

## April 27, 2006- Slaughter Testifies Before Senate Foreign Relations Subcommittee on WHTI

FOR IMMEDIATE RELEASE

Thursday, April 27, 2006

Slaughter Testifies Before Senate Foreign Relations Subcommittee on WHTI  
Outlines Concerns of Border Communities and List of Proposals to Fix Program

Washington, DC - Rep. Louise M. Slaughter (D-Fairport), Ranking Member of the House Rules Committee, today expressed her concerns about the Western Hemisphere Travel Initiative to the members of the Senate Foreign Relations Subcommittee on the Western Hemisphere.

The Congresswoman explained that as it is currently conceived, the WHTI will have an adverse effect on the economies of border communities in the United States and Canada by imposing confusing and excessively expensive requirements on even the most common of cross-border travelers.

"I recognize that Congress directed DHS and State to implement a plan to increase security at the border," Rep. Slaughter said. "But we never intended for WHTI to close our borders to legitimate trade and travel."

"WHTI must increase security without causing undue economic harm," the Congresswoman continued. "It is the responsibility of Congress to take whatever action is needed to ensure that these goals are met."

Rep. Slaughter also outlined a list of urgent changes to the WHTI that need to be made by the State Department and the Department of Homeland Security. Among them were:

- A clarification of which alternatives to a passport will be acceptable under WHTI
- A commitment to providing documentation options that are secure, inexpensive, and easy to obtain
- A confirmation by DHS that existing border crossing programs like NEXUS and FAST will still be functional under WHTI regulations
- A cost-benefit analysis of the entire WHTI program conducted by the OMB

The complete text of Rep. Slaughter's testimony, as prepared, can be found below:

Testimony by Congresswoman Louise Slaughter

Senate Foreign Relations Subcommittee on the Western Hemisphere

April 27, 2006

2:30 PM

Thank you, Mr. Chairman and Senator Dodd for holding this hearing and inviting me to testify. I am pleased to welcome Howard Zemsky -- an active member of the Binational Tourism Alliance and the Buffalo Niagara Partnership -- to these proceedings. Howard has been a greater partner in helping us advance some common-sense solutions to border security, and I look forward to his testimony.

Mr. Chairman, the United States and Canada are bound by shared values, culture, history, and geography. My constituents do not think of Canada as another country, but as one community closely intertwined. A constituent of mine likened it to crossing the Potomac River from D.C. into Northern Virginia.

More than a relationship of shared proximity and principles, the northern border represents a major component of our global economy. US-Canada trade supports 5.2 million jobs and generates tens of billions of dollars in revenue. Western New York includes four bi-national bridges, including the Peace Bridge in Buffalo, which is the nation's second busiest border crossing. \$160 million in trade and 20,000 vehicles cross the Peace Bridge each day.

In addition to its importance to international trade, the Niagara frontier is a gateway for millions of tourists every year. Tourism is the fastest growing industry in Buffalo-Niagara. Our economy is heavily dependent on Canadian visits to our sporting events, cultural institutions, and local wineries. A loss of just a fraction of Canadian visitors to Buffalo-Niagara would cripple an already fragile Western New York economy.

More broadly, WHTI is not simply a border problem. According to the Business for Economic Security Trade and Tourism (BESTT) Coalition, Canadian visitors have the greatest economic impact in Nevada, California, and Florida. A 15 percent drop in Canadian travel to these three states would amount to an annual loss to the U.S. economy of \$583 million.

I recognize that Congress directed the Department of Homeland Security (DHS) and the Department of State (State) to implement a plan that will require travelers re-entering the U.S. from Canada to present documents denoting both identity and citizenship. But we did not intend for WHTI to close our borders to legitimate trade and travel. Unfortunately, it appears that we are headed in that direction.

For WHTI to achieve both homeland security and economic security, DHS and State must urgently take a number of critical steps forward.

First, DHS and State must tell us as soon as possible which documents will be acceptable under WHTI. Confusion over what is required now to cross the border, and what will be required beginning in 2008, has dampened cross-border travel today.

DHS maintains that they cannot definitively comment on what documents will be allowed until they publish their notice of proposed rulemaking (NPRM). However, the lack of firm details is why we on the northern border have such concern with the direction of WHTI.

On Monday, April 24th, DHS and State published their Unified Agenda (Agenda) in the Federal Register. According to the Federal Register, the Agenda provides information about regulations the government is considering for the next 12 months. I was surprised to find that DHS and State did not provide any information in their submissions for issuance of the WHTI land NPRM. The implication is that DHS and State are not planning to issue a land NPRM within the next 12 months. If accurate, this revelation only lengthens the period of uncertainty for northern border communities, and raises questions on whether or not DHS and State are giving themselves enough time to meet the 2008 Congressional deadline.

Moreover, the media on both sides of the border continue to misrepresent WHTI and, in some cases, report that individuals need a passport now for cross-border travel. Several weeks ago, the Globe and Mail reported that Amtrak has begun requiring passengers to present a passport for re-entry into the U.S. When my office called Amtrak for an explanation, we were told that Customs and Border Protection (CBP) had told them to start requiring passports immediately. We eventually got CBP and Amtrak on the same page, and the Globe and Mail printed a retraction from Amtrak, but the damage had been done.

Such mixed messages - exacerbated by DHS' inability to clearly communicate WHTI to the public - have already had major consequences for the U.S. economy.

According to new data by Statistics Canada, Canadians made fewer than 3.2 million trips to the U.S. in February, down over 7 percent from January. Same-day trips to the U.S. from Canada fell 8 percent, the lowest number since June 2005.

DHS and State can help slow this disturbing trend the sooner they determine what will be acceptable alternatives to a passport. In addition, I encourage DHS and State to choose one consistent deadline for all modes of travel. Congress did not require different timelines, and separate implementation dates for sea and air travel and land travel will only exacerbate the confusion over what is needed for travel in the Western Hemisphere.

In making the determination of which documents are acceptable, the two agencies must ensure that travelers have options that are secure, inexpensive and easy to obtain. I understand from State that the development of the PASS card is an attempt to give travelers a low-cost option. However, again, State and DHS have not provided us enough details on the PASS card to determine if it will be an effective option. In addition, there is no funding in the President's 2007 homeland security budget for building the PASS infrastructure, and DHS and State continue to disagree on the technology for the card itself.

We know that families decide to visit Niagara Falls, on average, 14 days before a trip. If individuals are unable to acquire a PASS card within that window, or if the card is prohibitively expensive, spontaneous travel to Canada will dry-up.

In addition to the PASS card, DHS must confirm that existing pre-clearance programs, such as NEXUS and FAST, will be acceptable documents under WHTI. The background checks for NEXUS and FAST are just as secure, if not more so, than a passport. Therefore, DHS needs to capitalize on the full potential of NEXUS and FAST by increasing the

programs' reach across the northern border.

NEXUS and FAST are joint-ventures between the U.S. and Canadian governments, and are designed to simplify border crossings for pre-approved, low-risk travelers and commercial drivers. Carefully screened applicants get access to expedited border crossing lanes, and do not have to stop to be inspected. NEXUS and FAST allow our border inspectors to use their limited resources to better inspect high-risk travelers.

According to State, 48 percent of border crossings are made by just 400,000 people. These are the frequent travelers that DHS and State need to get enrolled in NEXUS. While DHS maintains that NEXUS is a priority, a number of problems have kept the program from working efficiently. First, the card costs \$50 dollars and is only good for five years, making it about the same cost as a passport. The application process is lengthy and there is no enrollment center on the U.S. side of the border in Western New York. A third factor contributing to low enrollment is the limited functionality of the NEXUS cards. They are not accepted in all lanes, even for identification purposes, and only a handful of northern border crossings are NEXUS-equipped.

The Intelligence Reform and Terrorism Prevention Act of 2004 includes language directing DHS to expand expedited pre-clearance programs like NEXUS and FAST. Accordingly, I will be introducing legislation next week that will expand NEXUS and FAST and create incentives for enrollment. My legislation puts a \$20 ceiling on the cards, simplifies the application process, and expands both programs across the northern border.

Just as importantly as expansion, NEXUS and FAST provide a model for how the U.S. and Canada can work together to achieve stronger security while facilitating low-risk trade and travel. With all that is at stake for our border economies, DHS should use the NEXUS and FAST programs as a blueprint for formally bringing Canada into the WHTI decision-making process.

Further, the BESTT Coalition has suggested that DHS should link enhanced driver's licenses with WHTI. Given the fact that enhanced driver's licenses would pose the least burden on cross-border travelers, it is an option that DHS and State should keep on the table.

I am also interested to hear more about DHS' vision for a one-day pass, which was first suggested by the Director of US-VISIT in January. I am hoping that DHS will today explain how a one-day pass would affect the inspections process and remain a secure document.

Once DHS and State determine which documents will be acceptable and at what price, the Office of Management and Budget (OMB) must require DHS to conduct a thorough cost-benefit analysis. A cost-benefit analysis will assist DHS in evaluating secure and cost-effective options for implementing WHTI, while avoiding adverse effects on legitimate travel and trade with Canada. It will ensure that WHTI does, in fact, increase both our border security and our economic security.

Executive Order (E.O.) 12866 requires a federal agency to conduct a cost-benefit analysis on any proposed rule that will impact the economy by more than \$100 million. WHTI clearly meets this threshold. The State Department has estimated that the demand for passports due to WHTI will increase from 12 million in Fiscal Year 2006 to 17 million in Fiscal Year 2008. Assuming that the cost of an adult passport remains at \$97, cross-border travelers will be spending an extra \$485 million to comply with WHTI.

This analysis should include an estimated price-tag to the federal government of expanding NEXUS and FAST, creating an effective PASS card, and equipping ports-of-entry with new card readers.

OMB's Office of Information and Regulatory Affairs (OIRA) makes the final decision on whether or not DHS needs to complete a cost-benefit analysis. I met with OIRA just this morning, and they have assured me that they will carefully review the land NPRM before allowing DHS and State to move forward.

Finally, the Government Accountability Office (GAO) is currently examining WHTI at my request. I have asked the GAO to evaluate WHTI's impact on the inspections process, to assess the economic analysis put forth by DHS, and to comment on the pros and cons of the documents that DHS and State finally agree are acceptable.

As you can imagine, without key programmatic decisions from DHS and State, it has been hard for GAO - and for everyone else - to evaluate the consequences of WHTI.

GAO will be coming back to me within the next 4-6 weeks with some preliminary findings. I suspect that GAO will confirm what we already know; namely, that DHS and State are dangerously close to being unable to meet the 2008 Congressional deadline. At this point, we have many more questions about WHTI than answers, yet the implementation date is fast approaching.

For this reason, I believe that Congress will soon need to extend the 2008 deadline while giving DHS and State clear directions for getting it right. I want to emphasize that DHS and State need more than just an extension. As I have laid out in my testimony, Congress should direct DHS and State to: accept documents that are secure, but low-cost and easily obtainable; work formally with Canada to expand existing pre-clearance programs such as NEXUS and FAST; and complete a comprehensive cost-benefit analysis of their proposal before issuing a final rule.

In closing, I want to reiterate that I support the intent of WHTI. Security is paramount and should be our nation's top concern. But I believe that DHS and State must implement WHTI in such a way that increases security without causing undue economic harm. It is the responsibility of Congress to take whatever action is needed to ensure that these goals are met.

Thank you, again, Mr. Chairman and Senator Dodd for holding this important hearing.

###