

**Statement of Robert Cintron
Vice President, Network Operations
United States Postal Service
Before the Permanent Subcommittee on Investigations of
The Homeland Security and Governmental Affairs Committee
United States Senate
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Good morning, Chairman Portman, Ranking Member Carper, and members of the Subcommittee. Thank you, Chairman Portman, for calling this hearing on the country's problem with fentanyl and other synthetic opioids.

My name is Robert Cintron, Vice President, Network Operations, for the United States Postal Service. I oversee the Postal Service's national distribution network, including international operations. To simplify, as a piece of mail moves from origin to destination, I oversee the middle portion—after mail has been collected at a Post Office or has been picked up by a mail carrier, up until it has been sorted, transported and is ready to be sent out for delivery.

The Basics of International Mail Processing

In the current process, inbound international mail from foreign postal operators arrives by plane at one of our International Service Centers (ISCs)¹. It arrives in large bags packed in containers designed to fit in the cargo holds of aircraft, though larger packages can often be loose in those containers. After an initial bulk screening by U.S. Customs and Border Protection (CBP), inbound international items are unloaded at ISCs and individual mail bags and receptacles receive an initial receipt scan by the Postal Service. At this point, items requested by CBP are presented to CBP for further inspection.

For those items for which Advance Electronic Data (AED) are furnished, CBP has an enhanced ability to target items for inspection. AED includes the sender's full name and address (including full business name), the recipient's full name and address, the stated content description, unit of measure and quantity, weight, value, and date of mailing.

Once CBP has completed its inspection and assessed any applicable duties and taxes, those items that are cleared are released to the Postal Service for processing and delivery.

¹ The U.S. Postal Service operates five ISCs that send and receive international mail shipments. These include facilities in New York NY, Miami FL, Chicago IL, San Francisco CA, and Los Angeles CA.

The Role of CBP and USPIS

Congress has given CBP the responsibility and authority to screen items at the first point of entry into the United States. At entry, CBP has the authority to open and inspect all inbound items without a warrant to identify prohibited items.

While the Postal Service has the responsibility to process and deliver inbound international mail, its law enforcement branch, the U.S. Postal Inspection Service (USPIS), investigates mail-related crime and works closely with other law enforcement agencies, including CBP. If the USPIS suspected that an item contained contraband, it would generally need to present probable cause to a federal judge and secure a search warrant before opening an incoming international mail piece that is within a class sealed against inspection.

The USPIS recently added dedicated resources to the DHS National Targeting Center with CBP & Homeland Security Investigations (HSI). USPIS resources were also placed at the DEA Special Operations Division to share intelligence and conduct enforcement operations both domestically and internationally. The USPIS also partners with High Intensity Drug Trafficking Area (HIDTA) Task Forces, Organized Crime Drug Enforcement (OCDETF) Task Forces and the Office of National Drug Control Policy (ONDCP).

Every law enforcement agency brings value and potentially vital information to bear to help identify major drug traffickers. Information can originate from the local level with an arrest, a tip from an informant, or interdiction initiatives that lead to a seizure. For success in thwarting the international drug trade, cooperation and teamwork between law enforcement agencies is critical. Information sharing is an invaluable asset at the importation and street level, and everywhere in between.

The Growth of AED

The Postal Service has been a leading proponent of AED. Since the enactment of the Trade Act of 2002, the United States and a number of other industrialized countries have improved technical capabilities to provide AED. Today, the Postal Service collects AED for more than 90 percent of its outbound international mail and receives AED for 40 to 50 percent of inbound mail.² To put this in perspective, comparing data from FY 2015 to the present, AED for inbound international mail has increased from approximately one percent to its present range, between 40 and 50 percent.

The increase in the percentage of inbound items with AED is expected to continue to grow, especially as more countries develop their capacities. The Postal Service currently receives data on a substantial amount of inbound shipments, including those originating in China.

² Volumes measured exclude letter- and flat-shaped letter post items and military mail.

The New York ISC Pilot Program

The Postal Service is continuing to coordinate with CBP to enhance our current operational processes and equipment. The Postal Service began a pilot program in mid-2015 at the New York ISC to use inbound AED to facilitate more advance targeting by CBP.

The Postal Service provides AED to CBP that can be used to review and target specific mail pieces prior to arrival at the ISC. CBP identifies the individual target items, which the Postal Service holds from the inbound receptacle and presents to CBP for inspection.

With the lessons learned from the pilot, the Postal Service is actively working with CBP to expand this approach to other ISCs.

Bilateral and Multilateral AED-Sharing Agreements

In an effort to expand even further the provision of AED for international inbound volume, the Postal Service is prioritizing obtaining AED from the largest volume foreign postal operators, which collectively account for over 90 percent of all inbound volumes.

The Postal Service is leveraging AED on outbound package shipments to incent foreign postal operators to provide AED in bilateral and multilateral relationships, including China, Korea, Hong Kong, and Australia. Posts from other countries have entered into voluntary data sharing agreements with the Postal Service to facilitate the exchange of AED (including Canada, France, Germany, and Spain). Additionally, the Postal Service is testing with other foreign postal operators the ability to exchange AED.

Through multilateral organizations, the United States has been a leading advocate for the exchange of AED. For example, through the Kahala Posts Group (KPG), an organization comprised of several large volume postal operators, the Postal Service has shared AED best practices, helped develop a data sharing agreement, and encouraged other posts to collect data and commit to targets. The Postal Service did the same through the International Post Corporation (IPC), an organization composed of postal operators of mainly industrialized countries. Additionally, the Postal Service has advanced a proposal to adopt item-level AED among the PRIME multilateral group, a group comprised of dozens of postal operators with a focus on small, tracked packets.

Actions Through the Universal Postal Union

Further, the Postal Service works closely with the United States Department of State, which has lead responsibility for representing the United States Government in the Universal Postal Union (UPU), the 192-member international organization charged with facilitating the exchange of mail among member countries through treaty agreements. At the UPU, United States initiatives have included sponsoring proposals for AED requirements with supporting features like mandatory barcodes, and have contributed to the UPU memberships' increase in adoption and implementation of AED messaging and

security standards.

Status of USPSOIG Action Plans

While the preceding provides an overview of the accomplishments and challenges associated with international mail, the United States Postal Service Office of Inspector General (USPSOIG) has issued three key documents over the past two years related to the specific handling of inbound international mail.

The first, from September 3, 2015, was a Management Alert focused on the Handling of Inbound International Mail at one of the ISCs, which made four recommendations. The first recommendation was to enhance the system application for automation. The Postal Service agreed and had already started on the initiative prior to the OIG's recommendation. The Postal Service is updating software and procuring new equipment to address this recommendation.

The second recommendation was to coordinate with CBP to clarify its inspection requirements and establish a process to ensure compliance. The Postal Service agreed with the recommendation and created a draft memorandum of understanding (MOU) at the national level that would be followed by establishing local MOUs with each ISC and CBP facility. A draft national MOU was provided to CBP in April 2016. We understand that the draft is currently under review; however, it should be noted that the Postal Service and CBP continue to work together to improve work methods and processing procedures.

The third recommendation requested that the Postal Service provide recurring training to employees to ensure they remain current with the proper processes for handling and presenting mail in accordance with CBP requirements. The Postal Service agreed, and has provided quarterly service instruction for ISC employees. This recommendation has been closed.

The fourth recommendation was to ensure scanned data are accurate, complete and reliable. The Postal Service agreed to review scan requirements for all mail categories to ensure the scanning process represents the physical movement of mail and is streamlined for reliability. The Postal Service is actively working with OIG to finalize and close this recommendation by June 2017.

On September 21, 2016, the USPSOIG issued a Management Alert focused on Inbound International Mail Operations at another International Service Center. Two recommendations were made. The first recommendation was to establish a MOU with CBP to state CBP's mail presentation requirements; the draft is under review as noted above.

The second recommendation was that the District Manager communicate proper procedures to provide oversight to ensure compliance. The Postal Service agreed. The Standard Operating Procedure (SOP) was reviewed, revised and re-issued. This

recommendation has been closed.

On December 30, 2016, the USPSOIG issued an Audit Report regarding the U.S. Postal Service Handling of Inbound International Mail at one of its ISCs. Two recommendations were made. The first recommendation was for the Postal Service to implement certain controls with four key components. Three of the four items are complete, and with respect to the last item, the Postal Service drafted a proposal and is in the process of reviewing it with stakeholders. The target date for completion is August 2017.

The second recommendation was to take actions to obtain AED from foreign postal operators, such as requesting it in future bilateral agreements. The Postal Service agreed. As previously mentioned, the Postal Service has various initiatives underway to facilitate the exchange of AED, including multilateral and bilateral agreements. The Postal Service currently has four bilateral agreements in effect that require AED, additional countries are sending AED under voluntary data sharing agreements, and another set of countries are in the process of testing AED with the Postal Service. The Postal Service is in the process of finalizing the documentation to submit to USPSOIG for closure.

The STOP Act

While the Postal Service agrees with the goal of the STOP Act to increase AED, the STOP Act's blanket requirement that international mail streams from all countries must immediately include AED is impractical. Compliance with the STOP Act would require the suppression of inbound mail to the United States. The Postal Service would be compelled to refuse to accept mail from many countries. The blocking of inbound mail destined for the United States could also lead other countries to block outbound mail originating in the United States.

The STOP Act would also impose enormous new costs upon the Postal Service – costs of approximately \$1.2 to \$4.8 billion over ten years have been estimated based on our understanding of the current language. Notably, the Postal Service would immediately have to pay a new customs fee on most inbound mail items (except small letters and large-value dutiable items), but, under current international law, the Postal Service would be unable to charge most customers to recoup that cost. Other mostly unrecoverable costs would include paying for CBP's expenses at International Service Centers, lost contribution due to volume suppression, and penalties for false or missing customs data, even when the Postal Service is not at fault. Saddling the Postal Service with billions of dollars of new costs would not improve the security of America's borders; it would limit the Postal Service's resources to help make such improvements to the international mail network.

Unlike private companies, the Postal Service must provide universal service throughout U.S. territory. In addition, as the designated postal operator of the United States, the Postal Service is obligated to accept and deliver letter and parcel post from nearly every country in the world. However, the Postal Service cannot set the postage prices paid by foreign shippers, and also cannot unilaterally set the rates for letter post and parcels (except certain expedited items) paid by foreign postal operators for delivery within the U.S. Further, the Postal Service does not control the induction of foreign mail destined for the United States, so it cannot control the collection and transmission of AED abroad.

By contrast, private shipping companies can not only pick-and-choose the most lucrative markets to serve and products to offer, but they also can charge foreign mailers prices to cover customs processing costs and can control the collection of customs data needed to transmit AED. By purporting to impose “parity” on international mail, the STOP Act would instead undermine the Postal Service’s ability to compete with private shippers that are not similarly situated.

The Postal Service supports requiring AED for foreign-origin mail. However, unlike the STOP Act, the Postal Service recommends targeting individual countries based on their capacity to provide AED and their relative security risks.

Conclusion

In conclusion, the Postal Service understands and shares the concerns about illegal drugs and contraband entering the U.S. through the mail. We are committed to partnering with CBP to enhance CBP’s ability to target synthetic opioids and other illicit drugs from entering the country.

As it has done throughout its history, the Postal Service is committed to taking all practicable measures to ensure our nation’s mail security, and provide the American public the best, most efficient service possible. Again, thank you for this opportunity to testify, and I look forward to your questions.

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