

CUSTOMS AND BORDER PROTECTION (CBP) STAFFING

The Ask

The Customs and Border Protection (CBP) staffing issue is critical to Port Everglades and Fort Lauderdale-Hollywood International Airport because these entities are growing at a rapid pace but the CBP staff is not. Request - Increase Customs and Border Protection Officers by adding 50 officers in Broward County during 2017-2018.

The American Association of Port Authorities estimates that there are at least 500 CBP officer positions still open in the U.S. We need to secure America's ports, waterside borders and airports by fully funding and staffing our Customs and Border Protection (CBP) departments to meet cruise/airline passenger and trade needs and ensure cargo is safe and moves efficiently throughout the United States.

Economic Statistics

Fort Lauderdale-Hollywood International Airport (FLL) is an economic engine that creates and promotes commerce and industry. FLL serves the air travel needs of South Florida and is located in Greater Fort Lauderdale in the heart of Florida's Gold Coast.

- In 2016, the Airport ranked 21st in the United States in total passenger traffic and 14th in domestic origin and destination passengers.
- Last year, the airport handled more than 29 million passengers.
- With more than 700 flights a day, the Airport offers nonstop service to more than 75 U.S. cities and global connectivity to more than 60 international destinations in 30 countries.
- Its economic impact to the region is estimated to be more than \$13 billion, as well as supporting more than 139,000 jobs.

Port Everglades has a diverse business model that includes cargo, cruise and petroleum.

Containerized Cargo Business:

- the #1 container port in Florida -- #10 in the U.S.—with more than one-million TEUs
- the #1 U.S. gateway for trade with Latin America – 15 percent of all U.S./Latin American trade moves through Port Everglades
- and the #1 cargo port for refrigerated cargo such as produce in Florida and #7 in U.S.

Cruise Business:

- Port Everglades is the third largest cruise port in the world
- Homeport to world's largest cruise ships, Royal Caribbean's 5,400-passenger Oasis-class ships (Harmony and Allure)
- The world record holder for the most cruise guests in a single day (55,885 on March 13, 2016)
- Our multi-day passenger counts have risen nearly 60% in the past 10 years and are expected to reach 5+ million by 2029

The Challenge (or situation)

The current situation is that CBP staffing remains static, whereas cruise ship and airline schedules and the nationalities of the passengers frequently change. CBP staffing lacks the necessary flexibility to address the needs for Port Everglades (the “Port”) and Fort Lauderdale International Airport (the “Airport”) which are within 2 miles of each other. In Fort Lauderdale, it is not unusual for CBP to deploy inspectors on any given day to the Port from the Airport or vice versa attempting to serve both. Due to a DBP having too few officers, neither the Port nor the Airport have adequate staff. A good example is that the Airport opened a new International terminal last week. CBP brought in temporary personnel, but the temporary staffing is limited to 120 days. Just when the temporary staffing ends, our busy cruise season at Port Everglades begins.

International passenger arrivals and departures at FLL grew from 3,597,569 passenger movements in 2012 (CY) to 6,055,415 in 2016 (CY) – a 68.3 percent increase

CY 17 year-to-date passenger movements (through May) increased 17.4% compared to same period in 2016.

We need new officers in Fort Lauderdale right now to handle our visitors.

Every Saturday and Sunday, in the terminal that is used for the world’s largest cruise ships – Royal Caribbean’s Harmony of the Seas and Allure of the Seas – disembarking passengers may stand for up to an hour or more waiting to be processed by CBP because there aren’t enough officers.

And, to make matters worse, the CBP’s mandates for terminal design required us to build 21 CBP inspection booths, yet only a handful are staffed. Cruise guests see all of the empty workstations for the time they wait in long lines to be processed. It is not the welcome mat the United States wants to put out for their returning citizens and international guests.

At our cost we have embraced the use technology to cover part of the staffing shortfalls, using the Automated Passport Control and Mobile Passport Control technologies, and have expedited processing for passengers enrolled in the Global Entry program. But the fact remains that we need more CBP staffing as we continue to grow and the recruitment and training process takes up to two years to bring an agent online.

Port Everglades is a large homeport for the cruise lines. But imagine the impact that CBP’s cruise facility specifications and change orders have on small ports of call in the United States. These ports lack the resources – financially and physically – to support the cruise industry yet their community is dependent upon the influx of tourism spending to survive.

The airport’s international passenger traffic has also increased, with double digit percentages of growth over the past three years. As South Florida and the Greater Fort Lauderdale area become a more popular destination for international visitors, the airport is undertaking a significant capital investment with the construction of a \$200 million facility in Terminal 1 and to meet current and future demand.

On July 5, 2017, the airport opened its new Concourse A with five (5) additional gates in Terminal 1 and connected to a new state of the art Federal Inspection Service (FIS) facility. The new Concourse A facility is

designed to provide Customs and Border Protection (CBP) services to Southwest Airlines and other international air carriers.

In order to effectively operate the new facility, the Broward County Aviation Department (BCAD), which operates FLL, has requested full CBP services for the new Concourse A for a period of thirteen (13) hours on a daily basis. The formal request was made in writing to the Port Director of CBP for Port Everglades and FLL. The request for 13 hours of daily service was made to meet the demand for international arrivals at Concourse A based on the proposed schedule presented by Southwest Airlines and other air carriers that will use the new facility. The Southwest Airlines schedule alone requires eleven (11) hours of CBP service.

The other FIS located in Terminal 4 at FLL is currently operating at a saturated level during peak hours, resulting in lengthy processing delays. BCAD is planning to relieve the pressure on the Terminal 4 FIS by redistributing the passenger load, using the Terminal 1 FIS in Concourse A. Expanded service hours and additional CBP staffing are important in order to meet the strong demand for services and to reduce wait times.

Due to the current level of funding available to the Port Everglades/FLL field office, the CBP Port Director has indicated that this level of staffing in the new FIS facility can only be offered on a temporary basis. We acknowledge that the CBP is constrained and hope that CBP leadership in Washington D.C. will provide additional resources. We strongly request expanded levels of CBP service dedicated to support FLL.

Reimbursable Services Program

Cruise lines at the Port pay on average \$50k a month for overtime accrued by CBP officers under a program called 559, to clear their cruise passengers through customs in a reasonable amount of time. In other words, CBP has imposed the obligation on the Port and Airport to cover the overtime expense as its answer to the staffing shortage. As both the Port and Airport have continued to grow, CBP has increased the permitted overtime an officer may earn in one year from \$30k to \$45k instead of hiring additional CBP officers.

Adequately funding and staffing the CBP. We need CBP resources to work in conjunction with our freight and cruise customers and the investments Port Everglades is making to expand both in Broward County. The 559 program is not the answer. Example Port Everglades will spend \$50M to renovate Cruise Terminal 25 for the new RCL Celebrity Edge. Over \$1M will be spend on mandated CBP infrastructure. Yet, the CBP does not have the personnel to operate this infrastructure.

Port Terminal 18 serves the largest cruise ships in the world (Harmony, Allure, and Oasis of the Seas), but since opening CBP have not posted more than 8 officers when a ship is in the Port. The airport has the same problem. Aviation and Cruise guests see all of the empty workstations and blame the County for the many hours they wait in long lines to be processed. These visitors use social media to advise their friends and family to avoid taking a flight from Fort Lauderdale or a cruise from Port Everglades because the customs delays are so onerous.

Broward County - Port Everglades

Record increases in passenger and cargo volumes are outpacing CBP's appropriated funding for personnel and infrastructure resulting in increased passenger wait times and cargo backups. In response to these challenges, CBP was authorized to enter into public private partnerships under *Section 560 of the Consolidated and Further Continuing Appropriations Act, 2013* and *Section 559 of the Consolidated Appropriations Act, 2014*. To date, the Reimbursable Services Program (RSP) has entered into 50 agreements with stakeholders at 46 ports of entry.

In the first three years of the RSP, CBP was able to provide nearly 90,000 additional CBP officer overtime assignments for nearly 246,000 additional hours of services at the request of our partners. In total, services provided under this program have accounted for the processing of over 5.6 million travelers and over 810,000 personal and commercial vehicles at the participating U.S. ports of entry.

In addition to processing travelers and commercial vehicles, RSP has helped facilitate trade by providing over 3,700 hours of reimbursable services for processing cargo ships at sea ports of entry. These services included agricultural inspections and additional services at radiation portal monitors.

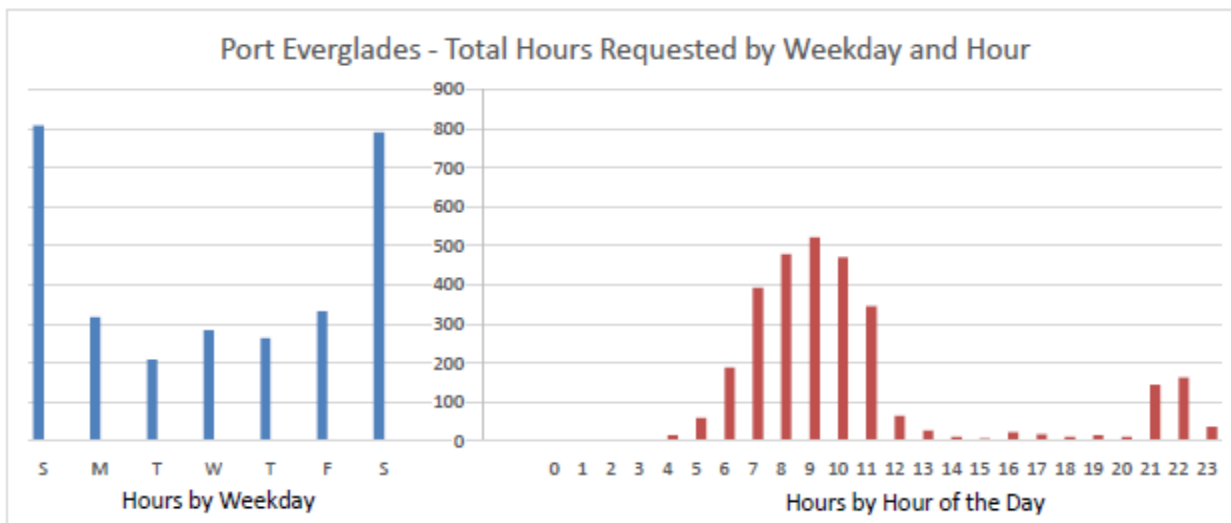
This report is intended to provide an overview of RSP activity in 2016. The table below summarizes the program's usage from January 10, 2016 through January 7, 2017.

Billing Cycles		RSP Hours and Reimbursed Amounts		
Cycle #	Dates	# Assignments	Hours	Total \$
01	Jan 10 - Feb 6	51	234	\$29,547
02	Feb 7 - Mar 5	82	290	\$35,852
03	Mar 6 - Apr 2	138	427	\$52,701
04	Apr 3 - Apr 30	64	232	\$28,063
05	May 1 - May 28	34	98	\$11,599
06	May 29 - Jun 25	33	69	\$7,866
07	Jun 26 - Jul 23	61	155	\$18,374
08	Jul 24 - Aug 20	54	132	\$15,037
09	Aug 21 - Sep 17	52	144	\$16,465
10	Sep 18 - Oct 15	21	71	\$9,083
11	Oct 16 - Nov 12	57	287	\$36,307
12	Nov 13 - Dec 10	92	429	\$54,525
13	Dec 11 - Jan 7	125	644	\$84,691
2016 Total:		864	3,212	\$400,110

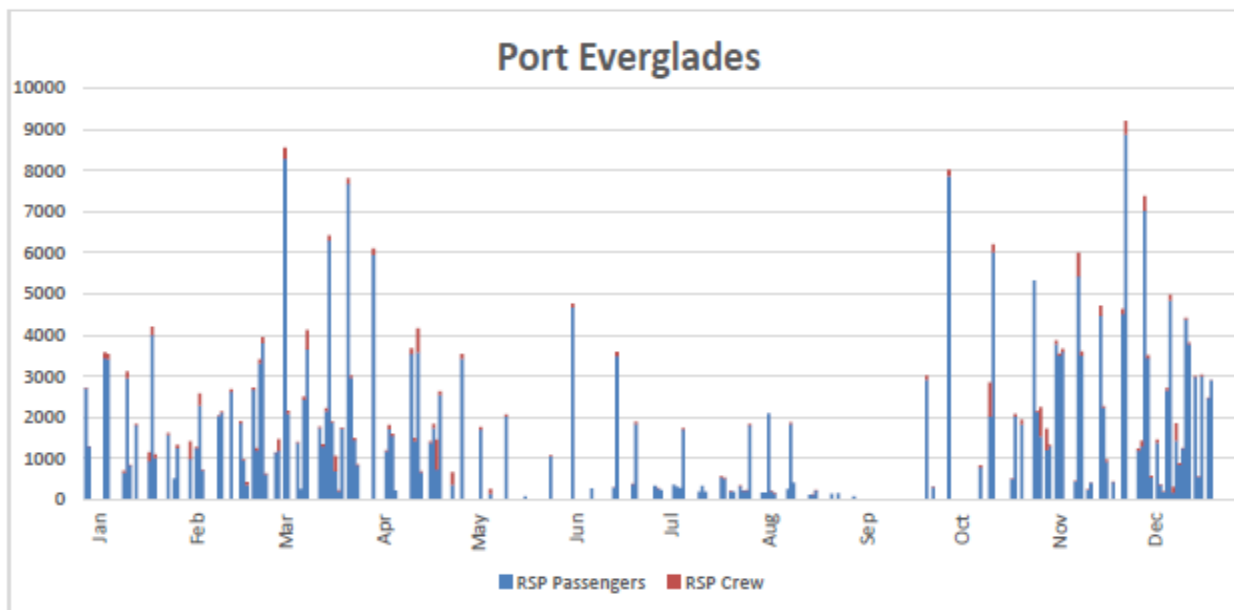
Over the past year, Port Everglades requested 864 additional work assignments which have accounted for 3,212 hours of services. Service requests have primarily been for CBP to process cruise ship passengers. CBP appreciates working with Port Everglades and looks forward to continuing our effective partnership in the upcoming year.



The chart below shows the number of hours requested in 2016 by weekday and by hour of the day (0000 to 2400 hours).



Port Everglades	Regular	RSP	% RSP
Passengers Processed	689,211	299,883	44%
Crew Processed	23,737	14,907	63%
Vessels Processed		255	100%



How would losing port security grants impact the security at your port or terminal?

The Administration's FY 2018 budget proposal to cut port security grants by 52 percent to \$48 million is cause for great concern.

Port Everglades has long-range capital improvement plans that are based on anticipated operational needs. We need these capital improvements to handle the new generations of larger ships to keep Port Everglades competitive in the global marketplace.

We also know that security cannot be compromised. Yet, there are always new technological improvements and mandates to expand security systems to better ensure protection for our passengers, residents and cargo, as well as a need to recapitalize systems that were previously installed using grant funding. Security grants are therefore critical to making these necessary improvements.

Our concern is that cutting security funding, may create an additional burden to our capital budget and jeopardize critical capital improvement projects which will directly impact our ability to conduct business.

Ports operate in an environment where we have long-term agreements with our customers that limit our ability to pass on increased costs contractually. therefore, the money will have to come from other sources and most ports will be severely challenged to find these funds.

Over the long term this will ultimately limit the economic impact that we provide to our local communities and result in increased consumer costs due to inefficiencies from deferred capital improvements.