



JULY 14, 2015

# SECURING THE MARITIME BORDER: THE FUTURE OF CBP AIR AND MARINE

UNITED STATES HOUSE OF REPRESENTATIVES, COMMITTEE ON HOMELAND SECURITY

BORDER AND MARITIME SECURITY SUBCOMMITTEE

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Committee on  
**HOMELAND SECURITY**  
Chairman Michael McCaul

*Opening Statement*

July 14, 2015

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**Statement of Subcommittee Chairman Candice Miller (R-Mich.)  
Subcommittee on Border and Maritime Security**

**“Securing the Maritime Border: The Future of CBP Air and Marine”**

**Remarks as Prepared**

Amongst CBP’s missions and responsibilities, maritime security is not often front page news. Nonetheless, this does not mean it is not an important part of their overall border security efforts. Our coastal and maritime borders are long and cover millions of square miles. My home State of Michigan alone has over 3,000 miles of Great Lakes coastline and shares many miles of maritime border with Canada.

Illicit drug and migrant flows remain principle concerns of our border security agencies, and rightly so. However, as we have seen on our nation’s California coast, as we strengthen security along the southern land border, the cartels adapt – sending panga boats as far north as San Francisco.

From the Great Lakes, to the coast of California, to the Gulf of Mexico, Caribbean and Central America transit zones, the maritime security components of the Department of Homeland Security have a lot of sea to cover. As a result, they must coordinate effectively, share intelligence to understand the threat and smartly position resources to stop it.

The need for maritime domain awareness, or the ability to understand where illicit traffic is most likely to occur, cannot be understated. Without this understanding, drugs will continue to transit the maritime corridors and migrants will make the perilous journey to this country. Radar coverage of the Great Lakes, and other areas along the border, is far from complete, which could allow low flying aircraft and vessels to move drugs and other contraband with ease.

Within Customs and Border Protection, CBP’s Office of Air and Marine has a fleet of over 280 marine vessels and more than 250 aircraft, making it essentially the largest civilian law enforcement air force in the world. They have an enormous responsibility to interdict drugs and migrants using the sea as a means to enter the country.

Today, I want to explore how CBP Air and Marine, a relatively small operational component of CBP, fits into the larger maritime security strategy of DHS. How Air and Marine's authorities support and compliment the Coast Guard's security and interdiction missions, Border Patrol's riverine responsibilities, provide aviation support to other components like ICE and FEMA, and most importantly, examine the security value that American taxpayer is getting for the roughly \$750 million dollars they spend every year.

Without question, the work that the men and women of Air and Marine do is dangerous. Last month, one of their helicopters was struck by two bullets fired from the Mexican side of the border. Thankfully our agents were not injured. And Air and Marine has had other serious incidents over the last few years including: the complete loss of a maritime variant of the Predator on a maritime mission off the coast of California, an incident where a smuggler fired multiple rounds from an AK-47 at our agents near the Virgin Islands and a recent collision with another vessel off the coast of California that resulted in the capsizing of the vessel and the loss of life.

The vessels and aviation assets our Agents use to perform this dangerous work are aging. Recapitalization of the aging CBP Air and Marine fleet has been a long term priority and a significant budgetary challenge. For example, Air and Marine has experienced difficulty procuring a new Coastal Interceptor Vessel to replace the Midnight Express, a boat they first acquired long before the creation of DHS.

While I am pleased CBP awarded a contract to procure up to 52 Coastal Interceptor Vessels just two weeks ago, this award comes after a series of delays, and nearly five years from the time CBP initially announced its intent to purchase new marine vessels to replace the aging fleet, which has been in service since the 80s.

Better planning between the Office of Air and Marine and the Coast Guard has the potential to save taxpayer dollars, especially when components conduct similar missions and have recently procured similar boats, fixed wing aircraft and helicopters. The Department needs to ensure components are working together to ensure efficiencies can be gained both operationally and with the procurement of additional assets.

In addition, this subcommittee and Committee has been on record multiple times calling for robust border security metrics that measure the state of border security. They are largely absent in the border security debate, and a valuable tool to help CBP deploy resources appropriately or come to Congress with additional needs.

Finding the right set of metrics to gauge performance is not an easy task, but it must be done.

Air and Marine, as the Inspector General has recently reported, has struggled to develop clear, concrete performance metrics that will help Congressional decision makers and the American people understand how they contribute to border security in the air and maritime domain, and at what cost.

I look forward to hearing from Mr. Roth on the two controversial Inspector General Reports that cast some doubt on the true cost of the UAV program and missed opportunities to save the taxpayer dollars

by leveraging existing DHS resources to upgrade Air and Marine helicopters. And I'm sure General Alles has his own views on these reports.

When it comes to outlining the future of this agency, I understand Air and Marine strategy is currently in its final stages of approval, but was not yet ready in time for this hearing. I hope General Alles will be able to share key aspects of his new strategy with Members to help us understand where he sees this organization going and present his vision for the future of CBP Air and Marine.

Finally, last month the House passed, for the second time, CBP authorization language I authored. This clearly demonstrates that this Committee is keenly interested in the future of this organization and the maritime security value it provides to the nation.

I look forward to hearing from our witnesses and thank you both for appearing before us today. With that I recognize the Ranking Member of the Subcommittee, the Gentleman from Texas, Mr. Vela, for any opening statement he may have.

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TESTIMONY OF

RANDOLPH D. ALLES  
Assistant Commissioner  
Office of Air and Marine

U.S. Customs and Border Protection  
Department of Homeland Security

BEFORE

U.S. House of Representatives  
Committee on Homeland Security  
Subcommittee on Border and Maritime Security

ON

“Securing the Maritime Border: The Future of CBP Air and Marine”

July 14, 2015  
Washington, DC

## **Introduction**

Chairwoman Miller, Ranking Member Vela, and distinguished Members of the Subcommittee, it is a pleasure to appear before you today to discuss U.S. Customs and Border Protection (CBP) Office of Air and Marine (OAM) efforts to secure our Nation's maritime borders. OAM is a federal law enforcement organization dedicated to serving and protecting the American people.

As America's frontline border agency, CBP is responsible for securing America's borders against threats while facilitating the lawful flow of people and goods entering the United States. OAM is a critical component of CBP's border security mission and the Department of Homeland Security's (DHS) risk-based and multi-layered approach to homeland security. We apply advanced aeronautical and maritime capabilities and employ our unique skill sets to protect our Nation's borders and preserve America's security interests.

OAM's mission falls into four broad categories that reflect our core competencies: Interdiction, Investigation, Domain Awareness, and Contingencies and National Taskings. These competencies are interdependent and complementary and leverage our expertise in the air and maritime environments. We prioritize the development of this organizational expertise throughout our recruitment and training, material acquisitions and program development, and we tailor our law enforcement capabilities and assets to our specialized mission.

A relatively small organization, OAM thrives by being extremely efficient and adaptive. Additionally OAM leverages its capabilities by empowering its operational units to forge crucial partnerships.

In the maritime environment, we operate effectively with a variety of federal, state and local partners, including frequent joint operations with the United States Coast Guard (USCG) and the United States Navy. Through our integration with CBP, as well as our legacy history with U.S. Customs, we enjoy a close working relationship with other investigative components within DHS, particularly U.S. Immigration and Customs Enforcement (ICE). These relationships, coupled with our broad authorities, allow OAM to follow cases wherever they lead – from the air, to the sea and on to land, or from an investigative lead to an interdiction at sea. We also frequently cooperate directly with foreign governments. In this way, OAM lends critical capabilities and cohesion to an array of border security and maritime law enforcement efforts.

One example of these efforts is a recent operation conducted by OAM Marine Interdiction Agents (MIAs) based in Fort Lauderdale, Florida. After boarding and searching a sailing vessel arriving from the Bahamas, the team discovered approximately 220 pounds of cocaine concealed in a bilge area. The agents elected to pursue the investigation further, and asked the suspect if he would facilitate a "controlled delivery," – a ruse whereby a smuggling suspect agrees to deliver the contraband as planned, but under observation by law enforcement. The suspect agreed, and the agents contacted their partners on the local Border Enforcement Security Task Force (BEST) to help coordinate the delivery. OAM and other BEST agents completed the delivery successfully, resulting in the arrests of two suspects and the seizure of the cocaine, one sailboat, one truck, and \$1650 in cash. The exploitation of the initial seizure was only possible due to the authorities and expertise of the OAM agents, and close working relationships with other investigators.

Our greatest resources are the sound judgment and experience of our agents, who average 17 years of law enforcement experience with OAM. Over 60 percent of these sworn agents are veterans of the Armed Services, and many have prior experience in law enforcement. All agents receive intensive training in applicable law, use of force, investigative techniques, Spanish language, and more upon entrance into service. Soon after, they undergo additional advanced training in tactics and the safe operation of vessels and aircraft. All agents are empowered to apply the full range of their legal authorities when conducting interdictions or investigations, in strict accordance with the law. This high level of training and experience allows us to empower our agents to make critical, real-time decisions on-scene, allowing for an informed, rapid response to exigent scenarios.

OAM is uniquely positioned – organizationally, via broad enforcement authorities and jurisdiction, and with unequaled specialized training, equipment, and domain awareness capability – to protect America’s security interests beyond the nation’s border in source and transit zones, between ports of entry, in our coastal waters, and within the nation’s interior.

## **A Secure Maritime Border**

Thousands of vessels enter or operate in U.S. territorial sea daily. Though the vast majority do so for purposes of recreation or legitimate commerce, a small percentage engage in smuggling and other illegal activity. Apprehending these smugglers can be daunting, as many mimic legitimate traffic while others elude detection altogether.

This challenge is similar to one faced by the United States in the 1970s and 1980s, as air smugglers exploited known gaps in offshore radar coverage to deliver narcotics, often by air-drop or by “popping up” inside U.S. airspace and emulating a domestic flight. The United States response in those situations included increasing air domain awareness by deploying and linking additional air surveillance radars, and increasing its coordinated response capability via air interceptors and other assets. With increased awareness and response, U.S. Customs was able to leverage a highly regulated air environment to identify evasive or non-compliant aircraft and target them for enforcement. The result was an unprecedented state of air security that persists today, with OAM maintaining air domain awareness via the functionality at the Air and Marine Operations Center (AMOC) and an air intercept capability in its present-day fleet.

A secure *maritime* border presents additional challenges. Unlike air traffic, small vessels<sup>1</sup> inbound to the United States are generally not required to announce their arrivals in advance, nor are they required to make their initial landing at a designated port of entry. Additionally, small vessels have no requirement to continually broadcast their position via transponder.<sup>2</sup> Therefore,

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<sup>1</sup> “Small vessels” are characterized as any watercraft, regardless of method of propulsion, less than 300 gross tons. Small vessels can include commercial fishing vessels, recreational boats and yachts, towing vessels, uninspected passenger vessels, or any other commercial vessels involved in foreign or U.S. voyages. DHS, Small Vessel Security Implementation Plan Report to the Public, January, 2001, page 1. <http://www.dhs.gov/xlibrary/assets/dhs-uscg-small-vessel-security-strategy-report-to-public-012011.pdf>.

<sup>2</sup> While the Maritime Transportation Security Act of 2002 (MTSA) and the International Convention for the Safety of Life at Sea (SOLAS) require many commercial, passenger, and commercial fishing vessels to operate with an Automatic Identification System (AIS), a tracking system to, among other things, increase maritime awareness, the requirement does not cover many small vessels.

many of the tools used to sort legitimate air traffic from the illegitimate are not available in the maritime environment.

A secure maritime border is one where there is an effective understanding of the maritime domain, with awareness of traffic moving in or toward U.S. waters, and the ability to infer intent and interdict as necessary. Achieving this state requires:

- **Maritime Domain Awareness** – Detection capability in the form of fixed and mobile sensors, an effective distribution network, and current information that facilitates evaluation and decision-making, such as track history and projected movements.
- **Law Enforcement Information** – Knowledge of criminal intent or practices typically gained through law enforcement activity, such as case information, confidential human sources, undercover work, covert surveillance, classified intelligence, etc.
- **Response Capability and Capacity** – The ability to interdict quickly and effectively in the maritime domain. This is a function of personnel, equipment, training and expertise.
- **Unity of Effort** – The various attributes of maritime security and law enforcement agencies are complimentary by design. No single entity has the capability or capacity to address all aspects of maritime security. Unfettered information sharing is critical to understanding the nature of maritime threats. Effective coordination must occur across organizational and jurisdictional lines.
- **Small Vessel Accountability** – Increased accountability of small vessel arrivals from foreign countries and transmission of position via beacon or transponder while underway. This will dramatically improve maritime domain awareness and result in non-compliant vessels self-selecting for further investigation.

OAM believes that a secure maritime border is achievable. We are focusing our strategic planning efforts to this end, with emphasis on domain awareness, investigations, enhanced interdiction capabilities and a networked approach to coordination with our partners.

## **OAM Overview**

Prior to the establishment of DHS, the assets and personnel that comprise OAM were distributed between multiple legacy agencies, including the U.S. Customs Service and the U.S. Border Patrol. Under DHS, these resources were consolidated and integrated into CBP to realize greater operational effectiveness and efficiencies in executing the new homeland security mission. Today, OAM operates in accordance with the Secretary's Unity of Effort memorandum, with goals aligned to those delineated in the DHS 2014-2018 Strategic Plan, the DHS Southern Border and Approaches Campaign and CBP's Vision and Strategy 2020.

One immediate benefit gained through the merger was consolidated aircraft maintenance. OAM integrated maintenance and logistics for its aircraft under a single contract to provide standard support across locations, improve accountability and aircraft safety, and ensure common configurations.

OAM operations are divided into three regions: the Southwest Region, the Northern Region, and the Southeast Region. Each region is split into Air and Marine Branches, and then further divided into Air and/or Marine Units. OAM also operates two unique operational entities: National Air Security Operations (NASO) and AMOC. NASO, operating out of six centers nationwide, coordinates operational activities, long-range planning and project oversight for the P-3 Long Range Tracker aircraft and unmanned aircraft system (UAS) programs. AMOC is a state-of-the-art law enforcement operations coordination and domain awareness center that conducts air and marine surveillance operations and fuses numerous sources of intelligence.

OAM's 1,272 law enforcement personnel operate 257 aircraft, 283 vessels,<sup>3</sup> and a sophisticated domain awareness network across the United States. These assets provide critical aerial and maritime surveillance, interdiction, and operational capability in support of OAM's maritime border security mission. OAM continues to modernize its fleet and sensor systems to enhance our operational performance in diverse marine environments and increase our ability to adapt to the challenges of securing the maritime border and approaches to the United States.

### **OAM Law Enforcement Authorities**

An integral part of CBP's border security mission, OAM agents are credentialed law enforcement officers with a broad range of authorities that enable them to transcend land, air, and sea domains and jurisdictions, providing a critical layer of continuity in enforcement efforts. First and foremost, OAM agents are sworn federal law enforcement agents. They are authorized to carry firearms, obtain and serve warrants, subpoenas and summons, make arrests for any offense committed in their presence and make felony arrests without warrant.<sup>4</sup>

Within the "customs waters"<sup>5</sup> of the United States, or at any place within the United States, OAM agents may board a vessel for the purpose of enforcing customs law, and to use all necessary force to compel compliance.<sup>6</sup> Additionally, OAM enforces laws on any American vessel on the high seas,<sup>7</sup> and vessels subject to U.S. jurisdiction under the *Maritime Drug Law Enforcement Act*<sup>8</sup> which concerns the trafficking of controlled substances aboard vessels in extraterritorial waters. These authorities enable OAM to extend our zone of security surrounding our maritime border and littorals of the United States.

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<sup>3</sup> OAM owns and maintains CBP's 283 vessels, including riverine vessels that are operated by the U.S. Border Patrol.

<sup>4</sup> See 19 U.S. Code § 1589a

<sup>5</sup> See 19 U.S. Code § 1401

<sup>6</sup> See 19 U.S. Code § 1581

<sup>7</sup> See 19 CFR 162.3

<sup>8</sup> See Title 46, 46 U.S. Code § 70501-70502 "vessel subject to the jurisdiction of the United States" includes - a vessel without nationality; a vessel assimilated to a vessel without nationality under paragraph (2) of article 6 of the 1958 Convention on the High Seas; a vessel registered in a foreign nation if that nation has consented or waived objection to the enforcement of United States law by the United States; a vessel in the customs waters of the United States; a vessel in the territorial waters of a foreign nation if the nation consents to the enforcement of United States law by the United States; and a vessel in the contiguous zone of the United States, as defined in Presidential Proclamation 7219 of September 2, 1999 that - is entering the United States; has departed the United States; or is a hovering vessel as defined in section 401 of the Tariff Act of 1930.

In their capacity as CBP law enforcement agents, OAM agents also enforce immigration laws in the territorial sea, on land, and in the air. Agents within OAM have the same broad immigration authority<sup>9</sup> as the U.S. Border Patrol; however, OAM is in the unique position to enforce this authority in the maritime environment. Similar to other investigative agencies, our agents recruit confidential sources, develop criminal cases, support prosecutors and testify in court in addition to their enforcement actions in the air, land and maritime domains.

This combination of authorities enables OAM to conduct successful investigations in the maritime domain.

### **Maritime Assets and Capabilities**

OAM's unique maritime law enforcement mission requires the use of marine assets and capabilities – including fixed- and rotary-wing aircraft, as well as patrol and interdiction vessels and a sophisticated domain awareness network across the United States. OAM's maritime assets are tailored to the conditions of the threat environment in which we operate, and equipped with the capabilities required to interdict illicit smuggling attempts of drugs and undocumented aliens.

Often, there is little time to interdict inbound suspect vessels, and OAM has honed its maritime border security response capability around rapid and effective interception, pursuit, and interdiction of these craft. OAM employs high speed Coastal Interceptor Vessels (CIV) that are specifically designed and engineered with the speed, maneuverability, integrity and endurance to intercept and engage a variety of suspect non-compliant vessels in offshore waters, as well as the Great Lakes on the northern border.

Our vessels are manned by highly trained and experienced OAM crews authorized to deploy any required use of force, including warning shots and disabling fire to stop fleeing vessels. Over the last decade, OAM has evolved to counter the egregious threat of non-compliant vessels. OAM has developed capabilities to disable non-compliant vessels and to bring dangerous pursuits to a conclusion and prevent these vessels from reaching our shores. Since 2003, OAM has engaged in 123 cases involving marine warning and/or disabling rounds, and three cases involving air to vessel warning and disabling rounds.

OAM often works in partnership with ICE-HSI, the Drug Enforcement Administration (DEA), and the Federal Bureau of Investigation (FBI) conducting covert operations in the maritime border environment; utilizing unmarked and undercover vessels when situations dictate that the surveillance of drug loads or transnational criminal organization (TCO) activity can yield larger seizures as a part of ongoing investigations. Some of these covert missions involve OAM agents facilitating controlled deliveries with partner agencies through the utilization of undercover vessels and the incorporation of undercover or plainclothes agents. OAM has a number of unmarked vessels typical to local traffic, which are used for this purpose.

OAM specializes in the installation of covert trackers aboard suspect vessels and often conducts these covert missions under hours of darkness using plainclothes or undercover tactics.

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<sup>9</sup> See Title 8, Aliens and Nationality

Additionally, OAM periodically augments vessel crews from investigative partner agencies when a specific vessel certification coupled with investigative authority and experience is needed when operating these assets. OAM develops and retains confidential human sources in the maritime environment, which have been instrumental in effecting significant seizures.

Although OAM routinely makes seizures through maritime border patrols, the majority of arrests and seizures are the result of actionable information or detection by aircraft. CBP's P-3 Long Range Tracker and Airborne Early Warning aircraft are multirole high endurance aircraft capable of performing border security mission sets in the air and maritime environments. Equipped with a multitude of highly sophisticated communications equipment, radar and imagery sensors, operated by highly trained professional sworn law enforcement agents and officers, the P-3 is accredited with the interdiction of 122,427 pounds of cocaine and 5,918 flight hours within the Western Hemisphere Transit Zones in Fiscal Year (FY) 2014, which equated to 20.7 pounds of narcotics interdicted per flight hour.

The integration of unmanned aircraft systems (UAS) have provided critical enhancements to OAM's air, land, and maritime border domain awareness and capabilities. UAS provide high-endurance intelligence, surveillance, and reconnaissance of land borders, inland waters, littoral waters, and high seas with multiple advanced sensor arrays. The use of UAS in the maritime environment has increased OAM's ability to effectively detect, monitor, and track both personnel and conveyances involved in illegal activity.

Another important maritime security asset is the DHC-8 Maritime Patrol Aircraft (MPA). It is a medium-range airplane that bridges the gap between the strategic P-3 and UAS, and smaller aircraft operating in the littoral waters. It is outfitted specifically for maritime patrol with state-of-the-art sensors and systems. The DHC-8 has provided game-changing detection capability in the Caribbean, Florida and the Gulf of Mexico.

CBP's aerial surveillance capabilities in the maritime environment have been enhanced through recent investments and deployments of a Multi-Role Enforcement Aircraft (MEA). The MEA provides OAM a replacement for several of its older maritime patrol aircraft, enhancing OAM's ability to maintain domain awareness of the U.S. littorals and coastline. Additionally, the multi-role function of the aircraft provides OAM agents the ability to continue investigations seamlessly into the interior of the United States, landing at small remote airports to interdict suspected air smugglers. OAM's Tethered Aerostat Radar System (TARS)<sup>10</sup> is an effective surveillance asset providing radar detection and monitoring of low-altitude aircraft and surface vessels along the U.S.-Mexico border, the Florida Straits, and a portion of the Caribbean. With eight aerostat sites – six along the Southwest border, one in the Florida Keys, and one in Puerto Rico – the TARS elevated sensor mitigates the effect of the curvature of the earth and terrain-masking limitations associated with ground-based radars, greatly increasing long-range radar detection capabilities. The eight TARS sites represent approximately two percent of the total radars integrated by OAM, yet they account for over 50 percent of all suspect target detections.

Perhaps the most important advancements come in the area of data integration and exploitation. Downlink technology, paired with the BigPipe system, allows OAM to provide video feed and

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<sup>10</sup> CBP assumed responsibility of TARS from the U.S. Air Force in 2013, but the aerostat surveillance system had been used by the Department of Defense since 1978.

situational awareness in real-time. In addition, the Minotaur mission integration system will allow multiple aircraft and vessels to share networked information, providing a never before seen level of air, land, and sea domain awareness.

A vital component of DHS's domain awareness capabilities, the AMOC integrates multiple sensor technologies and sources of information to provide comprehensive domain awareness in support of CBP's border security mission. Utilizing extensive law enforcement and intelligence databases and communication networks, AMOC's operational system, the Air and Marine Operations Surveillance System (AMOSS), provides a single display that is capable of processing up to 700 individual sensor feeds and tracking over 50,000 individual targets simultaneously.

AMOC coordinates with the Department of Defense (DoD), Federal Aviation Administration (FAA), the North American Aerospace Defense Command (NORAD), and international law enforcement partners in the governments of Mexico (GoM), Canada, and the Bahamas, to detect, identify, track and support interdiction of suspect aviation and maritime activity in the approaches to U.S. borders, at the borders, and within the interior of the United States. This relationship, enhanced through the deployment of shared surveillance technology has allowed GoM to focus aviation and maritime enforcement efforts to better combat transnational criminal organization (TCO) operations in Northern Mexico and the contiguous U.S./Mexico border. For example, this past January, officers working at the AMOC detected a suspicious aircraft travelling north towards the United States. AMOC subsequently alerted GoM, via the AMOSS, of the activity, and both the Mexican Federal Police (PF) and Air Force (SEDENA) responded to investigate. The abandoned aircraft was located by Mexican officials a short time later, where 27 bags containing approximately 389 kilos methamphetamine, 79 kilos of cocaine, 79 kilos of white heroin, and 1.5 kilos of black tar heroin were discovered and seized.

## **Operational Coordination**

Secretary Johnson's Unity of Effort initiative has put in place new and strengthened management processes to enable more effective DHS component operations. In addition, DHS-wide border and maritime security activities are being strategically guided by the new Southern Border and Approaches Campaign. Aimed at leveraging the range of unique Department roles, responsibilities, and capabilities, the Campaign enhances our operational approach to working together in a more unified way to address comprehensive threat environments. OAM has been extensively involved in the planning and development of all Joint Task Forces, particularly Joint Task Force – East (JTF-E), where OAM holds the Deputy Director position. Working closely with the USCG, ICE and others, we have played a key role in developing the Concept of Operations, the DHS Force Management plan and led the critical Mission Analysis planning efforts, which are all vital to meet the objectives outlined in the SBACP. OAM will continue to invest in and fully support the Joint Task Forces and looks forward to playing a key role in the unity of effort outlined by the Secretary in the SBACP.

In 2011, the CBP Commissioner, the USCG Commandant and ICE Assistant Secretary signed the cross-component Maritime Operations Coordination (MOC) plan. The plan addresses the unique nature of the maritime environment and sets forth a layered, DHS-wide approach to homeland security issues within the maritime domain, ensuring integrated planning, information

sharing, and increased response capability in each area of responsibility. In accordance with the MOC plan, OAM has been a key stakeholder in the implementation of the Regional Coordinating Mechanism (RECOM). Through this mechanism, OAM coordinates maritime operational activities through integrated planning, information sharing and intelligence integration.

OAM agents participate in ICE HSI-led BEST task forces across the nation. This practice has multiple benefits. OAM agents provide maritime law enforcement expertise and ready access to OAM assets and capabilities. In turn, information shared through the BEST refines OAM operations and enables more targeted enforcement. OAM recently became a member of the BEST in San Juan, Puerto Rico. Working in conjunction with the San Juan BEST, OAM operations have yielded 24 arrests, 1,453 pounds of narcotics and \$948,953 in currency over the current fiscal year.

CBP OAM is the largest aviation contributor to the Joint Interagency Task Force South (JIATF-S), and is an integral part to their aviation capability and success to counter illicit trafficking within the maritime environment. P-3s patrol in a 42 million square mile area that includes more than 41 nations, the Pacific and Atlantic Oceans, Gulf of Mexico, Caribbean Sea, and maritime approaches to the United States.

### **Joint Technology Development**

OAM has identified Domain Awareness as a core competency and an essential element of a secure border. To that end, we will fully-network our fleet and centers to share critical information in real time. We are pursuing that vision through joint efforts with technological partners.

OAM is engaged with the USCG and DoD to identify and deploy technologies that expand overall maritime domain awareness and integrates information and sensor data throughout DoD and DHS. AMOC has begun to integrate data from airborne DOD assets and seeks to expand further into the maritime domain. With the support of DHS S&T and the USCG Research and Development Center, prototype technologies such as the Integrated Maritime Domain Enterprise have been deployed to the AMOC, USCG Sectors San Diego and Los Angeles/Long Beach, and are currently under evaluation. This network is being developed to manage and coherently integrate maritime sensors and data sources, such as Minotaur and the Coastal Surveillance System, into a user defined operating picture, which can be then shared between stakeholders.

OAM works closely with the Science & Technology Directorate (S&T) to identify and develop technology to improve our maritime surveillance and detection capabilities, including low-flying aircraft detection and tracking systems and data integration/data fusion capabilities. Currently under development is Coalition Tactical Awareness and Response (CTAR), a space-based system which can be used tactically against maritime threats. OAM is also working with the Domestic Nuclear Detection Office (DNDO) to develop and field radiological and nuclear (R/N) detection and nuclear forensics systems. For example, DNDO and OAM are collaborating in the development of technology to detect R/N threats aboard small vessels.

## **Indicators of Success**

OAM efforts have resulted in the seizure of significant quantities of contraband, and disrupted considerable illicit activity before it reaches our shores.

In FY 2014, OAM conducted 90,739 flight hours and 42,859 underway hours, resulting in the arrest of 4,725 suspects, the apprehension of more than 79,672 illegal migrants, the seizure of 763 weapons, \$147,805,097 in currency, and the interdiction of more than 1,155,815 pounds of illegal drugs, including 155,143 pounds of cocaine.

OAM recognizes the need for relevant, verifiable performance measures that point towards outcomes as well as output, and has initiated an effort to develop them. This is a new process for us. We have engaged a federally-funded research and development center to assist in developing metrics particular to domain awareness. We plan to refine a methodology for developing such measures, and apply it to operations across our organization.

## **Conclusion**

Chairwoman Miller, Ranking Member Vela, and members of the Subcommittee, thank you for this opportunity to testify today. OAM is a critical component of CBP's border security mission. Our highly trained agents, together with our authorities, specialized assets, and tactics comprise a well-rounded, experienced and established law enforcement organization, fully engaged in protecting the United States' maritime borders from threats to the homeland.

I look forward to answering any questions you may have at this time.

**STATEMENT OF JOHN ROTH**  
**INSPECTOR GENERAL**  
**DEPARTMENT OF HOMELAND SECURITY**

*BEFORE THE*

**HOMELAND SECURITY COMMITTEE'S  
SUBCOMMITTEE ON BORDER AND  
MARITIME SECURITY**

**U.S. HOUSE OF REPRESENTATIVES**

*CONCERNING*

**SECURING THE MARITIME BORDER:  
THE FUTURE OF CBP AIR AND MARINE**

**July 14, 2015**



Chairman Miller, Ranking Member Vela, and Members of the Subcommittee, thank you for inviting me here today to discuss our work at U.S. Customs and Border Protection’s (CBP) Office of Air and Marine (OAM).

In my testimony today, I will focus on our recent report on CBP’s unmanned aircraft systems, as well as other reports, which I believe illustrate several persistent issues facing the Department of Homeland Security (DHS). Specifically:

- DHS components often do not engage in the kinds of basic management practices—such as analyzing mission needs and deciding how best to meet those needs before completing an acquisition—that would better ensure the components are able to carry out their missions effectively.
- Many complicated and expensive programs lack performance measures, which are vital to ensuring the effectiveness of those programs and operations. Components also continue to use poor business practices that often result in less than ideal stewardship of taxpayer dollars.
- Finally, many programs fail to capitalize on efficiencies that may be gained by integrating their efforts with those of other components, thus hindering the Department’s mission to achieve a unity of effort.

### **Unmanned Aircraft System (UAS)**

From FYs 2005 to 2013, CBP invested about \$360 million on its Unmanned Aircraft System (i.e., “drone” program), which includes Predator B aircraft, related equipment such as ground control stations, as well as personnel, maintenance, and support. In 2014, we conducted an audit to determine the effectiveness and cost of the UAS program.

Unfortunately, despite its 8-year effort and significant investment of taxpayer dollars, CBP could not demonstrate how much the program has improved border security, largely because the program lacks performance measures and CBP was unaware of the true cost of the program.

#### *Anticipated usage of the aircraft*

When CBP established its UAS Concept of Operations in 2010, it expected that by FY 2013, it would be flying four 16-hour unmanned aircraft patrols every day of the year, or 23,296 total flight hours. However, the unmanned aircraft logged a combined total of 5,102 flight hours, or about 80 percent less than what OAM anticipated. According to OAM, the aircraft did not fly more primarily because of budget constraints, which prevented OAM from obtaining the personnel, spare parts and other infrastructure for operations, and

maintenance necessary for more flight hours. Other contributing factors included flight restrictions and weather-related cancellations.

### *Performance metrics*

Although the UAS program is about 10 years old, OAM has never established formal metrics, which greatly impedes any effort to determine whether the program has been successful. OAM's failure to establish relevant metrics is a barrier to fully understanding whether the taxpayers' investment is a good one.

When OAM stood up the program, however, it did establish performance expectations in order to justify the cost of the program. These expectations are contained within the 2007 UAS Mission Need Statement, Concept of Operations, and Acquisition Plan. Government auditing standards permit us to compare such expectations against current performance.<sup>1</sup> The performance expectations included:

Increased apprehensions: CBP anticipated that UAS support would increase apprehensions. For example, according to the UAS Mission Need Statement, "This investment expects to improve the efficiency, effectiveness, and safety of Border Patrol agents...by reducing response to false motion sensor alerts, increasing the number of apprehensions of illegal border crossings, and raising the agent's situational awareness when moving towards and making arrests."

Although it is not possible to determine whether the specific use of unmanned aircraft increased apprehensions of illegal border crossers, we can compare the United States Border Patrol's total number of reported apprehensions to the number of apprehensions OAM attributed to the use of unmanned aircraft. For example, in the Tucson and Rio Grande Valley Sectors, where UAS operations were concentrated, the Border Patrol reported 275,392 apprehensions; yet, CBP attributed only 2,272 of those apprehensions, or less than 1 percent, to the UAS program. Moreover, according to border patrol agents and intelligence personnel we interviewed in Arizona, the Border Patrol probably would have detected the same people using ground-based assets, without the assistance of unmanned aircraft.

- Reducing border surveillance costs: According to the UAS Mission Need Statement, OAM expected unmanned aircraft to reduce border surveillance costs by 25 to 50 percent per mile. However, because OAM does not track this metric, it cannot demonstrate that the unmanned aircraft have reduced the cost of border surveillance.

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<sup>1</sup> Government Auditing Standards, 2011 Revision, section 6.37

- Responding to sensor alerts: According to the UAS Mission Need Statement, unmanned aircraft would improve the Border Patrol's efficiency by responding to sensor alerts, allowing the Border Patrol to determine whether any action was necessary before sending an agent to the location. However, we identified only six instances in FY 2013 of unmanned aircraft responding to ground sensor alerts.
- Border coverage: According to DHS' *Annual Performance Report, Fiscal Years 2012–2014*, the UAS program expanded unmanned aircraft coverage to the entire Southwest Border. However, unmanned aircraft do not currently cover the entire southwest border. The Federal Aviation Administration permits OAM to fly its unmanned aircraft over the southwest border from California to the Texas gulf coast. Yet, of the 1,993-mile southwest border, UAS operations focused on only about 100 miles of the Arizona border and 70 miles of the Texas border.

*True cost of the program*

By our measure, CBP was not recognizing all operating costs. To determine the full cost of the UAS program, we took an approach that is standard within the government and private industry: managerial cost accounting. This requires answering a simple question—how much does it cost to do something? In the case of unmanned aircraft, we wanted to know how much it cost to own, operate, and maintain the aircraft and sensors. Specifically, how much did it cost DHS, and the taxpayer, to provide the capabilities of the Predator B unmanned aircraft?

We estimate that, in FY 2013, it cost at least \$62.5 million to operate the unmanned aircraft system program, or about \$12,255 per flight hour. CBP's estimates of the cost of operating the aircraft were significantly lower because it did not include:

- Full maintenance costs: Our estimate, based on the amount stated in the contract, was that all of the maintenance and support of the aircraft would cost more than \$24 million. OAM's calculation of \$9.4 million did not include the costs paid to the contractor when mechanics were not performing maintenance activities.
- Depreciation: The unmanned aircraft have a 20-year life span, and based on ordinary straight-line depreciation, cost about \$7.6 million per year. OAM's lack of accounting for depreciation is inconsistent with all generally accepted accounting practices, both in the government and the private sector.

- Operations support: OAM paid a contractor for program management and flight operations support services, including flight operations support at four airbases and an operations center in California, as well as incidental materials, travel, training, and data deliverables. It did not include this in its total cost calculation.
- Base overhead: OAM houses the unmanned aircraft at bases around the country, and pays for services such as rent and utilities, but does not recognize these services as costs of doing business.
- OAM personnel: OAM does not count the cost of the pilot or support personnel in its calculations—more than \$11 million per year—because they are funded through a separate appropriation. However, according to OMB Circular A-126 and General Services Administration requirements, a proper accounting for costs must include these costs, which is why we included them in our report. Specifically, OMB and GSA require that agencies accumulate operations and ownership costs of aircraft programs, as well as account for the cost of acquiring, operating, and supporting their aircraft. In addition, according to the Federal Accounting Standards Advisory Board, “the full cost of a program’s output is the total amount of resources used to produce the output...regardless of the funding sources.”

Given the cost of the UAS program, as well as its current lack of performance measures, we believe CBP’s decision not to expand the program at this time is a wise one. We are concerned about the equivocal nature of their decision, however. Recent OAM documents regarding the UAS program state that there is a \$34 million shortfall in funding and that OAM does not support program expansion *without additional funding*.

As we said in our report, OAM’s comments indicate that if it did receive additional funding, it would support program expansion. We recognize that “at this time” or “currently” OAM does not plan to expand the program. To be clear, our recommendation addresses OAM’s long-term plan and requires an independent study to determine whether the \$443 million associated with the long-term plan could be put to better use by investing in the current program or in alternatives. We would encourage CBP to explore investing in alternatives, such as manned aircraft and ground surveillance assets.

We are pleased to report that, as a result of our audit, CBP agreed to establish program goals and performance measures, and the Department agreed to conduct an independent study before acquiring more unmanned aircraft, as well as establish a DHS-wide policy for accumulating all program costs. The Department recently informed us that it expects to complete its study to determine whether additional unmanned aircraft are needed and justified by

December 31, 2015. CBP is also in the process of revising the UAS Concept of Operations to ensure it contains attainable goals and verifiable performance measures. Additionally, the Department has established a charter for the Flight Hour Program Working Group, which is committed to transparent cost accounting for all DHS aviation programs. We believe the Department, specifically, the Office of the Chief Readiness Support Officer, was very responsive to the report and is especially committed to addressing two of our recommendations. ([\*U.S. Customs and Border Protection's Unmanned Aircraft System Program Does Not Achieve Intended Results or Recognize All Costs of Operations\*, OIG-15-17](#))

The results of our 2015 UAS report—that CBP logged only about 20 percent of its anticipated flight hours, could not demonstrate performance, and had not accounted for all of its costs—were predictable. Three years earlier, we assessed the drone program and found that CBP's inadequate planning and project management resulted in performance shortfalls. Specifically, in our May 2012 report, [\*CBP's Use of Unmanned Aircraft Systems in the Nation's Border Security\*](#), we reported:

- CBP had not achieved its anticipated number of flight hours. CBP desired 13,328 flight hours; however, staffing and equipment shortages, coupled with FAA and other restrictions, limited actual flight hours to 3,909;
- CBP's lack of a specific operations and maintenance budget request for the UAS program resulted in a \$25 million budget shortfall. From FYs 2006 through 2011, CBP reported it spent \$55.3 million for operations and maintenance, but it had not made a specific operations and maintenance budget request for the UAS program. As a result, CBP needed to transfer about \$25 million from other programs in FY 2010 to address the shortfall; and
- CBP had not adequately planned to fund unmanned aircraft-related equipment, such as ground control stations, cameras, and navigation systems, which resulted in insufficient equipment to perform UAS missions.

### **Other Audit Work**

Several other audit reports have highlighted the need for a renewed focus on management fundamentals. Congress and the public must be confident that CBP's financial practices and operations minimize inefficient and wasteful spending, and that it is making informed decisions to manage its programs and implement its policies.

### *Insufficient and unreliable data prevents analysis and accountability*

Sound financial practices and related management operations are critical to achieving the Department's mission and to providing reliable, timely information that supports management decision-making. However, CBP has not consistently documented the analysis justifying programs or conducted thorough needs assessments before moving forward with acquisitions. In addition, it does not always collect the right information and the data it does collect is too often inconsistent and unreliable.

For example, in January 2015, we issued a management advisory describing deficiencies in OAM's management of its national aviation maintenance contract. In 2009, CBP awarded a \$938 million contract to Defense Support Services, LLC to maintain about 265 aircraft to fly approximately 100,000 hours per year. Even though the number of CBP aircraft maintained, annual flight hours, and the average age of the aircraft fleet decreased from FYs 2010 through 2013, contract costs increased an average of nearly 9 percent per year.

Unfortunately, we were unable to complete a detailed review of the contract costs because of inconsistent and unreliable data. Specifically, we could not verify whether the contractor correctly charged CBP for the maintenance labor hours it completed. The contractor and CBP used two separate data systems for recording maintenance labor hours. We tried to compare CBP's labor hour data to labor hour data provided by the contractor, but the data was inconsistent and did not match. This unreliable data precluded further analysis. In essence, the state of the recordkeeping made the program unauditible. CBP told us that it planned to improve verification and tracking of maintenance labor hours. ([\*U.S. Customs and Border Protection's Management of National Aviation Maintenance Activities, Management Advisory\*](#))

### *Unity of effort and leveraging other Department programs*

Likewise, we have observed that, despite similar responsibilities and challenges, DHS components are not always willing to work together to realize economies of scale, which hinders the Department's overall cost-effectiveness and efficiency. For example, in 2013, we reported that CBP was unwilling to coordinate with the Coast Guard to upgrade its H-60 helicopters, even though both components were converting the same helicopters. In March 2010, DHS' Acquisition Review Board directed the Coast Guard to collaborate with CBP and present a joint review on possible helicopter program synergies. The Coast Guard hosted CBP officials at its Aviation Logistics Center, but according to Coast Guard and CBP officials, a senior CBP executive canceled any reciprocal visits by Coast Guard officials and instructed CBP staff not to have any further contact with Coast Guard H-60 personnel. Without CBP's cooperation, the Coast Guard could not complete the joint review, and neither the Office of

Program Accountability and Risk Management nor the Acquisition Review Board followed up.

As a result, CBP may have missed an opportunity to save significant taxpayer money. In fact, we determined that DHS could have saved about \$126 million if the two components had successfully coordinated the conversion of CBP's H-60 helicopters at the Coast Guard's Aviation Logistics Center. Instead, CBP chose to continue its conversion program with the Army. When we contrasted the cost and number of helicopters the Army converted and modified for CBP with Coast Guard's efforts, we found that the Coast Guard was able to convert many more helicopters at less cost and in a shorter period of time:

- Between September 2008 and July 2012, the Army converted and modified two CBP H-60s at an average cost of \$22.3 million each; the conversions took about 3.5 years.
- In contrast, between January 2007 and July 2012, the Coast Guard converted 27 of its H-60s; the last 7 conversions cost about \$5.3 million each and took an average of less than a year to complete. At that time, we estimated that each future CBP conversion would cost about \$18.3 million and would take about 1.7 years to complete.

A subsequent H-60 Business Case Analysis by DHS' Office of Chief Readiness Support Officer, the Aviation Governing Board, the Coast Guard, and CBP confirmed the cost savings of having the Coast Guard convert the helicopters but it was too late.<sup>2</sup> CBP would not have additional funds for its H-60 efforts until FY 2017 and, based on the condition of its H-60 helicopters, it had to remove many of them from operations. Ultimately, the program simply ran out of money because of mismanagement.

In response to one of our other recommendations, CBP is coordinating with the U.S. Army to trade its older H-60As for newer H-60Ls that the Army is decommissioning. This project is ongoing. All aircraft acquisitions and other significant investments must now be submitted through the Department's Joint Requirements Council, which was established to make better-informed investment decisions, particularly as it relates to supporting a unified Department acquisition strategy. One of the Council's emphasis areas is to ensure better integration of aviation assets. We hope that this process, which

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<sup>2</sup> According to the initial *DHS H-60 Helicopter Business Case Analysis* (February 28, 2014), CBP estimated the recapitalization costs at \$25.6 million per aircraft (including modification requirements). This would have equated to a total cost of \$256 million for the remaining 10 CBP H-60As. After further discussions with DHS, we calculated that DHS could save as much as \$132 million to convert and modify the remaining 10 CBP H-60s if done at the Coast Guard's Aviation Logistics Center.

was created only a year ago, will assist in avoiding future acquisition mismanagement. ([DHS' H-60 Helicopter Programs \(Revised\), OIG-13-89](#))

CBP's acquisition of an aviation management tracking system provides another example of missed opportunities to improve performance and cut program costs. In August 2012, we reported that despite CBP's and the Coast Guard's joint strategy to unify their aviation logistics and maintenance systems, CBP planned to purchase a new aviation management tracking system that would not be coordinated with the Coast Guard's already operational system. We concluded that if CBP transitioned to the Coast Guard's system instead, it would improve tracking of aviation management and cost less. CBP did not concur with our recommendations, but the former acting CBP Commissioner directed OAM to stop the acquisition of the new system.

Subsequently, OAM directed the development of a new web-based program under the current National Aviation Maintenance contract, which will allow it to continue to use its existing aviation maintenance tracking system. We closed this recommendation because the web-based program, which is expected in March 2016, is not considered a new computer system. Nevertheless, we continue to believe that CBP should migrate to the Coast Guard's aviation management tracking system rather than continuing with their current plan, which should only be considered a stopgap measure. ([CBP Acquisition of Aviation Management Tracking System \(Revised\), OIG-12-104](#))

In its 2012 report on DHS's Air and Marine Assets, the Government Accountability Office (GAO) reported that DHS could improve certain types of coordination, such as co-locating proximate OAM and Coast Guard units, to better leverage existing resources, eliminate unnecessary duplication, and enhance efficiencies. GAO also reported that OAM had not documented its analyses to support its resource mix and placement decisions for its air and marine assets across all locations. ([Border Security: Opportunities Exist to Ensure More Effective Use of DHS's Air and Marine Assets, GAO-12-518, March 2012](#))

## **Conclusion**

The Department, CBP, and OAM have taken steps to implement our recommendations, yet OAM's basic management practices continue to fall short. Sound planning and strategies for efficiently acquiring, using, and maintaining aviation assets that operate at full capacity, for example, would go a long way toward improving overall operations. Additionally, OAM should take advantage of every opportunity to coordinate with the Coast Guard to eliminate duplication and leverage assets. Finally, better performance measures and calculation of costs would help enhance security, as well as safeguard taxpayer dollars.

Chairman Miller, this concludes my prepared statement. I welcome any questions you or other Members of the Subcommittee may have.

**Appendix**  
**OIG Reports Referenced in This Testimony**

[U.S. Customs and Border Protection's Unmanned Aircraft System Program Does Not Achieve Intended Results or Recognize All Costs of Operations](#), OIG-15-17, December 2014

[U.S. Customs and Border Protection's Management of National Aviation Maintenance Activities](#), CBP Management Advisory, January 2015

[DHS' H-60 Helicopter Programs \(Revised\)](#), OIG-13-89, May 2013

[CBP's Use of Unmanned Aircraft Systems in the Nation's Border Security](#), OIG-12-85, May 2012

[CBP Acquisition of Aviation Management Tracking System \(Revised\)](#), OIG-12-104, August 2012.