

**THE WESTERN HEMISPHERE TRAVEL INITIATIVE:
PERSPECTIVES OF A COMMUNITY ON THE
U.S.-CANADA BORDER**

**FULL
FIELD HEARING**

OF THE

**COMMITTEE ON HOMELAND SECURITY
HOUSE OF REPRESENTATIVES**

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

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**THE WESTERN HEMISPHERE TRAVEL
INITIATIVE: PERSPECTIVES OF A
COMMUNITY ON THE U.S.-CANADA
BORDER**

Friday, July 20, 2007

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
Washington, DC.

The committee met, pursuant to call, at 11:31 a.m., in Erie County Legislature Chambers, 92 Franklin Street, Buffalo, New York, Hon. Bennie G. Thompson [chairman of the committee] presiding. Members Present: Representatives Thompson, Carney and Green.

Also Present: Representative Slaughter.

Chairman THOMPSON. The Committee on Homeland Security will come to order.

The Committee is meeting today to receive testimony regarding the impact that implementation of the Western Hemisphere Travel Initiative may have along the northern border and to explore the Administration's plans for WHTI implementation following DHS's announcement of its proposed rules for land and sea implementation.

I would like to acknowledge in her absence and en route to the meeting Representative Slaughter, who will be here with us today. Ms. Slaughter is not a member of the Committee but has asked to participate in today's hearing.

Ms. Slaughter is a leading Congresswoman on Western Hemisphere Travel Initiative matters and a great advocate for her district on this important issue. Therefore, consistent with the rules and practices of the Committee, we're pleased to honor her request.

I now ask unanimous consent to allow Representative Slaughter to sit and question witnesses at today's hearing.

Without objection, it is so ordered.

I'm pleased to be here in Buffalo today for the Committee on Homeland Security's hearing, the Western Hemisphere Travel Initiative: Perspectives of a Community on the U.S.-Canada Border.

I'd like to thank my friend Ms. Slaughter for urging, and when I say "urging," I don't want to give you under any doubt that every time I would see Ms. Slaughter on the floor voting, she would bring up the Peace Bridge and everything else in Buffalo.

Perhaps if she had provided Mr. Carney with—and myself with some original Buffalo wings, we might have been here sooner, but

nonetheless, we're here, and obviously, it's important that we are here, and you have a wonderful representative in Ms. Slaughter.

Today we will hear from several—several local stakeholders about the potential detrimental effects of WHTI on Buffalo and other communities along America's northern border.

We will also hear testimony about the importance of WHTI to our nation's security and learn more about the Administration's plan to implement the requirements at land and sea ports.

Like many of my colleagues and most Americans, I strongly support the goals of WHTI, which was mandated in response to a recommendation of the 9/11 Commission.

At the same time, I'm very concerned about the troubled implementation of WHTI to date.

In January, the WHTI rule for air travelers took effect, requiring every person arriving in the U.S. to present a passport.

As Americans rushed to get passports to comply with the new rule, the surge in demand overwhelmed the State Department's capacity to issue passports, creating an unprecedented backlog.

These problems underscore the potential consequences for travel, tourism, and commerce when Americans are required to have documents that our government cannot make available in a timely manner.

As we move toward implementation of WHTI at our land borders, where disruptions to commerce and tourism could inflict significant damage to the economics of both sides of the border, we need to make certain that these mistakes are not repeated.

It is my hope that today's hearing will help ensure that the Western Hemisphere Travel Initiative is implemented and implemented right.

I look forward to hearing from our first panel of witnesses about the particular pitfalls they see in this region in the land and sea implementation proposed by the Department of Homeland Security and State, and I look forward to hearing from our second panel of witnesses about how they plan to implement the land and sea stage of WHTI in a manner that takes into account the legitimate needs of a border such as this one.

But we will take the second panel first to get the government witnesses out, and then we'll hear from our local community witnesses on the second panel.

Again, thank you for having us here in Buffalo today.

Chairman THOMPSON. I'd like to also introduce Representative Chris Carney, who is Chairman of our Oversight and Management Committee on the Homeland Security Committee, who hails from Pennsylvania, and we're happy to have him.

We will be joined shortly by, as I said, Congresswoman Slaughter and Congressman Al Green from Houston, Texas, who are also members of the Committee.

Again, I want to thank everyone for being here this morning. I appreciate the interest in this hearing as shown by the number of people who turned out today.

Because this is an official Congressional hearing as opposed to a Town Hall meeting, we have to abide by certain rules of the Committee and the House of Representatives.

So we kindly ask that there be no applause of any kind or any kind of demonstration with regard to the testimony.

Other members on the Committee are reminded that under Committee rules, opening statements may be submitted for the record.

Chairman THOMPSON. I would also like to recognize Ms. Kathleen Hochul, who is our executive—who is our County Clerk here, who has some testimony that she will submit for the record in the hearing, given that many of the areas of responsibility that will be discussed today she has the burdensome responsibility of implementing.

So we look forward to submission of your testimony today.

Our first witness is Mr. Paul Rosenzweig, who is Acting Assistant Secretary for Policy and International Affairs in the Department of Homeland Security. He is responsible for developing policy, strategic plans, and international approaches to various homeland security activities ranging from immigration and border security to avian flu and international data protection rules.

Our second witness is Mr. Robert Jacksta, Executive Director of Traveler Security and Facilitation at Customs and Border Protection's Office of Field Operations. He is responsible for implementing passenger programs to combat international terrorism and smuggling and particularly programs related to processing passengers entering and exiting the United States.

Our third witness is Ms. Ann Barrett. Ms. Barrett serves as Deputy Assistant Secretary for Passport Services of the Bureau of Consular Affairs at the Department of State. She is responsible for overall management of the Department efforts to adjudicate and produce passports for millions of American citizens, customers, each year.

Without objection, the witnesses' full statement will be entered into the record.

I'll now ask each witness to summarize here his or her statement for five minutes, beginning with Mr. Rosenzweig.

STATEMENT OF PAUL ROSENZWEIG, ACTING ASSISTANT SECRETARY, POLICY AND INTERNATIONAL AFFAIRS, DEPARTMENT OF HOMELAND SECURITY

Mr. ROSENZWEIG. Chairman Thompson, Congressman Carney, thank you very much for the invitation to appear before you today. It's one of the oddities of the Department of Homeland Security that, though I've been with the Department for nearly two years now, this is actually the first time I've managed to get an invitation to testify in front of our home Committee, the Homeland Security Committee, having previously testified before Foreign Affairs and Judiciary.

So I'm glad to finally be welcomed to our home Committee.

The panoply of committees where I have testified, however, reflects the breadth of the interests that face the Department, and today we talk about just one piece of that: control of our borders.

It's important, I think, before discussing the implementation plans, to remember and recall why we are here. As the 9/11 Commission wrote:

For terrorists, travel documents are as important as weapons. Terrorists must travel clandestinely to meet, train, plan, case tar-

gets, and gain access to attack. To them, international travel presents great danger, because they must surface to pass through regulated channels, to present themselves to border security officials, or attempt to circumvent inspection points.

And that's precisely what the Western Hemisphere Travel Initiative is about: strengthening the regulated channels of entry to our United States and using the border as part of our layered security.

In some ways, the passport challenges that you alluded to in your opening statement faced by our colleagues at the Department of State are a testament to our success. We have begun implementing enhanced controls of our borders in the air portion of transit for the Western Hemisphere, and that has indeed contributed to driving up the demand for passports, but it's important to recall that that demand is driven by an underlying concern for the security of our nation.

Now, as you know, the Western Hemisphere Travel Initiative has been implemented in two separate phases.

The first, the air phase, went into effect on January 23rd of this year, and from our perspective, it has proven a great success.

As recently as yesterday, greater than 99.3 percent of the people arriving in the United States arrived in compliance with the air rule. That reflects 471 people who arrived without appropriate documentation out of a great—a number of greater than 74,000 arrivals on that single day.

And that has been the history of compliance throughout the implementation of the air phase.

Equally important, air traffic is up. Arrivals from the Caribbean, Canada, and Mexico exceed today the number of arrivals for a comparable period in the last year, reflecting, in our judgment, the success with which we've managed to implement the air phase without adversely affecting economic travel and facilitation.

Now, to be sure, the difficulties in passport issuance have led us to adopt a lenient approach with respect to those Americans who have been unable to get their passports, but this is nothing more than a traditional application of the parole authority held by all Customs and Border Protection agents to admit people notwithstanding the absence of appropriate documentation.

Thus, as we announced last month, through at least September 30th of this year, we will allow people to arrive by air in the United States from Canada, Mexico, and the Caribbean holding only a government identification card with picture and a receipt demonstrating that they have sought a passport from the Department of State.

Now, the second phase of WHTI, more applicable to the Buffalo region where we are today, is—the implementation of the land and sea rule, and there, too, we are taking a graduated, flexible, phased approach.

The first portion of the land rule will be implemented January 31st of next year under the Notice of Proposed Rulemaking that we've issued.

At that point, we are proposing to end the practice of allowing people to enter the United States simply on oral declarations—that is, simply on a declaration that I am a United States citizen—and we are also proposing to eliminate many of the 8,000-plus docu-

ments that are nonstandard, nongovernment-issued identification cards.

If you arrive at the Peace Bridge today here in Buffalo, you may be permitted to enter not only on an oral declaration but on presentation of a baptismal certificate or even a library card.

We intend in the first phase early next year to reduce that down to a manageable number of government issued identification cards with a much higher degree of fidelity to them.

I should add that, recognizing that a flexible approach to the border is necessary, we've also announced that beginning in January of next year, we will have a—an enhanced flexibility for children arriving in the United States.

We have determined already to propose that we will not require children to get passports or other—or pass cards or other government-issued identification cards.

If you are under the age of 16, you will be permitted to travel carrying a certified copy of your birth certificate.

If you're between the ages of 16 and 18, you'll be permitted to do so as well with the birth certificate if you are in a recognized social group: a hockey team or a—a school choir, for example.

Now, the second phase of WHTI will be implemented in the summer of next year, roughly a year from now. The precise date will, of course, be variable depending upon our success in ensuring that the requisite travel documents are put in—in the hands of the people who will need them.

At that time, we intend to narrow further the number of acceptable documents to be presented for arrival in the United States down to a few highly secure documents that denote both identification and citizenship.

Those would include a passport, a proposed pass card to be issue by the Department of State, as well as our NEXUS, SENTRI, and FAST—our NEXUS, SENTRI, and FAST trusted traveler cards.

In addition, we have begun piloting a program with Washington State to—to revive the issuance of enhanced driver's licenses, that is, driver's license cards with an enhanced RFID chip in them that also denotes securely identification and citizenship.

We believe that with this set of new cards, we will provide to everybody—should I stop, sir? I would be happy to.

Chairman THOMPSON. I know this is your first time before the Committee, but kind of wrap it up.

Mr. ROSENZWEIG. Okay. Sure. I was reaching the end.

We believe, actually, that these new cards will actually enhance travel facilitation. The programmatic environmental assessment that was issued by the Department in June of this year demonstrates through our analysis that indeed, by coming down to a smaller number of standardized cards, we will reduce linger time at—at the border and actually speed up throughput through the—through the bridges both here in Buffalo and across the northern border.

With a machine readable zone or an RFID technology, we actually anticipate a substantial reduction in wait time with concomitant travel facilitation and, frankly, environmental impact benefits that are yet to be seen.

Indeed, working together with our state and local partners as well as with the Canadian government, who I have not mentioned yet, we anticipate seeing long-term travel facilitation benefits of significant value to both Buffalo and the remainder of the Northern Tier.

Thank you.

Chairman THOMPSON. Thank you very much.

We've been joined by Congresswoman Slaughter and Congressman Green. We are glad to see them, and at the changing of the panels, we will have an opening statement from Congresswoman Slaughter.

Little logistical. Is that our only timer? Okay.

We actually have a little timer here that we're going to try to—maybe we need to turn it a little bit so—yes, right, turn it all the way.

All right. That's five—that's your five minutes. Okay. Thank you for your testimony.

I now recognize Mr. Jacksta to summarize his statement for five minutes.

**STATEMENT OF ROBERT JACKSTA, EXECUTIVE DIRECTOR,
TRAVELER SECURITY AND FACILITATION, CUSTOMS AND
BORDER PROTECTION, DHS**

Mr. JACKSTA. Good morning, Chairman Thompson, Congresswoman Slaughter, Mr. Carney, and Mr. Green. I appreciate the opportunity to be here and to represent CBP, Customs and Border Protection, today to discuss the WHTI effort as well as our NEXUS program.

Before I start, I would like to recognize three of our CBP officers that are sitting on our side that represent the 18,000 CBP officers at our ports of entry.

In addition, one of those officers, CBP Officer Eckert, and his two sisters are here, and they lost a family member on 9/11, and it's an extremely important program for them to follow also, beginning with Customs has an enormous challenge.

We share more than 7,000 miles of border with Canada and Mexico and operate 325 ports of entry. Each day, CBP officers inspect more than 1.1 million travelers and examine their documents, baggage, and conveyances.

During fiscal year 2006, CBP welcomed over 422 million travelers to our nation's borders; however, in this largely compliant group of travelers, more than 209,000 individuals were apprehended at our ports of entry trying to cross the border with fraudulent claims or false documents.

In addition, CBP seized over 646,000 pounds of illegal narcotics.

These are the types of documents that our CBP officers see on a daily basis, and I'll provide them to the Committee to take a look at.

These are documents that our officers have to review and, in a few seconds, make decisions on whether they are valid documents and make decisions on whether the person is admissible.

We recognize how important this region is in protecting our nation's borders, and we are committed to ensuring that our land, air, and sea ports are not vulnerable.

In fiscal year 2006, the Port of Buffalo cleared over 6 million passenger vehicles, cleared over 16 million travelers. We refused entry to close to 18,000 individuals. 3,000 of them had criminal records. We made 602 arrests in the Buffalo area.

We also cleared over 29,000 busses, 2900 trains, and over 2100 planes.

In addition, in the Buffalo area, we have 27,000 individuals enrolled in our trusted traveler program called NEXUS.

NEXUS is an extremely important program to the Buffalo-Niagara region. In fact, over 270,000 crossings take place at the Peace Bridge on a yearly basis, and through the whole area, we process close to 429,000 individuals through the trusted traveler programs.

These numbers clearly reflect the vitality of the region for our nation's economy.

The Department of Homeland Security, in partnership with the Department of State, is working to secure our homeland by strengthening our ability to identify accurately all persons, U.S. citizens and potential visitors alike, before they enter the United States. We accomplish this through instituting documentation requirements for entry into the United States.

Our approach to implementing the Western Hemisphere Travel Initiative, which is both a statutory mandate and a 9/11 Commission recommendation, will increase the security while also facilitating trade and travel.

The institution of a travel document requirement and the standardization of travel documents are critical steps to securing our nation's borders and will help our CBP officers determine if people are admissible into the United States.

As Mr. Rosenzweig mentioned, we have close to 8,000 documents that we are required to look at. You have an example of some of those: driver's licenses, birth certificates, naturalization papers, all documents today that individuals can present to our officers, and we have to make very quick and important decisions.

Through its requirements that an individual carry a passport or other limited sets of acceptable documents, WHTI will greatly reduce the opportunity for fraud or misrepresentation of one's true identity.

Advanced technology embedded in travel documents with the appropriate privacy protections and infrastructure will allow CBP officers at the ports of entry the ability to verify an individual's identity and citizenship.

We recognize that there are a number of concerns about the potential impact of WHTI on border communities. No one knows better than the frontline CBP officers at our nation's border that WHTI represents a social and cultural change.

However, WHTI is a key step in creating a smarter, more efficient and secure border that includes these document controls.

Mr. Chairman, Congresswoman Slaughter, other Representatives, I've outlined simply what we're trying to do with WHTI and how it will help DHS, CBP officers, and our country in protecting our borders.

Thank you again for your support over the years, and I will be ready to answer any type of questions at the end of the opening statements.

[The statement of Mr. Jacksta follows:]

PREPARED JOINT STATEMENT OF PAUL ROSENWEIG AND ROBERT JACKSTA

Chairman Thompson, Ranking Member King, and other distinguished Members of the Committee. We are pleased to appear before you today in the beautiful Buffalo-Niagara region to discuss how the identity documents used to gain entry at our land, sea, and air borders affect security, free trade, and free travel. The Department of Homeland Security (DHS), in partnership with the Department of State (DOS), is working to secure our homeland by strengthening our ability to identify accurately all persons—U.S. citizens and potential visitors alike—before they enter the United States. We are accomplishing this through instituting documentation requirements for entry into the United States. Our approach to implementing the Western Hemisphere Travel Initiative (WHTI), which is both a statutory mandate and 9/11 Commission recommendation, will increase security while also facilitating trade and the flow of legitimate travelers.

First, we would like to thank the Committee for its support for important initiatives to enhance the security of the United States. Your continued support has enabled DHS to make significant progress in securing our borders and protecting our country against terrorist threats. DHS looks forward to working with you to build upon these successes.

WHTI is necessary to strengthen our security while also facilitating the flow of legitimate trade and travel into the U.S. Currently, U.S., Canadian, and Bermudian citizens entering the United States across our land and sea borders are not required to present or carry any specific set of identity or citizenship documents. Not surprisingly, this significantly complicates our ability to verify that people are who they say they are in a matter of seconds. In an era when we, as a country, were less concerned about the security threats posed by persons seeking to enter or re-enter our country, a mere verbal declaration of citizenship, if credible, could suffice. Now, both Congress and the Administration recognize that this practice must end.

WHTI is an important program for residents of the Buffalo-Niagara region and for our officers stationed at the four bridges in the Buffalo area: the Rainbow Bridge, Peace Bridge, Whirlpool Bridge, and Lewiston Bridge. In fiscal year 2006, over six million passenger vehicles entered the United States via these four bridges. We recognize the vitality of this region for our nation's economy, as we welcome visitors from other nations to visit the majestic Niagara Falls. However, we also recognize how important protecting our nation's borders is and we are committed to ensuring that our land, air and sea ports are safe.

The Importance of Travel Documents

The institution of a travel document requirement and the standardization of travel documents are critical steps to securing our Nation's borders and increasing the facilitation of legitimate travelers. Currently, some travelers at our land and sea ports of entry may present any of thousands of different documents to Customs and Border Protection (CBP) officers when attempting to enter the United States, creating a tremendous potential for fraud. In fiscal year 2006 alone, more than 209,000 individuals were apprehended at the ports of entry trying to cross the border with fraudulent claims of citizenship or false documents.

Access to our nation is critical for a terrorist to plan and carry out attacks on our homeland. As the 9/11 Commission's Final Report states, "For terrorists, travel documents are as important as weapons. Terrorists must travel clandestinely to meet, train, plan, case targets, and gain access to attack. To them, international travel presents great danger, because they must surface to pass through regulated channels to present themselves to border security officials, or attempt to circumvent inspection points".

Our layered security strategy involves identifying and interdicting terrorists as early as possible—if not before they enter our country, then at the port of entry. DHS must be able to capitalize on our border inspection process. We must be able to inspect those who seek to enter. Through its requirement that individuals carry a passport or other limited set of acceptable documents, WHTI will greatly reduce the opportunities for fraud or misrepresentation of one's true identity. Advanced technology embedded in these travel documents, with the appropriate privacy protections and infrastructure, will allow DHS the ability, for the first time, to verify an individual's identity even before our officers begin to question them and to perform real-time queries against lookout databases. Full implementation of WHTI will allow DHS to focus even greater time and attention on each individual traveler. We have an opportunity to install an integrated secure land border system through WHTI and that opportunity should not be squandered.

The Threat

We still face many challenges at home and at our borders and we must be especially vigilant at our land, air and sea ports of entry. As is evident from the publicly available accounts of the recent terrorist episode in England and Scotland, extremists have demonstrated the ability to blend into our communities. From such locations, extremists can conduct fundraising and other support activities, including proselytizing extremist ideals to segments of the youth population that they find susceptible.

While Canada remains a valued partner in our struggle against terrorism, the Canadian Security Intelligence Service (CSIS) has reported that terrorist representatives in Canada were actively raising money, procuring weapons, “manipulating immigrant communities” and facilitating travel to and from the United States and other countries. Besides al-Qa’ida affiliated persons, other terrorist-related individuals mentioned by CSIS have links to: Islamic Jihad; Hezbollah and other Shiite groups; Hamas; the Palestinian Force 17; Egyptian Al Jihad and various other Sunni groups from across the Middle East. CSIS has said the Irish Republican Army, Tamil Tigers and Kurdistan Workers Party (PKK) and major Sikh terrorist groups also have supporters in Canada.

Of course, we must also acknowledge the presence of terrorist cells and activities in the U.S. and Canada, such as the recent arrests in New Jersey of a cell trying to attack Fort Dix, those airport workers hoping to detonate explosives at the JFK airport fuel tank farm, and here in the Buffalo region, our Canadian counterparts discovered an active terrorist cell in Toronto. Our ability to track their travel, and the travel of their associates, is an important key to stopping these plans before they come to fruition and to drawing connections between seemingly unrelated individuals.

As populations increasingly mix and extremists recruit native-born youth and converts, travel documents become even more critical in identifying terrorists. Travel documents and travel patterns can provide our CBP officers at the border with terrorist indicators—sometimes the only clue the government will receive.

Effectively Using the Border—A National Security Priority

Securing the border is a top national priority. Border security is a cornerstone of national security and that commitment by President Bush and Secretary Chertoff is underscored by the creation of the Secure Border Initiative and significant allocations of resources for border security. If we are to protect our homeland from terrorist attacks, we must use all of the tools at our disposal.

The initial phase of WHTI went into effect January 23, 2007. The WHTI Air rule requires all air travelers, regardless of age, to present a passport or other acceptable secure document for entry into the United States when arriving by plane. Almost every single day between January 23, 2007, and today, there has been a compliance rate of 98 percent or better from the affected travelers, who are citizens of the U.S., Canada, and Bermuda, and there has been no interruption to air transportation. The high level of compliance shows that Americans and foreign nationals alike are willing and able to obtain the necessary documents to enter or re-enter the United States once the requirements are known and made firm. This compliance is the result of the collaborative planning process on behalf of DHS and DOS working closely with the airline and travel industries and the public, well in advance of implementation.

Intelligent Implementation of the WHTI Air Rule

The need for passports for air travel, as well as other increasing needs for documentation of identity and citizenship significantly increased the demand for passports, resulting in delays for issuing passports. Therefore, on June 7, 2007, DHS and DOS jointly announced that U.S. citizens traveling to and from Canada, Mexico, the Caribbean and Bermuda who had applied for but not yet received their passports, could temporarily enter and depart from the United States by air with a government issued photo identification and official proof of passport application, which can be obtained from the DOS website. This is not a suspension of the WHTI requirements in the air environment—foreign nationals must still present passports, and only those U.S. citizens who prove they have made an attempt to comply with the rule by applying for a passport may make use of this flexibility. This is a temporary accommodation through September 30, 2007, to allow Department of State time to clear its processing backlog. In addition, travelers must continue to be cognizant of the documentary requirements for Caribbean countries that have longstanding passport requirements for entry.

While DHS has shown flexibility in terms of document requirements, we have not lowered our enforcement posture or response. Every traveler is subject to inspection upon arrival into the United States. This inspection may include a database query

and a personal interview by a CBP officer. Our officers are trained in behavioral analysis, interview techniques and fraudulent document detection. If at any time during the inspection a CBP officer, based upon his/her observations, believes additional scrutiny is warranted, the traveler may be referred for secondary inspection. During secondary inspection, the traveler is subject to further questioning; baggage examination and documentation presented may be more closely scrutinized.

The Next Phase—WHTI Land and Sea Rule

On June 20, 2007, DHS and DOS jointly announced the next phase of WHTI, governing entry into our land and sea ports of entry through a Notice of Proposed Rule-making (NPRM), which is open for public comment. The NPRM, which includes our proposals for both the new documentation requirements and our implementation plan, is available for review and comment at www.regulations.gov. The NPRM was developed through extensive consultation and constructive dialogue with various stakeholders, Congress, border communities, and officials on both sides of the border. We have also issued an accompanying economic analysis and environmental assessment. Both DHS and DOS are committed to ensuring a smooth transition and mitigating any negative impacts as we move forward with this vital security initiative.

The NPRM demonstrates that we are taking a phased, deliberate approach to implementation. The rule proposes a transition period to ensure that citizens will be able to obtain the documents necessary to satisfy WHTI. This will not occur overnight. The glide path we have proposed will give U.S. citizens sufficient time to become accustomed to this new requirement at our land and sea borders, and time to obtain alternative documents, such as the passport card, Free and Secure Trade (FAST) card, Secure Electronic Network for Travelers Rapid Inspection (SENTRI) card, NEXUS card, or an enhanced driver's license.

The NPRM proposes to end the practice of accepting only credible verbal declarations of citizenship at our land and sea ports of entry on January 31, 2008. U.S. and Canadian citizens will be required to carry a WHTI-compliant document or a government-issued photo identification, such as a driver's license, and proof of citizenship, such as a copy of a birth certificate. DHS will continue to allow a degree of flexibility to certain travelers based upon unique and exigent circumstances. At this same time, we are going to begin using the alternative procedures for U.S. and Canadian children we have proposed in the NPRM. Children ages 15 and younger will be required to present certified copies of their birth certificates. Groups of U.S. and Canadian children ages 16 through 18, traveling with an organized group with adult supervision will also be allowed to enter using certified copies of their birth certificates.

At a later date, we will implement the full requirements of the land and sea phase of WHTI. This vital layer of security must be put in place as soon as possible and not be subject to repeated delays and endless new and ever-shifting requirements. We must advance to a smarter, more efficient and more secure border that includes these document controls. The exact implementation date will be determined based upon a number of factors, including the progress of DHS and DOS actions to implement WHTI and the availability of WHTI-compliant documents on both sides of the border. We expect that the date of full implementation will be as early as the summer of 2008. The precise date will be formally announced with at least 60 days notice to the public.

Alternative Documents

DHS is proposing alternative documents that could be used in lieu of a passport at the land and sea borders, such as the Passport Card being developed by our partner DOS. We are also proposing that the current trusted traveler documents available for programs such as NEXUS, SENTRI and FAST be approved for entering the United States. Working in unison with Washington State and other states we are pursuing state-issued enhanced driver's licenses (EDLs) that will be WHTI compliant for use at land and sea ports of entry. While Washington State is leading the way and on target to issue the first EDL in January 2008, DHS is in active discussions with other states that have expressed interest. In addition, Canadian Provinces also wish to pursue EDLs, and the Canadian Government is examining such a proposal with strong engagement and encouragement from DHS. We are pleased with recent indications from the Canadian Government of renewed urgency toward developing appropriate documents, and anticipate that we will be able to work together to meet our intended timeline.

It is important to state on the record that DHS is not lowering document standards for EDLs. EDLs are a secure, enhanced driver's license, and are not just today's driver's license with a new design. The issuance process will be bolstered, and the document will meet the standards for a WHTI-compliant document of denoting

citizenship and identity. EDLs will also incorporate facilitative land border technology with both vicinity Radio Frequency Identification (RFID) and a Machine Readable Zone (MRZ). That technology enables real-time verification of issuance data as well as screening at ports of entry.

Here on the Northern border, we will increase our outreach to the public the availability of NEXUS cards. In December 2006, CBP combined enrollment in the NEXUS Air, Highway, and Marine programs. As of July 2007, 133,216 members can cross the border using any of the three modes of transportation (air, land, and sea) at participating locations. In the Buffalo region alone, we have nearly 28,000 members. This program is implemented in partnership with the government of Canada, and many citizens of Canada also participate in the programs. In light of the extensive background checks and pre-vetting of enrollees in this program, NEXUS is a viable and secure way to confirm a traveler's identity and citizenship.

To enroll in NEXUS, travelers must provide proof of citizenship, a visa (if required), as well as other identity documentation, such as a driver's license or other acceptable identity card. An intensive background check against law enforcement databases and terrorist indices is required, and the enrollment process includes fingerprint checks and a personal interview with a CBP officer.

Over the next few months, we expect to increase the number of locations where travelers can enroll in NEXUS. We plan on developing new enrollment centers and utilizing our mobile enrollment centers to encourage border residents to participate in NEXUS. For frequent border crossers, the ability to use NEXUS at the land, sea, and air borders and the ability to use NEXUS dedicated lanes for more expedited processing are some of the benefits of participating in NEXUS. Here in Buffalo, NEXUS participants have their own bridge, the Whirlpool Bridge. This is a NEXUS-only bridge with NEXUS-dedicated lanes, offering NEXUS participants an even faster method to enter the United States or Canada.

Impacts of WHTI on our Border Communities and Our North American Neighbors

Border security is a cornerstone of national security. Our international land borders are extremely efficient considering the volume of travel and trade they handle every day—so well run that the public can forget that they are a critical line of defense. Both DHS and DOS have worked closely with the Canadian and Mexican governments on numerous fronts, including through the Security and Prosperity Partnership of North America, the Smart Border Declaration and the Shared Border Accord. The objectives of these initiatives are to establish a common approach to security to protect North America from external threats, prevent and respond to threats and streamline the secure and efficient movement of travel and trade. We remain committed to such consultations that often include WHTI accomplishments and progress to date. In particular, DHS has been involved in extensive discussions with our Canadian counterparts regarding secure alternative documents that could be made available to Canadian citizens for WHTI purposes, and, as stated above, we are working even more closely together as they look at EDLs or other possible alternative documents for Canadian citizens as well.

We recognize that there remains a concern about the potential impact of WHTI on border communities. WHTI represents a social and cultural change, and change is difficult. However, WHTI is a key step in creating better, more efficient, 21st Century land border management.

The Administration is committed to implementing this change in a pragmatic way, and we want to ensure open dialogue between the citizens it directly affects. Our communications plan will be based in a grassroots outreach campaign and will take place in land border communities in multiple ways, including Town Hall Events that will encourage an open dialogue between DHS and the community. We will directly communicate with the border communities, traveling public, media, elected officials and stakeholders about the importance of WHTI. We will highlight the benefits of secure travel documents, demonstrating that vicinity RFID is the reliable backbone of our trusted traveler programs, and the technology proposed for the DOS Passport Card.

Potential Impact of WHTI on Wait Times at the Border

DHS, Congress, and the public are all concerned about the potential impact of the WHTI documentation requirements on traveler wait times at our land ports of entry. Pedestrian and vehicle traffic varies across the country by port, time of day, and time of year. There are also daily, weekly, and seasonal patterns of traffic. Factors that can lead to long traffic queues can include the port design, traffic volume, and vehicle mix. Wait times are monitored on an hourly basis and measures are taken to reduce wait times when they exceed threshold levels. These measures can include changes to shift assignments, open lane assignments, special operations, and overtime.

Currently, primary processing time can be as short as 10 seconds for a trusted traveler and as short as 20 seconds for easily verifiable travelers. A traveler is easily verifiable if he/she has a passport or other acceptable document with an MRZ or appropriate RFID technology that can be queried automatically. Processing times are considerably longer—up to 90 seconds—for a vehicle with passengers who present documents that are not immediately verifiable by the inspecting officer or for vehicles with multiple passengers each producing various forms of identification. Often times, an officer will need to manually enter an individual's identifying information into the computer if the documentation presented does not have a MRZ. The additional time it takes to process these individuals can contribute to delays.

The suite of documents that DHS has proposed in the NPRM are capable of being queried automatically, speeding-up the document examination process and eliminating the need to evaluate the face of the document to determine if it looks like the kind of baptismal certificate issued in a certain part of Minnesota during the mid-1950s.

DHS published a Programmatic Environmental Assessment (PEA) in the Federal Register on June 25, 2007, focusing on the potential environmental impact of WHTI at land ports of entry, since they have the most environmental sensitivities from changes in travel volume. The PEA concludes that the use of vicinity RFID technology results in the fastest passenger processing time, and causes the fewest adverse environmental impacts. I encourage the Committee to review the PEA for a detailed analysis of average wait times for selected ports on the northern and southern borders and the anticipated impact of WHTI on these wait times.

While DHS fully expects to process quickly the documents of most travelers at the borders, we will not become focused on speed as the singular measure of success. Speeding up the document querying and authentication process gives more time for our CBP officers to ask questions and conduct inspections of those who require more scrutiny. Precious time now spent examining the face of a document will, instead, be used to probe those seeking to enter the U.S. who may be of higher risk. In the judgment of Secretary Chertoff and DHS leadership, this is a much better use of our CBP officer's skills and time.

Conclusion

Mr. Chairman, members of the Committee, we have outlined our WHTI implementation plan that, with your assistance, will help DHS continue to protect America. Although we continue to move in the right direction of increasing identity document security, increasing information sharing, and deploying the necessary resources to protect the border, we must not delay or become lax in our effort. Strong borders are a pillar of national security and WHTI is a key cornerstone supporting that pillar.

Thank you again for this opportunity to testify, we will be happy to answer any of your questions.

Chairman THOMPSON. Thank you very much for your testimony.

I now recognize Ms. Barrett to summarize her statement for five minutes.

STATEMENT OF ANN BARRETT, DEPUTY ASSISTANT SECRETARY, PASSPORT SERVICES, DEPARTMENT OF STATE

Ms. BARRETT. Thank you, Chairman Thompson, Congresswoman Slaughter, Representative Carney and Green, for this opportunity to discuss the role of the State Department in implementing the Western Hemisphere Travel Initiative, which is to adjudicate and issue U.S. passports and, in the near future, passport cards to eligible U.S. citizens 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 are on pace to issue over 17 million passports by the end of the year.

Due to the unprecedented demand, many who applied for a passport did not receive their documents in the time frame 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.

We projected that we would receive approximately 16.2 million passport applications in fiscal year 1907, 30 percent more than our 2006 level. Over the past two years, we ramped up capacity to meet projected demand, adding staff and expanding facilities.

The root of our current situation is the workload that built up when 5.5 million applications arrived within about ten weeks last spring. This far exceeded our ability to keep pace within our traditional time frame, and the average processing time lengthened from six weeks in December to 12 weeks in late spring. It's about ten weeks today.

At the same time as we are receiving record numbers of applications, we are also issuing record numbers of passports, averaging a million and a half passports each month since March. As of July 2nd, we have already exceeded last year's issuance of 12.1 million passports.

The Department has committed at the highest levels to return to our normal performance standards and processing times as soon as possible 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. We are hiring 400 new passport adjudicators this fiscal year and are requesting a similar number for next year.

To process pending cases, we are deploying additional staff to eliminate the older applications pending in the system.

It is clear that the implementation of WHTI 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 up to—as high as 30 million by 2010.

Currently, over 78 million Americans have passports. We expect 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 implementing long-term strategies to increase production. Chief among these are our new approach to passport production represented by our new Arkansas Passport Center.

This 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 Arkansas, which prints and mails the passports within 24 hours.

The centralization of passport book printing and mailing frees up space and personnel in our existing facilities so we can focus on the critical areas of customer service, adjudication, and process more passport applications.

Building on our successful implementation of our Arkansas facility, we plan to open a similar facility in 2008 which will also be capable of producing over 10 million passports a year. When ready, the passport cards will also be produced in these facilities.

Expansions are in the works for the Miami, Seattle, Boston, and Washington agencies as well as our National Passport Center in

New Hampshire. We are also exploring opening additional passport agencies later in fiscal year 2008 and 2009.

We firmly believe that these long-term strategies will provide the staffing levels and infrastructure to meet the increased passport demands.

I'd like to turn briefly to the passport card which we are currently developing.

We acknowledge that the traditional passport book is not the ideal solution for the border resident communities. In—in response to their concerns, we have developed a more portable—or are developing a more portable and less expensive document than the traditional passport book. It will carry all the rights and privileges of a U.S. passport except that it is designed for use at land and sea ports of entry only.

The passport card is designed for the specific needs of border resident communities and is not a globally interoperable document. Based on a cost-of-service study, we are proposing a fee of \$20 for an adult and \$10 for a child with a proposed execution fee of \$25. The total cost for an adult to get a passport card is \$45, or 37 and a half cents per month over a ten-year period.

To facilitate the frequent travel of U.S. citizens living on the border and to meet DHS's operational needs at land borders, the passport card will incorporate RFID technology, which will link the card to a stored, secure database in a secure government database.

The RFID chip in the passport card will be read at a distance by an authorized CBP reader mounted alongside the traffic lane. The reader will automatically retrieve the personal data from the secure database and populate the officers' screens as the vehicle approaches.

We have an ambitious and aggressive production schedule. Absent any technical challenges that may arise as a result of testing, we imagine we will issue the card in the spring of 2008, and we will issue a notice in the Federal Register when we are ready to begin accepting passport card applications.

We understand that our national security is dependent on our economic well-being. We understand the importance of the economic relationship between the U.S. 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 travel, tourism, and trade while enhancing our national security.

And I just want to end on a—with some good news:

We issued over 477,000 passport applications this week. It's an all-time record. Our backlog is indeed going in the right direction. We are reducing it.

And we still have more volunteers arriving next week, so we hope to have more good news in the coming weeks.

Thank you very much.

[The statement of Ms. Barrett follows:]

PREPARED STATEMENT OF ANN BARRETT

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.

Chairman THOMPSON. I thank the witnesses for their testimony.

I will remind each Member that he or she will have five minutes to question the panel. I will now recognize myself for the first question.

Ms. Barrett, just for the record, and I think you indicated it: What is the present passport fee for adults?

Ms. BARRETT. Present passport fee for adults? Okay. Thank you, Chairman.

The present passport fee for an adult is \$97.

Chairman THOMPSON. \$97.

Ms. BARRETT. \$97 for a passport. That is—

Chairman THOMPSON. That includes all the fees and—

Ms. BARRETT. Yes.

Chairman THOMPSON. All right. Am I to understand that there are plans to reduce the cost of the passport document?

Ms. BARRETT. Not at this current time. The reduction in cost will be with the passport card, which will be \$45 for an adult.

Chairman THOMPSON. 45.

Ms. BARRETT. Right.

Chairman THOMPSON. So if I wanted a passport, I'd still have to pay 95.

Ms. BARRETT. 90—97, yes, sir.

Chairman THOMPSON. 97. Okay.

Have you had many complaints from people about the pricing?

Ms. BARRETT. Frankly, I think that is the reason we have developed the passport card.

We developed it in response to particularly border resident communities who probably didn't plan on doing much or any international travel, yet then did need a document to attest to their citizenship and identity.

So we thought that by developing and issuing a passport card at a much lower cost, we would meet—we would answer those—those complaints about the cost of the passport.

Chairman THOMPSON. And again, for the record, would the card allow that person to travel—where would that card allow a person to travel?

Ms. BARRETT. The card will—it's a limited-use passport. It will allow you to cross land waters and do sea travel within the Western Hemisphere.

You cannot, for instance—you can use the card to drive, say, from Buffalo across the border into Canada, but you cannot use that card to then get on a plane and—and fly to London.

It's not a globally interoperable document, because it is tied to a secure government database.

Chairman THOMPSON. So then I also heard you say that we are having to utilize volunteers to deal with this overflow of individuals applying for—for this document.

Did the Department not anticipate this volume in enough time to compensate for the inconvenience that had been caused, or can you share with us what happened with that?

Ms. BARRETT. Sir, we—our initial projections were low. We projected about 16.2 million passport applications for this year when, in fact, it's going to be at least 17 and a half million applications.

We—we think a lot of the error in—in projections is also coming from the fact that we are having a lot of people apply for passports

that are not travelling. They're getting them for identity documents. They're getting them for—to prove that they're a citizen to apply for jobs. They're getting them to establish—to get federal benefits.

We also admit as well that, I think, there was some confusion about what the—the air requirement was. Many people who— anecdotally who we talked to who are applying believed that the land border requirement was already in place.

So I think that contributed, and we got an awful lot of applications in a very concentrated period of time.

Chairman THOMPSON. Well, I think all of my colleagues here can attest to the fact that we saw very early, just given the number of calls from our constituents asking for help for travel this summer, and—and I guess it was because we started calling State and DHS and everybody you can name to find out what was going on that we had—we had to, as you know, suspend and do some other things to make it happen.

But I think that really caused some challenges for a lot of us, and I hope that going forward, we can anticipate a little better programs like this so the public will not be inconvenienced.

Mr. Jacksta, do you have enough people right now to do your job? Enough CBP people?

Mr. JACKSTA. I would say, sir, that we have, over the last couple of years, increased the number of CBP officers at our ports of entry.

Here in the Buffalo area, we've actually added additional staff. Up to 62 additional people will be coming on to help in the Buffalo area. Other parts of the country are receiving additional staff to help out.

The challenge is, is that the traffic continues to grow, and people and trade are continually coming to the United States, and so we evaluate on a regular basis to determine whether we need additional people and put them in our budget request.

Chairman can—

Chairman THOMPSON. I'll ask again, yes or no.

Mr. JACKSTA. Do we have enough people today?

Yes, according to the current projections that we have proposed.

Chairman THOMPSON. How many people are working overtime?

Mr. JACKSTA. Well, we have 18—close to 18,000 CBP officers that are assigned to our ports of entry. They work on a regular basis overtime.

We have specific requirements that when there is a surge in traffic or—or trade, that we can utilize those officers to work overtime and to ensure that the trade continues to go through.

Chairman THOMPSON. So with 18,000 and the overtime is paid, it's your testimony before us today that you are meeting the present personnel requirements.

Mr. JACKSTA. Right. And we continue to request through the formal process of asking for additional personnel depending on various programs.

For example, one of the things that we recognize that WHTI is going to present to us is the—one of the alternative cards that are going to be utilized are the trusted traveler program cards.

And as a result, in our fiscal year 1908 submission, we requested funding for additional personnel to help with the enrollment process as well as the interview process for the trusted traveler program.

So as programs come on board, we try to forecast exactly what type of personnel we'll need and put those into our budget requests.

Chairman THOMPSON. Well, if you would provide the Committee with your protected budget costs for the programs you just outlined.

Mr. JACKSTA. Sir.

Chairman THOMPSON. One of the things that our Committee is doing and is committed to is identifying what resources are needed and, going forward, finding it. But if for whatever reason we never get the resource requirement, then we're not really able to address the need.

And I didn't mean to put you on the spot, but, you know—I know you have to defend the agency's budget, but every now and then, you know, it would help just to—either offline or whatever, just let us know.

Maybe I need to talk to some of the gentlemen you brought here today, and maybe they'll—they'll help us, too.

But I—I—I appreciate—

Mr. JACKSTA. Chairman? Can I also just mention that I passed out those travel documents that the CBP officers have to look at. Hopefully, you've had a chance to look at it.

I want to point out that every one of those documents are fraudulent documents, and that sort of presents the extreme challenge that our officers have at the ports of entry regarding the current documents or, in certain cases, no documents at all.

Chairman THOMPSON. If you had your preference, what would you recommend as a solution to—to all these documents?

Mr. JACKSTA. Well, I think the recommendation is that we move forward with WHTI and that we move forward with the—we have a Notice of Proposed Rule out there right now that's open for the next 30 days, receive comments on the documents that we have proposed to be utilized for our officers.

We believe moving forward with the trusted traveler programs, with the pass card, the passport, and other types of documentations will greatly enhance the ability for our officers to identify individuals and also to make sure that we know their citizenship.

So I would ask, suggest that we continue to move forward with the WHTI proposal.

Chairman THOMPSON. Thank you.

I now recognize Mr. Carney for five minutes of questions.

Mr. CARNEY. Thank you, Mr. Chairman.

Jeez, I'm going to jump in here. There's a lot of questions.

First of all, Mr. Rosenzweig, how many—how long does it take the Department, other than border guards, to go through all these documents at a crossing on average?

Mr. ROSENZWEIG. It depends upon which documents are presented.

Documents that already have some form of readily verifiable information on them, like the machine readable zone on the back of

a driver's license or one of our trusted traveler cards—the NEXUS card, for example—the linger time at a particular port of entry can be as little as 10 to 20 seconds.

For a person who presents a card where the officer must type the name into the database and must engage in some oral discussion to—to—to understand who's—can linger as long as 90 to 100 seconds.

And that doesn't sound, of course, like a very great difference, but as—as we've discussed, there are millions of arrivals across the border, hundreds of millions of arrivals every year, and so those seconds add up to a great deal of delay time.

One of the reasons we are moving towards a narrower set of documents with enhanced facilitation benefits in them is to reduce that time so that almost everybody is in the 10—to 20-second range.

Mr. CARNEY. This RFID technology, I—I like that, actually.

What happens when that system goes down? We're not going to close the border, are we?

Mr. ROSENZWEIG. No, we aren't, sir, and we have the exact same problem now with the entire system, but what we do have is localized backup databases that are accessible by the agents.

But if the whole system crashes, then it's like when the system goes down in Congress. It becomes more difficult.

Mr. JACKSTA. Sir, I—there are a couple of protocols that are followed, sir, when—when systems are down. It is extremely important for us.

If—in the case of the RFID goes down, we will have the capabilities at our actual primary booth for our officers to either manually put the data in on the individual or use the machine readable zone that's currently embedded in the travel documents.

That will help our officers to quickly read the information.

In addition to that, when that system goes down, nationally, on a national basis, we have the capabilities to upload specific disks with—with various watch-list members on it so that on a local basis, we're able to continue to work on the process.

Now, if—in the case where the whole systems go down and the ports shut down and there's no electricity, our officers will use their discretion and their training, and in any type of cases where we feel there's a concern, we will hold that individual and reach out to maybe a location that does have the capabilities to do proper name checks for us.

So there is protocols in place to make sure that we don't lose that connectivity at our ports.

Mr. CARNEY. But if it goes down, backup at the lanes would increase.

Mr. JACKSTA. Yes, backup lanes would increase simply because we would expect our officers to ask additional questions and to look at the travel documents a little bit closer.

Mr. CARNEY. Thank you.

Ms. Barrett, we know that you've commissioned an independent contractor, too.

What was their impression of the number of applicants you have?

I mean, did they confirm—or was there agreement across everybody you asked this question?

Ms. BARRETT. Well, we did contract an independent contractor to try to get a better handle on—on what we were facing.

Mr. CARNEY. Right.

Ms. BARRETT. We have been planning for this for the last couple of years.

The time—the time frame's changed since that—that report, but frankly, they—they were—they were giving us large numbers of how many people were on the border, did have documents, didn't have documents.

We took that study—and at that time, the passport card wasn't even thought of, so—so we—we really didn't have that question to ask people at that point.

We took their numbers and also added them to our own historical data that we—we traditionally have projected our passport issuances—and added it to—to that projection.

As I said earlier, I think our projection was low mostly due to some of the unknowns out there.

We can quantify who wants to travel across borders. We can quantify pretty closely how many people want to travel internationally.

But what we don't have and we have now commissioned a new study to try to—try to get a better idea of what the non-travel demand will be for citizenship and identity documents like the passport and the passport card.

More and more, we have to prove who we are and what our status is, and that, I believe, is driving up the demand of the passport beyond what all our—our valid studies had shown in the past.

We also had hired over 2500 people in the last two years and had expanded a lot of our facilities, so again, I think it was that concentrated amount of work that came in all at once.

And we are hiring 400, plus another 400 within the next several months to—to mitigate any surge in demand again.

Mr. CARNEY. I think you mentioned 471,000 processed last month; is that correct.

Ms. BARRETT. Last week, we processed 477,000 passports.

Mr. CARNEY. Last week? Those are probably mostly out of the 10th District of Pennsylvania, judging by the call volume into our office.

But are you satisfied, in fact, that nothing nefarious is—that everything's being on the up-and-up, that no one's trying to stick it to the system here?

I mean, you're processing a lot of applications.

Ms. BARRETT. We have always had a robust anti-fraud program in place. Every one of our employees goes through training.

We do have volunteers right now, but they're coming in from overseas or have been through our citizenship and identity training and then are having additional training.

In all of our volunteer work forces, task forces, we have senior passport specialists that are auditing and monitoring their work. They go through an anti-fraud training program before they do any adjudication, and then again, their work is audited to make sure that we're looking everywhere we can for any fraud indicators.

All our applications will go through our database to do all the name checks and the watch-list checks, so we are confident that the integrity of the passport is intact, and that indeed also is a reason we need more people.

A lot of—some of these positions we're asking for will go toward more fraud management oversight in our offices, more customer service employees in there to deal with the—the ever-rising demand for passports.

As I said earlier, this isn't—this isn't going to go away, and it also is a reason why to hire people, get them cleared and trained does take a while.

So we want to make sure that everybody that is touching a passport application has the—the relevant training and oversight to do the job properly.

Mr. CARNEY. Thank you, Ms. Barrett.

Thank you, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

One question associated with that:

Now, all the employees that are being trained, they will become government employees?

They're not contract employees?

Ms. BARRETT. Currently, the—the volunteers that we're talking about are—are federal employees that—that work for the State Department. We—they—some of them are temporary. They will go back to their regular jobs at a post overseas or wherever.

We do have contract employees that support the adjudication function in all our offices. They are trained to do support services. They do do the—the adjudication of a passport. They just support that—that effort. All adjudication is done by federal employees.

We do have a lot of contract support staff that do the other parts of it, but while these volunteers are here, we are hiring permanent employees to take their place when they go back.

We have over—we have offers out to over 400 people, and we've gotten at least 200 of them on board. We hope to have them—the 400 on board by the end of September.

Chairman THOMPSON. Do you pay contract employees more than you pay federal employees?

Ms. BARRETT. No, we don't, sir. It's—

Chairman THOMPSON. You pay the same.

Ms. BARRETT. No, it's—it's—actually, contract employees are paid according to the—the Department of Labor wage standard in that area of the country.

Chairman THOMPSON. Is there a reason for contract employees rather than hiring full-time federal employees.

Ms. BARRETT. Well, we have—we—we long ago looked at our process and determined that the adjudication of citizenship and identity is the inherently governmental function that we do.

The rest of it we have supplemented with contract employees because they—they aren't paid, frankly, as much as the federal employees.

Chairman THOMPSON. Well, and some of us are concerned that, you know—but they are U.S. citizens, and I would hope that, you know, they would have health insurance. I would hope that they—

you know, that an employee—employer would give them a retirement program just like federal employees.

So I wouldn't want us to take advantage of contract employees when they could be brought into the system, because at some point, they would retire, and I would want them to have the same benefit. I personally would, but that's kind of my own personal preference.

I now—thank you. No—no comment's necessary.

Now you have five.

Ms. SLAUGHTER. Would you do Mr. Green first, and then I will—

Chairman THOMPSON. Okay.

I now yield five minutes to the gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman, and I want to thank you for your—your leadership. It's been outstanding. Your bipartisanship is beyond reproach.

You have been very thoughtful, helpful, and I am honored to serve on this Committee with you. I thank you so much, and thank you for allowing me to have this experience and be a part of this—this event.

I also am so thankful that I had an opportunity to travel in with Representative Slaughter. We had a great conversation, but aside from that, I'm honored that she would receive us in her district—I believe this is her district—and I thank you for the warm reception that we've received and the wonderful weather as well. It's all been great.

And, of course, it's nice to always be with Representative Carney, a quick study and who is doing quite well in the United States Congress.

Thank you, witnesses and all the persons who have assembled.

I know that I've used a lot of time, so I will have just a few questions. I would like to continue with the question related to volunteers that you mentioned, Ms. Barrett.

What countries are these volunteers from?

You did indicate that we have some from countries other than the United States of America; is this correct?

Ms. BARRETT. These are U.S. citizens, Foreign Service officers who are serving at posts overseas, and we—we brought in volunteers from the posts that could—could spare additional employees.

We're also having—

Mr. GREEN. So if I may—

Ms. BARRETT. Sure.

Mr. GREEN. —because I've used a lot of time already, let me just ask this, please:

Every person who volunteers is a citizen.

Ms. BARRETT. Yes. We—we have a requirement for all people working in the passport office, including contractors, to be U.S. citizens.

Mr. GREEN. Okay. Great.

Now, with reference to the contract workers, have you found that you are hiring more contract workers since 9/11 or less?

Ms. BARRETT. Well, actually, we've—we have been hiring more, because our demand has gone up.

We've been issuing more passports, so—

Mr. GREEN. And if you're hiring more, is—may I assume that contract workers are not going to have the longevity of what I will call regular or permanent workers?

Is that a fair statement?

Ms. BARRETT. Well, it's—the turnover rate with our contract employees is probably higher than with the—

Mr. GREEN. And I also assume that if you have contract workers and the turnover rate is high, that your training cost is inversely proportional to the amount of time that they work for you.

That you pay more because you have contract workers for training.

Ms. BARRETT. Well, actually, the training is—they are doing the—the support functions like typing letters—

Mr. GREEN. So you—

Ms. BARRETT. —printing—

Mr. GREEN. —pay for it indirectly.

You don't pay for it—you don't train them yourselves, but when you hire the workers, somebody has to train them.

Ms. BARRETT. The contract—the contractors.

Mr. GREEN. Can a case be made, in your opinion, for us to hire more permanent workers as opposed to contract workers.

Since we're talking about the security of the United States of America, can a case be made to hire more permanent workers as opposed to contract workers, given that we've seen this—this increase, if you will, since 9/11 in the necessity to have more workers?

Ms. BARRETT. Okay. We are hiring more permanent federal employees, and the contract employees are, for the most part, permanent.

They all have clearances. They're all U.S. citizens, and some of the 400 people we've made job offers to are current contract employees.

Mr. GREEN. You just raised an interesting question for me. You said that they're permanent, for the most part.

How—how do you become a permanent contract worker, not have the benefits of what we are calling the regular workers?

How do you do that?

Ms. BARRETT. They do have benefits. They're just paid at a different rate for the jobs they do.

Mr. GREEN. They have the same benefits—the same health benefits that the federal employees have.

Ms. BARRETT. Well, no, because they're not federal employees.

Mr. GREEN. Right.

Ms. BARRETT. But they do have health benefits, according to the company they work for.

Mr. GREEN. Okay.

Chairman THOMPSON. Excuse me, but do you require the company to offer benefits to the contract worker in your contract?

Ms. BARRETT. We—we do require them to offer benefits to their employees.

The employees can choose to take those benefits or not or add that money set aside for benefits to their salary.

Chairman THOMPSON. Can you provide the Committee with that documentation of just what you said?

Ms. BARRETT. Okay. Certainly.

Mr. GREEN. Mr. Chairman, I will go to another area, your having covered it more than sufficiently.

Let me now ask—and I'm moving quite a distance away from where we are, but I am going to ask questions about the—the U.S. territories, if I may, quickly.

A person entering a plane—boarding a plane in the U.S. territories, what is that person required to have?

Mr. JACKSTA. Well, in certain locations, depending on what territory they're arriving—

Mr. GREEN. Well, let's just talk about the Samoas. Let's talk about Virgin Islands, Puerto Rico, Guam, the Mariana Islands, and the Swains.

Mr. JACKSTA. Well, let me quickly—on the—from—those individuals travelling from Guam coming to the United States, we do take a look at the documentation because of the fact that territory allows certain flights to arrive in the area, and before they are able to continue on to the United States, we have to verify that they're admissible into the mainland United States.

Mr. GREEN. They do not have to have a passport; is that correct.

Mr. JACKSTA. You do not have to have a passport if you are an individual who lives in Guam or Virgin Islands.

Mr. GREEN. Right.

Mr. JACKSTA. That's correct.

Mr. GREEN. You do not have to have a passport.

Do you have to have proof of residence? Is that what you have to have?

What do you have to have?

Mr. JACKSTA. You would have to have some type of documentation that we would have some level of confidence if you're coming from Guam.

Now, Virgin Islands is handled entirely different because of the fact that you are a U.S. territory, and—and for the most part, you'll be—there's no check.

Mr. GREEN. What do you have to have to enter the Virgin Islands.

A plane.

Mr. ROSENZWEIG. Let me try.

From the Virgin Islands and Puerto Rico, they are U.S. citizens. The flights from there to domestic U.S. are like internal domestic flights.

And as with the flight that we all took from Washington, you have to have some form of federal identification in order to get on the plane to match the boarding pass, but there's no passport requirement for Puerto Rican residents.

Mr. GREEN. Let me tell you why I ask.

I was recently in that area of the world, and there were concerns about persons breaching the borders of the islands, and once they breach the border of the island, then they have access to the airports, and once they get access to the airports, they've got access to the country.

So just—just trying to get a better understanding from you as to how we're trying to police what may be the real southern border.

Mr. ROSENZWEIG. Well, I'm glad you asked that question.

And in fact, that's very true, that a person arriving illegally in the Virgin Islands or Puerto Rico and who then obtained a fraudulent document would be within the borders of the United States just as somebody who arrived by a go-fast boat in Miami would be.

To combat that, we've done a number of things with—with people in the Caribbean region. I've been down there twice now as part of our work with them.

We've provided training and technical assistance to the maritime agencies, and we've also engaged in efforts with them to strengthen their ability to screen arrivals.

Mr. GREEN. Because my time is so limited, let me just do this.

Mr. ROSENZWEIG. Sure.

Mr. GREEN. Suffice it to say we don't have the same type of protections for those persons that we have for persons entering the United States from Canada and other places; is this true?

Mr. ROSENZWEIG. I'm sorry, "those persons" being which persons?

Mr. GREEN. Persons who are citizens who are coming in.

Let me do this:

Because if you're coming from Canada, you have to have a passport, you have to have a pass card.

Mr. ROSENZWEIG. For a lawful arrival by plane from Canada, right, must now have a passport.

The same is true for a lawful arrival who—who arrives at the airport in the Virgin Islands or San Juan.

Mr. GREEN. I have to get through another line of questions real fast, and I apologize, but I have to ask you this.

Let's talk about commercial and charter vessels.

As long as they don't make a port of call once they leave the United States and come back, they don't have to have passports as well, right?

Mr. ROSENZWEIG. That's correct, sir.

Mr. GREEN. Now, what about ship-to-ship contact.

Mr. ROSENZWEIG. So long as a person who departs the United States returns without having entered a foreign country, there would be no need for a passport.

Mr. GREEN. Ship-to-ship contact to me would indicate one ship docking next to another, persons exiting one and coming onto the other.

What do we do to protect ourselves from ship-to-ship contact so that persons can come on a vessel without docking?

I'm talking about persons who are not of the country, now.

Mr. ROSENZWEIG. Well, for lawful arrivals in the United States, if a person went ship-to-ship and then made a first arrival in the United States, having entered the first ship from Mexico—

Mr. GREEN. Yes, sir.

Mr. ROSENZWEIG. —they would be obliged to declare themselves at the port of entry upon arrival in the United States, say the Port of New Orleans or the Port of Miami.

Mr. GREEN. They would be obliged to declare themselves.

Is this an honor system?

Mr. ROSENZWEIG. No, there's a manifesting requirement that requires people to demonstrate—to provide a manifest in advance.

Mr. GREEN. Do we have a person who is there when they dock to say, "Show me your identification".

Mr. JACKSTA. There are protocols that if—let me just clarify, because I don't want to get the record incorrect here.

Today people who go to the Caribbean on a vessel, cruise ship or regular vessel, would not have to have documentation. We basically accept a government-issued ID, a birth certificate or, in certain cases, oral declarations from U.S. citizens.

If you are—under the WHTI proposal, we are recommending that if you are going from point to point—in other words, you leave Miami, take a cruise, and come back to Miami—you will not be required to have a passport.

We have more specific protocols with the vessel operators, commercial, both cruise as well as cargo ships, that they are required under law to provide us what we call advance passenger information. Anyone who is leaving the ship is supposed to be—first of all, when they're leaving the United States, we get the information, and then when they return, we are required to receive that information.

If someone gets on that vessel, the requirement of the carrier is to provide that information as part of the APIS protocol.

In addition to that, we do have CBP officers that meet any vessel that goes to an international location, and that's a requirement. If an international vessel intercepts another vessel, a domestic vessel, that vessel becomes an international vessel at that point because of the fact of that connection there that the vessel is no longer considered domestic.

I hope I didn't confuse you there, but I just—

Mr. GREEN. No, I'm not confused. I have to yield back. The Chairman's been more than generous with the time.

I'll have some additional questions afterwards.

Mr. JACKSTA. Can I answer one more question? Just want to make sure that we don't—that in the Virgin Islands, we do have CBP officers. They do process all individuals who leave the Virgin Islands to the United States because of a number of customs-related laws that are—are currently required.

The immigration requirements are a little bit different for coming out of the Virgin Islands, but we do—they do see—anyone coming from the Virgin Islands has a requirement to be cleared by a CBP officer, a CB—Custom and Border Protection officer.

Mr. GREEN. Thanks.

Chairman THOMPSON. Thank you very much.

The chair now recognizes the gentlewoman from New York, Ms. Slaughter.

Ms. SLAUGHTER. Thank you, Chairman Thompson, and I'd like to ask unanimous consent to give a brief and reduced opening statement before I ask my questions, if I may do that—

Chairman THOMPSON. Without objection.

Ms. SLAUGHTER. —which will, I think, require me to have just a little bit more than five minutes, I hope.

Chairman THOMPSON. You may hope.

Ms. SLAUGHTER. All right. Thank you very much.

I want to first thank the Erie County Legislature for allowing us to use their beautiful chambers for this hearing. They've been most gracious and wonderful to work with.

And I want to give abject thanks to Chairman Bennie Thompson. He not only has one of the most important jobs in the Congress, he has one of the most important jobs in the country, and he does it superbly, and I'm so grateful to him.

We don't get as much chance to be home with our constituents as we used to when we worked two days a week, so I'm pleased that he and Congressman Carney and Congressman Green were both gracious and kind to be here with us today.

I want to state at the outset that I support, like everybody else does in the United States, the intent of the travel initiative. It's imperative we know that those entering the country are who they say they are, that they mean us no harm, and have secure documents to prove it.

In fact, every day I have reason to regret that 11 million people came in here illegally, and it really startles me that we have at this point so little control over our borders.

But there are ways that we can implement WHTI that are smart and secure and make certain that our northern border remains a vital conduit for travel and trade.

WHTI has occupied my time now, as many of my colleagues, for the past three years, and I must say that the Department of Homeland Security has been extremely gracious to me, and I thank you for that.

Mr. Rosenzweig was here last month with Secretary Chertoff for a meeting. The Secretary met last week in my office with Governor Spitzer and others, and he has always kept me informed as we go along.

And I do appreciate that reinventing an agency of 717,000 people was not easy to do, and I'm sure you had a lot of growing pains.

But over the last two years, I have to say that I've watched DHS and State stumble forward with a plan that will unintentionally deter cross-border travel while doing very little to improve our overall security.

In fact, the front page of the Washington Post this morning—I don't know if you had a chance to look at that—discusses a \$1.2 billion purchase DHS wanted to make for devices to detect nuclear devices. They had convinced the Congress that they were necessary and that they were 90 to 95 percent accurate.

After 80 of them were ordered, the General Accountability Office did a study and found that they were no better than what we use now, that Congress had been misled by DHS about the effectiveness of this.

And these are the kinds of things, gentlemen, that make me worry about DHS.

Former 9/11 Commissioner Slade Gorton said that WHTI incorrectly implements the 9/11 recommendations and will have severe economic repercussions on the U.S. and Canada, and we've seen that already.

Now, I'm convinced that Buffalo's economy will be irreparably harmed should WHTI move forward, and it doesn't have to be this way. As you know, we had bipartisan legislation which really said until that pilot project is finished in Washington, which you're paying for, we shouldn't move forward on anything. We need to know whether that's going to work or not.

The Washington State is critically important, because the Olympics will be held in Vancouver, and they need to know that people can move safely back and forth across that border.

The PACT Act also wanted us to improve frequent traveler programs by making sure that people know about the NEXUS card, that we make it simple for them to get one as the easiest way for those of us who live on the border to get back and forth.

Now, the PACT Act's been endorsed by a hundred groups in the Greater Niagara region, every important trade and travel association in the United States and Canada, and more importantly this year, the House passed legislation that put the PACT Act, or the majority of it, into DHS's appropriations bills.

But we don't think you're going to pay any attention to it. DHS and State shy away from it, continuing to say that beginning in January 2008, you will have something in place.

The ongoing fiasco with passports, Ms. Barrett, we feel your pain, a direct result, I think, of the WHTI air rule, and people up here and in other parts of the country all along this border don't know what they need, aren't sure when they need it, and in many cases are simply not going.

The GAO, Government Accountability Office, cited passport blunders last May when it asserted the two agencies had done next to nothing to accomplish the implementation schedule.

Now, the House of Representatives recently voted 379 to 45 to prohibit DHS from putting WHTI in effect before June 2009, and that has been voted on before both houses and passed into law, but today I've never heard anybody from DHS say that they plan to conform to that.

I look forward to having you tell me why you think 379 Members of Congress are wrong and to doubt the Administration's ability to promote this effectively.

One of the most important issues is you didn't ask for a single penny in the budget we're working under now, 2007, to even install passport readers at land ports of entry.

Isn't that true? You requested no money for that implementation.

Mr. JACKSTA. Congresswoman, we have—currently, we have document readers at all primary land border locations.

We don't have the RFID capabilities there yet.

Ms. SLAUGHTER. Then you're not there by a long shot; isn't that correct?

I'm really surprised, because, as I said, the Congress had already stated that you couldn't implement anything until you had all that in place.

Are you going to say that you're going to have that all ready by next summer?

Either one of you.

Mr. ROSENZWEIG. Ma'am, we already have machine readable zones at all of the ports of entry. Thus, the pass cards that we are intending to deploy, the enhanced driver's licenses that we're intending to work with the State of New York, as we discussed in—in your office just last week, will all be imminently useable at every port of entry.

What you're speaking of, I believe, is the RF technology—

Ms. SLAUGHTER. Right.

Mr. ROSENZWEIG. —which is, of course, available in many lanes in the Buffalo area already, and we've asked for \$250 million to put that technology in.

We made that request once we determined what the technology was that we would use, since there are several different types of RF technology and you have to pick the right one responsibly before you make the request.

We were pleased that—That the House appropriations bill voted almost all of that money, though I must say that the provisions of the appropriations bill that restrict a hundred million of that would artificially delay our ability to actually put that technology out.

And we're hopeful that as we work forward with you, we'll find a way to free up all of that \$250 million as soon as the—as soon as the 1907 budget—1908 budget—fiscal year 1908 budget is passed, which we think will allow us to implement the RF technology at, as we've planned, the 39 largest ports of entry that cover about 95 percent of the—of all the traffic.

Ms. SLAUGHTER. Well, I'm sure you know that the Government Accountability Office had a report in December that stated that the type of RFID technology that you want to use for the passport card hasn't worked for the US-VISIT program, which has been an utter disaster and, as far as I know, is pretty much almost abandoned.

The DHS privacy Committee suggested that RFID is inappropriate for human identification as the technology lacks any privacy safeguards.

What safeguards are you going to take to make sure that those cardholders have their privacy protected?

Mr. ROSENZWEIG. With respect, Congresswoman, with respect to the GAO report, that's a different technology than the one that we've tried.

Ms. SLAUGHTER. RFID?

Mr. ROSENZWEIG. RFID is a broad definition of a large host of different ones.

Ms. SLAUGHTER. Let me tell you, they state—it's not a different technology.

GAO does great work, and what they've said is the technology that you want to use for the passport card has not worked for US-VISIT.

Mr. ROSENZWEIG. With—with respect, ma'am, that is not what the GAO—

Ms. SLAUGHTER. But they went further to say that it is inappropriate technology for human identification, because it does not protect privacy.

Mr. ROSENZWEIG. With respect to the recommendations of the data privacy Committee, which I formerly chaired before coming over to the Department of Homeland Security, we've taken a number of steps to ensure that there is indeed privacy protection.

In particular, the RF chip in the pass card will have only a single, randomly selected digit identifier. Thus, unlike other RF technology that might broadcast personal identification—your name, your date of birth, or something like that—it will simply identify—distribute to the system a unique, randomly generated identification number that will be the key that unlocks the personal data, which is maintained not on the card but in the government-devel-

oped databases, and that will be the product of the issuance process itself.

Moreover, of course, that unique number will itself be encrypted through—through the privacy-enhancing encryption technologies that are available as well.

So we believe that, in fact, the—the answer to the question is that the card itself is not used to identify an individual but is used to unlock the information that will identify the individual and populate the screens at the port of entry for the CBP officer to use to ensure that the person who presents himself is, in fact, the individual to whom the card was issued: the picture is the same, the descriptors are the same, the history of travel matches whatever answers the person might give, et cetera.

Ms. SLAUGHTER. And the privacy?

Mr. ROSENZWEIG. Well, in our judgment, ma'am—and in this we have work closely with our friends at the Department of State—the use of a single, unique identifying number on the card ensures against the—the—the privacy concerns that the privacy Committee addressed.

They were concerned that if one carried a card that broadcast one's name or one's hometown—home address, or the other things that are part and parcel of a passport identification, that that information could be skimmed out of the card, and thus, I could present myself falsely as Bob Jacksta, having skimmed the information from his card.

If all I can skim from Mr. Jacksta's card is a unique, ten-digit number that unlocked—that only the government can use to unlock a database, then all I can do is pretend to be somebody without even knowing that it belongs to Mr. Jacksta, somebody with a unique ten-digit number.

Ms. SLAUGHTER. Then you will have every American in that database.

Mr. ROSENZWEIG. No, ma'am. We will have—we will have in that database, of course, the people who apply for—

Ms. SLAUGHTER. Apply for the card.

Mr. ROSENZWEIG. —and receive a pass card just as we have in similar databases every American who seeks a passport or who seeks a—a—a visa—or every foreigner who seeks a visa.

For border-crossing purposes, we do take the data of those who seek entry into the United States. That, indeed, is the very purpose of, in our judgment, an identification requirement at the border, is to identify that person.

Ms. SLAUGHTER. Wouldn't the NEXUS card do the same thing?

Mr. JACKSTA. Yes.

Ms. SLAUGHTER. Which is available right this minute?

Mr. JACKSTA. That's correct. That's where I wanted to go.

Ms. SLAUGHTER. Why are you looking for a new card? Why don't you just push NEXUS, which would help Congressman Green as well on the southern border.

Mr. JACKSTA. I think, Congresswoman, that's exactly what we're looking at.

We're looking at using the technologies that we've developed for the NEXUS, SENTRI, and FAST cards that are very successful cards, where we have demonstrated that the technology works,

that we've demonstrated that we can protect the privacy of individuals.

We have close to 330,000 cards out there. When we move forward with the WHTI initiative, we're going to use that technology at the ports of entry and embed that type of technology and security into the pass card so that the privacy of the individuals would be protected.

And—and I think that's important, and I—and the study that GAO—you're talking about was specifically towards US-VISIT and the use of RFID in the I-94 card, and it was not successful, and as a result, the test was stopped.

And we have brought it forward to what we call Generation 2 type of technologies, and that's what we are looking for to enhance the processing.

Ms. SLAUGHTER. Now, US-VISIT was the same card that you want to use at the border, correct?

Is that what GAO is saying?

Mr. JACKSTA. No, that is—no, they're wrong.

Ms. SLAUGHTER. It's the same technology.

Mr. JACKSTA. RFID technology, but not the same type of technology—

Ms. SLAUGHTER. Tell me, why did US-VISIT fail?

You put a lot of money and a lot of time in that. Why did that fail?

Mr. JACKSTA. Well, I wouldn't—I think US-VISIT has been very successful with what we do at the ports of entry, recording the arrival of individuals who are visiting the United States both at the land and air—

Ms. SLAUGHTER. Do you intend it to either do eye identification or fingerprints of every person coming into the country?

Mr. JACKSTA. Well, we do currently—we collect the two fingerprints on all visitors to the United States, the index fingers, and we collect that information and brought it against our systems.

But the—in the case—

Ms. SLAUGHTER. But is your system capable of taking care of people coming into the country that you don't know?

Mr. JACKSTA. Yes.

Ms. SLAUGHTER. How.

Mr. JACKSTA. Well, basically, we use that information—when the person arrives, we check the fingerprints to verify whether they have a visa—a proper visa or have they come to the United States before, are there any type of—are they on any—on any type of terrorist watch list, and based on that, we make a decision on whether we need to do further inspection or interview another person.

Ms. SLAUGHTER. Well, that's good for people who've come before, but what about the first-time visitor.

You have no information on them.

Mr. ROSENZWEIG. Ma'am, with respect to visa holders, they must give their fingerprints first overseas at the time they apply for the visa in one of our consular offices in Poland or in—you know, or in Manila.

Thus, the fingerprint that they give when they apply for the visa overseas is irrevocably linked to the same fingerprint that they present upon arrival.

Of course, for visa-free travelers who don't have to present themselves to seek a visa from our trusted allies in Western Europe—France, Germany, those sorts of countries—the first time they arrive will be the first time that we collect their fingerprints.

But that, of course, is—is linked to their fingerprints the next time they arrive and any other time that they arrive and is linked to their passport, which also has a facial—a facial picture that allows us to recognize them as well and information about their prior travel.

All right.

Ms. SLAUGHTER. Thank you.

I—given the thing in the paper this morning in the Post about the nuclear detector has failed and US-VISIT has failed, I know you're working as hard as you can, but I don't have a lot of confidence that this is going to work either.

Ms. Barrett, two years ago, the State Department was adamantly opposed to RFID. You said the smart-chip technology and the e-passport met better operational needs and stronger privacy safeguards.

But now you've changed your mind. Why is that?

Ms. BARRETT. Well, we did have discussions with Homeland Security. We use proximity technology in our e-passport.

Most of the discussion was centered around privacy issues, and we do feel that the RFID technology that is going to be used in the passport card has addressed our privacy concerns.

It is one number pointing to a very secure database, so it's not going to be globally interoperable, and that's why it's only limited to the land border, so it will only be going into a secure government database.

And we are also going to put the passport card in a protective sleeve that will prevent any skimming of even that number.

So we feel that after—after our discussions, that our privacy concerns were addressed and that the RFID technology lends itself to the—the dual purpose of WHTI of not just enhanced security but also facilitation, particularly at the land borders.

Ms. SLAUGHTER. Did you arrive at that after the GAO report saying that the RFID card wouldn't do?

Ms. BARRETT. No, this was after discussions with Homeland Security.

We worked very closely with them to see how we could get a technology that we would be satisfied with, and we just went out with our request for proposal in May.

Ms. SLAUGHTER. Did anybody take into account the GAO report?

Mr. ROSENZWEIG. Indeed we have, ma'am. That is why, pursuant to the direction of Congress, we had this technology certified by the National Institute for Standards and Technology as Congress requested as meeting the standards—the generally applicable standards of privacy.

We've gone—we've taken into account a great deal of both the GAO report, the concerns about privacy expressed, and, of course, the Congressional interest that you all expressed in last year's Homeland Security appropriations bill. It was in—May of this year?—May of this year that, after—after testing, the NIST certified this technology as appropriate pursuant to your direction.

So we feel as though we have taken into account all of these concerns and have indeed gotten the technology validated by pretty much as neutral a—an arbiter as one can find.

That's not to say that other technologies are not also possible choices, but in the end, the facilitation benefits that we want to achieve—the ability to move traffic through the Peace Bridge more quickly instead of—reducing that linger time from 90 seconds to 10—is, in our judgment, substantially greater with this technology than with other choices.

Thus—and, you know, diminishing the adverse impacts as much as we can.

Ms. SLAUGHTER. Well, let me just ask.

As of this morning, the three of you, despite Congress and 379 Members of the House, you are going to go ahead with this in January?

Mr. ROSENZWEIG. The Notice of Proposed Rulemaking says that we are going to go ahead with limiting the number of oral declarations and the 8,000 different types of fraudulent cards of the sort that you have seen before you in January of next year and that the further reduction to passport, pass card, NEXUS, SENTRI, FAST, enhanced driver's license cards, and an assortment of other smaller cards like the Kickapoo identification card will become—will become mandatory only in the summer of next year.

So we have—we will not fully implement this program in January of next year. We will begin the process of doing so and—and in the—and in the course of that, we hope, educate the public, begin to accustom them to the necessity of carrying documentation, begin to transition to a point where we've put out the rules.

This will, of course, all come after quite an extensive public relations campaign.

Ms. SLAUGHTER. Thank all three of you for being here.

Chairman THOMPSON. Thank you very much.

Let me thank the witnesses for their testimony, and you will probably receive some additional questions from the members of the panel. Thank you very much.

I now welcome our second panel of witnesses.

[Recess.]

Chairman THOMPSON. The Committee will reconvene with our second panel of witnesses.

Our first witness, Mr. Paul Koessler, is Vice-Chairman of the Buffalo and Fort Erie Public Bridge Authority, better known as the Peace Bridge Authority. The Authority is a binational entity responsible for managing and maintaining the Peace Bridge.

Our second witness is Mr. Howard Zemsky, managing partner of Taurus Capital Partners, LLC. He's also director of Buffalo-Niagara Partnership and the Binational Tourism Alliance.

Our third witness, Ms. Kathleen Lynch, is here representing the 9/11 Families of Western New York. Her brother, Michael Lynch of New York Fire Department, was killed on 9/11 when he entered the World Trade Center Tower 2 to assist in the rescue efforts.

Our fourth witness, Mr. Kelly Johnston, is Vice-President of Government Affairs for Campbell Soup Company. He is also Vice-Chairman of the Canadian American Business Council and chairs their Program Committee.

Our final witness, Mr. Stewart Verdery, Jr., is partner and founder of the Monument Policy Group. He previously served as the first Assistant Secretary for Policy and Planning at the Department of Homeland Security in the Border and Transportation Security Directorate.

Without objection, the witnesses' full statements will be inserted in the record. I now ask each witness to summarize his or her statement for five minutes, beginning with Mr. Koessler.

STATEMENT OF PAUL KOESSLER, VICE CHAIRMAN, BUFFALO AND FORT ERIE PUBLIC BRIDGE AUTHORITY

Mr. KOESSLER. Good afternoon, Mr. Thompson, and thank you for this opportunity.

My name is Paul Koessler, and I'm Vice-Chairman of the Buffalo and Public Bridge Authority—Buffalo and Fort Erie Public Bridge Authority, more commonly referred to as the Peace Bridge Authority.

Chairman THOMPSON. We can hear you now.

Mr. KOESSLER. Oh, good.

The Peace Bridge between Buffalo, New York, and Fort Erie, Ontario, which opened in 1927, is the second busiest border crossing between Canada and the United States with just under 6 million cars and 1.3 million trucks crossing in 2006. Approximately \$40 billion in two-way trade crosses the bridge annually.

The Peace Bridge Authority is a self-funded entity relying primarily on to say for its operation and to fund capital improvements.

The Canadian market just across the Niagara River is the lifeblood of Buffalo and Western New York. Two-thirds of Ontario's 12.7 million population lives in Southern Ontario, within two hours of Buffalo, and an additional 3.7 million people are anticipated to live in this area by 2031.

This market is critical to the economic well-being of Western New York.

Twentyone percent of the Buffalo Bills season tickets and 28 percent of the Buffalo Sabres games tickets are sold to Canadians.

One-third of the passengers flying out the Buffalo-Niagara International Airport are Canadians and are the primary reason for the growth and success of that airport.

Forty percent of the D'Youville College students are Canadian.

The Peace Bridge is a key conduit for companies like Rich Products, Delphi, General Motors, and tourism attractions like Darien Lake, Holiday Valley Ski Resort, Shea's Performing Arts Theater, Kleinhan's Music Hall, and the Inner and Outer Harbor projects.

Canada is New York's number one export market. It accounts for 25 percent of New York's exports, larger than its next three trade partners combined.

The Peace Bridge Authority supports the intent of the Western Hemisphere Travel Initiative to require improved, more secure documentation for those crossing the border; however, the confusion over what has become known as the passport requirement has already had a negative impact on cross-border travel.

At the Peace Bridge, traffic declined by 16.9 percent from 2000 to 2006 and has declined a further 7.5 percent so far in 2007.

We have some key concerns with the Notice of Proposed Rule-making. Let me elaborate.

One, there is no consistent, firm implementation date, which has been stated before, notwithstanding that Congress has already agreed to a June 2009 date for final implementation. The proposed rule states the summer of 2008 with a date to be determined.

We would recommend a June 2009 date supported by an effective publicity and awareness campaign for the date and all applicable rules and exemptions.

Two, we strongly support the inclusion of an enhanced driver's license issued by the provinces and states as an approved document under WHTI.

We are concerned that there is not a sufficient amount of time to implement this initiative and that a much greater sense of urgency must become evident for this to become a reality even by June of 2009.

Three, we question the purpose and usefulness of a passport card in that it detracts from the driver's license alternative, it will—that it will confuse people, and it will actually provide less value than a passport in that it cannot be used for overseas international travel.

We would suggest that the NEXUS card be enhanced instead in the following ways:

Harmonize the NEXUS and FAST eligibility criteria to allow more people into the program.

Allow NEXUS to be used at all primary lanes, particularly after hours when the NEXUS lane is closed.

Establish more enrollment centers in high demand areas.

Allow for an appeals process to allow for some objective adjudication of a revoked NEXUS card.

Simplify and explain the renewal process.

Market the program and allow stakeholders like Bridge Authorities to assist and develop innovative promotional campaigns.

Four, we do not believe the economic impact study done by the OMB accurately portrays the negative economic import on Western New York and the Peace Bridge Authority itself, particularly given the uncertainty associated with the implementation of passport alternatives like driver's licenses and the fear that the default position of DHS would then be only passports.

Should that occur, the economic impacts of the Western New York economy would be devastated, given statistics I quoted earlier. The whole binational region would become less attractive as a destination.

It is estimated that should this occur, then cross-border traffic across the Peace Bridge could decline as much as 25 percent. The resultant decline in toll and rental service will then reduce our bonding capacity by \$50 million and seriously put in jeopardy our capital expansion and improvement plans.

Peace Bridge is a member of the Public Border Operator Association, which represents nine publicly owned border crossings between the Province of Ontario and the States of Michigan and New York.

PBOA members have or are investing hundreds of millions of dollars in infrastructure improvements in order to make these im-

portant gateways as safe and secure and efficient as possible. The operators all rely on revenues received from commercial trucks and passenger vehicles to finance these projects, all of which would be put at risk should WHTI be carelessly implemented.

Thank you for the opportunity to share our concerns and suggestions with you.

[The statement of Mr. Koessler follows:]

PREPARED STATEMENT OF PAUL J. KOESSLER

Good morning. My name is Paul Koessler and I am the vice-chairman of the Buffalo and Fort Erie Public Bridge Authority, more commonly referred to as the Peace Bridge Authority.

The Peace Bridge between Buffalo, New York, and Fort Erie, Ontario, which opened in 1927 is the second busiest border crossing between Canada and the United States with just under 6 million cars and 1.3 million trucks crossing in 2006. Approximately 40 billion dollars in two-way trade crosses the bridge annually. The Peace Bridge Authority is a self-funded entity relying primarily on tolls for its operation and to fund capital improvements.

The Canadian market just across the Niagara River is the lifeblood of Buffalo and Western New York. Two-thirds of Ontario's 12.7 million population lives in southern Ontario within two hours of Buffalo and an additional 3.7 million people are anticipated to live in this area by 2031. This market is critical to the economic well being of Western New York.

—21% of the Buffalo Bills seasons tickets and 28% of the Buffalo Sabres games tickets are sold to Canadians.

—1/3 of the passengers flying out of the Buffalo Niagara International Airport are Canadians and are the primary reason for the success of that airport.

—40% of the D'Youville College students are Canadian.

—Peace Bridge is a key conduit for companies like Rich Products, Delphi, General Motors, and tourism attractors like Darien Lake, Holiday Valley Ski Resort, Shea's Performing Arts Theater, Kleinhans Music Hall, and the Inner and Outer Harbor projects.

—Canada is New York's number one export market. It accounts for 25% of New York's exports—larger than its next three trade partners combined.

The Peace Bridge Authority supports the intent of the Western Hemisphere Travel Initiative to require improved, more secure documentation for those crossing the border. However, the confusion over what has become known as "the passport requirement" has already had a negative impact on cross border travel. At the Peace Bridge traffic declined by 16.9% from 2000 to 2006 and has declined a further 7.5% so far in 2007.

For example, earlier this week we received a call from a family who had traveled to Buffalo from Pennsylvania with the intent of also visiting Canada. While the parents had passports their 7 month old child did not and they wanted to know if and how they would be able to re-enter the U.S. without proper documentation for their child. They had no idea that passports were not yet required for land crossings and that their child would be exempt in any event.

This vividly illustrates some of the key concerns that we have with the Notice of Proposed Rule Making. Let me elaborate:

One: There is no consistent firm implementation date notwithstanding that Congress has already agreed to a June 2009 date for final implementation. The proposed rule states summer 2008 with a date to be determined.

We would recommend a June 2009 date supported by an effective publicity and awareness campaign for the date and all applicable rules and exemptions.

Two: We strongly support the inclusion of enhanced driver's licenses issued by provinces and states as an approved document under WHTI.

We are concerned that there is not sufficient time to implement this initiative and that a much greater sense of urgency must become evident for this to become a reality by June 2009.

Three: We question the purpose and usefulness of a "Passport Card" in that it detracts from the driver's license alternative, that it will confuse people, and that it actually provides less value than a passport in that it cannot be used for international travel.

We would suggest the NEXUS card be enhanced instead in the following ways:

- Harmonize the NEXUS and FAST eligibility criteria to allow more people into the program.

- Allow NEXUS to be used in all primary lanes, particularly after hours and the NEXUS lane is closed.
- Establish more enrollment centers in high demand areas.
- Allow for an appeals process to allow for some objective adjudication of revoked NEXUS cards.
- Simplify the renewal process.
- Market the program and allow stakeholders like Bridge Authorities to assist and develop innovative promotional campaigns.

Four: We do not believe the Economic Impact Study accurately portrays the negative economic impact on Western New York and the Peace Bridge Authority itself; particularly given the uncertainty associated with implementation of passport alternatives like drivers licenses and the fear that the default position of DHS will then be only passports. Should that occur the economic impacts on the Western New York economy would be devastating, given the statistics I quoted earlier. The whole binational region would become less attractive as a destination. It is estimated that should this occur then cross border traffic across the Peace Bridge will decline 25%. The resultant decline in toll and rental revenue will reduce our bonding capacity by \$50 million and put in jeopardy our capital expansion and improvement plans.

The Peace Bridge is a member of the Public Border Operator Association (PBOA) which represents nine (9) publicly owed border crossings between the Province of Ontario and the States of Michigan and New York. Together these international crossings facilitate the movement of tens of billions of dollars worth of trade and tourism between our two nations annually. As not-for-profit organizations, PBOA members have or are investing hundreds of millions of dollars in infrastructure improvements in order to make these important gateways safe, secure and efficient as possible. The operators all rely on revenues received from commercial trucks and passenger vehicles to finance these projects, all of which will be put at risk should WHTI be carelessly implemented.

Thank you for the opportunity to share our concerns and our suggestions with you.

SUPPLEMENTAL INFORMATION

Paul J. Koessler, Vice Chairman

Buffalo and Fort Eried Public Bridge Authority

Ron Rienas, General Manager—Designated Representative

OUTLINE OF COMMENTS AND RECOMMENDATIONS IN FULL STATEMENT:

1. The Peace Bridge is critical to the economic well being of Western New York.
2. The Peace Bridge Authority supports the intent of the Western Hemisphere Travel Initiative, however, it has already negatively impacted cross border travel.
3. Recommend a June 2009 date with publicity and awareness campaigns.
4. Support inclusion of enhanced driver's licenses.
5. Question the purpose and usefulness of a "Passport Card".
6. Suggest enhancing the NEXUS card and program.
7. Economic Impact Study does not accurately portray the negative impact on Western New York and the Peace Bridge Authority itself.
8. The Peace Bridge cross border traffic could decline an estimated 25% thus reducing bonding capacity by \$50 million and put in jeopardy our capital expansion and improvement plans.
9. All nine (9) publicly owned border crossings between the Province of Ontario and the States of Michigan and New York rely on revenues from commercial trucks and passenger vehicles to finance projects and will be put at risk should WHTI be carelessly implemented.

Chairman THOMPSON. Thank you very much for your testimony. I now recognize Mr. Zemsky to summarize his statement for five minutes.

STATEMENT OF HOWARD ZEMSKY, PARTNER, TAURUS CAPITAL PARTNERS LLC, BUFFALO NIAGARA PARTNERSHIP AND THE BINATIONAL TOURISM ALLIANCE

Mr. ZEMSKY. Chairman Thompson, Congresswoman Slaughter, Congressman Carney, Congressman Green, thank you for coming to Buffalo. Thank you for the opportunity to participate.

I'm speaking on behalf of the Buffalo-Niagara Partnership, our region's largest business association, and the Binational Tourism Alliance, which represents more than 125 U.S. and Canadian tourism organizations.

I can assure you that the multitude of business interests represented by our remarks absolutely recognize the overwhelming responsibility that falls on DHS to provide homeland security since our world changed on September 11th, 2001.

We also believe there are ways to address security concerns that will both increase our security and ensure the free and fair flow of people and products that are so important to our way of life and our economy.

We have shared a peaceful border with Canada for almost 200 years. Our relationship is extraordinary.

We share the world's largest trading relationship. An estimated 1.2 billion in trade crosses the U.S.-Canada border daily, supporting 5.2 million jobs nationally.

2005 statistics from the Office of Travel and Tourism in Washington report 15 million Canadian visitors to the U.S., spending 8 billion on travel, accommodations, food, and entertainment.

In New York State alone, that translates to 2.3 million visitors and \$2 billion spending.

You can best understand our cross-border relationships by comparing the Niagara River to the Potomac River. Can you imagine not being able to easily cross that river on a daily basis and what it would do to the businesses and residents of the D.C. area and surrounding communities if you could not?

The long-term health and sustainability of our region's economy and communities depends on the ease of border crossings. Local manufacturers receive and supply parts on both sides of the border in just-in-time fashion. Our hospitals, universities, colleges, retailers, sports teams, cultural and tourism organizations, airports and transportation providers all depend on the Niagara River crossings. From a local to a national perspective, we believe it's critical to get WHTI right.

My first testimony on this same subject was in November of 1905. The majority of our concerns continue to revolve around implementation dates and documents.

The business community is skeptical that DHS and DOS have allowed enough time to implement the proposed land crossing plan, now less than a year away. At previous hearings, we've been told by DHS their hands were tied by legislation which mandated January 1, 2008.

But the legislation has been changed to June of 2009. Given the importance of getting it right, we support June 2009 implementation.

The recent news stories regarding passport processing problems, the press around the law's change to June of 2009, DHS's an-

nouncement regarding land-marine delays until June of 2008, the prior published date of January of 2008 all lead to confusion in the public's mind regarding implementation dates, as you can surely understand.

We believe DHS should invoke a comprehensive communications and public's awareness campaign throughout this process and beyond this implementation to ensure all U.S. citizens and visitors are made aware of travel requirements.

While both the organizations I represent continue to update their members with regards to WHTI, the general public is quite confused. The confusion also relates to documentation. Does one need a license, a birth certificate, a notarized certificate, a pass card, passport, or some combination? What will be required to travel between our countries?

Add to that the different needs for air, land, and marine, and you can understand the problem.

Confusion and congestion can't be good for security. I think we've all got to the point where we acknowledge the passport is a clumsy document for the types of crossings in our region, generally stored in safe deposit boxes, not glove compartments or wallets or handbags.

We are in favor of a secure driver's license. It is a common document. It has multiple uses, is inexpensive, and can be acquired at multiple locations.

We applaud DHS's acceptance of alternative documents to cross the border with DHS supporting the Washington State enhanced license program and encouraging other states to do the same.

The appropriate time and resources should be allocated to maximize this opportunity. This includes working closely with the Canadian jurisdictions to complete the pilot program prior to WHTI implementation.

Recent research indicates the vast majority of border crossings are made by only 400,000 people at three crossing points at Detroit, Buffalo, and Bellingham. By establishing viable options of identification and inducing border residents to use them, customs officials will be able to devote more time to travelers they do not know, which enhances security and best utilizes their services.

The business community believes the passport card that has been proposed is still in the early planning and development stages and will not be ready for implementation or wide circulation by 2008. New and upgraded RFID reader technologies will be required at most border crossing points to service these programs. We need the time to properly implement these technologies.

Additionally, all the ultimate changes will require training for staff at the border so everyone communicates a consistent message. Recognizing the number of full—and part-time staff as well as seasonal workers who need to be kept informed all suggest WHTI implementation in June of 2009.

We understand the logic in improving documentation requirements for border crossings. We support that. Events have shown terrorism is real, and we must take national security very seriously, of course.

At the same time, we must take economic security seriously. Here in Buffalo, our geography has always played a key role in our

economy. Historically, it has been our strategic location along the east-west trade routes. In modern times, it's our strategic location north and south.

We must think about how we can facilitate more trade and tourism with Canada, not less. We seek physical security and economic security, and we shouldn't settle for anything less.

Thank you very much.

[The statement of Mr. Zemsky follows:]

PREPARED STATEMENT OF HOWARD A. ZEMSKY

Chairman Thompson, Congresswoman Slaughter and Members of the Committee, thank you for inviting me to testify. My name is Howard Zemsky—I'm speaking on behalf of the Buffalo Niagara Partnership, our regions largest business association and on behalf of the Bi-National tourism alliance, a not for profit organization dedicated to reducing barriers across the Niagara River Crossings. Thank you for coming to Buffalo.

We are here to discuss WHTI which came out of the Intelligence Reform and Terrorism Prevention Act of 2004, which called for a passport or "other secure document or combination of documents to be presented on seeking entry to the U.S."

This is a Homeland Security Committee and I know that all the businesses represented by my remarks do recognize the overwhelming responsibility that falls to DHS in providing homeland security. We believe there are ways to address security concerns that will both increase our security and ensure the free and fair flow of people and products that are so important to our way of life and our economy.

We have shared a peaceful 3,000 + mile border with Canada for almost 200 years. Our relationship is extraordinary—we share the world's largest trading relationship between any two nations. An estimated \$1.2 billion in trade crosses the US-Canada border DAILY—supporting 5.2 million jobs, this relationship is clearly not just of local or northern interest it is clearly our national interest at all levels. Last year Canadians visiting the U.S spent approx \$10 billion. About 4.0 million Canadians visit N.Y. State on an annual basis—many hundreds of millions of dollars of impact—the majority come from Ontario, our northern neighbor. For us locally, you can best understand the Niagara River by thinking about the way you navigate the Potomac River in the D.C area, you cross it every day. It's that way for us, we live and work and play on both sides of the river. The health of our economies including our local manufacturers that both receive and supply parts on both sides of the border in a just in time fashion as well as our tourist industry, our cultural organizations, many colleges and universities, retailers including our largest retail centers, our professional sports teams are all dependent on Niagara River Crossings. So, from a national perspective (our largest trading partner in the world) a State perspective and certainly a local perspective, we have to get WHTI right, it's simply too important not to.

My first testimony on this same subject was in November 2005. When you think about the rate of progress on this subject over the past years, you can understand how the business community is skeptical that we can implement WHTI at land crossings in less than a year. At previous hearings we were told by DHS that their hands were tied by the legislation which mandated 1/1/08. But the legislation has been changed in response to the obvious inability to properly execute by than to June 1, 2009. Given the importance of getting it right, why aren't we taking the time that is now legislated? Instead, we create more confusion by coming up with yet another date—June of 2008. It was hard enough for people to keep track of the last dates, different for land and sea, on top of different documents—is it nexus or drivers license or birth certificate or notarized birth certificate, or passports, is it Jan 2008, June 2008, June 2009???? All of these have been reported. Is it any wonder the public is confused??? We sure haven't gotten it right so far.

It's awfully hard to imagine that security is enhanced by the confusion and congestion at our land crossings. We think we're headed for trouble:

Does anyone really believe that given the frequency of river crossings in our community a traditional passport is really the appropriate document—would you want to use one to cross the Potomac? It is clumsy and generally kept in a safe deposit box not a glove compartment or a wallet or handbag. Furthermore we are all aware of the severe backlog in processing passports- a backlog we were assured in this same building by DHS only a few months ago was not going to occur, has in fact occurred. Worse, once the land rule becomes a reality we should expect an even greater backlog as there are many times more people crossing the U.S Canada land

border than by air. We believe the summer of 2008 is not realistic and recommend planning for a later implementation date of June 2009.

With respect to the passport card, we all know this card is still in the planning stages and is no where near being available in wide circulation by early 2008. We recommend planning for a later implementation date of June 2009.

With new I.D.'s, RFID reader technology at most border crossing points, state issued Ids to be negotiated, and many more items of concern, we do not have the time nor resources available to implement WHTI by summer of 2008. Implementation prior to DHS being fully ready at all border crossings will cause severe delays at crossings, create drops in number of crossings and create chaos and security concerns that is easily avoidable. By implementing June 2009 DHS has the time needed to fully prepare for the new rules.

The vast majority of border crossings are made by only 400,000 people at 3 crossing points—Detroit, Buffalo and Bellingham. If we can establish a viable system of identification and induce these people to use it customs officials will be able to devote much more time to travelers they do not know. This enhances security.

We are in favor of secure WHTI drivers licenses. It has multiple uses, is inexpensive and can be acquired at multiple locations. However these programs have no chance of being widely available by the summer of 2008 let alone early 2008. Time should be provided to the states, provinces to engage with DHS and the Canadian Government to create agreements on the format of the licenses, and implement these programs before WHTI is implemented. We should take advantage of the Washington State pilot program and to identify problems with the system and apply solutions across the nation.

When a plan for WHTI is realistically developed it should be supported by an extensive communications plan to inform the public. Currently we have nothing but confusion.

When seek Congress to mitigate the cost of implementing WHTI compliant licenses as a matter of national security.

We understand the logic in improving documentation requirements for border crossings. We support that. Events have shown terrorism is real and we must all take national security very seriously. At the same time we must take economic security very seriously. Here in Buffalo our geography has always played a key role in our economy. Historically it has been our strategic location along the east-west trade routes. In modern times it is our strategic location along north-south trade and travel routes. We must be thinking of how we can facilitate more trade and tourism with Canada, not less. We seek physical security and economic security and we shouldn't settle for anything less.

Thank you for the opportunity to share our thoughts today.

Chairman THOMPSON. Thank you very much for your testimony.

I now recognize Ms. Lynch to summarize her statement for five minutes.

STATEMENT OF KATHLEEN LYNCH, 9-11 FAMILIES OF WESTERN NEW YORK

Ms. LYNCH. Mr. Thompson and honorable members of this Committee, I thank you for the opportunity to address you here today.

My name is Kathleen Lynch. I reside in Snyder, New York, a local community. My brother, Michael Lynch, a firefighter, was killed on September 11th.

I am here today representing a group of local 9/11 family members to express our deep concern over the proposed delay in the implementation of WHTI, the legislative enactment of an important 9/11 Commission recommendation.

We are all residents of Western New York and recognize that requiring a passport for land border crossings between the U.S. and Canada will change a practice that has long been enjoyed by border residents.

We are also family members of loved ones killed in the September 11th attacks and a survivor. We have personally experienced the cost or sacrifice that comes with a terrorist attack. It is

a sacrifice that we hope no person or family in this border community will ever have to make.

So we watched in astonishment as Congress reacted to panicked travelers by rushing to a so-called solution that prolongs the risk to our national security.

Yes, the State Department botched the initial handling of WHTI, but our elected representatives reacted by postponing a vital border security initiative, putting our very lives at risk. That, in our view, is both an overreaction and a high-risk gamble, especially at a time when intelligence agencies warn that al-Qa'ida is growing stronger and is seeking Western operatives.

We realize that the language postponing WHTI was introduced into the DHS appropriations bill in response to the backlog in passport processing and the lack of development of passport alternatives. We know that pressure has been placed on Congress by constituents who resist this passport measure, citing inconvenience, cost, and economic impact.

Though \$9.70 per year for a 10-year passport is likely not that burdensome for many travelers, we do recognize that it may be so for low-income families and persons. Still, we believe that with cooperation by Congress, the Departments of State and Homeland Security, and our nation's citizens, these concerns can be addressed without changing WHTI's original timetable.

Since passport cost and backlog are the key roadblocks cited, we propose the following:

Lower the cost of passports by using unspent Homeland Security funds to subsidize the expense to each passport applicant. My understanding is that in Canada, a passport costs \$36. Maybe we should be aiming for the same.

Use available capital to reduce the cost of passports themselves rather than now investing millions in creating alternatives and see—provide federal income tax credits for passport fees, especially for low-income families.

You can fix delays by increasing State Department processing staff, by creating regional passport offices along border communities like Buffalo-Niagara to expedite processing and emergencies, and by requesting public cooperation so that anyone with no immediate travel plans defers the application until the backlog is under control.

We don't believe that the solution now lies in shifting this important federal government function to the states, a suggestion inherent in using enhanced driver's licenses as an alternative. We fear that that concept poses its own problems, not the least of which are delays in potential legislative action, development and implementation of new technology, the issue of funding and transferring cost to the state—from the state—from the federal government to the state and to the counties, hiring and training of specialized DMV staff, security clearances that will be needed for DMV workers now processing—basically processing citizenship documents, and oversight measures to ensure that there are no security breaches.

If every state implements a driver's license alternative as an alternative to a passport, that security risk will be multiplied by the thousands due to the vast number of DMV locations.

A secure document for the purposes of verifying citizenship already exists. It's a United States passport. Congressional efforts should be directed towards facilitating passport availability rather than delaying WHTI.

The fact that a record number of people have applied for passports indicates a willingness on the part of U.S. citizens to comply with this common-sense initiative. Unfortunately, there was no effective early public awareness campaign to accompany the initiative.

We recognize there is resistance to WHTI because of fears that it will have an adverse impact on local economies of border cities and states; however, if Americans can obtain affordable passports within a reasonable time frame, the impact of WHTI will be both temporary and minimal.

In contrast, the economic impact of a terrorist attack, no matter where it occurs, will have a far more devastating ripple effect on commerce and on travel, on our borders, on our first responders, on our military, and—as we families and friends of those lost on 9/11 can attest—on life itself.

On September 11th, my brother Michael performed the most extraordinary act of sacrifice that a human being can perform. Michael left behind a legacy of courage, courage in the face of fear and adversity.

When my children ask me could Michael have said no, could he have refused to enter the World Trade Center or allowed others to perform this heroic act, I respond by telling them no. Michael could not and did not abandon his obligation, because it was his job as a firefighter to rescue others, even if it meant losing his life.

Michael lived up to his responsibility to protect and save others. We came here today to urge you, our elected officials, not to abandon this primary responsibility to protect us as citizens.

Please do not try to delay or transfer this important task. You cannot falter simply because you have encountered obstacles and opposition.

Stringent security at our borders is a very real and urgent component of national security. WHTI eases a monumental burden on our border officers who must otherwise sort through a vast array of identification documents.

This measure should not be diminished in gravity or priority. Rather than postpone WHTI, we urge you to support the strategies we have suggested.

Solving the problems of availability and affordability would enable WHTI, a vital national security safeguard, to be implemented according to its original timetable. The American people deserve nothing less.

I thank you.

[The statement of Ms. Lynch follows:]

PREPARED STATEMENT OF KATHLEEN A. LYNCH

Mr. Chairman and Honorable Members of this Committee:

Thank you for the opportunity to address you today.

My name is Kathleen Lynch. I reside in Snyder NY, a local community. My brother Michael Lynch, a NYC Firefighter, was killed on September 11th, while rescuing others from WTC Tower 2. I am here today, representing a group of local WNY 911 family members, to express our deep concern over the proposed delay in the imple-

mentation of Western Hemisphere Travel Initiative (WHTI), the legislative enactment of an important 9/11 Commission recommendation.

We are all residents of Western New York and recognize that requiring a passport for land border crossings between the US and Canada will change a practice that has long been enjoyed by border residents. We are also family members of loved ones killed in the September 11th attacks and a survivor. We have personally experienced the "cost" or sacrifice that comes with a terrorist attack. We know that it is a far more devastating sacrifice than inconvenience, frustration over delays, or the \$97.00 "cost" attached to a passport. It is a sacrifice that we hope no person or family in this border community will ever have to make.

We watched in astonishment as Congress reacted to panicked travelers by stampeding to a so-called "solution" that prolongs a risk to our national security. Yes, the State Department botched the initial handling of WHTI but our elective representatives reacted by postponing a vital border security initiative, putting our lives at risk. That is both an over-reaction and a high-risk gamble, especially at a time when intelligence agencies warn that al-Qa'ida is growing stronger and is seeking Western operatives.

We realize that the language postponing WHTI was introduced into the Department of Homeland Security appropriations bill in response to the backlog in passport processing and the lack of progress on passport alternatives. We know that pressure has been placed on Congress by constituents who resist this passport measure, citing inconvenience, cost and economic impact. Though \$9.70 per year for a 10-year passport hardly seems burdensome for many people, when you balance that cost against national security and the threat to human life, we understand that it can be an obstacle for low-income persons and families.

Still, we believe that with innovative and collaborative thinking by Congress, the Departments of State and Homeland Security, and our nation's citizens, these concerns can be addressed without changing WHTI's original timetable.

Since passport cost and backlog are the key roadblocks cited, we propose the following solutions:

Lower the cost of passports by:

- (a) Re-appropriating some of the unspent Homeland Security funds to subsidize the expense to each passport applicant;
- (b) Applying available capital to reduce the cost of passports themselves rather than investing millions in creating passport alternatives;
- (c) Introducing legislation that would give federal income tax credits for passport fees, particularly for low-income families.

Fix the delays by:

- (a) Introducing and supporting legislation that will increase State Department processing staff;
- (b) Request public cooperation so that anyone with no immediate travel plans defers their passport application until the backlog is under control;
- (c) Create regional passport offices along border communities to expedite processing and handle emergencies.

We do not believe the solution lies in now shifting the responsibility for this important federal government function to the states, a suggestion inherent in using enhanced driver's licenses as an alternative. That concept poses its own problems, not the least of which are delays in developing and implementation new technology, he drawbacks and complications attendant in transferring the costs and funding from the federal government to the state; the hiring and training of specialized Department of Motor Vehicle staff; the security clearances that will be needed for DMV workers processing citizenship documents; and the oversight measures that will be needed by the State to ensure there are no security breaches. If every state implements a drivers' license alternative, that security risk will be multiplied by the thousands, due to the vast number of DMV locations.

A secure document for purposes of verifying citizenship already exists: a United States passport. Congressional efforts should be directed toward facilitating passport availability rather than delaying WHTI.

The fact that a record number of people have applied for passports indicates a willingness on the part of US citizens to comply with this commonsense initiative. Unfortunately, there was no effective early public awareness campaign to accompany the initiative explaining the need to start the application process early on, the exceptions for children under 16, and the benefits of WHTI.

Finally, we recognize there is resistance to WHTI because of fears that it will have an adverse impact on the local economies of border cities and states. **However, if Americans can obtain affordable passports within a reasonable time frame, the impact of WHTI will be both temporary and minimal.** In

contrast, the economic impact of a terrorist attack, no matter where it occurs, will have a far more devastating ripple effect: on commerce and travel, on our borders, on our military and first responders, and? as the families and friends of those lost on 9/11 can attest? on life itself.

We are Western New Yorkers, but we are Americans first. We should be willing to bear the cost and minor inconvenience of using a passport to cross the US land border.

On September 11th, my brother Michael performed the most extraordinary act of sacrifice that a human being can perform. Michael left behind a legacy of courage-courage in the face of fear and adversity. When my children ask me, could Michael have said No? Could he have refused to enter the World Trade Center or allow others to perform this heroic act? I respond by telling them no. Michael could not and did not abandon his obligation because it was his job as a firefighter to rescue others-even if it meant losing his life. Michael lived up to his responsibility to protect and save others.

We came here today to urge you, our elected officials, not to abandon your primary responsibility to protect us as citizens. Please do not try to delay or transfer this important task. You cannot falter simply because you have encountered obstacles and opposition.

Stringent security at our borders is a very real and urgent component of national security. WHTI eases a monumental burden on our border officers who otherwise must sort through a vast array of identification documents. This measure should not be diminished in gravity or priority. Rather than postpone WHTI, we urge you to support the strategies we have suggested. Solving the problems of availability and affordability would enable WHTI, a vital national security safeguard, to be implemented according to its original timetable.

The American people deserve nothing less.

Chairman THOMPSON. And thank you for your testimony, and I assure you, this Committee and other Members of Congress that I talk to will not abandon the families.

I now recognize Mr. Johnston to summarize his statement for five minutes.

**STATEMENT OF KELLY JOHNSTON, VICE-CHAIR, CANADIAN
AMERICAN BUSINESS COUNCIL**

Mr. JOHNSTON. Well, thank you, Mr. Chairman and members of the Committee. I really appreciate all of your leadership, which is evidenced by your being here today, on border security issues.

Congresswoman Slaughter, I want to thank you in particular for being an especially tireless and effective advocate for smart border policy. The business community is grateful for all of your efforts.

I am here today in my capacity as Vice-Chair of the Board of Directors of the Canadian American Business Council, the CABC, which is a non-profit issues-oriented organization dedicated to elevating the private sector perspective on public policy challenges between the U.S. and Canada.

Our members are key business leaders from both sides of the border. My company is a member of the CABC and supports the work this organization is doing to enhance the Canada-U.S. relationship.

I also want to note that my company is a member of the North American Competitiveness Council, one of ten companies in the U.S., the private sector entity of the Security and Prosperity Partnership Initiative for North America, best known as the SPP.

We support the goals of the NACC and the SPP to enhance the secure flow of people, goods, and services in North America.

Mr. Chairman, I'm here today to express our commitment to work with you, the Congress, and the Departments of Homeland Security and State to successfully implement the Western Hemi-

sphere Travel Initiative. Let me stress the efficient movement of people, goods, and services and a secure border are not mutually exclusive or competing objectives. In fact, they are necessarily intertwined.

Significant delays or ineffective and inconsistent border procedures are not just hindrances to trade. They pose potential security risks. The safety of our employees, our products, and security of our supply chains is our first priority, and without them, you simply cannot do business.

I am also here, Mr. Chairman, to express our significant concerns about the harm that WHTI could inflict on legitimate commerce, trade, and tourism if it is not implemented properly.

WHTI does not only affect border communities and spontaneous travel but also the entire North American economy. As we heard earlier, with more than \$1.2 billion in goods and services crossing our land border every single day involving every state in the Union, it is imperative that we work together to get this right.

The members of the CABC question the ability for WHTI to increase security if DHS and State do not utilize the time provided by Congress to ask for the necessary resources, conduct pilot projects, and to perform an economic impact analysis, including a study of the effect of border delays.

We are not seeking delay for delay's sake. We are not seeking an indefinite extension. We're simply saying take the time and the steps necessary to get it right.

Just to further summarize my written comments, the CABC is ultimately concerned that the U.S.-Canada border crossings are increasingly becoming a competitive disadvantage when compared to the rest of the world and other key trading blocs in Europe and Asia.

We're also concerned that the lack of adequate infrastructure is not being adequately considered.

Also, security concerns must be balanced with economic prosperity in a risk-based approach to border management. Implementing WHTI without addressing border delays that it may cause does not actually increase security. In fact, it may become a security problem in its own right by creating economic sitting ducks at busiest crossings.

Mr. Chairman, thanks to both the North American Free Trade Agreement, NAFTA, and the closely connected economies of the U.S. and Canada, the North American supply chain for many companies, including my own, are highly integrated.

In the automotive industry, for example, a part may cross the border as many as seven times before it makes its way to the consumer.

In the food industry, a vegetable grown in the upper Midwest or flour from New York, peppers from Texas or cocoa from Pennsylvania may find its way into a product that is processed just across the border in Ontario or Quebec and then shipped back the U.S.

So delays at U.S. ports of entry don't just harm Canadian processors. It backs up the entire supply chain, affecting even the Midwestern farmer or the New York flour mill.

In addition, delays at U.S. ports have also resulted in trucking companies dramatically raising prices to ship our products or, in

some cases, refusing our business because it's just not worth the hassle.

And with the cascade of changes at ports of entry since 9/11, from staffing shortages, reduced or changing hours of service, mandates for secondary inspection of some products—particularly in my industry, the food industry—and, of course, new fees, it's hard to blame some transportation companies from throwing in the towel.

Many of us simply get no advantages from C-TPAT membership or FAST lanes.

In my written statement, I have highlighted key concerns that must be addressed before full implementation of WHTI can take effect.

I want to thank you again, Mr. Chairman, and the Committee members for providing me with this opportunity to present this point of view. I want you to know the CABC is very grateful for all of your work and hopes to remain a resource for you and your colleagues in the future.

The Council strives to present a continental view in that we look at WHTI as not just an issue that affects the border communities but as one that affects the entire North American integrated supply chain and the jobs that go with it, as well as North America's ability to compete in the global marketplace.

Thank you for your time today.

[The statement of Ms. Johnston follows:]

PREPARED STATEMENT OF KELLY JOHNSTON

Introduction

Thank you Mr. Chairman, and members of the committee for this opportunity to testify this morning. I'd also like to thank Congresswoman Slaughter for her terrific leadership on border management issues. Congresswoman Slaughter has been a tireless and effective advocate for smart border policy. The business community is grateful for all of your efforts.

I look forward to engaging in a meaningful dialogue with you today and am happy to answer any questions you may have.

I am here today in my capacity as Vice Chair of the Board of Directors of the Canadian American Business Council (CABC). I am also the Vice President for Government Affairs at Campbell Soup Company. Established in 1987, the CABC is a non-profit, issues oriented organization dedicated to elevating the private sector perspective on public policy challenges. Our members are key business leaders from both sides of the border. My company is a member of the CABC and is extremely supportive of the work that this organization is doing to enhance the Canada-US relationship. The CABC is the voice of business in the US-Canada relationship, including border issues that affect the entire North American economy. I also represent my company as a member of the North American Competitiveness Council (NACC), the private sector entity of the Security and Prosperity Initiative for North America (SPP). We support the goals of the NACC, and the SPP, to enhance the secure flow of people, goods and services in North America.

Campbell Soup Company is a global manufacturer and marketer of high quality soup, sauces, beverage, biscuits, confectionery and prepared food products. The company owns a portfolio of more than 20 market-leading businesses worldwide each with more than \$100 million in sales. We operate 19 manufacturing facilities in 14 states, and additional facilities in 21 other countries, including two in Ontario, Canada that serve both the US and Canadian markets. The company is ably supported by 24,000 employees worldwide, including more than 15,000 employees in North America.

Mr. Chairman, I am here today to express our commitment to work with you, the Congress, and the Departments of Homeland Security and State to successfully implement the Western Hemisphere Travel Initiative. Let me stress the efficient movement of people, goods and services and a secure border are not mutually exclusive or competing objectives. In fact, they are necessarily intertwined. Significant delays or ineffective border procedures are not just hindrances to trade, they post potential

security risks. The safety of our employees, our products and the security of our supply chains is our first priority, and without them, you simply cannot do business.

I am also here, Mr. Chairman, to express our significant concerns about the harm that WHTI could inflict on legitimate commerce, trade and tourism if it is not implemented properly. WHTI does not only affect the border communities and spontaneous travel, but also the entire North American economy. With more than \$1.5 billion in goods and services crossing our land border every single day, involving every state in the Union, it is imperative that we work together to get this right.

The Members of the CABC question the ability for WHTI to increase security if DHS and State do not utilize the time provided by Congress to ask for the necessary resources, conduct pilot projects and to perform an economic impact analysis, including a study of the effect of border delays. We are not seeking delay for delay's sake. We are not seeking an indefinite extension. We are simply saying; take the time and the steps necessary to get it right.

Key Concerns

The CABC is concerned that the US-Canada border crossings are increasingly becoming a competitive disadvantage when compared to the rest of the world and other key trading blocs in Europe and Asia.

Our concerns over the implementation of WHTI are based on experience. Programs like CTPAT, Nexus, FAST, among others, haven't lived up to expectations nor fully achieved their intended benefits to commerce and tourism. Specifically, DHS decided not to implement US-Visit at the land border because of the logistical nightmare it was creating. Is it any wonder, therefore, that the business community lacks confidence in the successful implementation of WHTI under the current timetable?

On December 17, 2004, the Government of the United States and the Government of Canada issued a statement announcing the signing of the Smart Border Declaration. Among other important items, both governments acknowledged in their statements that they were "committed to building a more secure, efficient and modern border. . . At the heart of the Smart Borders process is the recognition that public security and economic security can be achieved simultaneously and are mutually reinforcing." The CABC is concerned that security concerns are not being balanced with economic prosperity in a risk-based approach to border management. Implementing WHTI without addressing border delays that it will cause does not actually increase security, and may in fact become a new security problem in its own right by creating economic sitting ducks at the busiest crossings.

The US and Canada have the best intelligence sharing and law enforcement cooperation in the world. Further, since 9/11, Canada has spent hundreds of millions of dollars in the war on terror and homeland security. The Harper government is eager to work closely with the Bush Administration on homeland security issues. The business community is not only concerned about the potentially negative impact WHTI will have on commerce, but the current implementation plan's ability to better secure the homeland.

Mr. Chairman, thanks to both the North American Free Trade Agreement (NAFTA) and the closely connected economies of the US and Canada, the North American supply chain for many companies, including my own, are highly integrated. In the automotive industry, a part may cross the border as many as 7 times before it makes its way to the consumer. In the food industry, a vegetable grown in upper Midwest, or flour from New York, may find its way into a product that is processed just across the border in Ontario or Quebec, and then shipped back to the US. So delays at US ports of entry don't just harm Canadian processors—it backs up the entire supply chain, affecting even that Midwestern farmer or New York flour mill. In addition, delays at US ports have also resulted in trucking companies dramatically raising prices to ship our products, or in some cases, refusing our business because it's just not worth the hassle. And with a cascade of changes at port of entry since 9/11, from staffing shortages, reduced or changing hours of service, mandates for secondary inspection of some products, particularly in the food industry, and of course new fees, its hard to blame some transportation companies from throwing in the towel.

The following concerns must be addressed before full implementation of WHTI can take place:

- Given the uneven and incomplete implementation of the NEXUS, FAST, CTPAT, Canpass, e-passport, Real-ID, Registered Traveler and Transportation worker programs, what assurances can DHS give about its ability to properly implement WHTI at the land border by the summer of 2008 as estimated in the most recent Notice of Proposed Rulemaking?

- The air rule was implemented in January 2007 and we have already seen a variety of problems arise due to staffing shortages at passport agencies and confusion among frequent travelers. With greater commercial interests at stake at the land border and greater logistical challenges with the variety of crossings that exist, how can the business community be assured that DHS and State will be ready to properly implement WHTI by the summer of 2008 as estimated by the most recent Notice of Proposed Rulemaking?
- While we appreciate the administration's efforts to outline a plan of implementation which will address infrastructure enhancements, technology development, and increased staffing—there is still a tremendous amount of uncertainty. The business community needs to anticipate what's coming next in order to properly adapt. This proves difficult to do when there is a lack of transparency with regards to implementation plans.
- The NPRM, published in the Federal Register on June 26, 2007, states that DHS will comply with infrastructure requirements by certifying that “. . .the necessary passport card infrastructure has been installed and employees have been trained.” We appreciate efforts to ensure that proper staffing is in place and that the appropriate documents are issued, but we are concerned about the physical infrastructure of the Canada/US border crossings. How does DHS plan to address the need for additional pull aside lanes for secondary inspections and additional lanes for trusted travelers so that legitimate goods, people and services can cross the border in a timely fashion that does not impede commerce?
- The NPRM addresses Executive Order 12866 which requires the Office of Management and Budget to conduct a cost/benefit analysis of the proposed rule. The assessment focuses on travel and tourism and does not appear to address the larger concerns of the business community and the integrated North American supply chain. How does DHS plan to implement pilot projects to assess the potential impact of WHTI on cross-border commerce so that final implementation of WHTI does not negatively affect our economic prosperity and security?

Recommendations

With the leaders of Canada, the United States and Mexico schedule to meet in Ottawa next month to discuss the Security and Prosperity Partnership and the recent recommendations of the NACC, among other things, what can we expect them to say about WHTI? What progress will there be to report? What will the next steps be following the August meeting?

- The CABC urges DHS to adhere to the goals stated in the Security and Prosperity Partnership and to work together with Canada in an effort to make our common border both more secure and efficient. Through the Security and Prosperity Partnership and the NACC, the government leadership and the private sector have both identified proper implementation of WHTI as a key priority.
- In order to properly implement WHTI at the land crossings, the CABC asks that DHS use the additional time provided by Congress to get it right. As stated in the FY08 House Homeland Security Appropriates bill, the CABC supports the need for DHS to provide the results of pilot programs used to develop and implement WHTI. Specifically, the pilot projects need to address infrastructure and staffing requirements, detailed plans for further implementation, explanation of technology requirements, and test results that ensure operational success.
- We ask that DHS recognize the need to advance the dual objectives of security and facilitation. Enhancing security and improving economic prosperity are mutually reinforcing.
- We ask that DHS acknowledge the tremendous economic impact of border management policy. Canada and the United States enjoy the largest trading relationship in the world which depends upon the efficient movement of legitimate goods, services and people across our common border. Failure to address key border management issues affects the integrated North American supply chain, impacts US and Canadian business, and reflects negatively on North American competitiveness vis á vis the rest of the world.

Conclusion

Thank you again, Mr. Chairman and committee members, for providing me with this opportunity to present the point of view of the larger business community. The CABC is grateful for all of your work and hopes to remain a resource for you and your colleagues in the future. The Council strives to present a continental view in that we look at WHTI as not just an issue that affects the border communities, but as one that affects the North American integrated supply chain and North American competitiveness vis á vis the rest of the world. We believe that it is paramount that the public and private sectors work together to get this right so that we actually achieve greater security and improve our economic prosperity.

Thank you for your time today. I look forward to your questions.

Chairman THOMPSON. Thank you very much for your testimony. I now recognize Mr. Stewart Verdery to summarize his statement for five minutes.

**STATEMENT OF STEWART VERDERY, PARTNER AND
FOUNDER, MONUMENT POLICY GROUP**

Mr. VERDERY. Mr. Chairman and Chairwoman Slaughter and members of the Committee, thanks for the invitation to return to your Committee in a different setting. As the last witness, I'll try to—try to go fast.

I had the privilege of working as Assistant Secretary of Homeland Security when we devised the Western Hemisphere Travel Initiative and convinced the 9/11 Commission and eventually the Congress to enact it and have had a good deal of experience watching this over the last few years and hopefully have a series of recommendations for you as we move towards final implementation over the next couple years.

I, of course, agree with the rationale for the law that was presented by the government witnesses on the first panel, and I am convinced that, if done correctly, like US-VISIT at the ports of entry can be a facilitator as well as a security enhancement.

The—improving our entry process and identity documents is a question of will and priority. Implementation of WHTI in a manner and on a schedule that facilitates international commerce while closing one of our most glaring holes in our counter-terrorism strategy is not impossible, but it takes a funding commitment from the Congress. It takes a willingness to partner with states, with the Canadian government and provincial governments, and it requires a very reasonable request of our citizens and those from Canada that they cannot expect to drive into the United States, into a—into the United States, which is under attack from extremists, merely by presenting a friendly face or an identity document that a 15-year-old can create in ten minutes with photo-editing software and a color printer.

Hopefully, these ten recommendations will help us get it right:

First, Department of State should move as expeditiously as possible to develop, purchase, and distribute passport cards for WHTI compliance purposes.

Two, Congress should encourage DHS to enter into partnerships with as many states as are willing to build dual-use enhanced driver's licenses, EDLs, suitable for WHTI purposes. An EDL will be issued after a security background check that is better than what is used for a passport or a pass card, not worse.

Third, DHS should promulgate regulations outlining exactly what technical specifications states and Canadian governments should follow in building EDLs, which will operate essentially the same as a passport card. For the inspector, for Bob Jacksta's individuals, it won't matter to them whether they're seeing a federally issued passport card, a state EDL, or a Canadian EDL.

Four, Congress should require the State Department to accept inquiries from participating states as to whether a driver's license applicant would be approved for a passport as part of that state's decision whether to issue an EDL.

Five, Congress should fund the full request from the Department of Homeland Security to retrofit travel lanes in and out of the country to read the RFID documents in the passport card, EDL, and other documents.

Six, Congress should provide a one-time appropriation of at least \$300 million for Real ID-related expenses incurred by states, with grants that are meant to build the EDL receiving first priority.

Seven, DHS should finalize regulations as soon as possible that are in proposed form now to implement Real ID so states know exactly what they need to do to come into compliance.

Eight, Congress should authorize a series of monthly surveys to ascertain the percentage of Americans and Canadians contemplating a land border crossing with the United States, the percentages who are aware of the WHTI requirement, and the percentage who have WHTI-compliant documents. Such surveys should be conducted not only in border regions but also non-border regions, who may not be as familiar with the requirement.

Nine, DHS and the State Department should modify the first phase of their proposed land border implementation plan announced in June of this year to require only a government-issued identification document for border crossing, not a combination of a driver's license and a birth certificate, which is destined to cause immense confusion and backlash, especially when the interim rules are likely to only be in effect for several months.

And finally, DHS and the State Department should seek full-scale implementation of WHTI when the following conditions have been met:

A, the passport card technical specifications have been available to Canadian governments for at least six months in order to build their own versions.

B, the passport card has been available to the U.S. public for at least three months and applications are being fulfilled within one.

C, DHS has issued regulations accepting EDLs for WHTI compliance purposes.

And finally, Congress has funded and DHS has implemented RFID and other infrastructure improvements at no less than one-third of the primary lanes of ports of entry into the United States.

I'm convinced that the criteria outlined above could and should be implemented to allow WHTI implementation at the land borders of the United States by the end of 2008.

With that, I welcome your questions and thank you for the opportunity to be here again today.

Chairman THOMPSON. And thank you for your testimony and the testimony of all the witnesses on this panel.

I will now recognize myself for five minutes. Mr.—Koessler?

Mr. KOESSLER. Koessler.

Chairman THOMPSON. Koessler. Thank you very much.

Can our ports of entry, in your estimation, support the current demand for these trusted traveler programs, as far as you've been able to ascertain?

Mr. KOESSLER. I can only speak for the Peace Bridge.

Chairman THOMPSON. Yes.

Mr. KOESSLER. We desperately need a new plaza on the United States side.

Chairman THOMPSON. You desperately need—

Mr. KOESSLER. A new plaza with customs—enhanced customs facilities there to perform the—the duties that would be needed under WHTI or any other.

Chairman THOMPSON. And your reason for—for saying that is that if not, what do you see happening?

From a commerce standard.

Mr. KOESSLER. Long delays across the bridge.

They're occurring as we speak.

Chairman THOMPSON. Just trying to get it on the record.

Ms. —Lynch.

Ms. LYNCH. Yes.

Chairman THOMPSON. Some of the witnesses here have testified that an enhanced driver's license card would be the direction to go.

Can you amplify why you have some concerns about that?

Ms. LYNCH. Sure. It's—the concerns really revolve around the delays in implementation.

First of all, the 9/11 Commission recommended the passport—or alternative to a passport independently of standardization of the driver's license. That was a supplemental recommendation.

And while, you know, we understand that there is a pilot program going on in Washington, our concern is—I mean, as we can see, this is occurring. When will it happen? And each day that we don't have a process that adequately protects our borders to us is a grave risk.

So our concern really is in the delays.

We're not saying that ultimately, an enhanced driver's license or other alternatives may not work. What we're saying is right now, we need to focus on fixing the problems with the passport issue, making it affordable so that people can cross our borders now with those documents, ease some of the delays that happen at the Peace Bridge, because it'll actually, I think, enhance travel over the Peace Bridge.

That's the focus now.

We can't afford to wait, Congressman. That's our position. We can't afford to wait.

Chairman THOMPSON. Thank you very much.

Mr. Zemsky, can you provide for the Committee your analysis of WHTI's potential impact on small businesses?

Mr. ZEMSKY. Well, in our region—this is a local perspective.

We—the Niagara River is just such a core part of our lifestyles here, and people live on both sides of the border. Small businesses depend on cross-border tourism. Our cultural organizations, our sports teams.

It's—it's like the Potomac. It's just central to our way of life here. We've never thought of it or treated it any differently.

So I—I don't have an exact economic impact study, but I would tell you intuitively and just in speaking to so many businesses in the associations that I'm involved with, people are terrified about any increases.

The confusion already has been huge. You can imagine all that's been published about the different dates and different travel documents. We would have a hard time in this room, people who have been close to this issue and answering questions the same way on

these issues—I guarantee you very few of us would be able to get the right answers. That’s how confusing it is.

For the public, they’ve given up on this issue a while ago. I mean, this is really becoming a very small dialogue between people who are—it’s becoming an esoteric topic.

But people are giving up on it, and I think it’s a real shame. I think it’s going to have a huge impact, and—and has, and I think the chances of it having a larger impact are great, because there’s going to be a lot, and especially now that we’re talking about partial implementation dates.

I mean, I don’t think anybody understands what’s coming in January and then again in June and whether it’s going to change again. There’s no communication efforts that we’re aware of.

So I think we’re—we’re headed for real trouble, and I—and we also believe that the confusion and the congestion is not in the interests of security.

So we’re worried about it.

Chairman THOMPSON. And I think we’ve heard that loud and clear from a number of the witnesses on this panel, that both from a marketing and an outreach standpoint, WHTI probably has been a public relations nightmare, to say the least, and just postponing the inevitable does not avoid the nightmare. It just delays it. So this Committee is—is concerned about that.

I now yield five minutes to the gentleman from Pennsylvania, Mr. Carney.

Mr. CARNEY. Thank you, Mr. Chairman.

Mr. Zemsky, first of all, it’s awful tough to get across the Potomac about 7:45 in the morning. I, unfortunately, make that drive every day.

You just said “giving up on it,” the local folks are giving up.

What do you mean?

Mr. ZEMSKY. I just mean—I just mean that I think there’s a lot of people that have given up on really understanding what the technical requirements are going to be or—or are, and so they’re just staying away from the borders because it’s too confusing.

You ask ten people on the street—friends, relatives, business associates, you name it—“What do I need now,” you will get ten different answers.

So, I mean, that was maybe an exaggerated way of making the point that I think people are awfully confused and many are just staying away from the border.

Mr. CARNEY. Well, let me ask it this way to all of you, to Mr. Koessler, Mr. Zemsky, and Mr. Johnston:

What has DHS done and the State Department done to educate the area about what’s needed?

Have they done outreach to any of you? Have you had discussions with them at all?

Mr. ZEMSKY. It’s been very limited. I think, for example, the NEXUS card, which has been, I think, available for five years or more, has an incredibly small number of users.

And we’ve talked for a long time about increasing communications and streamlining the process and expanding the number of locations you can apply for and receive the NEXUS card, and there’s still—there hasn’t really been a lot in that respect.

So I think we're worried about the communications. I don't think money has been set aside or there's been a real effort toward communicating with the public.

Mr. CARNEY. Mr. Koessler.

Mr. KOESSLER. I would agree with that. We've tried to promote the NEXUS card ourselves and can't seem to get any cooperation out of either—either side, U.S. or Canadian customs, because they feel it's somehow a conflict of interest.

It's a valuable card, the NEXUS card, to both the customs and to the users, and but there seems to be some blockage in the ability to really promote it and bring it out.

Mr. CARNEY. Mr. Johnston?

Mr. JOHNSTON. I would say that there hasn't been a tremendous amount of outreach.

I will tell you that I know we don't ship our own products from Canada into the U.S. We have third-party customs brokers that do that for us.

They do encourage all the drivers they utilize to have a NEXUS card; however, there is increasing analytical evidence that even NEXUS cards—that an increasing number of drivers are being pulled aside for secondary inspection, defeating the entire purpose.

This is supposed to be a trusted traveler program, so it defeats the purpose of trying to promote NEXUS cards when, in fact, you're being pulled aside or have an increased chance of being pulled aside for a lengthy secondary inspection.

Mr. CARNEY. From a business perspective gentlemen, have you had discussions with DHS or State on what it means to the local economies?

I mean, have you had your input? Have you had an opportunity to have that input?

Mr. ZEMSKY. Well, for me personally, this is the third time I've had an opportunity to speak on this subject in a hearing of this manner, and oftentimes—and—and in addition to that, there's been other non-Congressional hearings that DHS has participated in.

And we've been able to say it. You know, we've been able to say it many times. I just—you know, I don't know—

Mr. CARNEY. Whether anybody's heard it.

Mr. ZEMSKY. Yes, I'm not sure.

But, I mean, I'll say this: I guess the wheels of government might be known to move slowly from time to time, but we are starting to move, and—you know, the acceptance, for example, of alternative documents and the enhanced driver's license program.

I think—I don't want to characterize it as no progress has been made in some of these areas. Some progress has been made, and we think that's—that's good, and we're—we're—we're pleased to be able to say that.

But, you know, these dates—we were assured not that many months ago that there was plenty of staffing, everything was fine, there'd be no problem issuing the passports. This was only a few months ago.

I was in that hearing. I expressed my concern on that very matter. I was told in no uncertain terms absolutely, positively, I was, you know, incorrect, and—so, you know, we are—we continue to be

worried, and our experiences suggest that we are right to be worried.

A programmatic change of this magnitude affecting the largest trading relationship in the world with so many people across such a wide area is going to take a long—some—more time to change than I think has been identified to date.

Mr. CARNEY. Thank you.

My time's up, Mr. Chairman.

Chairman THOMPSON. Thank you very much.

I now recognize the gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman, and thank you, witnesses, for appearing.

I especially thank you, Ms. Lynch, for your service and for continuing to stay involved in this process. Yesterday, the Chairman convened a meeting of a conference Committee, and we had some persons there at that conference Committee who represented 9/11 families, and I just want you to know that we greatly appreciate the service that you're bringing to your country.

Ms. LYNCH. Thank you.

Mr. GREEN. I am a fairly good observer of body language. In fact, I've gone out of my way to study it to some extent and have had about four or five courses in body language, and it's really helpful.

But I—the body language, Mr. Zemsky and Mr. Verdery—is it Verdery?

Mr. VERDERY. Verdery.

Mr. GREEN. All right.

Between the two of you—you weren't observing each other, but I was.

And this is not to put you at odds with each other, but my sense is that you each have some concern with what the other has said, and I would like to give you an opportunity to say it.

Not in a confrontational way, of course, but I want you to have the opportunity to address some of the concerns raised by each other.

Mr. Zemsky, do you have some concern that you would—would address?

Mr. ZEMSKY. With respect to—

Mr. GREEN. In terms of some of the comments made by Mr. Verdery as he was making his comments.

Mr. ZEMSKY. No, not—not really, actually.

Mr. GREEN. You don't want to make any comments about any of the things that he said.

Mr. ZEMSKY. I think I might have just been hungry.

No, I feel generally what I've heard—what I—is I think we mostly—I really like the ideas.

Mr. GREEN. So his recommendations—

Mr. ZEMSKY. I'm sorry.

Mr. GREEN. Did you—did you hear his recommendations.

Mr. ZEMSKY. He had several. I haven't read them. I was, you know, paying attention to—to several.

I think that—you know, I won't be able to recite all of them, but—

Mr. GREEN. Are you in agreement with those that you did here.

Mr. ZEMSKY. Yes, I was in agreement with some of them in terms of the lead time, and I think the essence of some of what I heard—I may be wrong—is we should implement WHTI when we really have the capability to implement WHTI as opposed to picking dates arbitrarily and then backing into it.

So it's important that we get it right, and the date ought to reflect and be—have some flexibility to reflect our capabilities.

Mr. GREEN. Mr. Verdery?

Mr. VERDERY. Just two—two quick points and not so much in disagreement with his testimony, but—

Mr. GREEN. Not disagreement, just comments.

Mr. VERDERY. I have some sympathy for the government witnesses, having sat in their shoes, as to this idea of lack of communication, and that's partially because the rules have not been finalized.

There's a rulemaking going on. Congress last year put down additional conditions, and so, you know, they're the goalposts that move, and they are struggling their best to meet those goalposts.

You'll see a rule that will be finalized this year, and people will have a chance to comment on it, but I have some sympathy for that kind of a complaint.

The second point is this is not an either/or situation. We shouldn't have all of our eggs in one basket. It shouldn't be just everybody's got to go get a pass card or everybody's got to get a better driver's license.

We need people to have some options, because we don't want to rely on one single program, as we saw with the passport situation right now.

What the important thing is, is that, for the inspector, they work the same and that he is not—he or she is not trying to distinguish between 8,000 documents and that they access the databases and they provide that inspector with the information they need.

Who purchased it, who built the thing is irrelevant if it works for the inspector.

And that includes the NEXUS cards that should also be expanded.

Mr. GREEN. Mr. Koessler, did you make a comment about the appeals process?

Mr. KOESSLER. NEXUS, yes.

When a NEXUS card has been taken away from someone, the appeals process is very difficult to get through. People come to me and our people to help, and it's a difficult situation now.

And the renewal—at this point, there is no indication on your card when it expires and when it needs to be renewed. I passed through the NEXUS post about six weeks ago on my way back from a—a board meeting at the Peace Bridge, and my card was—was confiscated because they said it had run out.

And after all sorts of finagling, it turns out that what happened is I renewed my passport, and the card is tied to the passport, so they—it no longer had the same number on it.

Showed up on their scene. I had no idea.

Mr. GREEN. Has this been rectified.

Mr. KOESSLER. Yes.

Mr. GREEN. How long did it take.

Mr. KOESSLER. It—it—it was done very quickly.

Mr. GREEN. It was?

Just to give you some degree of comfort, we have a colleague whose name is John Lewis, and we've been trying to get his—his identification clarified for, I believe, a number of—of years—

Chairman THOMPSON. Years.

Mr. GREEN. —years now.

When he attempts to travel, he still has some degree of difficulty.

Chairman THOMPSON. There is a John Lewis who is a very bad guy, but it's not him.

Mr. GREEN. One more thing.

You mentioned the need for a plaza.

In terms of this—this plaza, have you—have you called this to the attention of—of persons who are in a position to—to perhaps try to provide some—help you with your concern?

Mr. KOESSLER. Well, we're in the midst of trying to build a new bridge and a new plaza. We have not—we have now completed a plaza on the Canadian side which seems to work very well.

Initially, there was negotiations going on between Homeland Security and the Canadian equivalent to put the U.S. customs on the Canadian side. It was called shared border management. Would have been much more efficient for—for us as bridge operators.

They came to the conclusion, after almost two and a half years of negotiating, that it wasn't going to work.

Now we're faced with building a plaza in the U.S., and they're telling us that these things have to be updated and—as quickly as possible.

And we're—we're in a go position. We just need what they need.

Mr. GREEN. I'll yield to the Chair.

Chairman THOMPSON. Well, I guess that I'll—I'll let the representative from the area help answer that question, because—

Ms. SLAUGHTER. Yes, I don't want to take any time, because with the exception of Ms. Lynch and Mr. Verdery, I'm in pretty much close contact with the other three.

Shared border management was negotiated under Secretary Ridge and Prime Minister Hanley, and we operated, again, on—two and a half years on the assumption that it would work. The Canadians went ahead.

It really depended, Chairman, on who had the most land and area on which side of the border.

So they were chosen all the way through. There was going to be one on the York side up in Luque's (phonetic) district; on our side, it was going to be over in Buffalo along the Peace Bridge.

They built theirs, I think at a cost of about \$43 million, which was adequate to take all the traffic and do all the inspections; and then one day—and I—I'm not exaggerating this—one afternoon I got a call from DHS that they weren't going to do it because it is so dangerous in Buffalo.

Now, it was not dangerous enough in Buffalo for them to give us money last year, and the money that we want, if you recall—we had this asterisk by our name, which meant that we weren't going to get very much.

We eventually got some, but there are numbers of us all across the border who think we would like to try to salvage it, if we can.

I think the cost on our side now would be about \$36 million that we will need to pay, which we would not have needed to pay had they kept the original agreement.

Second, on the fall-off on travel, I'm—I've been told by Bridge Authority—and, of course, they use the revenue of people crossing the bridges to maintain them—that they are concerned enough about the fall-off in that money that they've expressed it to me.

I've heard as high as one-third. I don't have any way to prove that, but as high as one-third less people—fewer people have crossed the border in the last year going either way than had before WHTI came up.

And as both of you—all of you expressed so eloquently, it's put us off considerably here not really knowing where we stand.

But I'm not going to ask questions of the panel, but I want to thank all of you for coming, and Ms. Lynch, we are all—we suffered such an awful loss, New York more than any other place, and—but I—I want to tell you, if it—if it's any comfort to you at all, I've talked to people from the City of New York and also from New Orleans.

They told me in—the governor in New Orleans told me not two weeks ago that when that hurricane hit, that before the government set a foot on the ground, firemen from Buffalo and Rochester were there.

I—it's hard to understand your pain and your sacrifice, but believe me, the idea—and I always like to say, "How do we thank people?"

When everybody else was trying get out of the World Trade Center, they ran in.

Ms. LYNCH. Yes.

Ms. SLAUGHTER. So thank you for that.

Thank you for coming, Mr. Verdery, as well, and thank all of you.

Chairman THOMPSON. Thank you very much, and I'd like to thank the witnesses for their valuable testimony and the Members for their questions.

The members of the Committee may have additional questions for the witnesses, and we will ask you to respond expeditiously in writing to those questions.

I'd like to again acknowledge our County Clerk, who's been so attentive and helpful, and I look forward to her testimony for the record.

It's one thing to hear the problems, but when you're involved in the day-to-day processing of them, I can imagine, just given the testimony that we've heard, how difficult and challenging that can be.

So, Ms. Hochul, thank you very much.

For the witnesses, again, thank you very much. We will look forward to trying to fix this issue associated with our border here and our other borders.

The Homeland Security Committee has border as its primary jurisdiction. We plan to look at some initiatives to facilitate securing the border.

We want to do it smart. We are not at all challenged to make sure that business can work and do their business on a day-to-day basis.

We're not interested in putting people out of business because of security. Americans—when President Kennedy challenged us to put somebody on the moon, it was a little far-fetched, but Americans did it, and if we have to provide security for our borders, I'm certain we can do it smarter. I'm certain it will not impede technology, and we can make it cost-effective so that those individuals who need to travel across the border will not be prevented because of a price associated with the document.

Hearing no further business, I would allow our host to—to close out the Committee, if she would like to.

Ms. SLAUGHTER. I certainly would.

Again, I want to thank the Erie County Legislature for their graciousness and the Clerk for her good work, but I really thank all of you witnesses who have taken the time to come this morning. I think you've been very enlightening.

And I certainly thank my colleagues for taking the time to come up. I'm hoping we can show them the Whirlpool Bridge and how NEXUS works before they have to leave.

Thank you, once again, and thank you again, Mr. Chair, Mr. Carney, and Mr. Green.

Thank you.

Chairman THOMPSON. Hearing is adjourned.

[Whereupon, at 1:52 p.m., the Committee was adjourned.]

FOR THE RECORD

PREPARED STATEMENT OF KATHLEEN COURTNEY HOCHUL

Thank you for the opportunity to submit written testimony before the Homeland Security Committee at your hearing in Buffalo, New York on July 20 relative to an enhanced driver's license as a proposed substitute for a passport for the re-entry across the border from Canada.

As Erie County Clerk, responsible for the administration of the local auto bureaus, I certainly pledge full cooperation with State and Federal Government to secure our borders. Having said that, as Erie County Clerk, I am compelled to draw the Committee's attention to the significant financial impact the enhanced driver's license proposal would have on the operation of the auto bureaus. As currently proposed, the taxpayers of Erie County could end up paying for this federally mandated initiative.

As a border community, where our residents and our friends to the North enjoy regular passage to and from our countries, any such requirement will have a more significant impact than from non-border States. If an enhanced driver's license is required, the existing 644,404 County licensed drivers and 259,000 holders of non-driver ID cards in Erie County would be encouraged to apply for new licenses. The anticipated volume would be staggering. Our existing staff, which is still 40 less employees than were employed before layoffs of the Erie County 2005 budget crises, would not be able to handle the dramatic increase in activity. In order to implement this new mandate and properly serve our residents, we would need to establish a separate license processing center. Our initial start up cost estimates to handle projected volume would be \$1.4 million dollars to cover expenses of training staff, computers, servers, work stations, cameras, T-1 lines, phones, faxes and leasing space. Another \$1.2 million would be required annually for operating costs. Prior to an effective date for the requirement of an enhanced ID card, we would need to ensure that a centrally located licensing center is fully funded, operational and effective for the residents of this County.

While the proposed enhanced driver license proposal may well be to be a viable alternative for re-entry across the border, I have significant concerns that directly affect the operation of the Erie County auto bureaus. As a former legislative assistant and attorney on the Washington staffs of both Senator Daniel Patrick Moynihan and Congressman John J. LaFalce, I am well familiar with the practice of federal mandates being imposed that result in additional costs for localities. In this situa-

tion, I asking that the source of the funding be identified as part of the initiative, to eliminate any additional cost to County taxpayers.

I wish to re-iterate that I am intimately familiar with the urgent need to protect our borders and stand ready to offer the full services of the Erie County Clerk's office to work with New York State and the Department of Homeland Security to cooperate in any way necessary. This offer includes Erie County as a pilot program similar to the pilot instituted in the State of Washington. However, I need to be involved in the planning and to ensure that the necessary resources are in place.

I look forward to addressing to working in partnership with the Congress, the Department of Homeland Security, and the State of New York in developing and implementing a proper enhancement in our system of identification for purposes of border crossing.

MATERIAL SUBMITTED BY KATHLEEN COURTNEY HOCHUL

BESTT Coalition

Business for Economic Security, Trade and Tourism Coalition of the US & Canada
TO:

Chairman Bennie G. Thompson
 Ranking Member Peter T. King
 House Homeland Security Committee

FROM:

BESTT Coalition (Business for Economic Security/Tourism & Trade)

REGARDING:

Field Hearing on Western Hemisphere Travel Initiative (WHTI)
 Land and Marine Notice of Proposed Rulemaking (NPRM)
Hauptman-Woodward Medical Research Institute Inc.
700 Ellicott St., Buffalo, NY
 July 20, 2007

On behalf of the BESTT Coalition, please accept this written testimony regarding the Notice of Proposed Rulemaking (NPRM) pertaining to the implementation of the land and sea portions of the Western Hemisphere Travel Initiative (WHTI).

The BESTT Coalition is an international coalition of businesses and trade associations from across the United States and Canada, led by the Buffalo (NY) Niagara Partnership, the Detroit (MI) Regional Chamber of Commerce, and the Bellingham/Whatcom (WA) Chamber of Commerce & Industry. We share a common concern about the ramifications of the Western Hemisphere Travel Initiative (WHTI) as it pertains to the northern border region. Our goal is to raise awareness of the important cultural and fiscal ties that exist across the 5,500-mile-long border, and to help ensure public policies that promote these ties, while still addressing the legitimate security concerns of both countries. Combined, members of BESTT represent 300,000 North American businesses, and millions of jobs.

WHTI and the Northern Border

The Western Hemisphere Travel Initiative, which came out of the Intelligence Reform and Terrorism Prevention Act of 2004, called for a passport or other secure document, or combination of documents, to be presented upon seeking entry to the United States. The provision specifically addressed areas like the Canada/US Border, where such documents have not been required.

As residents of and/or businesses leaders located in the Canada/US Border Region, we support the intentions of Congress and the Bush Administration to address all legitimate security threats to the United States, including those pertinent to our region. We believe there are ways to address these concerns that will both increase our security and ensure the free and fair flow of people and products. It is our intention through this written testimony to assist Congress in achieving that goal.

Relevance of Northern Border

Historically, it has been said that the United States and Canada share the longest non-militarized, non-actively patrolled border in the world. Canadian Ambassador to the United States Michael Wilson has recently amended this common characterization, citing numerous facts to proclaim that our shared border is the longest secure border in the world.

One thing that is unquestionable, however, is our strong fiscal ties, as we share the world's largest trading relationship between any two nations.

An estimated \$US 1.2 billion in trade crosses the U.S.-Canada border daily, supporting 5.2 million jobs. Last year Canadians visiting the U.S. spent roughly \$10 billion, nearly 80% of which supported activities like dining, hotel stays and gift purchases. Canadian spending in the U.S. has increased 39% over the last ten years and is one of few areas where Americans enjoy a trade surplus. These figures should

have been expected to rise as the Canadian dollar strengthened in the last two years, yet disappointingly, given real and perceived difficulties in border crossings, Canadian visits to the U.S. have seen no significant increase. Total annual crossings in 2005 compared to 1995 show as much as a 50% decline, and there has been no significant increase in Canadian visits in the last 5 years, diminishing the likely potential benefits of the strengthening Canadian dollar.

In 2005 there were an estimated 32 million trips from the U.S. to Canada, and an estimated 38 million trips from Canada to the U.S. An estimated 75% of the time these trips are made crossing the U.S./Canada land border, which accounts for the majority of crossings.

BESTT Coalition Response

The BESTT Coalition has reviewed the NPRM, and has found several points to address. These areas include:

Areas in Which the Coalition Supports the NPRM

- Support for Removing Children from the Requirements of WHTI
- Support for Ensuring Ease of Crossing for Native North Americans
- Support for other approved documents, including Canadian province-issued Drivers Licenses

Areas in Which the Coalition Has Strong Concerns About the NPRM

- No firm implementation date
- Lack of definition for “availability of WHTI compliant documents”
- Problems with proposed phased implementation
- Lack of a publicity campaign about the rules and timeframes for implementation
- Concerns about the economic impact study provided in the NPRM
- Expenditure flows in impact study—Separate North and South
- Lack of time to implement alternative documents prior to implementation
- Lack of sufficient infrastructure to implement rules
- RFID Infrastructure at more than the 39 most frequently used crossings
- No appeals board for NEXUS provided
- No clear way of renewing NEXUS cards other than reapplying
- Lack of a streamlined mechanism for renewing passports
- No discussion of the impacts of the increase in the number of lost and stolen passports and other documents
- No plan to address the enormous increases the plan will create for wait times
- Concerns surrounding the certification of preparedness for final implementation

Suggestions on Items the NPRM Should Cover

- Meeting with all state DL Directors by Jan 08, before completion of pilot
- Questions concerning whether Real-ID and WHTI requirements are analogous
- Strong desire to see a more robust coordination with Canada

Each area of support, concern, or comment is described in detail herein.

Support for Removing Children from the Requirements of WHTI

We support the provisions being made for children, both traveling with their families and in groups with chaperones. These provisions are important for border communities, and we encourage DHS to continue to ensure children are not impacted in their ability to access the border.

Support for Ensuring Ease of Crossing for Native North Americans

BESTT supports efforts to ensure Native North Americans can easily access the border, especially those whose tribes, bands or nations cross the border region. We encourage DHS to continue to work with Native Peoples on these programs, providing a mechanism to cross the border that is as streamlined as possible.

Support for other approved documents, including Canadian province-issued Drivers Licenses

BESTT especially wants to thank DHS for its acceptance of alternatives to the passport as a means of crossings the border. Approval of Drivers' Licenses, especially those issued by the Provinces and Territories of Canada, is a substantial change in policy, and one we are extremely pleased to see. We encourage DHS to continue to promote these alternatives, and to implement WHTI only after these forms of ID are available and in wide circulation.

No Firm Implementation Date

One of the most frustrating issues surrounding the Western Hemisphere Travel Initiative has been the lack of a clear implementation date. While Congress agreed to a June 2009 date for final implementation, DHS has been extremely reluctant to that date, and has continued until this NPRM to say January 2008.

Know that the NPRM has been released, that date for final implementation is Summer of 2008, yet another new time frame, with no date certain provided. The public across both the US and Canada is already confused about what ID's are needed for what types of crossings, and on what dates these rules will change.

The BESTT Coalition believes that we must provide clarity of the date the rules will be imposed, while ensuring both the US and Canadian Governments can meet the ID demands of their citizens so that they may continue to access the border. We strongly believe that date is June 2009.

Lack of Definition for "Availability of WHTI Compliant Documents"

In section IV, subsection 2 (Implementation and Effective Date of Final Rule), page 35 of the NPRM, it is stated that the final rule will be implemented after reviewing a number of factors, but most likely in summer 2008.

One of the factors identified is the availability of WHTI Compliant Documents on both sides of the border. However, this phrase has no further definition provided.

What does "Availability" mean? Does it mean that documents can be obtained within a certain time frame? Does it mean the documents simply exist and the public can apply for them? Does the fact that the word "documents" is plural mean that WHTI can not move to final implementation until at least two documents are "available."

Since this is one of the main factors in determining the final implementation of WHTI, more information must be provided to ensure that process whereby the final date is set is as objective as possible.

Problems with Proposed Phased Implementation

The "phased implementation" called for in the NPRM does not address several problems affect certain modes of travel, including:

1. Ferry Boat Operations: Currently, the private and public ferry fleet in the US and Canada relies on an oral declaration of citizenship in order to move people quickly and efficiently through its system. By implementing this change on January 31, 2008, without plans for addressing the substantial problems caused to this mode of transportation, and without a specific plan for addressing the severe economic hit these systems will take, DHS is unwittingly serving notice that such transportation services may no longer be viable. A very simple solution to this would be one common implementation date, once all forms of ID are available and in wide circulation. We have recommended June 1, 2009.

2. Vehicle Crossings: DHS continues to assume that lines at the land crossings will decrease with the implementation of WHTI, while evidence to the contrary is being ignored. When a full document check was implemented in the Summer of 2006 in New England, lines became much longer and fewer people were able to cross because of delays. This sort of process is what most border communities would expect from stopping oral declarations without a clear plan to prevent problems before hand. Given the mistakes made in many other areas by this administration when assumptions were made without looking at available facts, BESTT recommends delaying implementation until such a plan can be developed and implemented. We have recommended June 1, 2009.

Lack of a Publicity Campaign about the Rules and Timeframes for Implementation

BESTT was extremely concerned to note that the NPRM offers no program or funding mechanism to ensure the public is fully aware of the rules it enumerates. This is exacerbated by the "phased implementation" which has been announced. By creating two separate dates for implementation, we are further adding to the level of confusion and uncertainty the average citizen on both sides of the border will face.

This is clearly seen in our Zogby International poll, in which neither Americans nor Canadians were familiar with proposed documentation changes along the border. Of Americans, 87% say they are either not familiar (59%) or somewhat familiar (28%) with changes in requirements. Of Canadians, 82% are say they are either not very (40%) or somewhat familiar (42%). Non-passport holders from both countries are least likely to be at all familiar.

We strongly encourage DHS to formulate and implement a public awareness campaign immediately, and more importantly, fund that program so that we can ensure the traveling public knows when the new rules are to be implemented.

Concerns About the Economic Impact Study Provided in the NPRM The economic analysis provided in the NPRM is insufficient and incomplete for the following reasons.

- (1) How can an economic study be reliable if it is being developed prior to or at the same time as the proposed policy it is meant to examine? The Govern-

ment Accounting Office (GAO) said as much in their review of WHTI recently on behalf of members of Congress.

(2) The NPRM effectively negates the concerns it confirms on Page 70 about the monetary losses that will be incurred by border communities. Table D shows a net loss of \$30 million in the first year, and \$80 million in subsequent years when it comes to spending along the Canada/US Border. However, DHS effectively offsets this loss by showing a huge net increase in spending by Americans forgoing trips to Mexico. This tactic ignores two important facts. First, there is no guarantee (and frankly, substantial anecdotal evidence) that Americans forgoing travel to Mexico will instead spend their money in communities along the US/Canada Border. In fact, they will most likely look for other warm, sunny spots in the Sun Belt states. Second, these US/Canada Border communities are being told by their government that their losses will be substantial, but that they intend to do absolutely nothing about it. This is completely unacceptable.

(3) The economic impacts in border communities, outlined in Table E, shows that Washington County Maine will lose 1.41% of its employment, and Whatcom County, Washington will lose 0.53% of its employment. For Whatcom County, that would mean over 500 people will lose their jobs, without the federal government seeking to provide a remedy or address the impact in any way.

Expenditure Flows in Impact Study—Separate North and South

As the threats to national security posed to us from our border with Mexico and our border with Canada are different, so must we assess the economic impacts created by these rules differently. Any economic review must address these two border regions as distinct entities, not combined, and should address remedies to those communities that are impacted.

Lack of Time to Implement Alternative Documents Prior to Implementation

The NPRM lists a number of documents that will be acceptable for entering the US. However, most have issues with being available and in wide circulation prior to implementation. They include:

1. Passport Book: The severe backlog in providing passports, stemming from the air rules, has caused substantial problems for millions of Americans. Most estimates suggest that we will not recover from the backlog until at least November 2007. However, once the land rule becomes a reality, we should expect an even greater backlog to develop, as there are many times more Americans traveling over the US/Canada land border than Americans who were affected by the new air passport requirements. One should assume that implementing in the Summer of 2008 is unrealistic, and that we should plan for a later implementation date. BESTT has recommended June 1, 2009.
2. Passport Card: The passport card is still in the planning stages, and is now where near being available and in wide circulation by early 2008. Furthermore, since individuals will have to go through the same process to obtain the passport card as they need to obtain the passport book, time delays will need to be taken into account. This cannot be seen as an alternative document that can be used on the day that WHTI is implemented at the land and sea borders.
3. Trusted Traveler Program Documents:
 - a. NEXUS—This program has seen approximately 120,000 members enrolled. . .after 5 years. This extremely poor showing is exacerbated by the fact that almost half of those enrolled in the program are in the BC/Washington area, whereas our largest crossing area (Detroit/Windsor), has just a fraction of the enrollees. More importantly, the existing NEXUS card is not considered an acceptable form of ID at the border, and although the NPRM calls for changing that, there are concerns that time and resources might need to be allocated to ensure existing cards, which are imprinted with the phrase, “Not and Official Travel Document,” will be accepted as stand-alone ID. Finally, there must be a renewed effort to ensure that NEXUS cardholders meet the same rules and regulations at all crossings. Anecdotal information shows BESTT that NEXUS cards are already treated as stand alone ID in the regular crossing lanes in the Buffalo area, where as attempting to use your NEXUS card to cross at the regular lanes at the Peace Arch crossing is not acceptable, and could be grounds for having the card revoked.
 - b. FAST—This program seems to be working efficiently, but only address freight mobility, rather than passenger mobility. However, like the NEXUS program, we would highly recommend that enrollees in both programs be treated as trusted travelers. The observations of higher rates of FAST trucks being sent for secondary inspection because once enrolled, they are now the potential tar-

get of smugglers, defeats the purpose of the program and may convince some freight movers to opt out of FAST.

4. Merchant Marine Document: While available, it is used by a fraction of the individuals crossing the border between the US and Canada. Furthermore, the card can only be used for Merchant Marine travel. The bearer must use other WHTI-compliant documents for personal or other types of travel.

5. US Military Card: Again, it is available, but only to those in the military. Like the Merchant Marine Card, it can only be used for official travel.

6. Secure Drivers License: This program, currently only available in Washington State but being reviewed by Michigan, New York, Vermont and California, as well as all Canadian Provinces, is our preferred method of addressing the mobility restrictions created by WHTI. However, these programs have no chance of being available and in wide circulation prior to even the Summer of 2008, let alone early 2008. Time must be provided to the states, provinces and territories to engage with DHS and the Canadian Government, create agreements on the format of the licenses, and implement these programs BEFORE WHTI is implemented.

Lack of Sufficient Infrastructure to Implement Rules

With new IDs, RFID-reader technology at most border crossing points, state-issued IDs to be negotiated, and many more items of concern, we do not have the time nor the resources available to implement WHTI by Summer of 2008. Implementation prior to DHS being fully ready at all border crossings will cause severe delays at border crossings, create tremendous drops in the number of crossings, and generally create chaos in the system that is easily avoidable. By implementing on June 1, 2009, DHS has the time needed to fully prepare for the new rules, and to ensure our Canadian counterparts are fully prepared.

RFID Infrastructure at More Than the 39 Most Frequently Used Crossings

In the NPRM, the following statement is made concerning infrastructure at the border: *We anticipate that RFID infrastructure will be rolled out to cover the top 39 ports-of-entry (in terms of number of travelers) through which 95 percent of the land traffic enters the United States. The remaining land and all sea ports-of-entry would utilize existing machine-readable zone technology to read the travel documents. Machine-readable zone technology is currently in place in all air, sea, and land ports-of-entry.*

BESTT believes that technology to read documents remotely must be rolled out to all border crossings, not just the 39 most heavily traveled ports of entry. This will ensure the availability of NEXUS at all crossings, making that card a more viable travel document for frequent crossers.

No Appeals Board for NEXUS Provided

One of the largest complaints about the NEXUS program since its inception is the lack of an appeals process for those who have had their card revoked. Since a revoked card can come for any reason, a process whereby former card holders can apply for reinstatement is vital to the effectiveness of the program, especially in border communities where people cross frequently.

BESTT would recommend the creation of an Appeals Board as part of the implementation of WHTI.

No Clear Way of Renewing NEXUS Cards, Other Than Re-Applying

Thousands of individuals are currently renewing their NEXUS cards, as the initial members reach their five-year mark. Unfortunately, the renewal mechanism is no different than the initial mechanism for applying for a cards, essentially meaning that those in the program must re-apply at the end of the five year period.

BESTT recommends a clear renewal process that ensures no down time for NEXUS members, while addressing the legitimate security concerns of Canada and the United States. As more people enroll in this program, ensuring a streamlined way to renew will become more and more important.

Lack of a Streamlined Way to Renew Passports

As with the NEXUS Card, it is important to recognize the hardships a passport renewal will have on individuals living in border communities and cross on a regular basis. These individuals cannot send their passport in at the time they must renew, thereby potentially being unable to cross for several weeks while they await their new passport in the mail.

We must come up with an acceptable way of ensuring that Americans can retain the existing passport while renewing it, or thousands of Americans will be prevented from necessary travel back and forth over the border.

No Discussion of the Impacts of the Increase in the Number of Lost and Stolen Passports and other Documents

The NPRM does not address the potential impact on the US and Canadian Governments caused by more passports and other documents being lost or stolen.

It stands to reason that increasing the number of documents in circulation will increase the number of documents that are lost or misplaced. These individuals will need expedited replacement, and in larger numbers than have been experienced in the past, which could create a delays in providing this vital service.

We should also be planning for the expected increase in passport or travel document theft. More and more Canadians and Americans will be carrying their documents in their vehicles, and those in border communities might simply leave the documents in their cars permanently. Car prowls or outright car theft would not have to increase at all to see a larger number of documents being stolen, since more documents are in circulation, and being kept in vehicles. The potential impact on government entities is substantial, not to mention the potential impacts on North American security.

The NPRM does not address either of these issues, both of which must be addressed and planned for prior to implementation.

No Plan to Address the Enormous Increases the Plan Will Create for Wait Times

DHS and CBP have decided, with no scientific or independent review, that wait times will actually decrease with the implementation of WHTI. The BESTT Coalition, which predicted the passport backlog and the problems with the PASS Card, has always disagreed with this, and believes that, at least initially, wait times will actually increase.

Once WHTI is implemented, there will continue to be individuals and families arriving at the border without proper documentation. The additional time taken at the primary inspection point to address these problems could take several times longer than a normal screening. More time at primary means longer wait times.

Furthermore, back ups in secondary inspection will also occur, and the workload for officers inside increases with each individual arriving without proper documentation.

Some of these problems could be alleviate with the implementation of an effective and well funded marketing program, informing Americans and Canadians of the new rules and when they will go into place. Such a campaign, using television, radio, print and billboards in border communities, is not currently planned or funded, but has been requested by the BESTT Coalition for several years.

Concerns Surrounding the Certification of Preparedness for Final Implementation

BESTT continues to be concerned with the manner by which DHS is certifying itself as being ready to implement WHTI. This situation is analogous to having a development company providing its own occupancy permit for a building it just completed. Without the necessary oversight, we are opening ourselves up to countless potential problems.

BESTT strongly recommends that Congress should be the final arbiter of the ability of DHS to implement WHTI, not the Department itself. This independent oversight is vital to prevent problems such as we have experiences with passport acquisition since January 2007.

Meeting with all State DL Directors by January 2008, Before Completion of WA Pilot

BESTT recommends the DHS proactively call a meeting with all State Drivers' License officials before the end of this year. The purpose of the meeting would be to discuss the Washington State pilot, and how the program could be implemented in other states in the most efficient manner possible. Waiting until after Washington State has prepared the program and has the secure license in wide circulation is unacceptable, as it could preclude other states from having the option of providing such a program prior to implementation.

Questions Concerning Whether Real-ID and WHTI Requirements are Analogous

The NPRM seems to indicate that a state drivers' license that meets the requirements of WHTI would by definition meet the requirements of Real-ID as well. However, DHS representatives working on the Washington State Pilot Project have indicated that WHTI-compliant licenses will not be Real-ID compliant as well, unless additional security features are added.

This question is important, because one selling point to states on the Drivers License program is that the licenses will be Real-ID compliant once that program is

implemented. A definitive answer on this question cannot be found in the NPRM, and we would ask for such an answer as soon as possible, but certainly before final implementation.

Strong Desire to See a More Robust Coordination with Canada

The NPRM states yet again that coordination between Canada and the US on the implementation of WHTI is healthy and substantial. However, members of the BESTT Coalition continue to hear exactly the opposite from your Canadian counterparts. This is not only unacceptable, but frankly could be detrimental to the security of North America.

This program cannot be implemented in a vacuum. We must immediately, if not sooner, sit down with Canadian officials to coordinate implementation of WHTI. This meeting cannot be, as past meetings have been, yet another "the US is telling the Canadians how this will be implemented" meeting, but rather must provide a dialogue and healthy discussion about funding, partnerships, marketing, and many other aspects. Anything less will not only create longer delays and more confusion, but could imperil the positive cross-border law enforcement relationships that have developed, as Canadian officials feel that they are treated as second-class partners.

Conclusion

There is logic in improving documentation requirements for border crossings. Events have shown that the threat of terrorism is real, and we must take national security very seriously; however, we must be careful not to forsake economic security in the process. There is merit in taking into consideration the full-range of policy options at our disposal in implementing a program to verify nationality and identity, including REAL-ID. No new border-crossing policy can succeed, though, unless it is marketed successfully, developed with comprehensive economic data and stakeholder input, and embraced also by the Canadian government.

The final Notice of Proposed Rule Making answers some of the questions the BESTT Coalition has been asking since December 2004, but leaves many more questions unanswered. We believe that HR 1061, the bill Congresswoman Louise Slaughter has authored along with 44 co-authors, will provide the extra time needed to effectively implement WHTI, as well as direction to DHS and State in a number of key areas that will facilitate the process.

It is clear to the BESTT Coalition that we can expect continued problems in distribution of passports as WHTI moves toward final implementation, especially since DHS plans to implement it before other documents, like secure drivers' licenses or the PASS Card, are available and in wide circulation. We have encouraged DHS and State for three years to review their ability to meet the demands final implementation will place on them, and refrain from final implementation until such time as they are truly prepared to provide for our security while creating the smallest impact possible of the free and fair movement of goods and people over our shared border. DHS and State have been unwilling to meet this demand, and therefore we encourage the Homeland Security Committee of the House, along with the full Congress, to provide strong, unquestionable demands on these two bodies to meet this important goal.

JOINT PREPARED STATEMENT OF THE HONORABLE BART STUPAK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN AND THE HONORABLE JOHN M. MCHUGH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Thank you Chairman Thompson and Ranking Member King for your leadership on national security issues and for holding today's hearing in Buffalo, New York to discuss the challenges facing Northern Border communities as the Department of Homeland Security (DHS) and the Department of State (State) move forward with the implementation of the Western Hemisphere Travel Initiative.

As co-chairs of the Northern Border Caucus, we would like to share our concerns about the economic impact the Western Hemisphere Travel Initiative (WHTI) could have on cross border travel and trade between the United States and Canada.

Studies by the Canadian Tourism Commission and other groups have suggested very clearly that American businesses stand to lose hundreds of millions of dollars if the new requirements, as expected, significantly interfere with existing trade and tourism. The stakes for Northern Border interests are extremely high, with so many communities and businesses dependent upon the ease of travel between the two nations. Simply put, any economic or bureaucratic impediments to travel could jeopardize thousands of local jobs in border states.

Cross-border trade between Canada and the United States is estimated at \$1.2 billion per day. Canadian travelers spent a record \$13.2 billion in the United States in 2006 and took 16 million overnight trips to the United States in 2006. The vast

majority of these travelers entered the country by land. In addition, U.S. residents made 13.8 million overnight trips to Canada and took an additional 13.7 million same-day car trips to Canada in 2006.

The recent implementation of the first phase of WHTI, air travel, has already revealed the negative effects of a rushed implementation. Since January, travelers have seen significantly delays in obtaining a passport and many congressional offices have been flooded with calls from constituents encountering passport difficulties. The Passport Agency has been inundated with applications and has been unable to meet the ever increasing demands. Despite hiring more employees, opening an additional regional office, and increasing working hours, wait times for passports have gone from four to six weeks to as high as 14 weeks.

On June 20, 2007, DHS announced its plans to move forward with the land and sea portions of WHTI. This announcement is especially concerning to Northern Border communities. If the Passport Agency continues to struggle in approving passports for Americans under the air travel regulations, how will it possibly be prepared for the millions of additional individuals who will apply between now and the summer of 2008 in preparation for the added land and sea travel regulations? Will constituents see the same delays they do now when the land and sea regulations go into effect?

Currently, only 21 percent of Americans hold passports. That means, in order to travel via air, land, or sea outside the United States, more than 75 percent of the population must obtain a passport or an approved alternative. It is questionable whether the Department of State can accommodate such a large influx.

The Departments of Homeland Security and State intended to make the PASS Card an acceptable alternative document for land and sea travel. However, it is looking more and more unlikely that the PASS Card will be ready for production and use when the land and sea regulations go into effect.

While DHS and State have finally agreed upon the technology for the PASS Card, it is still unclear how the proposal will address the privacy and cost concerns raised by many Members of Congress. These agencies have yet to confirm that the PASS Card has been adequately tested to ensure operational success. Furthermore, DHS neither requested nor received funding in the FY2007 Homeland Security Appropriations bill to install the PASS Card infrastructure at land border ports-of-entry. How will DHS implement WHTI regulations for land and sea travelers by the summer of 2008 if it does not have the necessary resources to purchase PASS infrastructure?

Congress has made numerous attempts to work with the Departments of Homeland Security and State so that WHTI could be implemented properly and all of the economic and technical impacts of the Initiative could be fully considered.

As part of the FY07 Homeland Security Appropriations legislation, Congress authorized DHS to delay implementation of WHTI as late as June 1, 2009. This year, the House has again acted in the FY08 Homeland Security Appropriations legislation to delay implementation of WHTI. An amendment offered by Representative Steven LaTourette was overwhelmingly approved (379 to 40) to prohibit the use of funds by DHS to implement WHTI before June 1, 2009. In addition, the House bill would withhold \$100 million in funds due to the lack of progress and reporting by the agency, and would require DHS to complete an extensive cost-benefit analysis before implementing the initiative.

In May 2006 the Government Accountability Office (GAO) issued a report expressing concerns about the ability of DHS and State to meet the original January 2008 deadline. This report was one of the factors that lead Congress to extend the deadline to June 2009. While DHS and State currently have the legal authority to begin implementing WHTI as soon as January 2008, we are concerned about the impact that such an ambitious schedule would have on border communities. The report concluded that “[a]chieving the indented security benefits of the Travel Initiative by the statutory milestone date, without simply requiring all travelers to carry a passport, appears in jeopardy, given the volume of work that remains.”

GAO is currently in the mist of another audit, as requested by Representative Louise Slaughter, to analyze (1) the status of DHS and State’s efforts to implement the travel initiative; (2) the plans DHS has for the intended technology to be used to facilitate border crossing as defined by the travel initiative; (3) DHS’s role in pilot testing a proposal to use state drivers’ licenses as official travel documents; and (4) the cost and benefit study associated with the proposed rule/s for land and sea to be performed by DHS. We urge that DHS and State refrain from further implementing WHTI until this report is completed.

Unfortunately, the Departments of Homeland Security and State have ignored Congressional intent and continue to push forward on full implementation of WHTI.

Before the Administration moves forward with WHTI it is imperative that the President's Office of Management and Budget perform an economic assessment, so that the full costs can be taken into account. Such an economic cost-benefit analysis is required under Executive Order 12866. A rushed or flawed implementation of WHTI could potentially have economically devastating effects on Northern Border communities. Therefore, any final regulations must be based on the best available economic and technical information.

To ensure that WHTI is implemented with the fewest negative repercussions possible and in as practical way as possible, Congress must step-in. That is why Representatives Slaughter and John McHugh introduced the Protecting American Commerce and Travel Act (PACT ACT). We believe this legislation would better ensure that WHTI secures our borders without unintentionally freezing cross-border tourism and trade.

To make the regulations more manageable for our constituents, the PACT ACT would require DHS to complete at least one pilot program to determine if an enhanced driver's license can be designed to meet WHTI standards. While DHS has agreed to conduct such a project with the State of Washington, WHTI is currently scheduled to be implemented long before the pilot project has been completed. This bill would prohibit DHS from issuing a final rule and fully implementing WHTI until a pilot project is completed.

The PACT ACT would reduce the cost of the PASS Card, which is to be the low-cost alternative to obtaining a \$97 passport, to \$20. In addition, it would require DHS and State to complete a cost-benefit analysis as well as develop a public promotion campaign to inform constituents about the new WHTI regulations.

As the Committee continues to work on the proper implementation of WHTI, we respectively ask that you bring the PACT ACT to the House floor for a vote.

Thank you again Chairman Thompson and Ranking Member King for providing us the opportunity today to share our concerns on behalf of the Northern Border communities throughout the United States.

APPENDIX

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN, COMMITTEE ON
HOMELAND SECURITY

RESPONSES FROM ANN BARRETT

Question 1: What are the anticipated similarities and differences, including security features, between the proposed PASS Card and the NEXUS, SENTRI, and Border Crossing Cards?

Response: The Department of State is developing a Passport Card in response to concerns of the border resident communities for a more portable and less expensive alternative to the traditional passport book. This passport card, designed for use at land and sea ports of entry only will be adjudicated to the same standards as a traditional passport book. It will have the same validity period as a passport book: 10 years for an adult, five for children 15 and younger.

Even though the card is a wallet-sized travel document, which does not offer as many opportunities to embed security features as a passport book, the Department will be using laser engraving and multiple overt and covert state-of-the-art security features to mitigate against the possibility of counterfeiting and forgery. While no document is tamper proof, we are taking every care to ensure that this Passport Card is as secure as current technology permits. To meet the operational needs of DHS at ports-of-entry, the passport card will contain vicinity-read radio frequency identification (RFID) RFID chip will serve to link the card using a manufacturer-generated reference number to a stored record in secure government databases. There will be no personal information written to the RFID chip itself. The Department is taking every measure to address the privacy concerns of American citizens traveling with a Passport Card.

The Department of State will begin producing and issuing the next generation of Border Crossing Cards (BCC) for Mexican citizens in FY 2008 as part of the BCC renewal program and will use the passport card as a model. The new BCC will have different artwork design it as a BCC to distinguish if the passport card but will use the same vicinity Radio Frequency Identification (RFID) technology as the passport card.

The NEXUS and SENTRI cards, issued under trusted traveler program, currently utilize vicinity RFID technology. As is anticipated with the Passport card, the RFID chip in the DHS trusted traveler programs serves to link the card using a manufacturer-generated reference number to a stored record in secure government databases. There is no personal information written to the RFID chip itself DHS is in the process of developing and procuring the next generation of trusted traveler cards which are expected to contain a suite of security features similar to the Passport card to guard against We would refer you to DHS for details on the NEXUS and SENTRI card technologies.

Question 2: What efforts has the Department of State made to ensure Canada is consulted about WHTI implementation?

Response: Both the Departments of State and Homeland security have been and will continue to work closely with Canadian authorities, especially the Canadian Border Services Agency (CBSA), to address their concerns and find mutually acceptable solutions to issues surrounding WHTI implementation. We and DHS participate in a monthly working group with CBSA and maintain frequent contact with various elements of the Canadian government in Ottawa and through their embassy in Washington, DC, to discuss policy and operational issues of WHTI. The provinces of British Columbia, Quebec, Manitoba, and Ontario have expressed an interest in developing an "enhanced" driver's license that will be WHTI-compliant as a solution for Canadian citizens, similar to the "enhanced" driver's license pilot program which DHS is currently conducting with the state of Washington.

Question 3: What efforts has the Department of State made to ensure state and local stakeholders are consulted about WHTI implementation and that deadlines are discussed?

Response: We and DHS that WHTI represents a significant change to travel behavior and are committed to implementing WHTI in a manner that not only enhances our border security but also facilitates legitimate travel. We have and will continue to work aggressively with the stakeholders in the private sector, particularly in the aviation and travel and tourism industries, to inform the traveling public so that they are aware of the new and so that they will be able to apply for their passports in time to comply with the rules. They in turn have been very pro-active in keeping their clientele properly informed of the upcoming deadlines. Through our embassies and consulates in Canada, Mexico, and the Caribbean, our Public Affairs Offices and consular sections work closely with host country media and stakeholders to inform the traveling public, particularly in Canada, of the new requirements. Their efforts were reflected in the unprecedented demand for passports for Canadian citizens so that they could comply with the new air travel requirements.

We and DHS have issued four Notices of Proposed Rule Making since the inception of the WHTI to solicit public comment on various aspects of implementation. We and our colleagues at DHS will continue to work with the private sector stakeholders and congressional delegations to keep the public informed of developments as we move toward implementing the land and sea phase in 2008.

Question 4: How many non-federal employees, including contractors, has the Department of State hired to meet the increased demand for passports? In meeting the increased demand of passports, what are the differences in the costs to the Department of State between the hiring of federal employees and contract employees?

Response: The Department began planning for increased passport demand when Congress passed the Intelligence Reform and Terrorism Prevention Act (IRTPA) in December of 2004. We built capacity to meet projected demand, adding staff, expanding facilities, and enhancing service. We hired over 2,500 employees in Passport Services in less than three years—passport adjudicators, prevention managers, line supervisors, and the contractors who perform critical non-adjudicative functions, such as data entry, book print and quality control, at our passport agencies.

Over the past three years, we have more than doubled our contract staff; as of September 30, we have 1617 In FY 2007 alone, we hired a total of 622 contract personnel. Since April 2007, our contract partners at our call center and book production center has hired 1048 personnel in support of our efforts to provide timely and accurate passport services to American citizens. Attrition takes its toll, so we are virtually always hiring.

The use of contract personnel to perform functions is cost-effective. For FY 2008, total annual compensation including salary and benefits for a typical federal government employee costs the Department approximately \$100,000 and for a typical contract employee approximately \$60,000. Thus we save average of \$40,000 per employee annually exclusive of contract administrative costs.

Question 5: What are the differences in benefits received, if any, between the Department of State employees and contract employees that are working to meet the increased demand for passports?

Response: The major difference is that the contract employer provides the benefits for its employees; the Department of State provides the benefits for its hire government employees. The typical contract employee receives benefits commensurate with those received by Department employees: paid holidays; paid time off; and health and welfare benefits, such as medical, dental, life and disability insurance, or in-lieu-of those benefits. Hourly employees of our current vendor receive the following benefits, which in the aggregate complies with Department of Labor Wage Determination and Service Contract Act requirements.

- Health Insurance, including prescription drug benefit
- Dental Insurance
- Short-Term Disability
- Long-Term Disability
- Other Paid Leave
- Employee Stock Ownership Plan
- 401(k) (matching employer contribution for employees with one or more years of qualified service)
- Flexible Spending Accounts
- Life and Accidental Death and Dismemberment Insurance
- Paid Time Off (PTO)
- Holiday Pay

- State Department Federal Credit Union
- 529 College Savings Plan
- Employee Assistance Plan

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN COMMITTEE ON
HOMELAND SECURITY

RESPONSES FROM ROBERT JACKSTA

Question 1.: What measures is the Department undertaking to address security concerns and to implement WHTI at smaller or less traversed land ports of entry?

Response: The implementation of WHTI will take place at all land border ports of entry, large and small. The only difference between the 39 highest-volume ports, which account for 95% of land border crossings, and the remaining less-traveled ports of entry is that at this time it is anticipated that the smaller ports will not have RFID readers and new License Plate Readers installed. This difference does not affect the overall security of the inspectional process, but is done because the low traffic volumes at the smaller ports allow the Primary Officers to enter document data using either Machine Readable Zone (MRZ) or manual input without compromising safety or security.

All ports currently have MRZ document readers at the primary inspection booth. CBP will train all Officers in the requirements of WHTI, RFID readers and the use of the new primary application, ensuring uniform security and processing at all ports.

Question 2.: Of all land ports of entry, how many will have the technology in place to read and/or scan the proposed PASS Card by spring 2008, the anticipated release date of the card?

Response:

All vehicle land border primary booths currently have the technology to read the Machine Readable Zone included in the Passport Card.

CBP is in the process of awarding a contract for the installation of infrastructure and technology to read vicinity RFID enabled travel documents, such as the Passport Card, in vehicle primary lanes at land borders.

Based upon available funding, vendor proposals, evaluation and contract award, DHS anticipates that by 2008 the technology and infrastructure to read vicinity RFID enabled Passport Cards will be installed at 13 land border ports of entry, encompassing 237 vehicle lanes at 28 separate crossing facilities. This accounts for 65% of the annual land border volume. DHS will upgrade more crossings as expeditiously as possible if funds allow based on contract proposals. The contract will be awarded in September 2007. By Spring 2008 DHS anticipates that technology and infrastructure to read vicinity RFID enabled Passport Cards will be installed at a minimum of three land ports of entry, consisting of separate five land border crossing facilities.

The installation of this RFID technology is in addition to CBP's current capability to manually input the information contained in the proposed Passport Card and to read these cards using Machine Readable Zone technology. All vehicle land border primary booths currently have OCR-B document swipe readers installed that are capable of reading the Machine Readable Zone of passports and other travel documents. This reader will still be available in the booth, since it is needed to read a wide variety of travel documents that utilize OCR-B technology. OCR-B is a technology that will also be available on the proposed Passport Card.

Question 3.: The Department has indicated that it will use RFID technology to read the proposed PASS cards. What measures will the Department implement to address any potential privacy vulnerabilities in the RFID technology?

Response: To mitigate potential privacy vulnerabilities, the most secure implementation of any technology incorporates a layered approach. In this case, individual privacy will be protected through a combination of storing no personal information on the card itself, the use of a protective sleeve, encrypted networks, secure data storage facilities, limited data access and public education.

The vicinity RFID technology proposed for the Passport Card uses a unique number to access data stored elsewhere; no personal identification information (PII) will be stored in the RFID chip itself. The design of the system architecture further protects personal privacy by storing PII data on secure storage devices at secure locations, with access via encrypted networks for display to the CBP Officer on a need to know basis and only in the course of official duties.

In addition, the Department of State (DOS) will issue an attenuating sleeve (or Faraday Cage) with each Passport Card. An attenuating sleeve shields the card to prevent unauthorized reading of the chip. DHS and DOS also propose to educate the public in the proper use and storage of RFID tags.

Question: To meet the increased demand in passports, the Department of State has begun an aggressive campaign to hire additional personnel to process applications. What additional staff does Customs and Border Protection (CBP) anticipate needing to meet any estimated increases in border crossers under WHTI? Will CBP need personnel above statutorily authorized levels?

Response: For FY 2008, the President's budget request included 205 additional Positions and \$252.5 million to implement WHTI at 225 inbound lanes at the top 13 ports of entry by volume. In preparation for the implementation of the Western Hemisphere Travel Initiative (WHTI), and to mitigate any potential surge in the anticipated increase of trusted traveler enrollments, additional CBP Officers will be strategically deployed across trusted traveler enrollment centers and land border field locations in FY 2008.

The deployment of 205 CBP Officers will be focused on current and proposed trusted traveler enrollment centers as well as land border secondary locations where increases in secondary referrals are expected once WHTI is implemented.

Question: How often and what type of training do Customs and Border Protection officers undergo to identify fraudulent travel documents at the ports of entry?

Response: The identification of fraudulent travel documents is a constant element in the training received by a CBP Officer (CBPO), beginning with formal training at the CBP Training Academy and continuing throughout the officer's career.

As part of the Office of Field Operations Pre-Academy Training, new CBPOs are required to complete 16 hours of training in identifying fraudulent documents, detecting impostors, and identifying suspicious behavior. After graduating from the Academy, new Officers are required to receive an additional eight hours of formal training in their immediate post-Academy on-the-job training at their home ports.

Of the many additional courses offered, almost all offer strong elements of fraudulent document identification, some of which are:

- Basic Admissibility Secondary Processing
- Counter-Terrorism Response Rover Training
- Anti-Terrorism Contraband Enforcement Team Training

All formal training material on fraudulent documents is constantly reviewed and updated based on input from the field and from the CBP Fraudulent Document Analysis Unit (FDAU), working in concert with the ICE Forensic Documents Lab (FDL). In 2006 the FDAU examined more than 34,000 fraudulent documents that were confiscated at ports of entry and mail facilities.

Daily musters are held at ports of entry, and new information from the FDAU (and other sources) on fraudulent documentation trends and methods is presented to Officers at these musters. In addition to daily musters many ports also develop their own port-specific training, which can include refresher training on fraudulent document detection.

To further strengthen fraudulent documentation identification at the port level CBP has deployed advanced document examination workstations at 11 major ports of entry. The VSC-5000 workstation contains a comprehensive digital imaging system with an advanced capability for detecting irregularities on altered and counterfeit documents.

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON, COMMITTEE ON HOMELAND SECURITY

RESPONSES FROM PAUL J. KOESSLER

Question 1: With respect to the many existing and new travel document that may be acceptable under WHTI, do you believe federal resources should be invested in making current technology and cards more robust or in facilitating the creation of completely new travel documents?

Response: Current technology and existing cards, particularly drivers' licenses, should be made more robust and secure. Creating new travel documents will only confuse the traveling public.

Question 2.: Do you agree with the cost estimates of WHTI identified in the Notice of Proposed Rulemaking?: If no, please explain you cost estimates.

Response: No, the estimates are far too low. For example, a 25% decline in cross border traffic will reduce the bonding capacity just of the Peace Bridge by \$50 million. there would be a similar impact for all other crossings.

Question 3.: What do you believe will be the immediate and long term economic effects of WHTI on the Buffalo region?

Response: There will be an immediate and long term decline in visitation from Canada to Buffalo seriously affecting the tourism/hospitality sectors, cultural and sports institutions. Further, Buffalo is part of the binational Niagara Falls tourist region attracting visitors from all over the United States. The inability of Americans to visit Canada without a passport will reduce the attractiveness of region resulting in further visitation declines.

Question 4.: How can the Departments of State and Homeland Security Improve their WHTI outreach efforts?

Response: Better market the existing NEXUS program. Promotion of this program is currently non-existent. DHS needs to work together with stakeholders in joint marketing/promotion programs.

QUESTIONS FROM THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN, COMMITTEE ON HOMELAND SECURITY

RESPONSES FROM PAUL ROSENZWEIG

Question 1.: What are the benefits of implementing WHTI in phases, beginning with the transition phase proposed to begin January 31, 2008?

Response: Instituting a travel document requirement at the land and sea ports of entry is a crucial and major change for our border communities and those who cross the land borders frequently. A phased approach allows DHS to meet the coming challenge in a way that balances security and facilitation. It is a sensible and practical approach to this complex and critical security enhancement. DHS proposes to end the practice of accepting oral declarations of citizenship alone at our land and sea ports of entry on January 31, 2008. United States and Canadian citizens will be required to carry a WHTI-compliant document or government-issued photo identification (such as a driver's license) and proof of citizenship (such as a birth certificate). will continue to exercise flexibility in the processing of certain travelers based upon unique and exigent circumstances. will take a phased, deliberate approach to implementation of WHTI. The transition period will ensure that citizens of the United States and Canada will be able to obtain the documents necessary to comply with WHTI. This implementation will provide United States and Canadian citizens sufficient time to become accustomed to these new documentation requirements at our land and sea borders, and time to obtain travel documents, such as a passport, a passport card, to be issued by the Department of State, or an Enhanced Driver's License to be issued by the state departments of motor vehicles. The Department of State has developed an ambitious and aggressive schedule to begin issuing the Passport Card to the public as soon as possible in 2008. In March 2007, DHS and the State of Washington signed a Memorandum of Agreement to commence an EDL project. Washington is on track to issue the first EDL in January, 2008.

Question 2.: What efforts has the Department of Homeland Security taken to ensure the general public is made aware of the various requirements of and acceptable documents for WHTI?

Response: The Department of Homeland Security (DHS) has closely coordinated messaging and public outreach activities with the Department of State to help leverage resources and ensure consistent messaging throughout the implementation of WHTI. DHS spokespersons have participated in hundreds of media interviews, grassroots outreach events, travel and tourism conferences, passport fairs and other educational forums to inform affected travelers and groups about the new requirements. CBP produced and distributed informational tear sheets describing the documentary requirements to travelers arriving at airports. These public education efforts for the air rollout were particularly successful. As a result of close coordination with federal government partners, private sector travel, tourism industry and the air carriers, 99 percent of U.S. citizens and affected international travelers have complied with this new requirement.

During the ongoing land and sea rulemaking process, the agencies continue to take a proactive approach to educating the traveling public, particularly border community residents. This includes promoting Trusted Traveler Program documents as

acceptable and secure WHTI-compliant documents. CBP is procuring a public relations firm to assist in developing a strategic communication plan, and to conduct a multi-faceted campaign for implementation of WHTI in the land and sea environment.

Just as important to the efforts of the United States Government efforts to encourage public adoption of WHTI is the efforts of the Canadian Government to encourage their own citizens to obtain passports. To that end DHS and the administration as a whole are working with the Canadian Government to ensure their close cooperation and understanding of the looming deadlines.

Question 3.: According to the Notice of Proposed Rule Making for WHTI, several Canadian provinces have expressed interest in pursuing pilots that would allow enhanced driver's licenses to be accepted under WHTI. What are the Department's current efforts to accept enhanced driver's licenses, including enhanced Canadian driver's licenses, under WHTI?

Response: DHS has extensive efforts underway to support States in developing enhanced drivers licenses (EDL) that would be accepted under WHTI. In March 2007, DHS and the State of Washington signed a Memorandum of Agreement to commence an EDL project. Washington is on track to issue the first EDL in January 2008.

Several other States, including Texas, Arizona, New York, Michigan, Vermont and California, have expressed interest in developing similar projects. In August, 2007, Vermont and Arizona committed to producing issuing joint press releases with DHS. The Washington, Arizona and Vermont EDL projects provide an example for other States as to the process and the partnership DHS offers. DHS has provided key documents from the Washington State project to interested States and gone over those documents at great detail to ensure States are clear on the requirements.

DHS has met extensively with its Canadian counterparts and with provincial leaders regarding documenting Canadian citizens for WHTI implementation. Canadian Border Services Administration has met with all of the provinces to gauge their interest in Enhanced Driver's Licenses. British Columbia has a draft business plan regarding Enhanced Driver's Licenses. DHS has reviewed and commented on the plan and will continue to meet with both CBSA and the Provinces. Ontario is also moving forward on its project.

Question 4.: In the Notice of Proposed Rule Making for WHTI, the Department estimates the government costs of implementation to be roughly \$100 million annually. What do the government costs include and what part of the \$100 million does each cost make up?

Response: WHTI requires that approved travel documents be carried and produced at all ports of entry to provide information to verify the identity and citizenship of all travelers seeking to enter the United States. In order to implement this mandated requirement efficiently and effectively, which means to minimize wait time at the border and facilitate individual processing at vehicle primary, it is necessary to upgrade the technical tools available to the CBP Officers to process all travelers. The enhancements to the land border management system include advanced information and a person-centric Vehicle Primary Client application via the use of vicinity RFID technology. Vicinity RFID technology will access keys encrypted in WID-enabled documents to extract traveler information from secure databases and pre-position the data for the CBP Officers. The costs to CBP of fully implementing WID-enabled infrastructure can be classified into three broad categories: facility construction, information technology, and personnel.

Facility Construction

- Install or upgrade physical infrastructure to allow RFID readers and workstations to be installed in vehicle lanes
- CBP estimates that \$95.1 million of the \$252 million, as requested in the President's 2008 budget, will install/upgrade infrastructure in 297 lanes.
- Information Technology
- Install or upgrade RFID technology to process passport cards
- Develop common Vehicle Primary Client application for all land ports-of-entry
- CBP estimates that \$78.7 million of the \$252 million, requested in the President's 2008 budget, will install/upgrade RFID technology in 297 lanes.
- CBP estimates that \$22.5 million of the \$252 million, requested in the President's 2008 budget, will deploy the Vehicle Primary Processing application.

Personnel

- Hire new CBP Officers for anticipated increase in secondary inspections
- Train and support CBP Officers in use of new technology
- Manage budgets and oversee contracts

- CBP estimates that \$23.7 million of the \$252 million, requested in the President's 2008 budget, will hire 205 personnel.

CBP estimates that \$32.5 million of the \$252 million requested in the President's 2008 budget will provide Program Management (PMO) oversight to establish the framework necessary to manage this major investment initiative following standard program management protocols. The PMO costs include contractor support, systems support (security, help desk, etc.), communications and a major public relations campaign.

Question: In light of concerns about child abductions across our borders, what is the Department of Homeland Security proposing to ensure children are being transported across the border with parental consent?

Response: DHS takes the issue of child abduction very seriously and has procedures in place for CBP officers to follow where they suspect a child is entering or departing the United States under duress. CBP plays an important role in protecting children at our borders through the AMBER Alert system, work with "Missing and Exploited Children's" organizations, and screening of adults traveling with children through our ports of entry. Single parents and others traveling with children have certain documentary requirements to satisfy officers of an adult's right to be traveling with that child across the border. Documentary requirements are outlined on CBP.gov. Although presentation of written parental consent for children entering the United States is being considered, CBP has numerous concerns surrounding the integrity associated with a hand-written letter, as well as the ability of CBP to authenticate and enforce it. CBP does not have separate policies or procedures regarding the examination and inspection of children at this time. However, CBP scrutinizes very closely adults traveling with children to determine that a legitimate adult-child relationship exists and that the child is a bona fide applicant to the United States and not endangered in any way. It is anticipated that once the true benefits of facilitation are realized, children will possess facilitative WHTI-compliant documents. The biographic information recorded under WHTI will supplement existing, proven enforcement efforts to detect and prevent the unlawful transportation into the United States of abducted or trafficked children.

