

May 7, 2009

Written Testimony of Maria Luisa O'Connell, President, The Border Trade Alliance

Before the House Homeland Security Subcommittee on Border, Maritime and Global Counterterrorism

Ms. Maria Luisa O'Connell

President

Border Trade Alliance

Hearing Testimony

U.S. House of Representatives

Committee on Homeland Security

Subcommittee on Border, Maritime and Global Counterterrorism

“Implementing the Western Hemisphere Travel Initiative at Land and Sea Ports”

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311 Cannon House Office Building

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Good morning Madam Chairwoman Sanchez, Ranking Member Souder and other distinguished Members of the Subcommittee. Thank you for inviting the Border Trade Alliance (BTA) to participate in this important hearing focused on balancing security and travel at our land ports of entry. My name is Maria Luisa O'Connell and I serve as the President of the Border Trade Alliance.

For the past 23 years, the BTA has been involved with all aspects of trade, travel, security and commerce in our border communities along the U.S. – Canada and U.S. – Mexico borders.

#### About Us

Founded in 1986, the BTA is a tri-national, grassroots, non-profit organization that serves as a forum for participants to address key issues affecting trade and economic development in North America.

#### Who We Are

The BTA represents, through our members and sponsors, a network of more than 2 million public and private sector representatives, including: business leaders, area chambers of commerce and industry, academic institutions, economic development corporations, industrial parks, transport companies, custom brokers, manufacturers, and federal, state, and local government officials and agencies.

#### Our Vision

The BTA's vision is to be the recognized leader in authority for the facilitation of international trade and commerce in the Americas.

#### Our Mission

Our core values include a commitment to improving the quality of life in border communities through the development of trade and commerce, and a commitment to work as a community-based grassroots organization.

Madam Chairwoman, in addition to sharing the Border Trade Alliance's position and recommendations on the Western Hemisphere Travel Initiative (WHTI), my testimony today will also touch upon on several key policy considerations that the Border Trade Alliance urges this committee to keep on hand as you work to oversee the work of the Department of Homeland Security (DHS), in your committee's refinement of existing federal border security programs, and in the development of any future similar initiatives.

The pending implementation of the Western Hemisphere Travel Initiative (WHTI) on June 1st of this year at U.S. border crossings is likely to have the largest impact on the land border crossing experience of any of the secure traveler programs to date. While SENTRI, NEXUS, FAST and other programs are voluntary in nature, WHTI will become a mandatory requirement for all U.S. citizens traveling within North America and the Caribbean.

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The BTA has been integrally involved in all of the various secure traveler programs put forth by Congress and implemented by the federal government. The BTA supports efforts to increase security for legitimate trade and travel at both our international borders.

Our border communities, along our shared borders with Canada and Mexico, support diverse international economies that are dependent upon cross-border trade and travel. A large percentage of traffic at our borders is repeat, daily crossers who account for a significant portion of the sales tax and commercial revenues generated in our border communities, and are responsible for conducting the more than \$2 billion cross-border trade that occurs at our land ports each and every day.

The policies and procedures designed to facilitate secure trade and travel at our borders have changed dramatically during the past decade. The changes at our borders have not occurred without reasonable concerns about their impact on legitimate trade and commerce. Similarly, the incredible growth in trade at our borders has not been without its share of growing pains. The infrastructure at our border crossings, for the most part, has not kept up with the increased volume of trade and travel.

U.S. land ports of entry last year conducted a record \$830 billion in cross-border trade. According to the U.S. Department of Transportation Bureau of Transportation Statistics in 2008, U.S. land border crossings processed 45.7 million pedestrians, more than 10.7 million trucks and more than 107.5 million personal vehicles.

The pending implementation of WHTI is a serious concern shared by border stakeholders throughout North America.

Therefore, the question posed in the title of this morning's hearing on WHTI is very appropriate. Are we ready?

Speculation and anecdotal evidence varies from hopeful optimism to fearful pessimism about the prospects of WHTI implementation at land border crossings. Truthfully, until June 1st arrives the jury is out on how successful this transition will be at our land ports of entry.

The BTA does wish to recognize DHS and the Department of State's collaborative WHTI team. DHS and DOS have both been very open to working with border stakeholders as they work to implement this very large federal security program, which was mandated by Congress several years ago.

There are two different major questions we need to address regarding our preparedness for the implementation of WHTI at land ports on June 1st of this year. This first being the obvious question of is the traveling public aware of and able to obtain the necessary documentation, Passports, PASS Cards, enhanced driver's licenses, etc., needed to comply with the June 1st requirement? The second question is one that has many border communities and cross-border commercial interests concerned. Are we prepared for the

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economic consequences of the June 1st implementation? Are we prepared to handle any delays that result at our land ports of entry? What impact will WHTI have on tourism generated border crossings? What is the cost impact of compliance with WHTI on cross-border businesses? Families? Communities and local government?

Secondly, the BTA would like to point out that the implementation of WHTI, as is the case with all U.S. border policies and programs, impacts our borders with Canada and Mexico uniquely. While BTA members from the U.S. border with Canada report that the necessary technological infrastructure is in place and that DHS, DOS and local port authorities have done an excellent job of communicating the upcoming requirements to the traveling public, they also report that WHTI has already had a negative economic impact in terms of reduced crossings by tourists, an important source of cross-border economic activity in many U.S.-Canada border communities.

Along the U.S. border with Mexico, WHTI is a cause for concern as it represents yet another potential deterrence for U.S. citizens to visit Mexico for work, to visit families or for tourism. Concerns from BTA members along the Southwest U.S. border include the ability of citizens to readily obtain the necessary documentation in a timely manner. Several BTA members have reported that it is now necessary to travel well into the interior to places such as San Antonio, Texas or Phoenix, Arizona to be able to obtain an appointment to apply for a U.S. Passport or PASS Card as facilities at the border, primarily U.S. Post Offices, are unable to handle the amount of requests. There are also continued concerns about the public's awareness of WHTI when traveling across the U.S.-Mexico border.

The BTA would like to expand briefly upon the earlier point regarding the unique impact that U.S. federal border policies and security programs have at our shared borders with Canada and Mexico. It has become apparent during the past decade that all too often during the deliberation and development of U.S. border policy, the prevailing mindset in Washington, D.C. is that one-size fits all. While there are shared underlying issues along both the U.S.-Canada and U.S.-Mexico borders, such as the ongoing need to invest significantly to increase capacity and update infrastructure at our busiest land ports of entry, there are many challenges and complex dynamics that are unique to the U.S. border with our NAFTA partners. The BTA strongly urges this Committee, Congress and the Administration to not neglect our unique bi-lateral relationships with Canada and Mexico along with the individual needs and concerns of these bi-lateral relations in pursuit of a one-size fits all, national border policy.

In anticipation of the upcoming implementation of WHTI the BTA would like to raise several additional questions to this committee as well as to DHS and DOS, both of which are tasked with managing this newest federal secure traveler program.

Does the present passport and PASS Card reader technology have sufficient redundancy to ensure minimal delays if there are any issues with this technology? In short, what is the backup plan should these readers, or their associated communications network go offline?

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Have DHS and DOS assessed what geographic areas or regions are handling the greatest volume of Passport or PASS Card applications and are those areas fully able to handle this volume of applications?

What steps have been taken or are being planned by DOS and DHS to ensure that they can quickly dispatch the necessary resources to process Passport and PASS card applications in areas of greatest need?

Have DHS and DOS considered expanding the acceptance of the PASS Card under WHTI for air travel within North American and the Caribbean? Do the departments have sufficient flexibility to accommodate this expansion of the PASS Card or does it require an act by Congress?

Are CBP staff adequately trained and do they possess the appropriate resources to rapidly process state-issued Enhanced Driver's Licenses at land ports located outside the state that issued them?

What are the standard metrics for measuring passenger traffic compliance? Commercial driver compliance? Changes in passenger traffic volume? Changes in commercial traffic volume? Increase in referrals to secondary inspection? Changes in processing/crossing times as a result of WHTI implementation?

These are a few of the questions that BTA members have continued to ask in advance of the June 1st deadline for implementing WHTI.

Much of what the BTA advocated for early and often during the development of WHTI has come to fruition: the development of a low-cost, wallet sized alternative passport document or PASS Card; the timely installation of tested technology at all U.S. border crossings; the acceptance of other federal security documents such as NEXUS, SENTRI or FAST cards under WHTI; and the sustained public education efforts by DHS and DOS.

The BTA is appreciative that Congress, including many of those present today at this hearing, took stock in the early recommendations made by border stakeholders to ensure that WHTI could be as successful as possible on day one. As that date rapidly approaches the BTA urges this Committee, Congress, DHS, and DOS to ensure that WHTI is a success beyond June 1st and that it not only serves as a benefit to our improved security but that it also enhances the efficiency of processing the millions of travelers who cross annually at our land ports of entry.

We must remind ourselves that 100 percent verification of federally issued travel documents for U.S. citizens at our land ports of entry is a new responsibility for U.S. Customs and Border Protection (CBP). CBP must continue to be given the adequate resources to be able to staff the new workload created by WHTI.

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Further, Congress needs to do more to address the decades old, backlog of infrastructural investments needed at U.S. land ports of entry, the majority of which were designed without anticipation of the vast federal security operations now present at all U.S. border crossings. The \$720 million included for land port infrastructure upgrades as part of the American Recovery and Reinvestment Act was a very appreciated step forward. However, with the exception of the Mariposa, Arizona and San Ysidro, California ports of entry, the majority of projects funded by CBP and the General Services Administration using these stimulus dollars were for small land ports of entry with low crossing volumes. If we are to ensure for the success of WHTI and our ability to generate more national economic activity through trade, we need to reinvest more than 8/10ths of a percent of the economic activity generated by our land ports toward enhancing trade and travel facilitation. Congress needs to ensure that what is funded provides the biggest return for the taxpayers' dollars in terms of increased economic activity.

In closing, I would like to share several of the BTA's key policy points for Congress and the Administration to consider in regard to federal border policy development and delivery:

Successful border security efforts require the utilization of risk-based assessments based upon real-time intelligence to direct the most efficient allocation of scarce federal resources in order to attain the greatest security benefit.

The Department of Homeland Security should assume the leadership role among federal agencies in conducting a performance and utility assessment of the multiple layers of federal security programs and policies that currently govern legitimate trade and travel along the U.S. shared borders with Canada and Mexico.

DHS, in conjunction with its federal agency partners, needs to collaborate to expedite the approval process for the prioritization, selection and funding of land border infrastructure projects that improve the facilitation of cross-border trade and travel.

Congress should ensure that scarce federal dollars are committed toward programs, policies, and projects that result in the greatest benefit in terms of economic and physical security.

In conclusion, I would like to thank the Chair and Ranking Member along with all the Members of this Committee for its focus on the need to achieve a balance between security and facilitation of legitimate travel at our borders. The BTA offers its assistance to you in working to identify solutions to these important border issues.

The Border Trade Alliance is honored to participate in this hearing and it will be my pleasure to address any questions you may have.

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Thank you.

Respectfully submitted,

Maria Luisa O'Connell  
President, The Border Trade Alliance