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P R O C E E D I N G S

MR. WEST: Good morning. I'm Darrell West, Vice President of Governance Studies and Director of the Center for Technology Innovation at The Brookings Institution.

I would like to welcome you to this forum on U.S. Customs and Border Protection. This event is being broadcast live by C-SPAN, so we would like to welcome our national viewing audience as well.

As many of you may know, Customs and Border Protection is the largest Federal law enforcement agency, and also it provides the second largest revenue collecting source for the Federal Government.

On a typical day, CBP seizes over 10,000 pounds of drugs, \$650,000 in undeclared or illicit currency, and \$3.4 million of products with intellectual property right violations.

Needless to say, this agency is working very hard to safeguard America's borders while also enhancing legitimate trade and commerce.

Our featured speaker today is Commissioner Gil Kerlikowske. He's going to discuss his insights from his first year of leading this agency. He is also going to look at some of the highlights in terms of his vision for moving forward. The agency has put out a new Vision and Strategy 2020 document that lays out what the agency would like to do in the future.

The Commissioner was nominated by President Obama and sworn in last year. In this position, he oversees the dual mission of protecting national security objectives while also promoting economic prosperity and security.

He brings four decades of law enforcement experience and drug policy

experience to his position. Before he took on his current position, he served as Director of the White House Office of National Drug Control Policy. He also formerly served for nine years as Chief of Police in Seattle, Washington.

Our format for today is the Commissioner will offer his reflections on the past year as well as his thoughts on the future, and then we will move to the Q&A period.

Please join me in welcoming the Commissioner to Brookings.

(Applause)

MR. KERLIKOWSKA: Thank you, Darrell, very much. It's a great pleasure to be back at Brookings and to have this opportunity. Brookings has such a remarkable history. This tremendous public policy resource that we have here, and the analysis that you all do that shapes debates, this wide range of economics, social, political issues, the opportunity I had to talk about drug policy just a few years ago, to the issues around weapons, to trafficking, and to tax reform, so something that is on everybody's mind.

You are getting ready to celebrate your 100th anniversary next year. A theme of Brookings, governance and renewal, is one that we at CBP can really embrace.

I have been in office, as Darrell said, for just over a year. I really appreciate him talking a little bit about the complexity of the mission, because often times I think CBP is looked at as an organization that is only focused on border security issues. We will talk in a little bit about that.

When you think about revenue collection and you think about the huge role that we play in our economic security, it's important to recognize and understand that complexity.

CBP, Customs and Border Protection, was created in 2003. At that time, and just before that, every border function was somewhat separate. Different agencies

performed different inspections, so you had immigration admissibility, you had Customs inspectors for imports and exports, and you had agriculture inspections for items that could harm the nation's crops and livestock, and our natural resources.

Like all bureaucracies, I think that communications had difficulties. There were essentially three different port directors at every port. It just wasn't the greatest system.

We have a unified border agency as a result of 9/11 and the 9/11 Commission, and the creation of CBP under the Department of Homeland Security. It allows us to craft a comprehensive strategy to secure our borders and support our economy.

We have 60,000 employees on the ground, on the water, and in the air, both in the United States and abroad, and CBP is one of the world's largest law enforcement organizations, it's the largest law enforcement organization in the United States.

The primary mission, of course, is to keep terrorists and their weapons out of the U.S. while facilitating lawful international travel and trade. We enforce nearly 500 laws for 47 different Federal agencies, from the Food and Drug Administration to the Consumer Products Safety Commission, so this wide array of laws that we have responsibility for in partnership with all these different organizations.

Law enforcement ranks within CBP include officers, Customs and Border Protection officers that you see when you come into a port of entry, and our agricultural specialists who do those inspections. They are the ones with the little Beagles that are really cute, and we try to really promote those Beagles a lot. They work in our ports of entry.

Between the ports of entry, we have the United States Border Patrol, and

Chief Mike Fisher is here with me today. They secure our border between those ports of entry. We also have Air and Marine interdiction agents who control the skies and the seas, supporting the Border Patrol as well as supporting state and local law enforcement.

We also have thousands of no-uniformed individuals, professionals, who manage trade issues, international affairs, cybersecurity, and other important facets of our complex mission.

I am a good Fed, so I'm going to give you a few more statistics to add onto that. Just in a typical day, we process a million people at 328 land, air, and sea ports of entry. We screen 70,000 truck, rail, and sea cargo containers. We process \$4.4 billion in exports, and \$6.8 billion in imports.

We seize more than \$650,000 in unreported or illicit currency. We discover 425 pests and intercept 4,400 prohibited plant and animal materials that could hurt these crops. We seize \$3.4 million in counterfeit products, and we apprehend more than 1,300 inadmissible people at the ports of entry.

We arrest on a daily basis 21 wanted criminals who attempt to enter the United States, and we identify 548 individuals who were suspected national security concerns. We intercept 76 fraudulent documents.

We fly 213 enforcement missions in the United States, and we seize more than five tons of drugs, 550 pounds of cocaine, 81 pounds of methamphetamine, 15 pounds of heroin, 9,000 pounds of marijuana. That is a typical day.

But then you have to toss in the unexpected. Last year's surge in the arrival of unaccompanied minors and the families on the Southwest border, and then the outbreak of Ebola that required enhanced screening at our five major airports. Really, what you see is no typical day.

If I could summarize my first year, it would come down to three ts - travel,

trade, and transparency. Travel and tourism is vitally important to our nation's economy, and CBP is committed to making sure that lawful travelers are allowed, while those who wish to do us harm are kept out.

In fiscal year 2014, we welcomed 107 million international air travelers, an increase of 4.5 percent over the last year. For those returning to the United States, the greeting from CBP was often "welcome home."

During the past five years, the United States has seen an increase of more than 19 million annual international travelers, and this growth has supported about 280,000 new American jobs. These travelers spent more than \$220 billion in 2014 alone.

We are mindful of that direct correlation between travel and tourism and a healthy American economy, but our first mission, of course, is border security, and it remains our highest priority. We constantly strive for more efficient risk based strategies to successfully execute that dual mission of achieving the most secure border while facilitating lawful travel.

We are committed to innovation, automated passport controls, which some of you might have seen in some of our airports. They have been proven to reduce wait times at these airports by as much as 30 percent, and these APCs, these automated passport control technology simplifies the process of international travelers. Using kiosks, eligible travelers enter the United States more quickly, more efficiently, with no charge and no special enrollment.

Last May, we set a goal with APCs to have them in 25 international airports here in the United States by the end of last year, and through partnerships, we met that deadline in October. Today, 34 airports use APCs, and that is tremendous progress in less than a year.

Travelers are embracing APCs, and a reporter, traveler, for example,

decided to review the technology when she arrived at JFK. She stated thanks to the APC, she had the shortest wait time she ever had at that airport. I'm sure you have experienced the same thing at JFK. (Laughter)

Another example of our commitment to safe, secure, and streamlined travel is a mobile passport control app. Everyone has an app, so do we. It lets eligible travelers submit their passport information and Customs Declarations from their Smartphones or Tablets when they arrive.

Last September, the mobile app was recognized with the Future Travel Experience Award, and those awards are given to organizations that have gone the extra mile to improve passenger experience.

Our crowning achievement in all of this, we think, is our Trusted Traveler Programs. Through these programs, we expedite the processing of low risk travelers while allowing our officers to concentrate and focus on higher risk travelers.

Since the beginning of 2014, an additional 1.5 million people are enrolled in the Trusted Traveler Programs through Global Entry, as well as through SENTRI on our border with Mexico, and as well as through NEXUS on our Northern border.

Global Entry allows expedited clearance for pre-approved low risk travelers. Members of Global Entry pay a fee. They undergo background screening. They receive front of the line privileges and automatic membership in TSA's PreCheck Program.

CBP's primary goal, of course, remains keeping those borders secure, preventing people who would do us harm from coming. We continually look at our risk based strategy as well as a layered approach to security, extending our borders out, pushing the borders out, focusing our resources on the greatest risks, pre-clearance, having BCP officers at foreign international airports to inspect travelers destined to the

United States. That provides us with the best means of identifying and addressing threats at the earliest possible point.

CBP cleared in fiscal year 2014 17.5 million passengers, out of that 106 million that came in. That is 17 million people who didn't have to wait in line at the airport, at Customs. When they arrived, they picked up their baggage and they departed. We have pre-clearance facilities at a dozen foreign locations including several in Canada.

This year, we intend to expand that pre-clearance operation to new locations around the globe, extending our reach and pushing our zone of border security outward.

Let me talk about trade for a minute, turning now to the CBP's role in trade. During the past year, I've had this great opportunity to travel all over the United States, really all over the world, and have gotten to see firsthand how integral our mission is to the nation's economic health and vitality, as well as to the safety and security of our global supply chain.

In fiscal year 2014, we cleared \$2.5 trillion in imports, \$1.6 trillion in exports. We did 26 million cargo containers, and that is an increase. Just as travel is increasing, so is cargo. Global commerce involves hundreds of different types of forms, numerous Federal agencies. The system actually can be quite time consuming and it can be costly for both government and private stakeholders.

Outside forces can have a significant impact on our operations. In the last week, for example, I met with manufacturers of the retail and manufacturing industry who praised Customs and Border Protection for reducing the maritime weight cargo backlog in the wake of the slow down on the West Coast.

That was very impressive to see, as you read over and over about the ships that were stacked outside of Oakland or Long Beach, et cetera. We made sure that

we had the people and the processes in place so that once that labor issue was settled, we weren't going to be the stop gap for that cargo coming into the country.

First, we have accelerated a deployment also in import/export processing, and it is called Automated Commercial Environment, ACE system. It is a huge shift. We're moving from all these paper based, faxes, original signatures, to a cost effective electronic submissions form, and it is the core of the President's Executive Order that he signed in 2013, and it is called the "Single Window." It is going to allow all relevant Federal agencies to review and respond to cargo movement to reduce costs and speed the cargo process.

There is another important change, e-bonds, they let custom brokers and other trade stakeholders electronically transmit bonds to CBP. Historically in that CBP paper-based system, they'd receive our answer in about four to five days. Today they get an answer in 10 to 15 seconds, that's good for business, it's good for us.

Let me tell you a little bit about the Center of Excellence and Expertise, they are transforming the way that we are doing business by consolidating particular industries. Instead of having to communicate with dozens of different ports of entry, at least over 300 ports and perhaps getting dozens of different responses, an importer can contract the center designated for their particular line of business.

So right now, whether it's apparel or footwear in San Francisco, electronics in Los Angeles, pharmaceuticals in New York, they can go to one virtual center and get an answer on those imports. These centers improve our ability to identify high-risk cargo; they increase consistency and predictability which is what we hear from over and over again in the industry; be predictable and be consistent, so it helps our trade stakeholders in their business decisions.

In the travel environment we have a risk-based system for trade area 2,

just as we do in the travel environment, and that's called our trusted trader program, so I talked about global entry, and Century and Nexus, but we have a trusted trader program. Let me give you a couple examples, ACAS, Air Cargo Advance Screening, as we know this was launched as a result of a true terrorist threat, and explosives that were hidden in printer toner cartridges they were intercepted in express mail shipments from Yemen, and they were destined for the United States back in 2010.

ACAS enables us, along with our partner in the Transportation Security Administration to jointly target and mitigate air cargo with high risk before it is loaded onto a U.S.-bound aircraft. The cargo industry recognizes the value of this program, and it helps to improve security, it helps to improve the integrity of the supply chain and prevents major business disruption.

ACAS membership is expanded by 15 percent in the year that I've been at CBP, we now have 51 participants. Our customs trade partnership against terrorism, CTPAT, we have lots of acronyms, if you think that Defense Department has acronyms, listen, I think we can match them, and we have a lot. We continue to build cooperative relationships with trade stakeholders, and it will strengthen and improve that security.

We focused on amplifying our international engagement, we have a container security initiative, we deploy teams of officers to foreign seaports to address the threat to border security and global trade, caused by the potential use of maritime containers by both terrorists and smugglers. These programs foster information between CBP and our foreign counterparts, and it pushes out our zone of security, and it pushes our border.

Finally, a word about that international engagement, the security integrity of the global supply chain depends on these international partnerships. The trusted trader programs, which I described a few minutes ago, align effectively with something

called Authorized Economic Operator Programs that are being implemented in other countries. And these are often done with our input and our training which we are happy to provide.

CBP is active in an organization called the World Customs Organization, and I believe that our participation in WCO plays a critical role in helping building foster ties. I couldn't have been more proud to nominate Anna Hinojosa, our Deputy Assistant Commissioner for International Affairs, to be a United States Delegate to the WCO as the Director of Compliance and Facilitation. She goes through an election process in June, and if Anna is elected she's going to bring 28 years of considerable experience including being a Port Director, and her leadership can strengthen our work with our key trade partners.

Well, last year I signed mutual recognition arrangements, three of them, Mexico, Israel and Singapore. And last month, some of you know that Secretary Johnson signed a Pre-Clearance Agreement with Canada, and that country's parliament, will have to act to put that agreement in place. Mutual recognition arrangements are critical tool in aligning standards to the international community, and these arrangements provide a platform to exchange trusted trader information, and to try to harmonize the reciprocal supply chain security programs throughout the world.

We have 10 of these agreements that are in place since 2003, and other countries now recognize that our leadership in harmonizing these regulations in securing our borders is to everyone's benefit.

Let me mention the third T, transparency. I'm taking steps to make transparency and accountability hallmarks of my tenure at CBP, the public's trust depends on it. Well the vast majority of CBP's employees do the right thing, they do the right thing every day, and they are dedicated public servants, and they are committed to

our mission.

But there are times in law enforcement when the level of force must be used to safeguard the public or protect an officer or agent, and historically, our default position, after something was to occur, was to circle the wagons and say, no comment.

Well one of the first things I did as Commissioner was to change this, to make our policies and processes more transparent to the people we serve. For every law enforcement agency it's part of an ongoing an intense debate right now, about how and when and where officers should use force. And the use of force can include a physical restraint, the use of an alternative device, or the application of lethal force.

CBP, particularly the United States Border Patrol, has come under increased scrutiny and criticism for using force during apprehensions. Well, March 31st marked the midway point for this fiscal year, and we have recorded 385 uses of force. That means that right now, we are on track to reduce our use of force by nearly 30 percent compared to fiscal year '13 -- fiscal year '14.

This reduction in the use of force is encouraging, and it's considering that the assaults against our border patrol agents are trending up. As I said a moment ago, there are times when some level of force must be used, and in those instances, the force must be justified and within our policies. And with that in mind, we have implemented a uniformed, formal review process for use of force, incidence involving death, or serious bodily injury.

And the review process will help us resolve the use of force incidents in a timely and a transparent manner. Training is critical when it comes to the use of force. We've issued new guidelines for all personnel and we've revamped our entire training curriculum to agents in simulated field situations so they can practice their responses when they have to make a split-second decision.

And technology is extremely important here too. We have an agency-wide working group to evaluate the feasibility of incorporating body-worn cameras into law enforcement operations in each of our CBP environment; air, land, at sea and between our ports of entry. And we've also equipped and trained agents with less lethal devices that can protect them, tools that would be practical in the rugged terrains that the border patrol enforces.

These include things like tasers, and equipment that incapacitate an aggressor. We've implemented these options because no apprehension, no seizure, no arrest, no pursuit is worth the risk to an agent or a member of the public being injured or killed. That brings me to something that is too often forgotten when discuss the use of force. There is a personal toll for every officer or agent who uses deadly force.

And for many, it's a burden they don't anticipate. They don't anticipate it because it is very rare in law enforcement, but when it does happen it can stay with them forever, and does stay with them forever.

In a recent op-ed in *The Seattle Times*, last August, a friend of mine, former King County Sheriff, Sue Rahr, said something that really hit home to me. She said, we need police officers with the skills and tenacity of a warrior but the mindset of a guardian. Well certainly issue, policing in a Democratic society, remains front and center for all law enforcement agency. CBP is no exception. One of the primary ingredients of transparency of course, is integrity and it's one of our core values.

Last September Secretary Johnson delegated to CBP the authority for the first time ever to police our own ranks, investigate our employees for alleged misconduct, and we are implementing this authority and we are doing it in a transparent way. Secretary Johnson also supported me informing an Integrity Advisory Panel, under the DHS Homeland Security Advisory Council. And the panel is co-chaired by the head -

- the former head of the Drug Enforcement Administration, Karen Tandy, and New York City Police Commissioner William Bratton.

The panel is comprised of some of the best leaders in law enforcement, and I am confident that they are going to make a significant contribution to our culture of integrity and transparency. Well, we continue to emphasize the need for personal responsibility by every employee for ethical behavior both on and off duty. Sometimes law enforcement agencies have to respond to difficult situations that grab the attention of the media they generate interest from all kinds of stakeholders, and transparency is critical in these situations.

But it's also important in other circumstances, and I want to give you one example during my first year. Last spring and summer, there was an unprecedented surge in the number of unaccompanied immigrant children and their families, tens of thousands of them, primarily from Central America, who arrived at our Southwest border. These children are vulnerable to trafficking schemes by adults who are eager to take advantage of them.

Well our Agency's response to that surge, and the response by the Department of Homeland Security, in general, really illustrates our commitment to transparency and openness, and that ultimately benefits the relationship with the public that we serve. This was a border, management issue, since nearly all these people we encountered turn themselves over to a border patrol agent, or a Customs and Border Protection officer. It was not a border security issue.

First, we never lost sight of our primary mission to maintain the security and safety of the border. We deployed extra agents to the areas most affected, we continue to stop smugglers and disrupt transnational criminal networks.

Second, we treated the children and families with professionalism and

compassion. We recognize the situation as a humanitarian crisis, and I am proud of how the agents and officer conducted themselves, many of them having donated clothing from their own families to these kids.

And third, we developed a multi-media, multi-country strategy, awareness campaign called Know the Facts. It's about how dangerous it is to make the journey north to the border, and in that campaign we emphasize that no legal papers or path to citizenship awaits those who cross illegally.

We took those actions under heavy public scrutiny, and throughout the process we gave full disclosure to the press and the public while maintaining the privacy of the children who were in our care. And our actions were supported through the inspection process, by the inspector general, and the Department's Office Civil Rights and Civil Liberties. This was stressful and difficult experience for our employees but they showed the world how CBP responds to this kind of crisis, I could not be more proud of those individuals.

Well, those were some highlights from my first year, but what's ahead, what is CBP's future? It's called A Vision and Strategy for 2010 that Darrell mentioned. It's a milestone for our Agency. It represents the first comprehensive, strategic plan for CBP in nearly a decade. Clearly recognizes that CBP must balance border security with enhancing our nation's economic competitiveness.

And these are really two sides of the same coin. The CBP is going to continue to mature and advance the following strategic themes. First, collaboration, the complexity of our mission which I've really outlined this morning to you, requires that the Agency serve as a global leader in delivering border security and expanding strategic partnerships.

Innovation; CBP must remain vigilant through innovative initiatives to

continually advance and transform the Agency so that we are more agile and that we are a more adaptable organization. In integration, CBP must lead in the development of a seamless global network to integrate border enforcement capabilities and meet the demands of a constantly evolving landscape.

Well, these three strategic themes, collaboration, innovation and integration had surfaced in various ways in the form of many of the accomplishments I outlined for you earlier. They continue to permeate our culture, that wants to -- that should be in our way of thinking, and these themes are essential to meeting our mission's goals.

Specifically, we have four goals, combat terrorism and transnational organized crime, advance comprehensive border security and border management, enhance U.S. economic competitiveness by enabling lawful trade and travel, and promote organizational integration, innovation and agility. And that vision -- that vision and strategy outlines how we plan to enhance both our agility and our ability to meet these increasingly global and increasingly complex challenges.

We intend to lead and aggressively champion strategic partnerships that facilitate that integrated, risk-informed intelligence-driven law enforcement operation. This requires a whole of government approach as well as an international unity of effort. We're committed to transforming our trade and travel processes through technology, through public-private partnerships, and simplifying and integrating processing capabilities. And do that we have to harmonize processes across ports of entry, including operational approaches to risk management. And we must continue to expand our risk-based strategy and constantly refine our information and data collection capabilities. Effective border management requires layers of security that most consider points of origin, modes of transit, the actual arrival at our borders, and even routes of

egress or departure from the physical border to a final destination.

And finally CBP must strengthen its culture and that culture depends on our ability to recruit, train, and retain exceptional people. Accomplishing our mission directly depends on our workforce, and we're committed to getting the very best people for the job. That includes placing women in frontline positions to remain competitive with modern, professional law enforcement operations.

Women comprise about 7 percent of the United States Marine Corps, for example, but only about 5 percent of the 21,000 agents in CBP's border patrol are female. And with that in mind, we sought and obtained approval from the Office of Personnel Management for the legal authority to specifically recruit women for entry level border patrol positions located on the southwest border, and to date we've received 5,500 applications.

In closing let me emphasize CBP intends to be a standard bearer for other customs and border security administrations around the globe, and our core values of vigilance, service to country, and integrity will continue to serve as the bedrock of our culture ensuring unwavering commitment to the highest levels of professionalism. Our vision is crystal clear, to serve as the premier law enforcement agency, enhancing the nation's safety, security, and prosperity through collaboration, innovation, and integration.

I appreciate the opportunity to share that vision with you here today, and I thank you and I look forward to the discussion. Thank you.

MR. WEST: Thank you very much for sharing your thoughts with us, both on the past and the future. You mentioned some of the travel innovations that you have helped to implement and spread. I am a user of the Global Entry Program and the TSA Precheck. They are wonderful programs. I highly recommend them and thank you for your work on implementing them.

You mentioned in your remarks that your agency does a lot beyond border protection. That obviously is an important priority, but you're also very actively involved in promoting trade and commerce. And I know you travel to various countries around the world. What are they doing, and how are they helping to promote trade and security?

MR. KERLIKOWSKE: Well, in your opening remarks, you talked about the revenue collection, which was important. The revenue that we collected actually is what made us a free country for funding the Revolutionary War. Many customs organizations around the world only see themselves as revenue collectors. That is changing markedly as we see the changes in the world right now when it comes to security.

So here we are at both locations, both on the border and at these ports of entry. And we need to be able to not only fulfill our economic and customs duties, we need to be able to help those countries understand the importance of sharing information and recognizing the importance of border security. We have these requests just literally stacked up in the office from countries that would like us to come visit, talk about our experience. And we're very proud to share with them not only what we think has worked and what's been successful for us, but we also tell them what hasn't worked as well and where we could improve upon. I think they value that level of honesty and dialogue.

MR. WEST: You also mentioned some of the use-of-force initiatives that are underway, and I think you specifically mentioned possibly adding body cameras to some of the officers' use of Tasers and so on. So I'm just curious, what's the implementation schedule on this? Where are we now? And where are you wanting to go in this area?

MR. KERLIKOWSKE: So the Border Patrol has made particularly

significant changes in their training. They're reviewing their entire training curriculum right now. But, for instance, in the Training Center in Artesia, New Mexico, there are a variety of the different kinds of fences that exist along the border now. This gives those agents-in-training an opportunity to practice.

We have a field test going on of different types of body-worn cameras to take a look at those, and those seem to be very popular right now in law enforcement. Oftentimes, of course, that evidence can exonerate an officer, but it adds a different level of transparency.

Along with that at our Advanced Training Center in Harpers Ferry, West Virginia, we're also experimenting and looking at a variety of different mechanisms, things that can help to stop pursuits because oftentimes people will flee in vehicles, along with a variety of less lethal technology. We think that will be of tremendous benefit to the United States Border Patrol, but also to our Customs and Border Protection officers.

MR. WEST: So one of the big challenges in border protection is getting information in real time and having it be actionable to the officers. Information that arrives 2 days too late or 2 weeks too late obviously is not very helpful. So what have you done to get information to the frontline agents in real time so that it can improve decision making?

MR. KERLIKOWSKE: I think when you go to those ports of entry right now and you see using the APCs that I mentioned or the Mobile Passport Control, you go through Customs and you see a Customs officer in a blue uniform and they're busy entering data and looking at a computer screen. When that information is already up on the computer, they can spend the time asking the right questions and verifying the information rather than them merely doing data entry. So that's particularly helpful.

The other, of course, is pushing the borders out so that when someone is

entering the United States and clears Customs or attempts to clear Customs where we have foreign locations, we can actually make a recommendation whether or not that person would be declared in admissible should they arrive in the United States; that's a huge time savings, but it's also a huge security savings.

So our technology and our improvements in technology, while still having a long way to go, are an important consideration for us.

MR. WEST: So I have one more question and then we'll open the floor to questions from the audience. It seems like workforce development is key in your agency as well as in most agencies. Some bureaus are having difficulty recruiting workers, retaining them. What are some of the new initiatives you have underway? You mentioned kind of diversifying the workforce, bringing more women in. What are you trying to do to deal with some of these workforce development challenges?

MR. KERLIKOWSKE: I think one of the things that we see with our employees is the value that they place in working for Customs and Border Protection. Honestly, our very best recruiters are the people that work within the organization. They have friends. They have family members. We work closely with colleges, particularly community colleges. We were just down in Brownsville at UT Brownsville and others to talk about the benefits and what you can give back to your country, to be very frank about it, what you can give back to your country by joining Customs and Border Protection and being a part of this important mission.

MR. WEST: Why don't we open the floor to questions and comments from the audience? If you can raise your hand, we have a microphone. There's a question upfront here. There's a microphone coming up to you, and if you can just give us your name and your organization?

QUESTIONER: Thanks. Peggy Orchowski. I'm the congressional

correspondent with the *Hispanic Outlook in Higher Education*. A couple of questions, one about foreign students. I wonder what kind of data the Customs people have from the foreign student database because I think there's been some slips and I wonder if you've improved that.

And the other is pregnant women. I had thought there was some kind of restriction if someone who's 7 or 8 -- highly pregnant -- is not allowed to come in, but maybe I'm wrong about that. But I know we have a problem with this birth tourist, so if you could talk about those two.

MR. KERLIKOWSKE: There's absolutely no prohibition to someone that is allowed to enter the United States regardless of whether or not they are pregnant or giving birth. So there is no prohibition at all.

The student visa information I think was highlighted during the Boston bombing information. There's a fusion center of state, local, and federal law enforcement in Boston. The discussion was how can more of that information, if someone is no longer a student -- so they enter on a student visa, but then they drop out of school or they never enter school, et cetera -- how can we be more attentive to that? That is both a State Department system and also with our USCIS part of the Department of Homeland Security, so we actually have to work in conjunction with them. But I think you're exactly right, more attention is being paid to that now and more information is being shared than had been in the past.

MR. WEST: Other questions? Right here, this gentleman right here?

QUESTIONER: Hi, Tim Warren with *International Trade Today*. I saw that CBP recently released statistics on the fiscal year 2014 seizures for intellectual property rights violations, and I noted that there were fewer of them than the previous year and I wondered if CBP had any thought on why the decrease?

MR. KERLIKOWSKE: The report that's issued talks about not only the value, but the number of seizures for violations of the intellectual property rights. And we do that in conjunction with ICE -- Immigration and Customs Enforcement -- investigations. So we jointly staff an intellectual property rights command center for information coming in. Over the past years those numbers and the value of those seizures have increased quite dramatically. Only within this last year did it kind of plateau out. We want to make sure that we're going after the things that can cause most harm to people in the United States -- counterfeit pharmaceuticals, counterfeit airbags, counterfeit computer chips, those types of things. So we're concentrating on that, and we continue to make progress. But I wouldn't look at a 1-year slight decrease as being really demonstrative of what's going on.

MR. WEST: Near the back there's a gentleman with his hand up?

QUESTIONER: Hi, Commissioner, good to see you again. Eric Coolidge with *American Shipper Magazine*. I have two questions. You've been praised for your outreach to the trade community, to industry. It's been a year or more since there's been a trade symposium that Customs typically hosts. Just wondering when you're planning to host or have another trade symposium to bring together the trade community and update them.

And then second, with all the budget constraints that CBP and DHS have, have you been under any pressure to privatize any of your missions or use some kind of third parties to outsource certain functions? Maybe I'm thinking in the C-TPAT arena, but maybe there are other functions.

MR. KERLIKOWSKE: When it comes to vetting those organizations and those travelers because we want to make sure that the people and the trade community that has the least amount of risk to the public is reviewed, I only want that done by

employees of the United States government that are representatives of Customs and Border Protection. So there's no intent to outsource that. We do use a number of contractors. We look at a number of different databases in that vetting. But if we're going to give that trade group the kind of Good Housekeeping Seal of Approval, I want to be assured that it was done thoroughly and completely and professionally and I think that's particularly important.

When it comes to another trade symposium, as you know the federal government has been under a lot of scrutiny for certain conferences, so we look at that very carefully. That's why before when you got lunch, now you get a bottle of water, if you're lucky. So we'll be looking at putting that together within the guidelines of making sure we're good fiscal stewards. But bringing people together with us is just a key element of the relationship and the communication that's needed.

MR. WEST: Smart move. You can't be too careful on the conference front around here. Right here is a question?

MS. FOLEY: Thanks. Elise Foley with Huffington Post. You spoke a bit about the unaccompanied minor situation last year. I was wondering if you could give us an update on what you're seeing this year and if the response or, you know, the way Border Patrol is handling it this year is any different from last year.

MR. KERLIKOWSKE: Well, as I said, I couldn't have been more impressed. The first week that I was sworn into office I was in McAllen, Texas, and I got to see perhaps in a room this size literally dozens and dozens and dozens of kids sleeping on concrete floors, because we didn't have the contracts in place to remove them. We didn't have the nongovernmental organizations available. All that changed dramatically.

So, one, we're in much better shape today because of having those contracts,

having additional detention space, and having, uh, food and medical care available, should we see that. The good news is that certainly so far this year, and if you remember, uh, March and April were certainly high point of the influx of kids last year. Those numbers are down significantly, and we're very pleased with that. But, we're certainly keeping a watchful eye on it. So, it perhaps will be down to the levels of, uh, 2012, fiscal year 2012 kind of the way it's trending now. So, we're glad about that.

MR. WEST: So, you mentioned this problem of counterfeiting, and we have counterfeit pharmaceuticals, computer chips. You mentioned airbags. How big of a problem is this and what are the most effective ways we can deal with this?

MR. KERLIKOWSKE: Well, first, I think the -- one, it's a significant problem, and when he mentioned, you know, how much are you actually seizing, how much are you identifying, you certainly know -- and I certainly admit -- that we're not seizing or identifying all of the counterfeit materials. But, first, we have really experienced people, really knowledgeable people. We have people that can examine women's shoes. And, my wife wondered about my new interest in women's shoes.

MR. WEST: (Laughing)

MR. KERLIKOWSKE: But, we have people that can examine these things and really determine whether or not these things are counterfeit. But, then, we have other experts. They can look at the computer chips and airbags and those kinds of things. So, that's important.

But, I think the second, probably most important part of all of this is that the more we expand our international footprint, and the more we're in other countries, and the more we develop relationships and paths for communication in those other countries, the better we are at identifying something before it ever gets in the container, before it ever gets headed to the United States. And, I think that's helpful.

MR. WEST: The gentleman right here on the aisle has a question.

QUESTIONER: My name is Yoshikawa, correspondent from Japanese (inaudible). Sorry. My English capability is limited. By raising risk to (inaudible) terrorism in Japan, I have to request two questions to you. First, what kind of a corporationship [sic] between U.S. and Japanese government do border protection from the terrorist? (Inaudible) say, uh, which (inaudible) is counterpart in Japan for (inaudible)?

Second question. For that means, uh, how U.S. and Japan government sharing (inaudible) as a (inaudible)?

MR. KERLIKOWSKA: Sir, I think on the equipment issue, there are kind of two parts of the equipment. One is the equipment that the Border Patrol would use in our Air and Marine agents would use between the ports of entry. So, we have tethered arrow stats, many of which have come to us from the Department of Defense, and they have infrared cameras and high technical surveillance equipment in these tethered arrow stats.

We have unmanned aircraft, a UAS program that's also very helpful. We also have things like ground sensors that can be trigger information or alerts to the Border Patrol agents. And, then, the Border Patrol agents have a variety of equipment in their trucks and also the ability to have night vision goggles and things like that. So, that's between the ports of entry.

At the ports of entry are kind of different pieces of equipment. Well, one is radiation portal monitors, so that cargo coming through can be analyzed to see if, in fact, there's a dangerous level or some concern about radiation. The other is something we call nonintrusive inspection devices. Really, it's just big X-ray machines, both portable X-ray machines, but also those that are mounted within. And, they can scan a piece of cargo coming through and kind of look inside it.

And, then, of course, the last in both of these areas is the knowledge and experience of our personnel. One of our agriculture inspectors the other day was looking at a pallet of fresh vegetables that had come in. But, he looked at the pallet itself, the wooden pallet, and he said, you know, I think that pallet is thicker than what I'd seen in the past, not by much, just a little bit. And, of course, when a canine checked on it, sure enough, it was filled with drugs.

So, the level of experience and expertise that our people have is particularly helpful. I'm not sure of the agency that we work with. I was recently in Tokyo but only for a very short period of time. But, I know that our relationship with the government of Japan on these issues is very close and very strong. Thank you.

MR. WEST: I was in Aruba last year and discovered that the U.S. Customs Office there is actually on the island, so you basically go through the Customs process before you get on the plane as opposed to arriving here. Is this a model that you're seeking to expand? Are people happy with that? I was just curious, your thoughts on that.

MR. KERLIKOWSKE: I think the agents in Aruba are (inaudible).

MR. WEST: (Laughter) Yeah, they seem very pleased with this.

MR. KERLIKOWSKE: They seem very happy about that. But, we're in Canada, we're in Abu Dhabi, we're in Ireland, we're in Bermuda, and the Bahamas also. So, we're in negotiation with out 25 different airports right now around the world who have an interest in this. One, it really improves border security. But, number two, what most people don't recognize is that those governments or airports pay 85 percent of the salary and benefits of the people that are assigned there.

So, that 17 million people that I talked about, when they landed at JFK or Dulles or Los Angeles, they just picked up their bag and got to go. And, they didn't clog

up any Customs line. So, we see a real benefit in that. So, we'll see how it goes.

MR. WEST: Right here is a question.

MS. HORATSKI: Mitra Horatski from the Washington Homeland Security Roundtable. I have a question about the Joint Task Forces that were created in November. I wonder if you could speak to some of the successes you've seen or hope to see from these groups, especially since CBP is leading one of them in collaboration with some of the other agencies. Thank you.

MR. KERLIKOWSKA: The Joint Task Forces are Secretary Johnson's goal for his unity of effort, essentially taking ICE-HIS, Homeland Security Investigations, Customs and Border Protection, and the United States Coast Guard and saying how can all three of you work better together, cooperate, and collaborate. And, the Coast Guard is heading up out of Florida -- is heading up the Caribbean, the Florida Gulf area. Customs and Border Protection is heading up the land border from Texas to California.

And, then, Homeland Security Investigations is really concentrating on going after particularly the human smuggling networks. So, quite often, the arrest of just a young person who's involved in smuggling a couple people doesn't really get to the network. They have started but they're not in operation.

We believe that, I think, sometime around July the Joint Task Forces will work, but the secretary gave myself, the Coast Guard commandant and the ICE director an opportunity to really be a part of forming that unity of effort collaboration. So, I think we're looking forward to that, and I think he's really to be commended for pushing that.

MR. WEST: In the very back, there's a gentleman with his hand up.

MR. SADIAS: Yes, I'm Paul Sadias with MundoFox Commissioner. Regarding the issue of apprehensions of minors and unaccompanied minors and family units at the border, you mentioned that you expected drop towards the 2012 levels. This

is a larger dive compared to -- for example, a projection made by the Migration Policy Institute that thinks that it's going to go to the 2013 levels. So, you expect a larger dive?

MR. KERLIKOWSKE: I'm hoping that we'll be about at the 2012 level, in kind of looking at the numbers so far. We have much better information now about predicting than we perhaps did in the past. The earlier early warning from March of last year was the information that the Border Patrol presented on the apprehensions.

Now, we have very good relations and interaction with officials in those three Central American countries. We also think that that Dangers or Awareness Campaign that I mentioned is pretty helpful. By the way, we've almost always issued that and said it's a very dangerous thing to try and enter the border, to cross the border.

We know from the number of people that perish or suffer really harsh physical conditions that it's dangerous. But, the second part of that campaign was unique last year, and it said even if you get here, you're not going to be allowed to stay. And, I think that was an important message.

MR. WEST: I think we have time for one more question. I have a question about the global supply chain. You know, it seems like a lot of security issues concern that, and, so, I know you've kind of focused a lot on trade and commerce issues. How are you going about identifying high-risk shipments and what are we doing to make sure that supply chain is indeed secure?

MR. KERLIKOWSKE: I think besides having people assigned in foreign ports and making those relationships with other governments, and being at the ports themselves and wanting to and being willing to demonstrate to other governments how we go about identifying these things. There's a second part of that, and that is that we need to make sure that we're exchanging information in areas that may be at risk.

We're not going to examine 70,000 individual -- 20-foot equivalents, as

they're called -- containers that can come in every day to our ports of entry. So, everything we do is based upon risk. We're always seeing -- and certainly have the rule of law and certainly have the authority behind us to be the regulator, to be the enforcer.

But, quite frankly, to the trade community, we weren't as open to developing relationships and communication with the trade community. We're the regulator and you're the trade community and we're on opposite sides. That really is not true. The trade community wants to make sure that what they're bringing into this country is as safe as secure as what we want it to be.

And, when we really opened ourselves up to having, for instance, a federal advisory committee made up of a wide array of Customers brokers, traders, shippers, retail manufacturers, et cetera. When we opened ourselves up, we expanded our network of eyes and ears.

Because, frankly, if you're a shipper and someone comes to you and says, gee, I'd kind of like to ship this and I don't want to really go into much detail and on and on, that, you know, and the shipper says, you know what, I'm a C-TPAT authorizer. I'm not going to do that. I'm not going to put my risk -- my organization at risk. We want that shipper then to call us and say, you know, Darrell was just here and we're a little concerned about -- we don't know much about him and we're a little concerned. We love and value that exchange of information. With all the technology, it still gets down to that human factor.

MR. WEST: I liked that exchange in information until you involved me in it.

MR. KERLIKOWSKA: (Laughter)

MR. WEST: Thank you very much for sharing your thoughts on travel, trade, and transparency. We appreciate hearing about your new initiatives, and good

luck in the future.

MR. KERLIKOWSKE: Good. Thank you all very much. (Applause)

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