

**STATEMENT OF RICHARD G. KERLIKOWSKE
NOMINEE TO BE COMMISSIONER, U.S. CUSTOMS AND BORDER PROTECTION,
BEFORE THE UNITED STATES SENATE COMMITTEE ON FINANCE**

Chairman Baucus, Senator Hatch, and distinguished Members of the Finance Committee, it is a privilege to appear before you today as the President's nominee for Commissioner of U.S. Customs and Border Protection (CBP).

When I enlisted in the Army in 1970, I took an oath to protect our country. I have upheld that duty for over 40 years as a police officer and ultimately police chief in two of our major cities. During my service as Director of the Office of National Drug Control Policy (ONDCP), I have worked tirelessly to reduce the problem of drug abuse both domestically and internationally.

I am deeply honored that the President nominated me to lead CBP, the largest law enforcement organization in the United States. With its border-related responsibilities, powerful legal authorities, and astounding human and technical resources, CBP is of paramount importance to the Nation's national security and economic prosperity. As such, it is vitally important that the policies and conduct of the agency be transparent to the American people and Congress.

CBP's dual mission is to secure the borders while facilitating legitimate trade and travel. While we must never sacrifice security, it is important to understand that the goals of security and facilitation can and should be mutually reinforcing. CBP's security mission is clearly far-ranging. Most importantly, it is responsible for preventing terrorists and their weapons from entering the United States. CBP is also charged with enforcing our Nation's immigration laws and interdicting a range of cross-border threats, including illegal drugs and agricultural pests and diseases. Of particular note, we need to work to interdict weapons and money destined for the coffers of trans-national organized criminal organizations. Disrupting these flows of money and weapons is an effective force-multiplier.

Equally important – and of particular interest to this Committee -- are CBP's historic customs responsibilities. CBP enforces over 500 laws for 47 federal agencies, processes more than \$2.3 trillion in international trade, and collects more than \$40 billion annually in customs revenue. CBP's enforcement and regulatory activities can, and often do, have a major impact on the global economy and its partners in government and the private sector.

My position at ONDCP has included responsibility for authoring the Northern Border Strategy and the Southwest Border Counter Narcotics Strategy. These plans require not only the participation but the active support of multiple federal government organizations, from the Department of Justice to the Department of Defense. ONDCP has excelled in bringing a wide array of agencies to the table to support these plans and holding them accountable for performance. I have traveled to over a dozen countries

and met with heads of state, customs and border officials, and law enforcement counterparts to engage in bilateral and multilateral programs to decrease drug trafficking.

I believe that during the almost five years of service leading ONDCP I have made transparency, responsiveness, and communication with Congress hallmarks. If confirmed, I will continue that record with this Committee and all members of Congress. Since my nomination, I have had the privilege to meet and get acquainted with many members and staff of this Committee. I have also had an opportunity to meet many members of the CBP Commercial Operations Advisory Committee (COAC), trade associations, and companies that have a stake in CBP's leadership and future direction. I assure you that this is the beginning of collaboration with Congress and the international trade community that will, if I am confirmed, continue and deepen. That is a commitment.

My experience in law enforcement – as an officer, major city police chief, and ONDCP Director – has taught me that law enforcement and commerce are interconnected. Commerce depends on a consistent, stable, and predictable environment for business, and law enforcement plays a critical role in creating and protecting those conditions. As a major city chief, I quickly came to understand that a police department needs to foster a safe and welcoming environment for business and visitors. It also needs to inspire public confidence. As complex as it is, CBP's law enforcement role is the same. I also look forward to continuing my work with other federal agencies in maximizing the effectiveness of CBP as the executive agent at U.S. ports of entry.

In my conversations with leaders in the trade community, I have consistently heard that CBP has made real strides to modernize, simplify, and make more uniform its trade and business processes. If confirmed, I intend to build on that foundation. It is clear to me that these efforts have real potential to foster economic prosperity and security. CBP needs to be in the forefront. Critical to that effort is CBP's international engagement to harmonize and simplify customs practices around the world, as well as its efforts to minimize transaction costs to the greatest degree possible. I look forward to working with this Committee on these goals.

If confirmed, I intend to focus on several border security and trade-related priorities. I would note that my ordering does not indicate a ranking order – I believe all of these priorities are extremely important and should be worked toward vigorously.

- CBP needs to continue its efforts to transform its business processes, eliminating paperwork, expanding enrollment in trusted traveler programs, and deploying technology to minimize wait times at ports of entry. Time is money, not only for cargo but also for international travelers who wish to visit the United States. These visitors create tremendous economic growth and support jobs – we need to do everything possible to welcome them expeditiously and efficiently. The President's budget request recognizes that additional CBP officers are necessary to meet requirements at ports of entry. If confirmed, I will work with Congress to

ensure that we make this important investment in human resources for our security and economic prosperity. In my own reading, I have noted projections that global trade will expand by 8% annually through 2030. Of additional note, infrastructure trade is projected to grow at a rate of 9% and will account for over 50% of all goods traded globally. This type of commercial activity means economic growth and jobs for Americans. We need to insure that our ports are up to this task and capable of helping the United States capitalize on these opportunities.

- CBP – through the Border Patrol - needs to continue to use information, integration, and rapid response to meet all threats between ports of entry. Critical to this enterprise are CBP's cooperation and operational planning with international, federal, state, local and tribal partners. Promoting such cooperation has been a hallmark of my tenure as ONDCP Director, and I intend to continue that emphasis if confirmed as CBP Commissioner. Technology also plays a crucial role in this area, and, if confirmed, I will constantly push for ways to maximize your investments in CBP's Information Technology and technical resources.
- As ONDCP Director, I have personally observed the significant contributions of CBP's Air and Marine operations in the Nation's counterdrug mission, along the borders and in the transit zone. CBP needs continued investment in these capabilities, not only in support of the counterdrug mission, but to bolster targeted anti-terrorism and law enforcement missions undertaken by CBP and its investigative partners both inside and outside the Department of Homeland Security.
- CBP needs to continue to prioritize completion of the Automated Commercial Environment (ACE) and International Trade Data System (ITDS). This will establish a modern, flexible, automated foundation for the efficient transmission of data to all U.S. government agencies with a border nexus, ensuring the efficient entry and release of cargo.
- CBP needs to modernize its export process in support of the President's National Export Initiative to streamline exports and foster growth for U.S. companies. This needs to be done in close collaboration with CBP's private sector, government, and international partners.
- CBP needs to focus its enforcement resources to protect domestic producers from unfair competition, to ensure that innovative national technologies and brand names are protected from threats, and to protect domestic consumers from unsafe, substandard products. I look forward to working with the Committee on this priority.
- CBP needs to build and retain a world class, knowledge-based trade workforce to interact effectively with the public and the trade community to insure the

physical and economic security of the nation. Critical to this effort will be addressing morale challenges agency-wide that have been identified in the Federal Employee Viewpoint Survey. CBP's employees are its most important resource; their training, development, and effective management require sustained leadership attention. If confirmed, this too will be a major priority.

Thank you once again for the opportunity to appear before you today, and I respectfully ask for your support to confirm me for this position. I look forward to answering your questions.