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FREQUENT TRAVELER PROGRAMS: BALANCING SECURITY AND COMMERCE AT OUR LAND BORDERS

HEARING

BEFORE THE

SUBCOMMITTEE ON BORDER, MARITIME, AND GLOBAL COUNTERTERRORISM

OF THE

COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

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FREQUENT TRAVELER PROGRAMS: BALANCING SECURITY AND COMMERCE AT OUR LAND BORDERS

Thursday, July 26, 2007

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON BORDER, MARITIME,
AND GLOBAL COUNTERTERRORISM,
Washington, DC.

The subcommittee met, pursuant to call, at 2:08 p.m., in room 311, Cannon House Office Building, Hon. Loretta Sanchez [chairwoman of the subcommittee] presiding.

Present: Representatives Sanchez, Cuellar, Souder, and Reichert.

Ms. SANCHEZ. The subcommittee will come to order. And the subcommittee is meeting today to receive testimony on Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders.

Good afternoon. I want to thank all of our witnesses for being here today for the subcommittee hearing on Frequent Travel Programs: Balancing Security and Commerce at our Land Borders. We appreciate the witnesses' time and the insights that they are going to provide on this important topic.

You know, I know that it takes time for witnesses to prepare to be before our committee, and specifically I understand that the Department of Homeland Security has requested that their witnesses be invited 2 weeks in advance. This committee has worked hard to conscientiously provide 2 weeks' advance notice. And in that vein, I would hope that the Department would be more conscientious with complying with our requests that the witnesses' testimony be submitted 48 hours before this hearing. In this particular case we received it last night. And that makes it very difficult to prepare to be able to ask questions, probing questions, difficult questions, the type of questions we like to ask the witnesses. So I look forward to the Department's renewed commitment to comply with our 48-hour rule.

Today's hearing is our subcommittee's eighth hearing specifically focused on border issues. And in the past we have reviewed many of the border security initiatives at Customs and Border Protection. Today we turn to the frequent traveler programs that impact both our Nation's security and the free flow of commerce.

Customs and Border Protection currently operates three frequent travel border crossing programs: NEXUS, which is a binational program with Canada for people traveling between the U.S. and

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Canada via air, land, or private boat for business or pleasure; we have SENTRI, which is a unilateral initiative for pedestrians and noncommercial vehicle travelers crossing into the U.S. across the southwestern border; and FAST, a binational program with Canada for cargo shipments at specific locations on the northern border; and it is also accepted in conjunction with Mexico's Express program along the southern border. These programs are designed to allow preapproved, low-risk travelers or shipments to receive expedited processing at certain border crossings.

And today I am interested in examining the security implications of these programs and the effect they have on commerce, particularly to our border regions. I would also like to gain a better understanding of how Customs and Border Protection administers these various programs, and to discuss whether it makes sense to keep these programs separate.

In addition, the Western Hemisphere Travel Initiative is a huge initiative at our Nation's borders, with implications that will affect both security and commerce. So I would like to have a discussion about how these frequent traveler programs can integrate with the Western Hemisphere Travel Initiative to reduce the potential disruptions to people who are crossing our Nation's borders.

I would like to thank my Ranking Member for his interest in these trusted traveler programs, and I look forward to working with him on these important issues. And I now recognize the gentleman from Indiana for his opening statement.

Mr. SOUDER. Thank you, Madam Chair, and I appreciate it. And these hearings are steady and information-based, fact-based, putting together a real serious study rather than just a lot of the rhetoric that we often hear. You, in, fact have taken the leadership here in this committee to make sure we have a solid foundational understanding.

CBP processes an average of 1.2 million travelers at a port of entry every day. It is an amazing number. There is no doubt that determining who should and who should not enter is a significant challenge. In 2005, 84,000 individuals were apprehended at the border with either a false claim of citizenship or for using fraudulent documents.

Mr. Jacksta has testified earlier this year that CBP intercepts over 200 fraudulent documents every day. I have been studying the border for over a decade, and believe this is just the tip of the problem. There are likely hundreds more that we never intercept.

It is in this context I would like to examine the trusted traveler program today. I understand and support the facilitation aspects of these programs. However, my primary focus will be on what security measures are in place in these programs, as well as the border crossing card, which is also a trusted traveler program used by the Department of State, but used at the land borders.

In fiscal year 2006, CBP seized 16,828 fraudulent border crossing cards. So far in 2007, CBP has received 12,905. Of all these seizures, 95 percent are cards that are used by imposters. The person holding the card is not the person it was issued to. We don't scan or read the vast majority of these cards, and the fraudulent use is likely significantly greater than these statistics represent. Under this program, millions of Mexican nationals are able to travel into

the U.S. for up to 30 days, and are supposed to remain within 25 miles of the border in New Mexico and Texas, and 75μmiles in Arizona.

In addition to the imposter issue, we have no idea how many of these cardholders stay within the parameters of the program. I look forward to hearing what CBP is doing to address this issue. Basically, very similar to visa overstays.

On the second panel, I would like to welcome Thomas Gann from Digimarc, a secure document company, that will offer testimony on some of the best practices for protected documents, and how to use them in a secure border management program. Digimarc has extensive experience in developing secure driver's licenses. Given the debate on whether or not enhanced driver's licenses should be used as part of the Western Hemisphere Travel Initiative, I am especially interested in his testimony, and would like to express my appreciation for Tom's participation today. This is also very important for the Canadians, who are asking how to make their provincial licenses compliant and looking for guidance on this.

I thank the Madam Chairlady, and I yield back the remainder of my time.

[The Statement of Mr. Souder follows:]

PREPARED OPENING STATEMENT OF THE HONORABLE MARK SOUDER, RANKING MEMBER, SUBCOMMITTEE ON BORDER, MARITIME, AND GLOBAL COUNTERTERRORISM

Thank you Madame Chair.

CBP processes an average of 1.2 million travelers at a port of entry every day. It is an amazing number and there is no doubt that determining who should and should not enter is a significant challenge. In 2005, 84,000 individuals were apprehended at the border with either a false claim of citizenship or for using fraudulent documents. Mr. Jacksta testified last year that CBP intercepts over 200 fraudulent documents every day. I have been studying the border for over a decade and believe that this is just the tip of the problem and there are likely hundreds more that we never intercept.

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Thank you and I yield back the remainder of my time.

Ms. SANCHEZ. I thank my Ranking Member.

And I will remind the other members of the subcommittee—since there are so many here—that under committee rules, opening statements may be submitted for the record.

Thank you, Mr. Cuellar, for being with us today. I appreciate that. I think these topics are incredibly important. So we will have to do something about where all these members are.

I welcome our first witness. Welcome Mr. Robert Jacksta, Executive Director for Traveler Security and Facilitation at Customs and Border Protection. And in that capacity, he is responsible for developing and implementing policies, programs, and initiatives to ensure border security, while facilitating low-risk travelers through the border at our land, sea, and airport ports of entry. Among those responsibilities are CBP's trusted traveler programs NEXUS, SENTRI, and FAST.

And, without objection, we will submit your full statement to the record, and I will ask you to summarize that statement or tell us whatever you think we should know. Welcome. In 5 minutes. Did I tell you that? In 5 minutes.

STATEMENT OF ROBERT M. JACKSTA, EXECUTIVE DIRECTOR, TRAVELER SECURITY AND FACILITATION, OFFICE OF FIELD OPERATIONS, U.S. CUSTOMS AND BORDER PROTECTION

Mr. JACKSTA. In 5 minutes, yes. You told me.

Good afternoon, Chairwoman Sanchez, Ranking Member Souder, and distinguished members. I am pleased to be here today to outline the steps the Department of Homeland Security has taken to provide security and facilitate processing of travelers and cargo through our land ports of entry.

I would like to begin also by apologizing for getting the written statement up here late. We have to take care of that. Specifically, what I would like to talk today about is the trusted traveler programs, and specifically how U.S. Customs and Border Protection is moving forward with the trusted traveler programs on the southern border, which we call SENTRI; on the northern border the NEXUS program; and then the Free and Secure Trade, FAST program, for commercial travelers on both the northern and southern border.

CBP employs highly trained and professional personnel, resources, and law enforcement authorities to discharge our priority mission of preventing terrorist and terrorist weapons from entering the United States. This is an enormous challenge. We have over 7,000μmiles of shared borders with Canada and Mexico. We have 327 official ports of entry. And each day CBP officers must inspect more than 1.1 million travelers and pedestrians. However, despite this challenging enforcement reality, CBP has made great strides toward securing our Nation's borders, while facilitating legitimate trade and travel.

CBP's trusted traveler programs are a critical component of our late enforcement strategy, and help facilitate the crossing of low-risk travelers and commercial truck drivers at the land borders through exclusive dedicated lanes. Average inspection times at CBP's trusted travel lanes are reduced by up to 30μseconds per traveler.

To achieve low-risk status, program members, of which we currently have close to 340,000 members, must submit to intensive background checks against law enforcement and terrorist databases, personal interviews by our CBP officers, and collection of biometrics; and then they must provide proof of citizenship and

other identity documentation. Applicants will not be granted trusted traveler privileges if they fail to satisfy the requirements as outlined above. Furthermore, members found in violation of these requirements are subject to revocation of their trusted traveler privileges. Travelers who have been denied entry to or removed from the program are still permitted to make entry into the United States. They simply are not allowed to use the dedicated trusted traveler lanes that we have in place.

It should be noted that every traveler, whether in a trusted traveler program or not, is subject to full inspection upon entry to the United States. However, assigning low-risk status to trusted travelers enables CBP to better focus our time and resources to unknown and higher-risk travelers. In addition to being subject to both full and random inspections, CBP officers perform a complete database check of all trusted travelers every 24 hours and upon each trusted traveler's entry into the United States.

Each of our trusted traveler programs were created prior to the creation of DHS. The SENTRI program was established in 1995, the NEXUS program in 1999, and the FAST program in 2002. CBP has since centralized the biographic membership information for all of the trusted traveler programs. The centralized database SENTRI and NEXUS is known as the Global Enrollment System, GES. FAST drivers' information is in a separate centralized database; however, we have developed a plan to also merge it into our Global Enrollment System.

The centralized database has allowed CBP to network the program locations into a single process. Accordingly, as of last year, members can now use their cards at any trusted traveler location enabling crossing. For instance, on the northern border, NEXUS members in Detroit can now use their card in Buffalo. And on the southwest border, SENTRI members in San Ysidro can now use their cards in Laredo.

The Global Enrollment System has also allowed CBP to centralize the law enforcement vetting process in Vermont, creating a significantly more efficient and consistent vetting process.

On November 1, 2006, an online application process for SENTRI applications became available, with online NEXUS applications becoming available in the next few weeks. With this online process, applicants may register and input their application electronically, and their information is sent correctly to CBP. Notification messages are returned electronically, and applicants can also check their status via their online application.

CBP has also changed the renewal period for SENTRI from 2 years to 5 years, thereby harmonizing the renewal period with the NEXUS and FAST programs. CBP has also instituted a review process to ensure we are maximizing the security and facilitation of the program. All of these efforts have helped secure the borders by providing better facilitation for low-risk travelers, and increasing security where we need to interview individuals for a longer period of time.

Regarding the protection of data and privacy of the travelers, CBP has strict penalties in place to make sure that any improper disclosure of information is taken seriously and action taken imme-

diately. In addition, privacy impact assessments and system of record notices have been published.

Madam Chairwoman, members of the subcommittee, I have outlined the trusted traveler program for our borders, and with your committee's support we will help DHS continue to protect Americans from terrorist threats while fulfilling our other important traditional missions.

Thank you again for this opportunity to testify. I am ready to address any issues that you may have today.

Ms. SANCHEZ. I thank the gentleman for his testimony.

[The statement of Mr. Jacksta follows:]

PREPARED STATEMENT OF ROBERT M. JACKSTA

Good morning, Chairwoman Sanchez, Ranking Member Souder, and distinguished Members of the Subcommittee. I am pleased to be here today to outline the steps that the Department of Homeland Security (DHS) has taken to provide secure and facilitated processing of travelers and cargo through our land ports of entry. Specifically, I would like to discuss how the "trusted traveler" programs operated by U.S. Customs and Border Protection (CBP)—including the Secure Electronic Network for Travelers Rapid Inspection (SENTRI), Free and Secure Trade (FAST), and NEXUS programs—provide for both increased security and facilitation at our land ports of entry.

As America's frontline border agency, CBP employs highly trained and professional personnel, resources, and law enforcement authorities to discharge our priority mission of preventing terrorists and terrorist weapons from entering the United States. This is an enormous challenge. We have over 7,000 miles of shared borders with Canada and Mexico and 327 official ports of entry, and each day CBP officers must inspect more than 1.2 million passengers and pedestrians. Despite this challenging enforcement reality, CBP has made great strides toward securing America's borders while facilitating legitimate trade and travel and ensuring the vitality of our economy.

With such a tremendous volume of passengers and pedestrians crossing our borders each day, seconds are of critical importance. An average processing time can take up to 30 seconds, which at first glance may seem insignificant. However, when you multiply that by many thousands, you are left with long delays at our ports of entry and reduced time for our officers to properly perform their duties. CBP's trusted traveler programs are a critical component of our layered enforcement strategy and help facilitate the crossing of low-risk travelers and commercial truck drivers at the land borders through exclusive, dedicated lanes. Average inspection times are reduced from up to 30 seconds to an average of six to eight seconds.

To achieve low-risk status, program members—of which we currently have over 340,000—must submit to intensive background checks against law enforcement and terrorist databases, personal interviews, and the collection of biometrics, and they must provide proof of citizenship and other identity documentation. Applicants will not be granted trusted traveler privileges if they fail to satisfy the requirements as outlined above. Furthermore, members found in violation of these requirements are subject to revocation of their trusted traveler privileges. Travelers who have been denied entry to, or removed from, the program are still permitted to make entry into the United States; they are simply no longer able to use the dedicated trusted traveler lanes to do so.

It should be noted that every traveler—whether in a trusted traveler program or not—is subject to full inspection upon entry to the United States; however, assigning low-risk status to trusted travelers enables CBP to better focus its time and resources on unknown and higher-risk travelers. In addition to being subject to both full and random inspections, CBP performs a complete database check every 24 hours and upon each trusted traveler's entry into the U.S.

An approved applicant is issued a Radio Frequency Identification (RFID)-enabled card and, in the SENTRI and FAST programs, an accompanying vehicle transponder, which CBP officers are able to read in a matter of seconds upon a traveler's arrival at a port of entry. To ensure the privacy and security of a member's data, all of the personal information is stored securely in IDENT, the Department's biometric database, which is managed by US–VISIT. No personal information is stored on the card, which instead contains only a file number that is transmitted via the RFID reader to CBP's secure database. This is the same technological approach that

DHS and the Department of State have proposed as part of the recently published Notice of Proposed Rulemaking for the Western Hemisphere Travel Initiative (WHTI), and it will enable CBP to process legitimate travelers more quickly, while maintaining the necessary level of security. Furthermore, under WHTI, all three trusted traveler cards will be considered WHTI compliant and will be accepted from U.S. Citizens and Canadians as border crossing documents at all Ports of Entry.

Enrollment into one of the programs is a two-step process. A written application is filled out and submitted to CBP for biographical background vetting. Database queries are performed against several law enforcement, intelligence, customs, immigration, and terrorist indices. If an applicant passes this stage of review, he or she is asked to schedule an in-person interview with a CBP officer at a local Enrollment Center. At the Enrollment Center the applicant will be fingerprinted, have his or her travel and identity documents verified, and be interviewed by a CBP officer to confirm his or her low-risk status. Enrollment Centers are located throughout the country at land border and air ports of entry and in some urban centers such as Seattle and Vancouver.

Each of our trusted traveler programs was created prior to the creation of DHS—the SENTRI program in 1995, the NEXUS program in 1999, and the FAST program in 2002. The programs were created disparately, and since a traveler's information was maintained on the database at a specific port of entry, a traveler might be registered in Detroit, but could not use his or her privileges at another location. CBP has taken significant steps in the past years to harmonize all the trusted traveler programs.

CBP has centralized the biographic membership information for the NEXUS and SENTRI programs into a centralized database known as the Global Enrollment System (GES). FAST driver information is in a separate centralized database; however, we are in the process of developing a plan to also merge it into GES. As of last year, members can use their cards nationwide within their respective trusted-traveler programs. For instance, on the Northern border, NEXUS members in Detroit can now use their cards in Buffalo, and on the Southwest border, SENTRI members in San Ysidro can now use their cards in Laredo. A centralized GES database has also allowed CBP to centralize the vetting process in Williston, Vermont, thereby creating a significantly more efficient and consistent vetting process.

An on-line application for SENTRI applicants became available on November 1, 2006, and an online application for NEXUS applicants likewise became available in late summer 2007. With on-line processing, applicants may register and input their applications electronically, and their information is sent directly to the CBP Centralized Vetting Center in Vermont. Notification messages are returned electronically, and applicants can also check the status of their applications via their on-line account.

The GES has also facilitated consolidating application data requirements across the programs, standardized the risk assessment processes for the programs, and offered better services to the public. CBP has also recently changed the renewal period for SENTRI from 2 years to 5 years, thereby harmonizing the renewal period with the NEXUS and FAST programs.

CBP has instituted a review process to ensure that we are maximizing the security and facilitation benefits of our trusted traveler programs. This process includes yearly site visits to designated program ports of entry and Enrollment Centers to review both the application processing and the inspection process. We have also developed program accountability measures under the CBP Securing America's Borders at Ports of Entry Initiative. These measures include: reduced processing times at NEXUS and SENTRI designated lanes, increased number of program participants, and increased compliance rates of program participants.

All of these efforts—developing an online, paperless application process; centralizing membership information; consolidating application data requirements across the programs; and standardizing the risk assessment processes for the programs have resulted in enrollment and participation into our trusted traveler programs being more convenient and secure than ever.

I would like to take this opportunity to address each of these programs in additional detail.

NEXUS

NEXUS is a binational program with Canada, developed in 1999 under the Shared Border Accord, and is available for people traveling between the United States and Canada via land, air, or private boat. Although originally developed as separate programs, in December 2006, CBP and the Canada Border Services Agency (CBSA) commenced the process of merging the NEXUS Land, Air, and Marine into a single program, with one card, one application, and one vetting process. The inte-

gration was completed in January 2007. The application process usually takes 4—6 weeks, and CBP closely monitors this process to maximize efficiency while ensuring that the necessary security protocols are in place.

ENROLLMENT, LOCATIONS, AND FEES
Members: approximately 133,000
Enrollment Fee: $50 U.S./$80 Canadian, split between U.S. and Canada
Enrollment Period: Five Years

Current NEXUS Land Locations
(11 locations; 15 lanes)

Blaine, WA (Pacific Highway) (1)
Blaine, WA (Peace Arch) (1)
Blaine, WA (Point Roberts) (1)
Buffalo, NY (Peace Bridge) (2)
Buffalo, NY, (Rainbow Bridge) (1)
Buffalo, NY (Whirlpool Bridge) (2)
Champlain, NY (1)
Detroit, MI (Ambassador Bridge) (2)
Detroit, MI (Tunnel) (2)
Highgate Springs, VT (1)
Port Huron, MI (1)

Current NEXUS Enrollment Centers

Blaine, WA
Champlain, NY
Detroit, MI
Fort Erie, Canada
Montreal, Canada
Ottawa, Canada
Port Huron, MI
Seattle, WA
Toronto, Canada
Vancouver, Canada (2)
Warroad, MN

Pending NEXUS Enrollment Centers
(Available by August 2008)

Alexandria Bay, NY
Calais, ME
Houlton, ME
International Falls, MN
Pembina, ND
Sault Ste. Marie, MI
Sweetgrass, MT

Urban Enrollment Centers

Seattle, WA*
Vancouver, Canada*

*pilot sites

SENTRI

The Secure Electronic Network for Travelers Rapid Inspection: (SENTRI) program began in 1995 and is available for pedestrians and non-commercial vehicle travelers at select locations along the Southwest border (currently operational at the nine largest Southwest border crossings, with a total of 15 dedicated lanes). As with the NEXUS program, the application process usually takes 4—6 weeks, and CBP closely monitors this process to maximize efficiency while ensuring that the necessary security protocols are in place.

ENROLLMENT, LOCATIONS, AND FEES
Members: approximately 129,000
Enrollment Fee: $129 per person
Enrollment Period: Five Years

Current SENTRI Locations
(9 Locations; 15 lanes)

Brownsville, TX (Veteran's Bridge) (1)
Calexico, CA (1)
El Paso, TX (Stanton Street) (3)
El Paso, TX (Ysleta) (2)
Hidalgo, TX (1)
Laredo, TX (Lincoln Juarez) (1)
Nogales, AZ (Deconcini) (1)
Otay Mesa, CA (1)
San Ysidro, CA (4).

Current SENTRI Enrollment Centers

Brownsville, TX
Calexico, CA
El Paso, TX
Hidalgo, TX
Laredo, TX
Nogales, AZ
Otay Mesa, CA

FAST

The Free and Secure Trade (FAST) program began in 2002 and is a binational program for pre-approved, low-risk, commercial cargo shipments at designated locations on the Northern and Southern land borders. Trucks using FAST lanes are provided expedited processing of qualifying merchandise. To achieve this preferred status, members of FAST must also be a U.S. Customs–Trade Partnership Against Terrorism (C–TPAT) approved carrier, carry qualifying goods from a C–TPAT approved importer, and the driver must be in the possession of a valid FAST Commercial Driver Card.

Along with CBP, the CBSA jointly administers FAST on the Northern border. CBSA and CBP perform individual background checks on FAST Commercial Driver applicants and conduct joint interviews at ten shared facilities. FAST enrollment is also offered at several Alaska ports upon request and via a portable Enrollment Center used for enrollment fairs. Both the U.S. and Canada must agree to admit a driver to Northern border FAST, since both countries have FAST dedicated lanes with similar benefits

The Mexican government accepts U.S.-issued FAST cards in its counterpart program, "Expres", and supports FAST by monitoring and enforcing exclusive use of FAST dedicated lanes by qualifying shippers, but otherwise it does not participate in the program. FAST cards approved at either the Southern or Northern border are valid for entry into the U.S. At present, processing of FAST applications requires approximately 6 weeks.

ENROLLMENT, LOCATIONS, AND FEES: FAST

Members: approximately 87,000 drivers and over 1,600 commercial carriers
Enrollment Fee: $50 U.S. or $80 Canadian, fee split between U.S. and Canada
Enrollment Period: Five Years

Current FAST Locations

(28 Locations).

Northern Border

Alexandria Bay, New York
Blaine, Washington *
Buffalo, New York
Champlain, New York *
Derby Line, Vermont
Detroit, Michigan *
Highgate Springs, Vermont
Houlton, Maine
Massena, New York
Ogdensburg, New York
Oroville, New York
Pembina, North Dakota
Port Huron, Michigan *
Portal, North Dakota
Sault Ste. Marie, Michigan
Sweetgrass, Montana

Southwest Border

Brownsville, Texas *
Calexico, California *
Del Rio, Texas
Douglas, Arizona
Eagle Pass, Texas
El Paso, Texas *
Laredo, Texas *
Nogales, Arizona *
Otay Mesa, California *
Pharr, Texas *
Rio Grande, Texas
San Luis, Arizona
Santa Teresa, New Mexico *
Tecate, California

* Indicates dedicated FAST lane

Current FAST Enrollment Centers

Northern Border

Blaine, WA
Buffalo, NY
Champlain, NY
Derby Line, VT
Detroit, MI
Houlton, ME
Pembina, ND
Port Huron, MI
Portal, ND
Sweetgrass MT.

Southwest Border

Brownsville, TX
Calexico, CA
El Paso, TX
Hidalgo, TX
Laredo, TX
Nogales, AZ
Otay Mesa, CA

Madame Chairwoman, Members of the Subcommittee, I have outlined an assortment of programs and initiatives today that, with your assistance, will help DHS continue to protect America from terrorist threats while fulfilling our other important traditional missions. But our work is not complete. With the continued support

of the Congress, DHS will succeed in meeting the challenges posed by the ongoing terrorist threat and the need to facilitate ever-increasing numbers of legitimate shipments and travelers. Thank you again for this opportunity to testify. I will be happy to answer any questions you may have.

Ms. SANCHEZ. I will remind each of the members that he or she will have 5 minutes to question the witness, and I will begin the process.

When I was reviewing your testimony, I noticed that for a U.S. citizen, the enrollment fee for the NEXUS program on the Canadian border is $50; but for SENTRI, which is used for frequent travel across the Mexican border, the enrollment fee is $129. Why is there a difference in the enrollment fee?

Mr. JACKSTA. OK. When we moved forward with the NEXUS program back in 1995, we took a look and did a cost analysis of the program, and we determined that $129 was the most appropriate fee for the travelers that were going to be using the program. This would allow us to get the proper equipment as well as to make sure that we would have additional personnel during the interview process.

On the SENTRI side of the house, we have additional security checks put into place, where we actually require that the vehicle be checked by our CBP officers in addition to just the individual. So only specific vehicles are allowed to use the SENTRI lanes on the southern border.

On the northern border, when we were taking a look at moving forward with the trusted traveler program there—it is a joint program with the Canadians—and working with the Canadians, the decision was made to have a program to sell to the individuals on the northern border. And to work together with the Canadians, the $50 fee would be the most appropriate fee for us to ensure that we would have enough people to enroll in the program and also to address some of our requirements to put the equipment out there, and resources.

Ms. SANCHEZ. So are you saying that with the one at the northern border with Canada, you have U.S. citizens who use the program, and then you have Canadian citizens who use the same program; or you have U.S. citizens who live in Canada who use the program, and because you have both countries participating in that manner you have decided to keep the fee lower?

Mr. JACKSTA. Yes. It is a joint program with the Canadians, where the——

Ms. SANCHEZ. Do their citizens use it or our citizens?

Mr. JACKSTA. It is a joint program with the Canadians, where both Canadian citizens and U.S. citizens, as well as——

Ms. SANCHEZ. Use the same program.

Mr. JACKSTA. —and lawful permanent residents for both the United States and Canada can utilize the program.

Ms. SANCHEZ. With our Mexican neighbor, it is only U.S. citizens who use the program.

Mr. JACKSTA. No. Mexican citizens can also enroll in the program. Mexican citizens and U.S. citizens and lawful permanent residents.

Ms. SANCHEZ. But you don't consider it a joint program?

Mr. JACKSTA. It is not a joint program with the Mexicans. The Mexicans do not have a process in place where people who present SENTRI cards can go through specific lanes and receive trusted traveler privileges.

Ms. SANCHEZ. To enter their country.

Mr. JACKSTA. To enter their country. On the northern border area, the Canadians, at the same time that a person is applying to the United States, they are also applying to the Canadians. The Canadians also do a vetting of the individuals through their law enforcement databases. They do an interview process. And they also work with us to issue the card to the individual. On the Mexican side, we currently do not have that process in place.

Ms. SANCHEZ. OK. Well, I go to the Mexican border a lot, and usually when I go through California and I go through San Ysidro, Tecate, I am just swiped through. So when you say that the Mexicans don't really have a program, they don't really have a program, they just swipe you through most of the time. Once in a while they make you press the button and it turns up red and they take you to secondary. But most of the time you are just going through.

So you are telling me it costs more for us to have our own program than it costs when the Canadians are actually doing something? I mean, I am trying to figure out why the cost differential.

Mr. JACKSTA. The cost differential is that for the southern border, because of a higher threat for illegal immigration, as well as for narcotics, we do a little bit more during the interview process. We also validate that the vehicle—the vehicle has to be enrolled in the program, while up on the northern border you do not. So our officers have to do a check of the vehicle, and as a result of those efforts, the daily costs are——

Ms. SANCHEZ. Higher.

Mr. JACKSTA. —higher than the northern border.

Ms. SANCHEZ. But you also said you do a more detailed interview for the person applying at the Mexican border.

Mr. JACKSTA. Well, we need to make sure that individuals that are coming across the border, that when they are requesting an application to participate in the program, that they have—there is clear indication that the individuals will be going back once they get these cards.

Ms. SANCHEZ. But you don't do that for Canadians or for people who live in Canada?

Mr. JACKSTA. We do an interview check for the Canadians. It is not as——

Ms. SANCHEZ. Why isn't it as thorough from Canada?

Mr. JACKSTA. Well, there is clearly a higher threat for us on the southern border than the northern border regarding illegal immigration and narcotics smuggling. And therefore, we want to make sure that individuals who are in the programs are fully vetted, and ensure that there is no threat that these individuals may use their vehicle in the future for narcotics smuggling or for possibly illegal immigration reasons. So when we enroll these people we want to make sure that anyone, whether it is a northern border or southern border, that they have the proper identification and their citizenship is identified. But on the southern border we do a little bit

more of a check of the vehicle to ensure those types of issues are addressed regarding narcotics smuggling.

Ms. SANCHEZ. We don't have——I mean I am just amazed that it is different, because I think we have just as much of a potential threat coming from Canada of terrorists or people who are smuggling drugs. And I think the more this committee works and the Department works on getting a handle on the southern border in particular, we are going to have more people coming in from Canada. I mean, the weakest link of the whole chain is where I as a terrorist would enter, or as a drug smuggler would enter.

So, you know, maybe we have to on a staff-by-staff level review what is going on there. But it doesn't sound good to me to hear you do less of a review from people coming in from Canada than you do for people coming in from the southern border.

Mr. JACKSTA. I want to make sure that we understand that when we say less of a review, we do the same type of vetting through our law enforcement databases. That is why we have the Vermont vetting center. Every applicant, whether it is on the NEXUS border—on the northern border or on the southern border, we ensure they are fully vetted through our process. Each applicant we receive fingerprints for the southern border and the northern border, NEXUS and SENTRI. In addition to that, on the southern border we do do an inspection of the vehicle. And we ensure that the vehicle does not have any compartments or it could be utilized for smuggling goods across the United States

Ms. SANCHEZ. But you feel comfortable in having to do more at the southern than having to do—what if we do a good job and start to really plug up the southern border? Are you going to do more on the northern border?

Mr. JACKSTA. Well, the vehicle is not currently inspected as part of the program.

Ms. SANCHEZ. Why is that?

Mr. JACKSTA. Because of the southern border threat regarding narcotics smuggling.

Ms. SANCHEZ. But there is narcotics smuggling coming in from Canada.

Mr. JACKSTA. Yes, there is.

Ms. SANCHEZ. But it is not a threat?

Mr. JACKSTA. No, it is a threat. It is a higher threat on the southern border.

Ms. SANCHEZ. It is a higher threat on the southern border. OK. I see that my time is up. I am going to go to my Ranking Member for 5 minutes. Mr. Souder.

Mr. SOUDER. I have some other questions, and I don't want to prolong your agony too long on this question. But it jumped out at me, too, and I quite frankly don't know how I didn't understand, in all my visits, that it is almost 2–1/2 times as much cost. I know part of it is, quite frankly, President Calderon is trying to improve the vetting of the law enforcement officials on the Mexican side. But the IBETs and the RCMP and the provincial governments as a whole do more screening in the overall system. And that leads to slightly different risk assessments in law enforcement cooperation.

But there are some questions I have with that. And that is that in the north border, under the scenario that you just said, to be blunt, it should be $129 at the Vancouver, Washington, crossing and $50 at the rest, because there is not a lower threat of narcotics coming across at British Columbia than there is on the south border in, say, certain parts of it.

Now, there are parts of the south border that are a higher threat, but right now the BC bud that is pouring through and the meth stuff that is pouring through in Vancouver—and part of the question I would have, I don't really want to ask that question here, because I have some others, but one that I am going to be asking as a follow-up and want to talk to the Department about is at what point do you make adjustments. If the cost is related to risk, at what point do we start checking vehicles?

And in fact I saw at the Ambassador Bridge, them nail two brand-new SUVs coming with compartments loaded on both sides. Two had just gotten through, and fortunately an alert CBP person said, I just saw a guy with the same kind of identification and vehicle go blowing through over here. Why don't we nab this one? And they found the compartments. And then another one is coming through, and they realized they missed two and got two. So it is a matter of degree here.

And the Canadians are getting better at prescreening on their side, and their licenses are better prescreened, but there are—your figures from your Department are that the watch list catches are 3—to 400 percent higher on the north border. That is, quite frankly, because RCMP is doing a good job in helping us identify and work with that.

But the fact is, the terrorism risk is higher right now at the north border, to some degree, at least based on what we are catching, and because of the huge Arab American and Arab Canadian communities within which to hide. And there aren't such communities in Mexico. So it is not clear on terrorism.

On methamphetamines, Asian heroin, and BC bud, it is not clear. It is clear that the quantity of drugs coming through, both in the size and scale, which may be tunnels or trucks. A lot of what we are catching at the south border are individuals carrying small amounts with which to fund their illegal immigration. When you have a gap that big, you can already get a sense—I don't think there is an awareness politically. I have a slightly——

Ms. SANCHEZ. Would the gentleman yield just for a second?

Mr. SOUDER. Yeah.

Ms. SANCHEZ. When you were talking about President Calderon trying to do right by his law enforcement there, I mean, what I got from Mr. Jacksta is that none of the money, actually the 129, is actually for anything going on on the southern side. They are not in cooperation with us.

Mr. SOUDER. No, but——

Ms. SANCHEZ. Are you just saying that he has to use more men because the quality of checking on people is worse in Mexico?

Mr. SOUDER. That along the border there have been several governors themselves have been brought down in drug rings. In Juarez you have——

Ms. SANCHEZ. Right. No, I know that has been going on.

Mr. SOUDER. —sheriffs getting killed. Well, it means that our background checks, we are not getting a double-check. That when somebody goes through a frequent traveler on the Canadian side, they are in effect being double-checked to get their license in Canada.

Ms. SANCHEZ. I see what you are saying.

Mr. SOUDER. And their RCMP is, on the whole, more aggressive in narcotics. But British Columbia is falling flat on its face. And the question is, do we adjust our policies when that happens?

Mr. JACKSTA. I want to make sure there is a clear understanding that individuals who enroll in this program go through the full vetting process, whether it is on the Mexican border or the southern border. They go through the vetting. We do a fingerprint check on them. Doesn't matter which program they are in. We do a background check and we do an interview process for every traveler, northern and southern. So when we make a decision they are going to be enrolled in the trusted traveler, there is a confidence level by the CBP officer who will make that final decision that the identification, documentation, and the citizenship of the person has been determined, and we are confident that it is truthful and that these are the individuals. That is where the programs are exactly the same.

On the southern tier, there is one other requirement, and that is where we look for the vehicle, and only specific vehicles. If you are in a trusted traveler program, you can only use specific vehicles that have been identified and looked at by CBP officers to ensure that those vehicles are not utilized. We recognize that there is a clear threat no matter what border you are at, whether it is at the southern border or the northern border. We have random checks put into place. We have random checks not only on the vehicles, but we have random checks based upon the number of times you have come across.

There is a number of compliance measurement programs to be put into place. So with those programs, we are making every attempt to make sure anyone who is crossing that border meets those requirements.

Mr. SOUDER. But the problem you have here is you have a, bluntly put in political terms, hey, I am a north border person, I obviously have a lot going both directions, but you have a $79 difference. Yet in effect you are saying it is $50 to check the person and 79 for the vehicle? Is that what you are saying?

Ms. SANCHEZ. That is not what he said. He said you have a more thorough review, and you didn't say it was just the vehicle. Now you are saying the whole difference is based on the vehicle.

Mr. JACKSTA. The difference is that when the officer does the interview process, they question the individual to feel confident that the person is not a threat or concern and that their identity and citizenship has been identified. That is done at both locations. There is no difference between southern and northern border on that.

Mr. SOUDER. That is not what you said earlier.

Mr. JACKSTA. If I said that, I apologize. I don't want to get into——

Ms. SANCHEZ. We are just trying to get to the bottom of it. You may have said something you thought it sounded one way; just if we look back at the record, you will see that you said we do a more thorough check on the person applying in the south, and then we do a vehicle check.

So our question is, is the difference due to the vehicle check?

Mr. JACKSTA. Yes.

Ms. SANCHEZ. And why, as my Ranking Member said, aren't we doing vehicle checks in particular in areas where we know vehicles are being driven across with, you know, with marijuana or drugs? I mean we have plenty of——

Mr. JACKSTA. Seizures. The northern border seizure numbers have gone up over the last couple of years with Canadian bud, as well as other drugs, coming across. And it is a concern for us. I mean, I will tell you that your observation that maybe the vehicles should be looked at on the northern border is something that could be considered to be looked at. We would have to work with the Canadians on that to ensure through the process that that effort would be put into place. I will bring that back as an issue to follow up on.

I also think that when we talk about the issue of fees, I think you should recognize that the $129 fee was initially established back in 1995 as part of the program when it moved forward. We are taking a look at all our user-fee requirements to try to bring them into consolidation. The discussion that we are having is that we should have one fee. We believe in that. We believe that it should be one fee. But you can understand some of the challenges of getting that moved forward to have one fee.

Mr. SOUDER. It has to be one fee, or the difference be clear why there is a difference and be defended. Because politically, to have the poorer country pay a higher fee than the more affluent country is not going to be a politically defensible position.

Ms. SANCHEZ. Go ahead.

Mr. SOUDER. I have more questions if you want to go another round, or if Mr. Cuellar wants to.

Ms. SANCHEZ. Mr. Cuellar, are you ready to ask your questions? Are you ready, or shall we continue over here?

Mr. CUELLAR. I certainly want to join you if you all want to just——

Ms. SANCHEZ. Why don't you go ahead and ask some questions, and then we will come back to Mr. Souder here?

Mr. CUELLAR. I just want to follow up. I will just ask him—I will be happy to yield some of my time—I feel the same way as the Ranking Member and my Chairwoman feel.

I just don't understand, and I heard your justification, but just being from the southern border, and if I would try to explain that to my constituents, my business people there, they wouldn't understand. They would say, what the heck is the difference between the northern and the southern port? Which you get a trustee card just like a passport. I mean, you get a passport; if you are going to go to Mexico, it is going to cost the same thing whether you are in the southern part or northern part of the United States. A passport is a passport.

Here I think the NEXUS, the SENTRI, the FAST, those trustee cards should be the same; it doesn't really matter where. I can, and certainly I think we can all debate you, if you want to look at—you know, look at the 9/11 terrorists. They didn't come from the southern border. They came from the northern part of the border. I try to explain to my folks down there in Laredo when we passed this secure fence law, the southern border got a fence and the northern border got a study to see if they get a fence.

And then we get the SENTRIs, and I didn't know about the prices until it was just mentioned. And it just doesn't make sense to us. As policymakers, it just doesn't make sense.

And I just want to add my 2 cents' worth on this. And I agree with my Chairwoman and Ranking Member that I really think you all need to look at that. And I hope we do follow up on this.

But let me just ask you one particular question. How many individuals are currently enrolled in the trustee travel programs that are used in the land ports, the NEXUS, the SENTRI, the FAST? And has there been a trend in the usage of those programs in the last couple years? I know some of them have been in existence a little bit longer.

Mr. JACKSTA. Just to give you some numbers, on the NEXUS program we have currently about 127,000 people enrolled. That is for the northern border. For the SENTRI program we have about 124,000 currently enrolled. And for the FAST program, which is the Free and Secure Trade program, which you can use that card on either the northern or southern border, we have approximately 90,000 drivers enrolled in that program. And with that, we are looking at expanding to additional locations for both the FAST program and the NEXUS program. The SENTRI program we just expanded to a number of new locations down in the Laredo district. We moved to Brownsville. We moved to Hidalgo. We also moved to Nogales within the last 12 to 14 months. So the program, we have new lanes there that allow traffic coming into the United States to——

Mr. CUELLAR. Has there been a trend on——

Mr. JACKSTA. There has basically been on the FAST cards, most of the truck drivers now have that card so it has been rather flat. For the SENTRI program, it has been increasing at a fairly level rate of about 2 or 3 percent. And for the NEXUS program, we have seen a jump. And one of the reasons why we think we will see a jump in both the NEXUS and the SENTRI program is that in the Notice of Proposed Rule that was issued about a month ago, it indicates that the Department will be accepting the NEXUS and SENTRI FAST cards as cards that can be compliant with the WHTI land requirements. So we expect to see growth in that area in the next couple months.

Mr. CUELLAR. What is your effort in trying to harmonize the application process for the trusted traveler applications?

Mr. JACKSTA. One of the important efforts is that we have currently in place the capabilities for people to apply for the SENTRI program through an Internet Web page, where they fill out the information. At that point the information comes in to CBP, we do the vetting. We hope to in the next couple of weeks have that same

capability for the NEXUS program. So therefore, if you are a NEXUS or SENTRI you will be able to apply on line.

And then the goal is for the FAST program to also be able to apply on line after the new year, calendar year, sometime in the January time frame. That would bring all the programs into one mechanism for people to apply for.

Mr. CUELLAR. OK. My last question before I pass this back to my Chairwoman, there has been some reports, some participants in the NEXUS, SENTRI and FAST lanes have complained at times about the wait timeS—and being from Laredo I am very concerned about the wait times—that sometimes in those lanes that are dedicated to those programs are equal or even exceed those of the regular lanes at our port of entries. Is there any truth to those reports?

Mr. JACKSTA. I can tell you that there shouldn't be.

Mr. CUELLAR. My question is shouldn't be——

Mr. JACKSTA. I don't have any—I have no evidence given to me that that is actually happening. What we expect is that if that is happening, then our managers have to manage the port of entry. I know that there are certain locations where we are able to add additional lanes or open additional lanes, like San Ysidro and a couple of other locations.

There is the issue that one of the things that is extremely important for this program is that you have the capabilities for the roads that are bringing travelers from Mexico into the United States, to have the proper infrastructure in place so that individuals who are in the trusted programs can get into that lane immediately. There are certain locations that we are working on right now where that capability doesn't exist until they actually cross the bridge and go into the U.S. area. And then once they are in the U.S. area, then they should have a dedicated lane for the trusted traveler program. So that may be one of the issues with the wait.

Mr. CUELLAR. OK. Thank you. Thank you, Madam Chair.

Ms. SANCHEZ. I thank the gentleman from Texas. And, Mr. Souder, if you would like to continue asking your questions?

Mr. SOUDER. I had to first ask a couple of other questions. If you have a north border card, does it also work on the south border?

Mr. JACKSTA. At the present time it does not. We hope to have that once we have all our harmonization done. That should be happening sometime next year.

Mr. SOUDER. If you have a US–VISIT card, is it going to work?

Mr. JACKSTA. I am sorry, sir, there is no US–VISIT card. The pass card? Is that the——

Mr. SOUDER. What we are using at airports. Is that going to work at the land borders?

Mr. JACKSTA. There is the NEXUS program currently in place in Canada that is acceptable at the land border on the northern border and would be acceptable down the road when we bring both the northern and southern programs into place.

But just to make sure we don't go confusion again, so we have the NEXUS program, which is up in Canada, our preclearance locations where we accept it. It is different from the registered traveler program that TSA runs. I don't want to confuse you.

Mr. SOUDER. And I don't want to be confused. In fact, one of the things that would be nice—and I thought we were moving this direction—is that I don't like all the different initials, and that we are all doing different things and we are having to buy different equipment to do it, because at some point this is all going to need to be harmonized. That it is like if I want to go this direction, I have to have this card and pay this fee, and then this fee over here. And if I get on a cruise, I might have to have this.

But we need to be moving towards a commonality, which is part of the goal of Real ID. Because we are going to need this internally on visa overstays, on people who may have gone out of their zones. And I think that one of the things here is not to too long perpetuate the differences between the north and south border systems, there needs to be a common operating system, if not the other.

I mean to some degree, we have had this problem in defense. In fact, one man in my district became very wealthy and was bought out by General Dynamics because he got the linkage to make different systems talk to each other.

There is only so long you can have Betamax and VHS. Most younger people don't even know what Betamax is. You have to have some kind of operating joint system if we are going to do this. And that should be a priority, I would assume.

Mr. JACKSTA. Yes, and it is a priority to get—the first step is to get the NEXUS and SENTRI program so that you can use them at either locations, northern and southern border. Remember that one of the challenges that we have to face is the issue of the vehicle, that if you are going to be using the NEXUS card you cannot use it on the southern border unless the vehicle has been checked. So that is something that we are working out on. You remember the issue of the car.

Mr. SOUDER. Do you see yourself moving to a vehicle check on the north border?

Mr. JACKSTA. It has been discussed in the past. Will it be going forward or not? It is something that can be considered. Obviously, it is not going to be something that will not have some ramifications. It would have to be looked at.

Mr. SOUDER. Right. There is a ramification in my district without enough capacity at Detroit in the making of a pickup. We have a hundred border crossings in the making of each pickup down in Indiana. So it has ramifications. But it also has ramifications not to have vehicle checks if there are not secure vehicles.

Mr. JACKSTA. But it should be noted, although it is as part of the registration program you have the vehicle check, we always have the authority, and we do check, as I mentioned, the random checks that go on on a regular basis for both the northern and southern border programs. You know, individuals are randomly selected who are enrolled in these programs and go through a full inspection to ensure that they haven't compromised the program.

Mr. SOUDER. And you have a fingerprint check in this program?

Mr. JACKSTA. Both programs, that is correct.

Mr. SOUDER. Do you know how many people you have caught abusing this program?

Mr. JACKSTA. We haven't caught anybody specifically that can be indicated that we have caught them terrorist-related. We have

identified individuals that were possibly wants and warrants that we had to clean up when we received their application and they did their fingerprint check. We had to verify whether the wants and warrants were still valid.

We have denied basically around 90 percent—I am sorry. We accept about 90 percent of the people on the northern border into the program that do apply. And on the southern border we accept about 82 percent of the people who apply.

Mr. SOUDER. You haven't had any revocations?

Mr. JACKSTA. We have had revocations where individuals have been caught. Over the years we have identified close to 100 individuals that we have stopped and discovered violations during their processing through one of the trusted traveler programs.

Mr. SOUDER. I remember one hearing I did on the north border, the Canadians were more than willing to take a triple penalty for people who abused the system. Do we have enhanced penalties?

Mr. JACKSTA. We have the narcotic violations that are discovered. With the trusted traveler programs we go to the U.S. attorney's office and ask for prosecution, even though it may be a minor one. We advise people that if they are in the trusted traveler program, if there is a violation discovered they are going to be immediately revoked from the program. And if it is actually an illegal activity, we will go to the U.S. attorney's office.

We also publicize, through press releases, all violations at our border where we discover a person who is a trusted traveler who has violated the program, to make sure that everyone understands that we will not tolerate any type of violation of the trust.

Mr. SOUDER. And I don't want to get into the Detroit, Buffalo bridge-tunnel questions, but just know that that is a key part of making sure that this program can actually expand in what we do.

Two other quick points. The Canadians would be quick to point out that nobody on 9/11 was proven to have come across in Canada. But that doesn't mean they didn't come from Canada. It means we didn't have a clue how people were getting in and out of our country. We don't know whether they came across from Canada and Mexico and through Florida and at our airports. The fact is that some of them were from Montreal at one point. So clearly, at some point they came in and out from Canada. The Canadians get very sensitive because there were false statements early on. But if one of them or two of them or a number of them had been at a mosque in Montreal, presumably they crossed the north border. But they could have crossed lots of other points, too. The United States didn't have any system.

Also just for the record—and this is where we need an explanation—the $129 fee on the south border, it says $25 application and $24 fingerprint. And you said fingerprints on both, and applications on both. So that is $49. And then it says 89 per person, or maximum of 160 for minor children. That doesn't say "vehicle," but presumably vehicle may be part of that. So there clearly is some kind of a different charge, because this implies it is not even if they don't have a vehicle. If you were just to walk across——

Mr. JACKSTA. But the application process for the SENTRI program, when it was established through the regulations that you are reading right there, that outlines the fee. When the program was

established, a vehicle check became part of that standard procedure and is part—is absorbed into the application process.

Mr. SOUDER. And if you can tell us how much of that $80 is vehicle. That is really what the fundamental question is. Because the 24 and 25 would be the same on the north—a people fee and a fingerprint fee.

Mr. JACKSTA. And in all honesty, that is exactly why we are looking at the whole issue of the fees and exactly trying to bring them into one consistent, uniform fee across the board for all three programs. And so we have some consistency.

That regulation goes back to 1995 under the legacy immigration authority. And you know, we are looking at that now.

Mr. SOUDER. Thank you.

Mr. JACKSTA. Can I just—you mentioned an issue regarding people coming across the border. That is why the WHTI effort and the land program, the NPRM that is out there is extremely important. I have documentation in front of me. These are all documents, fraudulent documents that our officers have stopped. These are driver's licenses, this is a birth certificate, these are naturalization papers. And these are the kind of concerns that our officers see on a regular basis.

And that is why we feel very strongly that WHTI is important for us, as well as how the trusted traveler programs fit into that capability for our officers to quickly determine whether a person is admissible or not.

I haven't had the chance to tell you how the RFID works and how the trusted traveler programs bring that information right up to our officer at primary. So that when the person comes up to the lane the card is read through the RFID, the information is made available to our officers, and the officers can quickly determine whether the person is a concern or not and whether it is actually the person enrolled in the program. That is what the Global Enrollment System has done for us.

Ms. SANCHEZ. Great. How long does it take to apply for SENTRI, from application to when you get the card?

Mr. JACKSTA. The application process currently is between 4 to 6 weeks. We currently have a measurement in place that once the application is submitted to us, 2 weeks after that the application should have been completed through and gone through the full vetting process. At that point, the individuals are notified.

In the SENTRI program they are notified electronically, because we have the electronic Web-based system in place. They get a message saying they can register for the program, the interview, and the fingerprint check. And they can pick a date and time. That capability will be in place for the northern border SENTRI program in the next couple of weeks. And so our goal is to try to make sure that we give the opportunity for individuals to get their card within 6 weeks of the initial application.

Ms. SANCHEZ. And you do a fingerprint background check on the fingerprints?

Mr. JACKSTA. Yes.

Ms. SANCHEZ. You do it; not the FBI?

Mr. JACKSTA. No, we transmit the fingerprint checks through IDENT IAPHIS to the FBI. They do the quick check on it and they send a message back to us.

Ms. SANCHEZ. Because you know, we are having this problem with people who are trying to become citizens who have applied, and the big backlog is fingerprint checks by the FBI. In fact, once they are over 18 months old, they are null. And the next thing the applicant has to do is go and get another set of fingerprints for the FBI.

So I am trying to understand, are they just doing a more thorough check on the other or—I mean why would it take only 4 to 6 weeks for your process if you are doing a fingerprint check, that I would hope would be a good fingerprint check, versus it is taking—I think the backlog is 4 years or something if the FBI with respect to citizenship fingerprints. Do you have any idea about that?

Mr. JACKSTA. I do not want to speculate on exactly what they do with the immigration checks versus the trusted traveler programs checks. But I can tell you that when you apply and you get the interview, you will go down to a CBP office. And at that point we take the fingerprints, and normally within an hour or two we will get a response back. And we believe that it does a full check of the databases that we are concerned with. Both the IDENT and IAPHIS check.

Ms. SANCHEZ. That sounds to me like they do a much faster check for someone we are going to let in the country versus somebody that is already in the country that is in the application process. It is an interesting concept. If I want to go into the program and I apply for it and I get denied, is there an appeals process for it? Let's say at SENTRI at the border.

Mr. JACKSTA. If you are denied—if your application is denied, we send a letter to the individual, advising them the reason for denial. They then at that point have the capabilities to contact a CBP office and determine why they were denied. In certain cases we are not able to tell the person exactly what the record says. For the most part, most people do know why they are denied.

Ms. SANCHEZ. That wasn't the question I asked. Is there an appeals process?

Mr. JACKSTA. The appeal process is they can apply again. It is a zero-tolerance program, where if there are any type of previous violations the person is not admitted into the program.

Ms. SANCHEZ. Previous violations. What does that fall under?

Mr. JACKSTA. Previous violations can go all the way from criminal activity, which means misdemeanors or felonies, or to previous violations of customs, immigration or agricultural laws. So if an individual had been stopped, say, 5 years ago for a narcotics violation, they would not be admitted into the trusted traveler program. If they were previously stopped for an agricultural or an immigration violation and the violation was a violation that was something that is still valid today, or was clearly a breaking of the rules or requirements of CBP, then the person would not be admitted into the program.

Doesn't mean that they are not admitted into the United States. It means they are not admitted into the trusted traveler program.

Ms. SANCHEZ. I understand that. I am asking if there is an appeals process. Because I recall reading an actual denial that said there is no appeals process directly in the letter.

Mr. JACKSTA. There is no written appeal process. The process is that you can——

Ms. SANCHEZ. Does it say that in the letter? It doesn't. I am going to tell you, because I have a particular one I am thinking of. I have a brother who was denied. And he came to me with it. And he gave me the letter and he said, do something about this. Of course, I didn't. But I mean, it doesn't say it has an appeals process. In fact it says, sorry, you are out of luck.

Mr. JACKSTA. I can tell you that the letters that we are currently issuing—once again, this is an old program, don't know when exactly that that happened. We have been trying to bring it into a standard format for all three programs. The letter should say the reason why the person is denied and that they have the capabilities to contact a location close to their area to request further information regarding the incident and why the person was denied. That is in the current letters that are being issued by CBP.

Ms. SANCHEZ. So have you had people appeal and get their card?

Mr. JACKSTA. Yes, we have had people that have requested an appeal to be resubmitted into the program or to receive a card. Some of them have been denied, and the denial stands because of the concern that we have. And there are other people, based on the fact, the information that they have provided us, that they have been accepted into the program.

Ms. SANCHEZ. OK. That is good to know. I will tell my brother to reapply. I want to ask you about the FAST program, because the FAST program, it is my understanding that the participants in the FAST program for commercial cargo shipments must also be members of C–TPAT. Is that correct?

Mr. JACKSTA. That is correct.

Ms. SANCHEZ. OK. So I have been following C–TPAT quite a bit. And I am concerned that the companies that are considered tier one members of C–TPAT—that is, they write their little thing about how great they are going to be, and then they turn it in and we certify that we received it, and therefore they become tier one members. But we actually don't validate it sometimes for years.

So a tier one C–TPAT member who has been not validated, but allowed to participate in the FAST program before their security—are they allowed to participate before their security plans are validated on site?

Mr. JACKSTA. I believe that there are companies or were companies—I am not familiar with the program in the sense of knowing exactly the details today. I do know that there were people who were C–TPAT certified that had not had their security verifications taken place. I don't know whether that exists today. I don't know whether that has been completely——

Ms. SANCHEZ. You are saying to me historically in this program FAST that if I have—if you would get a company who wants to FAST, and they are a C–TPAT—they would have to be, according to all participants in FAST program must be C–TPAT. Many of them had not been reviewed, not all of them are reviewed to this point, but they are using the FAST program.

Mr. JACKSTA. At one point they did. I believe that has been cleaned up. And I can get back to you with the actual protocol and numbers that are being verified.

Ms. SANCHEZ. I would like see those numbers, because I am very, very concerned.

Mr. JACKSTA. Recognize that the C–TPAT program does require some certain things. First of all, the drivers have to be vetted and be members of the FAST program. The company has gone through an initial vetting process by CBP, not onsite verification, I will verify that, but they have gone through our enforcement data checks. There are certain requirements when they are bringing shipments in that the shipments have seals on them so that there is no compromising of the shipments between the time that they left the manufacturer to the time that they cross the border. And then we also have the same type of random checks and the same radiation portal monitors that they must go through, just like any other truck.

So there are certain requirements. There is advanced information that we receive through the manifest process. So there are protocols and procedures in place for the FAST trucker to be able to bring goods across. And the FAST driver is a key part of that.

Ms. SANCHEZ. Thank you. Mr. Cuellar, do you have any other questions?

Mr. CUELLAR. No, ma'am.

Ms. SANCHEZ. Then we will go to Mr. Reichert for 5 minutes.

Mr. REICHERT. Thank you, Madam Chair. I have just one question. I represent the Northwest, just east of the Seattle city limits. So we are preparing for 2010 for the Olympics in Canada. We have a pilot program I am sure you are aware of. How is that pilot program progressing, and how are you preparing for the numbers of people who will fly to Seattle and drive to Canada or take the train?

Mr. JACKSTA. OK. Well, one of the requirements that we are looking at is the issue of enhanced driver's licenses, and making sure that we can use driver's license to be consistent with the WHTI requirements of being able to denote citizenship and to ensure the identity of the person.

As you know, the Secretary signed an agreement with the Governor of Washington, and we are currently working through that process. I can tell you that a number of action items have already taken place where we are currently in the process of identifying with the State of Washington the individuals from the State who will do the actual review of the applications for these enhanced driver's licenses.

We have worked, we are working with the State, and I think they were in town 2 weeks ago, where we actually started working on the technical capabilities for our system to communicate with their system so that we would have that information. And the latest, from what I understand, is that we are looking at sometime in January for that process to begin where the actual driver's licenses would be able. We believe that is an extremely important part of the WHTI effort.

In addition to that, we have identified the director of field operations, Tom Hardy, who is up there in the Seattle area, as being—

as one of the key members in the group that is taking a look at the Olympics and making sure that there are protocols in place for travelers going to Vancouver, and also travelers that are coming back from Vancouver, and making sure that we have the proper protocols in with the bus lines, the rail lines. Obviously, Amtrak is going to be used up there. As you know, there is a rail, regular rail service there.

We are also looking at the whole issue of cruise lines and various use of the cruise lines. So we are actively involved with that. We recognize that it is getting close. And we want to make sure that we are fully participants with making sure the documentation that is utilized.

Now, I will just tell you over the years we have had a number of Olympics where Customs and Border Protection, the legacy Customs and legacy Immigration had a very good working relationship with the various committees that are trying to put this together to ensure that we have personnel up there to assist with any type of increased traffic, as well as making sure that we work with the Olympic Committee to have documentation of various members that are involved with the Olympics, and have a prevetting process so that we can feel confident that they don't pose a risk.

Mr. REICHERT. Thank you very much.

I yield.

Ms. SANCHEZ. Thank you, Mr. Jacksta.

As usual, you are a wealth of information, and we appreciate the information you have given us, and I know that you are going to get back to us in a fairly quick manner with the information we have asked. Again, thank you for coming before us. We appreciate it.

We will take about a minute or two to get our second panel up there and get started on the testimony of the second panel.

I welcome the second panel of witnesses. Our first witness will be Ms. Maria Luisa O'Connell, President of the Border Trade Alliance. Founded in 1986, the BTA is a grassroots, nonprofit organization that allows stakeholders to address key issues affecting trade and economic development in North America. Under Ms. O'Connell's leadership, the BTA has become a recognized authority on border trade issues and is a leading advocate for improving the quality of life among border communities.

Welcome.

Our second witness is Mr. Neal M. Belitsky, Executive Vice President and General Manager of the Detroit & Canada Tunnel Corporation. The corporation manages the Detroit-Windsor Tunnel, your favorite, Mr. Souder, which is one of the busiest crossings between the U.S. and Canada. Mr. Belitsky joined the corporation in 1998 and has a variety of responsibilities, including strategic planning, operations, security, maintenance, government, and customer relations.

Welcome.

Our final witness will be Mr. Thomas Gann, Vice President for Public Policy at Digimarc Corporation. It is a leading supplier of secure identity and media management solutions. The company provides products and services that enable the production of more

than 60 million personal identification documents, including two-thirds of U.S. driver's licenses and IDs for more than 25 countries.

Welcome.

Without objection, we will put your full statements into the record, and I will now ask each witness to summarize his and her statements or tell us whatever it is that you think we need to know in 5 minutes.

Ms. SANCHEZ. Ms. O'Connell, please.

STATEMENT OF MARIA LUISA O'CONNELL, PRESIDENT, BORDER TRADE ALLIANCE

Ms. O'CONNELL. Thank you, Madam Chairwoman Sanchez, Ranking Member Souder, and other distinguished members, Congressman Cuellar. It is an honor to be here, and thank you for inviting the Border Trade Alliance. I have my written comments.

I do want to say, since you said to say whatever we want to say in terms of this area, we are living in challenging moments at the border, and it is challenging in terms of putting everything together. We have the expectations of Congress. We have the expectations of the administration, and we, the people who live at the border who have businesses, have to live with it. The administration will go. You probably will be on another subcommittee assignment later on, but we still have to live with whatever decisions are being made, and we cannot afford you to fail in your leadership, and we cannot afford the government to fail in the implementation of the programs, because it is our livelihood.

So thank you for having this hearing, because all of the hearings have been lately about between the ports of entry, and there are a lot of things going on at the ports of entry, so we need that from you; we need that leadership. So thank you so much for taking the initiative. Now I am going to go back to the written remarks.

For the past 21 years, the Border Trade Alliance has been involved with all aspects of trade, travel, security, and commerce in our border communities along the U.S.-Canada and the U.S.-Mexico borders. The BTA represents, through our members and sponsors, a network of 1.8 million public and private sector representatives. Currently, the BTA serves as a member of the Department of State and Homeland Security's Secure Borders Open Doors Advisory Committee. The BTA is also an active participant of the U.S. Customs and Border Protection's Trade Support Network.

The policies and procedures designed to facilitate secure trade and travel at our borders have changed dramatically since September 11, 2001. The changes at our borders have not occurred without concerns about their impact on legitimate trade and commerce. Similarly, the incredible growth in trade at our borders has not been without its share of growing pains. The infrastructure at our border crossings, for the most part, has not kept up with the increased volume of trade and travel.

So, to give you an example, a visual of it, if you go to the lanes—think of the Ambassador Bridge, and you are a FAST-certified truck. It takes you 2 hours if you are FAST certified. If you are non-FAST certified, it takes 2 hours and 5 minutes. So what is fast about FAST? What is the challenge is that the trucks still have to be in the lanes for 2 hours, and the time is counted as they get to

the booth. So, from the booth on, it is faster because you are certified, and you have the information, but the challenge is the infrastructure, that we do not have enough infrastructure, and it is the growing pains of success, of trade and growth, that we are growing at a very fast pace. So perhaps the greatest challenge we are facing in working toward improved security while facilitating legitimate trade and travel is the management of the expectations of the various stakeholders involved.

Madam Chairwoman, my testimony today will focus on three main areas related to current and proposed secure traveler programs. I will also share recommendations to help provide for the economic and physical security of our border communities and our Nation.

Our first point is that the secure traveler programs are inextricably linked and have a direct impact on cross-border commerce, travel and security.

The universe of Federal secure traveler programs, along with cargo security initiatives such as the C–TPAT program—Customs-Trade Partnership Against Terrorism—are fundamentally linked in their impact on travel at our border crossings. Let me give you an example. Recently, at the Mariposa port of entry in Nogales we had an event. On February 14th of this year, errors with the newly initiated e-Manifest system, where truckers electronically file their cargos with CBP prior to crossing the border, along with frustrations with the overburdened infrastructure led, in part, to a spontaneous blockade of commercial traffic by truckers at the Mariposa port of entry. You have pictures in there, I think exhibits 1 and 2, to give you an actual idea. There were lines of trucks stopped for 8 hours at the port of entry. Though this event directly affected commercial traffic, it also impacted all other traffic at the port of entry, negating the advantages afforded travelers enrolled in programs such as SENTRI.

So, because of the infrastructure, the trucks were FAST certified, C–TPAT certified. You have all of the programs—you have the SENTRI—but if there is a blockade, there is a blockade. The FAST trucks cannot go there to get out of the 5 hours or the 8 hours and have a special lane to move on. So that is a challenge that we are facing.

While the implementation of e-Manifest was not the sole reason for the trucker strike in Nogales, the lessons learned from this event can be applied at both borders and in all our present security programs. Effective and open communication between the traveling public and the Federal Government, fully tested, vetted, and integrated technology and event contingency planning are critical components for the success of any Federal security program or initiative. I am running out of time.

The two other points are the facilitation of legitimate travel while targeting limited Federal resources toward greatest potential threats.

This is something that we continue to urge from the policymakers. How can our various secure traveler programs and initiatives be reconciled to maximize increasingly scarce Federal resources while improving security and allowing for legitimate travel at our borders?

Our border communities support diverse, international economies that are dependent upon cross-border trade and travel. A large percentage of traffic at our borders is repeated, daily crossers who account for a significant portion of the sales tax and commercial revenues generated. There needs to be more efficient management.

When you have the Western Hemisphere Travel Initiative coming along, there is a new RFID for more money, but you already have spent millions of dollars, and there is no coordination, and so I know we are a rich Nation, but we have to be good stewards of our money, and that is one of the concerns that we have here. It is important to have special access lanes for low-risk travelers and to look at these programs, but we have to be effective managers of the process.

The third part, the development of an ongoing assessment and improvement in the coordination of Federal security initiatives while considering their impact on security, travel and commerce—the Western Hemisphere Travel Initiative—will be the greatest impact program that we are going to have at the borders because this is not a voluntary program. This is mandatory for all U.S. citizens. So now we have to deal with—it has to happen. Do we have the process? Do we have the infrastructure? I am going long over my time. I will try to summarize it.

The biggest challenges are: You have the Department of Homeland Security and the Department of State that have to agree on how this program is going to be implemented. You have to have the process using the technology that is going to leverage what is existing technology, and we do not see that happening, and that is a huge concern, Madam Chairwoman, and we want you to take that leadership with respect to that area.

The last point is the outreach. We have to be able to educate the public and have a clear message of what is going to happen. Is it going to be a PASS Card? Is it going to be a driver's license, and the pilot projects are going to be launched? Is a pilot project going to be launched with a driver's license? Are we coordinating the efforts?

Those are things and questions that have not been answered yet.

In my last 30 seconds, I do want to say that infrastructure is a huge challenge, and we have found a good partner in the GSA's current administrator in terms of helping us identify the needs for better infrastructure. That has not happened before. It is a huge concern, the infrastructure managing with the process. Then we have U.S. leaders asking for several programs and deadlines, etµcetera. So we have to manage the expectations and see how we work this out.

I went over my time, Madam Chairwoman, but those are my comments. Thank you—and if you have any questions.

[The statement of Ms. O'Connell follows:]

PREPARED STATEMENT OF MARIA LUISA O'CONNELL

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

For the past 21 years, the BTA has been involved with all aspects of trade, travel, security and commerce in our border communities along the U.S.—Canada and U.S.—Mexico borders. Currently the BTA serves as a member of the Departments of State (DOS) and Homeland Security's (DHS) Secure Borders Open Doors Advisory Committee. The BTA is also an active participant of the U.S. Customs and Border Protection's (CBP) Trade Support Network.

About Us

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

Who We Are

The BTA represents, through our members and sponsors, a network of 1.8 million public and private sector representatives, including: business leaders, area chambers of commerce and industry, academic institutions, economic development corporations, industrial parks, transport companies, custom brokers, manufacturers, and federal, state, and local government officials and agencies.

Our Vision

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

Our Mission

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

The U.S., with the inception of the North America Free Trade Agreement (NAFTA), has seen tremendous growth in economic activity along its borders with Canada and Mexico. As cross-border trade and travel have increased so have the demands upon the federal agents and employees tasked with regulating commerce and enforcing security.

Without these dedicated individuals secure trade and travel would not be achievable. The Border Trade Alliance would like to extend our gratitude and appreciation toward these men and women for their devoted service to protecting our nation. We must support our security personnel and provide them with adequate funding and resources so that they may perform their difficult duties.

The policies and procedures designed to facilitate secure trade and travel at our borders have changed dramatically since September 11, 2001. The changes at our borders have not occurred without concerns about their impact on legitimate trade and commerce. Similarly, the incredible growth in trade at our borders has not been without its share of growing pains. The infrastructure at our border crossings, for the most part, has not kept up with the increased volume of trade and travel.

Perhaps the greatest challenge we face in working toward improved security, while facilitating legitimate trade and travel, is the management of the expectations of the various stakeholders involved. The BTA is proud to serve as the forum where policymakers, border communities, the traveling public and the trade industry can meet to discuss these expectations and work toward the common goal of protecting our physical and economic security as a nation.

Madam Chairwoman, my testimony today will focus on three main areas related to current and proposed secure traveler programs. I will also share our recommendations to help provide for the economic and physical security of our border communities and our nation.

1. Secure traveler programs are inextricably linked and have a direct impact on cross-border commerce, travel and security.

The universe of federal secure traveler programs, along with cargo security initiatives such as the Customs Trade Partnership Against Terrorism (C–TPAT) program, are fundamentally linked in their impact on travel at our border crossings.

A recent event at the Mariposa port of entry in Nogales, Arizona illustrates this point. On February 14th of this year aggravations concerning errors with the newly initiated e–Manifest system, where truckers electronically file their cargos with Customs and Border Protection (CBP) prior to crossing the border, along with frustrations with the over-burdened infrastructure led in part to a spontaneous blockade of commercial traffic by truckers at the Mariposa port of entry (Exhibits 1 and 2).

Though this event directly affected commercial traffic it also impacted all other traffic at the port of entry, negating the advantages afforded travelers enrolled in programs such as SENTRI. In addition to the economic loss associated with delayed commercial cargo, the trucker blockade impacted local traffic within the city of Nogales resulting in lost commerce at the local level.

While the implementation of e–Manifest was not the sole reason for the trucker strike in Nogales, the lessons learned from this event can be applied at both borders

and in all our present security programs. Effective and open communication between the traveling public and the federal government, fully tested, vetted and integrated technology, and event contingency planning are critical components for the success of any federal security program or initiative.

The BTA extends its thanks and appreciation to CBP, especially Director Louis Samenfink, for their strong efforts to resolve the situation in Nogales and work to prevent any similar situations in the future as ACE e–Manifest becomes mandatory at all our land ports of entry.

2. Facilitation of legitimate travel while targeting limited federal resources toward greatest potential threats.

The BTA has been integrally involved in all of the various secure traveler programs put forth by Congress and implemented by the federal government. The BTA supports efforts to increase security for legitimate trade and travel at both our international borders. Secure travel, a primary focus of the BTA's upcoming International Conference in Austin, Texas on September 24–25, 2007, is among the highest priorities for securing our homeland.

The largest security efforts, in terms of dollars and resources dedicated, during the past half-decade have been focused on verification of traveler identities and their status in entering and exiting the United States. Programs and requirements, including US–VISIT, FAST, SENTRI, WHTI and Real ID, have been developed or are in development to improve the ability of the federal government to monitor visitors who cross our borders legally. The complex web of secure traveler programs and initiatives has resulted in confusion and uncertainty among both the traveling public and federal agents.

The BTA is urging policy-makers, such as the distinguished Members of this committee, to consider:

- How can our various secure traveler programs and initiatives be reconciled to maximize increasingly scarce federal resources while improving security and allowing for legitimate travel at our borders?

Our border communities, north and south, support diverse international economies that are dependent upon cross-border trade and travel. A large percentage of traffic at our borders is repeated, daily crossers who account for a significant portion of the sales tax and commercial revenues generated in our border communities (Exhibit 3). There needs to be a more efficient and coordinated approach to facilitate legitimate daily travel and commerce while focusing increasingly scarce federal resources on travelers and cargo presenting the greatest potential risk.

The BTA finds that:

- Special access lanes for low risk travelers continue to be good investments that must maintain benefits.
- Facilities are strained or past capacity and adding new technology must be thoughtfully planned and scheduled to minimize disruption and maximize investment.

3. Need for development of an on-going assessment and improvement in the coordination of federal security initiatives while considering their impact on security, travel and commerce.

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

The recent experience for U.S. citizens traveling by air to Canada, the Caribbean and Mexico is alarming in that the large backlog of passport applications was not anticipated by the U.S. Department of State.

Further, the Departments of State and Homeland Security have not issued further plans for the development of the alternative passport document or PASS Card. The BTA continues to urge DHS and DOS to provide flexibility in development of the PASS Card to accommodate spontaneous travelers from the U.S. who take advantage of our border communities close proximity to the border to visit Canada and Mexico. Without this flexibility, the local economies of our border communities will be negatively impacted by WHTI.

100 percent verification of travelers at land ports of entry using federal identification (passports) is a new responsibility for CBP. CBP must be given the adequate resources to be able to staff the new workload created by WHTI.

The BTA has continued to request that DHS and DOS increase their outreach and educational efforts to the traveling public in advance of WHTI's implementation for land and sea to alleviate current confusion of the new travel requirement.

The BTA strongly recommends that the technology utilized as part of WHTI must be seamlessly integrated with the current technological infrastructure at our ports of entry or if new infrastructure is required, it must be installed and fully operational prior to the implementation of the passport requirement under the Western Hemisphere Travel Initiative.

DHS and DOS must also ensure that they provide adequate staffing and training to enable proper implementation of the PASS Card as part of the larger effort to implement the requirements of the WHTI.

The BTA continues to insist that identification generated by other federal secure traveler programs, such as NEXUS cards, SENTRI cards, Border Crossing Cards and FAST driver identification cards be deemed acceptable alternatives to a passport for hemispheric travel.

The BTA, considering the present implementation of WHTI for air travel and the pending passport requirement of WHTI for land and sea crossings, sees a need to evaluate whether this specific secure traveler program will provide a sufficient improvement to security to justify its large cost in both terms of taxpayer dollars to support it and its economic impact on cross-border commerce. Further, we believe that we should attempt to evaluate WHTI in contrast to other secure traveler programs, in particular against US–VISIT, which is focused on foreign travelers, and the REAL ID program that is directed at U.S. citizens who may or may not travel abroad.

The BTA also believes that there is a strong need to better leverage existing federal security programs rather than pursuing the strategy of creating new programs that aim to accomplish many of the same objectives as the current secure traveler programs.

An example of the aforementioned is all the work and effort that the US–VISIT team, currently led by Robert Mocny at DHS, has performed to assess the technological options and review the processes in screening foreign travelers. Despite all this groundwork, it is not apparent to us that the best practices and technological solutions identified as part of the US–VISIT team's efforts have been shared across programs and within agencies at DHS.

The BTA has partnered with several research universities, including Texas A&M's Center for North American Studies and New Mexico State University, to establish the capability to perform objective, quantitative analysis of the impact of federal policy on the economies of our border regions. Through this partnership we aim to achieve a better understanding of federal policy decisions on trade, travel and security at our borders prior to the implementation of new programs and initiatives, as well as to assess the impact of current programs and policies.

In conclusion, I would like to thank the Chair and Ranking Member along with the full committee for its focus on the need to achieve a balance between security and facilitation of legitimate travel at our borders. The BTA can assist in identifying solutions and participating in discussions with local communities on these issues that must be jointly addressed by federal, state and local officials.

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

Thank you.

Exhibit 1

Exhibit 2

Ms. SANCHEZ. Thank you, Ms. O'Connell.

Let me just tell you that, in Mr. Cuellar, you have a very big proponent of land ports. He has been asking for many hearings and questions not just about between the land ports but the actual land ports. So we do have someone on the committee who hammers that idea home every day.

Thank you for your testimony.

Now I will recognize Mr. Belitsky and ask him to summarize his statement for 5 minutes.

STATEMENT OF NEAL M. BELITSKY, EXECUTIVE VICE PRESIDENT AND GENERAL MANAGER, DETROIT & CANADA TUNNEL CORPORATION

Mr. BELITSKY. Good afternoon and thank you.

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Last year, over 6μmillion vehicles used the Detroit-Windsor Tunnel, representing approximately 12.5 million travelers. Our traffic is down significantly since 2001 and is typical of passenger traffic across the entire U.S.-Canadian border. Michigan and New York are unique as both States have border crossings to and from Canada. The tunnel remains the world's only international—subaqueous international—vehicular crossing. My written testimony provides information on border traffic compiled by the Bridge and Tunnel Operators Association.

Just to follow up to the comment made earlier, operators do support harmony between these programs, be it FAST, be it SENTRI, be it NEXUS. Two of the reasons often given by travelers are the inaccurate perception of the border and confusion on documentation. This view was reinforced last week in an article in the Detroit News by Andy Henion. Though one cannot discuss trusted or frequent traveler programs without discussing the Western Hemisphere Travel Initiative, I am going to limit my remarks to NEXUS.

The chairwoman provided an accurate description of the NEXUS program. NEXUS works. We see this every day. As a rule, the average time in a NEXUS primary lane is about 10 seconds, compared to an average of 40 seconds in a traditional lane. The inspector, before the NEXUS cardholder reaches the booth, has a photo and pertinent information, increasing both officer security and national security. The program is risk management in action, allowing CBP to balance trade and traffic facilitation with border securities. Yes, there are times when it does take longer to get through a NEXUS lane, and that is an issue that individual port operators work with CBP on.

The program within its existing limits has been successful. The majority of our commuter traffic, approximately 2,500 vehicles into the U.S. per day, is enrolled in NEXUS and our companion program NEXPRESS. NEXPRESS was created as a value-added incentive to entice travelers to enroll in NEXUS. Value-added components are being used at various crossings for both NEXUS and FAST. We started with one U.S. lane in 2003, worked with CBP to add a second commuter rush lane in 2004 and are awaiting a response from CBP regarding the addition of a third commuter rush lane before this year is out.

The crossing operators and, more recently, local business communities have filled a void in promoting and in marketing the program. Examples include CrossingMadeEasy in the Windsor-Detroit region, GoBorder in Port Huron-Sarnia, converting one of the bridges over the Niagara River to a NEXUS-only bridge, and the NEXPRESS program at the Detroit-Windsor Tunnel.

Opportunities abound to expand the success of the program and make NEXUS an integral part of WHTI implementation. Our recommendations for NEXUS are as follows:

Though the application is available online, the process remains a paper and pen exercise. The option for online processing is a must. Accelerating the application process as part of the global, online system is critical. We were glad to hear that that is due within the next couple of weeks.

Expanding the days and hours that NEXUS lanes are open is important. Commuters working off hours, along with discretionary travelers, do not have the option for the program as the lanes are limited on weekends, closed on U.S. holidays and are unavailable after 8:00 p.m. We recommend expanding NEXUS' functionality to all land border primary inspection lanes to provide CBP additional tools to manage the border and to provide an alternative to passports as an acceptable entry document. NEXUS-only express lanes can be open based on demand and will speed the inspection process for the entire crossing.

Integrating, advertising and marketing are critical in both the land and the sea programs, and this is a joint responsibility, we believe, between the operators and CBP.

Many of the NEXUS enrollment centers are not conveniently located in all communities, many with limited hours. We provide an international-intercity transit system where the bus riders have to get off every day and go through inspection. As SENTRI is available on the southern border to pedestrians, we are suggesting that NEXUS be available to those using other means besides passenger cars to get across.

There are indirect benefits to increasing NEXUS participation—the reduction in fuel consumption and the reduction in airµpollution. Cars idle while sitting in line for the booths.

A NEXUS appeals process does need to be provided for those who are denied an application as well as those who lose the privilege post enrollment.

The land border remains fragile in light of threats of terrorism, WHTI, US–VISIT, and ACE implementation. NEXUS serves as an opportunity, a platform, if you will, for secure and efficient entry into the United States.

We invite members of the committee to Detroit to see the land border and NEXUS in action. The Detroit-Windsor Tunnel and the bridge combined have the highest volume of passenger crossing on the northern border. Thank you.

[The statement of Mr. Belitsky follows:]

PREPARED STATEMENT OF NEAL BELITSKY

My name is Neal Belitsky, the General Manager for the Detroit Windsor Tunnel, one of the busiest passenger crossings between the United States and Canada. Thank you for this opportunity.

Last year over 6 million vehicles used our facility representing approximately 12.5 million travelers. Our traffic is down significantly since 2001 and is typical of passenger traffic across the entire US/Canadian border. Michigan and New York are unique as both states have water crossings to and from Canada. The tunnel remains the world's only international sub aqueous international vehicular tunnel.

My written testimony provides information on border traffic compiled by the Bridge and Tunnel Operator's Association (BTOA). [See Figure 1.]

Two of the reasons often given by travelers are the inaccurate perception of the border and confusion on documentation. Though one cannot discuss trusted or frequent traveler programs without discussing the Western Hemisphere Travel Initiative (WHTI), I am going to limit my remarks to NEXUS.

According to US Customs & Border Protection (CBP), "the NEXUS alternative inspection program has been completely harmonized and integrated into a single program. NEXUS members now have crossing privileges at any air, land, and marine ports of entry. In addition, NEXUS is being expanded to seven airports in Canada with Toronto in early 2007.

The NEXUS program allows pre-screened, low risk travelers to be processed with little or no delay by United States and Canadian officials at designated highway

lanes at high volume border crossing locations, at a NEXUS kiosk at the Vancouver International Airport, and at certain marine reporting locations in the Great Lakes and Seattle, Washington regions. Approved applicants are issued a photo-identification/proximity card. Participants use the three modes of passage where they will present their NEXUS card and make a declaration. They are then released, unless chosen for a selective or random secondary referral."

The NEXUS program works, we see it every day. The average time at a NEXUS primary inspection lane (PIL) is 10 seconds, compared to an average of 40 seconds in a traditional lane. The inspector, before a NEXUS cardholder reaches the booth, has photo and other pertinent information increasing both officer safety and national security. The program is risk management in action, allowing CBP to balance trade and traffic facilitation with border security.

The program, within its existing limits, has been successful. The majority of our commuter traffic, approximately 2500 vehicles into the US per day, is enrolled in NEXUS and our companion program NEXPRESS®. NEXPRESS® was created as a value-added incentive to entice travelers to enroll in NEXUS. Value added components are being used at various crossings for both NEXUS and FAST. We started with one US lane in 2003, worked with CBP to add a second commuter rush lane in 2004 and are awaiting response from CBP regarding the addition of a third commuter rush lane before the year is out.

The crossing operators and more recently the local business communities have filled a void in promoting and marketing the program.

Examples include: CrossingMadeEasy.com in the Windsor-Detroit region, GoBorder.com in Port Huron-Sarnia, converting one of the bridges over the Niagara River to a NEXUS only bridge and the NEXPRESS® program at the Detroit Windsor Tunnel.

Opportunities abound to expand the success of the program and make NEXUS an integral part of WHTI implementation. These are my recommendations:

- Though the application is available on-line, the process remains a paper and pen exercise. The option for on-line processing is a must, i.e. Accelerating the application process as part of the Global Online Enrollment System (GOES).
- Expand the days and hours that the NEXUS lanes are open. Commuters working off hours along with discretionary travelers don't have the option for the program as the lanes are limited on weekends, closed on holidays and are unavailable after 8:00 PM.
- Expand NEXUS functionality to all land border primary inspection lanes to provide CBP additional tools to manage the border and to provide an alternative to passports as an acceptable entry document. NEXUS- only express lanes can be opened based on demand and will speed inspection at all lanes.
- Integrate, advertise and market the advantages of the NEXUS land, sea and air programs.
- NEXUS enrollment centers are not conveniently located in all communities, many with limited hours. Enrollment and activation are important, CBP must become more consumer oriented.
- The Tunnel provides an international-intercity transit route. This requires riders to get off the bus when entering the country and go through inspection. Expanding the program to transit would speed the process and enhance security.
- There is an indirect benefit to increasing NEXUS participation- reduction in fuel consumption and air pollution. Cars idle while in line for the booth.
- We understand from senior officials at CBP that the NEXUS program is under resourced, staff and funds. This needs to be addressed if any real progress is to be made in expanding the program.
- A NEXUS appeals process needs to be provided for those that are denied at application as well as those that loose the privilege post enrollment.
- As the federal government continues to be faced with challenges in issuing and renewing passports, the initial wave of NEXUS applicants are due for renewal starting later this year. The renewal process needs to be clear and efficient. The challenge may not only be expanding the program but retaining the existing base.

The land border remains fragile in light of threats of terrorism, WHTI, US VISIT and ACE implementation. NEXUS serves as an opportunity, a platform if you will for secure and efficient entry into the United States.

We invite members of the Committee to Detroit to see the land border and NEXUS in action. The Detroit Windsor Tunnel and the bridge combined have the highest volume of passenger crossing on the northern border.

Thank you.

Fiure 1

Bridge & Tunnel Operator's Association (BTOA) TRAFFIC SUMMARY											
			Percent Change From Prior Year								
Crossing	**1997**	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**YTD, June**
Ambassador Bridge	5.01	7.36	7.16	-1.12	-9.52	-6.07	-7.76	-0.18	-2.48	3.11	-4.77
Blue Water Bridge	2.21	0.89	6.69	7.78	-4.84	-1.59	-2.78	2.35	-0.99	-3.3	-7.61
Detroit-Windor Tunnel	-1.22	5.12	1.72	-10.29	-10.11	-9.57	-5.82	-9.06	-0.32	-8.77	-15.02
Lewiston/Queen Br	-0.14	-6.66	5.02	4.68	-5.4	3.06	-6.67	-2.24	3.7	0.21	-4.75
Ogdensburg Bridge	-3.93	-6.55	5.24	4.31	-3.56	-2.65	-0.11	2.35	-2.21	1.02	-0.92
Peace Bridge	1.28	0.06	4.08	3.18	-3.02	0.38	-9.73	-4.33	-0.44	-0.72	-7.46
Rainbow Bridge	24.11	3.76	-3.26	-0.64	0.67	-0.8	-19.55	1.4	-1.17	-1.85	-7.76
Sault St Marie Bridge	1.82	-10.87	-3.68	-4.49	-14.59	-9.76	-8.43	-2.6	4.18	-0.8	-1.75
Seaway Bridge	-3.15	2.14	7.9	1.13	-0.32	5.87	0.21	-0.06	-1.26	1.25	0.12
Thousand Island Bridge	0.96	0.09	7.01	1.25	-2.1	1.24	-4.92	1.26	-1.84	-0.71	-1.51
Whirlpool Bridge	10.49	-32.74	-21.23	1.54	-33.57	-27.93	3.71	n/a	19.9	-4.51	24.16
Total	3.16	0.72	3.43	-0.58	-6.7	-3.25	-7.47	-2.43	-0.49	-1.23	-6.49

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BORDER
Canadian Passport Applications
American Passport Applications
Nexus Card Applications
CANADIAN PASSPORT
AMERICAN PASSPORT
NEXUS CARD
Canadian Passport application information
American Passport application information
Show and Save
Show your newly issued passport or Nexus Card at any of our participating merchant locations and SAVE through special offers and discounts!
Click here for more details.
Privacy Policy
Disclaimer

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HOME
PASSPORT INFO
WHAT YOU CAN BRING BACK
NEXUS
AMBASSADOR BRIDGE
DETROIT/WINDSOR TUNNEL

NEXUS - DEDICATED COMMUTER LANES

About NEXUS

NEXUS is designed to expedite the border clearance process for low-risk, pre-approved travellers into Canada and the United States. The Canada Border Services Agency (CBSA) and United States Customs and Border Protection (CBP) are cooperating in this joint venture to simplify border crossings for members, while enhancing security.
To become a member in this program, you must:

- submit an application and go through a registration process;
- satisfy the eligibility criteria;
- be admissible in Canada and the United States; and
- pass risk assessments by both countries.

Program benefits

If you are approved to participate in NEXUS, you will receive a membership identification card to use when entering Canada or the United States at all participating NEXUS air, land and marine ports of entry.
Membership will allow you to save time by:

- crossing the border more quickly, using automated NEXUS self-serve kiosks in designated areas at participating international airports;
- a quick and simplified entry process while travelling back and forth between Canada and the U.S., using dedicated lanes at land borders; and
- reporting to border officials by phone in the marine mode.

What is the difference between CANPASS Air and NEXUS?

CANPASS Air is a Canada Border Services Agency (CBSA) program. Members can clear the border faster when they arrive in Canada. NEXUS is a partnership program between the CBSA and U.S. Customs and Border Protection. Members can clear the border faster when travelling to the United States and Canada.

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First Monday - May 2007

NEXUS PARTICIPANTS ENCOURAGED TO RENEW MEMI AND IF YOU DO NOT HAVE YOUR NEXUS CARD, WHY

Approximately 28,000 Canadian and US NEXUS participants' r expire early this summer. The Canadian Border Security Agency (C Customs and Border Protection (CBP) agency are encouraging m their memberships 90 days in advance of their expiration date. Par renew will not be able to capitalize on benefits such as using NEXUS

NEXUS, a bi-national program that aims to expedite the border clea low-risk, pre-approved travellers across the Canada-US border, cu than 120,000 participants. In December 2006, the NEXUS program and integrated into a single program for all modes of transp membership fee. The program is designed to have members proces at designated highway lanes in high-volume border crossing locatior – Sarnia Point Edward, at NEXUS kiosks in Toronto, Vancouver and as well as at marine reporting locations in the Great Lakes and Seatt

While expansion of NEXUS to these border entry points is encour Lambton and Ontario Chamber of Commerce has recommend Canadian and US officials to expand NEXUS and other existi document programs so that they are consistently accepted at all This includes having the required technology and infrastructure ava inspection.

We are pleased that NEXUS membership now fulfills the requirements for air travel; under the Western Hemisphere Travel The OCC considers this a positive step forward, however Ca governments must move further to enhance this program.

http://www.sarnialambtonchamber.com/main/ns/65/doc/452/lang/EN/session/ 7/19/2007

See *http://www.sarnialambtonchamber.com/main/ns/65/doc/452/lang/EN/session/*

Ms. SANCHEZ. Thank you.

Next, I recognize Mr. Gann to summarize his statement for 5 minutes.

STATEMENT OF THOMAS GANN, VICE PRESIDENT, PUBLIC POLICY, DIGIMARC CORPORATION

Mr. GANN. Chairwoman Sanchez, Ranking Member Souder and the rest of the committee, thank you for giving me the opportunity to testify on behalf of Digimarc Corporation today.

The focus of my discussion really will be on a series of technology innovations that, in large part, are being rolled out in the States, which we believe can be leveraged to enhance border security. At

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the same time, we think these innovations and processes can also increase the degree of travel ease that goes on.

Digimarc Corporation is the leading supplier of IDs in the United States. We do many programs around the world. Of particular note for this hearing, we have done a lot of innovative work on a technology called "digital watermarking." Digital watermarking is a secure technology that embeds imperceptible data to the actual body of the ID card, which makes it very hard to counterfeit. Today, some 20 States in the Union use this technology to make their IDs more secure.

Now, one of the big challenges, of course, is that our border has been very porous and has been viewed as very insecure. To address that, our country has put in place a number of programs such as the WHTI PASS program. This program, however, has been rather controversial with many businesspeople, particularly those along the northern border. We think that much could be done to leverage the investment that States are already making to improve their ID programs. In particular, many more investments will be made as a result of the REAL ID program. The States have estimated that billions of dollars will be spent to improve these credentials and, indeed, we expect these credentials to get a lot better. They will get better in the area of enrollment. They will get better in the area of card security. They will get better in every aspect.

We think, therefore, that it makes sense to create better connective tissue between WHTI and these driver's license programs. A very good example of this is the Department of Homeland Security has announced a recent pilot program with the State of Washington, whereby they will put in place a very advanced driver's license program. It will have an RFID chip in it. It will have a range of additional overt and covert security features. It will also have digital watermarking in it, and this pilot will enable citizens to cross the border in a very secure way.

The other thing that is important about this pilot—and we are the vendor that is delivering the technology for Washington—is that the entire program can be run for $40. Indeed, a basic driver's license in Washington today costs $25. The added capacity to cross the border in a secure fashion will only cost an extra $15. So we think this pilot is a very good example of what could be done in the future. We, therefore, recommend the idea of additional pilots, possibly one in Michigan or in other States that may express an interest, and over time, we would like to see high security driver's licenses leveraging the investments of REAL ID to be used on a border crossing basis. The good news about these pilots is that they are run on a voluntary program. Individual citizens opt into the program.

In terms of our public policy recommendations, we urge that the government implement technologies today that can be used on the border while, at the same time, making sure that those investments can be upgraded as new innovations come on line. Likewise, we think all border crossing cards should have three machine-readable capabilities. This machine-readable capability is important because it takes the guesswork out of who is coming across the border. So often, these verifications are done on a visual basis. So these technologies include a chip, an MRZ, and we think the digital

watermark has worked very well. By the way, other companies beyond Digimarc have digital watermarking capabilities.

As I have said before, we like the idea of implementing additional pilots. One day, we would like to see driver's licenses with true PASS capabilities working along the northern and southern borders.

Finally, we think it makes sense for Congress to help fund the REAL ID law. This is going to be one of the largest investments in improving credentials in the country. The States and most of the States that we work with are actually quite eager to implement it, but budgets are tight, and they would like at a minimum to have the Federal Government pay the initial start-up costs of the REAL ID law, and with that type of investment and a partnership with the States, we think the program can be successful.

I think I have reached my 5-minute timeline. Though, in question and answer, I will be more than happy to address any and all issues. We are very excited about this pilot. We have been excited to work with the Department of Homeland Security and also with our customer, Washington, and we think it is our obligation to make sure that we help bring on to line technologies that can make a real difference in securing our country and, at the same time, making sure that cross-border travel happens effectively.

Thank you.

[The statement of Mr. Gann follows:]

PREPARED STATEMENT OF THOMAS GANN

Chairwoman Sanchez and Ranking Member Souder, I would like to thank you both, and your colleagues on the Subcommittee, for giving me an opportunity to present Digimarc Corporation's views on improving border security while also promoting legitimate cross border travel and commerce. As the leading supplier of government-issued citizen identity documents in North America, Digimarc is pleased to be of service to the Subcommittee.

Customs and border protection and law enforcement officers face extraordinary challenges as they try to authenticate the more than 200 forms of valid driver licenses circulating in the U.S. today through unaided visual inspection. My testimony discusses technological innovations that are available now and in use by several state governments and commercial entities to augment visual inspection of driver licenses. Such technologies, like digital watermarking, are already in broad distribution and can be used to machine authenticate U.S. driver licenses, travel documents and other modern identification documents in the immediate future. These technologies should be integrated into a flexible platform that can accommodate new innovative technologies that are developed in the future.

Digimarc and the Importance of Digital Watermarking

Digimarc (*www.digimarc.com*), based in Beaverton, Oregon, has supplied issuance systems for driver licenses and other government-issued credentials for nearly 50 years and is the leading supplier of government-issued IDs in North America. We produce more than two-thirds of all driver licenses issued in the U.S. and offer products and services in more than 25 other countries. Additionally, we are a trusted supplier of a global system used by an international consortium of central banks to deter digital counterfeiting of currency.

Digimarc supports U.S. states with solutions covering all aspects of ID issuance: applicant identity verification and enrollment; over-the-counter and centralized secure card production systems; design and manufacturing of the cards using advanced technologies and multiple security features; and inspection to authenticate the ID after issuance.

Additionally Digimarc pioneered a signal processing technology innovation known as "digital watermarking," which allows imperceptible digital information to be embedded in all forms of media content, including personal identification documents, financial instruments, photographs, movies, music and product packages. In identity documents digital watermarking is used to embed digital data imperceptible to the human eye within the structure of the document. Using commercially available de-

vices such as scanners, PDAs with built-in cameras and other digital technology, it's possible to authenticate IDs and readily identify counterfeit and fraudulent documents. We believe that digital watermarking, to be discussed further later, is an important component of securing the nation's borders.

U.S. states began incorporating digital watermarking into their driver licenses in 2002 using a Digimarc product known as Digimarc® IDMarc^{T1}™, and to date 20 states have adopted this security capability in their driver licenses. The list includes Iowa, Wyoming, Nebraska, New Jersey, Kansas and Massachusetts as well as key border States such as Washington, Michigan, Minnesota, Florida, Texas, Vermont and others that keep their use of the technology confidential for security reasons. By the end of the year, one out of every two driver licenses being issued will include digital watermarks, and this number is growing rapidly.

Our Insecure Borders:

Since Sept. 11, 2001, the United States Government Accountability Office (GAO) has published a number of studies that have demonstrated how insecure our borders really are. In 2003, and also as described in today's testimony, GAO officials partnered with agents of the Office of Special Investigations to develop counterfeit documents used by special agents to enter the United States from various ports of entry from the Western Hemisphere. In GAO's most recent series of tests, 17 of 19 counterfeit driver licenses successfully presented to cross into the United States were produced by using off-the-shelf, commercially available graphics software, a computer, a scanner and a printer, and were. Our hard-working border officials were unable to detect these fakes because they do not have all the tools they need to properly verify the authenticity of these types of documents.

Visual inspection of travel documents—the key method our inspectors have today—is inadequate for a number of reasons, including the fact that there are more than 200 valid U.S. driver license formats. Only specialists, with years of training, have the skill sets needed to conduct reasonable visual inspections, and even then, visual inspection alone is not adequate to catch digital counterfeits. Our border agents do not have the necessary training or tools to inspect these documents on a day-to-day basis at ports of entry. This is made more difficult by the demands that arise from timely processing of thousands of individuals every day. Machine-authentication of the digital watermark present in many of these documents, however, would take the guess work out of determining which documents are valid and which are not.

The WHTI Initiative and the Economic Challenges of the PASS Card:

To improve the security of our borders, the Western Hemisphere Travel Initiative (WHTI), under the Department of Homeland Security (DHS), mandates that upon seeking entrance to the United States across a land border port of entry, all travelers, including U.S. citizens, present a passport, other verifiable and secure document, or combination of documents that can ensure a person's identity and citizenship. This initiative has already begun to change travel for U.S. citizens traveling between the U.S. and both Canada and Mexico.

More than 29 million people move across the U.S. / Canadian border to engage in trade and tourism each year, supporting more than $1.2 billion of daily trade between the countries. In 2004, Canadians spent $10.3 billion in the U.S., nearly $8 billion of which was spent on travel and tourism.

As only 25% of U.S. Citizens hold passports, the initial implication of WHTI was that each citizen traveling home from Canada or Mexico had to obtain a valid passport at the cost of nearly $100. To ease the financial burden, and to partly address the concerns of the business community, DHS has proposed a driver-license-like "passport lite" document called the PASS Card.

While the PASS card is a sensible approach to giving citizens an alternative to buying a passport for purposes of travel in the Western Hemisphere, a coalition of U.S. and Canadian businesses, called Business for Economic Security, Trade & Tourism (BESTT) comprised of over 60 associations and companies, believes that the PASS proposal, as currently written, will significantly reduce commerce between the US and Canada. Indeed, BESTT has cited one estimate saying the new identification requirements could cost the U.S. economy $785 million a year and the Canadian economy $1.7 billion in lost revenue due to a decline in tourism.

The coalition "opposes requiring passports for Americans and Canadians entering the U.S., and instead, urges the U.S. and Canadian government to develop another approach that would do a better job of balancing commercial and homeland security interests." BESTT has also urged both the U.S. and Canadian government to consider allowing REAL ID compliant drivers licenses to be used as border crossing cards—a concept that has real merit.

Leveraging State Investments in ID Security to Secure our Borders:

Many states have established security processes that complement and extend many of the processes employed in the current U.S. passport, or the expected PASS card. The states have made and are making major investments in their driver licenses and issuance systems to promote transportation safety, protect their citizens from identity theft and fraud, and enhance their personal security and the security of the nation—particularly since September 11. As we know, the perpetrators in the Sept. 11 terrorist attacks obtained valid driver licenses under false identities. In any security system, criminals tend to look for weak points to exploit. In these cases, the documents were genuine driver licenses obtained fraudulently. States and their suppliers are upgrading not only the documents but also the enrollment process and inspection processes to address all known weaknesses that could be exploited by criminals.

According to the National Conference of State Legislatures, the states are expecting to invest billions of dollars as they continue to enhance the security of their driver licenses in compliance with the *REAL ID* Act, which sets federal security standards for state-issued driver licenses and IDs. These efforts will result in a high level of security in the enrollment, issuance and inspection processes of our current driver licenses. These same processes and technologies being deployed by the states could also be used to strengthen the enrollment processes for Federal employee credentials and citizen credentials such as passports, and can be used in conjunction with gaining citizenship certification from the Department of State for State-issued REAL ID-compliant driver licenses.

These improved enrollment processes include:

- Secure in-person photo capture to protect against fraudulent photo submittal and enable downstream biometric facial recognition
- Electronic scanning and archiving of documents enabling efficient enrollment, subsequent forensic investigation of documents, and electronic transmittal as part of adjudication process
- Electronic document authentication at point of enrollment using a variety of machine readable features including digital watermarking
- Electronic applicant verification against federal and third party databases such as Social Security
- Electronic verification of applicant data against State DMV and vital record databases
- Facial and/or fingerprint recognition, both 1-to–1 and 1-to-many, to verify identity against existing biometric records
- Use of trained driver license agency personnel who are experienced in fraudulent document recognition, work with enrollment processes on an ongoing basis, and have successfully passed thorough background checks

Leveraging Existing Technologies to Secure our Borders:

As described above, proven, cost-effective technologies are commercially available today that can enable border officials to machine authenticate U.S. driver licenses and other border crossing credentials. These documents contain numerous security features such as digital watermarks, holograms, and special inks. There are software and hardware solutions available that can automatically inspect such security features and facilitate background checks via third party data bases. Digital watermarks are key in that they provide the only means of trusted authentication of a driver license in use today, and they can be read using commercially available scanners with special software.

Digital watermark-based document authentication solutions are compatible with other travel document reading efforts including the ePassport efforts. This capacity to work with an ever-evolving set of security features is essential because it ensures that government can stay ahead of terrorists and criminals who seek to use loopholes in our security systems to gain access to the U.S. Additionally, these technologies can be quickly deployed, within six to 12 months, and are efficient for the inspector to use so that citizens are not inconvenienced with long lines. And essential to success, digital watermarks do not compromise citizen privacy.

Summary of Nebraska ID Authentication Pilot Results:

The state of Nebraska provides a particularly poignant example of raising the ID security bar by deploying innovative security solutions and processes. In 2003, Nebraska was one of the first States in the country to incorporate the digital watermarking feature into its licenses.

In 2005, the Nebraska Department of Motor Vehicles conducted a pilot under a grant from the U.S. Department of Transportation to demonstrate authentication of digitally watermarked driver licenses as a means to fight ID counterfeiting, reduce

the purchase of age-restricted products, such as alcohol, and enhance traffic safety. Digital watermark scanners were installed in a total of 18 point-of-sale sites, 30 office sites, and 35 law enforcement sites, and were used in "real time" for an average of 30 days. Retailers, law enforcement and DMV operators were equipped with reader devices that allowed them to verify the information printed on a driver license—even an unfamiliar out-of-state driver license—against the information contained in the digital watermark. By doing so, they were able to determine if a driver license was valid or not and, in the retail situations, which, if any, age-controlled products the DL holder was old enough to purchase. The scanner/reader devices proved invaluable in instantly determining whether or not the license presented was authentic, as well as validating the age of the DL holder.

At the conclusion of the pilot, Digimarc staff interviewed the users regarding their experience with and response to the digital watermarking technology. The technology was extremely well received:

- 100% of retail participants said that a valid read from the watermark gave them confidence that the DL was authentic.
- 100% of law enforcement participants using a PDA reading device had confidence that a valid read from the watermark meant the DL was authentic.
- 100% of office staff surveyed reported that they believed the device was beneficial, that it gave them confidence that the scanned ID was authentic, and that they would use it in the future.

The deployed readers continue to be used by the state, and in fact, this summer, Nebraska plans to put new Document Inspector units into production at DMVs across the State. This will arm front-office operators with the tools to inspect and positively authenticate the millions of U.S. driver licenses secured with digital watermarking (Digimarc's ID Marc). When Nebraska and other state driver licenses are presented as proof of identity to obtain a new or renewal driver license, machine authentication will be able to validate the ID or detect fraud. The system will be effective with licenses from neighboring states such as Colorado, Iowa, Kansas and Wyoming - effectively removing the guesswork that can come with visually inspecting an out-of-state ID.

Today, more than 60% of valid driver licenses in Nebraska are secured with digital watermarking, and it is anticipated that within two years all valid Nebraska licenses in circulation will be protected by digital watermarking. Nebraska's experience—as well as that of other states such as Iowa—can serve as a model for the federal government to help make our nation's borders more secure in a timely and cost effective way. Iowa, for instance, has deployed secure card materials, digital watermarking, and many other cutting edge solutions. The state employs full time investigators to attack license and identity fraud, and has deployed advanced readers to help officials detect counterfeits.

Digimarc Document Inspector Scenario

Authenticating documents like driver licenses and IDs can be done quickly and simply with a single device that scans both sides of the document simultaneously—a device such as the Digimarc Document Inspector software that checks the validity of common ID security features, including the digital watermark. To determine if a license is genuine, an inspector would start inspecting the document by inserting it into the scanner. The software is very easy to use—the operator just hits the spacebar to initiate the scanning process. In just a few seconds, the device scans both sides of the document and the software processes the information, determining if the document is authentic for that document type and jurisdiction. The software contains a regularly-updated document information library that is used for this automated validation process.

The software reads the individual's demographic data from the document and displays the key data and associated analyses to the operator, which assists validation of the document and card holder. This entire process produces a valid rating in seconds, displaying "green" clearly on the screen if the license is valid and red if it is suspect. With such a process, operators can easily see if the document passed inspection—enabling them to focus on the individual, rather than the document. In a typical border crossing scenario, if a red indicator appears, the card holder would be sent to secondary inspection where an investigator could use the digital watermark and other features or databases to pursue the fraud.

Digital watermarks can also be read and authenticated on travel document scanners, like the kind used to read passports. Software such as Digimarc's software is able to draw on the pattern matching library of such a scanner and its multi-spectral light inspection authenticate the watermark and check additional security features visible only when illuminated in UV or IR light. This is a more expensive solu-

tion, but one that can validate not just driver licenses and IDs, but travel documents like passports and foreign ID cards.

The Document Inspector closes the loop on the secure ID lifecycle by providing an easy, reliable way to instantly authenticate IDs after issuance. Border inspectors can immediately validate the document using the digital watermark and other data and features present on the license. Visible features, like 2D barcodes and others, can be altered, but when linked to a second feature that is imperceptible to the human eye, counterfeiting becomes extremely difficult, if not impossible. After scanning, Document Inspector provides a quick pass/fail reading and keeps lines moving.

Document Inspector is fast and easy-to-use. An operator can authenticate a document with confidence in just a few seconds. The software is hardware independent, working seamlessly with a variety of best-of-breed hardware and software components, and provides a simple user interface to eliminate the guess work associated with visual inspection.

Table 1 summarizes the Document Inspector features and benefits.

Table 1 Digimarc Document Inspector Features and Benefits

Features	Benefits
Extensive document database that is updated regularly	• Standardizes authentication practices • Gives agents more confidence • Keeps the knowledge base up to date without the need for additional training
Fast, easy authentication results	• A clear red/green indicator of authentication evaluation • Multiple visual cues to the result • Ability to see the details if further investigation is necessary
Standards-based technology	• Allows for integration with external systems • Keeps deployment/investment costs low • Provides clear technology path

In summary Digimarc Document Inspector is a document authentication solution that features:

- A system that offers fast document authentication to ensure citizens are not inconvenienced or slowed down by the process.
- Authentication of the most comprehensive set of security features used in driver licenses

Cost Estimates of Deploying Readily Available Technologies:

We don't have access to all of the government information, including technology integration, human resource, and third-party database expenses, to offer a precise estimate of what it would cost the federal government to deploy these readily available technologies to help secure our borders. However, we respectfully suggest that the Committee request that the Congressional Budget Office or the Office of Management and Budget conduct such a study.

It is our understanding that the number of Northern and Southern land border points of entry are:

	Inbound Passenger Lanes	Inbound Cargo Lanes	Pedestrian Lanes	Total Lanes
Northern Land Border POEs	278	121	24	423
Southern Land Border POEs	224	72	86	382
Total	502	193	110	805

Our own rough estimate of the cost—based on our experience and market research studies—of deploying the necessary software and hardware in an estimated

805 lanes to cover all immigration land border lanes, including cargo and shoulder lanes is under $50 million. This would equip each lane to machine validate driver licenses and other common travel documents. Covering the Northern border lanes, assuming 423, the cost is approximately $26 million. If we wanted to add any type of remote database interface to this system such as cross referencing watch list databases or consolidating the number of transactions etc., we would add an additional $10 million to our baseline cost estimates.

These cost estimates do not include the cost to the States of deploying machine-readable security features, nor do they capture the expense to the States of improving a large number of their security programs such as their enrollment processes. But these requirements have already been mandated by the *REAL ID* Act and the States are already working out how to pay for compliance with this Act. In any case, if our cost estimates are roughly in the ball park, this would be a small price to pay to quickly improve the security of our borders.

New Technologies: A Smart Card Capability to Enhance the Security of Travel Documents:

Some months ago, DHS signed a Memorandum of Understanding with the state of Washington to authorize a pilot of a drivers license that would be enable to be used as a PASS card. The department has also made it known that it welcomes similar proposals from other states as a thoughtful approach to augmenting the current PASS program. We believe the Department is on the right track by giving states and their citizens another way to comply with the requirements of the PASS card.

One key component of the PASS plan is to include a micro-chip in the card to enable it to either run on the same technology infrastructure of the new passport that is being rolled out, or to introduce a remote reading capability—the ability to determine a few minutes before citizens actually cross the border whether their credentials are valid. This capability, the government believes, will help ensure that citizens can move quickly across the border while ensuring that high level of security is maintained.

Recently, Washington DOL and DHS have agreed to run an initiative that allows the Enhanced Driver License (EDL) to be used as an alternative travel document to re-enter the United States through sea and land border crossings. Digimarc will supply Washington DOL with applicant enrollment and screening solutions as well as production of the RFID-enabled EDL. Recent state legislation authorizes the use of enhanced driver licenses, issued on proof of citizenship, identity and residency, as a WHTI alternative document to a passport for re-entry into the United States. The new Washington licenses will cost $40.

Washington's enhanced driver license system will employ Digimarc applicant screening solutions to verify an applicant's identity documents, data such as name and address, and facial biometrics to ensure that only one license is issued to one legitimate card holder.

Digimarc launched its chip-enabled driver license solution last year in anticipation of States' needs for new applications of the driver license. The Digimarc enhanced driver license for Washington will include RFID technology that is compatible with the DHS Western Hemisphere Travel Initiative program. This will offer a convenient and cost-effective option for citizens to carry a single credential that meets their driving, identity, and land and sea border crossing needs.

The Enhanced Driver License itself will carry traditional security features found on the current Washington driver license, including digital watermarking, as well as new features including an RFID chip and a "Machine Readable Zone" (MRZ) that is compatible with travel document readers.

The Washington initiative will leverage a number of market leading Digimarc driver license products and services to provide a high level of security throughout the process, including:

- Document authentication of "foundation documents" used to obtain an enhanced driver license;
- Applicant data verification that will be used by interviewers to confirm the data presented by applicants, including name, address or date of birth;
- 1:many facial recognition-based biometrics to screen out duplicate ID fraud, which is part of the gated issuance process to coordinate the back-end screening process and release the enhanced driver licenses to production; and
- Production of the enhanced driver license at a secure, centralized facility.

Public Policy Recommendations

We recommend that as the Federal government rolls out its next procurement to enhance border security, it purchase technologies that are both forward and backward compatible. The Federal government should deploy capabilities to machine

verify the authenticity of U.S. driver licenses at the border, including reading and authenticating the digital watermark. Over time, these readers could be upgraded to accommodate enhancements being made to driver licenses and other identity documents from both the U.S. and Canada, and also other from other Western Hemisphere countries as deemed appropriate by the Department of Homeland Security and the Department of State. These technology solutions are scalable, having the capacity to integrate new technologies that will be developed in the future to ensure that criminals and terrorists are always challenged to defeat ever higher levels of security.

Every border crossing official must be able to do machine-readable verification of driver licenses, processing the covert machine readable features in documents that are presented at the border. In addition to putting stationary readers at all border crossing stations, mobile readers should also be deployed to ensure that agents can do rapid and secure screening of driver licenses and/or travel documents. This will help ensure that transit times are not unduly affected. All of these technologies exist today and are proven and could be readily deployed if the funds were available.

The REAL ID law requires the States to add a machine-readable feature to their driver licenses. Given that digital watermarking has become a de facto standard for driver license authentication, we recommend that the federal government require or encourage all States to adopt digital watermarking technology in addition to other appropriate machine-readable security features to comply with the requirements of this law so that national standard authentication will be realized. We also urge that digital watermarking be added as an additional security feature to all border crossing credentials.

The REAL ID law will help States meet the security challenges of the 21st century by ensuring that they deploy best-of-breed, end-to-end security systems. However, the states have estimated that the cost of implementing the Real ID Law will be $13 Billion. The states have also asked the federal government to fund the $1 Billion in start up costs that the states have identified. We urge Congress help the states pay for these start up investments in hardware, software and card materials.

Finally, we applaud the Administration for approving the Washington state pilot and urge that additional pilots be approved. These pilots can test the viability of leveraging state issued drivers' licenses to promote secure and efficient cross border travel. We believe that these pilots, as they prove successful, can form the basis for a program that will allow as many states as possible to issue dual use driver's licenses. This approach would leverage the significant investments in ID security that the States have already—and will continue to make, in the coming years. Such a policy will also leverage the existing ID systems that the Canadian Provinces have already deployed. The opportunity for both the United States and Canada to develop a collaborative approach should not be missed.

Conclusion

In conclusion, I would like to thank Chairwoman Sanchez and ranking Member Souder for giving me the opportunity to appear before your Subcommittee on behalf of Digimarc Corporation. The States have been pressing forward with important security upgrades within the limits of their budgets and mandates. More will need to be done as States drive to comply with the *REAL ID* law. It makes sense, therefore, for the federal government to leverage these significant investments to help secure our borders, and at the same time, save taxpayers money and time in obtaining identification credentials. Digimarc Corporation, along with other suppliers and the many of the issuers that we serve stand ready to do all we can to support the government's objective of enhancing the security of our homeland.

***Additional information on digital watermarking**

Digital watermarking complements other authentication techniques such as the pattern matching and multi-spectral analyses found in passport and travel document scanners. Digital watermarking technology is compatible with and can enhance the security of passports, smartcards and other travel documents such as the proposed PASS Card. Digimarc broadly licenses digital watermarking technologies to many other vendors for supply of digital watermarking enhanced solutions for a variety of security purposes.

Deployment of digital watermark reading is aligned with the published security strategies of the Department of Homeland Security and the Department of State, and is a recommended feature of the Document Security Alliance and an approved optional feature of the HSPD–12 PIV–2 standard, which calls for enhancing the identification and authentication of federal employees and contractors. Digital watermarks provide positive document authentication, age verification, cross-jurisdictional authentication, and forensic capabilities.

Ms. SANCHEZ. Thank you, Mr. Gann.

I will now recognize the gentleman from Indiana, Mr. Souder, for 5 minutes.

Mr. SOUDER. Thank you.

I have questions for everybody, but I want to focus on Mr. Gann.

First, let me disclose that they have a facility in my hometown that makes the licenses—even though you are based in Beaverton, Oregon—and it varies, but between 37 and 42 States have the licenses made by his company, the driver's licenses, and two other little competitors have developed off of this in Fort Wayne. I think 48 of the 50 States' driver's licenses are made in Fort Wayne as well as in Singapore. So, when you go through their facility, you can see the whole range of what different States mandate. It is the same basic card, but Singapore uses an eye scan. Some States have different standards. Some have watermarks. Some have other things. It is not a technology challenge. To some degree, it is political will, and I want to pursue that a little bit because, when I was chairman over in Government Reform of another subcommittee that had oversight of all justice and drugs and all of that, we did several hearings in North Carolina that were trying to address their State driver's licenses. I just met with the Indiana head of the Bureau of Motor Vehicles, and they were going, "Hey, what are you going to do? Are you actually going to mandate us to do this on these licenses, and is that going to be the end?"

Recently, we had the Miami Airport people in here, and I was down in that region and had stopped at the airport, and they are doing all of these new things and putting in all of these machines. Then the US–VISIT says, "Oh, no. We want to do it this way." Then they start to do all of that, and then they want to do it this way. We heard that on the border, too.

What I was really intrigued by in your testimony—and I would really like to work with the chairman of the subcommittee to see what we can do—is how to anticipate—because we know we are going to make changes.

How can we build into the identification, you said, a chip, an MRZ and a digital——

Mr. GANN. Watermark.

Mr. SOUDER. —watermark?

Then, whether it is NEXUS or SENTRI or US–VISIT or a State driver's license, if we have certain things built in a card, whether it would be a State-licensed card or even a passport, you are saying that we could upgrade that to potentially include fingerprints and to potentially include what?

Mr. GANN. Right. Well, it is certainly a very good question. One of the great challenges in big technology implementations, whether in the public sector or even in the private sector, is putting in place an architecture that is scalable. To do that, I think it takes having some very good CIO's architect program that is scalable over a 5—, 10—, 15-year program, but that is not enough.

The other thing that is very important, I think, is to use as often as possible commercial off-the-shelf technologies that have already been proven and then integrate them. Most of these technologies, whether they are different software components or hardware components, generally speaking, are quite compatible with other tech-

nologies just because they need to be. That contrasts favorably with what I would describe as "custom-build solutions," and oftentimes in the public sector, you see more custom work where an agency decides they are unique and they need to build everything up from scratch. You know, the FBI case management system is a great example of that where you had huge cost overruns and where, unfortunately, the program, you know, did not do as well as it could have.

So my two points would be to have a good architecture, have good CIOs implemented and, when possible, use as much commercial grade technology as you can because the R&D has already been invested in by companies for that.

Mr. SOUDER. We make things in my district. We either grow them or make them because tourism is not our number one thing. That was sarcastic, by the way. One of the things that I see is—like we have a little company in the innovation center that is working with DHS to develop their IDs for things like the defense intelligence—DIA—facilities, CIA facilities. It is not like we do not have cards where you can only go in one part of the building but you cannot go in this part of the building and that these cards do not have readers. One of the things we were talking about earlier is that, as some States have moved to advanced information on the card, they cannot afford the reader for that. Could you take this into the commercial application, and where we are headed with this?

For example, in NorthµCarolina, they have more information on their card now than any policeman could possibly read in his car. He would have to go to downtown Charlotte to be able to read it. Eventually, at some point here, if we are going to have work permits in the United States and deal with overstays, you are going to have to have the ability to read the card. To do that, it is going to have to be an affordable reader, not only for what is going to be on the card and for the card's being secure, but there has to be a way to read the card in an affordable way much like the RFID things. Being able to read the RFID is one of the bigger challenges rather than just giving the thing on the item.

Could you talk about how you interact with those types of companies?

Mr. GANN. Right. Well, I think any good card program is going to be based on the integration of technologies from a number of companies and software capabilities from a number of companies to produce the whole, which is hopefully very successful.

The good news is, over the last 5—10 years, a lot of innovation has occurred in the ID business. You have seen digital watermarking and chips and a lot of innovation in the area of readers. Optical readers today can be gotten quite inexpensively for $25. We can do a digital watermark demo that ascertains whether a card is, indeed, a good card or not with a reader that costs about $25, and so the innovation continues. Those readers are more expensive in a hardened situation, say, at the border where you need extra redundancy. The last point I would make is many readers today can also be implemented via cell phones via the cameras that can read security features.

So I think the key is continued focus in the area of IDs, and things like the REAL ID law will create additional incentives for the private sector to invest so they can innovate.

Ms. O'CONNELL. I know you are focusing on the technology part, but let me tell you, from the grassroots perspective, what you are saying is it is a huge challenge. We have all of the letters of the alphabet in programs that you can imagine are coming along for the border, and there is no coordination. So, when the gentleman was talking about having one infrastructure and architecture that can be expanded, that is something that we see that is lacking from the leadership within the Department of Homeland Security in terms of we need more coordination. You have created a border coordination office to look at all of this, but you have the Western Hemisphere Travel Initiative that is going to be millions of dollars, and they are working with US-VISIT that has already invested millions of dollars and that have used the same technology and architecture. Just when you were talking about RFIDs, you were down to the discussion of what type of RFID. I mean we can go vicinity, proximity, et cetera.

There is a lot of discussion, but I think, from your perspective of the committee, the challenge is to request that coordination, and we need to leverage funds. I know I said it earlier that we are a rich Nation, but there are limited funds that we have. We have to be able to leverage the technology, and it is not recreating the wheel. It is already there as Mr. Gann said. So I wanted to——

Mr. SOUDER. Thank you.

I want to reinforce that point because one of the most baffling things is that the number one cause of drug deaths in the United States is from prescription drug overdoses. Interesting, Wal-Mart was RFID-ing their prescription drugs because of employee theft and different things that have been stolen, so they know more about any bottle of aspirin that moves through the Wal-Mart system than we know about illegals, terrorists or drug dealers in the United States because they are following each little, tiny bottle of aspirin.

The question is in trying to use systems and coordination that are, quote, "off the market" or that are being done in the private sector, and we are sitting here, trying to invent things, and because of real world pressures in the private sector, they are already moving in this direction on security as to what parts of their building are going to be secure, whether their products are secure.

How can we get some of this architecture together and coordinate it? It is like talk to each other. We have got our appropriations process. I mean it is one of our huge problems in Homeland Security. We have our corporations process, our committee oversight process, the different agencies, hearings that you all come to. It is just very frustrating because one of the key things here is having some basic coordination because we are going to keep changing. Congress can only plan for 2 years if there is not a fundamental flexibility in architecture built in. The private sector is going to have to adjust with every new Congress. If we have a terrorist accident, whatever that is, we are going to panic and do incredible things in that area, and it is going to require a flexible architecture as well.

Thank you.

Ms. SANCHEZ. Thank you.

Ms. O'Connell, being a Californian and having parents whose hometowns are Douglas and Nogales, I have a lot of knowledge with respect to what is going on at the border and in border communities and the problems that we see, in particular, with respect to doing commerce across that arbitrary line there.

Are your members confused by all of the initiatives we keep coming out with, I mean, just to be able to drive—C–TPAT, e-Manifest, FAST, and God knows what other stuff—and just to be able to get their shipments from one country to another? There are NAFTA requirements, WHTI.

Are they going crazy over there?

Ms. O'CONNELL. Yes. The answer is that we are very confused. It is confusing and it is a challenge.

Ms. SANCHEZ. How has the Department of Homeland Security or the State Department or the Commerce Department helped or reached out or gotten information out to your membership—to people, small businesses, medium-sized businesses—trying to commerce across?

Ms. O'CONNELL. Our organization, for example, partners very much with the Department of Homeland Security and Commerce, et cetera, on helping to do outreach.

The challenge has been that so many programs are coming out without a clear understanding of how they are going to be implemented. So, for example, you talk about the Western Hemisphere Travel Initiative. At some point, there was talk about the PASS Card, and it was going to be that you would need a passport or a DHS-recognized ID Then the PASSµCard was announced, but we have not seen any details of what the PASS Card entails. Then we also talked about maybe using a pilot program to use a driver's license, but there is a lot of questions on how is that going to be paid. So, yes, there is confusion.

The Department is doing outreach. I think there needs to be more outreach, but to be fair, Madam Chairwoman, also we need you, Congress, to be realistic on the expectations, too, and I mean it with all due respect. I mean you can have different—regardless of RFIDs or whatever, you need to give the resources for them to do the outreach, too. That is something that I think is missing, Madam Chairwoman.

Ms. SANCHEZ. Ms. O'Connell, in the notice for proposed rulemaking for WHTI, the Department of Homeland Security states that, in all case studies but one, four gone border crossings attributable to WHTI will have less than a 1-percent impact on the regional economy both in terms of output and employment. What do you say to that?

Ms. O'CONNELL. I am not familiar with how they got that number. I think——

Ms. SANCHEZ. Is it going to have an impact on your community?

Ms. O'CONNELL. Definitely.

Ms. SANCHEZ. I mean that is one of the first things you said to me.

Ms. O'CONNELL. Yes, it is going to have a huge impact on the economy. I do not recall that figure from DHS, but it is going to

have a huge impact, as I mentioned, because it is not a voluntary program. The challenge is going to be how does it get implemented. What is the process?

Ms. SANCHEZ. What do you want us to do? You said we need to be up here. We are supposed to be giving some oversight to this department and some of my colleagues to other departments. What do you want us to do to make that go smoothly for your community?

Ms. O'CONNELL. I would recommend that the committee request specific benchmarks on how this program is going to be implemented, that there is a leverage of the existing technology and that the outreach is mandatory to all the people to have a clear message out. Request DHS and DOS to have a clear message out on how the program is going to be implemented. If I can choose three, those are it, Madam Chairwoman.

Ms. SANCHEZ. OK. I have a question for you, Mr. Belitsky.

In your testimony, you said that expanding the frequent travel program to transit-like buses would enhance security and make the process more efficient.

Can you explain how you think a transit frequent travel program would work while also ensuring that none of the passengers are security risks? Would all of the passengers who would get on one of these buses have to already have been cleared with frequent travel programs? How do you envision it?

Mr. BELITSKY. The way the border works is, if the person in front of you takes less time to get through, then you take less time to get through. So, if you look at the folks in our community who use the bus, it is virtually the same people every day. So, if these folks all were enrolled in a program like NEXUS, they would get through quicker. It would speed up the whole process.

One of the things we have done—and this gets back to——

Ms. SANCHEZ. So does that mean you would require that everybody who got on that bus would have to have the NEXUS card?

Mr. BELITSKY. No. It is optional, but if there are 40 people on a bus, that bus does not leave until everybody is inspected. If there are 20 people on there who get through quicker, the whole time for that bus trip will be cut significantly.

One of the programs we have worked on with CBP is in the greater Detroit area. One of their claims to fame has been international, world-class events—the Super Bowl, the All Star Game—and so we have actually worked on what we call "manifesting buses" where there is a busload in Canada, and folks get on, and they agree to submit a variety of information. We send that electronically before the bus gets to the border, and it is there, and so that bus is able to clear the border in less than 5 minutes where typically that bus may take 25 minutes to a half hour.

Ms. SANCHEZ. Do you have the same problem that Ms. O'Connell sees at her border, that it does not matter which lane you are in—the NEXUS lane or the FAST lane or the regular lane—because basically it is all backed up, and so the speed actually only occurs in the check-through process?

Mr. BELITSKY. That is a real issue. You have to remember that the vast majority of land border ports to the United States were

all built before 2001. So, in virtually every case you are trying to stick a square peg in a round hole.

One of the things that we did is, because we have such a large commuter base, we partnered with the City of Detroit, and we partnered with the City of Windsor where we actually close a street, and so, for the morning commute, if a commuter gets the NEXUS card, we give them free enrollment in our NEXPRESS program. They are the only ones allowed to use that street. They have their own lanes on the plaza. They have their own toll booths. They go through the tunnel uninterrupted, and they have their own lanes on the inspection plaza because that was a significant issue.

So we have looked at the whole process, which is one of the things that we are suggesting to CBP. Don't look at what happens at the border right at that booth. You need to look at the entire process if you want to keep the program secure and if you want to keep the border moving.

Ms. SANCHEZ. Mr. Souder.

Mr. SOUDER. Can I clarify this and see if I am incorrect?

In Sault Ste. Marie, one of the problems is that a truck is a truck and a car is a car, and it is a two-lane bridge, so it does not matter whether you are precleared or not precleared, because you are stuck on the bridge, and the only thing that matters is time, time when you are in the last three or four and when you split, and that is a little bit of a problem in Detroit. So, when you have a bridge or a traffic congestion problem, you have a different time/wait challenge than most of our land border crossings where, in fact, there are differences unless you are in a congested area as you are approaching.

Mr. BELITSKY. You are right. Unless you look at creative solutions to use the infrastructure better, you are going to have these problems, and so part of it—and Sault Ste. Marie is sort of isolated, but if you look at Detroit where you really have two crossings, if you look at the Niagara River where you have the three at Niagara, plus the Peace Bridge, if you look at a regional solution, you have the ability to move trucks more efficiently. You have the ability to move cars more efficiently. Again, the Whirlpool Bridge that is exclusively a NEXUS crossing is a good example of that.

Ms. O'CONNELL. May I, Congressman?

For example, in El Paso, the private sector partner built their own dedicated first FAST lane and their own dedicated SENTRI lane, but the private sector paid for it, and so, therefore, they can use it. The usage has gone down a little bit because the percentage of checking the trucks was higher in the FAST lane than in the regular lanes, so the trucks were saying, "Why are we wasting our time here?" So I think before that that was one of the questions.

In some other areas, for example, in Nogales and in Mariposa, we raised money to build an extra FAST lane, but on the Mexican side, there are still only two lanes. So, even though there is not a bridge in that situation, in Texas, where you have bridges, they have the same challenge. So the infrastructure is a huge problem, and that does not help the program. That does not mean that the program is not useful, as Neal says it is. You can get creative and work together to find a solution.

Ms. SANCHEZ. Ms. O'Connell, what city do you live in?

Ms. O'CONNELL. I live in Phoenix, although 70 percent of the time I am at the border. So, yes, I spend time at the border. Yes.

Mr. SOUDER. Just for the record, Mr. Belitsky, I heard that right after 9/11, on the next day when the traffic stopped from Windsor—and I cannot remember what the number was, and I do not know whether you know it off the top of your head, whether it was 2,000 or 4,000—nurses got, in effect, stopped at the border, and that would be some of the potentially bus traffic and some of that type of thing. People do not often realize the interrelationships. We have big cities on each side.

Mr. BELITSKY. Yes. Detroit is significantly dependent on nurses crossing the border. You always have to look for a silver lining. One of the silver linings out of 9/11 was it got organizations that typically worked in parallel to work together, and so the nurses were a really good example. We got together with the health care agencies in Detroit, the transit systems on both sides, the police departments, CBSA—which is Canadian customs—CBP, and we actually have processes in place if there were another event where it went up to a level red where the border crosses where we can get specific groups across the border. So these are not only paper and pencil exercises; these are ones where we have actually had Table Tops, and these are ones where we have actually tested the border to make sure these processes work.

Another example is what I mentioned, manifesting the busses. We knew we had to make the Super Bowl successful, and so CBP went out of their way and developed this program that we use for special events.

So there are examples where folks do get creative to keep traffic moving, and the side benefit of that or the main benefit of that is really that you have a more secure border as well as one that is freer flowing.

Mr. SOUDER. If the White Sox don't get you, it may be a World Series again.

Mr. BELITSKY. We are hoping. We are hoping.

Ms. SANCHEZ. Yeah. Right. It is like saying the Cubs will win. No.

I thank the witnesses. I think that is it.

Are those all of the questions you have? OK. Yes.

I thank the witnesses for their valuable testimony and the members for their questions, and the members of the subcommittee may have additional questions for the witnesses, and we will put them in writing to you. Get back the answers as quickly as possible, if you will.

Hearing no further business, the subcommittee stands adjourned. Thank you again for testifying.

[Whereupon, at 3:50 p.m., the subcommittee was adjourned.]

Appendix I: Prepared Statement

PREPARED STATEMENT OF THE HONORABLE BENNIE G. THOMPSON, CHAIRMAN, COMMITTEE ON HOMELAND SECURITY

Trusted traveler programs like NEXUS, SENTRI, and FAST offer expedited processing for frequent travelers willing to go undergo the required pre-screening process. Expediting low-risk individuals through our ports of entry facilitates legitimate cross-border trade and travel, which is the lifeblood of border communities and vital to our nation's economy. By identifying low-risk travelers, trusted traveler programs also allow Customs and Border Protection personnel to give greater scrutiny to the general population of travelers at our borders. NEXUS, SENTRI, and FAST are an excellent example of how the Department of Homeland Security and the public can work in partnership for their mutual benefit.

These programs are not without potential concerns, however. Due to increased enrollment, there are often more trusted traveler program participants than Customs and Border Protection officers are able to process in an expedited way. At peak crossing times, dedicated commuter lanes may be just as long as regular lanes, which serves as a disincentive for people to apply for these programs. In some cases, backups are due to a lack of space or physical infrastructure necessary to add additional trusted traveler lanes to ports of entry.

In other instances, there is a shortage of personnel required to open or expand the operating hours of existing lanes. With the Department of Homeland Security's recent announcement that trusted traveler program cards will be accepted for purposes of the Western Hemisphere Travel Initiative, we can expect that enrollment in NEXUS, SENTRI, and FAST will only increase. The Department needs to be prepared for a possible surge in applications, and take appropriate measures to alleviate congestion in lanes dedicated to trusted traveler programs.

In addition to capacity issues, ensuring the security of these programs is an ongoing concern. Trusted traveler programs offer an attractive option for bad actors to use ports of entry as a means of smuggling illegal aliens, drugs, or dangerous materials into the country, due to the reduced scrutiny participants received.

As we improve border security between the ports of entry by hiring more Border Patrol agents and constructing additional border security infrastructure, the incentive to use ports of entry for smuggling will only increase. It is imperative that the Department do everything possible to address these security concerns, while still ensuring that the programs function as intended.

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Appendix II: Questions and Responses

QUESTIONS FROM THE HONORABLE LORETTA SANCHEZ, CHAIRWOMAN, SUBCOMMITTEE ON BORDER, MARITIME, AND GLOBAL COUNTERTERRORISM

QFR Responses
For the

Subcommittee on Border, Maritime and Global Counterterrorism's

Hearing on
"Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders"

Held
Thursday, July 26, 2007

From
Mr. Robert Jacksta
Executive Director
Travel Security & Facilitation, Office of Field Operations
U.S. Customs and Border Protection
Department of Homeland Security

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Question#:	1
Topic:	participants
Hearing:	Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders
Primary:	The Honorable Loretta Sanchez
Committee:	HOMELAND SECURITY (HOUSE)

Question: How many participants are there in the NEXUS, SENTRI, and FAST programs?

Answer:

Listed below are the enrollment numbers for NEXUS, Secure Electronic Network for Travelers Rapid Inspection (SENTRI), and Free And Secure Trade (FAST) as of August 1, 2007.

NEXUS	134,040 members
SENTRI	133,178 members
FAST	88,156 members

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Question#:	2
Topic:	application process
Hearing:	Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders
Primary:	The Honorable Loretta Sanchez
Committee:	HOMELAND SECURITY (HOUSE)

Question:
Please describe in detail the application process for the NEXUS, SENTRI, and FAST programs, including providing answers to the following:
a) What are the eligibility criteria for each program? Are the criteria different among programs? Why do they differ?
b) What is the application fee for each program? Please provide a detailed cost breakdown for each program. Why do the costs differ among the programs?
c) How are the applications processed?

Answer:

NEXUS Criteria for Eligibility

- Citizens or permanent residents of the United States and Canada are eligible for NEXUS. Applicants must have legally and continuously resided for a period of three (3) years in either country, or a combination of those two (2) countries, immediately before the date of application.

SENTRI Criteria for Eligibility

- U.S. Citizens, Legal Permanent Residents, and any Non-citizens who meet the normal visitor requirements to the United States and are in possession of all documents required for entry.

FAST Criteria for Eligibility
The following criteria must be met to be eligible:

- Commercial drivers who are citizens or permanent residents of the United States, Mexico, or Canada who are in possession of required travel documents that permit entry into any of these three countries; and
- 18 years or older and possesses a valid commercial driver's license.

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In addition, NEXUS, SENTRI, and FAST applicants may not qualify for participation if they:

- Provide false or incomplete information on the application;
- Have been convicted of any criminal offense or have pending criminal charges to include outstanding warrants;
- Are recipients of criminal pardons from any country;
- Have been found in violation of any customs, immigration, or agriculture laws or regulations in any country;
- Are subjects of any ongoing investigation by any federal, state, or local law enforcement agency;
- Are inadmissible to the United States under immigration laws and regulations;
- Cannot satisfy CBP of their low risk status (e.g.. CBP has intelligence indicating that the applicant is not low risk; CBP cannot determine an applicant's criminal record, employment history, or residence); and/or,
- Are subject to National Security Entry Exit Registration System (NSEERS) or other special registration programs.

FAST criteria do allow some leeway with respect to the presence of certain misdemeanor offenses in an applicant's (or member's) background, depending on the time that has elapsed since the infraction and the nature of the offense. FAST shipments are subject to additional security measures under Customs-Trade Partnership Against Terrorism (C-TPAT), and refusal of a FAST card can often lead to a loss of employment whereas NEXUS and SENTRI are primarily used for personal travel. Therefore, some discretion is applied when warranted.

Program Fees

B) **SENTRI** has a $127 participation fee, which includes an $80.00 fee to gain access to the Dedicated Commuter Lane (DCL), a $25 application fee, and a $22 FBI fingerprint fee. If a participant wishes to enroll more than one vehicle, he or she will be assessed an additional fee of $42 per vehicle up to three additional vehicles. CBP recently expanded the SENTRI program membership term from 2 years to 5 years without any associated fee increase for participants.

The **NEXUS** Program fee of $50 is based on a bi-national agreement between the Governments of the United States and Canada. The fee is shared between U.S. Customs and Border Protection (CBP) and Canada Border Services Agency (CBSA), as the

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administrators of the program. CBSA has the $50 program fee published in their regulations.

The **FAST** Program fee of $50 is based on a bi-national agreement between the Governments of the United States and Canada. The fee is shared between U.S. Customs and Border Protection (CBP) and Canada Border Services Agency (CBSA) for Northern Border membership, and is a $50 CBP fee along the Southern Border. CBSA has the $50 program fee published in their regulations.

C) PROCESSING APPLICATIONS

Global On-line Enrollment System (GOES) Applications- SENTRI and NEXUS

NEXUS and SENTRI applicants can enroll via the Internet through the Global On-Line Enrollment System (GOES). GOES is a secure web-based application.

Once the application is completed, it is processed at CBP's Centralized Vetting Center. Once the Centralized Vetting Center has completed vetting, the applicant will be notified via his or her GOES account to schedule an appointment at the enrollment center of choice. SENTRI and NEXUS applicants can also pay their application fee on-line.

FAST-Northern Border Applications

All Northern Border FAST commercial driver applications are sent to the Canadian Process Center in Niagara Falls, Ontario. Applications can be submitted in French or English. The Canadian Process Center inputs the application information into the Canadian system and then transfers the information to CBP, which allows CBP's Centralized Vetting Center to initiate vetting separately, but concurrently, with the CBSA.

FAST-Southern Border Applications

Southern Border FAST commercial driver applications are sent to the Mellon Bank Financial Corporation in Pittsburgh, PA. Upon receiving the FAST commercial driver application, Mellon Bank conducts an overview of the application to ensure all fields are accurately completed. If there is missing information on the application it will be returned to the sender. If the application contains the necessary information, entry specialists input the application data into the FAST Driver Registration System and the $50.00 fee is collected. Once completed, the application data is electronically forwarded to CBP's Centralized Vetting Center for review.

Written Applications

NEXUS

The Canadian Process Center receives all mailed-in applications, and collects and deposits all fees. Once a mailed-in application is received and inputted into the CBSA's database, the data is transmitted electronically to CBP's Global Enrollment System, where it is vetted at CBP's Centralized Vetting Center. Both CBP and the CBSA conduct their background checks separately to determine whether the applicant is eligible to participate in NEXUS. During the background check process, a denial by either CBP or the CBSA will be honored by the other agency, resulting in denial of the application. Applicants who pass a risk assessment by both countries will be conditionally approved and will be notified to schedule a final interview either by written letter or their Global On-Line Enrollment System account.

SENTRI

Paper applications are submitted at the nearest local enrollment center, where a Customs and Border Protection Officer will input the application into the Global Enrollment System. SENTRI applications are also available online via GOES.

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Question#:	3
Topic:	harmonize
Hearing:	Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders
Primary:	The Honorable Loretta Sanchez
Committee:	HOMELAND SECURITY (HOUSE)

Question: What specifically is CBP doing to harmonize the various trusted traveler programs, and what is the status of these efforts?

Answer:

Within the last few years Customs and Border Protection has implemented several changes to the Trusted Traveler programs to standardize the enrollment and vetting process:

- The Trusted Traveler Programs, which previously relied upon stand-alone systems at each location, are now networked together through the Global Enrollment System.
- SENTRI was expanded, and is available at the nine largest land border ports on the Southern Border.
- CBP has harmonized eligibility criteria through each program and the application process.
- The NEXUS program was harmonized in October 2006, providing both current and new members access to the air, land, and marine modes with only one application and one fee.
- Vetting for all programs is being conducted at one Centralized Vetting Center in Williston, Vermont. This allows a more secure, efficient and consistent approach.
- CBP has developed an on-line application for NEXUS and SENTRI with automated fee payment and interview appointment scheduling.
- CBP has standardized the interview process for both NEXUS and SENTRI.
- The same Radio Frequency Identification (RFID) technology is being used for each program.
- Planning is currently underway to provide the on-line services for the FAST program.
- The NEXUS card has been approved as an acceptable alternate document for air travel under the Western Hemisphere Travel Initiative (WHTI).
- Under WHTI, all trusted traveler program cards will be proposed as acceptable alternate documents for Land and Sea travel.

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Question#:	4
Topic:	identification cards
Hearing:	Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders
Primary:	The Honorable Loretta Sanchez
Committee:	HOMELAND SECURITY (HOUSE)

Question: Please explain in detail the identification cards issued to participants in each of these trusted traveler programs:

a) What information is contained on each card?
b) Are the cards different among programs and if so how?
c) What kind of technology does each card use?
d) How is the integrity and security of the cards ensured?
e) Are there plans to change and/or update any of the cards and, if so, how and why?

Answer:

A) All Trusted Traveler programs operate with RFID technology. Approved participants are issued a membership card with their photo, name, date of birth, nationality and membership number. Information that the RFID card contains is a file number that is read upon arrival. The file number acts as a pointer that triggers the participant's data to be brought up on the CBP Officer's screen, allowing the Officer to visually verify the information. This information is stored in a secure CBP database.

B) Both the SENTRI and NEXUS cards are visibly the same because of the integration into the Global Enrollment System (GES), CBP's national enrollment database. Planning is currently underway to integrate the FAST program in GES, which will result in the FAST card containing the same information and appearing the same as the other cards. After the FAST integration, all cards will have the machine-readable zone and the 1d barcode.

C) All Trusted Traveler programs operate with RFID technology. The SENTRI and NEXUS cards have machine-readable zones, while the FAST card has a 1-D barcode. After the FAST integration, all cards will have the machine-readable zone and the 1d barcode.

D) The integrity and security of the cards are ensured because all applicant information is stored in CBP's secure, government database. Moreover, the only information that the RFID card contains is a file number that is read upon arrival. The file number triggers the participant's data to be brought up on the CBP Officer's screen, allowing the Officer to visually verify the information. An applicant's personal data is not stored on the card itself.

E) Plans are currently underway to change the cards so that the "look" will be the same across the programs. The cards will be upgraded to include more security features such as a hologram, security artwork, ultraviolet (UV) fluorescent printing, deliberate design errors, tactile de-bossed seal, rainbow printing, UV edge seal, etc. CBP is currently looking to centralize the card production process to produce the same card for all trusted traveler programs. Effective January 23, 2007, the NEXUS card was designated an alternative travel document to the passport for air travel. In the Notice of Proposed Rulemaking for Western Hemisphere Travel Initiative (WHTI) land and sea implementation, DHS proposed that the trusted traveler program cards serve as alternatives to the passport. The cards will need the highest level of security because of their designation as travel documents that can be used by US and Canadian citizens at all ports of entry on the northern and southern borders.

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Question#:	5
Topic:	wait times
Hearing:	Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders
Primary:	The Honorable Loretta Sanchez
Committee:	HOMELAND SECURITY (HOUSE)

Question: Some participants in NEXUS, SENTRI, and FAST have complained that wait times at lanes dedicated to these programs equal or even exceed those at regular lanes at ports of entry, despite the fact that the trusted traveler programs are supposed to offer expedited processing.

a) How many additional NEXUS, SENTRI, and FAST lanes at ports of entry are needed, if any, to meet current demand?
b) What plans are being made to hire additional personnel to staff existing lanes in the event of increased demand?
c) How many additional lanes are needed to meet any expected increase in trusted travelers?
d) Please describe any infrastructure limitations that may prevent the adequate expansion of trusted traveler lanes?

Answer:

A) With the implementation of the Western Hemisphere Travel Initiative (WHTI), radio-frequency identification (RFID) will make all primary lanes interchangeable and provide the flexibility of expanding (increasing) the number of dedicated lanes for expedited processing supporting the increase in trusted travelers, as needed. By having the flexibility to dedicate more lanes as needed, CBP does not have to specifically allocate lanes for the programs.

B) Customs and Border Protection has no plans to hire additional personnel to staff the existing lanes. However, in order to meet the overall requirement to enroll travelers in Trusted Traveler Programs, Customs and Border Protection is planning to increase staff at the enrollment centers by 205 positions. CBP will deploy approximately 185 officer core positions to enrollment centers across both the northern and southern border field offices, including preclearance, and the trusted traveler vetting center. It is important to note that these officer core positions are considered temporary force multipliers and highly mobile to respond to the needs of CBP, dependent upon workload and capacity over a set period of time. Depending upon surge workload activity, officers can be redeployed through temporary duty assignments to other enrollment or secondary processing areas. Temporary duty assignments could include Canadian enrollment locations or the vetting center. Resource oversight will be the responsibility of the Office of Field Operations through the trusted traveler program.

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- 135 positions to the Northern Border Enrollment Center Offices.
- 50 positions for the Southern Offices Enrollment Center Offices.
- 15 positions to the Centralized Vetting Center
- 5 positions to the Office of Field Operations (Headquarters) for oversight and support.

C) With the Integration of the Western Hemisphere Traveler Initiative (WHTI), radio-frequency identification will make all primary lanes interchangeable and provide the flexibility of expanding (increasing) the number of available processing lanes for the trusted traveler programs, as needed.

D) To maximize program efficiency, the roadway or bridge entering the United States must have a dedicated lane that separates the traffic in advance of the plaza to avoid participants waiting in the same queue as non-participating traffic. For many locations, the physical site constraints, layout, and approach roadway or bridge prohibit the separation of traffic until it reaches the pre-primary queues, which limits the speed at which a vehicle can reach the NEXUS, SENTRI, or FAST lane. Local DOTs, bridge owners, and cross-border government partners, including CBP, must work closely together to plan and implement successful program installations. For example, in Nogales, Arizona, CBP has worked closely with the local Mexican officials to place almost a mile of concrete "vehicle barriers" which create a dedicated FAST lane a mile long into Mexico.

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Question#:	6
Topic:	appeals
Hearing:	Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders
Primary:	The Honorable Loretta Sanchez
Committee:	HOMELAND SECURITY (HOUSE)

Question: Is there a process to appeal denial or revocation of NEXUS, SENTRI, or FAST privileges? If so, please detail that process.

Answer:

In the event an applicant is denied or membership is revoked from the SENTRI, NEXUS or FAST programs, applicants/participants will be provided written information regarding this action. The letter also contains information regarding three routes for follow up, if desired.

1. If applicants or members feels the decision was based upon inaccurate information, they may contact the local trusted traveler Enrollment Center to schedule an appointment to speak with a supervisor.
2. They may also write to the CBP Trusted Traveler Ombudsman at:
   US Customs and Border Protection
   300 Interstate Corporate Center
   Suite 303
   Williston, VT 05495
   Attention: CBP Ombudsman
3. Applicants have a right to view records that CBP may have on them, subject to any applicable statutory or other legal limitations. They may seek copies pursuant to the Freedom of Information Act (FOIA), by writing to:
   U.S. Customs and Border Protection
   Office of Field Operations
   FOIA/Customer Satisfaction Unit, Room 5.5-C
   1300 Pennsylvania Ave NW
   Washington DC 20229

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Question#:	7
Topic:	low risk
Hearing:	Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders
Primary:	The Honorable Loretta Sanchez
Committee:	HOMELAND SECURITY (HOUSE)

Question: Trusted traveler programs are intended for low-risk, frequent travelers through our land ports of entry. However, since program participants often receive reduced scrutiny as they pass through ports of entry, these programs may provide a particularly attractive option for smugglers. In fact, we have seen news reports of program participants smuggling people and contraband into the U.S., and we do not know how many such individuals may be evading detection.

a) What can be done to improve the screening process for NEXUS, SENTRI, and FAST applicants to better identify who is a genuine low-risk traveler, and weed out people who may be applying for illegitimate purposes?
b) Is CBP contemplating any such improvements and, if so, what are they? If not, why not?

Answer:

Recent analysis of enforcement activity from the dedicated commuter lanes at the land ports of entry indicates an increase in the number of seizures and incidents. National Targeting and Security (NTS) and Traveler Security and Facilitation (TSF) divisions of CBP's Office of Field Operations have entered into a project to identify those passenger vehicles being used to exploit dedicated commuter lanes for illegal activity.

By processing and checking the license plate numbers of vehicles seeking to cross the border, CBP officers can quickly and efficiently cross-reference crossing data, seizure data, and State Department of Motor Vehicle data to determine a level of risk associated with the vehicle. This assists CBP Officers at primary booths in determining whether to allow a vehicle to cross without further inspection or to send the vehicle for secondary evaluation.

Additionally, it is anticipated that this type of analysis and assessment will become part of the trusted traveler applicant screening process to identify those individuals applying with the intent of exploiting the program for illegitimate purposes. It will allow for the automatic crosscheck of information allowing vehicles and persons associated with a known suspect, vehicle, or address to be identified, trends with applications (i.e. applicants and vehicles with the same addresses, use of the same driver's license number, etc.). This enhanced applicant screening process will augment the Officer's decision and streamline the application and interview process.

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Question#:	8
Topic:	applications
Hearing:	Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders
Primary:	The Honorable Loretta Sanchez
Committee:	HOMELAND SECURITY (HOUSE)

Question: The Department of Homeland Security has indicated that cards for trusted traveler identification programs – including NEXUS, SENTRI, and FAST – will fulfill the requirements of the Western Hemisphere Travel Initiative (WHTI) at land ports of entry in lieu of passports.

a) Do you expect applications for these programs to increase as a result of the upcoming implementation of WHTI at land ports of entry and, if so, by how much?
b) What specific measures is CBP taking to ensure that the agency has the capacity necessary to process these applications in a way that is both timely and thorough?

Answer:

In the Notice of Proposed Rulemaking for Western Hemisphere Travel Initiative (WHTI) land and sea implementation, DHS proposed that the trusted traveler program cards serve as alternatives to the passport. We estimate that as many as one million people may apply to the NEXUS program by the end of Fiscal Year 2009. While some increase in applicants for the SENTRI and FAST programs is expected, it is estimated that most of the surge will take place on the Northern Border since frequent crossers on the Southern Border either have already availed themselves of trusted traveler programs or, in the case of Mexican nationals, have existing travel document requirements (e.g. Border Crossing Card, Passport, etc.).

NEXUS is a bi-national program administered by CBP and CBSA and any plans for expansion must be agreed to, and resources dedicated, by both countries.

In order to meet the overall requirement to enroll travelers in Trusted Traveler Programs, CBP is planning to increase staff at the enrollment centers by 205 positions. It is planned to designate 173 positions to enrollment centers in both Canada and the United States.

- 135 positions to the Northern Border Offices.
- 50 positions for the Southern Offices.
- 15 positions to the Centralized Vetting Center
- 5 positions to the Office of Field Operations for oversight and support.

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CBP and CBSA have held a variety of meetings to finalize a plan of action to deal with a surge in NEXUS applications. Daily monitoring of the Enrollment Centers and Centralized Vetting Center has already been established via a daily report.

CBP and CBSA have examined the following:

- Current enrollment center and vetting center capacity.
- Projected capacity if hours were increased at the enrolment centers.
- Projected application demand.

Furthermore CBP and CBSA have also mutually agreed upon the following:

- Weekly reporting mechanisms.
- Performance measurements and benchmarks for action.
- Increased Staffing.
- Short, Medium, and Long Term expansion plans.
- Additional equipment (e.g. computers, fingerprint scanners, etc.).
- Completion of an Enrollment Center Usability Study to ensure best practices are established at each enrollment center.

Daily monitoring of the entire enrollment process has already begun. This information is shared with CBSA on a daily basis enabling CBP and CBSA to respond to any significant increases in workload. In addition, CBP has begun monitoring FAST and SENTRI enrollments in order to effectively manage any surges in applicants to those programs.

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QUESTIONS FROM THE HONORABLE LORETTA SANCHEZ, CHAIRWOMAN, SUBCOMMITTEE ON BORDER, MARITIME, AND GLOBAL COUNTERTERRORISM

QFR Responses

For the

Subcommittee on Border, Maritime and Global Counterterrorism's

Hearing on

''Frequent Traveler Programs: Balancing Security and Commerce at our

Land Borders''

Held

Thursday, July 26,2007

From

Maria Luisa O'Connell

President

The Border Trade Alliance

Question 1. In your prepared testimony, you describe WHTI as likely to have the largest impact on the land border crossing experience of any of the secure traveler programs. Yet, in the Notice for Proposed Rulemaking (NPRM) for WHTI, DHS states that that in all their case studies but for one, forgone border crossings attributable to WHTI have a less-than-1-percent impact on the regional economy both in terms of output and employment.

- **Do you agree with the Department's economic assessment for WHTI on border communities?**

Response: DHS's Draft Programmatic Environmental Assessment provides a section on border socioeconomics, but the section neglects to address potential impacts to regional economies from any of the three ″actionf1 alternatives. The BTA sees this as a serious omission. The U.S. Federal Reserve-Dallas reports that U.S. border communities derive considerable economic benefit from cross-border trade and commerce. In some smaller communities, a majority of the economy may be based on the movement of goods and people between two neighboring nations. Implementation of WHTI has the potential to generate significant economic impacts within border communities.

Question 2.: DHS recently announced in its NPRM for WHTI, that it would accept alternative travel documents at ports of entry, including NEXUS, SENTRI, and FAST cards. As we all witnessed this summer, the requirements of WHTI sent scores of people to the passport office, even if they did not have immediate travel plans.

Can our ports of entry support the possible increase in trusted travelers that may result from this proposed change?

Does CBP have enough enrollment centers to meet the possible increase in demand?

How will the acceptance of these alternative cards facilitate commerce at our ports of entry?

Response: The BTA insists that alternative travel documents, NEXUS, SENTRI, and FAST cards, be acceptable documents under the requirements of WHTI. The BTA notes that the background checks conducted as part of the application process for NEXUS, SENTRI, and FAST are more intensive than those conducted as part of the passport application. If the benefits of these various secure traveler programs are truly to be realized by their participants, CBP should focus more resources on travelers presenting a higher security risk rather than on known travelers who participate in secure traveler programs.

Question 3.: The NPRM for WHTI states that border crossings have mostly decreased at both the northern and southern borders since 1999and that WHTI may discourage many travelers from crossing the border, which could cost millions of dollars to border communities.

- **What type of effects do you anticipate WHTI having on border communities and how can programs like NEXUS, SENTRI, and FAST help alleviate any potential concerns?**
- **Do you believe the Department should be investing in new travel cards and technology—State's Passport Card and REAL ID Driver's Licenses—that accomplish many of the same objectives as current frequent traveler programs?**

The Border Trade Alliance supports the efficient use of resources and proven technologies to expedite secure trade and travel along our nation's borders. The implementation of new procedures and technology must improve the efficiency of trade and travel at our borders. Adverse economic impacts as the result of delays at our international border crossings must be prevented at all costs in order for individuals and industry to support the federal government's efforts. The BTA strongly encourages DHS to leverage existing programs and technology to ensure a successful implementation of secure-traveler programs such as WHTI.