



**STATEMENT OF ANTHONY M. REARDON
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BORDER SECURITY, COMMERCE AND TRAVEL: COMMISSIONER
MCALEENAN'S VISION FOR THE FUTURE OF CBP
BEFORE THE SUBCOMMITTEE ON BORDER AND MARITIME SECURITY
HOUSE HOMELAND SECURITY COMMITTEE**

April 26, 2018

Chairwoman McSally, Ranking Member Vela, distinguished members of the Subcommittee, thank you for the opportunity to provide this testimony on the vision for the future of CBP. As President of the National Treasury Employees Union (NTEU), I have the honor of leading a union that represents over 25,000 Customs and Border Protection (CBP) Officers and trade enforcement specialists stationed at 328 land, sea and air ports of entry across the United States and 16 Preclearance stations.

Any vision of CBP's future must include the hiring of new personnel at the ports of entry. CBP Office of Field Operations (OFO) is the largest component of CBP responsible for border security—including anti-terrorism, immigration, anti-smuggling, trade compliance, and agriculture protection—while simultaneously facilitating lawful trade and travel at U.S. ports of entry that are critical to our Nation's economy. CBP OFO has a current need to hire 2,516 additional CBP Officers and 721 Agriculture Specialists to achieve the staffing target as stipulated in CBP's own FY 2018 Workload Staff Model (WSM) and Agriculture Resource Allocation Model (AgRAM.) As of February 3, 2018, CBP OFO has 23,002 CBP Officers onboard at the ports of entry—1,145 short of its FY 2018 target of 24,147.

Trade and travel volume continue to increase every year, but CBP OFO staffing is not keeping pace with this increase. New and expanded federal inspection facilities are being built at the air, sea and land ports, yet CBP OFO staffing is not expanding. For example, in June, a new federal inspection terminal will open at the San Diego Airport. Inspection volume will increase from 300 air passengers an hour to 1,000 air passengers an hour. Currently, there are a total of 53 frontline Officers split between the airport and seaport. CBP needs to hire and assign an additional 38 officers to the airport alone to staff this new inspection facility. At the San Ysidro land port, 12 new pedestrian lanes and 8 new vehicle lanes come on line in June. There are no new CBP Officers assigned to this port and beginning on April 1, 2018, 150 CBP Officers have been sent from other short-staffed ports to the seriously short-staffed ports of Nogales and San Ysidro for 90-day temporary duty assignments (TDYs).

To address CBP OFO staffing shortages and to address the ever-increasing volume of trade through the ports of entry in the future, Ranking Member Vela and others recently

introduced H.R. 4940, the ***Border and Port Security Act***, stand-alone, bipartisan legislation that would authorize the hiring of 500 additional CBP Officers, 100 Agriculture Specialists and additional OFO trade operations staff annually until the staffing gaps in CBP's various Workload Staffing Models are met. NTEU strongly supports this CBP Officer and Agriculture Specialist-only staffing authorization bill and urges every member of Congress to support this bill.

NTEU also asks Homeland Security Committee members to request from the House Appropriations Committee up to \$100 million in Fiscal Year (FY) 2019 direct appropriations for the hiring of 500 CBP Officers, 100 CBP Agriculture Specialists, and needed non-uniformed Trade Operations and support staff.

The President's FY 2019 budget request does support the hiring of new CBP Officers to meet the current staffing need of 2,516, **but seeks to fund these new positions by increasing user fees.** The President's budget proposal only provides appropriated funding to hire 60 new CBP Officer positions at the National Targeting Center. The President's request seeks no appropriated funding to address the current CBP Officer staffing shortage of 2,516 additional CBP Officers as stipulated by CBP's own FY 2018 WSM or to fund the additional 721 CBP Agriculture Specialists as stipulated by CBP's own FY 2108 AgRAM.

User Fees: As in the past, the Administration's budget proposes significant realignment of user fees collected by CBP. Currently, 33 percent of a CBP Officer's compensation is funded with a combination of user fees, reimbursable service agreements, and trust funds. The FY 2019 budget proposes to reduce OFO appropriated funding by realigning and redirecting user fees, including redirecting the Electronic System for Travel Authorization (ESTA) fee that would require a statutory change. The FY 2019 budget proposal would redirect approximately \$160 million in ESTA fees from Brand USA to CBP. Rather than redirecting the ESTA fees to fund the additional 2,516 CBP Officer new hires needed to fully staff CBP Officer positions in FY 2019 and beyond, as stipulated by CBP's WSM, the budget would in fact reduce CBP's appropriated funding by \$160 million. Therefore, while the budget proposes to increase the number of CBP Officer positions funded by ESTA user fees by 1,093, it decreases appropriated funding by \$160 million, and reduces the number of CBP Officer positions funded by appropriations by 1,093 positions.

Once again, the President's budget includes CBP Officer staffing numbers that are dependent on Congress first enacting changes to statutes that determine the amounts and disbursement of these user fee collections. To accomplish the ESTA fee change in the President's budget, Congress must amend the Travel Promotion Act of 2009 (P.L. 111-145). The President's request also proposes fee increases to the Immigration and Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) user fees, not a direct up-front appropriation, to fund CBP Officer new hires as stipulated by the WSM. However, **Immigration and COBRA user fees cannot be increased without Congress first enacting legislation.** A proposal to increase user fees has been part of the Administration's annual budget submission since FY 2014 to fund the hiring of new CBP Officers. **These user fee increase proposals are again in the FY 2019 budget request, even though the Committees with jurisdiction have never shown any interest or even held a hearing to discuss this long-standing legislative proposal and the Administration has not pressed upon these Committee Chairs to do so.**

Opioid Interdiction: CBP OFO plays a major role in addressing the nation's opioid epidemic--a crisis that is getting worse. The smuggling of fentanyl and other opioids has increased markedly from 2.4 pounds in FY 2013 to 71,195 pounds seized in FY 2017 by CBP OFO. The scourge of synthetic opioid addiction is felt in every state and is a threat to the nation's economic security and well-being. The majority of fentanyl is manufactured in other countries such as China, and is smuggled primarily through the international mail and express consignment carrier facilities (e.g. FedEx and UPS) and through ports of entry along the southwest border. **According to CBP, over the last three years, there were 181 CBP employees assigned to the five Postal Service International Service Centers and 208 CBP employees assigned to the Private Express Carrier Facilities.**

Due to the ongoing OFO staffing shortages, 208 CBP employees at express consignment hubs is an extremely low number. In the past year, the FedEx hub in Memphis processed 38 million imports and 48 million exports--equaling 86 million in total package volume. There are approximately 24 CBP Officers in total screening all 86 million shipments, and on average, about 15 CBP Officers are working the main overnight FedEx "sort" shift. Considering the volume at the FedEx hub, NTEU has been told that the port requires a minimum of 60 CBP Officers to facilitate the flow of legitimate freight and ensure successful interdiction of these synthetic chemicals. NTEU's CBP OFO appropriation request supports this critical need at international postal and express consignment hubs.

Agriculture Specialist Staffing: Despite CBP's release of its risk-based AgRAM that documents an ongoing shortage of CBP Agriculture Specialists--by 721--at the ports of entry, the budget request includes no direct appropriation to hire these critical positions needed to fulfill CBP's agriculture quarantine inspection (AQI) mission of pest exclusion and safeguarding U.S. agriculture and natural resources from the risks associated with the entry, establishment or spread of animal, plant pests and pathogens. NTEU's appropriations request includes a direct appropriation to begin to hire the 721 Agriculture Specialists as stipulated in their FY 2018 AgRAM.

CBP Trade Operations Staffing: CBP has a dual mission of safeguarding our nation's borders and ports as well as regulating and facilitating international trade. CBP employees at the ports of entry are the second largest source of revenue collection for the U.S. government. In 2017, CBP processed more than \$2 trillion in imports and collected approximately \$40 billion in duties, taxes, and other fees. Since CBP was established in March 2003, however, there has been no increase in non-uniformed CBP trade enforcement and compliance personnel even though inbound trade volume grew by more than 24 percent between FY 2010 and FY 2014. Additionally, CBP trade operations staffing has fallen below the statutory floor set forth in the Homeland Security Act of 2002 and stipulated in the FY 2017 CBP Resource Optimization Model for Trade Positions. NTEU strongly supports the funding through direct appropriations of 140 additional positions at the CBP Office of Trade to support implementation of Trade Enhancement and Facilitation Act (P.L. 114-125) requirements.

Increasing CBP Officer staffing at the ports-of-entry is an economic driver for the U.S. economy. According to the Joint Economic Committee (JEC), "every day 1.1 million people

and \$5.9 billion in goods legally enter and exit through the ports of entry” and finds that border delays cost the U.S. economy upwards of \$5 billion each year. CBP estimates that the annual hiring of an additional 500 CBP Officers at the ports of entry would increase yearly economic activity by \$1 billion and result in an additional 16,600 jobs per year to the U.S. economy.

Thank you for the opportunity to submit this request on behalf of the men and women represented by NTEU at the nation’s ports of entry. NTEU asks that the Homeland Security Committee members seek up to \$100 million from the House Appropriations Committee for **direct appropriated funding for new CBP Officers, Agriculture Specialists and support staff to build on the CBP OFO staffing advances made in the FY 2018 Omnibus measure.**