

**Statement of Robert C. Bonner
Commissioner of the Bureau of Customs and Border Protection
House Appropriations Committee
Subcommittee on Homeland Security
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I. Introduction and Overview

Chairman Rogers, Ranking Member Sabo, Members of the Subcommittee, it is a privilege and an honor to appear before you today to discuss Customs and Border Protection's (CBP) FY 2005 budget request.

I want to begin by expressing my gratitude to the Committee on Appropriations for the support it provided for important initiatives implemented by CBP last year. That support enabled CBP to make significant progress in protecting our country against the terrorist threat. I also want to thank Congress for the support it provided in creating the new Department of Homeland Security, and the new Customs and Border Protection agency within that Department. As the head of CBP, I look forward to working with you to build on these successes.

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

And we must do this while continuing to perform our traditional missions well. These missions include apprehending individuals attempting to enter the United States illegally, stemming the flow of illegal drugs and other contraband, protecting our agricultural and economic interests from harmful pests and diseases, protecting American businesses from theft of their intellectual property, regulating and facilitating international trade, collecting import duties, and enforcing U.S. trade laws. In FY 2003, CBP processed 26.1 million trade entries, collected \$24.7 billion in import duties, seized 2.2 million pounds of narcotics, and processed 412.8 million pedestrians and passengers and 132.2 million conveyances.

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

Our total program increase request for FY '05 is \$223 million. These funds will help CBP fulfill its priority mission of preventing terrorists and terrorist weapons from entering the United States. As Commissioner, I will also devote needed funds to support the automation and information technology programs that will improve overall

operations of the agency, and I will devote funds to support the traditional missions for which CBP is responsible.

Mr. Chairman, although I will touch on each of these areas in my statement, and outline the actions CBP has taken or is planning to take in each, I want to point out that in many cases, funds spent in one area have a direct and positive impact on other areas. For example, funds spent on automation and information technology provide invaluable assistance to our priority mission of preventing terrorists and terrorist weapons from entering the United States. Also, funds spent on our priority mission often result in improvements in our effectiveness and efficiency in carrying out our traditional missions, such as interdicting narcotics, and vice versa.

By way of summary of the FY '05 budget for CBP, I can tell you that the program increases we are requesting include:

- \$25 million for the Container Security Initiative, which will support the continued expansion of the program, including the stationing of CBP personnel in additional key international seaports to examine high-risk cargo before it is placed on ships bound for the U.S.;
- \$15 million for the Customs-Trade Partnership Against Terrorism to increase supply chain security and expedite the clearance of legitimate trade;
- \$50 million for Radiation Detection and Non-Intrusive Inspection Technology to detect weapons of mass destruction;
- \$21 million for Targeting Systems Enhancements to identify high-risk travelers and goods for inspection while allowing the vast majority of law abiding travelers and commerce to continue unimpeded;
- \$64 million for Border Patrol Surveillance and Sensor Technology for the expansion of the remote video system along the southern and northern borders to detect illegal crossings and to increase the effectiveness of agents responding to such crossings;
- \$10 million for Unmanned Aerial Vehicles to develop, procure, deploy, and operate a system of unmanned aerial vehicles to support the Border Patrol by detecting and monitoring illegal border crossings; and
- \$5 million to support the International Trade Data System (ITDS) to revolutionize the way international trade data is collected, disseminated, and used.

In my statement, I will discuss these programs and others that CBP has been working on during the past year. I would like to begin, though, with a brief update for the Subcommittee on the status of CBP after one year.

II. Customs and Border Protection at One Year

On March 1st, the Department of Homeland Security celebrated its one year anniversary as a Department. The anniversary marked the successful transfer of approximately 42,000 employees from the U.S. Customs Service, the Immigration and Naturalization Service, and the Animal and Plant Health Inspection Service (APHIS) to the new Customs and Border Protection agency in the Department of Homeland Security. CBP is the largest actual merger of people and functions within the Department of Homeland Security. Indeed, about one-fourth of the personnel of DHS are housed within CBP. That is not surprising considering how important the security of our borders is to the security of our homeland.

A. One Face at the Border

To create CBP, on March 1, we took a substantial portion of U.S. Customs and merged that with all of the immigration inspectors and Border Patrol from the former INS, and inspectors from the Department of Agriculture's APHIS. This means that for the first time in our country's history, all agencies of the United States Government with significant border responsibilities have been integrated and unified into a single federal agency responsible for managing, controlling and securing our Nation's borders.

At CBP, we are creating, as Secretary Ridge has called it, "One Face at the Border" -- one border agency for our country. In the year following its creation, CBP has made significant strides toward unification. And America is safer and its border are more secure than they were when border responsibilities were fragmented in three different departments of government, as they were before March 1, 2003 -- before the creation of the Department of Homeland Security.

On March 1, 2003, CBP designated one Port Director at each port of entry and put in place a single, unified chain of command. This was the first time there has ever been one person at each of our nation's ports of entry in charge of all Federal Inspection Services. And in terms of an immediate increase in antiterrorism security, on Day One, all frontline, primary inspectors at all ports of entry into the United States were equipped with radiation detection devices. Since March 1, 2003, all inspectors have also received antiterrorism training.

Last year, we began rolling out unified CBP primary inspections at international airports around the country, starting with U.S. citizens and Lawful Permanent Residents. Unified primary means that the CBP inspector in the booth will conduct the primary inspection for all purposes – immigration, customs, and agriculture. Launched at Dulles, Houston, JFK, Newark, LAX, Atlanta, Miami, San Francisco, unified primary is now operational at all major international airports. This is a major step forward in eliminating the process of travelers potentially having to "run the gauntlet" through three separate inspection agencies. Although legacy customs and immigration inspectors have assumed interchangeable roles at the land border ports of entry for years, this is the first time unified primary has been done on a national scale at our country's airports.

Along with unified primary, we have also developed and are implementing combined anti-terrorism secondary which leverages the expertise and authorities of both legacy customs and immigration to conduct a joint secondary inspection of passengers deemed high-risk for terrorism. CBP has also begun to coordinate and consolidate our passenger analytical units – the units that identify potential high-risk travelers for inspection. Again, this brings together the customs and immigration experience and authority to more effectively and efficiently identify and interdict individuals who pose a possible terrorist risk.

B. Unifying Symbols and the CBP Officer Position

Since July 2003, we have begun rolling out a new CBP uniform and patch for all CBP inspectors at our Nation's ports of entry. It will replace the three different customs, agriculture, and immigration inspectional uniforms and patches. The new uniform and patch represent our most visible unifying symbols to the American public. The new uniform is being implemented in four phases. In the first phase, completed as of October 1, 2003, all CBP managers and supervisors converted to the new uniform. Other CBP uniformed personnel will be phased in at various points with implementation scheduled to be complete by July of this year.

All of these actions are helping us unify and become more effective as an agency. Perhaps our most significant step toward achieving "One Face at the Border," though, was announced by Secretary Ridge on September 2, 2003: the rollout of the new "CBP Officer" position. As of October, 2003, we stopped hiring and training legacy "immigration" or "customs" inspectors and began hiring and training a new group of "CBP Officers," who will be equipped to handle all CBP primary and many of the secondary inspection functions, in both the passenger and cargo environments. We are also deploying CBP Agriculture Specialists to perform more specialized agricultural inspection functions in both these environments.

C. Integrated Training

Training is a very important component to the roll out of the CBP Officer. We have created a new 14 week, 71-day basic course that provides the training necessary to conduct primary processing and to be familiar with secondary processing of passengers, merchandise, and conveyances in all modes of transport - air, sea, and land. The new CBP Officer course was built from the 53-day basic Customs inspector course and the 57-day basic Immigration inspector course, with redundancies removed, and with additions to address anti-terrorism and CBP's role in agriculture inspection. The training also supports the traditional missions of the legacy agencies integrated in CBP. Our first CBP Officers were hired on September 22, 2003, and they immediately started training at the Federal Law Enforcement Training Center (FLETC).

D. Enhanced Security Between Ports of Entry

We have also worked very hard to integrate the Border Patrol into CBP and simultaneously to improve the security of our country between the ports of entry. We

have revised and refocused the Border Patrol's National Strategy, which had previously been focused on preventing the flow of illegal aliens and drugs between ports of entry on our border with Mexico. It now includes an aggressive strategy for protecting against terrorist penetration, at both our northern and southern borders.

And we have started implementing this Strategy. On 9-11, there were only 368 authorized positions for Border Patrol agents for the entire northern border. In the last year, we have added almost 500 agents to the northern border, giving us more than 1,000 total – exceeding the goal I set soon after March 1, 2003. This staffing increase will better secure our border against terrorist penetration.

But we are doing more than just adding staffing. We are adding sensors and other technology that assist in detecting illegal crossings along both our northern and southern borders, including Remote Video Surveillance (RVS) systems. These RVS systems are real-time remotely controlled force enhancement camera systems, which provide coverage along the northern and southern land borders of the United States, 24 hours per day, 7 days a week. The RVS system significantly enhances the Border Patrol's ability to detect, identify, and respond to border intrusions, and it has a deterrent value as well.

And we have seen gains in security by integrating the Border Patrol into CBP. For example, the Office of Field Operations and the Office of the Border Patrol are now able to quickly and easily share equipment and information to support one another, and have done so on many occasions, whether it be the use of radiation detection equipment at higher threat conditions, or the use of truck imaging equipment to detect and deter human smuggling.

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

As the single, unified border agency of the United States, CBP's mission is vitally important to the protection of America and the American people. In the aftermath of the terrorist attacks of September 11th, we have developed numerous initiatives to meet our twin goals of improving security and facilitating the flow of legitimate trade and travel. Funds from the FY '05 budget will help us expand those initiatives and to begin new ones to ensure further protection of both the American people and the American economy. Our strategy in implementing these initiatives involves a number of factors, including: (A) constantly improving and expanding our targeting systems to better screen more people and goods entering and departing the U.S.; (B) pushing our "zone of security outward" by partnering with other countries; (C) pushing our "zone of security outward" by partnering with the private sector; (D) deploying advanced inspection technology and equipment at our ports of entry to detect weapons of mass destruction; and (E) deploying advanced detection and monitoring equipment between our ports of entry to detect illegal crossings.

A. Enhancing our ability to identify high-risk people and cargo

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

Advance Electronic Information

Since September 11th, CBP has taken numerous steps to ensure that it has the information it needs, at the right time, to identify all high-risk people and shipments destined for the U.S. As a result of these efforts, and the strong support of the Congress, CBP now has, among other authorities, the statutory authority to require Advance Passenger Information and Passenger Name Record data on all people flying into and out of the United States, as well as advanced, electronic manifest data on cargo destined for or departing the United States. CBP has worked aggressively to promulgate and implement regulations pursuant to these enabling statutes. For example, we are currently implementing regulations requiring advance, electronic manifest (or similar) data on virtually all cargo coming into the U.S. by any mode (rail, truck, aircraft, vessel), whereas this data was previously provided on a voluntary, and very limited basis. These requirements should be fully implemented by early FY '05.

National Targeting Center (NTC)

The NTC began around the clock operations on November 10, 2001, with a priority mission of providing tactical targeting and analytical research support for Customs' anti-terrorism efforts. As personnel from Customs, the INS, and the USDA came together on March 1, 2003, under the umbrella of CBP, the NTC mission broadened commensurately with the CBP role in support of Homeland Security.

The NTC is primarily staffed by CBP Officers and analysts that are experts in passenger and cargo targeting for air, sea, and land operations in the inbound and outbound environments. The NTC develops tactical targets – potentially high-risk people and shipments that should be subject to a CBP inspection – from raw intelligence, trade, travel, and law enforcement data. NTC also supports CBP field elements, including Container Security Initiative (CSI) personnel stationed in countries throughout the world, with additional research assets for passenger and cargo examinations.

In January 2003, the NTC staff relocated to a state-of-the-art facility. The new facility is designed to accommodate representatives from all CBP disciplines, including

representatives from the Office of Border Patrol, the Office of Intelligence, and the Office of Information and Technology, as well as liaison staff from the law enforcement and intelligence communities. The NTC has developed liaison with the Office of Naval Intelligence and the U.S. Coast Guard via an exchange of personnel with the National Marine Intelligence Center. NTC has also exchanged personnel with the Transportation Security Administration, the Department of Energy, and provided targeting expertise to the DHS Operations Center.

The funding sought in FY '05 will enable the NTC to continue to expand its infrastructure and personnel to meet the needs of CBP as we see continued increases in passengers and commercial shipments coming to the U.S. It will also enable the NTC to continue to play a central role in interagency activities related to identifying high-risk people and cargo.

Automated Targeting System

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

The funding increases sought for ATS in the FY '05 budget will allow for the continued improvement of the system as well as provide it with the capacity to process the electronic data related to the ever-increasing number of people and goods entering the United States. For example, the funding will allow us to develop and implement a version of ATS that, for the first time, will be able to identify potentially high-risk travelers in passenger vehicles. It will also be used to upgrade our passenger targeting system by improving the amount of government data that the system can access and analyze as well as provide us with the capacity to train more people on the use of the system. On the cargo side, the funding will permit ATS to increase its capacity and upgrade its capabilities by utilizing cutting edge information analysis technologies developed by CBP and the private sector.

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

Container Security Initiative (CSI)

To meet our priority mission of preventing terrorists and terrorist weapons from entering the United States, I believe CBP must “push our zone of security outward” – so that our borders are not the first line of defense to keep terrorists and terrorist weapons out of the U.S. We have done this by partnering with other countries on our Container Security Initiative (CSI), one of the most significant and successful homeland security initiatives developed and implemented after 9-11.

Almost 9 million cargo containers arrive at U.S. seaports annually. Because of the sheer volume of sea container traffic and the opportunities it presents for terrorists, containerized shipping is uniquely vulnerable to terrorist attack. Under CSI, which is the first program of its kind, we are partnering with foreign governments to identify and inspect high-risk cargo containers at foreign ports, before they are shipped to our ports and pose a threat to the U.S. and to global trade.

The four core elements of CSI are:

- First, identifying “high-risk” containers, using ATS and the 24-hour rule, before they set sail for the U.S.
- Second, pre-screening the “high-risk” containers at the foreign CSI port before they are shipped to the U.S.
- Third, using technology to pre-screen the high-risk containers, including both radiation detectors and large-scale imaging machines to detect potential terrorist weapons.
- Fourth, using smarter, “tamper-evident” containers – containers that indicate to CBP officers at the port of arrival whether they have been tampered with after the security screening.

CSI continues to generate exceptional participation and support. The goal for the first phase of CSI was to implement the program at as many of the top 20 foreign container ports – in terms of volume of cargo containers shipped to United States seaports – as possible. Those ports account for nearly 70 percent of all cargo containers arriving at U.S. seaports. Today, the governments representing 19 of the top 20 ports have agreed to implement CSI, and I am confident that we will reach agreement with the 20th port very soon.

We announced the second phase of CSI in June 2003. Under CSI Phase II, we will implement CSI at other foreign ports that ship a significant volume of cargo to the United States, and that have the infrastructure and technology in place to support the program. We have already signed CSI agreements with Malaysia, Sweden, South Africa, and Sri Lanka. Once we have Phase II implemented, we anticipate that CSI will cover approximately 80 percent of the containers coming to the U.S.

Right now, CSI is operational in the following locations: Rotterdam, the Netherlands; Le Havre, France; Bremerhaven and Hamburg, Germany; Antwerp, Belgium; Singapore; Yokohama, Japan; Hong Kong; Gothenburg, Sweden; Felixstowe, United Kingdom; Genoa and La Spezia, Italy; Busan, Korea; Durban, South Africa; and Port Kelang, Malaysia. These locations account for nearly 70% of all cargo containers destined for the U.S.

I want to express my gratitude to the Committee members for their support of CSI in FY'04. With the \$25 million increase in funding that we are requesting for CSI in FY '05, we will have CSI in place and operational at as many as 40 seaports around the world.

Immigration Control Officers (ICOs)

Over the last few years, we have also started applying the concept underlying CSI, *i.e.*, pushing our zone of security beyond our borders, to the movement of people. This effort originated with the INS and its Immigration Control Officer (ICO) program. Through CBP, this effort is continuing, and being refined to better address the terrorist threat.

The roles and responsibilities of the ICOs are to: 1) seek to prevent the onward movement of people positively identified as presenting a security threat to the carrier or passengers on international flights destined to the U.S.; 2) disrupt and deter the smuggling of special interest aliens, or fraudulently documented and otherwise inadmissible aliens destined to the U.S.; 3) provide advance notice of passengers on onward transit airports and destination airports whose true identity and purposes warrant closer inspection; 4) collect law enforcement intelligence on known and suspected smugglers and smuggling facilitators; 5) seek, through cooperation with host government law enforcement agencies and U.S. law enforcement agencies, the apprehension and prosecution of smugglers, facilitators and other identified criminal aliens; and 6) provide training in fraudulent detection, migration trends, passenger assessment and related topics to U.S. and host government law enforcement, immigration and carrier personnel. The ICOs carry out their responsibilities in accordance with the Code of Conduct for Immigration Liaison Officers of the International Air Transport Association.

Canada, Australia, the United Kingdom and the Netherlands have ICOs stationed around the world. In concert with our international partners, the INS launched Operation Global Shield in October 2002 with the deployment of officers to more than a dozen locations, including major transit hubs in Central and South America, Europe and the Far East. This was a very successful effort. Operation Global Shield resulted in 2971 interceptions in a five month period.

CBP is now building on the lessons learned from Operation Global Shield as well as the experiences of our international partners to refine the ICO concept to better respond to the threat of international terrorism. The U.S. currently has over 70 legacy immigration personnel overseas, many of whom are engaged in ICO activities, but not on a full time basis. At CBP, we will be working with these personnel to refine their ICO work to ensure that we prevent potential terrorists from boarding aircraft destined for the U.S. We will also be putting in place a new, refined ICO program in Warsaw, Poland in the near term to test and refine our antiterrorist measures before expanding the program to other locations.

C. Pushing our Zone of Security Outward – Partnering with the Trade

Customs-Trade Partnership Against Terrorism (C-TPAT)

The Customs-Trade Partnership Against Terrorism (C-TPAT) is a voluntary partnership between CBP and industry to secure international supply chains from end-to-end. Through C-TPAT, participants develop and maintain secure supply chains from the foreign factory floor to the ultimate destination in the U.S. CBP, in return, offers C-TPAT shipments expedited processing and provides C-TPAT participants with other benefits.

The program is rigorous. In order to join C-TPAT, a company must conduct a self-assessment of its current supply chain security procedures using C-TPAT security guidelines developed in partnership with logistics and security experts from the trade. A participant must also commit to increasing its supply chain security by addressing any vulnerabilities that exist. Perhaps most importantly, participants also make a commitment to work with their business partners and customers throughout their supply chains to ensure that those businesses also increase their supply chain security. By leveraging the influence of importers and others on different participants in the supply chain, C-TPAT is able to increase security of U.S. bound goods at the time of container stuffing. This reach -- to the foreign loading dock -- is critical to the goal of increasing supply chain security.

Although C-TPAT is a partnership, we are not simply taking the participants at their word when it comes to their supply chain security. As a former President once said: "Trust, but verify." Applying this lesson, we have created a cadre of specially trained supply chain security specialists to validate the commitments made by C-TPAT participants -- to ensure that they are increasing supply chain security as they have promised CBP. These specialists meet with personnel from C-TPAT participants and their business partners and observe the security of their supply chains, including security at overseas loading docks and manufacturing plants. Through this process, we work with C-TPAT participants to identify ways that they can further increase their supply chain security and we ensure that companies that are not honoring their commitments lose their C-TPAT privileges.

C-TPAT is currently open to all importers, cross-border air, sea, truck, and rail carriers, brokers, freight forwarders, consolidators, non-vessel operating common carriers (NVOCCs), and U.S. Marine and Terminal operators. We are currently enrolling certain foreign manufacturers in the C-TPAT program as well, and we will continue to develop ways to include this important element of the supply chain in the program. The intent is to construct a supply chain characterized by active C-TPAT links at each point in the logistics process.

As of March 12, 2004, the C-TPAT participation and validation numbers are as follows:

	Partners	Security Profile Received	Certified Partners	Insufficient Security Profiles	Responses Sent	Oldest Security Profile Not Reviewed	Validations Initiated	Validations Completed
Importers	3519	2434	1580	277	1857	41	305	65
Carriers	998	803	519	90	609	34	183	40
Brokers / Forwarders	1205	934	759	109	868	31	208	106
Foreign Manufacturers	118	58	45	1	46	21	0	0
Marine Port Auth. & Terminal Op.	41	32	23	4	27	36	22	10
Total	5881	4261	2926	481	3407		718	221

Free and Secure Trade (FAST)

Building on C-TPAT, we have created the Free and Secure Trade (FAST) program with Canada and Mexico. This program increases the supply chain security of goods moving across our land borders and also facilitates the movement of legitimate commerce by aligning customs processes on both sides of the border and offering the most expedited customs processing available on the land border. To be eligible for FAST processing, importers, carriers, and manufacturers (on the southern border) must participate in C-TPAT and must use a FAST-registered driver. Because each participant must meet C-TPAT supply chain criteria and the driver must be vetted by CBP (including exhaustive database checks and a personal interview), the FAST program substantially increases the security of supply chains across our northern and southern borders. And because FAST relies on advanced electronic data transmissions and transponder technology, CBP can offer FAST shipments the most expedited clearance procedures available today. With these procedures in place, CBP can focus its security efforts and inspections where they are needed most – on high-risk commerce.

FAST is currently operational at 11 major northern border crossings and 2 major southern border crossings. The program will expand to additional locations in FY '05.

I would like to thank the Committee for its consistently strong support for C-TPAT and FAST. The \$15 million funding increase we have sought for C-TPAT in FY' 05 will enable us to continue to expand both programs by enrolling additional participants. It will also allow us to add a substantial number of supply chain security specialists to our ranks, thereby ensuring that as the program grows, we will be able to conduct an appropriate number of validations. As a result, we will substantially increase the security of our international supply chains.

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

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

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

In addition, we have developed and begun implementing a national radiation detection strategy. Pursuant to that Strategy, we are deploying nuclear and radiological detection equipment to include personal radiation detectors (PRDs), radiation portal monitors (RPMs) and next generation radiation isotope identifier devices (RIIDs). In combination with our layered enforcement strategy – working overseas to prevent the proliferation of nuclear materials and to detect them before they are shipped to the U.S. – and our use of multiple inspection technologies, these tools currently provide CBP with significant capacity to detect nuclear or radiological materials. Our FY '05 request for \$50 million would provide CBP with the funding to continue to purchase and deploy the technologies needed to implement its national radiation detection strategy.

E. Using Technology to Detect and Monitor Illegal Crossings Between our Ports of Entry

Integrated Surveillance Intelligence System (ISIS)

ISIS is a critical part of CBP's strategy to build smarter borders. By using remotely monitored night-day camera and sensing systems, the Border Patrol can better detect, monitor, and respond to illegal crossings. This, in turn, is critical to the Border Patrol's ability to increase its apprehension capabilities, particularly along our northern border. As a result, the deployment of ISIS is a critical component of the Border Patrol's revised National Strategy to prevent terrorists from entering the U.S. and to gain control of our nation's borders.

ISIS consists of three independent components: 1) the remote video surveillance (RVS) camera system; 2) sensors; 3) the Integrated Computer Assisted Detection (ICAD) database. The RVS system integrates multiple color, thermal and infrared cameras, which are mounted on various structures, into a single remote controlled system. The network of sensors consists of seismic, magnetic and thermal devices used to detect and track intrusions. ICAD software components assist in the coordination and data collection of agent deployment in response to sensor alarms.

The \$64.1 million in ISIS funding sought in '05 would enable CBP to broaden substantially its ISIS coverage of the northern and southern borders – to deploy the system where no ISIS coverage currently exists. This is important because Border Patrol experience has shown that in locations where ISIS is deployed, fewer agents can do a better job of securing the border. ISIS acts as an important force-multiplier that allows Border Patrol agents to remotely monitor the border and respond to specific illegal border crossings rather than having to exhaustively patrol an area adjacent to the border. By contrast, Border Patrol operations without ISIS support are not only less effective, they are more resource-intensive and less safe for Agents.

Unmanned Aerial Vehicles (UAVs)

Like ISIS, Unmanned Aerial Vehicles (UAVs) are both an important part of the smarter border strategy and an essential element of the Border Patrol's revised National Strategy. UAVs equipped with sophisticated on-board sensors have the potential to provide unparalleled surveillance capability. UAVs provide long-range surveillance. As a result, they are especially effective force-multipliers because they have the capacity to remain on station much longer than other airborne assets, and are particularly useful for monitoring remote land border areas where patrols cannot easily travel and infrastructure is difficult or impossible to build.

UAVs will perform missions involving gathering intelligence on border activities as well as conducting surveillance over open water along the Gulf Coast, the Florida peninsula and the Great Lakes region on the northern border. The high endurance of the larger classes of UAVs permits uninterrupted overnight or around-the-clock coverage, and the size and operating altitudes can make UAVs effectively undetectable by unaided human senses. UAVs will also contribute to enforcement effectiveness and officer safety by providing communications links for coordinating multiple units on the ground is important in remote border operating areas.

The \$10 million in funding sought for UAVs will enable CBP to capitalize more fully on the UAV research that has taken place in a military context, and to apply UAVs in support of the Homeland Security mission. The funding would allow CBP to deploy and operate a system of unmanned aerial vehicles in support of the Border Patrol and other components of Customs and Border Protection. The use of UAVs will complement the other intrusion detection and intelligence gathering components of the border surveillance network to meet the mission of stopping the illegal entry of terrorists, smugglers and others into the United States.

IV. Automation / Information Technology

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

A. Automated Commercial Environment

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

The successful implementation of ACE has been and continues to be one of my top priorities as Commissioner. Increasing support from Congress and the Administration for ACE has been essential to the development of the new system. Funding of \$319 million in FY '04 has enabled us to continue development and begin to deliver on the first installment of ACE benefits to the trade community. Indeed, since my testimony last year, I can tell you that the development of ACE and the efforts to put its capabilities to work on America's borders have continued full throttle while CBP works with the Homeland Security Investment Review Group to analyze the existing IT systems being used by DHS agencies, identify redundant technology investments, and plan for the DHS's IT architecture. Among many other accomplishments, this past year brought ACE release 2 to the public for the first time. Currently, 50 importer accounts and related CBP personnel have access to the ACE Secure Data Portal to conduct their CBP business transactions on-line. This portal provides reliable, secure, high-speed access to critical information. When fully deployed, this will be the basic tool by which all users within the trade community and government access ACE.

I want to thank Congress again for its past support of ACE. The continued support of ACE with \$322 million in funding for FY '05 will enable us to keep pace with our schedule for ACE releases in 2004 and 2005. Those include:

- Summer 2004 – Release 3 (Account Revenue: Periodic Statements and Payments): Initial account revenue will be enabled, allowing accounts to centralize payment processing and utilize periodic statement and payment capabilities as well as ACH Credit and Debit.
- Winter 2005 – Release 4 (Truck Manifest and e-Release): Cargo Processing will be introduced with the implementation of Automated Truck Manifest and Preferred & e-Release for trucks. This will allow for quicker entry for pre-filed and pre-approved cargo.

B. International Trade Data System (ITDS)

One important, fully integrated component of ACE is the International Trade Data System (ITDS). The ITDS initiative is an e-Government strategy being designed, developed, and deployed jointly with ACE that will implement an integrated, government-wide system for the electronic collection, use, and dissemination of the international trade transaction data required by the various trade-related federal agencies.

ITDS will simplify and streamline the regulation, promotion, and analysis of international trade. It will also assist importers, exporters, carriers, and brokers in complying with federal trade, transportation, and other regulations by streamlining business processes. ITDS is customer focused and will serve as the government's "single window" into international trade data collection and distribution.

In conjunction with ACE, ITDS will also improve risk assessment. By centralizing and integrating the collection and analysis of information, ACE will enhance CBP's ability to target cargo, persons, and conveyances. The trade data will allow for advanced inter-agency assessment of risks and threats to determine which goods and people must be scrutinized. In addition, Through ACE, the ITDS will be capable of linking the government's law enforcement and other databases into one large-scale relational database that tracks all commerce crossing our borders. ITDS thus extends the functionality of ACE by bringing together critical security, public health, public safety, and environmental protection agencies under a common platform.

The \$5 million increase we are requesting in the FY '05 budget for ITDS will allow us to ensure integration of ITDS with key federal agencies, and keep us on schedule to have full functionality rolled out by winter 2006-2007.

V. Other Traditional Missions

Although CBP's priority mission is preventing terrorists and terrorist weapons from entering the United States, we know that we must – and will – accomplish that priority mission while continuing to perform our traditional missions well. Included among those missions are our responsibilities for interdicting drugs, apprehending

individuals who enter the United States illegally, regulating and facilitating international trade, and protecting U.S. agricultural and economic interests from harmful pests and diseases.

A. Drug Interdiction

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

It would be a grave mistake for drug traffickers and other criminals to misinterpret our focus on terrorism as a weakening of resolve on other fronts. If anything, we have made life even more miserable for drug smugglers as we have intensified our overall presence along America's borders. Our heightened state of security along America's borders has strengthened, not weakened, our counternarcotics mission. As we have added staffing for both inspectors at the ports of entry and Border Patrol Agents between the ports of entry, acquired more inspection technology, conducted more questioning of travelers, and carried out more inspections of passengers and goods in response to the terrorist threat, we have seized greater amounts of narcotics. In FY '03, for example, we seized more than 2.2 million pounds of illegal drugs, and made some of the largest individual seizures ever recorded by officers safeguarding our borders.

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

B. Apprehending individuals entering illegally between the ports of entry

The Office of the Border Patrol is specifically responsible for patrolling the 6,000 miles of Mexican and Canadian international land borders and 2,000 miles of coastal waters surrounding the Florida Peninsula and the island of Puerto Rico. Its primary task is securing America's borders between official ports of entry by preventing the illegal entry of people, goods, and contraband across our borders.

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

have seen in locations such as the San Diego Sector and during operations such as Desert Safeguard.

In FY '03, the Border Patrol played a key role in safeguarding the United States from the entry of terrorists, criminals, and illegal immigrants. Among the 931,557 people apprehended by the Border Patrol in FY '03 were:

- Two Indian aliens illegally in the United States who were wanted in Canada for attempted murder after they allegedly tied-up, tortured, doused in gasoline, and lit a person on fire;
- One of the ten most wanted criminals in Texas;
- An Iranian citizen illegally in the United States with an extensive criminal history and who may have been involved in bomb making and other serious illegal activity at the time of his arrest at the San Clemente checkpoint;
- A Turkish citizen illegally in the United States who may have been involved in serious illegal activity at the time of his arrest at McAllen International Airport; and
- An alleged resident of the United Arab Emirates illegally in the United States who may have been involved in serious illegal activity at the time of his arrest in Louisiana.

Building on these gains, and drawing on the lessons we learned during Desert Safeguard, CBP is working with other agencies and the Mexican Government to implement the Arizona Border Control Initiative this year. Under this initiative, CBP will substantially reduce the number of illegal entries that occur in Arizona this year and, as a result, will reduce the number of deaths that occur as aliens try to cross the Arizona desert during the warmest months of the year.

C. Preventing individuals from entering illegally at the ports of entry

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

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

More importantly, with the successful implementation of US VISIT at our international airports earlier this year, CBP officers now have access to photographs and data transmitted electronically by the Department of State relating to holders of nonimmigrant visas. This permits officers on the primary line to review visa application

data and verify the identity of the holder. This has virtually eliminated the possibility that a traveler could use a false or fraudulent visa to enter the U.S.

D. Regulating and facilitating international trade

CBP maintains responsibility for regulating and facilitating legitimate international trade. As I mentioned earlier, many of the initiatives CBP implements serve the twin goals of increasing security and facilitating trade. With the right level of industry partnership and the right combination of resources, we can succeed not only in protecting legitimate trade from being used by terrorists, we can actually build a better, faster, more productive system of trade facilitation for the U.S. economy.

We have continued to work with the trade on these matters over the past year, and we will continue to do so in the year ahead. For example, we worked with all segments of the maritime trade to make changes to the 24-hour rule and our computer systems to better facilitate the movement of sea containers in our domestic seaports and to inland destinations. We also worked very closely with the trade to craft and implement our Trade Act regulations, and we will continue this process during the rest of this year. Finally, we have partnered with the trade and technology companies to design and test a smarter, more secure sea container. More importantly, members of the trade are using this container. Through C-TPAT, we have partnered with several large importers to begin using these containers, and we expect to see their use rise substantially in the months ahead.

E. Protecting U.S. agricultural and economic interests and the food supply

CBP now oversees the enforcement of the laws and regulations pertaining to the safe importation and entry of agricultural food commodities into the U.S. The traditional goals of the Agriculture Inspections (AI) program have been to reduce the risk of introduction of invasive species into the U.S., protect U.S. agricultural resources, maintain the marketability of agricultural products, and facilitate the movement of law-abiding people and commodities across the borders. Accordingly, inspecting potentially high-risk travelers and cargo is critical to keeping the prohibited items out of the U.S., monitoring for significant agricultural health threats, encouraging compliance with regulations, and educating the public and importers about agricultural quarantine regulations.

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

In addition, CBP has worked closely with the Food and Drug Administration (FDA) to implement the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 to guard against threats to the food supply. In the last several months, we have modified our electronic data collection systems to collect data from the trade required under the Bioterrorism Act, implemented a joint risk-management system for food shipments with FDA that builds off our Automated Targeting System, and commissioned CBP officers to utilize FDA authorities in certain circumstances at the ports of entry. These efforts have built on our priority and traditional missions to make the food supply more secure, and will be supported in part by the targeting funding sought in the FY '05 budget.

VI. Conclusion

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

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