO report, CBP published a notice of proposed rulemaking in the Federal Register¹ on Feb. 22, 2012 advising that it intends to make changes to the in-bond process.

In its attempt to collect adequate information to manage associated security risks and ensure proper targeting of inspections, CBP has proposed requiring the party submitting the in-bond application to provide a statement setting forth the rule, regulation, law, standard, or ban to which the merchandise is subject to and the name of the Government agency responsible for enforcing the rule, regulation, law, standard, or ban, but only if the filing party has this knowledge. In essence, untrained individuals that cannot provide accurate data would not have to provide the statement simply because they have no knowledge of the rules, regulations, laws, standards, or bans that may apply.

These data elements are highly technical and relate with specificity to the merchandise itself and are interpretative in nature. The reality is that many shippers and importers will rely upon their service providers to develop this information. Moreover, even where detailed information is available, the validity and reliability of the information that CBP receives is in large part dependent upon the party who prepares and files the data. There are any number of complex rules and regulations which govern restrictions placed on special classes of merchandise, be they trade policy restrictions, or restrictions imposed by other Federal agencies for health, safety, or conservation purposes.

Similarly, the Importer Security Filing (ISF) contains data that is reasonably necessary to improve CBP's ability to identify high-risk shipments so as to prevent smuggling and ensure cargo safety and security. One required data element is the harmonized tariff schedule number to the sixth digit. This number is used to identify what is being imported. An inaccurate classification number will compromise CBP's targeting. Only licensed U.S. customs brokers have demonstrated mastery in the classification of goods.

For these reasons, CBP should reexamine the role of the customs broker as it relates to analyzing data, making determinations, and providing accurate information to CBP. The definition of customs business should encompass areas where a customs broker's expertise would increase the accuracy of data utilized by CBP to assess risk.

C-TPAT PARTNERS SHOULD BE AFFORDED DUE PROCESS

The Customs and Trade Partnership Against Terrorism, commonly called "C-TPAT" is a joint Government-business initiative to build cooperative relationships that strengthen overall supply chain and border security. In exchange for adopting these stronger security practices and after verification by CBP that the measures are in place, CBP generally affords C-TPAT partners reduced inspections and in the event that their cargo is scanned or unloaded it gets front-of-the-line priority.

In order to qualify for the benefits of C-TPAT, the foreign manufacturer, the foreign long-haul carrier, the cross-border drayage carrier, and the U.S. importer must all participate in the C-TPAT program. In addition, the driver must also be enrolled in the Free and Secure Trade (F.A.S.T.) program.

Despite the elevated security, C-TPAT shipments are not 100% secure and CBP has discovered contraband in C-TPAT shipments. Once a security-related incident occurs, all C-TPAT partners connected to that shipment are immediately suspended from the program without due process, including the foreign manufacturer, the for-

¹ 77 Fed. Reg. 10622.

eign long-haul carrier, the cross-border drayage carrier, and the U.S. importer despite the low probability that all of these entities were involved with the security breach. This policy merits reconsideration because the immediate suspension from the program has serious consequences and causes irreparable injury to some C-TPAT partners.

One such example that occurred within the last month involved a C-TPAT certified carrier that has 330 tractors and crosses 25,000 shipments a month, including both northbound and southbound shipments. One of the carrier's shipments was found to contain contraband and the carrier was immediately suspended from the C-TPAT program prior to an investigation.

Upon suspension from the program, the carrier's C-TPAT clients automatically received an electronic notification of the carrier's suspension from the C-TPAT program. Consequently, its clients held hundreds of shipments at the border while they scrambled to find other C-TPAT carriers with whom they could make alternate arrangements.

One of the carrier's clients that imports approximately 300 shipments a day found itself with a big problem considering that it was relying on the services of the carrier that was suspended from C-TPAT program. Realizing its failure to have a back-up plan, the client will likely split its future shipments between two or more C-TPAT carriers thereby causing irreparable injury in the form of lost business for the suspended C-TPAT partner.

For this reason, CBP should afford its C-TPAT partners with due process by investigating security breaches before taking hasty, immediate action with such serious consequences. If immediate action must be taken prior to a full investigation then the action should be reasonable and it should be limited only to the individuals involved in that transaction instead of the entire company.

CONCLUSION

Acting Chairman McCaul, Ranking Member Cuellar, and distinguished Members of the subcommittee, I commend you for your leadership and continued efforts to increase the security of our country while expediting the flow of trade. Although CBP is doing a great job with its current resources, I believe that increasing the accuracy of the data CBP receives, treating partners like true partners, and providing CBP with additional technology and personnel will further your goal of increasing security and accelerating the flow of legitimate trade. Thank you for the opportunity to testify today. I will be happy to answer any questions you may have and I look forward to working with you in the future.

Mr. MCCAUL. Thank you, Mr. Gonzalez.

I just want to ask, you know, you've touched on this, I think, quite well explaining these programs, but we basically have these two trusted traveler shipper programs. There's the SENTRI and then the FAST which is under the C-TPAT as you referenced; and this question is for all three of you.

How would you—what kind of report card would you give to these programs and how could they be improved? I guess we'll start with you, Mr. Hereford.

Mr. HEREFORD. Sure. Well, thank you very much, Mr. Chairman.

You know, FAST, the—we always hear in our organization that FAST is not fast, but a lot of that has to do with infrastructure constraints because the FAST lane is not a dedicated lane for FAST; so you have others that are mixed into that and that causes a lot of the delays; and so my perspective and my opinion and the organization's would first be infrastructure as well as technology. Thank you.

Mr. MCCAUL. That's a good point. A dedicated lane. I think, Mr. Garza, in your prior testimony referenced to the fact that that's the direction we're headed, correct? I know you're not testifying, but just to—

Mr. GARZA. I'll be glad to answer the question.

Mr. MCCAUL. Yeah. It's a little more important.

Mr. GARZA. Yes, sir. At the World Trade Bridge it is a dedicated lane all the way from the Mexican side and on the bridge all the way to the primary. In fact, with the addition of seven lanes, it has allowed us to increase the FAST by three—up to three lanes now. So FAST is fast at World Trade.

Mr. McCAUL. Okay. Thanks for the clarification. I don't know if you have any—

Mr. HEREFORD. I'm not disputing Gene. I've known him for a lot of years. I'm saying at other ports of entry. You know, for example, El Paso is the one that really stands out in my mind, they have that issue.

Mr. McCAUL. Okay. That's an excellent point as well.

Mr. Martinez.

Mr. MARTINEZ. Mr. Chairman, I don't have a comment about FAST, but I can tell you about SENTRI from what I hear from our members. It is sufficient. It's something that they count on, on a daily basis to cross back and forth.

I think the process could be somehow made more efficient as to apply for the SENTRI card and so forth; but once they have their card they use it, like I said, on a daily basis and they're very happy with it. I haven't heard any complaints unless it breaks down or it's used for other purposes.

Mr. McCAUL. How long is the application process in your judgment?

Mr. MARTINEZ. From what I hear, and correct me if I'm wrong, Mr. Garza, but it could take over a month sometimes to get that SENTRI card, you know, when you start new and—

Mr. McCAUL. Sure.

Mr. GARZA. It depends on each applicant. Generally we prefer that they go on-line and do their application, that will facilitate the application process, but, normally, I would say that within 2 to 3 weeks they should have their certification for—in SENTRI, but it all depends on each individual.

Mr. McCAUL. Right. I know that there's a sort of background check component which, you know, a month in terms of the Federal Government is really light years ahead, so—but I appreciate your comments.

Mr. Gonzalez.

Mr. GONZALEZ. Yes, sir. Thank you, Chairman McCaul, for your question, and with regard to—I'm going to focus more on the C-TPAT because I feel like there's a lot of room for improvement.

It requires a lot of investment from our stakeholders; and I know that just recently when we had—there was an issue that I mentioned here in my testimony, there was a situation that happened just last week, and we feel that there should be certain tiers involved so that it would allow an opportunity for the other trucks or the other trades companies, when they start doing crosses, they could go ahead and allow from the—clearance without having to sit there and have their individuals look for different modes of C-TPAT tractor-trailers to do the crossings at that particular time.

So there are room for improvement and we feel that we could work with the tiers and also making more investments with the smaller importers and the—we need to get more people involved.

Mr. McCAUL. Well, thank you.

One thing you mentioned that caught my attention: The idea of these mobile scanning units.

Mr. GONZALEZ. Uh-huh.

Mr. MCCAUL. Could you elaborate on that a little bit?

Mr. GONZALEZ. The mobile scanning units they do 55 trucks an hour. They're much more faster than the standard fixed units, and they're allowing us to go ahead and move more crossing. If you see—I'm sure you were at the import lot today and you were watching the trucks going through, the mobile units can scan a whole line whereas it takes five—I think five—correct me if I'm wrong, 5 to 10 minutes to do just one of the fixed unit, so it's a lot more efficient going through the mobile units.

Mr. MCCAUL. When you got 5,000 18-wheelers, we saw a line there today.

I guess to—Mr. Hereford and Martinez, I agree with you that boots on the ground is not going to solve everything. We need that and the technology piece. In my judgment, the technology piece has not been completed yet, and when it is I think we'll be able to say we have operational control of the border.

Do you see any advances on the horizon that you think would be beneficial in providing that security and an expeditious flow of commerce?

Mr. HEREFORD. That's a good question, Mr. Chairman.

I mean, yes, you know, there are technologies. I mean, we work very closely with CBP. We put together a paper and a stakeholders forum on C-TPAT and provided that to them, and I'm pretty sure we provided that to Paul at the committee, so I do think that there are—we're progressing in that way.

I think the UAVs that you all have referenced is absolutely critical to the border security aspect, and I think, again, the boots on the ground is one perspective—I mean, is one—

Mr. MARTINEZ. Aspect.

Mr. HEREFORD [continuing]. One aspect. Thank you. But, you know, Mr. McCraw talked about cameras and there are other technological advances out there for border security.

Now, we're not—again, we don't endorse anything, but I do think that we're moving in that direction. Because now you hear about—you know, with the fencing you—in essence, you've shifted the patterns now for smugglers, and that's where Border Patrol can now focus their efforts through these corridors.

Mr. MCCAUL. Yeah. That's correct.

Mr. Martinez, do you have any comment?

Mr. MARTINEZ. Mr. Chairman, I just want to re-emphasize and you just alluded to this is, if we're going to do any improvements to technology, we're all pro, you know, safe borders, but we need to make sure that we have the right personnel using that technology efficiently as opposed to getting something and upgrading that delays the process of commerce and transportation between the bridges.

As long as—and I would suggest even testing this—whatever technology we're going to use testing that first before implementing it across the borders.

Mr. MCCAUL. Yeah. I think the SBInet was an example of a colossal failure at \$1.2 billion—

Mr. MARTINEZ. Correct.

Mr. MCCAUL. As Mr. Cuellar and I—you know, we're both huge fans of leveraging existing technology that we've already spent all of the R&D on, we know it works and has worked in Afghanistan and Pakistan and Iraq.

So with that said, Chairman recognizes Mr. Cuellar.

Mr. CUELLAR. Thank you very much.

Jose, we had talked about \$640 million that we had found, but I have to tell you that just last week we found out that it apparently got swept up to help reduce the deficit. We had found \$650—\$640 million that we were hoping we could use for border infrastructure. It was—actually had been in the account since the late 1900s—I mean, 1997–1998 as a fee for the NAFTA.

Mr. MARTINEZ. The NAFTA.

Mr. CUELLAR. But apparently—when we were trying to work with the Appropriations Committee it apparently was swept up last year, so it got to help reduce the—the deficit, so, you know, I'm sorry we won't be able to use that. I thought we were going to use \$640 million for border infrastructure, No. 1.

No. 2, I know we probably—and this is something, Mr. McCaul, we can work on together to come up with authorization, give Homeland or CBP authorizations where they can get private donations. I think we can find different organizations, whether it's the Michocana organization that say, you know what, we're willing to donate, we're willing to put some money in so we can move traffic in—or faster up there.

So, Mr. McCaul, I would ask you if, maybe, we could work on some legislation together to give—and, Gene, I'm sorry, I didn't mean to get out of it, but I assume you just—I mean, since you're not up here, but I assume you cannot take any private donations to do any infrastructure or open up lanes; is that correct?

Mr. GARZA. That's correct, sir.

Mr. CUELLAR. You cannot?

Mr. GARZA. No.

Mr. CUELLAR. Okay. So that is something, because I know we can find different ways that we can get the private sector—because if the private sector is willing to pool together and say, you know what, let's open up another booth here, another lane to move traffic, I think they'll be willing to do that, so I think that's something that we can get the private sector in.

The second thing I would ask you is, Mr. Gonzalez, you mentioned this citizens academy and Mr. Garza was explaining that. I think it's a great idea.

Mr. Garza, I would ask you to—encourage you to keep doing what you're doing, because this will allow the citizens to go behind the scenes and get to know what you're doing; and it's not only so they know what you're doing behind the scenes, but, I think, while you're going through that, you might have some input from some folks that might improve the process a little faster on that.

So I would ask y'all to just keep those citizen academies. I think it's a very good idea. A lot of people don't know about, it's fairly new, but I think it's a good idea to get the private sector there.

Finally, the other thing is the—on the C-TPAT that you mentioned in the testimony, Mr. Garza, didn't we talk about it this

morning, that there's a little bit more flexibility on the C-TPAT where y'all are moving into that direction or are you constrained by—and I don't know if you saw the—or heard the testimony, but any flexibility, discretion that y'all might have to move that and it's a—it's a good thing that we're doing, but it's still—and I don't know if we're restrained by it or you're restrained, but any flexibility? You got to still keep an eye on the bad guys, but, you know, sometimes we get caught up by this process.

Mr. GARZA. Yes, sir. We'll continue to work with our C-TPAT office in Houston and headquarters. They are aware of the issue. Certainly, some of the trade community has gone up there on cases that involve themselves or company, but we'll continue to work and try to issue papers for them so they can be able to understand what Mr. Gonzalez was saying about that.

Mr. CUELLAR. Again, I appreciate, Mr. Garza, the sensitivity they provide to the stakeholders, because, again, if it's a bad apple you go after the bad apples. If it's the rest or if it's money that's being brought in, a billion dollars of trade between the United States and Mexico every single day, and 6 million jobs are created that are here in the United States because of the trade that we have with Mexico.

Finally, the last thing is, you know, this field hearing, we're—you know, any time we have a hearing, we get testimony. In the back there is copies of the testimony not only for the individuals who are here but the ones that spoke before. There is a lot of good information, and I would ask you that if you—if you have a chance pick up the testimony.

As Members of Congress, we've learned a lot by just getting the testimony. It's an—amazing data and information, so I would ask, you know, if you haven't got a copy of the different testimony, I would ask you to do that.

Otherwise, Mr. Chairman, this is it. I know we've got one more part of the day today that we've got to finish, but I want to thank the witnesses that are here, the good people that work very hard, and the witnesses that were here before, and it's always a pleasure seeing Laredo.

You know, a lot of people talk about, you know, the border being a war zone, and one thing I—Mr. McCaul is very good. He's very good at being very balanced, very reasonable, making sure that we understand that this is not heaven, but we call it heaven here, but we're—you know, we do understand there is challenges here, but it's not what a lot of people paint, and I want to thank Mr. McCaul, because most of the time when people want to come to the border they want to go up there in the middle of the night and go up there with Border Patrol, and with night goggle visions and of all that, but I want to thank Mr. McCaul to see the trade, the largest inland port that we have in the United States, and I want to thank Mr. McCaul for providing this balanced approach.

Mr. MCCAUL. Thank you. And thank you. And thank you for your kind words in recognizing that and thank you for hosting us in your beautiful city; and I also want to thank the staff.

We rarely thank the staff and—but the staff has worked very hard on this hearing, and they've had the opportunity to come down to Laredo and see my home State and your home town and

I just want to thank you for that. Last, thank the witnesses. Then finally I want to thank all of the law enforcement in the room.

I remember when I got the news that Jaime Zapata had been shot and killed, and I had numerous visits with Agent Avila and the experience he went through down in Mexico, of course, you know, Agent Terry, another example, and a lot people just don't realize, you know, what you—day in and day out putting your lives on the line to secure this Nation, and I want to just personally—and I'm sure the Ranking Member agrees—just personally say thank you for your service.

With that, this hearing is adjourned.

[Whereupon, the subcommittee was adjourned.]

