

**Testimony for Terry Shannon, Jr.
February 10, 2012
Ad Hoc Hearing – “Effective Border Policy: Security,
Economy and Immigration Reform”
Nogales City Council Chambers
777 N. Grand Ave., Nogales, AZ.**

Congressman Grijalva, esteemed members of Congress, Mayor Garino, and elected Nogales and Santa Cruz County officials, thank you for joining us in Nogales, Arizona. My name is Terry Shannon, Jr., and I am vice-president of a family run custom house brokerage firm which was started by my grandfather here in Nogales in 1931. We offer logistics support for customers conducting cross-border business. I am currently the vice-president of the Nogales Santa Cruz County Economic Development Foundation, which, among other things, is the grantee of the Nogales Foreign Trade Zone.

I am also the past-chairman of the Greater Nogales Santa Cruz County Port Authority, a non-profit organization dedicated to making the Nogales port of entry system the best that it can be, to enhancing the quality of life of our residents, and to fostering sustainable growth in our community. The Nogales Port Authority is comprised of representatives from the City of Nogales, Santa Cruz County, the maquila industry, the produce industry, downtown merchants, and customhouse brokers. Ex-officio members include CBP, Border Patrol, and the Consejo Empresarial of Nogales, Sonora to name a few.

Mexico is our largest trading partner, and Nogales is Arizona’s largest gateway for trade, commerce and tourism. The Nogales port of entry system facilitates major flows of manufactured products and fresh fruits and vegetables, with \$22 billion in goods flowing through our community in two way trade.

Nogales is also Arizona’s only gateway for international rail traffic. Last year over 90,000 rail cars crossed through our community in both directions, an average of 6 full trains a day or 1,200 trains a year.

Additionally, Nogales is Arizona’s principal gateway for tourism with approximately 11.2 million people crossing through our ports of entry into our state, 3.9 million crossing on foot and the rest, some 7 million people, crossing by car. As you listen to these figures please keep in mind that Mexican visitors spend \$7.3 million per day in Arizona or \$2.6 billion per year and that legal travel and commerce currently account for approximately 60,000 Arizona jobs (University of Arizona: Arizona Sonora Economic Indicator Study). These same impacts are integral to economies across the southern border and the entire United States. Attached to this testimony is a map that shows the economic impact of business with Mexico by state. For example, 252,000 jobs in Michigan rely on trade with Mexico, trade that has a value of over \$35 billion.

These vital economic ties are just as apparent and important in communities and states across our border and across the United States. This economic vitality is being jeopardized at ports of entry across the Southern border due to inefficiencies at our ports of entry that are caused by insufficient staffing of Customs and Border Protection officers, new inspection procedures, and by outdated infrastructure that hampers the flow of legitimate people and goods that drive our economy. During a recent trade conference in McAllen, Texas, I sat in the audience and listened to people raise the same concerns that we have here in Arizona.

As an example, from a high of 34 million people crossing through all of Arizona's ports of entry in 2005, we are down to 23 million crossers in 2010. Imagine the impact that Mexican visitors could have to the retail and tourism sectors if were back to those peak volumes of LEGAL traffic along the entire Southern border.

Although the volume of people has been decreasing for the past several years, the wait times to cross the border have continued to increase. It is not uncommon to wait more than 2 hours to cross the border from Mexico to the US. Additionally, since 2009, the federal government has deployed and in fact expanded southbound inspections. At times the wait can be as much as 45 minutes or an hour to return to Mexico. That means that a person from Mexico that is looking to go shopping in Nogales or Tucson or Phoenix would spend 3 hours or more simply crossing the border for a round trip. At peak times of the year, these wait times can double and even triple. These same wait times are experienced across the whole Southern border. Again, new inspection procedures, outdated infrastructure, enhanced documentary requirements and lack of sufficient staffing all contribute to greater congestion at the border.

I would be remiss if I did not mention that our City, like our sister cities of San Luis and Douglas are among the safest cities in our State and in our nation. The enforcement presence at the City and County level combined with the federal agencies at the border, make our border community among the most protected in the nation – everyday. Nogales is a safe and dynamic place to do business.

I want to take this opportunity to request your support in helping to secure additional staffing at our ports of entry along the entire Southern border. Since 1993, the U.S. has engaged in a long-term effort to increase enforcement across the southwest border. Our country has invested heavily in manpower, technology, transportation and infrastructure. However, that investment has lacked balance between security between our ports of entry and security at our ports of entry.

The number of Border Patrol agents has more than quintupled from 4,000 in 1993 to more than 20,000 in 2010. The agency's budget has exponentially increased over the same period from \$400 million to \$3.5 billion. That is a \$3 billion increase.

However, the budget for CBP officers at our ports has seen a relatively minimal boost. Funding for CBP increased from \$1.6 billion in 1993 to \$2.7 billion in 2010. Of that, 68 percent - nearly three quarters - was consumed by rising inflation.

Additionally, some Border Security plans proposed in Congress call for an additional 5,000 Border Patrol agents while only calling for 500 officers for our ports of entry. This number allocated across all ports of entry would not begin to solve CBP's staffing shortage problems.

Our community and communities across the United States need the leadership of Congress to correct this imbalance, an imbalance that severely compromises our national and economic security. We greatly appreciate the efforts of many members here today to draw attention to this pressing problem. Congressman Grijalva and Congressman Reyes, your leadership on this issue has not gone unnoticed in our community, and we remain committed to do what we can to help advance this issue.

The Port Authority has been advocating strongly for staffing our ports to need, meaning that instead of looking for a national number, officer staffing must be allocated based on the need of the individual port of entry. For instance, the Nogales port of entry system is short some 200 to 250 officers today. And this does not take into account the additional inspection capacity that will soon be coming on line at Mariposa Port of Entry. The Nogales West, Mariposa Port of Entry was fortunate to receive funding for a much-needed expansion project. The US Government, as part of the American Recovery Act, is spending \$214 million to triple the inspection capacity. We are going from 4 car lanes to 12 and from 4 truck lanes to 8.

What good is it for us to build a state of the art expanded facility if we don't have the necessary staff to open the lanes? We already have the lesson of the new port of entry at San Luis, designated San Luis II, which is a state of the art, brand new facility. San Luis went from one port of entry to 2 but they did not receive any additional staff, so the answer is to simply divide the current staffing levels among the 2 facilities. This does not make us safer, it makes us more inefficient.

Let me provide you with just a sample of the many functions that are conducted by Customs and Border Protection at our Ports of Entry. As Congressmen from our border states and states that rely on trade with Mexico, I know you are all aware of the important mission of CBP. We need to make sure that all of Congress understands the vital role they play for our security and our economic vitality.

Ports of entry are the front line of Homeland Security efforts to stop terrorists, criminals, illegal aliens, weapons, and more. At the same time, they must continue to process the flow of legitimate travelers and legitimate commerce that drives our economy.

- **CBP Protects the U.S. from Terrorists and Acts of Terror:** CBP has installed almost 200 radiation portal monitors across the U.S. to stop materials that could be used for dirty bombs or other acts of terror. CBP screens 100 percent of the 361 million people that enter the U.S. each year to stop terrorist from entering our country

- **CBP Arrests Criminals Entering the U.S.:** Ports of entry apprehended more than 9,500 people wanted for a variety of charges, including serious criminal crimes such as murder, rape, and child molestation
- **CBP Stops the Southbound Flow of Money and Guns to Drug Cartels:** Outbound currency seizures amounted to more than \$57.9 million and outbound weapons seizures totaled 433. Outbound currency seizures went up 74 percent in a year-to-year comparison
- **CBP Stops Illegal Immigration and Drug Smuggling:** During FY 09, CBP officers seized more than 1.5 million pounds of narcotics and arrested 38,964 suspected criminals. FY09 saw a dramatic increase of over 50 percent in the amount of narcotics that criminals attempted to smuggle into the U.S.
- **CBP Stops Illegal Trade:** CBP initiated more than 18,000 trade enforcement seizures valued at more than \$300 million
- **CBP Protects Domestic Agriculture for Dangerous Pests and Diseases:** CBP agriculture specialists seized more than 1.5 million prohibited meat, plant materials or animal products, including 166,727 agricultural pests at ports of entry.

We have a great working relationship with the CBP, and we certainly appreciate their efforts to make do with what they have. They are relying on facilities that are 30 to 40 years old, operating facilities at 4 or 5 times their intended throughput capacity and yet they are still doing their best to keep us safe against terrorism while facilitating trade and tourism.

However, we must get the attention of the decision makers in Washington, D.C. and convince them that the decisions and policies they make and implement have direct, real-world repercussions for those of us who live on the border and for the entire United States. As the trade map we provided indicates, this is vital to jobs and economies in every single district, region, and state in our country.

Washington, D.C. must act in order to get the staffing and the necessary resources to address the congestion, trade and security issues at our ports of entry. They are a critical component of the Arizona economy, the Border economy, and the economy of the entire United States. They are also an integral part of our government's efforts to protect our country.

During his recent State of the Union Address, President Obama said "we're back" in regards to international trade and U.S. competitiveness. In order to live up to our full potential, we must be sure that our ports of entry are ready.

US-Mexico Economic Relations: Job Creation Starts with Trade

