



California Airports Council US Customs and Border Protection Policy Statement

Background

California serves as a gateway into the United States from many worldwide destinations. Ten of California's 30 commercial service airports offer flights to international destinations. Over 27% of all flights at Los Angeles International Airport are to foreign destinations. However, staffing resource allocations in California by the U.S. Customs and Border Protection Agency (CBP) are inadequate, despite a 23% increase in the CBP officer ranks in the last 10 years.

Commercial air service generates local economic activity. Aircraft require fuel and supplies and international passengers patronize airports and other local goods and services. Unfortunately, new international air service opportunities for medium sized airports have been lost when the CBP declares an inability to provide customs officers for Primary Passport Control services. In these instances, CBP staffing limitations result in lost economic opportunity and do not allow for an increase in the breadth of California air service options. The CBP has required airlines to schedule arrival times to coincide with existing officer shift schedules, which is not always possible for airlines. When the CBP is unable to accommodate new international air service, it results in airports, airlines, the region and the CBP itself losing revenue opportunities.

If Customs and Border Protection addressed the California Airports Council policy issues described herein, a boost in operational efficiency could be achieved. In addition, new economic activity could be generated with a more substantial commitment from the CBP to improve staff resources management. A shift to greater transparency and cooperation with public airports and airlines we believe will lead to improved operations and a more positive experience for international travelers.

CAC Policy Positions

California Airports Need Better Customs and Border Protection Staffing and International Passenger Immigration Processing

Establish Staffing Resources & Allocation Consultation. Currently, CBP operations do not include staffing resource consultations with airports nor airlines. Increased transparency and collaboration with airports and airlines on staffing resource allocations could improve the efficiency of Primary Passport Control and reduce wait times. In 2012, wait times have increased 12%. A goal of 30 minutes wait time should be established for 100% of passengers by the end of 2014. Interim benchmarks can provide for a graduated implementation. Adequate staffing of peak periods should be a CBP priority. With the demand for international air travel growing, the CBP should plan with airports and airlines to meet this demand in a satisfactory manner.

Re-examination of Airport International Entry Designation Regime. Airports are designated with Port of Entry status or as a User Fee Airport. When an airport reaches passenger levels and other benchmarks required for Port of Entry status, the airport has to apply for the designation and CBP will grant or deny, in part based on customs officer availability. The California Airports Council urges federal policymakers to review these thresholds and consider an automatic Port of Entry designation when certain thresholds are achieved.

Expansion of Global Entry Program. The CBP could positively impact wait times and passenger matriculation with more International Reciprocal Agreements to increase the number of international travelers in the Global Entry Program, which facilitates entry without processing by a customs officer. In California, airports with the program could benefit from expansion and airports with newer international service would benefit from new implementation.

In-Transit Visa Passengers. The CBP should create a pilot program to eliminate customs officer processing of passengers traveling from an international destination to another international arrival point through California airports.

The Customs and Border Protection Fee Structure is Unfair and Does Not Result in Adequate Staff Resource Allocations

Are Current Fee Structures Appropriate? Currently, a fee of \$17.50 is levied on all arriving international passengers. The budgetary accounting of this fee allocation is not transparent. Seven dollars is an immigration fee, of which the majority funds the CBP. Five dollars supports agricultural inspections with a portion also allocated to the CBP. The remaining \$5.50 is in part allocated to the CBP and a portion goes for other federal purposes. At Los Angeles International Airport alone, this fee generated over \$140.6 million in 2011 and international arrivals are up over 3% in 2012. Yet, staffing remains short. It is not entirely clear how much of this fee is captured by the CBP and how their portion of the fee is allocated to meet regional demands for customs services.

The CBP Double Dips & Makes Air Travel More Expensive For Passengers. Some airports are designated by the CBP as User Fee Airports – when an airport has international service but is not deemed by the CBP sufficient to warrant full-time staff. User Fee Airports pay directly for CBP costs based on assigned personnel. However, California airports appear to be overcharged. John Wayne Airport, Orange County has new international service to Mexico. The Airport was designated by the CBP as a User Fee Airport and is paying the required fee of \$141,000 each for 8 customs officers, for a total of \$1.3 million annually. This is a full-time equivalent employee cost mandated by the CBP, yet the customs staff is only at John Wayne Airport four hours per day for two daily international arrivals. Those customs officers are assigned to LAX the remaining four hours per day. Why does the CBP force airports to pay a full-time cost for half-time service? John Wayne Airport international passengers pay the same \$17.50 fee on top of the CBP charges to the airport and are effectively subsidizing CBP personnel at LAX. Despite the multiple revenue sources in the region, for the peak 2012 summer travel season, the CBP is unable to staff the increased demand and has reassigned 40 CBP officers from the Port of Los Angeles to ensure adequate coverage at LAX. The combination of passenger fees and CBP charges to airports generate millions of dollars of CBP revenue, not including overtime charges, which User Fee Airports are required to pay when necessary.

Airlines pay airports for landing privileges and dedicated terminal gates. Airport costs are translated often into airlines costs and ultimately into passenger ticket prices. When airports are required to pay the CBP for a level of service the airport does not receive, passengers ultimately pay price. If the passenger fee and airport fee system resulted in adequate staffing, it would still ripe for review by federal policymakers. However, with airports, airlines and passengers experiencing inadequate CBP staffing levels, the California Airports Council asserts the system is flawed and unfair, and should be reviewed by the United States Congress.