

NORTH AMERICAN COOPERATION ON THE BORDER

HEARING

BEFORE THE

COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

FIRST SESSION

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NORTH AMERICAN COOPERATION ON THE BORDER

TUESDAY, JULY 12, 2005

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met, pursuant to notice, at 9:32 a.m., in room SD-419, Dirksen Senate Office Building, Hon. Richard G. Lugar (chairman of the committee) presiding.

Present: Senators Lugar, Biden, Dodd, Nelson, and Obama.

OPENING STATEMENT OF HON. RICHARD G. LUGAR, U.S. SENATOR FROM INDIANA

The CHAIRMAN. This hearing of the Foreign Relations Committee is called to order. Today the committee meets to examine the cooperation between the countries of North America on border security. Our Nation is inextricably intertwined with Mexico and Canada historically, culturally, and commercially. The Department of Transportation reports that goods worth more than \$633 billion crossed our land borders in 2004 alone. According to the Census Bureau, more than 26 million of the 39 million individuals of Hispanic origin who are legal residents in the United States are of Mexican origin.

The flow of goods and people across our borders helps drive our economy and strengthen our culture. But our land borders also serve as a conduit for illegal immigration, drugs, and other illicit items. Given the threat of international terrorism, there is great concern that our land borders could also serve as a channel for international terrorists and weapons of mass destruction.

The threat of terrorist penetration is particularly acute along our southern border. In 2004, fewer than 10,000 individuals were apprehended entering the United States illegally through our 5,000-mile land border with Canada. This compared with the more than 1.1 million who were apprehended while trying to cross our 2,000-mile border with Mexico.

The Department of Homeland Security reports that about 996,000 of these individuals were Mexicans crossing the border for economic or family reasons. The Homeland Security Department refers to the rest as, "other than Mexicans," or, "OTMs." Of the approximately 100,000 OTMs apprehended, 3,000 to 4,000 were from so-called countries of interest, like Somalia, Pakistan, and Saudi Arabia, which have produced or been associated with terrorist cells.

A few of the individuals that have been apprehended at our southern border were known to have connections to terrorists or

were entering the United States under highly suspicious circumstances. For example, one Lebanese national who had paid a smuggler to transport him across the United States-Mexican border in 2001 was recently convicted of holding a fundraiser in his Michigan home for the Hezbollah terrorist group.

In July 2004, a Pakistani woman swam across the Rio Grande River from Mexico to Texas. She was detained when she tried to board a plane to New York with \$6,000 in cash and a severely altered South African passport. Her husband's name was found to be on the terrorist watch list. She was convicted on immigration charges and deported in 2004.

Since September 11, 2001, progress has been made in deterring cross-border threats while maintaining the efficient movement of people and cargo across North America. The United States signed Smart Border Agreements with Canada and Mexico in December 2001 and March 2002 respectively. These agreements seek to improve prescreening of immigrants, refugees, and cargo. They include new documentation requirements and provisions for adding inspectors and updating border security technologies. We have also established Integrated Border Enforcement Teams to coordinate law enforcement efforts with Canada.

Additional initiatives are included in the President's Security and Prosperity Partnership of North America Agreement announced on March 23, 2005, at the North American Summit meeting in Texas.

But additional work lies ahead. We must sustain attention and accountability at home for enhancing our continental security, and continue to press our neighbors for improved cooperation in combatting security threats. To advance these goals, earlier this year I introduced the North American Cooperative Security Act, S. 853. This bill seeks to: First, improve procedures for exchanging information on border security with Canada and Mexico; second, establish a program that will assess the needs of Guatemala and Belize in maintaining the security of their borders and provide technical and law enforcement assistance to aid in the maintenance of the Mexican-Guatemalan and Mexico-Belize borders; third, improve our military to military relations with Mexico; and fourth, establish a database to track the movement of members of Central American gangs between the United States, Mexico, and Central American countries.

Among other provisions, the bill requires U.S. Government agencies to develop a strategy for achieving an agreement with the Mexican Government on joint measures to impede the ability of third country nationals from using Mexico as a transit corridor for unauthorized entry into the United States. In essence, with this legislation I am emphasizing that greater cooperation with our neighbors is necessary to achieve border security.

This morning we are joined by three distinguished panels to discuss cooperation on North American border security. First, we welcome our distinguished congressional colleagues: Senator John McCain, Senator Ted Kennedy, Senator John Cornyn, and Representative Katherine Harris. Representative Harris is the sponsor of the companion bill to S. 853 in the House. Each has worked ex-

tensively on issues related to border security and immigration, and we are pleased that they are with us.

On the second panel, we will hear from two distinguished former Foreign Ministers from Canada and Mexico who have dealt extensively with border issues. We will welcome the Honorable Perrin Beatty, former Foreign Minister of Canada and currently the president and chief executive officer of the Canadian Manufacturers and Exporters Association; and the Honorable Jorge Castañeda, former Foreign Minister of Mexico and currently an independent candidate for president of his country.

On the third panel we will hear from two administration witnesses with key responsibilities for securing our borders. We will welcome Roger Pardo-Maurer, the Deputy Assistant Secretary of Defense for the Western Hemisphere, and David Aguilar, Chief of the Office of Border Patrol in the Department of Homeland Security.

We thank all of our witnesses. We look forward to their insights. I call now upon the first of the distinguished colleagues who are before us today.

Let me pause for just a moment. Do you have a comment, Senator Nelson?

Senator NELSON. Just a couple. Thank you, Mr. Chairman, for having this hearing. We clearly have a reason to protect our borders. The question is how, with 8 to 10 million undocumented workers in this country.

When Senator McCain was the chairman of the Commerce Committee he held a hearing and we were all just astounded to hear the testimony that hundreds of people were coming across the border just in one section of the Arizona-Mexico border. So, clearly, we have some reason for improvement. So thank you very, very much for holding this hearing, Mr. Chairman.

The CHAIRMAN. I thank you, Senator Nelson, for being here right from the start. We appreciate it.

Senator McCain.

Senator MCCAIN. Given his seniority and advanced age, I would ask that Senator Kennedy go first. [Laughter.]

The CHAIRMAN. Very good reasoning. Senator Kennedy.

**STATEMENT OF HON. EDWARD M. KENNEDY, U.S. SENATOR
FROM MASSACHUSETTS**

Senator KENNEDY. Flattery, but I recognize where the power is around here. John, why don't you go first.

Senator MCCAIN. No.

Senator KENNEDY. Mr. Chairman, thank you very much, and thank my colleagues as well that joined on this panel here and the others that are testifying. This whole issue of national security and immigration and how we are going to retain our longstanding historic tradition as a country of refuge that has recognized hard-working people that want to come here and make a contribution and make the country better is in conflict at the present time.

I think this hearing is of enormous importance because it recognizes that we have to work with other countries. We cannot solve the problems of immigration or immigration reform or border security by ourselves. We need active cooperation with Canada, Belize,

Guatemala, and Mexico, as you have outlined in your own program. Many of the ideas that you have in your own program are ideas that Senator McCain and I have incorporated, in our legislation.

So we want to first pay tribute to you and the committee for recognizing that whatever we are going to do to secure our borders has to be done in relationship both with Canada and Mexico, and also with the countries of Central America.

The idea that we are going to be able to enforce our borders to limit the numbers of illegal people, hopefully, is an idea that has passed, because it does not work. We have spent \$20 billion over the last 10 years in trying to solve our problems with enforcement alone. We are building a fence down in Mexico, but it is 1,800 miles, 4,200 miles in Canada. We do not have enough fence, we do not have enough troops to guard our borders.

If we are interested in national security—and this has been the area that Senator McCain has been a leader on in our committee and also in the working through of this program—we have to control our borders. If we are going to be interested in where we are going in terms of our economy, we have to control our borders. It is not open borders or closed borders; it is smart borders.

The idea that we have well-trained, well-disciplined border guards down there chasing after gardeners and bartenders across the deserts in the South is just ridiculous. They ought to be doing what they have been trained for and that is searching out the dangerous individuals in al-Qaeda and those terrorists that are coming across our border, and that is not what is happening today.

That is why Senator McCain and I have proposed legislation that understands, number one, that successful legislation depends upon cooperation and active involvement by Mexico and the countries in Central America, as well as Canada, but quite frankly the areas of greatest challenge are on the border on the South. Number two, our bill has a fair and reasonable temporary worker program and permits earned legalizations for the 11 million people that are here. This is not an amnesty program. No one gets a free ride. No one goes to the head of the line. No one gets a free pass on this.

Individuals have to demonstrate that they are here, that they have worked, that they are clear in terms of national security, and then they have to have an earned record for a number of years, for the 4 years before they even get on the road toward working for a green card, 11 years before they even have the chance of citizenship. Finally, number three is the visa reform.

We believe that this is the only true way that we can comply with, one, national security issues; two, the control of our borders; three, working out a fair and just system which can help American companies and industries; and finally, be true to a longstanding honorable immigration policy which has recognized that people come here who have skills, who want to work, and want to contribute to this country.

We are looking forward to working with this committee, Chairman Lugar. Chairman Specter has set a date of July 26 for a hearing on this proposal. We are eager to work with our colleagues on the Judiciary Committee and to work with this committee to try and bring American border security, immigration reform, and fairness and justice for people, bringing them out of the shadows so

that they can play a constructive role in terms of our American tradition and history and economy.

Thank you, Mr. Chairman.

[The prepared statement of Senator Kennedy follows:]

PREPARED STATEMENT OF HON. EDWARD M. KENNEDY, U.S. SENATOR FROM MASSACHUSETTS

Mr. Chairman, thank you for the opportunity to testify on the importance of improving cooperation among the North American governments on border security and immigration reform.

The United States, Canada, and Mexico have a proud history of friendship and mutual cooperation. Our countries share the world's longest nonmilitarized borders and we are historically and economically interdependent.

After September 11, our governments worked closely together to increase coordination and communication to address terrorist threats. With Canada, we have entered into numerous joint initiatives to improve the management of our borders, such as the Shared Border Accord, Border Vision, and other "smart border" accords to share intelligence and strengthen border security.

The United States and Mexico have also taken significant steps toward improving security. These are important achievements that have helped to make us all safer, but much more needs to be done. I'm particularly concerned that we have done little to address the longstanding problem of illegal immigration.

In the last 10 years, we have spent more than \$20 billion to enforce our immigration laws. Yet, our efforts have not been adequate. We've tripled the number of border patrol agents, and tried countless measures to strengthen border enforcement. We are even building a fence. Yet, illegal immigration continues. The proof is in the numbers—nearly 11 million persons are living in the United States without authorization. Those already here are not leaving, and new immigrants keep coming in.

Every year, thousands of Mexicans and others come to the United States, to work and join their families. Illegal immigration has been averaging 485,000 persons a year. To deal with the growing numbers of unauthorized workers, we have to modernize our laws to meet the challenges of the 21st century. Reforming our immigration laws will improve the security of each of our countries, strengthen our economies, restore control over our borders, and end the rising number of deaths.

It's essential that we work with Mexico and Canada on migration problems and enforcement. A major mistake we made in the past is to assume we can control illegal immigration on our own. America needs to do its part, but Mexico and other nations must do their part, too, to replace illegal immigration flows with regulated, legal immigration.

Mexico's southern border is increasingly being used as a transit corridor for third country nationals attempting to enter the United States illegally. The Border Patrol estimates that they will apprehend nearly 150,000 non-Mexicans crossing our southern border this year—a 200-percent increase over last year. We need to work with Mexico to put an end to this problem. We also need to work with Canada and Mexico to help the Central American countries maintain the security of their borders.

Without cooperation from neighboring countries, immigration reforms adopted unilaterally by the United States are less likely to succeed. Bilateral and multilateral agreements provide a framework for cooperation and are more likely to result in secure borders and safe and legal immigration.

The overwhelming majority of people crossing illegally into the United States are from Mexico, Central America, and the rest of Latin America. They come here seeking work and an opportunity to help their families. The United States should enter into agreements with these countries to help control the flow of their citizens to jobs here, and encourage the reintegration of their citizens returning home. We must restore the circular migration patterns that once existed between the United States, Mexico, and other Central American countries.

We cannot continue to throw money at border enforcement as our primary means for reducing illegal immigration. Nor can we continue to legislate more and more enforcement measures on top of a broken system.

We need realistic immigration laws that provide legal means for qualified immigrants to enter America, and strong enforcement of those laws. By restoring control of our borders, we will also improve our national security and strengthen our economy.

Three essential components of any effective proposal for reform are a fair and generous temporary worker program, an earned legalization program for undocumented workers, and reform of our immigrant visa system. These measures will reduce the

current illegality and chaos and provide safe, legal, and orderly avenues for persons to enter the United States. They will also free up resources to allow our border agents to focus on terrorists, drug smugglers, and violent criminals.

We must also encourage the U.S. Government to partner with Mexico to promote economic opportunity in Mexico and reduce the pressure for its citizens to emigrate. The special relationship between our two countries will be strengthened if we assist the Government of Mexico in improving the lives and raising the standard of living of its people.

John McCain and I have included all of these proposals in our bill—the “Secure America Act.” Our bill also contains important provisions that we have included from Chairman Lugar’s legislation—the “North American Cooperative Security Act”—to address North American cooperation. Effective enforcement of our immigration laws depends upon the participation and commitment of neighboring governments.

Thank you for the opportunity to testify, and I look forward to working with you to enact these responsible and long overdue reforms to deal with these main challenges.

The CHAIRMAN. Thank you very much, Senator Kennedy. We are looking forward to working with you, and I appreciate your description of your progress. I call now on your colleague, Senator McCain.

STATEMENT OF HON. JOHN McCAIN, U.S. SENATOR FROM ARIZONA

Senator McCAIN. Thank you very much, Senator Lugar, and I would like to thank you for your long involvement in this issue. Your legislation that requires and encourages cooperation between our neighbors to the North and South addresses vital aspects of any enforceable and workable immigration reform and I thank you for all of your efforts in that direction.

There is not a lot I could add to what Senator Kennedy said, except to point out that this is an issue of national security, it is an issue of humanitarian interest, it is an issue that affects our economy, and literally in the Southwest and now across the Nation, this is an issue affecting everything, including health care costs and law enforcement costs.

If you walk down the street in Phoenix today, Mr. Chairman, and asked, “what is the number one issue facing your State,” it would not be Social Security; it would be immigration reform because of the enormous impact, ranging from health care costs for treatment of illegal immigrants to law enforcement costs. Just 2 weeks ago, 79 people were found in a Phoenix alley crammed into a commercial horse trailer. The heat was over 100 degrees. They had been there for several days. Of the 79, 11 were children, including a 4-month-old baby.

This has so many ramifications associated with it. I would not want to take too much time of the committee to go through them all. I think that Senator Kennedy and I and others who have cosponsored, including Senators Brownback, Lieberman, Graham, and Salazar, have come up with a balanced approach. We are not saying it cannot be improved, but it has three key aspects.

First and most important of all is obviously security. There is a national security issue here. More and more people are crossing our borders that the Director of the FBI says are from, “countries of interest.” We know that. We have to enforce our border. We will never win the war on terror unless we enforce our border. Anybody who believes that Senator Kennedy’s and my proposal does not address that, first and foremost, has not read the bill.

The second key component is matching employers with employees coupled with strong interior enforcement. We believe that is fairly easy to do. The bill requires the development and implementation of a mandatory employment verification system using tamper-resistant biometric machine-readable identification. Employers will have concrete confirmation the individual they hire is authorized to work or is not. As the President has stated many times, it is important to match willing workers with willing employers.

Then finally, Mr. Chairman, there are 10 to 11 million people, as Senator Kennedy already stated, who are living in the shadows of our life in America and our economy, falling prey to anyone who wants to exploit them. They live in the shadows. We have a national interest in identifying these individuals, providing them with incentives to come out of the shadows, to go through security background checks, pay back taxes, pay penalties for breaking the law, learn to speak English, and regularize their status. We have to do that.

Anybody that believes you are going to round them up and send them back to Guatemala or wherever they came from, obviously has not even a rudimentary understanding of the issue.

Finally, Mr. Chairman, if I might, could I read you an article—passages from an article that was in the Arizona Republic: “205 Migrants Die Hard, Lonely Deaths.” The article says: “It is a lonely place to die out in the soft, sandy washes. The desert floor with its volcanic rock can reach 160 degrees. Most people go down slowly. Blood starts to seep into the lungs, exposed skin burns, and the sweat glands shut down. Little hemorrhages, tiny leaks, start in the heart. When the body temperature reaches 107, the brain cooks and the delirium starts.

“Some migrants claw at the ground with their fingernails, trying to hollow out a cooler spot to die. Others pull themselves through the sand on their bellies like they are swimmers or snakes. The madness sometimes prompts people to slit their own throats or hang themselves from trees with their belts.

“This past year the bodies of 205 undocumented immigrants were found in Arizona. Official notations of their deaths are sketchy, contained in hundreds of pages of government reports. Beyond the official facts, there are sometimes little details, glimpses of the people who died. Maria Hernandez Perez was number 93. She was almost 2. She had thick brown hair and eyes the color of chocolate. Chalea Valasquez Gonzalez, 16, carried a Bible in her backpack. She was 107.”

Mr. Chairman, this is a human tragedy. Today someone will die in the desert in Arizona. It is obvious that this is a national security issue, it is an economic issue, and it is a humanitarian issue. We need to act. I am very grateful that you have taken such an active role on this issue. We need now for us to come together on this issue and bring action to the floor of the Senate.

I think we have waited long enough. I thank you, Mr. Chairman.
[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA

Mr. Chairman, I would like to thank you for the opportunity to testify before your committee today. This is a timely and important hearing you are chairing, and the reason is obvious: Our immigration system is broken. Made up of laws that are un-

realistic and often unenforceable, reforming it is one of the most critical issues facing America today.

Illegal immigration, in the numbers we are witnessing today, represents a threat to our national security, to our economy, to our health care system, and to state and local government budgets. It also poses a humanitarian crisis that anyone with basic human compassion must seek to address. These are the reasons why, Mr. Chairman, if you walk down the streets of my home State of Arizona and ask people what issue most concerns them today, they won't say Social Security, or the economy, or even the war on terror, Mr. Chairman, they'll say it's immigration.

Let me mention just a few statistics:

- Last year more than 300 people died trying to cross our southern border, and more than 200 of those deaths occurred in Arizona's desert. This year those numbers are expected to increase.
- An estimated 3,000 people enter the United States illegally from Mexico every day.
- Last year 1.1 million illegal immigrants were caught by Border Patrol, and more than half of those were in Arizona.

The stories of tragedy along the border add a compelling human component to this issue:

- Several weeks ago, 79 people were found in a Phoenix alley crammed into a commercial horse trailer. The heat was over 100 degrees and they had been there for several days. Of the 79, 11 were children, including a 4-month-old baby.
- At the beginning of the summer, when the temperature in the desert rose unexpectedly, 12 people died crossing into Arizona in one weekend.

I could go on, Mr. Chairman, but let me move on to what I believe we need to do to fix this badly broken system. Senator Kennedy and I, along with Senators Brownback, Lieberman, Graham, and Salazar, and Congressmen Kolbe, Flake, and Gutierrez, recently introduced the Secure America and Orderly Immigration Act. This bill is bipartisan, it is bicameral, and it will fix our immigration problems by coupling tough enforcement at the border with badly needed revisions to our obsolete immigration laws.

Enforcement, Mr. Chairman, is so key to what we are trying to accomplish with this bill, that we lead with enforcement. The first two titles of our bill deal solely with border security efforts.

Our border enforcement section requires the Department of Homeland Security to develop and implement a National Strategy for Border Security, to develop and implement a program that will provide federal officials with continuous border surveillance by using unmanned aerial vehicles (UAVs), and that will better improve coordination among Federal, State, local, and tribal border governments,

The international border security portion of this bill includes key provisions authored by Chairman Lugar in S. 853, the North American Cooperative Security Act, which I was pleased to join in cosponsoring. These provisions construct a framework for the United States to work with Mexico, Canada, and Central American countries to improve security at our borders and to crack down on human smuggling, drug trafficking, and gang activities.

Recognizing that the United States cannot solve this problem alone, we also included directives for the administration to work with Mexico and other sending countries to work together to reduce illegal migration and establish economic incentives for temporary workers to return home. It also acknowledges the specific need to work with the Government of Mexico which must play a much greater role in securing its own borders and helping to combat illegal immigration and strengthen the security of our hemisphere. And I would like to commend Mexico for recently announcing the addition of 51 new Border Patrol agents who will be deployed to Mexico's southern border with Guatemala.

Another problem with our current system is that employers have plausible deniability when it comes to hiring illegal immigrants. A wink and a nod is all it takes. Recognizing this, our bill requires the development and implementation of a mandatory employment verification system using tamper-resistant, biometric, machine-readable identification. Employers will have concrete confirmation that the individual they hire is authorized to work—or is not. What they will no longer have is an excuse to break the law.

Our bill also doubles the fines that employers face when they employ undocumented immigrants, and it provides protections for whistleblowers who notify authorities when employers or workers are breaking the law. And our bill provides the Department of Labor with strong authorities to go after businesses and recruiters who break the rules.

But, Mr. Chairman, our bill does not just authorize tough new enforcement procedures. It also provides funding to back it up. With the fees and fines that will be collected under this bill, we expect that well over \$20 billion will fund enforcement activities at the Department of Homeland Security, the Department of Labor, and the Social Security Administration.

Let me be clear about one misconception about this legislation. It is in no way an amnesty bill. We tried amnesty in this country in 1986, and it didn't work. It won't work in 2005, either. We can't reward lawbreakers, but we also have to deal with the reality that there are between 10 and 11 million undocumented people living and working in America today—10 to 11 million individuals who are unlikely to go home tomorrow.

We couldn't round them all up and deport them even if we wanted to. It would be impossible to identify and apprehend everyone here illegally, and if we did, it would ground America's economy to a halt. Instead, we have a national interest in identifying these individuals, providing them with incentives to come out of the shadows go through security background checks, pay back taxes, pay penalties for breaking the law, learn to speak English, and regularize their status. All this can be accomplished in a manner that fosters the social, economic, and security interest of the United States.

I recognize that several of my colleagues, present here today, have proposed legislation that address various aspects of our broken immigration system. Although we may approach this problem with competing philosophies and with different solutions, our recognition of the failures of the current system moves the debate forward, and I commend them on their proposals.

We will never be able to please the political extremists on either side of this issue. However, in the interest of the country as a whole, we must pursue a carefully balanced compromise. I hope we can work together to put rhetoric aside and enact meaningful comprehensive immigration reform this year.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much, Senator McCain, for that compelling testimony. Likewise to you and Senator Kennedy for news that a hearing will be held in the Judiciary Committee. Obviously you will be heavily involved, and we will be watchful and sympathetic.

I now call upon a distinguished witness today, our colleague, Senator John Cornyn.

STATEMENT OF HON. JOHN CORNYN, U.S. SENATOR FROM TEXAS

Senator CORNYN. Thank you, Mr. Chairman, for the invitation to appear before you today. Senator Nelson, good to be here with you as well.

My home State of Texas shares 1,285 miles, or 65 percent, of our Nation's common southern border with Mexico. This being the case, I have spent a lot of time trying to understand the issue of border security and immigration reform, as well as working with our counterparts in Mexico and exploring ways that our countries might work together in areas of mutual interest. Therefore the topic of this hearing is of great interest to me and I appreciate the fact that you are conducting these hearings.

On a related note, I was pleased to join you as a cosponsor in S. 853, the North American Cooperation and Security Act, a bill that addresses the need for increased cooperation between the United States, Mexico, and Canada, as we have already heard. All countries must work together to provide increased cooperation on border security, to improve efforts to combat human trafficking and alien smuggling, and to intensify crime prevention activities.

In March of this year, the United States, Mexico, and Canada entered into the Security and Prosperity Partnership Agreement that

has already been alluded to as well, designed to develop a common security strategy and promote economic growth, including a commonsense immigration policy and greater cooperation on energy issues to reduce dependence on overseas energy.

According to a most recent announcement from the partnership, border security remains a critical theme. I hope the partnership continues to identify additional security initiatives to protect our countries while facilitating legitimate trade and travel.

In addition to cooperating on border security, less developed countries should further develop strategies that will bridge the development gap that motivates their citizens to migrate. For example, Mexico's leaders have made clear that it is in the best interest of their country to keep as many of their citizens home as they can. Foreign Minister Durez has said that: "The Mexican Government has to be able to give Mexicans the opportunity to generate wealth that today they produce in other places." President Fox has stated: "Every person has the right to find in his own country the economic, political, and social opportunities that are important to reach a full and dignified life." I could not agree more with these statements.

Other countries' need for their young, energetic risk-takers and hard-working individuals to ultimately return home, particularly with the capital, savings, and skills they acquired while working in the United States, ought to be one of our goals. These individuals must return to their countries of origin, build lives, buy homes, and start businesses. Then those small businessowners, those potential entrepreneurs, can help strengthen the middle class in those countries.

Border cooperation should also be viewed within the context, as we have already heard, of the broader sense, the broader issue of immigration reform and the need for increased border security and immigration reform. Recognizing the interconnectedness of these issues, I have, in my capacity as the chairman of the Immigration, Border Security, and Citizenship Subcommittee of the Judiciary Committee, convened a series of hearings this year examining all of these topics. Frequently, we would have joint hearings with Senator Kyl's Subcommittee on Terrorism at the same time.

These hearings have shown that our Nation's immigration and border security systems are broken and this leaves our borders unprotected, threatens our national security, and makes a mockery of the rule of law. These hearings have revealed that other countries are capable and willing to assist the United States, not just in working toward circular migration, but improving the immigration system as a whole.

National security demands a comprehensive solution to our immigration system and I think that means both stronger enforcement and reasonable reform of our immigration laws. We must recognize that in the past we have simply not devoted the funds, resources, and manpower to enforce our immigration laws and protect our borders.

That must change because history demonstrates that reform without enforcement is doomed to fail, and no discussion of comprehensive immigration reform is possible without a clear commit-

ment to, and substantial and dramatic escalation of, our efforts to enforce the law.

As we devote additional resources to enforcing immigration laws, we must also be wise in how we use those resources and we must evaluate what obligations should be borne by other countries that may benefit from these reciprocal agreements. Increased border cooperation should be a crucial part of any comprehensive solution to our immigration laws and no serious reform proposal will succeed without the commitment of Mexico and other countries.

The reform bill that Senator Kyl and I will introduce shortly will deal with enforcement and reform of our immigration laws. It will also address the responsibility of other countries in reducing illegal immigration, alien smuggling, trafficking, and gang violence. I would note that from the description we have heard from Senator McCain and Senator Kennedy, we find more in common than differences, but there are differences that we will need to address.

Of the more than 10 million people currently in our country without legal status and of the hundreds of thousands who enter every year undetected, some fraction of the population may harbor evil impulses toward our country. Yet, it is a practical impossibility to separate the well-meaning from the ill-intentioned. We must focus our scarce resources on the highest risks.

As an example, Border Patrol Commissioner Robert Bonner has previously testified before the Immigration Subcommittee that the Border Patrol is still dealing with a literal flood of people on a daily basis, most of whom are attempting to enter the country in order to work.

Law enforcement and border security officials should focus their greatest energies on those who wish to do us harm, not those who wish only to help themselves and their families through work. We cannot have a population of more than 10 million within which terrorists and their supporters could easily hide, and we cannot have that population afraid to cooperate with our law enforcement and antiterrorism efforts.

With the cooperation of other countries, we can make the best use of our enforcement resources to deter, identify, and stop the aliens that wish to cause America harm or to take advantage of economic immigrants. More importantly, through the cooperation of other countries we can stop the cycle of work and stay, which really represents a permanent exodus of some of the most entrepreneurial, aggressive, hardworking citizens, and return to a system of circular migration that occurs through legal channels.

Mr. Chairman, thank you very much.

[The prepared statement of Senator Cornyn follows:]

PREPARED STATEMENT OF HON. JOHN CORNYN, U.S. SENATOR FROM TEXAS

Mr Chairman, thank you for the invitation to testify at today's hearing. My home State of Texas shares 1,285 miles—or 65 percent of our country's common border—with Mexico. This being the case, I have spent a significant amount of time studying border security and immigration issues, as well as working with our counterparts in Mexico in exploring ways which our countries might work together in areas of mutual interest. Therefore, "North American Cooperation on Border Security" is a topic of great interest to me.

On a related note, I was pleased to join you as a cosponsor of S. 853, the North American Cooperation Security Act—a bill that addresses the need for increased co-

operation between the United States, Mexico, and Canada with regard to security, trade, and law enforcement, areas that can always stand improvement.

All countries must work together to provide increased cooperation on border security, to improve efforts to combat human trafficking and alien smuggling, and to intensify crime prevention activities.

In March of this year, the United States, Mexico, and Canada entered the Security and Prosperity Partnership agreement designed to develop a common security strategy and promote economic growth, including a commonsense immigration policy and greater cooperation on energy issues to reduce dependence on overseas energy. And, according to the most recent announcement from this partnership, border security remains a central theme.

I hope that this partnership continues to identify additional security initiatives that protect our countries while facilitating legitimate trade and travel.

In addition to cooperating on border security, less developed countries should further develop strategies which will bridge the development gap that motivates their citizens to migrate. For instance, Mexico's leaders have made clear that it is in their best interests to keep their citizens in their country.

Foreign Minister Derbez has said that "[T]he Mexican government has to be able to give Mexicans . . . the opportunity to generate the wealth that today they produce in other places," and President Fox has stated: "Every person has the right to find in his own country the economic, political, and social opportunities that allow him to reach a full and dignified life."

I could not agree more with these statements. Other countries need for their young, energetic risk-takers and hard-working individuals to ultimately return home, and particularly to return with the capital, savings, and skills they acquired while working in the United States. These individuals must return to their countries of origin, build lives, buy homes, and start businesses. Then those small business owners, those potential entrepreneurs, can help strengthen the middle class.

Border cooperation should also be viewed within the context of the broader issue of immigration reform and the need for increased border security and immigration reform. Realizing the interconnectedness of these issues, I have convened a series of hearings this year examining all of these topics.

These hearings have shown that our Nation's immigration and border security systems are badly broken, and this leaves our borders unprotected, threatens our national security, and makes a mockery of the rule of law.

The hearings have also revealed that other countries are capable and willing to assist the United States, not just in working toward circular migration, but in improving the immigration system as a whole.

National security demands a comprehensive solution to our immigration system—and that means both stronger enforcement and reasonable reform of our immigration laws. We must recognize that, in the past, we simply have not devoted the funds, resources, and manpower to enforce our immigration laws and protect our borders. That must change—because history demonstrates that reform without enforcement is doomed to fail. And no discussion of comprehensive immigration reform is possible without a clear commitment to, and a substantial and dramatic escalation of, our efforts to enforce the law.

As we devote additional resources to enforcing the immigration laws, we must also be wise in how we use those resources and we must evaluate what obligations should be borne by other countries.

Increased border cooperation should be a critical part of any comprehensive solution of our immigration laws, and no serious reform proposal will succeed without the commitment of Mexico and other countries. The reform bill that Senator Kyl and I will introduce shortly will deal with enforcement and reform of the immigration laws, it will also address the responsibility other countries have in reducing illegal immigration, alien smuggling and trafficking, and gang violence.

Of the more than 10 million people currently in our country without legal status, and of the hundreds of thousands who enter every year undetected, some fraction of the population may harbor evil impulses toward our country. Yet it is a practical impossibility to separate the well-meaning from the ill-intentioned. We must focus our scarce resources on the highest risks.

As an example, Border Patrol Commissioner Robert Bonner has previously testified before the Immigration Subcommittee that ". . . the Border Patrol is still dealing with a literal flood of people on a daily basis most of whom are attempting to enter this country in order to work."

Law enforcement and border security officials should focus their greatest energies on those who wish to do us harm—not those who wish only to help themselves and their families through work. We cannot have a population of more than 10 million within which terrorists and their supporters can easily hide. And we cannot have

that population afraid to cooperate with our law enforcement and antiterrorism efforts.

With the cooperation of other countries, we can make the best use of our enforcement resources to deter, identify, and stop the aliens that wish to cause harm to America or to take advantage of economic migrants.

More importantly, through the cooperation of other countries, we can stop the cycle of "work and stay" and return to a system of circular migration that occurs through legal channels.

Thank you, Mr. Chairman.

The CHAIRMAN. Well, thank you very much, Senator Cornyn, for your leadership. Your subcommittee hearings have been very, very important on these issues, and I am pleased to note that you are working with your other colleagues on Judiciary as you fashion legislation. We look forward to working with you.

It is a pleasure to call on Representative Harris. We thank you for coming today, and for your introduction of our bill in the House.

**STATEMENT OF HON. KATHERINE HARRIS,
U.S. REPRESENTATIVE FROM FLORIDA**

Ms. HARRIS. Thank you. Thank you, Mr. Chairman. Esteemed members of the committee, thanks for inviting me, particularly for joining such a distinguished panel this morning, to discuss the critical need for border security.

As you are well aware, the security of our borders is one of the most pressing homeland security concerns. Whether we are speaking of our northern and southern land borders, our coastal borders, or even the interior borders at air points of entry, much remains to be done even today to ensure that those who would do us harm do not exploit the vulnerable points to threaten our Nation or the American people.

We must ensure that every threat to our Nation, whether it is terrorists, a shipment of narcotics, or human trafficking networks that smuggle criminals and illegal immigrants, is identified and stopped before crossing the borders. Mr. Chairman, last month we even noted, as the report illuminated, in Polacca, FL, over 100 women and children were at a labor camp as illegal immigrants.

At the same time, we must balance this demand for security against the need for the free flow of commerce and trade. We want and need secure borders, but not at the heavy cost of hindering goods and services and legal immigration for those who contribute to the strength of our Nation's economy and to the richness of our culture.

The challenge of that balancing act has been a priority for me throughout my career in public service. With nearly 1,200 miles of coastal area in Florida, 14 deep-water seaports, 12 international airports, 17 free trade zones, Florida is a critical link in the global supply chain that brings goods to, and from, the United States. As a member of the Florida Senate, the Florida Cabinet, as Secretary of State, and now as a Member of the U.S. Representatives on committees such as Homeland Security, Financial Services, and International Relations, I have been deeply involved with the efforts to ensure that my State maintains this vital flow of trade, commerce, and migration while seeking new solutions to border security.

One lesson I have learned from the experience is that a comprehensive border security solution focusing on both Mexican and

Canadian borders, as well as our sea borders, is an absolutely essential component. Recently I introduced legislation in the House that could provide the first stage of that comprehensive solution, the North American Cooperative Security Act, or NACSA, H.R. 2672. I am pleased to report that I was joined by several Members of my House colleagues in introducing this legislation, which closely mirrors your legislation, Mr. Chairman, in the Senate.

NACSA seeks to enhance the common security and safety of the United States, Canada, and Mexico by providing a shared framework for the management, communication, and coordination on border issues between all three North American governments. At the same time, NACSA would help facilitate trade and commerce between North American countries and help expedite trade in low-risk goods.

How would this bill strengthen the security of our borders while enhancing commerce between North American trading partners? Through five basic avenues. First, NACSA would provide a systematic framework for information-sharing on border issues, including sharing up-to-date information on criminal gangs and drug smugglers.

Second, NACSA would ensure aggressive and consistent enforcement of the laws at borders, coordinating law enforcement efforts of the three governments to target tariffs, organized crime, and the illicit trafficking of weapons, nuclear materials, drugs, and people. Furthermore, it would enhance government's ability to deport those who are in the country illegally, especially those with criminal backgrounds.

Third, NACSA would leverage the power of technology to support border security efforts, including creating an electronic database to track criminal gang activity and fostering the efforts to develop biometric standards for documents. With biometric technology, we can be certain that people who are who they claim to be and we can reduce the incidence of fraudulent documentation facilitating illegal entries into our country. The goal is to ensure that high-risk individuals who attempt to enter North America are identified and stopped at the border.

Fourth, NACSA would strengthen trade relationships by reducing wait times for freight and people, investing in improved border infrastructure, determining the feasibility of a common external tariff for all North America, and establishing a cooperative energy policy to ensure reliable energy supplies for the entire continent.

Finally, NACSA would fortify our security relationship with our critical ally to the south by including Mexico in a number of security programs currently in place throughout the rest of North America, such as the Joint Inter-Agency Task Force and North American Aerospace Defense Command. In addition, it would strengthen communication and intelligence between the governments and law enforcement in the United States and Mexico, enhancing cooperation to target the criminal networks and terrorists who would exploit vulnerable points in our border for their own dangerous ends.

With NACSA, we will start by ensuring that our critical land borders with Canada and Mexico are secured and that free flow of

trade, commerce, and people that supports the North American economy is allowed to continue and thrive.

I look forward to working with you to ensure that we meet our goal of balancing our needs for security with the support of commerce. Thank you, Mr. Chairman and distinguished members.

[The prepared statement of Representative Harris follows:]

PREPARED STATEMENT OF HON. KATHERINE HARRIS, U.S. REPRESENTATIVE FROM
FLORIDA

Mr. Chairman, Ranking Member Biden, and esteemed members of the committee. Thank you for inviting me to testify before you today about the critical need for border security.

As you are well aware, the security of our borders is one of our most pressing homeland security concerns. Whether we are speaking of the our northern and southern land borders, our coastal borders, or the “interior borders” at air points of entry, much remains to be done, even today, to ensure that those who would do us harm do not exploit these vulnerable points to threaten our Nation or the American people.

We must ensure that every threat to our Nation—whether it is a terrorist, a shipment of narcotics, or a human trafficking network smuggling criminals or illegal immigrants—is identified and stopped before crossing those borders.

At the same time, we must balance this demand for security against the need for a free flow of commerce and trade. We want and need secure borders, but not at the heavy cost of hindering goods, services, and legal immigrants who contribute to the strength of our Nation’s economy and to the richness of our culture.

The challenge of that balancing act has been a priority for me throughout my career in public service. With nearly 1,800 miles of coastline and 14 deep water seaports, Florida is a critical link in the global supply chain that brings goods to and from the United States.

As a member of the Florida State Senate; as Secretary of State; and now as a member of the U.S. House of Representatives’ Committees on Homeland Security, Financial Services, and International Relations, I have been deeply involved with efforts to ensure that my State maintains this vital flow of trade, commerce, and migration while seeking new solutions to ensure border security.

One lesson I have learned from this experience is that a comprehensive border security solution—focusing on both the Mexican and Canadian borders as well as our sea borders—is absolutely essential.

Recently, I introduced legislation in the House that could provide the first stage of that comprehensive solution—the North American Cooperative Security Act, or NACSA (H.R. 2672).

I am pleased to report that I was joined by several of my House colleagues in introducing this legislation, which closely mirrors Chairman Lugar’s legislation in the Senate (S. 853).

NACSA seeks to enhance the common security and safety of the United States, Canada, and Mexico, by providing a shared framework for management, communication, and coordination on border issues between all three North American governments.

At the same time, NACSA would help to facilitate trade and commerce between the North American countries, and help to expedite trade in “low-risk” goods.

How would this bill strengthen the security of our borders while enhancing commerce between North American trading partners?

Through five basic avenues:

First, NACSA would provide a systematic framework for information-sharing on border security issues, including sharing up-to-date information on criminal gangs and drug smugglers.

Second, NACSA would ensure aggressive and consistent enforcement of the law at the borders, coordinating law enforcement efforts of the three governments to target terrorists, organized crime, and the illicit trafficking of weapons, nuclear materials, drugs, and people.

Furthermore, it would enhance the government’s ability to deport those who are in the country illegally—especially those with criminal backgrounds.

Third, NACSA would leverage the power of technology to support border security efforts—including creating an electronic database to track criminal gang activity and fostering the effort to develop biometric standards for documents.

With biometric technology, we can be certain that people are who they claim to be, and we can reduce the incidence of fraudulent documentation facilitating illegal

entries into our country. The goal is to ensure that high-risk individuals who attempt to enter North America are identified and stopped at the border.

Fourth, NACSA would strengthen trade relationships by reducing wait times for freight and people; investing in improved border infrastructure; determining the feasibility of a common external tariff for all of North America; and establishing a cooperative energy policy to ensure reliable energy supplies for the entire continent.

Finally, NACSA would fortify our security relationship with our critical ally to the south by including Mexico in a number of security programs currently in place throughout the rest of the North America, such as the Joint Interagency Task Force and North American Aerospace Defense Command.

In addition, it would strengthen communication and intelligence between the governments and law enforcement agencies in the United States and Mexico, enhancing cooperation to target the criminal networks and terrorists who would exploit vulnerable points in our border for their own dangerous ends.

With NACSA, we will start by ensuring that our critical land borders with Canada and Mexico are secured, and that the flow of trade, commerce, and people that supports the North American economy is allowed to continue and thrive. I look forward to working with you to ensure that we meet our goal of balancing our needs for security with support for commerce.

Thank you very much.

The CHAIRMAN. Thank you very much for that testimony and for your work.

Ms. HARRIS. Thank you, sir.

The CHAIRMAN. We look forward to working with your colleagues in the House as this proceeds.

Ms. HARRIS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you for coming today.

It is a privilege now for the chair to call our second panel to the witness table. This will include: The Honorable Perrin Beatty, president and chief executive officer of the Canadian Manufacturers and Exporters and a former Foreign Minister of Canada; the Honorable Jorge Castañeda, Global Distinguished Professor of Politics and Latin American and Caribbean Studies, New York University, and the former Foreign Minister of Mexico.

Gentlemen, it is a privilege to have both of you here today to work with us on these very important subjects that are a part of our discussion. We thank you for coming. I will ask you to testify in the order that I introduced you. Your statements will be made part of the official record, and you need not ask for that to occur. It will. Please proceed, either with the statement or with a summary of it, and then we will have questions by our members of both of you.

Mr. Beatty.

STATEMENT OF HON. PERRIN BEATTY, P.C., PRESIDENT AND CHIEF EXECUTIVE OFFICER, CANADIAN MANUFACTURERS AND EXPORTERS, AND FORMER FOREIGN MINISTER, OTTAWA, CANADA

Mr. BEATTY. Thank you. Thank you very much, Chairman Lugar and Senators. Thank you very much for your hospitality today.

I am the President and CEO of Canadian Manufacturers and Exporters, whose members produce about 75 percent of Canada's manufactured goods and about 90 percent of our merchandise exports. But my personal interest in these issues predates my present responsibilities. Between 1979 and 2003 I served in a number of Cabinet posts in the Canadian Government, including as Foreign Minister, as Minister of National Defense, as Solicitor General of

Canada, and as Minister of National Revenue, responsible for Canada Customs.

Senators, this hearing is extremely timely. Last week's bombings in London underscored the lessons of New York and Washington in 2001. Despite the human suffering and physical damage caused by these cruel attacks, the real targets were not the individuals or the infrastructure, but the values they represented, of freedom, of diversity, of equality, of tolerance. These values transcend national boundaries. When they are attacked, every society that holds them dear is also under assault.

We can debate about how best to counter the threat, but we will succeed together or we will fail together. Just as our two countries feel solidarity with the British people today, Canadians instinctively felt your hurt when America was attacked almost 4 years ago. Hundreds of flights were diverted to Canada, where Americans were comforted and consoled and welcomed into Canadian homes. In taking those flights, Canada understood that one or more of them could also have been flying bombs.

Three days later, I was there on Parliament Hill as over 100,000 Canadians converged for a memorial service. The support was both massive and spontaneous; 100,000 Canadians expressing their personal sorrow and their commitment to their American neighbors.

Canada was among the first to put ground troops into Afghanistan, hunting al-Qaeda and Taliban alongside United States forces. We have been a lead nation in the International Security Assistance Force and we will be there for the foreseeable future with the Provincial Reconstruction Team and other forces to deploy in Kandahar in August to replace U.S. troops.

Osama bin Laden has publicly identified Canada as a target for his followers to attack. Indeed, Mr. Chairman, in some of the lists Canada is the only country which has not been attacked as yet.

The terrorist threat is not just your problem. It is very much ours, too. And it is in Canada's interests to do all that we can to ensure that our country is neither a target of terrorism nor a staging ground for attacks on others.

Now, Canada's business community understands that it is not a choice between our physical and our economic security. If either is undermined, the terrorists win. Like our physical security, the economic security of our two countries is indivisible. In 2004 Canada-United States trade approached \$680 billion, with over 1.8 billion dollars' worth of goods and services crossing the border every day. That is a million dollars of business a minute, 24 hours a day, 7 days a week, 365 days a year.

Two hundred million people cross the border each year and Canada takes 23.5 percent of United States exports. In fact, in 2004 Canada was the largest export market for 37 U.S. States, supporting over 5 million U.S. jobs, 112,000 in Indiana alone.

Now, not only is Canada a larger market for United States goods than all 25 countries of the European Union combined, but we also trade as much with one American company, Home Depot, as we do with France. I might observe parenthetically, Mr. Chairman, that we have also sent Washington a pretty good baseball team.

Now, our security relationship is equally extensive. We are long-standing partners in both the Permanent Joint Board of Defense

and NORAD. Indeed, a Canadian was in charge of NORAD on 9/11. We have 23 integrated border enforcement teams, the Cross-Border Crime Forum, and the Shared Border Accord Process. Since 9/11 we have signed two new umbrella initiatives, the 2001 Canada-U.S. Smart Border Declaration and the Trilateral Security and Prosperity Partnership announced last March 23.

We now have joint teams in Halifax, Montreal, Vancouver, Seattle, Tacoma, Newark to target in-transit containers before they reach our shores, preparing the groundwork for cooperation on the container security initiative. We have implemented the Free and Secure Trade Program for preapproved importers, carriers, and drivers to expedite low-risk shipments. FAST operates at 19 high-volume crossings.

We share six joint facilities straddling the border. To improve their security and efficiency, we are negotiating to place both countries' customs and immigration teams on the same side at various border crossings, starting with the Peace Bridge and the Thousand Islands Bridge.

Canada and the United States share advanced passenger information and passenger-name record information on high-risk travelers. We cooperate on visa policy and have common policies for 175 countries, differing on only 18 others.

Well, Senators, our borders are both more secure and better managed than they were just a few years ago. However, serious issues remain and let me briefly highlight three.

Since 9/11 we have seen a rapid increase in border protection regulations and programs. We have at least 44 agencies with jurisdiction over the shared border, adding complexity to a process that was intended to be simplified and streamlined. While each initiative and program is well-founded, the layering of security, compliance and delay costs adds billions of dollars to overheads at a time when North American manufacturers face dramatically growing offshore competition.

Since the SMART Border Declaration of 2001, estimated processing times for shipments into the United States tripled from 45 seconds to over 2 minutes and 15 seconds per truck by the end of 2004. Border delays alone cost the Canadian and United States economies an estimated 12.5 billion Canadian dollars annually. Since many North American goods cross the Canada-United States border several times before reaching consumers, the real cost in lost jobs and income is significantly higher.

Consider the automotive industry. While an offshore shipment of 4,000 vehicles requires 24 hours advance notice and a single security check before rolling off a ship and into North American dealerships, U.S.- and Canadian-produced vehicles cross the border an estimated 7 times during production, with finished vehicles crossing 18 at a time. The automotive industry in North America is so integrated that producing 4,000 vehicles in North America may include over 1,500 customs transactions. These additional reporting, compliance, and delay costs translate into an estimated 800 dollars Canadian per vehicle.

One prominent North American company recently celebrated its one millionth FAST shipment without a single actionable finding. However, the same company's inspections entering the United

States in the early part of 2005 have increased 50 percent over the same period in 2004.

A second concern is the pressing need for new infrastructure. At the world's most important border point, we rely on infrastructure built by our grandparents. The Ambassador Bridge was completed in 1929 and the Detroit-Windsor Tunnel the following year, when today's trade levels were unimaginable and we had no fear of terrorism. Even before 9/11, this vital crossing was choking on its own success, causing delays, congestion, and pollution on both sides.

Since then, however, it has become a matter of national security for both of our countries. If these critical border crossings were damaged, with the possible added impact of closing access to three of the Great Lakes from the Saint Lawrence Seaway, the economic cost would be incalculable. Yet, Mr. Chairman, according to current schedules, if all goes on schedule with no delays, no new crossing is planned until 2013.

Do we believe that the terrorists are unaware of this vulnerability? What other two nations would leave their economies hostage in this way? Governments must act now, even if special legislation is required.

My third concern is the possible impact of new secure ID requirements. The border is about people and communities who rely on each other, whether it is Canadian snowbirds seeking Florida sunshine, Minnesotans attending hockey tournaments in Canada with their kids, or nurses commuting to care for our loved ones.

Like FAST, the Nexus highway program expedites preapproved low-risk travelers. Some suggest using Nexus to implement the Western Hemisphere Travel Initiative, but Nexus, while important by itself, will not solve the documentary requirements. The background checks for a Nexus card make it even harder to obtain than a passport. Whatever is designated as an alternative to passports must not only be secure, but also inexpensive and convenient to obtain and to use. Otherwise the WHTI may damage border communities, trade, and travel, creating a new barrier between people.

Senators, we have come a long way since 9/11 and our governments plan to move further. But last week's bombings add an extra urgency to our efforts. The terrorists win if they divide us or if they weaken us. Our goal must be to strengthen both our defenses and our economies, and to ensure that our common border remains a meeting place for our two peoples and never becomes a wall to keep us apart.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Beatty follows:]

PREPARED STATEMENT OF HON. PERRIN BEATTY, PRESIDENT AND CEO, CANADIAN MANUFACTURERS & EXPORTERS, FORMER FOREIGN MINISTER, OTTAWA, CANADA

Thank you for the invitation to meet with you. I am the President and CEO of Canadian Manufacturers & Exporters, whose members produce about 75 percent of Canada's manufactured goods and about 90 percent of its merchandise exports.

My personal interest in these issues predates my present responsibilities. Between 1979 and 2003, I served in a number of Cabinet posts, including as Foreign Minister, as Minister of National Defence, as the Solicitor General of Canada, and as Minister of National Revenue, responsible for Canada Customs.

This hearing is extremely timely. Last week's bombings in London underscored the lessons of New York and Washington in 2001: Despite the human suffering and physical damage caused by these cruel attacks, the real targets were not the indi-

viduals or the infrastructure, but the values they represented—of freedom, of diversity, of equality, of tolerance. These values transcend national boundaries. When they are attacked, every society that holds them dear is also under assault. We can debate about how best to counter the threat, but we will succeed together or we will fail together.

Just as our two countries feel solidarity with the British people today, Canadians instinctively felt your hurt when America was attacked almost 4 years ago. Hundreds of flights were diverted to Canada, where Americans were comforted and consoled, and welcomed into Canadian homes. In taking those flights Canada understood that one or more of them could also have been flying bombs.

Three days later, I was there as over 100,000 Canadians converged on Parliament Hill for a memorial service. The support was both massive and spontaneous—100,000 Canadians expressing their personal sorrow and their commitment to their American neighbours.

Canada was among the first to put ground troops into Afghanistan, hunting al-Qaeda and Taliban alongside United States forces. We have been a lead nation in the International Security Assistance Force and we will be there for the foreseeable future with a Provincial Reconstruction Team and other forces to deploy in Kandahar in August.

Osama bin Laden has publicly identified Canada as a target for his followers to attack. The terrorist threat is not just your problem—it is very much ours, too, and it is in Canada's interests to do all we can to ensure our country is neither a target of terrorism nor a staging ground for attacks against others.

Canada's business community understands that it is not a choice between our physical and our economic security; if either is undermined, the terrorists win.

Like our physical security, the economic security of our two countries is indivisible. In 2004, Canada-United States trade approached \$680 billion, with over 1.8 billion dollars' worth of goods and services crossing the border every day—that's a million dollars of business a minute.

Two hundred million people cross the border each year and Canada takes 23.5 percent of U.S. exports. In fact, in 2004 Canada was the largest export market for 37 U.S. States, supporting over 5 million U.S. jobs. Not only is Canada a larger market for U.S. goods than all 25 countries of the European Union combined, but we also trade as much with one American company, Home Depot, as we do with France. (We've also sent Washington a pretty good baseball team.)

Our security relationship is equally extensive:

- Canada and the United States are longstanding partners in both the Permanent Joint Board on Defence and NORAD. Indeed, a Canadian was in charge at NORAD on 9/11.
- Each year, top law enforcement and border agencies hold the Cross-Border Crime Forum, and key border agencies led by CBP and the Canada Border Services Agency meet regularly to share information and coordinate border management.
- Since 9/11, we have signed two new umbrella initiatives—the 2001 Canada-U.S. Smart Border Declaration and the trilateral Security and Prosperity Partnership announced last March 23.
- Our countries maintain joint teams to target in-transit containers before they reach our shores. You have CBP inspectors stationed in Halifax, Montreal, and Vancouver, while Canada has inspectors in Seattle-Tacoma and Newark, preparing the groundwork for cooperation on the Container Security Initiative.
- We have implemented the Free and Secure Trade program for preapproved importers, carriers, and drivers to expedite low-risk shipments. FAST operates at 19 of high-volume crossings.
- There are 23 integrated border enforcement teams of police, customs and immigration agencies, and the U.S. Coast Guard to monitor our border between crossings.
- We share six joint facilities straddling the border and are negotiating to place both countries' customs and immigration teams on the same side at various border crossings, starting with the Peace Bridge and the Thousand Islands Bridge.
- Canada and the United States share Advance Passenger Information and passenger name record information on high-risk travelers. We also cooperate on visa policy, and have common policies for 175 countries, differing on only 18 others.

Our borders are both more secure and better managed than they were just a few years ago. However, serious issues remain. Let me briefly highlight three.

Since 9/11 we have seen a rapid increase in border protection regulations and programs. We have at least 44 agencies with jurisdiction over the border, adding complexity to a process that was intended to be simplified and streamlined.

While each initiative and program is well founded, the layering of security, compliance, and delay costs adds billions of dollars of overheads at a time when North American manufacturers face dramatically growing offshore competition.

Since the Smart Border Declaration of 2001, estimated processing times for shipments into the United States tripled from 45 seconds to over 2 minutes and 15 seconds per truck by the end of 2004. Border delays alone cost the Canadian and U.S. economies an estimated C\$12.5 billion annually. Since many North American goods cross the Canada-United States border several times before reaching consumers, the real cost in lost jobs and income is significantly higher.

Consider the automotive industry. While an offshore shipment of 4,000 vehicles requires 24-hour advance notice and a single security check before rolling off a ship and into North American dealerships, U.S.- and Canadian-produced vehicles cross the border an estimated seven times during production, with finished vehicles crossing 18 at a time. The automotive industry in North America is so integrated that producing 4,000 vehicles in North America may include over 1,500 customs transactions. These additional reporting, compliance, and delay costs translate into an estimated C\$800 per vehicle.

One prominent North American company recently celebrated its one-millionth FAST shipment without a single actionable finding. However, this same company's inspections entering the United States in the early part of 2005 have increased 50 percent over the same period in 2004.

A second concern is the pressing need for new infrastructure. At the world's most important border point, we rely on infrastructure built by our grandparents. The Ambassador Bridge was completed in 1929, and the Detroit-Windsor Tunnel the following year, when today's trade levels were unimaginable and we had no fear of terrorism.

Even before 9/11, this vital crossing was choking on its own success, causing delays, congestion, and pollution on both sides. Since then, however, it has become a matter of national security. If these critical border crossings were damaged, with the possible added impact of closing access from three of the Great Lakes to the St. Lawrence Seaway, the economic cost would be incalculable. And yet, no new crossing is planned until 2013.

Do we believe the terrorists are unaware of this vulnerability? What other two nations would leave their economies hostage in this way? Governments must act now, even if special legislation is required.

My third concern is the possible impact of new secure ID requirements. The border is about people and communities who rely on each other, whether it's Canadian snowbirds seeking Florida sunshine, parents attending hockey tournaments with their kids, or nurses commuting to care for our loved ones.

Like FAST, the NEXUS Highway program expedites preapproved, low-risk travelers. Some suggest using NEXUS to implement the Western Hemisphere Travel Initiative, but NEXUS, while important, won't solve the documentary requirements. The background checks for a NEXUS card make it even harder to obtain than a passport. Whatever is designated as an alternative to passports, it must be not only secure, but also inexpensive and convenient to obtain and use. Otherwise, the WHTI may damage border communities, trade, and travel, creating a new barrier between people.

We have come a long way since 9/11, and our governments plan to move further. But last week's bombings add an extra urgency to our efforts. The terrorists win if they can divide us or weaken us. Our goal must be to strengthen both our defenses and our economies, and to ensure that our common border remains a meeting place for our two peoples, and never becomes a wall to keep us apart.

The CHAIRMAN. Thank you very much, Mr. Beatty, for that very informed testimony, and the details that are so important.

Mr. BEATTY. Thank you.

The CHAIRMAN. It is really a pleasure to have the former Foreign Minister of Mexico, Mr. Castañeda. I appreciated visiting with you, sir, and we are delighted that you are here with us on the committee today. Please proceed with your testimony.

STATEMENT OF HON. JORGE CASTAÑEDA, GLOBAL DISTINGUISHED PROFESSOR OF POLITICS AND LATIN AMERICAN AND CARIBBEAN STUDIES, NEW YORK UNIVERSITY, AND FORMER FOREIGN MINISTER, MEXICO CITY, MEXICO

Mr. CASTAÑEDA. Thank you, Senator Lugar, for the invitation. Thank you, Senator Nelson, Senator Dodd, for this opportunity. I have delivered, in my written statement, some general views on the Mexican stance on immigration and I would like to just emphasize a few specific aspects in my spoken comments.

Immigration and security issues in the United States-Mexican relationship, Mr. Chairman, are as lastingly and intensely interconnected today as Mexico and the United States are. I am convinced that there cannot be a United States immigration reform and/or an agreement with Mexico on this issue if it does not address the three basic sides of the immigration equation: One, people who are already here; two, people who will keep coming; and three, perhaps most importantly, the development of the sending regions in Mexico. These three aspects must be addressed together and doing so will imply significant changes in U.S. attitudes toward immigration.

I am equally convinced that there can be no United States immigration reform and agreement with Mexico and cooperation with Mexico without addressing fundamental United States security issues of the two countries and also with Canada. The Task Force on North America, Building a New North American Community, that was chaired recently by William Weld, Pedro Aspe, and John Manley of Canada, is a good starting point for this, as, of course, is the NACSA bill that you have introduced and that Representative Harris has introduced in the House.

I am convinced also that there can be no security cooperation beyond what already exists without some form of immigration package. We cannot continue in Mexico to live with what Senator McCain described recently: One Mexican dying every day on the Arizona-Sonora border during the entire year. This is something that cannot continue and no Mexican Government can cooperate as fully with the United States and Canada on security issues if these issues of immigration are not addressed, if the situation of now nearly 6 million Mexicans in the United States without papers is not addressed, and if the situation of those Mexicans who will continue to come to the United States for the next 10 or 15 years approximately are not addressed.

Finally, I am convinced that there can be no attempt to enhance security and achieve integral immigration reform in the United States without Mexican cooperation and involvement. I welcome Senator Kennedy's and McCain's comments on these issues as well as the way they have addressed this matter in their bill, in their reform of immigration. Without Mexican cooperation on security issues, on temporary workers, and on earned legalization or regularization, I do not think it possible for this to go forward in a way that would really address the interests of Mexico and of the United States.

Unilateral acts will not work. I think if there was something that did not work in the 1986 IRCA immigration reform, it was precisely that, that it was a unilateral decision made by the United

States in full exercise of its sovereignty. That is not the issue. The issue is that without cooperation the problems will continue to emerge.

But I am also convinced that there can be no Mexican cooperation that is both effective and credible without significant changes in Mexican attitudes toward immigration, moving toward what we call shared responsibility. That includes issues like so-called "OTMs," other than Mexicans, that includes the security on the border, and that includes the situation of smugglers and gangs on Mexico's southern border. I welcome the aspects of your bill, Senator Lugar, that address the question of the border between Mexico and Central American countries and how to enhance security and law enforcement on the southern Mexican border and borders between the Central American countries themselves.

What does all of this mean? In particular, what does Mexican cooperation on OTMs, security, and finding ways to share responsibility for regulating remanent flows once an agreement has been reached? It means implementing noncoercitive but tough policies, market-based and policy-based, of incentives and elements of dissuasion, to ensure that in the framework of an overall agreement Mexico significantly contributes to reducing unauthorized future flows from the United States, from Mexico to the United States, and other than Mexicans through Mexico.

Nothing that is coercive will work, but nothing that is insignificant will work either. We have to find the right package, the right mix of incentives and dissuasive factors, based on market mechanisms or based on policies in the sending communities in Mexico whereby we will find a way to dissuade and discourage people from leaving over and beyond the increases in temporary worker visas and in permanent visas and in earned legalization in the United States.

If any agreement or any reform simply postpones these issues, it will not work. I think in Mexico today we are finally aware and conscious of the need to move in this direction.

This cannot be done, though, outside the framework of an overall agreement. In the same way that the United States could probably not address immigration issues with Mexico without addressing the security aspects—the construction of a possible security perimeter by the year 2010, as the task force I already mentioned has requested—without addressing many of the points that are in your bill, Senator, without many of the points that have been mentioned in the March 22 Waco statement by the three leaders of our three countries. Without going into—if we do not also look at Mexican cooperation on these issues, it will not be possible to move forward.

But no Mexican Government, no Mexican Government, can move in this direction of shared responsibility outside of an immigration reform and/or agreement that significantly addresses the main issues, starting with the ones Senator McCain touched upon in his eloquent testimony regarding the deaths in the Arizona desert.

United States-Mexican cooperation then can work, but it has to move in this package way. This then would be what we could call today the new whole enchilada: Development, future flows and existing stocks, security and immigration, United States-Mexican cooperation and shared responsibility, Mexican involvement and reg-

ulation of future unauthorized immigration and involvement, and United States involvement in Mexican development.

If we put all of these issues together in a package, which I am sure we can find a proper translation for in proper English for “the whole enchilada,” I think we can come up with something that will work. The Kennedy-McCain and your initiative, Senator Lugar, address many of these issues. Mr. Fox’s, President Fox’s, administration has also addressed many of these, and in talks with the Bush administration a great deal of progress has been achieved over the past 5 years now.

Mexico has now gone 10 years without an economic collapse. This is the longest period since the 1960s. In these 10 years immigration has increased dramatically, both documented and unauthorized. More people, from more places, to more destinations and more occupations. Before 2015 there is no reason to believe that there will be a significant drop in global numbers, in total numbers of flows, without a proactive policy to deter, to regulate, legalize, and humanize it.

The security threat, as underlined tragically and inadmissibly last week by the events in London, to our three countries has also increased significantly in the last few years and will continue to increase. That is the challenge we face, Senator.

Thank you.

[The prepared statement of Mr. Castañeda follows:]

PREPARED STATEMENT OF HON. JORGE CASTAÑEDA, GLOBAL DISTINGUISHED PROFESSOR OF POLITICS AND LATIN AMERICAN AND CARIBBEAN STUDIES, AND FORMER FOREIGN MINISTER, MEXICO CITY, MEXICO

In my written statement to the committee I would like to reiterate many of the points made by Ambassador Andres Rozental in his written statement to the U.S Senate Committee on the Judiciary, Subcommittee Border Security and Citizenship on June 30, 2005. The points made by Ambassador Andres Rozental in that statement were faithful reflections of many of the conclusions reached by the task force named 2001 Carnegie Endowment-ITAM Task Force on Immigration chaired by Thomas McLarty, which were subsequently translated into policy during my term as Mexico’s Foreign Minister. I have little to add to what was already eloquently expressed by that task force, by the Mexican Government between 2000 and 2003, and by Ambassador Andres Rozental.

Since the beginning of the Fox administration in 2000, Mexico made a major change to its view on the immigration relationship with the United States. After many years of considering the flow of Mexicans into the United States to work and live as an essentially American issue, the Fox government decided to actively propose and work for a bilateral immigration agreement with its northern neighbor. Under this new approach, the Mexican Government adopted a five-point strategy in its discussions with the new Bush administration. Although 9/11 abruptly put these discussions on hold, it is worthwhile summarizing and recalling what the Mexican position was at the time because it hasn’t changed in substance since then.

First, Mexico believes that any new immigration reform that doesn’t take into account the millions of Mexicans that are already living and working in the United States without documents won’t work. The existence of a permanent underclass of foreign individuals who are outside the law has been one of the most serious issues in the immigration debate. These people are basically residents of the United States, don’t have any of the rights or obligations that green-card holders have. They live as part of U.S. society, but are excluded from most of its benefits. Equally, they can’t be held accountable for many of the duties that they would normally owe as full fledged legal residents, in spite of the fact that they pay taxes deducted by their employers and are generally law-abiding members of the community. However, they live in permanent fear of being discovered and deported and this leads many of them to break even more laws than those related to how they entered the country in the first place.

Second, an immigration reform has to deal with those workers that have yet to enter the United States and become part of the labor market. Most of these go because of a permanent demand in the United States for jobs that are either unfilled by Americans or legal residents, or that are more suited to non-U.S. workers. Recent estimates put this category of migrants at around 400,000 per annum, some of whom stay on in the country but some of whom also return to Mexico. One of the major shifts in the immigration paradigm is that this category today is no longer made up primarily of agricultural workers without jobs at home, but increasingly comprises service providers that are employed at least part of the time and who seek to go to the United States mainly to make and save more money. For this group, the ability to come and go is essential, yet ever-increasing efforts to impede the circularity of their movement across borders has resulted in their being forced to remain in the United States and join the first category of resident undocumented aliens.

A third element of the strategy relates to a proposal to remove Mexico and Canada from the overall immigration country quota system. As neighbors and NAFTA partners, both countries have a unique relationship with the United States. There are many visa categories that could be added to the NAFTA visa that would allow for a greater number of people to travel to the United States but that currently can't be used because of the quota system. Increased effective visa opportunities would act as a deterrent to illegality.

The fourth pillar of Mexican policy relates to border security. It is abundantly clear that the illegality of migrant worker crossings has spawned an extremely powerful and pervasive network of gangs, smugglers, and other organized criminals who not only prey on Mexicans trying to cross, but are also involved in additional activities outside the law such as drug trafficking, arms dealing, etc. As we have seen just in the last few months, the situation at the border with the United States has reached crisis proportions. Unless and until both governments bite the bullet and reach an understanding on an all-encompassing joint border security initiative—with adequate funding and infrastructure—the violence and criminal activity at the border will remain unabated.

Finally, the fifth part of the strategy is the need for a major developmental program to raise the standards of living and employment opportunities for those Mexican citizens who live in the poorest part of the country and come from areas that provide the lion's share of migrants. The Fox administration has made some progress in this regard with special programs designed to complement remittances with infrastructure investment (the 3x1 program), raise educational standards and design policies for these economically and socially depressed regions. However, the efforts undertaken so far have not made a sufficiently large impact on the growth equation. The United States has an important role to play as well on this issue as can be seen from the Partnership for Prosperity initiative, but it needs to be augmented and widened in its application.

The strategy outlined above came in large measure from President Fox's overriding foreign policy goal at the outset of his single 6-year term to do two things: Improve the relationship with the United States and remove as many irritants as possible, and fulfill a campaign promise that this government would, as a priority, defend the interests of those Mexicans living and working in the United States. Unfortunately, the events of 9/11 put a temporary stop to the meetings between Cabinet-level working groups that had been discussing and negotiating various aspects of these proposals. To this day, their bilateral nature remains a critical element which the Bush administration has been reluctant to pursue, but which, from my point of view, is essential if any successful reform of the immigration relationship is to take place. This is an important point: Unilateral measures relating to immigration which are adopted by the United States without consultation and agreement with Mexico are doomed to fail in the same way that past amnesties and immigration law reform neither stemmed the flow of undocumented workers, nor alleviated the mistreatment and abuse that many of them suffer while in the United States.

Now that the executive and legislative branches in Washington have expressed the intention of pursuing immigration reform, it is especially important that Mexico be engaged in the process. This is for two main reasons: If there is no cooperation from the source country on either a guest worker program, or an earned regularization scheme, I cannot see how the United States, on its own, will be able to deal with the enormous operational complexities involved. Second, Mexico has to be made to play its part in ensuring that whatever system is set up becomes the single avenue for people wanting to go to the United States to work. This means that as a part of the bargain, the Mexican Government would have to undertake an obligation to ensure that orderly and legal movement across the border becomes the norm, and that measures are taken to dissuade people from going differently. Of course,

this presupposes having enough visas, whether temporary or permanent, to give to Mexicans who have job offers in the United States, who want to reunite with their families already there, or who seek to legitimately move from one country to the other as tourists, students, teachers, businessmen, etc.

I believe that if there were sufficient avenues for Mexicans to move relatively freely between our two countries when able to prove that they have legitimate reasons to do so, a large proportion of the undocumented flows would cease. Obviously, it is unrealistic to expect Mexico to accomplish what the United States itself—notwithstanding billions of dollars and thousands of enforcement personnel—has been unable to accomplish, i.e., the elimination of all undocumented crossings. However, Mexican authorities will have to assume their shared responsibility to make the system work and unless there are bilateral agreements to frame that cooperation, it will continue to be easy for the Mexican side to revert to its traditional rhetoric of saying that this is a U.S. problem.

The CHAIRMAN. Well, thank you very much, Mr. Castañeda. We appreciate your testimony, as always. Your work with this committee is much appreciated.

Let me mention that my colleagues, Senator Dodd and Senator Nelson, have long had deep interest in these issues. I am so pleased that they are part of this hearing. Let me ask that we have a 10-minute period of questions for each of us. I will recognize my colleagues, first Senator Dodd and then Senator Nelson, and then I will have questions as a roundup, and then we will proceed to the next panel.

Senator Dodd.

Senator DODD. Senator Nelson was here before I was.

Senator NELSON. He is senior to me.

The CHAIRMAN. Very well. Senator Dodd, you are nominated.

**STATEMENT OF HON. CHRISTOPHER J. DODD, U.S. SENATOR
FROM CONNECTICUT**

Senator DODD. Enough of this age stuff here.

The CHAIRMAN. Thank you.

Senator DODD. Well, first of all, thank you, Mr. Chairman, very much. I am going to ask unanimous consent that an opening statement be included in the record.

The CHAIRMAN. It will be placed in the record in full.

Senator DODD. It has been made already, the point has been made, and I am sorry I was not here to hear the testimony of my colleagues earlier. It is a delight to have our distinguished friends and neighbors from Canada and Mexico with us and we thank you both for being a part of this hearing. Jorge Castañeda and I have known each other a long, long time and it is a pleasure to have you back before this committee, Jorge, again.

Obviously, Mr. Chairman, since NAFTA and the controversy of NAFTA, but I think we all agree today that the explosion of trade between our countries as a result of NAFTA has been a tremendous asset for all of us here. There is no doubt in my mind about that whatsoever.

The reverse is not as great—the United States and its major trading partners, Canada and Mexico, but it is just as true that of the NAFTA countries that accounts for more than 80 percent of Canadian and Mexico's totals. So, obviously, there is a great deal of interdependency here that is welcomed by all of these countries.

Travel obviously has increased, as you all have pointed out. The numbers are not terribly clear, but somewhere between 4 and 500

million crossings a year if you use the 7,000 miles of common border, the more than 300 airports, ports, and other points of entry are included. It is a staggering amount of territory to cover, 7,000 miles and 300 harbors and ports, to gain some control over all of this. Obviously, the trade issues have exploded, obviously, the amount of travel that occurs.

So, it is an exciting time and one that obviously raises serious issues. It was, I think, appropriate to point out that the timeliness of this hearing, in light of what happened last week in London. While we have 8 million or so undocumented workers here, we all are painfully aware that it does not take many. It can be as simple as one or two to cause the kind of destruction and havoc we have seen in London and elsewhere around the world.

So these conflicting issues of expanding trade and opportunity—I want to underscore the point of Mr. Beatty as well here, and by Jorge Castañeda. We have got to be so careful as we move forward here that we do not end up giving terrorists a greater victory than that which they have already achieved by becoming so gripped by the fear that obviously these acts convey that we end denying ourselves and our neighbors and friends the opportunity to improve the quality of lives of their people. There is a danger in all of this, in my view.

So let me, if I can, ask some of you—and I presume you are familiar, enough familiar with some of the legislation that has passed the Congress recently. This Real ID Act of 2005 is one that I know you both must be familiar with. Are you both familiar with this, the Real ID Act? Well, this established identity card standards for the issuance of driver's licenses, waived laws to facilitate the construction of a border fence near San Diego, and required a pilot test of ground surveillance.

I wonder if you might just give us your assessment in terms of enhancing security, in terms of reducing the flow of illegal immigrants to the United States, of the impact of the Real ID Act?

Mr. CASTAÑEDA. Senator Dodd, I think the position of just about all Mexicans from the government to the opposition to the press, the business community, is very critical of the very notion of real ID. On the contrary, in the Fox administration when I was there and even subsequently what we have tried to do is to find ways to obtain either driver's license or driver's permits for Mexicans in the United States who do not have other papers, because, regardless of the other papers that they have or do not have, they should be able to drive, they should be able to insure themselves and their cars, they should be able to be on the highways in a situation that is legal, that is law-abiding, and that can contribute to everybody's security.

Also, the notion of building more walls, which Real ID also includes, is something that we all considered in Mexico to be very negative. That is not the way we are going to solve these terribly complex problems that you have addressed, that Senators McCain, Kennedy, and Cornyn are addressing, and that the Bush administration has pointed to from the very beginning.

So I think the overall reaction has been very negative and I share that very negative and very critical view of Real ID.

Senator DODD. Mr. Beatty.

Mr. BEATTY. Senator Dodd, I think the primary focus is obviously on the southern border in this particular instance. But from a Canadian perspective we do have a very real interest in knowing who is crossing the border going either way. We are interested in ensuring that there is adequate identification and that there is proper security for that.

The key is to collaborate in developing the standards and to do so in a way which does not glut up the border. We were having a problem even prior to 9/11 that our border was becoming dysfunctional simply because of the volumes of trade that were going across and increasing volumes of individuals crossing and the fact that in the Canada-United States border most of the key border crossings are at natural chokepoints across bodies of water and as a consequence you cannot simply slap on another lane.

If we were attempting to manage the border in the same way as we did when I was Minister of National Revenue responsible for Canada Customs, it would have seized up long ago. So we have brought in new technologies. We are looking at new ways of dealing with the issues there. But what is absolutely key is that our countries move in unison with each other and that we do so in a way which allows us to make the border much more hardened against criminals and potential terrorists, but makes it transparent to legitimate travelers and legitimate commerce.

I think it is possible to do that, but we do not do that through ill-considered proposals.

Senator DODD. And you think the Real ID is an ill-considered proposal?

Mr. BEATTY. I am concerned about some of the impacts of it.

Senator DODD. Well, let me, because I think the tendency of people listening to this from the audience in the United States is to say, well, we have got to do this, this is the only way we can protect ourselves. I do not think they are as aware of what is happening in reverse. I was with some people the other day, Mr. Chairman, who do a lot of business in Brazil. When you arrive in Brazil today as a United States citizen, there are lines where you go through at immigration for everyone and then there is a separate line if you are from the United States, where the criteria and the burdens are significantly higher. I suspect this is in retaliation to some degree from these kinds of requirements that we are imposing on people coming to this country.

What are the impacts likely to be on the United States in terms of our trade and commerce, tourism and the like? Are you seeing some indications already that, in fact, we may suffer economically as a result of other restrictions being placed on U.S. citizens who seek to travel to other nations in this hemisphere?

Mr. BEATTY. Senator, the approach, certainly that we would be taking in my association as it relates to the relationship with the United States, would be not to look at retaliatory measures. We do want to see symmetry, but we want to see symmetry based on standards which make sense from the outset.

My primary preoccupation here today is the Western Hemisphere Travel Initiative, what the impacts will be as of the 1st of January in 2008, do we risk the possibility of simply glutting up our borders, and are we going to discourage travel by ordinary citizens

who will find that the identity documents they have to acquire are simply too costly and cumbersome for them to get?

Now, I think it is important for us to take the time to do it right and for us to ensure that we have common standards. We have an interest in knowing who is coming north. You have an interest in knowing who is coming south. It makes sense for us to work together in developing standards that will enable us to do this, that will provide for secure ID documents, but which will not cause the border to seize up and will not damage us both commercially.

Again if I can turn the discussion to the Western Hemisphere Travel Initiative, one of the very real concerns that Canadians would have is that it is quite common to have North American international conferences. We host them frequently in Ottawa, Montreal, Toronto, and Vancouver. But a low percentage of Americans today even have passports. The issue is not getting into Canada today for the Americans; it is getting back home under that proposal.

The impact potentially upon our ability as people to get to know one another better could be disastrous unless we design it right.

Senator DODD. Well, that is the kind of point I am raising here and it is exactly the point I wanted to make here, that this is not only a burden on our neighbors to the north and south of us. It is going to place an extraordinary burden on U.S. citizens as well, and that is the point I am trying to make.

Mr. Castañeda, do you want to comment on that?

Mr. CASTAÑEDA. Yes, Senator. I think it also runs contrary to other aspects of what we are trying to do and some of the spirit, at least, of the Waco three-country communique. In Mexico we have been trying now, the Fox administration and others have been trying, for about 5 years now to get some preclearance done in at least one pilot project in a Mexican airport, perhaps Cancun, perhaps Los Gatos, something like that, like what the United States has with Canada and what it has with Ireland and the Bahamas, precisely in order to enhance and improve and increase United States tourism to certain Mexican destinations from airports in the United States that are not international airports.

This initiative that requires for practical purposes passports for Americans to come back into the United States from Mexico and Canada, goes exactly in the opposite sense. It is going to make it more difficult. So what do we want? Do we want to make it easier or do we want to make it more difficult? We want to enhance travel, security, fluidity and movement of people and goods and services, or do we want to make it more complicated?

I think that that initiative goes in the same direction as Real ID, the wrong way.

Senator DODD. Can I ask one additional question, Mr. Chairman, just briefly?

The CHAIRMAN. Yes.

Senator DODD. Let me jump to the standardization issue very quickly. The feasibility of this is what I would like to hear both of you briefly comment on, because a lot of people say it sounds wonderful, but how do you really do this? The question I think most people would want to ask is, respectfully, since both of you are here ask about Mexico and Canada, what are Mexico and Canada going

to be able to do—and you addressed this, both of you to some degree—to provide the kind of security within your own borders that third parties are not going to be able to enter your countries and come here?

That is the great fear we have here. So standardization is appealing. How feasible is it, and what steps are both of your countries likely to take to give us the assurance that you are not going to have porous borders that raise threats to us?

Mr. CASTAÑEDA. I think, if I may, sir, I think that this is the central issue on the security side of the equation, which is why I mentioned there has to be a security side and there has to be an immigration side. The security side can be increasingly addressed. I think more and more people in Mexico today understand, for example, that our southern border has to be brought back under control. We have to bring it back under control, but we have to do it clearly, actively, proactively. We need money to do it. We need political will to do it. It has to be done.

We are having enormous problems with the Salvadoran gangs, the Mara Salvatruchas, in southern Mexico. We are having enormous problems with prostitution, drugs, everything, on our southern border. This is as much our problem as it is anybody else's.

I think there is now the political will and decision in Mexico to confront this issue squarely and clearly. I think it would be better for Mexico to address this issue in cooperation with Canada and with the United States than alone, in the same way I think it would be better for the United States to address the immigration issues that you have all raised together with Mexico—perhaps Canada there is less directly involved—than to do it alone. I think we have to move in that direction, Senator.

Mr. BEATTY. Senator Dodd, you have put your finger on what is the central issue here. In my political career I had responsibility for virtually, at one time or another, for virtually each of the security and intelligence agencies for which Canada is responsible. One of the things that I know is that we have to look at protecting ourselves not by simply focusing at a line along the 49th parallel, but rather at looking at a series of concentric circles of sovereignty. 9/11, it was the border in part between Frankfurt, Germany, and the United States, as opposed to the border between Canada and the United States, that was of concern.

To the extent to which we can push out the intelligence that we have offshore before we know, before anyone even arrives in North America, to the extent to which we know that cargo is safe before it comes to North America, to the extent to which we can collaborate in sharing police and security intelligence to intercept threats within North America before they hit the border, we will be far more secure.

But to simply focus our efforts on the border itself, and certainly to do anything akin to militarizing the border or to putting fences along, certainly along your northern border, would be a retrograde step and would mean misallocating resources and focusing on the wrong area.

The key for us when we are looking for the needle in the haystack is to shrink the size of the haystack and to be able to focus our efforts on the area of highest risk. We are doing that by shar-

ing intelligence, by putting teams internationally offshore, by working together in managing our common border, by looking for secure ID standards which will be compatible for both countries. That is in my view the best way to proceed.

Senator DODD. I thank you both.

Mr. Chairman, thank you very much. Very helpful.

[The prepared statement Senator Dodd of follows:]

PREPARED STATEMENT OF HON. CHRISTOPHER J. DODD, U.S. SENATOR FROM
CONNECTICUT

Mr. Chairman, I would like to thank you for holding this hearing today. Especially in light of the tragic events last Thursday in London, the issue of border security couldn't be more timely. Indeed, ensuring the security of our borders is such a critical issue because it speaks directly to both our national security and our economic security. I would also like to commend you for assembling the expert panel of witnesses before us today. They bring a great deal of expertise to the issues we are here to discuss and I trust that their input will help shed much light on the challenges and opportunities before us.

Since the signing of NAFTA, trade in North America has boomed. The United States now conducts one-third of its trade with Canada and Mexico. The reverse statistics are even more astounding. Trade with NAFTA countries accounts for more than 80 percent of Canada and Mexico's totals. So we are obviously economically very interdependent.

This steep increase in trade has also brought increased travel between our three nations. Our land borders will be crossed over 400 million times this year. While this increased activity of people crossing our borders has brought the promise of trade and cultural exchange, it has also increased the danger that unwanted visitors—be they ordinary criminals or homicidal terrorists—could enter the United States.

It wouldn't be much of a stretch to say that once here, it is highly likely that such unwanted visitors could disappear into the proverbial woodworks. After all, there are currently over 8 million undocumented aliens here in the United States. The overwhelming majority of these people are honest, hardworking people looking for a better life than they have in their home countries. And although they might arrive or stay illegally, they are simply looking to share in the American dream. But the sheer numbers force us to remember that it only takes one person to commit an act of terror—and one person can be easily lost in a pool so big.

That's one of the major reasons why comprehensive immigration reform that gets these people on the books is so important. I commend my two colleagues here today—Senators Kennedy and McCain—for their dedication and hard work to address the issue of immigration reform.

There are other incidences where our national security and our economic security overlap. An example of this is with the issue of energy. As a recent Council on Foreign Relations report pointed out, "In 2004, Canada and Mexico were the two largest exporters of oil to the United States. Canada supplies the United States with roughly 90 percent of its imported natural gas and all of its imported electricity." Obviously, therefore, any disruption of the flow of energy across our borders would have both severe economic and severe national security implications for America.

These points all make it clear that the increase in activity at our borders has brought an unprecedented level of interdependence. This interdependence means that the futures of our countries are no longer independent—they are now shared for better or for worse.

That is why it is so important that as we move forward on North American border security issues, we do so in tandem—trilaterally—instead of having two bilateral approaches or simply acting alone. Because the degree of success we achieve on securing our borders will be directly proportional to the degree with which we are able to pool our resources and cement in the minds of all the belief that our security interests are shared.

That is why I am pleased that this past March, Presidents Bush and Vicente Fox, as well as Prime Minister Paul Martin of Canada, announced their support of increased cooperation in the economic and security spheres—specifically creating the Security and Prosperity Partnership of North America (SPP). As part of the SPP, working groups to address and quickly report back on security and economic issues for our three nations were established. I hope that the concept of the SPP sets a

trend for how our three nations will deal in the future with issues of mutual concern.

Mr. Chairman, again, I commend you for holding this very timely and important hearing. I hope it will contribute to real progress for the protection and prosperity of our three nations. And I look forward, at the appropriate time, to asking questions of the excellent panel of witnesses we have before us.

The CHAIRMAN. Thank you very much, Senator Dodd.

Let me just mention, at least, the order of our questioning. I recognize next, as I mentioned, Senator Nelson. Then I will recognize the distinguished ranking member of the committee, Senator Biden, for his opening statement and/or questions, and then we will welcome Senator Obama, who has come together with us.

Senator Nelson.

STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM FLORIDA

Senator BILL NELSON. Thank you, Mr. Chairman.

You can see the interest of the committee on this subject. Clearly, it seems to me that we are going to have to find a solution to the large number of undocumented workers, 8 to 10 million estimated, in the country. You cannot round them all up and ship them home. On the other hand, I am not in favor of blanket amnesty. So there has got to be some solution that is found and then build a consensus around it.

This is one of the thorniest problems that any administration or Congress would take up. For us to do nothing is setting policy by doing nothing, and that is not a solution.

I do not want to do anything that encourages more people to come illegally. Yet we have the need to improve the enforcement of our borders to facilitate those who want to come here legally and to keep out those who would come here illegally. It has already been stated now we have, of course, the need to protect our borders to protect ourselves.

So with regard to that, I would like to ask, specifically you, Mr. Castañeda—Es corecto?

Mr. CASTAÑEDA. Corecto, senior.

Senator BILL NELSON. OK. We have implemented in this country advanced cargo manifest requirements for all modes of transportation: Air, truck, rail, sea. Canada has begun to institute similar requirements. Is Mexico planning to develop and implement similar rules?

Mr. CASTAÑEDA. To the best of my understanding, Senator—and I am no longer in government; I left the Fox administration a couple of years ago—that is the situation. I know we are sharing a great deal of information, our two countries, three countries, are sharing a great deal of information, for example on passenger lists on flights not only coming from Mexico to the United States, obviously, but even on flights from Europe to Mexico overflying the United States without landing in the United States. You may recall an incident that occurred with the KLM flight from Amsterdam to Mexico City a few weeks ago in that aspect.

We are also sharing a lot of information regarding third country visa applicants in third countries, where on certain occasions—I did this under my administration—in Colombia, for example, we would clear visa requests with the Canadian Embassy and the

United States Embassy in Bogota before granting visas to people who wanted to come into Mexico.

I know we are working, though I know less about it, on the cargo issues also. So I think there is an absolute willingness and decision on the part of the Mexican Government—I think this would be true of any Mexican Government—to cooperate fully with the United States and with Canada on these issues.

The point I wanted to emphasize, though, Senator, and I will do it again, is that it will be not only easier but much more consensual in Mexico if this is done in the context of an overall security and immigration package of agreements, measures, reforms, et cetera. There are many things that we should do, but there are many political realities also in your country and in our country. In the same way that immigration is a terribly sensitive issue in the United States—we all know that—security cooperation, some of the aspects in Senator Lugar's bill regarding military cooperation between Mexico and the United States are very, very sensitive in Mexico.

It is not easy for any Mexican Government to move forward on that. It can be done in a package. If it is done in a sort of salami-type arrangement, slice by slice, I am not sure it is going to work.

Senator BILL NELSON. One of the reasons I supported CAFTA the last week that we were here before the break was that not only the economic commerce, but the necessity that we see democracies in some cases that are struggling in Latin America continue to be strengthened by economic development. I think clearly that is what CAFTA was going to do and it helps my State as well.

We import in Florida a lot of goods coming out of the Caribbean and out of Central America, indeed with Mexico as well. We have just got to find a solution here to increase—we are looking at less than 5 percent of the container cargo that is coming into this country. Of course, that invites enormous mischief by someone who would do us harm.

Supposedly, ports in the Caribbean that are state-of-the-art ports. On the surface they look good for their security. They are transshipment points for container cargo. But that is not the truth. The truth underneath is that the security is not nearly as good as it is made out to be. So we have clearly got a concern as we develop legislation that you are planning to do, Mr. Chairman.

I want to thank my senior colleagues for the privilege of going ahead. I have an opening statement, if I might enter that in the record.

The CHAIRMAN. It will be placed in the record in full.

Senator BILL NELSON. Thank you, Mr. Chairman.

[The prepared statement Senator Nelson of follows:]

PREPARED STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM FLORIDA

Mr. Chairman, I am greatly interested in this issue and thank the Senators and Congresswoman for coming to discuss these issues.

It is crucial that we implement a comprehensive homeland security plan that includes both immigration reform and cooperation with our neighbors to the north and south. This is tricky but must be done. We cannot truly secure our borders without this cooperation.

One thing that is clear is that we must resolve the illegal immigration problem we have so that we can focus our limited resources on finding the people who wish to do harm to the United States. As you all know this is an extremely complex prob-

lem. Helping to improve the border security of southern Mexico and the Caribbean basin nations is critical to strengthening our Nation. We cannot allow those nations to continue to have porous borders in a time when people from all over the world are using these countries as gateways to the United States.

In addition, however, we must focus on helping Latin American countries improve economically so that the incentive and draw to come to the United States illegally in order to work is reduced. People will continue to come across our borders legally or illegally regardless of the number of agents we put on the ground and the ease with which people can get a visa. They will continue to come until the economic incentive to do so is gone. Immigration reform and increased border security coupled with intense cooperation between ourselves and Mexico and Canada will certainly work toward enhancing our national security and stemming the flow of illegal immigrants. However, as I stated it is simple economics that as long as someone is willing to work for less than his neighbor is, he will find work.

Therefore, we need to focus on not only discouraging immigrants from risking their lives to come illegally but we need to ensure that U.S. businesses are not hiring illegal immigrants—thus simply encouraging the continued flow. And as I stated, we also need to do what we can to help Mexico and surrounding nations improve their economies so that their citizens will choose to stay at home.

I would like to invite any of the panelists to comment on how the proposals address the underlying economic incentive structure currently in place that encourages illegal immigration?

The CHAIRMAN. Thank you very much, Senator Nelson.
Senator Biden.

**STATEMENT OF HON. JOSEPH R. BIDEN, JR., U.S. SENATOR
FROM DELAWARE**

Senator BIDEN. Mr. Chairman, thank you. Let me explain to my colleagues, our colleagues, why I was late. There is a matter relating to rail security that is of great concern to me, to all of us, to my State, and to the region. I was at a press conference laying out a bill. That is the reason I am late.

But it leads me, and I will be very brief because I came after my colleague from Illinois.

Fellows, you have figured it out. Mr. Ambassador, you were one of the most sophisticated and best folks I have known when you served here and now you are educating some of our students and others at NYU. You all get it. There is a sense, rightly or wrongly, on the part of an awful lot of Americans that both Canada and Mexico, for different reasons, do not view the threat of terror to the same degree and the same sense of urgency as we do.

When speaking with a number of your parliamentarians, Mr. Ambassador, they point out that they think we are somewhat hysterical about terror, that we have overreacted. That does not mean that this is the government's position. But the point is there is a sense here in this country among those who think about it that it is a little bit like what the drug problem was 20 years ago: It is America's problem; why should I worry about America's problem?

I remember meeting with your predecessor governments back as far as 25 years ago and they said: Hey, it is not our problem; it is your problem. You have the consumers. If you did not have the consumers, if you did not have the market, there would not be the problem. It was the same mentality that a lot of people think pertains to border security.

As a matter of fact, some cynics even suggest that it is a hell of a lot better for you all to let them through than to try to contain it, because you are more likely to be a target if, in fact, you contain

it. Not that you would knowingly do anything like that, but there is a cynicism afoot.

Mr. Ambassador, you indicated that—and I think you are right—excuse me, Foreign Minister. I made you an ambassador. I demoted you.

Mr. BEATTY. I have been demoted before, Senator. [Laughter.]

Senator BIDEN. Well, you can call me Congressman Biden if you would like. That is a bad joke, a bad joke. You can call me Councilman Biden.

Mr. Minister, you, I think, are correct, there has to be a construct in which we can get our arms around this. That is, both security and immigration in the case of Mexico. In the case of Canada, I think a lot more is being done.

I would like to ask you a straightforward question and you get a “Get Out of Jail Free” card. You can say you do not know. I know you know, but you can say you do not know and you can say you do not have an opinion, and that is OK. Give me your honest opinion of what you think the sense of urgency, to the extent that it exists in each of your countries, not with your government, among the populace at large, as to how high a priority border security is?

I do not hear a whole lot of Canadians—and my deceased wife’s family is Canadian. I do not hear a whole lot of Canadians worrying about traffic going across into Toronto from the United States. They worry about drugs, they worry about other things, but they are not worried about terror being exported from Niagara Falls into Toronto. A lot of folks on the other side, in upstate New York, worry about it coming the other way, not from Canadians, but from notions that this is not that big of a deal.

So can you give me, as honestly as you are prepared to, as frankly as you are able to, what you think the attitude is in your countries about the importance of border control as it relates to weapons of mass destruction, individual terrorists, or terrorist activities?

Mr. BEATTY. Well, Senator, perhaps I can start on that. And we certainly understand that you had other business to attend to before coming here.

In my opening remarks I stressed the fact that we Canadians, particularly the Canadian business community, does not see security and terrorism as America’s problem. We see it as our problem as well. Osama bin Laden has issued a list of countries which are potential targets that he wants his followers to attack. Canada is the one country on the list that has not been attacked as yet.

There is an inclination sometimes people have to say, well, Canadians are good guys, nobody would want to attack us. Australians are good guys, too. They discovered in Bali that they were a target as well.

What London last week underscored is that no free society, particularly one which is a neighbor of the United States, which has troops in Afghanistan, which is collaborating on security issues, no free society is potentially not a target. It is important for us to ensure that we are neither a target ourselves nor a staging point for attacks on our neighbors.

I live in Ottawa and my home is a few blocks from the American Embassy, from the American residence. My office is three blocks away from the American Embassy. If American installations in

Canada are soft targets, Canada is potentially a target as well. Canadians are very much aware of this.

What London demonstrated again last week is it is the values that free societies subscribe to, values of tolerance, of freedom, of diversity, that make a country a target. What was particularly odious in the case of London, as was the case in New York as well, was that it was ordinary people who were the targets.

We have learned a lesson from that in terms of the fact that Canada is potentially at risk. The assurance that I can give to you and to your constituents, to people in New York and elsewhere, is that we see it not simply as doing the right thing for the United States, but as being in Canada's interest that we do everything that we can to ensure that people who pose a threat either to you or to us never get into North America in the first place; and second, if they are in North America that they are found and that they are dealt with long before they ever reach one of the borders, period.

Mr. CASTAÑEDA. Senator, I tend to agree with you in the sense that I think overall public opinion in Mexico today does not consider that Mexico is suffering from a true threat of terrorism and consequently, in the analogy that you used, which I think is very appropriate, this is your problem, as drugs were your problem 20, 25 years ago.

I also think nonetheless that things are changing and that there are many of us who from the very beginning, as with drugs—and I remember our conversations and negotiations at the beginning of the Fox term regarding the changes that, thanks to all of you, were brought about in the former congressional certification process, which was a real nightmare for Mexico every year and which, thanks to your help, we finally got off our back, so to speak.

I think that attitudes in Mexico have changed in relation to drugs and I think that they are also changing in relation to terrorism, that there is a sense in Mexico, particularly as cooperation with the United States increases—and it is increasing—and as cooperation with Canada is increasing—and it is increasing—that the threats of terrorism to the United States are threats that are also extensive to Mexico and to Canada and that we have to view this from a North American perspective.

That does not mean, Senator, of course, in the same way as in the United States, that everyone in Mexico who subscribes to these points of view, as myself, necessarily agrees with every decision made by the United States administration, for example, in the war on terrorism.

Senator BIDEN. I do not agree with it all.

Mr. CASTAÑEDA. I know full well, and I know Senator Dodd does not either. I know that in Mexico there are many views on this.

But I do agree with you completely on this fact that we have to find a way in Mexico to understand that these are common security threats. A threat to the United States, to London, to Spain, the Atocha attacks in Madrid 2 years ago, all of these terrorist attacks are attacks that can happen in Mexico any day of the year, and for the same absurd reasons that they happen elsewhere. There are no good reasons for terrorist attacks and consequently they can happen anywhere at any time.

Senator BIDEN. Thank you, Mr. Chairman.
 The CHAIRMAN. Thank you very much, Senator Biden.
 Please proceed, Senator Obama.

**STATEMENT OF HON. BARACK OBAMA, U.S. SENATOR FROM
 ILLINOIS**

Senator OBAMA. Thank you very much, Mr. Chairman.

The ranking member asked some important questions and I think they encompass a broader concern. I think when I think about immigration I think there are a number of elements to it, some of which have been covered today. The politics of immigration in this country are extraordinarily complex and I think Senator Biden was touching on whether the politics in your countries can generate the same amount of effort.

So let me turn to you, Mr. Castañeda, first and just ask whether—from your testimony, I gather that you believe that without comprehensive immigration reform it is going to be hard to initiate anything piecemeal. Do you get a sense right now that your country is prepared to make significant investments if, for example, Senator Kennedy and McCain's bill moves forward, that, in fact, you would see some concomitant investments in terms of border security or other strategies on the other side of the border at this stage?

I mean, is there enough sort of political momentum that people would see that as a fair trade?

Mr. CASTAÑEDA. I do believe so, Senator Obama. I think that precisely what the Fox administration has been able to do—and, of course, it is winding down; we are only a year away from the elections and a year and a half away from President Fox leaving office. But I think what the Fox administration has been able to do is precisely to explain to the Mexican people that if we can get the sort of agreement or reform in the United States that addresses all of these issues that I mention in my opening remarks, regarding Mexicans already here, and in your home State in particular, Mexicans who will continue to come because that is what the demographics and the economics of our relationship imply, if we can get many of the things that we think are important, that we can put an end to the deaths in the desert every single day, then Mexico is prepared to do its share, prepared to put its money where its mouth is, but not only its money.

It is not so much a question on our side of money. It is a question of political will, of making the very tough decisions on the southern border, the very tough decisions in the sending community, the very tough decisions along the chokepoints on the highways and air routes to the border, make the tough decisions that will make an agreement sellable in the United States and viable in the long run for the two countries.

I think that today in Mexico this is doable, and I must say it is largely doable because President Fox has made an effort to educate Mexican society about these issues.

Senator OBAMA. One of the continuing problems though, I assume, is the fact that you have got huge economic disparities between north of the border versus south of the border. I am wondering whether, even with a significant change in immigration laws

here in the United States, let us say a guest worker program that was allowing more circularity, as you phrase it, between—across borders by Mexican workers, whether just the economic pressures are so severe that it is very difficult for an administration to take serious steps to curb immigration south of the border or to make significant steps to secure those borders if people are having a difficult time making ends meet back home. I am wondering whether you envision, just based on your read of the Mexican economy, the ability to generate sufficient economic development on the southern end of the border that those pressures would be alleviated just by a 400-person guest worker program, for example.

Mr. CASTAÑEDA. Alone, I do not think so, Senator. In other words, we do have to get the Mexican economy growing at least one-and-a-half times and preferably twice as fast as the U.S. economy, so that over a 10- to 15-year period we can reduce the incentive for people to have to leave, legally or unauthorized. That certainly is the key point and I stressed that in my opening remarks.

I do think, nonetheless, that there is a ceiling to the total number of Mexicans who will leave every year. It is around the 400,000 per year, maybe 450,000. It will remain at that level the next 10 or so years and then will begin to decline, strictly for demographic reasons, because we are getting old. Strange for a country that was so young for so many years, but population growth in Mexico has dropped so dramatically in the last 30 years that Mexico is a country that is beginning to age.

So I think there is a ceiling. If we can humanize, legalize, and formalize that number, those 400 or so thousand, and we can have specific proactive policies in the sending communities, which are both developmental, but also set up a system of incentives and dissuasive factors in those sending communities—if you leave you lose this, if you stay you gain this. That is for us to do. It may be necessary to have some financing from abroad to do it. We have to do it.

I am convinced that we can reach some sort of a mix of development, legalization, and policy in the sending communities, which are well identified—we know where people are coming from—that can put together a mix that would make this viable, Senator, I do believe so.

Senator OBAMA. Just one last followup on this, and this is more on the security side of the equation. One of the things, obviously, that we would benefit from with a significant immigration reform would be the ability to track who comes into this country. But some of that would also be premised, I assume, on the Mexican Government's ability to regulate and track who is in Mexico coming here.

I am just wondering at this point how up to date is Mexico's system of identity—cars, drivers. Here in the United States, driver's licenses and Social Security numbers have become, I think, the primary mechanism by which people identify themselves and present identification. I am wondering whether the system, particularly in rural areas, is sufficiently well developed in Mexico that we would even know, let us say, that if we set up a guest worker program who is in the country, who is coming here, who is going back, those kinds of sort of infrastructure issues. I do not know if that is some-

thing that you are familiar with from where you are sitting at this point.

Mr. CASTAÑEDA. Well, I am certainly not an authority on it, Senator. But I think in general terms our mechanisms in Mexico are not sufficient. We do not have a national ID card. We do not have a national driver's license. You do not either here, but many other countries do. We have tax numbers, the equivalent of the Social Security number, but so few people pay taxes anyway that it is not terribly useful.

We have a real problem in having a map of the country. On the other hand, local authorities and state authorities in certain sending states are very close to the sending communities, and they have been administering de facto temporary worker programs, legal or unauthorized, for many years, and they know very well what is going on.

I think the main challenge we face, Senator, in Mexico—and we face it together from a North American security perspective—is our southern border. Mexico has to regain control of its southern border. We have to regain control of our southern border, not last month; last many years. We have to regain it for our own security, for our own purposes, but also to contribute to North American security in the context of a broad North American perspective on immigration, on trade, and on development.

Senator OBAMA. Thank you.

Mr. Beatty, just very quickly. My sense is that north of the border you have got a different set of problems and much more security-oriented, less economic-oriented. Right now, I guess—and this again touches on something that Ranking Member Biden talked about—there is a perception, at least south of the border, that Canada's immigration policies are sufficiently—are generous, and that I think is a quality that Americans admire—but that because there may be a less sense of urgency on the part of authorities in Canada, that it is easier for potential terrorists to enter through Canada and then make their way down south into the United States.

I am wondering, do you think that fear is justified and founded? If not, then where do you think that perception is coming from?

Mr. BEATTY. Well, thank you very much, Senator. It is an important question. To answer you directly, no, I do not believe that the fear is well founded. I believe it is real, though, and it is something that we have to deal with in Canada to help to make Americans aware of the measures that we are taking to protect our own security and yours, and also to demonstrate that we understand in Canada that 9/11 was a world-changing event.

What 9/11 told us was that in none of the western democracies were standards of security and immigration adequate. All of our countries had to make changes. We have done so in Canada. We have brought in new legislation and new procedures.

One of the key elements—I know that one of the concerns often that is expressed in the United States is about our refugee determination system and the fact that our Charter of Rights and Freedoms applies to all persons in Canada, not simply all citizens. It means then that the process, the due process that one receives, may take longer.

We do have the ability where somebody poses a threat to security, even if he is claiming refugee status, to act and to act now to make sure that he is under control. It is interesting to note that prior to our signing a safe third country agreement with the United States about a third of the refugee claimants in Canada originated in the United States. So if there was a security threat to the United States, these were people already in the United States who were then jurisdiction-shopping coming north.

Now, with a safe third party agreement with the United States, we are able to say: The American standards for determining refugee status are essentially the same as ours; you must have your case adjudicated in the United States instead of coming to Canada. This has significantly decreased the flow.

The other point I guess I would make is, that we share intelligence with each other. One of the good things about a refugee determination system is that it encourages immigrants in Canada to surface. What we do not have is a large undocumented population of immigrants in Canada who we simply do not know who or where they are.

If you know where the people are, who they are, in Canada or your own country, you are able then to take a judgment, whatever their legal status, as to whether or not they pose a security threat to your country or to your neighbor. Our system encourages people to surface if they are claiming refugee status and then we do an assessment on them in terms of security.

The only other point I would make is that I am a very strong advocate of immigration and I do not want to leave any misconception about this at all. People coming to Canada today are no different from my family who came from Ireland back in the 1820s. They come to Canada to look for a better life and they help us to build our country. The organization that I represent, that represents the manufacturing sector in Canada, knows that we suffer from serious and growing skills problems and that our population is aging, as my colleague was saying is the case in Mexico, is the case in the United States as well. Immigration will remain for us a vital economic development tool which will enable us to strengthen our economy.

But our determination is unshakable that we want to know who it is who is coming to Canada. We want to ensure that it is people who share our values of belief in freedom and tolerance and not people who would destroy it.

Senator OBAMA. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Senator Obama.

Gentlemen, let me try to extend the parameters of this question in this way. There have been some advocates of what has been called a North America security perimeter with harmonized admissions and control policies, to make entry standards for any of our three countries equally rigorous, while improving security and facilitating commerce, travel, and transit among our three countries.

This may seem like a bridge too far, given the more careful pragmatic circumstances of the legislation we have been discussing this morning. But at the same time, I would like each of you to express whether this is a desirable concept, this idea of a perimeter security in which we contribute to each other's ability to make sure the

perimeter works and at the same time it facilitates transportation of goods and services, drugs, cars, people, and so forth within the three countries.

If that is a useful concept, over what period of time? How long might this take to evolve, granted its desirability or even efficacy? Or, in fact, do we have three different countries, three different cultures, situations in which we have to understand that we are working together and will have to for any to be successful? You have made that point, and I think correctly.

But what about the perimeter security idea? Do you have a thought about that, Mr. Beatty?

Mr. BEATTY. Yes, Senator. I have been, since 9/11, an advocate of the perimeter approach to security for North America. It simply make sense for us to push out from our shores the first line of defense. Certainly if we are looking at how we can best protect the United States from Canada, there are a handful of entry points into Canada from abroad, airports and ports. They are not land entries except from the United States.

It makes infinitely more sense for us to know who is coming into North America through those funnels, which are considerably more constrained, than it is for us to try to deal with the 200 million border crossings between Canada and the United States each year. So that collaboration in a perimeter approach to security is something I advocate.

Our government has been more reticent about the “p” word, as it is referred to in Ottawa, I think for political or sovereignty reasons. I was part of the government that brought in the Free Trade Agreement with the United States. I do not believe that either the FTA or NAFTA have impinged upon the sovereignty of our three countries. I think it has strengthened our three countries.

I think our security collaboration to ensure that we remain free from terrorism strengthens all three countries and will allow us to have more open borders between—among our countries. This is vital for commercial reasons. I mentioned earlier in my remarks the million dollars a minute that our two countries do in business with each other. But it is vital, as well, that we know each other.

I spend 2 weeks every year as a part-time constituent of Senator Nelson’s. Many of you perhaps spend time in Canada as well. It is the fact—I have family living—my sister lives in North Carolina and is a U.S. citizen now. It is these ties between people that strengthen us as a continent, and I do not want to see us putting walls up in North America that drive our peoples apart.

If we can collaborate on external threats to North America, we can have internal borders that are more open to legitimate commerce and legitimate travelers and continue to have our peoples know one another.

The CHAIRMAN. Thank you very much.

Mr. Castañeda.

Mr. CASTAÑEDA. Senator, I tend to agree with this view of a North American perimeter. As a matter of fact, I brought it up with my former colleague and former Deputy Foreign Minister, John Manley, just after 9/11. The task force on building a North American community on the future of North America, chaired, as

I said, by William Weld, Pedro Aspe, and John Manley, have suggested a perimeter ready by 2010.

I think it is the sort of idea that we should work together toward—because as my colleague was saying, there are fewer entry points between Canada and the rest of the world and between Mexico and the rest of the world than between Canada and the United States and between Mexico and the United States. So it is easier, a little bit like the Europeans have done, it is easier to control at the entrance to North America than between countries in North America.

It is obvious also that in order to facilitate transit of people, goods, and services among our three countries, we are going to have to regulate more strictly, and enforce more strictly, that transit outside of our three countries. The report even mentions a common external tariff to eliminate rules of origin provisions. That is moving it to a strictly economic area, but there is a certain logic to that also.

I think we can do this, but I would emphasize, Senator, again it will not fly in Mexico without immigration. That is why we need the whole enchilada, Senator.

The CHAIRMAN. Well, I think you made a very important point about the package situation. Immigration has to be an important part of that package. I appreciate the advocacy by both of you of the perimeter idea. It is one reason I raised the question, so you could once again be forthcoming with your responses, which are important because almost all of our debate, in a way, has been about the internal border predicament, although you have touched, Mr. Castañeda, upon the problems that Mexico has with its southern border, and in my opening comments I touched upon those too.

As we have thought of other-than-Mexicans, the OTM personnel we have talked about, their ability to come through Mexico, if that is their choice, and then into our country here is certainly facilitated by the lack of having a strong perimeter for all of us.

Likewise you have stressed, Mr. Beatty, that there are only so many entry points for those who are outside of our hemisphere to come in. In Canada you can control those, but it would be helpful perhaps to know you had American friends, Mexican friends, working with you on that.

Let me go on to something that perhaps is even more controversial. In Senate Bill S. 53, which I introduced, I call for a sustainable energy economy for North America. At an earlier hearing about a year ago—and this was after a conference that several members of the House and Senate enjoyed in Mexico—I was emboldened by Mexican friends to surface at a hearing such as this one, the thought that with Pemex there were possibilities for modernization of facilities, for substantial investment that would enhance the productivity and the amount of oil flowing out of Mexico. This would be of great interest to the United States and perhaps to Canada in terms of energy security, given the world in which we live. In order to enhance this, American investment might be appropriate, and in a substantial amount.

Mexican friends mentioned \$10 billion, for example, perhaps as a starter, but at least a substantial investment, that would be ben-

official in terms of the income and the gross national product of Mexico and jobs there, as well as energy security here.

Although this rated almost no attention whatsoever in the press in the United States, it did rate a lot of attention in Mexico, understandably, and for reasons that I understand and that you understand: The sense of sovereignty, the sense of national identity with Pemex. With the entire history of that extraction industry, which I think is well known, there is the problem of how you move on to a different situation.

Some American investment may or may not be appropriate, and maybe doubling of production is desirable but not important enough to get over the hurdle. That is not the only dilemma as we talk, however, about energy security for our hemisphere. But I acknowledge that that is one dilemma we have already crossed, at least in the committee in one hearing.

I would like either of you to comment on the feasibility of some type of energy sustainability plan in a world in which all three of our countries find increasing dangers with reliance upon the Middle East in perpetuity. What about other sources, in a very competitive world when many others are looking for hydrocarbons?

Do you have a thought about this, Mr. Beatty, first of all?

Mr. BEATTY. Yes, Senator. Canada is the most important foreign supplier of energy to the United States and we expect will continue to be so in the future. Secretary Snow was in the tar sands in Alberta, I believe this past weekend, with Ralph Goodale, our Minister of Finance. We have reserves in the tar sands the size of Saudi Arabia, so it is a vital energy reserve both for you and for us. I would see energy collaboration on hydrocarbons increasing in the future.

We are also part of a unified electrical grid. When we had the blackout in North America, both you and we were affected by that a few summers ago.

I would like to see our collaboration, certainly in the area of oil, gas, clearly in the area of electricity, but also looking in the area of new technologies, investment in new technologies which are less carbon-intensive. I think one of the discussions of the G-8 dealt with the issue of global warming and what might be a successor to the Kyoto Accord. I believe at the end of the day the solution for us is to be found through uses of new technologies, technologies that do not exist today, and that require investments by our countries on a major scale to make these breakthroughs. It is a win-win. It's a win for industry and picking up new technologies that may be more cost effective and efficient, particularly in a country like Canada, where heating and transportation costs are vital for us, and it is a win-win in terms of allowing North America to become more independently energy secure than it is today. So that that sort of collaboration among us I would like to see, both in the case of hydrocarbons and in the case of new technologies.

The CHAIRMAN. Thank you.

Mr. Castañeda.

Mr. CASTAÑEDA. Senator, I would like to just briefly say what I think is possible and desirable and what is not. First, what is not, at least not possible. I do not think that in the short term changing

the constitutional status of Pemex is a viable proposition, regardless of its desirability.

That said, I think three or four things are possible. I think it is possible for Mexico to double oil exports within a 5- to 10-year period, most of which inevitably will go to the United States. We have the oil. It can be gotten out of the ground and it can be exported. If we are now the first supplier of oil to the United States at around 17 to 18 percent of U.S. imports, doubling that I think would go—would greatly enhance U.S. energy security.

I think it is possible to reform Pemex internally to make it more efficient, more productive, more cost effective. I think that can be done.

Third, I think the most important thing that can be done is to use those increased revenues, earmarking them very clearly for Mexican development, for those three or four aspects that are basic: Security, education, infrastructure, and combatting poverty. I think those three things can be done without changing the constitutional status.

This costs money. It costs between \$12 and \$15 billion a year for about 5 years. That is big money. As I think a predecessor of yours used to say, a billion here, a billion there, you are talking real money soon. But I also think that that money is available because the stakes are so high. We can find imaginative ways of financing this expansion of Mexican oil exports without changing the constitutional status of Pemex.

If we try and insist on Pemex, we are not going to get anywhere. That is what former President Zedilla tried to do, could not do it. President Fox tried, could not do it. I think we should stop trying and work with what we have.

The CHAIRMAN. Well, thank you very much for that testimony.

Let me just say anecdotally, during this last recess, I had the privilege of going to Terre Haute, IN, in my home State, and dedicating an E-85 gasoline tank. It sits beside regular gasoline tanks, but the difference is, it uses 85 percent ethanol, 15 percent petroleum. It is not the only such tank in the country, but the only such tank in Indiana. I encouraged people, as a matter of fact, to build more of them, and automobile companies to have the flexible-fuel valves so that they can take advantage of this.

I would guess that probably all three of our countries, as you have suggested, Mr. Beatty, will be working on biomass as well as corn base for our ethanol, and on hybrid technology and other ways in which we somehow will meet these problems, which are likely to be very important to our economies. Mr. Castañeda has talked about the need in Mexico for a rate of growth that is very substantial, but is unlikely to occur in this world without adequate energy resources. This is why I inject this into what otherwise is seen as a perimeter or immigration debate, as we try to think of the wholeness or fullness of our continent.

Senator Dodd, do you have a further comment?

Senator DODD. Mr. Chairman, I was not planning to, but your questions are so excellent and the conversation so good it has provoked a couple of thoughts that I would just like to inject if I could.

First of all, I think the perimeter idea, it picks up on Mr. Beatty's comment that it is wiser to shrink the haystack than to

find the needle. I think that is what is at the heart of the proposal, the one that we ought to really pursue very aggressive in my view.

I wanted to also point out, we had some wonderful interparliamentary meetings, most recently with Mexico. I have participated, I think, in almost every one of them over the last 25 years. It is the longest interparliamentary sessions the United States has, second only to Canada's interparliamentary meetings with the United States, which I have participated in a number of them over the years, not as many as I have with Mexico.

A couple of points at this last meeting. Just to take issue a bit, Jorge, with—I cannot argue with the idea that you have got to deal with these issues in a totality if you are going to have some success. The political realities I think—and we discussed this at our meeting in Newport, RI, at the interparliamentary meeting—is the confidence-building measures that are necessary. I just do not have a lot of faith that we are likely to take on large, large legislative proposals in either of our countries here in a comprehensive way.

Ideally, it is the way to do it. It makes all the sense in the world. But as a practical matter it is just very difficult to anticipate Congress adopting large comprehensive proposals. What was suggested, and something we need to do more frequently here, and that is we have these wonderful—and this interparliamentary meeting with Mexico, by the way, was one of the best I have attended in the 24 years. It was very engaging.

But we need to have more ongoing contact with each other. We do this once a year. Occasionally there is some meetings that go back and forth. But we do not have the level of participation that we should have between our respective legislative bodies, nowhere near the level of contact that occurs at the executive branch level in our nations, because I think the more realistic approach is probably to begin with some confidence-building measures, and that if, in fact, Mexico could see that we were serious about these efforts then I think you can get commensurate responses from a Mexican Legislature, and you start to build on that.

I think that is probably a more realistic approach to what we are talking about here today than the anticipate of some large bills that would deal with all aspects of these issues being adopted by either the Mexican Legislature, the Canadian Parliament, or the United States Congress. But we need to develop some better way of engaging in this ongoing dialog than we are doing.

I think that idea was pretty much endorsed—Silvio Hernandez, the chairman of the Senate Foreign Relations Committee in Mexico, has been tremendously productive and constructive in these ideas. Jim Colby and John Cornyn, who was here earlier today, chaired the meeting, Mr. Chairman, and I think all of us endorsed this idea of trying to build on some confidence measures.

Second, I want to endorse as well the comments by the chairman dealing with the energy issue here. My opening comments, which I have included in the record, point out this tremendous opportunity which exists here for us to really develop far less dependency on more precarious places around the globe for our energy resources, not to mention the kind of resource capacity that energy exploration and development can produce.

We have just got to get over the notion—and again, this was a very productive meeting I had, not in a formal meeting, but one of these better meetings that sometimes occurs late in the evening when members of these interparliamentary groups sit around. Mr. Chairman, I was stunned, in meeting with my Mexican colleagues, how the issue of sovereignty and Pemex is just not on the table. I mean, it is just a total nonstarter, as it should be and I understand that.

But the idea of substantial foreign investment, of joint venturing, is very welcomed. I think if we can get over the notion that we want to have ownership, 51 percent ownership, of Pemex and start really talking about serious joint ventures—my reaction was after a long evening talking with members who cut across the entire political spectrum in Mexico was a very welcomed notion of significant joint venturing with Pemex on these issues to improve the efficiencies, further develop exploration of these resources.

So I think it is an issue we really need to pursue more aggressively, and obviously, Canada included as well in this.

Last, I was struck with the whole notion about investment. While we certainly understand the difficulties that are occurring in the European Union today with the adoption of the various constitutions, but something that the European Union did I think we ought to try and develop to some degree if we can. Again, this is controversial, but I do not see how we do any of the things we are talking about without doing this.

What the European Union did so successfully in my view was to make significant investments in their less developed membership earlier on. Mr. Beatty mentioned Ireland. I have cousins of mine—my family when they traveled from Ireland about the same time your family did, half of them went to Canada and half of them came here. So I have my cousins in Canada who but for where the ships happened to go those days would have ended up here or we would have ended up there.

Mr. BEATTY. Do you recall how they voted, Senator?

Senator DODD. Yes, we know very much how they voted. I will share that after the meeting.

But the point being is the investments that were made in Ireland by the European Union, the investments that were made in Portugal and Greece, in Spain for instance. Today the tremendous growth that has occurred in these countries as a result of intelligent investments by the European Union in their member states that were not necessarily prepared to compete on an equal footing a number of years ago.

I think the idea of investing in infrastructure in North America makes all the sense in the world, and it is, obviously, in our joint self-interest to be able to talk about doing that. Again, the resources coming from the coventuring on energy could not only be used, obviously, to improve the standard of living for people in Mexico or here or elsewhere, but also to be invested in how you improve the infrastructure, the physical infrastructures that are necessary to do exactly the kinds of things we are talking about here.

So, I thank you, Mr. Chairman, for raising these issues. They are very thought-provoking and ones that we really need to pursue. But you should know as well that at our interparliamentary meet-

ings, to the extent these have any value at all, there is serious discussion. We need to develop a framework on how we can implement some of these ideas.

The CHAIRMAN. Thank you very much, Senator Dodd.

Senator Dodd is well known to both of you and has offered leadership on this committee for a generation on these issues. We really appreciate your coming together today and conversing with us in this hearing.

Let me excuse you now, and we will call upon our next panel.

Mr. BEATTY. Thank you, Senators.

The CHAIRMAN. Thank you, sir.

The chair now calls Mr. David Aguilar, the Chief of the Office of Border Patrol, Customs and Border Protection, the Department of Homeland Security.

[Pause.]

The CHAIRMAN. Mr. Aguilar, we welcome you to the committee.

The Chair is advised that Mr. Pardo-Maurer, the Assistant Secretary for Hemisphere Affairs, Department of Defense, will not be able to be with us. So we are delighted to have your testimony.

Let me just mention for the convenience of all members that I am advised that we will begin a rollcall vote on the Senate floor at noon. We have a comfortable amount of time, but I just want to mention in the framework of the hearing that we will be concluding some time around noon or shortly thereafter.

Meanwhile, we would like to hear your testimony, sir. Your entire statement will be made a part of the record. You may proceed any way you wish, and then Senators will raise questions of you. Please proceed.

STATEMENT OF DAVID V. AGUILAR, CHIEF OF THE OFFICE OF BORDER PATROL, CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY, WASHINGTON, DC

Mr. AGUILAR. Thank you, Mr. Chairman, good morning. As for me being here alone, we are accustomed to working out in the middle of the desert alone.

The CHAIRMAN. I understand.

Mr. AGUILAR. So I feel very comfortable this morning here.

The CHAIRMAN. Excellent.

Mr. AGUILAR. I want to thank you for having us here. It is certainly an honor and an opportunity to appear before you today to testify about North American cooperation on border security and to discuss the challenges, achievements, and some of the successes of border security along our Nation's borders.

As you know, I am David Aguilar, the Chief of the U.S. Border Patrol. I would like to begin this morning by giving you a brief overview and basically a situation report on the status of our borders with Mexico and Canada. To begin with, Mr. Chairman, what we have is we are a part of the U.S. Customs and Border Protection. The CBP is responsible for the security of our Nation along the Canadian, the southern border with Mexico, and of course our coastal waterways.

The important part here is that the U.S. Border Patrol is the entity that works between the ports of entry in very vast, very remote, and very desolate areas of our countries. The 11,000 officers

that we have are deployed along our Nation's southwest border with Mexico, approximately 9,000 of them. Another thousand officers or so are up on the northern border.

[Chart.]

What we have up here, Senator, is basically a depiction of what we refer to as our threat levels along our Nation's southern border with Mexico. These red arrows depict basically where our heaviest trafficked areas are into the United States from Mexico. Those red arrows account for about 61 percent of the 1.1 million apprehensions that we made last year along our Nation's borders with Mexico and Canada. The yellow arrows represent about 17 percent and about 22 percent into Texas out there.

The number of narcotics apprehended within those areas last year were about 1.3 million pounds of narcotics apprehended along our Nation's borders with Mexico and Canada.

Now, having said that, the current year to date we are on about a 1-percent increase as compared to last year in the area of illegal alien detentions this year. Fortunately, we are about 8 percent down in the area of narcotics as to what we saw last year.

Along with the detentions that we have made, last year we made detentions of about 78,000 other than Mexicans detained along our Nation's borders. Currently we are seeing about a 131-percent increase in the area of OTMs coming into our country. So far this year we have detained approximately 119,000 other than Mexicans coming across our Nation's border with Mexico.

I spoke about some of the challenges. Some of the challenges that we face is within that 1.1 million detentions that we made we are also apprehending a large number of criminal aliens coming into this country from Mexico and from Canada. From September of last year to basically at the point that we speak now, we have detained 104,000 criminally convicted aliens illegally entering our country across our borders.

We have been able to detect these illegal entrants, criminal election entrants, by the use of some of the technology that has been deployed throughout the United States Border Patrol stations along our Nation's borders. One hundred four thousand criminal aliens that would have gone undetected previously without the addition of the technology that we now have in place.

Some of the most trafficked areas along our Nation's southwest border with Mexico are Arizona and New Mexico, as depicted by these arrows out here. Last year, in the area of the Tucson sector there was approximately 589,000 arrests of illegal entries into Tucson sector. As we speak today, we are seeing a little bit of a decrease in the fact that we have implemented the Arizona Border Control Initiative in the State of Arizona. Since the beginning of the Arizona Border Control Initiative we have seen approximately a 30-percent reduction in the number of detentions that are occurring in the Tucson sector of the United States Border Patrol.

There are several initiatives that we have instituted throughout our Nation's borders with Mexico and Canada. The IBETS program, for example, along our Nation's Canadian borders, Integrated Border Enforcement Teams, of which there are 15 regions across the Canadian border with the United States. We have 23 individual units operating along the Canadian border.

We have a similar program on the southern border, the Mexican Liaison Units, that operate in close coordination with our Mexican counterparts and law enforcement agencies out there.

We have a tremendous amount of operational information that is shared between the law enforcement agencies both on the Canadian border and on the southern border. We have several other initiatives that we have implemented. If you would like, when we have that opportunity for questions, is the Interior Repatriation Program, where we are removing some of the aliens that we apprehend on the Arizona border into the interior of Mexico. Expedited removal has now been instituted in Laredo and Tucson sectors and some of our other sectors along our Nation's border with Mexico to expedite the removal of other than Mexicans away from the border in an expeditious manner.

Currently the U.S. Border Patrol apprehends about 3,000 aliens per day, illegal entrant aliens per day, along our Nation's borders. The challenges are that we have a dynamic border, it is a very complex region of our Nation, there is a tremendous amount of vastness, remoteness, and environmental concerns out there.

One of the dynamics that we have seen is that we have moved our operations from what we used to call urban environmental operations, where we used to deploy in the cities along our Nation's borders both north and south, and the flow has now changed into very rural areas of operation. That brings with it certain environmental concerns that we have to overcome. While we must be good stewards of our lands, we must control those illegal flows between the ports of entry into the United States.

Mr. Chairman, the men and women of the U.S. Border Patrol are tasked with a complex, sensitive, and difficult job which has historically presented some tremendous challenges. Our men and women take on these challenges with vigilance, dedication, drive, desire, and a recognition of how important our job is to the security of our country, especially during these times.

There is a recognition among our people of the significance of the job that they do, that which our country asks them to do. That job is nothing less than protecting our Nation's borders at a time in our history when the need to protect our borders has never been greater.

At every opportunity that I speak to our officers, we speak to protecting America's borders, protecting America, and protecting our American way of life.

Senator, at this point I will take any questions that you might have of me. But before that, I think I would be remiss if I did not thank you and the other members of this committee for the strong support for all the men and women of the U.S. Customs and Border Protection, including the Border Patrol. The 500 new agents that you funded in the 2005 war supplemental is just one example of your continuing support and commitment to border security. We are grateful to you for that.

[The prepared statement of Mr. Aguilar follows:]

PREPARED STATEMENT OF DAVID AGUILAR, CHIEF, U.S. BORDER PATROL, CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY, WASHINGTON, DC

Chairman Lugar, Ranking Member Biden, and distinguished committee members, I am pleased to be here today, in my capacity as Chief of the Customs and Border

Protection's (CBP) Office of the U.S. Border Patrol, and on behalf of the Department of Homeland Security's (DHS) Acting Undersecretary for Border and Transportation Security, to testify about North American Cooperation on Border Security and the many efforts of the Governments of Canada and Mexico to work with us toward the common security and economic well-being of North America.

As you know, on March 23 in Waco, TX, President Bush, along with Canadian Prime Minister Martin and Mexican President Fox, unveiled the Security and Prosperity Partnership for North America (SPP), a blueprint for a safer and more prosperous continent. Through the SPP our leaders agreed on an ambitious security and prosperity agenda that will keep our borders closed to terrorists and open to trade. The SPP is based on the premise that security and prosperity are mutually supporting and reinforcing, and recognizes that our three nations are bound by a shared belief in freedom, economic opportunity, and strong democratic institutions. The three leaders instructed each nation to establish ministerial-level working groups and asked us to identify meaningful goals and deliverables within 90 days. The President asked Secretaries Chertoff and Gutierrez to lead our efforts on the security and prosperity "pillars" respectively.

The purpose of the Security Agenda is to establish a common approach to security in order to protect North America from external threats, prevent and respond to threats within our countries, and to further streamline the secure and efficient movement of legitimate low-risk traffic across our common borders.

Nearly 2 weeks ago in Ottawa, Secretaries Chertoff and Gutierrez articulated our detailed plans to develop and implement the SPP. Together with their counterparts from Canada and Mexico, the Secretaries set out the path to further our common security and economic goals in an evolving and strengthened North American relationship.

The SPP energizes other aspects of our cooperative bilateral relationships and sets the vision for trilateralizing the work ahead. The issues of immigration and trade disputes will be dealt with outside the SPP through congressional action and existing treaties and agreements.

The Department was honored to participate in a recent session of the U.S.-Mexico Inter-Parliamentary Group to discuss the SPP and we recognize the importance of legislative support in each of our three countries to the success of this North American partnership.

BACKGROUND TO THE SECURITY PILLAR OF THE SPP

Shortly after 9/11, the administration reviewed what we were doing together with Canada and Mexico to create "smart borders" for the 21st century. We quickly set about the business of engaging in the Ridge-Manley Accords with Canada and the 22-point Border Partnership Plan with Mexico. These agreements articulated a vision of a modern border that speeds the legitimate flow of people and goods, secures common infrastructure, and filters threats to our safety and prosperity.

As a result of this work, we have advanced our border agenda with Canada and Mexico in a number of respects such as improved collection of passenger and customs data, enhanced law enforcement cooperation, coordinated vulnerability assessments on critical infrastructure, and worked to coordinate visa policy for travel to North America.

Notwithstanding the significant progress with our neighbors, we recognize there is more to do. The SPP aims to launch us to a new level of cooperation and commitment.

SPP HIGHLIGHTS

To further North American security goals, the United States, Canada, and Mexico have reached commitments to implement common border security and bioprotection strategies; enhance critical infrastructure protection, and implement a common approach to emergency response; implement improvements in aviation and maritime security, combat transnational threats, and enhance intelligence partnerships; and implement a border facilitation strategy to build capacity and improve the legitimate flow of people and cargo at our shared borders. Comparable standards and compatible regimes developed under the SPP will result in collective improvements and enhancements that promote U.S. security objectives. The following are illustrations of the work that has been accomplished and other efforts underway.

Shared Watchlists and Integrated Traveler Screening Procedures

The United States, Canada, and Mexico have agreed to strengthen information sharing related to terrorists and criminals. Effective information exchange among North American countries is essential to strengthening our capability to prevent

acts of terror within and outside North America. Additionally, the United States and Canada will negotiate a visa lookout sharing agreement, to be finalized within 18 months.

The United States, Canada, and Mexico have also agreed to establish compatible screening standards for land, sea, and air travel, to identify high-risk travelers and cargo before they depart for North America. Further, recommendations will be made on the enhanced use of biometrics in screening travelers destined to North America.

The United States and Canadian governments have agreed to exchange officers between their respective facilities, the National Targeting Center in the United States and the National Risk Assessment Centre in Canada, to help improve coordination and enhance information-sharing.

On an ongoing basis, the SPP will enable all three countries to address and resolve gaps in cross-border information-sharing. Ultimately, our objective is for all travelers arriving in North America to experience a comparable level of screening.

Maritime and Aviation Security

Our countries will also be working toward comparable standards for baggage and passenger screening, implementing no-fly programs throughout North America, and developing new protocols for air cargo inspection. Likewise, we will also be working to develop compatible maritime regulatory regimes and to strengthen information-sharing and coordinated operations in the maritime domain.

Preparedness and Incident Management Systems Integration

The United States, Canada, and Mexico have agreed to transform North American preparedness for response to large-scale incidents by establishing protocols for incident management that impact border operations, within 12 months. The protocols will address maritime incidents, cross-border public health emergencies, and cross-border law enforcement response.

The SPP countries have also committed to develop an interoperable communications system within 12 months, and to participate in preparedness exercises that will strenuously test these protocols. In addition, the three countries will participate in a preparedness exercise in anticipation of the 2010 Vancouver/Whistler Winter Olympics.

Science & Technology

United States and Canadian authorities have completed a comprehensive Coordinated Risk Assessment to identify and prioritize major collaborative science and technology initiatives and are expected to complete their final report late this summer. Harnessing the science and engineering resources of our countries helps create the innovative technology capabilities required to enhance the safety and security of both nations.

Port Security

Our three countries promoted the newly adopted World Customs Organization's Framework of Standards to Secure and Facilitate Global Trade, which for the first time in history establishes common standards for secure trade at all major international ports. We will work collaboratively to encourage implementation through capacity-building and technical assistance to other countries.

The United States and Canadian officials conducted three port security exercises to evaluate joint response capability to terrorist attacks in the Great Lakes area. Moreover, the U.S. Coast Guard and Transport Canada completed 94 joint initial verification exams of vessels in the St. Lawrence Seaway and the Great Lakes, to ensure compliance with international security regulations.

Beginning with the 2005 boating season, the United States and Canada have implemented a NEXUS-Marine pilot program in Windsor-Detroit for low-risk seasonal boaters to participate in a preenrollment inspection program.

North American Trusted Traveler Program

All three countries have agreed to create a single, integrated program for North American trusted travelers by January 1, 2008. Individuals applying for trusted traveler status would be able to apply for the program and pay relevant fees in one transaction. Enrolled participants would have access to all established trusted travel lanes at land crossings, airports, and in marine programs. A single North American Trusted Traveler Program embodies the intent of the SPP to establish optimum security goals while accelerating legitimate cross-border trade and travel. The United States will also be working cooperatively to identify Western Hemisphere travel document standards required under the Intelligence Reform and Terrorism Prevention Act of 2004.

Border Enforcement

The United States and Mexico will form joint intelligence-sharing task forces along the United States-Mexico border to target criminal gang and trafficking organizations and reduce violence along the border.

The United States and Canada will coordinate maritime enforcement programs for the huge volume of boat traffic in our shared waterways.

With the Government of Mexico, we will begin to establish a standardized Alien Smuggler Prosecutions Program, which expands upon previous efforts to identify and prosecute violent human smugglers.

Facilitated Flow of Legitimate Cargo and Travel Across Land Borders

The United States, Canada, and Mexico have agreed to review our transportation and border facility needs, in partnership with stakeholders, and develop a priority plan for future port-of-entry-related infrastructure investments.

All three countries are considering programs to substantially reduce transit times and border congestion by partnering with public and private sector stakeholders to establish “low-risk” ports of entry for the exclusive use of those enrolled in our trusted trade and traveler programs. For example, over the next 2 years, the United States will determine the feasibility of converting an existing port of entry in Texas to the exclusive use of low-risk cargo and passengers, as well as building a new low-risk port of entry at Otay Mesa, CA.

The United States, Mexico, and Canada are actively working to implement the first internationally endorsed import-export framework for radioactive materials that could be used to build a “dirty bomb.” These controls will be in force within 18 months. The enhanced import-export controls, which are consistent with newly established international guidelines, are essential for preventing the fraud or diversion of these materials, widely used in medicine, research, and industry. Controls include notification on cross-border transfers and evaluation of whether the recipient is authorized to possess the materials to ensure that these materials are used for peaceful purposes only.

The United States and Canada, along with local stakeholders, are working to reduce the transit times by 25 percent at the Detroit-Windsor gateway, within 6 months, and all three countries are exploring ways to expand this innovative 25 Percent Challenge to other North American land border crossings within the next 18 months.

By December of this year, the United States and Canada governments expect to establish a preclearance pilot program at the Peace Bridge, and within 6 months both countries will finalize a plan to expand the Vancouver NEXUS-Air pilot program to other United States air preclearance sites in Canada and examine the feasibility of expanding the eligibility for NEXUS-Air to include Mexican nationals.

Along the United States-Mexico border, within the next 12 months, the United States will be adding SENTRI lanes in Calexico, CA; Nogales, AR; and El Paso, Laredo, and Brownsville, TX.

OTHER BILATERAL COOPERATION

While the SPP leverages and expands upon the strong relationships already in place between our countries to further our common security goals and achieve transformational improvements, it is important to highlight cooperative work that assists us in maintaining secure and effective borders.

Integrated Border Enforcement Teams

Integrated Border Enforcement Teams (IBET) are multiagency field level groups of law enforcement officials dedicated to securing the integrity of the Canada/United States border while respecting the laws and jurisdictions of each nation. IBETs operate as intelligence-driven enforcement teams comprising federal, state/provincial and local law enforcement personnel. The multidisciplinary teams operate in an integrated land, air, and marine environment along or near the Canadian/United States border while respecting the jurisdiction of each nation. Presently there are 15 IBET regions with 23 teams.

The mission of IBET is to enhance border integrity and security at our shared border by identifying, investigating, and interdicting persons and organizations that pose a threat to national security or are engaged in other organized criminal activity. IBETs incorporate a mobile response capability.

Membership of the IBET consists of five core agencies with key law enforcement responsibilities at the border. The core agencies representing Canada are the Royal Canadian Mounted Police (RCMP), Canada Border Services Agency (CBSA). For the United States, the Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), and the U.S. Coast Guard (USCG) make up the core agencies.

Other federal agencies from each government have been invited to join the IBET initiative.

Prior to September 11, 2001, the IBETs were informal in nature. With the Ridge-Manley Accords of December 2001, Canada and the United States committed to the expansion of the IBET initiative to ensure the comprehensive and permanent coordination of law enforcement and antiterrorism information-sharing and establish joint teams to analyze and disseminate intelligence and produce threat and intelligence assessments. Since that time, United States and Canadian governments provided funding specifically to address national security and other criminality occurring across and along our common border. The Canadian Government provided the RCMP \$25 million annually for the next 5 years to lead the IBET initiative in Canada.

NEXUS and FAST Low-Risk Enrollment Programs

CBP and Canada's Border Services Agency jointly administer NEXUS and FAST programs at all major crossings between the United States and Canada. These low-risk, vetted enrollment programs are an impressive example of cross-border cooperation to meet our common objectives of ensuring security and promoting commercial vitality. Enrollment in both programs is voluntary.

NEXUS participants are entitled access to dedicated commuter lanes (DCL) at 11 border crossings. As of June, nearly 80,000 participants are enrolled in NEXUS. On the Northern Border, 57.3 percent of the total passenger traffic¹ crosses at NEXUS-equipped Ports of Entry (POE). With completion of the planned expansion to 6 new locations², an additional 13.9 percent traffic volume will be supported at DCL-equipped POEs, for a total of 71.2 percent of the total traffic volume.

The Free and Secure Trade (FAST) program is a harmonized highway commercial process for preapproved, low-risk importers, shippers, and drivers. FAST began in December 2002 in Detroit, MI, and has since enrolled over 55,000 commercial drivers. FAST processing is located at 12 major crossings, including 4 locations with dedicated FAST lanes.

Joint Targeting Initiative (JTI)

In early 2002, CBP and Canadian customs officials established the Joint Targeting Initiative (JTI) to ensure the security of cargo movements across the United States-Canada border. Under the JTI, each country's specialists jointly target high-risk containers at the first point of arrival in North America. Currently, JTI is effective at the ports of Montreal, Halifax, Vancouver, Seattle, and Newark, enabling officers from both countries to conduct risk assessments of intermodal marine containers arriving at these locations.

We are now moving forward to coordinate our container targeting efforts at overseas ports. Working collaboratively to prevent threats to North America, Canadian and DHS officials will conduct risk assessments on cargo loaded at foreign ports.

Arizona Border Control Initiative Phase II

Although significant gains were made in the first year of the Arizona Border Control Initiative (ABCI), which was conducted March 16, 2004, to September 30, 2004, illegal cross-border traffic and smuggling organizations continue to operate along the Arizona/Sonora border. These criminal organizations use available Mexican and United States infrastructure (routes of egress, staging areas, and transportation hubs), such as Hermosillo, Sonora, Mexico, and Phoenix and Tucson, AR. Decades-old smuggling networks connect Sonora and Arizona. In areas where infrastructure did not previously exist, smugglers have established the necessary means to support their criminal enterprises. Smugglers also exploit the high levels of legitimate commercial cross-border traffic in southern Arizona in an effort to blend in with the legal flow of traffic.

The Arizona Border Control Initiative Phase II began operations on March 25, 2005, representing a massive Federal law enforcement effort to gain greater operational control of the Arizona border. Phase II builds upon the results of last year's ABCI and directly supports DHS' priority antiterrorism mission—preventing terrorists and terrorist weapons from entering the United States—by reducing the flow of illegal aliens and disrupting smuggling operations.

Under ABC Initiative Phase II (ABCI Phase II), DHS is significantly increasing personnel, doubling aerial support, increasing the use of "smart border" technologies, and continuing to strengthen partnerships with State, tribal, and local law

¹ Annualized Northern Border passenger traffic estimated from August 2004 to August 2005 is 65,624,998 based on 6 months historical crossing data.

² NEXUS expansion ports include Houlton, ME, Calais, ME, Alexandria Bay, NY, Sault Ste Marie, MI, International Falls, MN, and Pembina, ND.

enforcement. The increased aviation operations and personnel supports DHS' priority mission of antiterrorism, detection, arrest, prosecution, and deterrence of all cross-border illicit trafficking along the Arizona border.

In addition, ICE's Detention and Removal Operations (DRO) will continue to build upon operational efficiencies for alien removals in Arizona. ICE's Phoenix field office leads the Nation in removals of illegal aliens. In the fiscal year 2004, more than 40,000 illegal aliens were detained and removed through administrative and judicial proceedings; nearly half were criminal aliens.

Expansion of Expedited Removal

The United States continues to experience a rising influx of other than Mexican nationals (OTMs) illegally entering the country. Apprehensions are running at a rate of 175 percent for FY05 over FY04's record number of OTM apprehensions on the southwest border, and 131 percent over the record national FY04 OTM apprehension figure of 75,371. The exponential growth in the apprehension of OTM illegal entrant aliens, and, in most cases their subsequent release, is a major impediment to the removal process. Currently, Border Patrol places most of these apprehensions in removal proceedings before an Immigration Judge. To help streamline the removal process, DHS expanded the use of Expedited Removal proceedings (ER) for OTMs, initially in the Tucson and Laredo sectors. ER proceedings, when contrasted with traditional removal proceedings, shorten the duration of time spent in detention facilities and the practical elimination of time spent getting ready for, and appearing before, immigration courts and judges.

Both the Laredo and Tucson Sectors are currently utilizing ER to streamline the removal process. The deterrence effect of the ER process on OTM illegal entry may clearly be seen when comparing these two sectors with sectors without this removal process. The reducing impact of ER on OTM apprehension rates, as compared to other sectors is clear. This is especially dramatic with Brazilian OTMs. In both the Laredo and Tucson Sectors, the lower rates of apprehension for OTMs contrast with those of neighboring sectors that have not been using ER.

Building upon its success in Tucson and Laredo Sectors since September 2004, DHS expects ER and the associated mandatory detention pending removal to their country of nationality will become a significant tool to deter future illegal crossing between the ports of entry, particularly for other than Mexican (OTM) nationals who transit through Mexico.

Secretary Chertoff has approved expanding the use of ER to additional Border Patrol sectors upon satisfactory completion of training and within the parameters of available detention space. ER is now used in the Rio Grande Valley (formerly McAllen) as well as in certain circumstances Yuma, El Centro, and San Diego sectors (those aliens who have illegally reentered the United States while subject to a prior Order of Exclusion, Removal, or Deportation while still meeting all other criteria for ER). Challenges to full and successful implementation include the availability of detention space and transportation for aliens placed in ER proceedings.

CBP has learned valuable lessons from the expansion of ER to Tucson and Laredo Sectors. First, when contrasted with traditional removal proceedings, ER proceedings dramatically shorten the duration of time spent in detention facilities. Second, the ER process is reducing OTM apprehension rates in Tucson and Laredo, and we anticipate a similar effect as it is expanded to McAllen.

OTHER THAN MEXICAN (OTM) APPREHENSIONS

In the committee letter of invitation to testify, you expressed particular interest in OTM nationals who cross our southern land border. As I previously noted, the surge of OTM nationals illegally entering the United States has increased dramatically. At the current rate, we calculate OTM apprehensions will annualize at 148,000.

Currently, the Border Patrol places most OTMs whom they apprehend in removal proceedings before an immigration judge. All OTMs subject to mandatory detention are detained pending completion of removal proceedings. Examples of aliens who are subject to mandatory detention include aggravated felons and Special Interest Aliens (SIAs). OTMs not subject to mandatory detention may be released on their own recognizance or a bond.

It is important to clarify that the Department defines the term SIA as those aliens with potential ties to terrorism. We monitor intelligence related to this SIA population, watching carefully the dynamics and changes in travel patterns.

This unprecedented influx of OTMs is a source of friction for the DHS removal process, straining further our detention capabilities and legal program. It has associated effects on the Department of Justice, Executive Office for Immigration Review, and the Office of the Federal Detention Trustee.

The Department recognizes the need to disrupt the increasing flow of OTMs. There is no single approach and we must work in partnership with other Government agencies. Expedited removal, the Arizona Border Control Initiative Phase II, and information-sharing, are among the tools necessary to confront this challenge and break the cycle of OTM passages to our country.

Smuggling and human trafficking are some of the root causes for the upswing in OTM movements through Mexico and into the United States. We continue our work with Mexico to address these problems.

Additionally, we know that visa policy coordination between the United States and Mexico is part of the answer. Converging visa regimes is critical to a shared vision of a continental security strategy that prevents high-risk travelers from entering our countries. The SPP provides renewed energy for us to take appropriate steps to prevent smugglers from exploiting visa free travel privileges to transport victims to North America. For example, there are currently over a dozen countries whose nationals are permitted to travel visa free to Mexico that would be required to obtain a visa to come to the United States.

Yet there is more to a serious discussion about visa policy coordination than lifting or imposing a visa on particular countries. We must effectively share relevant information and standardize screening procedures to ensure comparable visa decisions. If the United States has information that a particular visa applicant is using an alias or in possession of a fraudulent travel document, we want Canada and Mexico to apply this same information to its visa decisions. No country in North America should issue a visa to a traveler known to be a threat to our common security. Sharing appropriate information and refining screening techniques to prevent visa applicants from concealing their true identities is a key ingredient to keeping the continent secure from high-risk travelers.

Among the SPP commitments, within 9 months we will complete benchmarks related to procedures and policies for visitor visa processing, including security screening, visa validity, and length of stay.

CONCLUSION

In sum, Mr. Chairman, DHS recognizes the enormity of the problems that we face to protect America against those who seek to harm us and undermine our democratic way of life. The challenge is all the more daunting were we to work alone. Therefore, we are working actively and energetically with our neighbors to improve our ability to detect external and internal threats.

Thank you for this opportunity to testify before the committee. I would be happy to take any questions you may have at this time.

The CHAIRMAN. Well, Chief, you do have our support and I appreciate very much those thoughts that you have just expressed.

Let me ask first of all, because you have commented, there has been some decrease in narcotics apprehensions and importations, at least this particular year. One of the concentrations of our legislative effort is to recognize the problems that come across the southern border, Mexico, from Guatemala, Belize. First of all, to what extent has the antidrug assistance that the United States has given to Guatemala or Belize, in your judgment, made a difference? Are we effective in this? Does it affect your work in any way as you perceive it?

Mr. AGUILAR. At any point that we can push our borders out and provide assistance to other countries, of course, it is very helpful to us. One of the things that we have seen is pretty much a constant across our Nation's southern border with Mexico. I believe there has been a report, and I have not seen it, I have just been briefed on it, that DEA has now accounted for over 92 percent of all the narcotics coming into the United States are coming across our Nation's border with Mexico, transiting through Mexico—

The CHAIRMAN. 92 percent?

Mr. AGUILAR. Yes, sir; that is my understanding, yes.

So at any point that we can provide assistance to some of these other countries, it is, of course, in our interest. But the fact of the

matter is that narcotics trafficking continues at a very high rate. At this point in time, like I said, we are down by about 8 or 9 percent compared to last year, but we must bear in mind that last year we did apprehend over 1.3 million pounds of narcotics coming across our borders.

The CHAIRMAN. So that reduction is from a very high figure, unfortunately.

Mr. AGUILAR. Yes, sir.

The CHAIRMAN. What comment could you make as to the Mexican counternarcotics efforts? And in answering that question, to what extent would there be, potentially, some acceptance of technical assistance from the United States? The previous witnesses have pointed out many times that these issues are selected, I think Mr. Castañeda said, sort of salami-style, as opposed to a more composite package, and that they are less acceptable.

In a package of legislation, what are the prospects for strengthening Mexican antinarcotics efforts, as I say, perhaps even with technical assistance from the United States?

Mr. AGUILAR. One of the things that I have seen—and by the way, Senator, I have spent the last 27 years of my life in the Border Patrol. I have to tell you that from the perspective of improvement, if you will, there has been a tremendous amount of improvement in the area of liaison and working coordination with Mexican law enforcement agencies. That is something that has been very beneficial, I think, to our Nation and to Mexico also.

Having said that, the increase in targeting of criminal organizations in very recent past—we have seen Mexico, with Operation Safe Mexico, concentrating on criminal organizations operating in places such as Nuevo Laredo, Matamoros, Renosa, Mexicali, and some of these other areas that have been heavily trafficked by narcotics organizations.

In speaking to some of the higher echelon law enforcement representatives, they have asked for our assistance when these operations are ongoing, and we have been successful in coordinating our efforts to ensure that, to the degree possible, we take on a binational effort on impacting on these criminal organizations.

As far as technical assistance goes, I think it would be beneficial. As to how much they would, Mexico would ask for or would identify as a need, I would leave it up to them. But I certainly think that we could, as a Nation, offer up to Mexico a lot of technical expertise in those areas.

The CHAIRMAN. So we would make that offer and then, in the spirit of cooperation, they would make decisions as a sovereign country of their acceptance? As you say, there has been a beefing-up, as you have observed over the last 27 years, of Mexican efforts in this area?

Mr. AGUILAR. That is a definite yes, sir.

The CHAIRMAN. That is an encouraging fact all by itself.

How about Guatemala and Belize? What kind of antinarcotics efforts are they making? And in the same spirit, are there technical aspects that we might be able to offer that would be of help there, because that appears to be another part of this equation?

Mr. AGUILAR. Yes, sir. Guatemala, for example, has in the past worked with the United States Government in asking for our sup-

port. We have deployed—specifically to the Border Patrol, we have deployed some of our special teams to assist in teaching, training, and working with some of the foreign governments out there specifically in the areas of narcotics interdiction.

Our BORTAC unit, Border Patrol Tactical Unit, deploys foreign at the request of some of these foreign nations for the purposes of specifically targeting the criminal organizations involved in narcotics trafficking. Guatemala, for example, in the past has been a recipient of that technical expertise. We continue to offer it up and we would continue to look forward to providing that kind of help; yes, sir.

The CHAIRMAN. Now, on the very important chart that you have presented to the committee, as you pointed out, the three red lines approaching New Mexico and Arizona are routes of 61 percent of those you have apprehended. I presume those are approximate routes; they are not roadways. Are they, more precisely, these corridors that people employ?

Mr. AGUILAR. You bring up a very good point, Senator. Those are depictive and only approximate points. What the criminal organizations utilize, though, is what we refer to within the Border Patrol as infrastructure leading up to our border, highways coming in from Mexico or South-Central America.

The CHAIRMAN. Right.

Mr. AGUILAR. And then what we refer to as decision points, decision points in Mexico as to where they are going the hit our border and stage as a jump-off point into the United States.

Unfortunately, one of the areas that they look for are some of our metropolitan or urbanized areas, places such as: El Paso; Tijuana; Nogales, Arizona; Nogales, Sonora; and things of that nature. Then, of course, what they look for secondarily is staging areas on the immediate north side of the border for staging purposes and then the points of egress into—ingress into the United States to get to their final destinations out here.

That is one of the reasons that the Border Patrol deploys, of course, right on the line with what we call an enforcement zone along the border, and we also deploy in what we refer to as defense in depth, where we utilize our checkpoints, we work at the transportation hubs, in order to address the means of ingress into the United States and to take away that infrastructure that the criminal organizations utilize to facilitate the movement of illegal aliens, narcotics, and anything else of contraband.

The CHAIRMAN. In your 27 years of experience, and that of some of your colleagues, you have been able fairly well to chart, as you say, the infrastructure, that is roadways, that persons might utilize, plus, as you have suggested, pragmatically the approach to urban areas and this in-depth strategy where persons go from there to find various objectives.

Mr. AGUILAR. Yes, sir.

The CHAIRMAN. By this time we have a fairly good idea of where these objectives are in the hinterland of the United States, so that you then graph, I suspect, the most probable courses, understanding that people will deviate. I mention this simply because, although it is common sense to you, other Americans taking a look at this type of thing need to know that a lot of experience has gone

into your charting, where you can anticipate encounters and interceptions of people successfully.

Mr. AGUILAR. Yes, sir.

The CHAIRMAN. Let me just ask a specific question, because in a conference that I attended in Mexico earlier this year, testimony was given by some very gifted people at the University of El Paso, TX, about the fact that even in the midst of all of the controversy that we are discussing today, there were well over 1,000 persons, as I recall, and maybe upward of 1,500, students, who live in Mexico, who regularly come to the University of El Paso in Texas, crossing the river every day and returning home every night.

I think many of us were struck by the fact that in this area of El Paso, there are pragmatic ways for life to go on, for people who are not only very friendly and productive with each other, but at the same time in this case students who are studying in this great university and enriching the background of diversity there.

First of all, how does this work? How are you able to get a thousand or more students from their homes every morning off to, not to work, but to study, and back again at night, in the midst of all the turmoil that you are describing, these interceptions of drug dealers and illegal immigrants and what have you?

Mr. AGUILAR. Well, fortunately, Senator, the group of students that I believe you are referring to are students that basically cross through our ports of entry.

The CHAIRMAN. Yes.

Mr. AGUILAR. Our very busy ports of entry, and they utilize the visas available for them to come.

The CHAIRMAN. So they have visas and they can identify themselves each morning and what have you?

Mr. AGUILAR. Yes, sir. They come across the ports of entry, yes. Now, that was not always the case. In El Paso specifically, there was years when in the past where students would literally come across between the ports of entry to come to school out here. That is how uncontrolled the border was.

The CHAIRMAN. I see.

Mr. AGUILAR. But El Paso is one of the urban areas that we have now brought under control by the proper application of technology, personnel, and infrastructure to basically utilize those resources to bring that quality of life that we are looking to bring to all of these urban areas. That, in fact, is one of the objectives of our national strategy, and that is to improve the quality of life of our border communities, thereby reinvigorating the economies of those communities and make a better life, not only for the people on the United States side, but also for the persons on the Mexican side, because one of the things that is seldom spoken about is that when these criminal organizations entrench themselves on the south side of the border or on the Canadian side, on the north side, if you will, is that they degrade the quality of life because of the means that they use to facilitate their smuggling into the United States of aliens and narcotics.

So that there is a social impact on both sides of our borders. So when we deploy and we bring a level of operational control to the borders, that improves the quality of life on both sides of the border.

The CHAIRMAN. I appreciate that testimony because I receive, from time to time, letters from Americans who live in Arizona, New Mexico, Texas, who know of my interest in this subject, and who bring up more than anecdotal material as to how the enhancement of the quality of life on the border on both sides has been helped by the work that you are doing.

This is usually an untold story. For example, in El Paso, leaving aside the mention of the students, the amount of commerce involved, the employment, the productivity, the GNP of the El Paso area, is greatly enhanced by the sophistication of the border services that you are offering and that perhaps in various ways Mexican officials are offering.

I mention that because that is very important. We have talked about this generally today, about how the prosperity in both Mexico and the United States could be enhanced if we are able to work our way through all the minutia and to the heart of the problem of gangs or criminals or those who are deviant. But it is a tough thing to do.

You are on the line literally in trying to make that happen. So the question that we all keep looking at, whether we are legislators or even more importantly administrators, as you are, is in terms of contact with human beings day by day. How do we enhance this? That is why I appreciate very much your experience, and the wisdom you bring to our hearing.

Mr. AGUILAR. Thank you, sir.

The CHAIRMAN. At this point, I will conclude the hearing with thanks to all the witnesses. We have had a rich menu of our own legislative leaders, as well as former Foreign Ministers of Mexico and Canada, and now your expert testimony. We appreciate all of this. The hearing is adjourned.

[Whereupon, at 11:56 a.m., the committee was adjourned.]

ADDITIONAL STATEMENT SUBMITTED FOR THE RECORD

STATEMENT OF THE NORTH AMERICAN BUSINESS COMMITTEE OF THE COUNCIL OF THE AMERICAS

The North American Business Committee (NABC), a standing committee of the Council of the Americas which has been dedicated for 40 years to promoting democracy, open markets, and the rule of law throughout the Western Hemisphere, appreciates the opportunity to submit testimony for the record on North American border cooperation.

Even as the recent London bombings are a painful reminder of the challenges we face in the fight against those who would harm us, our shared borders with Mexico and Canada continue to be vulnerable points of entry into the United States and a potential threat to our national security. Each day, U.S. borders are under enormous pressure. Lack of personnel, equipment, and internal and cross-border coordination contributes to long delays and keeps the U.S.-Mexico and U.S.-Canada borders porous (likewise, the U.S. border with the Caribbean Basin).

While appreciating the enormity of the task as well as taking note of concrete progress that has clearly been made by all three governments and their stated commitments for further actions, focused attention to border issues by the United States, Canada, and Mexico must continue and, indeed, intensify. Greater coordination of the customs process, additional investment in technology and equipment, and development of a new model of joint ventures with the private sector to encourage the development of border infrastructure would all help support the volume of goods and services that cross internal North American borders. Better coordination of cross-border law enforcement and intelligence sharing would help address concerns about illegal activities. Streamlining coordination of the maze of U.S. federal, state,

and local agencies with jurisdiction of specific aspects of border activities must be prioritized; for example, the current Presidential Permit process whereby each government agency has veto authority over individual border projects simply does not work. Additionally, establishing preclearance procedures and moving border inspection stations away from the borders themselves would reduce congestion while allowing law enforcement authorities to focus on sealing the border against the flow of illegal narcotics, terrorist activities, and people trafficking.

Such steps are necessary, because in order for North America to compete fully and effectively with emerging nations in Asia as they reach economic maturity in 15–20 years or less, North America must eventually become a virtual borderless economy for goods and services produced therein. This vision may not be practical today, given Mexico's level of development relative to the United States and Canada, but it is a goal worthy of working toward, with purpose, over time.

Additionally, much of the pressure on the border is a result of migration flows—both legal and illegal—from Mexico to the United States. Reducing people flows and regularizing those that remain will reduce pressure on the border, directly assisting efforts to make the border work better. Undoubtedly, illegal immigration stems from a perceived lack of economic opportunity in Mexico and other countries, but the unmanageable flow of persons now estimated at 400,000 per year entering and proceeding to live and work in the United States undetected, poses a significant potential threat to North American security. After all, if undocumented workers can get into the United States and live undetected, it must be assumed that those highly motivated to harm the United States can also get into the country undetected and remain.

A better way must be found to allow needed workers into the United States, and to treat them fairly and with dignity, while keeping U.S. borders secure and discouraging nonlegal entrants. One way would be via implementation of a temporary worker program, understanding that it would be extraordinarily difficult to issue enough visas to meet the demand and would therefore not completely cut off illegal immigration from Mexico. Still, such a program would equally benefit Mexican nationals seeking a better life in the United States and the industries that need to hire them for hard-to-fill jobs. Under such a plan, both Mexican workers and their U.S. employers would be held accountable for taxes and compliance with the law; penalties would be strictly enforced. This would also allow national security agencies to keep better track of who is entering and exiting the United States and allow law enforcement agents to focus on preventing criminal activities.

It must be stressed that this arrangement would not grant U.S. citizenship, but would nonetheless eliminate most negative aspects of being an illegal immigrant living in the shadows of a formal economy, reduce cultural stigmas, and increase regional security. And unlike an amnesty program, this proposal would reduce incentives of staying in the United States illegally, because it would allow people to return home to Mexico without fear of being apprehended at the border, and it would also ensure that, as legal residents, workers would be entitled to the benefits of participating in the legal economy, including the rights and protections afforded all workers in the United States and Canada. To make this labor mobility plan viable, Mexico must commit to stronger, more proactive protections of its own borders: it should actively work with U.S. authorities to seal the U.S.-Mexico border to illegal activities, while working in addition to seal its own southern borders with Belize and Guatemala, a significant entry point of third-country migrants heading to the United States. Ultimately, the establishment of a North American security perimeter is the most desirable outcome.