

House Committee on Homeland Security
Field Hearing
*“Western Hemisphere Travel Initiative:
Perspectives of a Northern Border Community”*
Erie County Legislature
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Buffalo, New York
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Testimony of
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Chairman Thompson, Congresswoman Slaughter, distinguished members of the Committee,

I appreciate this opportunity to discuss the role of the Department of State in implementing the Western Hemisphere Travel Initiative (WHTI) and in providing American citizens with reliable, secure passports so they can comply with the new travel document requirements. We have been planning for increased passport demand since Congress passed the Intelligence Reform and Terrorism Prevention Act (IRTPA) in December of 2004, which included a provision requiring all travelers to have a passport or other combination of documents establishing identity and citizenship to travel into the United States.

The goal of WHTI is to enhance our border security and, at the same time, facilitate the flow of legitimate trade and travel. WHTI will reduce the number of documents used to prove identity and citizenship from the current 8,000 local, state, and provincial driver’s licenses, birth certificates and other documents to a handful of secure documents in which officers at ports-of-entry can have confidence, such as a passport book; a passport card, which we are developing in direct response to the needs of the border communities; NEXUS, SENTRI, or FAST cards; and eventually state-issued “enhanced” drivers licenses.

We firmly believe that reducing the number of documents that Customs and Border Protection officers must inspect and relying on greater automation of the process at our

ports-of-entry will both enhance security and facilitate the flow of people and goods across our borders. We agree wholeheartedly with the authors of the report, *People, Security and Borders: The Impact of the WHTI on North America*, issued recently by the “Network on North American Studies in Canada” that “limiting the number of acceptable identity documents at the border...could result in significant benefits for Canada, Mexico and the United States, not the least of which is facilitating the movement of people and goods.”

The role of the Department of State in the WHTI is to adjudicate applications for U.S. passports, and, when available, passport cards for eligible U.S. citizens in a timely manner so as to facilitate trade, travel, and tourism. Our current workload indicates that Americans are aware of the new document requirements under WHTI and are coming into compliance with them. We issued 10.1 million passports in Fiscal Year 2005 and 12.1 million in the last fiscal year. As of July 2, we have already issued 12 million passports this fiscal year – a 34 percent increase over the same period last year. We are on pace to issue over 17 million by the end of this fiscal year.

Due to this unprecedented demand, many who applied for a passport did not receive their documents in the timeframe they expected. We are taking extraordinary steps to remedy this situation, not only to address the current demand, but also to assure that we are well positioned to meet future needs.

Following passage of IRTPA, we had two years to plan for the expected increase in passport demand. We analyzed our own figures, and commissioned a survey of projected demand conducted by an independent contractor. Drawing on consultations with the Department of Homeland Security (DHS) and historic demand trends, we projected that we would receive approximately 16.2 million passport applications in FY 2007, 31 percent more than our 2006 receipts. Over the past two years, we ramped up capacity to meet projected demand, adding staff, expanding facilities, and enhancing service. We hired 441 employees in Passport Services in FY 2005, 925 in FY 2006, and 1,222 thus far in FY 2007 – a total of 2,588 in less than three years. We opened the Colorado Passport Agency in October 2005, and expanded our agencies in Boston, Chicago, Houston, New Orleans, and Seattle. We opened a mega-center in Hot Springs, Arkansas in March of this year. The Arkansas Passport Center (APC) has printed over 260,000 passports since opening its doors, and will be able to produce 10 million passports annually when it reaches full capacity.

The root of our current situation is the workload that built up when 5.5 million applications arrived within about ten weeks. This far exceeded our ability to keep pace within our traditional timeframe. As a result, despite our best efforts, it began to take

longer to process applications. Average processing time lengthened from six weeks in December, to 12 weeks in late spring. It is about ten weeks today.

At the same time we are receiving record numbers of applications, we are issuing record numbers of passports, averaging 1.5 million or more passports each month since March. With less than one quarter left in the fiscal year, the Colorado, Connecticut, Charleston, Honolulu, New Orleans, and Washington agencies have already exceeded their FY 2006 production total.

Much of the influx was in response to press reports and our continuing outreach and public education effort regarding WHTI. Not all of the increased demand is attributable directly to the WHTI Air Phase, however. Many applicants indicate they plan to travel to Canada or Mexico by sea or land, even though the WHTI requirements for passports for land or sea border crossings are not scheduled to be implemented until 2008 at the earliest. We also receive substantial numbers of applications from people who indicate no overseas travel plans. Increasingly, Americans apply for a passport because they see it as a citizenship and identity document, one that allows the bearer to board an airplane, prove citizenship for employment purposes, apply for federal benefits, and fulfill other needs not related to international travel. We did not take these non-travel-related factors into account when we projected FY 2007 passport demand.

The Department has committed at the highest levels to return to a predictable six-week process while maintaining the security needs of our nation. We are pulling out all the stops and making the needed resources available to resolve this issue. Additional resources will be needed. On June 8, the Department sent a formal Congressional Notification regarding plans to re-program nearly \$37,000,000 for the FY 2007 Border Security Program. We are using these funds to hire 400 new passport adjudicators this fiscal year, and fund expansion of NPC and the Miami Passport Agency.

To process pending cases and new incoming work, our most urgent need is for more people to review and adjudicate applications, answer telephone and e-mail inquiries, and assist walk-in applicants. To meet this need, we are:

- aggressively recruiting and training new passport specialists;
- re-hiring experienced and well-trained retired adjudicators to provide critical management support;

- using volunteers to help process passport applications to supplement the Department's corps of passport specialists;
- working two shifts during the week and all day Saturday and Sunday to optimize existing equipment and space;
- dispatching teams of passport specialists to exceptionally high volume passport agencies to assist with walk-in applicants and to process pending applications;
- re-assigning temporarily nearly 300 Presidential Management Fellows, Career Entry program participants, and entry-level officers currently working in bureaus throughout the Department to the National Passport Center (NPC), New Orleans, and the Washington Passport Agency for the remainder of the summer to adjudicate passport applications; and,
- bringing Foreign Service Officers overseas home temporarily to serve their country here by adjudicating passports.

These additional resources and procedures will give us the time, staffing and physical capacity to eliminate the older applications pending in the system.

It is clear that implementation of the Western Hemisphere Travel Initiative has created a permanent increase in passport demand. Today's record-breaking demand is not an anomaly; we believe it will continue to grow. We currently project the demand for passports to be approximately 23 million in 2008, and as high as 30 million by 2010. Over 78 million Americans currently have passports – somewhat more than 25 percent of all citizens. Within a few years, fully half of all Americans will have passports or passport cards, and every indication is that demand will continue to climb. We are engaged in a study now to further refine these projections.

We are also implementing long-term strategies to increase production. Chief among these is a new approach to passport production represented by the Arkansas Passport Center (APC). APC differs from our other passport agencies in that it focuses solely on printing and mailing passports. Applications which have been reviewed and adjudicated at other agencies are transmitted electronically to APC, which prints and mails the passports within 24 hours. Eight agencies currently transmit their work to Arkansas. The remaining agencies will get the necessary retrofit as quickly as possible between now and the end of September.

The centralization of passport book printing and mailing frees up space and personnel at our existing passport agencies to focus on the critical areas of customer service and adjudication, and allows us to process more passport applications. The agencies that have begun remote issuance are already reporting significantly improved efficiency. Building on our successful experience with APC, we plan to open a similar printing and shipping facility, also with the capacity to produce 10 million passports per year, in 2008. When ready, passport cards also will be prepared at these two bookprint facilities.

We are increasing capacity at existing passport agencies, as well. Because we have outgrown the current facility in Miami, we will move to a new facility that will expand our footprint there from 18,000 to 28,000 square feet. A recent snag in acquiring that facility may delay Miami's move, but if so, we will aggressively pursue additional space at its current location. We are on a fast-track process to acquire additional space that will more than double the size of the National Passport Center to more than 100,000 square feet. This will allow us to more than double the staff size to over 1,000, and more than double NPC's capacity to receive, adjudicate and issue passports from 5 million today to over 11 million. Expansions are also in the works for the Seattle, Boston, and Washington agencies. We hope to complete these renovations and expansions by the end of this year. We are also exploring opening additional passport agencies later in FY 2008 and FY 2009.

We firmly believe that these long-term strategies will provide the staffing levels and infrastructure to meet the increased demand in State Department issued travel documents generated by the documentary requirements of WHTI.

Now I would like to turn briefly to the passport card, which we are currently developing. We acknowledge that an alternative to the traditional passport book is a desirable solution for the border resident communities. In response to the expressed concerns of American citizens who live in border communities for a more portable and less expensive document than the traditional passport book, we are developing a wallet-sized passport card. The passport card is a travel document adjudicated to the same standards as a passport book. It will carry all the rights and privileges of a U.S. passport except that it is designed for use at U.S. land ports of entry only. The passport card is designed for the specific needs of border residents and is not a globally interoperable travel document like the traditional passport book. Based on a cost of service study, we are proposing a fee of \$20.00 for an adult and \$10.00 for a child. With a proposed execution fee of \$25, the total cost for an adult is \$45.00 or 37.5 cents per month over a ten-year period.

To facilitate the frequent travel of U.S. citizens living in border communities and to meet DHS's operational needs at land borders, the passport card will incorporate cutting-edge vicinity-read radio frequency identification (RFID) technology which will link the card to a stored record in a secure government database. The RFID chip in the passport card can be read at a distance by an authorized CBP reader mounted alongside the traffic lane. The reader would automatically retrieve the personal data from the secure database and populate the officers' screens as the vehicle approaches.

The Department is taking every measure to address the privacy concerns of American citizens traveling with a passport card. There will be no personal information written to the RFID chip itself. To address concerns raised by privacy advocates that passport card bearers can be tracked by this technology, we are requiring that the vendor provide a protective sleeve that will prevent the card from being read while inside it. We are also exploring other possibilities with industry to further address this issue. To mitigate the possibility of counterfeiting and forgery, the Department will use laser engraving and state-of-the-art security features. While no document is tamper proof, we are taking every care to ensure that the passport card is as secure as current technology permits.

We have an ambitious and aggressive production schedule. The Request for Procurement to industry was issued May 25, and we expect to begin testing product samples in the summer. In accordance with testing requirements established in the certification by the National Institute of Standards and Technology, we will conduct the full range of security, durability, and privacy tests on the passport card and protective sleeve to ensure we are issuing the best and most secure card to the American public. Absent any technical challenges that may arise as a result of testing, we expect to begin issuing the cards to the public in spring 2008. We will issue a notice in the Federal Register when the Department is ready to begin accepting applications for the passport card and will, of course, conduct a robust public outreach campaign to inform the border resident communities in particular.

Let me end by stressing a point we have made from the very beginning of the WHTI. We understand that our national security is dependent on our economic well-being. We understand the importance of the economic relationship between the United States and Canada. We also understand that the economic well-being of the border communities depends on the free flow of people and goods. For these reasons, we are committed to implementing the WHTI in a rational and intelligent manner, one that facilitates trade, travel, and tourism while enhancing our national security. We believe that the recent temporary measure announced June 7 by State and DHS to allow American travelers who have applied for, but not yet received, a passport to still travel

is a reflection of our commitment to implement this in such a manner and to take the necessary steps to enhance our border security while facilitating the flow of legitimate travel.

Mr. Chairman, thank you again for the opportunity to be here today. I will be pleased to answer any questions.