

July 26, 2007

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

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

Mrs. Maria Luisa O'Connell

President

The Border Trade Alliance

Hearing Testimony

U.S. House of Representatives

Committee on Homeland Security

Subcommittee on Border, Maritime and Global Counterterrorism

“Frequent Traveler Programs: Balancing Security and Commerce at our Land Borders.”

Thursday, July 26, 2007

2:00 p.m.

311 Cannon House Office Building

Washington, DC 20515

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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.

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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 overburdened 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.

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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

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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

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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.

Respectfully submitted,

Maria Luisa O'Connell
President
The Border Trade Alliance

July 26, 2007

Contact Information and Summary

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Summary of Testimony

I. Introduction

II. Topics/Issues:

1. Secure traveler programs are inextricably linked and have a direct impact on cross-border commerce, travel and security.
2. Facilitation of legitimate travel while targeting limited federal resources toward greatest potential threats.
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.

III. The Challenge:

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?

IV. Findings:

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

V. Recommendations

1. DHS and DOS need to increase outreach efforts toward the traveling public regarding the requirements of WHTI and the PASS Card.
2. DHS and DOS need 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.
3. CBP must be given the adequate resources to be able to staff the new workload created by WHTI.
4. 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 WHTI.

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5. 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.
6. Identification generated by other federal secure traveler programs, such as NEXUS cards, SENTRI cards, Border Crossing Cards and FAST driver identification cards should be deemed acceptable alternatives to a passport for hemispheric travel.
7. DHS and DOS need to evaluate whether WHTI 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.
8. 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.

VI. Conclusion

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Exhibit 1



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Attachment 2 of 3

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Exhibit 2





ROCKY POINT RESERVATIONS

July 23, 2007

To: Maria Luisa O'Connell
Border Trade Alliance

Maria Luisa:

Premature rollout of the WHTI program will hamper cross border trade, tourism and goodwill among individuals, corporations and government entities. WHTI has enormous potential for the regulation and monitoring of our land ports of entry. Not only will it strengthen the United States' ability to keep undesirable people out of our country, but it will also improve CBP and DHS' ability to monitor Americans leaving the country. There are, however several downsides to this program that need to be scrutinized prior to its implementation.

The port of entry at Lukeville, AZ is a small port on the southern border handling mostly tourist traffic to the vacation destination of Rocky Point, Mexico. It has three entry stalls, averaging just over 800 cars on a typical day. On Sundays, holiday Mondays, and during Spring Break, the volume spikes to as high as 4000 cars per day. The wait time at the border rises from 15 minutes on the typical day to as much as eight hours on these peak days. Imagine sitting in 114 degree heat on a 2 lane highway for 8 hours in Mexico with 100 other cars. Due to the size of this port, WHTI implementation has the potential of increasing border wait times by as much as one and a half times the current wait. Thus, an 8 hour wait will turn into 12. While larger ports can mitigate the overall impact on flow control with more entry lanes, the port at Lukeville cannot handle the additional wait time that WHTI will cause with only one hole in the fence and 3 stalls. Couple this with a mid-night close time and our port of entry will be crippled.

Development in Rocky Point has been strong and steady for the past 5 years. Projections show that the inventory of rooms available for rent will rise from 9000 in 2007 to 48,000 by 2015. This increase will proportionally increase the flow of traffic across the port of entry at Lukeville. For a port that is already bulging due to the current traffic volume, this estimated increase would be simply unmanageable.

I am intimately involved in the dialogue regarding the expansion of the Lukeville port of entry. Larger capacity at this port would defray many of the issues regarding wait times. The proposed changes also include the addition of a SENTRI lane. The State of Sonora is cooperating by proposing infrastructure changes on the Mexico side to facilitate our processing capacity needs. WHTI only makes sense after these infrastructure changes have been completed on both sides of the border.

Additionally, the mere threat of the need for passports has led many people to believe that you already need them in order to go to Mexico. This alone has reduced the number of people traveling to Rocky Point by 10 to 15%. Media coverage and outreach to the community by DHS and the State Department to clarify the changes has been confusing and at times misleading. Rocky Point has enjoyed "free zone" status for years, and as a result, most visitors have not procured a passport for weekend trips. The thought of spending \$400 for a family of four to travel to Rocky Point has deterred most Americans from attaining them.

Our business, as well as many others I have spoken to in the Rocky Point community have been feeling the impact of this legislation as far back as July of 2006. Most of the property owners and vacation travelers that I represent are American citizens. This has financial impact on these citizens, the businesses they operate and their vendors and suppliers in the United States. I speak on behalf of the entire community of Rocky Point when I say that we encourage the DHS to evaluate the full impact of WHTI based on the points that I have presented.

Yours most respectfully,

Jason Sprinkle
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