

Hearing Transcript

House Homeland Security Subcommittee on Border and Maritime Security Hold Hearing on New Border Security Task Forces

Tuesday, April 4, 2017

MCSALLY:

The Committee on Homeland Security Subcommittee on Border and Maritime Security will come to order. The subcommittee is meeting today to examine the threat posed by drug cartels and transnational criminal organizations and the department's unified effort to defeat those threats.

I now recognize myself for an opening statement.

At the subcommittee's first hearing this Congress, we examined the advanced techniques and tactics utilized by our adversary to evade or circumvent our border security efforts. Obscene profit margins power the cartel's ability to be creative, nimble and entrepreneurial as they smuggle vast quantities of illicit drugs across the border.

Threats posed to the nation by transnational criminal organizations whose influence extends beyond the immediate border zone and into the major metropolitan areas of the nation, is a national security challenge.

Now that we better understand the lengths to which the cartels will go to make the billions of dollars that they net every year, I want to shift our focus to the Department of Homeland Security's collective response and potential solutions for this immense task.

I believe we should begin with the development of a counter-network approach that looks to -- to disrupting every level of cartel operations. From the low-level scout on an Arizona hilltop guiding drug loads away from border patrol agents, to the local plaza boss taxing the movement of drugs and people through his area, to the cartel kingpins at the very top of the (inaudible) cartel.

General Stan -- Stanley McChrystal is famous for his phrase, "It takes a network to defeat a network." And that thinking can and should be applied to the problem set of trying to defeat an insidious adversary that brings death and ruin to so many.

Does DHS have a friendly network to defeat the cartel's network? This is the question that we're starting to look at today. Do we have a coherent transnational criminal organizational strategy and, most importantly, is the Department of Homeland Security organized in a way that sets us up for success? I look forward to discussing those questions in greater detail with our witnesses today.

As part of the executive order on transnational crime recently signed by the president, the secretary of state, the attorney general and the secretary of Homeland Security and the director of National Intelligence are all asked to improve the coordination of federal agencies' efforts to identify,

interdict, investigate, prosecute, and dismantle transnational criminal organizations. I'll be interested in learning what role DHS will play in this administration's increased focus on TCOs.

Beyond our strategic approach to counter the cartels, we need to be properly organized to fight them as well. In 2003, the Department of Homeland Security was created from 22 disparate agencies -- disparate, not desperate -- disparate agencies. It should not be surprising that there would be significant growing pains before the agency would function as a truly unified department.

Each component of the department, be it CBP, ICE or the Coast Guard, has a tendency to operate in its own silo, without coordination required to make border and maritime security efforts successful, not to mention reducing redundancy and overlap. This can have negative effects on logistics, communications and, most importantly, operations.

Several years ago, then-Secretary Johnson took a page from the Department of Defense playbook and created three joint task forces in an attempt to eliminate stovepipes and foster unity of effort along the border.

Two of these task forces, JTF-East and West, are geographically based. While one, JTF Investigations is a functional task force. The goal was simple: establish a streamlined and unified structure that prioritizes border security operations and investigations against the most meaningful cartel actors.

This committee, working with our Senate counterparts, provided a temporary six-year authorization for the joint task force, which was included in last year's National Defense Authorization Act.

The intent was to allow the concept to mature and provide ample opportunity for the department to demonstrate to this committee that organizational structure has measurably contributed to border security that would not have happened in the absence of these task forces.

In drafting the authorization, we expressly borrowed several concepts from the Department of Defense, including joint duty training, and joint duty assignments to foster a culture and operational mindset that we hope will transform the way that DHS conducts border security operations. Having done some joint assignments and joint training myself, I am uniquely interested in seeing how this applies and translates over to DHS.

Today is the very first time Congress has held a hearing on a new border security joint task forces, so I look forward to hearing from the commanders as we discuss how best to counter the growing sophistication of the Mexican cartels and the serious national -- national security threat that they pose.

The chair now recognizes the ranking member of the subcommittee, the gentleman from Texas, Mr. Vela, for any statement he might have.

VELA:

I -- I thank the chair for holding today's hearing to examine the Department of Homeland Security Joint Task Forces. Those of us who represent congressional districts on the U.S.-Mexico border know firsthand the essential role several agencies within the Department of Homeland Security play in securing America's borders and facilitating legitimate trade and travel.

Integrating the operations of the 22 different agencies that came together as DHS has been a challenge since the department commenced operations in 2003. Nowhere is this truer than for border security.

Using the Department of -- of Defense as a guide, former Secretary Jeh Johnson established the Border Security Joint Task Forces to help ensure Customs and Border Protection, Immigration -- Immigration and Customs Enforcement and the Coast Guard worked together to coordinate operations, maximize resources, and reduce unnecessary duplication -- duplication of efforts.

We know drug trafficking organizations adapt quickly to any real or perceived weakness in our security, shifting to new locations along the land border, using the ports of entry to smuggle their contraband across the border, or exploiting the maritime routes into this country.

That is why it is so imperative that all of DHS work together to identify, disrupt and dismantle the networks as quickly as they are adapted to our operations.

Each of these agencies must work together and with their federal, state and local counterparts if we hope to combat the cartels effectively. With that in mind, I hope to hear from our DHS witnesses today about how the Joint Task Forces are operating currently, potential next steps and the vision for the future.

I also hope to hear from our Government Accountability Office witness, about what prior DHS coordination efforts tell us about the likelihood of success with the Joint Task Forces.

Ultimately, I believe a whole of government approach that includes border security, cooperation with foreign partners, and domestic demand reduction will be necessary to addressing the threat that illegal drugs and those who traffic them pose to our country. Getting DHS' role right will be essential to that important effort.

I thank the witnesses for joining us today and look forward to a productive discussion.

I yield back.

MCSALLY:

Other members of the committee are reminded that opening statements may be submitted for the record. We're pleased to be joined today by four distinguished witnesses to discuss this important topic.

Vice Admiral Carl Schultz assumed the duties as the director of DHS Joint Task Force East in August 2016. In this role, Admiral Schultz is responsible for his joint operating area, which covers the Caribbean Ocean and eastern Pacific region and Central America.

In addition to those roles and responsibilities, Admiral Schultz served as commander, Coast Guard Defense Force East, which provides Coast Guard mission support to the Department of Defense and combatant commanders.

Commander Paul Beeson is the commander of the Joint Task Force West, with responsibilities for security along the entire southern land border and the coast of California. Previously, Director Beeson was the commander of Joint Task Force West Arizona and chief of the Tucson sector border patrol.

Miss Janice Ayala, director of joint -- is the director of Joint Task Force Investigations, which prioritizes and integrates support for criminal investigations along both Joint Task Force West and East, to mitigate the risk of terrorism, dismantle transnational criminal organizations, and reduce illicit traffic. Previous to this assignment, Miss Ayala served as the deputy director of Joint Task Force West and focused integrated counter-network operations.

Miss Rebecca Gambler is the director of the U.S. Government Accountability Office, Homeland Security and Justice team, where she leads GAO's work on border security, immigration and Department of Homeland Security's management and transformation.

The witnesses' full written statements will appear in the record.

The chair now recognizes Admiral Schultz for five minutes to testify.

SCHULTZ:

Good morning, Chairwoman McSally, Ranking Member Vela members of the subcommittee. It is a pleasure to appear today on behalf of the Department of Homeland Security, to discuss Joint Task Force East and our efforts to address transnational criminal organizations and the threats they pose to the safety and the security of the United States.

I request that my full written statement be provided earlier -- that was provided earlier, be submitted into the record, as you noted, Madam Chairwoman.

As the director of Joint Task Force East and commander for Coast Guard operations east of the Rocky Mountains, my staffs collaborate across the Department of Homeland Security component agencies with the Department of Defense and with other interagency and international partners on a continual basis, to deliver operational effect against transnational criminal organizations, commonly referred within the law enforcement community as TCOs.

These TCOs are highly resilient, highly adaptive, and they require a whole of government solution to thwart their illicit activities. Our roughly 40-member JTF-East team is comprised of members

from Customs Border Protection, ICE, the United States Coast Guard. My two deputy directors -- one is a Customs Border Protection and Marine director and the other is from HSI.

JTF-East's geographic area of responsibility and joint operations area is vast, as you noted, and that is included in my written statement, ma'am.

Established to enhance unity of effort, build regional cooperation and define operational priorities, the DHS secretary gave the task force a wide mandate to achieve effective enforcement interdiction across land, sea and air domains in order to degrade these transnational criminal organizations, while facilitating the flow of lawful trade, legal commerce across our borders.

At Joint Task Force East, we strive to lead the planning and coordination of DHS component, counter-network enforcement operations directed at disrupting transnational criminal organizations across our joint operating area.

To best coordinate across the many individual component operational entities, JTF-East has adopted a regional integrating group or RIG framework, with our initial focus being on the eastern RIG, which encompasses Puerto Rico and the U.S. Virgin Islands, a region replete with transnational criminal activity.

Under this RIG construct, our DHS components are working in close collaboration to develop standard operational plans that support regional surge operations aimed at weakening and defeating criminal networks.

Our efforts aim to enable better information sharing and the optimal utilization of high demand, low availability enforcement assets, such as cutters, aircraft, small boats, as well as finite intelligence, analysts and investigators. While still nascent in our development, the benefits of improved unity of effort to DHS mission accomplishments are promising.

For example, during our November 26 surge of resources to the Puerto Rican-U.S. Virgin Island vector, JTF worked with DHS components under their standing Caribbean guard operation and with the Department of Defense to reallocate resources stationed outside the region to support the Eastern Caribbean RIG's resource shortfalls, as well as leverage refined intelligence support from the Department of Defense's Joint Interagency Task Force South, often referred to as JIATF-South.

The collaborative efforts enabled the arrests of 13 individuals, the interdiction of 88 migrants from both shore and sea, the seizure of 500 kilograms of cocaine, 28 kilograms of marijuana, \$77,000 in bulk cash, and two vessels.

These efforts also disrupted a nationally identified priority transnational criminal organization. As a director, I'm pleased that the need -- the unity of effort was enhanced across the components in pursuit of joint operational priorities.

Our task force works to fill intelligence gaps between the maritime and land domains in order to cultivate a comprehensive perspective on emerging threats. And Joint Task Force East has been identified as the secretary's single touch point in the event of increased or mass maritime migration.

Zeroing in on the Joint Task Force shared operating area in Central America, we're supporting aggressive efforts to counter TCOs at the earliest possible points in their supply chains.

By increased collaboration with DHS and Homeland Security investigations, international attaches, the Department of Defense, international and interagency partners, efforts such as the JTF-East led Western Hemisphere Illicit Pathways Initiative, or what we refer to as WHIP, promote information sharing and collaboration in the fight against TCOs in Central America, by enabling partner nations to enroll, share and collaborate on biometric data on migrants and special interest aliens transiting through Central America.

In closing, I'm pleased to report that the DHS Joint Task Forces are enhancing unity of effort, building regional cooperation and more clearly defining operational priorities. From my vantage point at the helm of Joint Task Force East, continued progress on these fronts is instrumental to defeating transnational criminal organizations and making America safer.

Continued maturation of the JTS will strengthen the Department of Homeland Security and enable broader cooperation and coordination across the whole of government enterprise and internationally as well.

Thank you for the opportunity to testify before you today, and I look forward to your questions.

MCSALLY:

Thank you, Admiral Schultz.

The chair now recognizes Commander Beeson for five minutes to testify.

BEESON:

Good morning, Chairwoman McSally, Ranking Member Vela and distinguished members of this subcommittee. Thank you for the opportunity to appear here today to discuss Joint Task Force West.

During the hearing before this committee on February 16th of this year, we discussed the unique challenges faced by several DHS components in combating the threats posed by transnational criminal organizations.

During that hearing, I discussed the advanced tactics and techniques and the networks used by TCOs to smuggle drugs, and humans, toward and across our southwest border, into the United States.

Today I'd like to discuss with you Joint Task Force West and some of the steps that DHS has taken to confront the threats posed by these sophisticated TCOs and their illicit networks.

Thanks to the support of Congress in the past decade, DHS has deployed more personnel, resources, technology and tactical infrastructure to secure our borders than at any other time in history.

While DHS components are now better equipped because of these investments, we must continue to evolve to a more cross-functional operations model, to counter a threat that exploits our jurisdictional seams.

In response to the growing TCO threat, DHS has sought to capitalize on past successes realized through increased coordination between DHS components. Pursuant to the Southern Border and Approaches Campaign, we piloted a structure for coordinating operational integration of the joint task forces.

JTF-West was responsible for the southwest border with Mexico from California to Texas. The land approaches through Mexico to this border, the littorals of the Gulf of Mexico off Texas, and then the Pacific Ocean off California and the air space spanning U.S. territorial land and waters.

JTF activities are coordinated and conducted through DHS components situated in four operational corridors, aligning DHS enforcement efforts with known traffic flows of illegal cross-border activities.

This integration across geographic and agency boundaries along the entire southwest border, is helping us to identify priority TCOs and complex and expansive networks, operatives and affiliates. This enables us to design strategies to disrupt and ultimately dismantle these TCOs and illicit networks.

While the JTFs are still in the early stages of integration and organizational setup, we have realized some successful outcomes of our coordination efforts. In fiscal year 2016, JTF-W identified a total of 19 TCOs prioritized for disruption or dismantlement, using a developed and standardized interagency process.

Four of these original TCOs have been dismantled. JTF-W and JTF- I continue to coordinate with DHS components to disrupt and dismantle those remaining TCOs that are still active.

In addition to these longer-term efforts, JTF-W led the coordination and execution of Operation All-In. This operation sought to synchronize intelligence-gathering investigations, interdictions and other efforts through known -- against known human smuggling facilitators across the southwest border and into the interior of the United States. These individuals had been operating with impunity up to that point and profiting financially from their criminal enterprise.

Based on the initial success of Operation All-In, we have transitioned this operational concept to an open-ended steady state enforcement effort.

These JTFs are examples of how DHS has embarked on enhanced information sharing and joint operational planning and execution. TCOs recognize no borders or authorities. The only way to

combat a threat of this nature is to leverage the collective capabilities of DHS partner agencies and governments.

In support of the recent presidential executive orders related to immigration enforcement, border and national security and the guidance set forth by DHS Secretary Kelly, JTF-W will continue to employ its counter-network strategy against TCOs and illicit networks to enhance the safety and security of the homeland.

Chairwoman McSally, Ranking Member Vela and distinguished members of the subcommittee, thank you for the opportunity to testify today. I look forward to your questions.

MCSALLY:

Thank you Commander Beeson.

The chair now recognizes Ms. Ayala for five minutes.

AYALA:

Good Morning, Chairwoman McSally, Ranking Member Vela, and distinguished members. Thank you for the opportunity to appear before you today. As a senior executive of Immigration and Customs Enforcement Homeland Security Investigations, I serve as the director of Joint Task Force Investigations, or JTF-I.

JTF-I, JTF-East and JTF-West are responsible for establishing operational priorities and synchronizing capabilities. While JTF-East and West are geographically focused task forces, JTF-I is a functional task force with no geographic boundaries, established to improve the investigative functions within DHS.

Consisting of over 60 interagency investigators and analysts and operators, primarily from ICDP, and Coast Guard, we utilize a process that prioritizes and integrates support for criminal investigations along the U.S. southern border and approaches, to dismantle transnational criminal organizations, prevent their reconstitution and reduce illicit flows.

Our success depends upon a high level of cooperation, transparency, and communication in consolidating resources and leveraging unique domestic and international authorities to combat TCOs. The primary TCOs that threaten border security on the southwest border are Mexican cartels.

Over the last decade, the United States, working with foreign law enforcement and military counterparts, has had sustained success in attacking cartel leadership. However, this success is countered by the fact that the cartels are highly networked with built-in redundancies and adaptability.

Cartels move illicit proceeds. They hide assets and exploit vulnerabilities in the financial system through trade-based money laundering, funnel accounts, and the misuse of money service

businesses. We have an abundance of investigative tools in our arsenal to target money laundering and financial violations.

ICE has assigned more than 1,500 special agents to investigate crime along the southwest border by TCOs, some of them assigned to the Border Enforcement Security Task Forces, which provide a comprehensive regional approach or response to the regional border security threats.

In addition to leveraging domestic assets, we work closely with attache personnel assigned to 66 offices in 49 countries, to include the engagement of ICE HSI Transnational Criminal Investigative Units or TCIUs. They're composed of DHS-trained host country vetted counterparts who have the authority to investigate and enforce violations in their respective countries.

These efforts, often thousands of miles from the U.S.-Mexico border in countries like Colombia and Mexico, essentially act as an outer layer of security for the southwest border.

In fiscal year 2016, drug smuggling investigations conducted by the five HSI southwest border SAC offices, resulted in over 6,000 arrests and nearly 4,000 indictments.

JTF-I prioritizes these and other DHS component investigations across international boundaries, prosecutorial jurisdictions, agency missions, programs in operation areas, and as a result of which is the scores of the United States and foreign investigations and prosecutions.

To accomplish this, JTF-I developed and manages the DHS-wide nominations election process for priority criminal networks, called HomeCort, or Homeland Criminal Organization Target. JTF-I also developed national case coordination that manages the most serious and complex criminal investigations impacting Homeland Security, in support of DHS taskforce and component priorities.

JTF-I staff produces over 3,500 hours of monthly support, analytical and investigative, to HomeCort investigations, while developing and improving best practices related to joint investigations, analysis and targeting.

Over the last 20 months, JTF-I coordinated and supported the targeting of 14 homeland criminal networks comprised of several hundred individual criminal investigations involved in money laundering, sex trafficking and the smuggling of drugs or cash, weapons and human cargo, to include special interest aliens. As of today, 11 of those 14 criminal networks have been dismantled to the point they no longer pose a threat to homeland security.

Thank you again for the opportunity to appear before you today, for your continued support of DHS and its mission, and I'll be happy to take any questions at this time.

MCSALLY:

Thank you Ms. Ayala.

The chair now recognizes Miss Gambler for five minutes.

GAMBLER:

Good morning, Chairwoman McSally. Good morning Ranking Member Vela and members of the subcommittee. Thank you for the opportunity to testify at today's hearing to discuss GAO's work on collaborative mechanisms and other programs DHS has used in its border security effort.

My remarks today will summarize GAO's work in two areas: first collaborative mechanisms for coordinating border security operations, and second, DHS efforts to assess its use of resources and programs to secure the border.

With regard to the first area, over time DHS and its components have used various mechanisms and task forces to coordinate and collaborate on border security efforts. These have included entities like component-led border security task forces, broader multiagency collaborative groups to share information and leverage access, and the more recent joint task forces that are the subject of today's hearing.

Our work on some of these different groups has identified various practices that contributed to successful collaborations, such as the sharing of resources and information and the building of positive working relationships.

However, our work has also identified barriers or challenges to successful collaboration. These challenges included resource constraints or limited resource commitments by participating agencies and lack of common objectives.

We previously recommended that DHS evaluate the effects of some of its past collaborative mechanisms to include collecting information on and reviewing best practices and identifying areas for possible improvement. Consideration of past successes and challenges could assist DHS' current task forces in building capacity and implementing their organizations.

Through our work, we have also identified the need for DHS to strengthen coordination for specific border security programs.

For example, in a report we issued to the subcommittee in February of this year, we found that CBP needs to better document procedures for coordinating its operations using Predator B unmanned aerial system, and we recommended that CBP do so. CBP concurred with our recommendation and plans to take steps to address it.

With regards to my second area, we have reported on the need for DHS to strengthen its efforts to assess the effectiveness of a range of border security programs and resources. For example, we have reported on CBP to deploy sensing and surveillance technologies along the southwest border.

A key finding from these reports has been the need for DHS to establish metrics for assessing the contributions of infrastructure and technology to border security. In particular, while CBP collects data that could be useful in assessing contributions to border security, such as the location of the

legal entries, CBP has not developed metrics to make these assessments, and we have recommended that CBP do so.

In other areas, we have reported on the need for CBP to strengthen its data collection or methodologies for reporting results. For example, in a February 2017 report for the subcommittee, we recommended that CBP improve its practices for collecting and reporting data related to Predator B and tactical aerostat operation to help the agency better assess the effectiveness of these operations.

We also reported in January on steps CBP could take to strengthen its methodology for calculating recidivism rates, which is the percentage of aliens apprehended multiple times along the southwest border.

In particular, we found that CBP's methodology does not account for an alien's apprehension over multiple years or apprehended aliens for whom there is no record of removal from the United States and he may remain in the country.

Among other things, we recommended that CBP strengthen its methodology for calculating recidivism by accounting for an alien's apprehension history beyond one fiscal year, and excluding aliens for whom there is no record of removal.

In closing, we will continue to follow up on and monitor for actions DHS and its components have taken in response to our recommendations across a number of border security programs, assets and efforts.

The ability of DHS and its components to effectively assess and measure the contributions of various border security task forces, programs and assets is important -- important for providing insights on current border security investments and can help inform future decision making.

This concludes my oral statement, and I'd be pleased to answer questions members may have.

MCSALLY:

Thank you, Ms. Gambler.

I now recognize myself for five minutes for questions. I -- I think my experience in the military, to include moving past Goldwater- Nichols in 1986, is probably a strength and a weakness in the way I look at this.

But I think what we're talking about here is as if we were a couple of years into Goldwater-Nichols and trying to review what the military services and how they were organizing jointly and how effective they were. So we're, you know, we're early on in this process, and I really do appreciate the efforts to be focused more on unity of effort and more joint in the way we address these issues.

We're in a resource-constrained environment, for sure, as many of you have -- have referenced. My first thought, Admiral Schultz, when I, you know, was looking at and deep-diving into JTF-East and what you're doing, seems like there's potential for redundancy with JIATF South.

Now, I realize they have a specific mission and authorities, but we all have the same objective here, right, to interdict transnational criminal organizations and illicit flow of traffic coming from South and Central America into the United States.

And so when I think -- I know there's different authorities, but we're responsible for authorities here, but we have similar objectives here as a country.

When we're talking about interagency whole of government specifically to address the issues, more in the maritime domain, I think about, you know, if you -- if you have two different operation centers, two different computer systems, overhead, all that comes with that, is there a way for us to think outside the box?

And can you just comment, based on your experiences also, at SOUTHCOM -- right -- you're at SOUTHCOM, and is there a place for us to look freshly at -- the -- the JTF-East is focused on homeland security. JIATF South is trying to be more and more the interagency focused area.

Like, where is there a place that we can find better synergies, perhaps, even between those two efforts, so that we're not -- even on overhead and air conditioning bills, you know, spending where we don't need to? Just to have more of a unity of effort.

SCHULTZ:

Well, Chairwoman, thank you for the question. And, clearly, there's always a better way to look at every problem. So I would say I think you have an understanding of JIATF South.

They've been in existence here for about 26 years now. It's probably the most recognized global interagency operation that gets after the counter threat network, particularly for drugs. That's their origin and that's really where their authorities lend them.

Under 10 USC 124, they do the detection and monitoring business for the Department of Defense. They have no law enforcement authorities, as you know with your defense background and homeland duties.

MCSALLY:

Right.

SCHULTZ:

And that's where they turn over the endgame to either our 7th or 11th district Coast Guard operations.

I think where you see this task force, Joint Task Force East and JIATF South lash up is -- is they're very complementary. You know, we try to leverage what they call the critical movement alert system.

We -- we just did some recent operations back in November, as I mentioned in my oral statement here. Most recently in the last couple of weeks in March, surge operations down in Puerto Rico and the U.S. Virgin Islands-Puerto Rico vector.

That's a -- a vector where there's quite a bit of cocaine coming out of -- out of South America. There's a lot of violence, weapons, money moving back south through Puerto Rico.

And JIATF's focus, because it's resource-informed, like everything else in the federal government, has been very much in the eastern Pacific and the western Caribbean.

About 85 percent of the drugs that come out of Columbia are in the eastern Pacific. But there's also threats in Puerto Rico. Puerto Rico, part of our -- our U.S. soil here. We've got some responsibilities down there. JIATF and us work there.

We're able to enhance unity of effort with the DHS components. We're able to link. I think this works well with my dual status as the Coast Guard Atlantic area commander.

I -- I have operational forces east of the Rockies and the task force. We can work in that space where we bring resources to the DHS components. We link in DOD capabilities, the linkage with JIATF South and then we get after the threats most -- most pressing to the homeland.

So I think -- I think they're complementary. Could there be an eventual change in authorities for JIATF South? I think so. But I think if you look at the origins, if you look at the resourcing right now, there's some muscle movements here that are -- that are fairly significant to -- to tackle.

In the interim period, I think we are working very well together. And I think, again, the military status that I bring, dual-hatted, allows some linkages there. My recent experience in SOUTHCOM, I think, also plays well to that.

Because bringing the -- the heft of DOD and all that capability and capacity down to working with an HSI attache or a -- or a small team in a foreign location or even a place like Puerto Rico, there's different lexicon there.

MCSALLY:

Yeah, that's...

SCHULTZ:

And I think that's sort of that middle space we work very well in, ma'am.

MCSALLY:

Absolutely, and I would like to follow up with you, again, and just to think outside the box to whether there needs to be new authorities to look at this freshly for the best, at this moment in time, whole of government approach, you know, to -- to address this problem set.

Chief Beeson, looking to the organization for JTF-West and its division into corridors, are those corridors perfectly aligned with the sectors? And if not, is there an opportunity for us to align sectors to corridors so we're all operating in similar areas?

Just again, as we're evolving this process, if your border patrol sectors are your ground force of this joint force, and your, you know, the JTF is looking jointly at each corridor, is there a way to line those up if they're not lined up? And is that being looked at at all?

BEESON:

I -- I want to say that they -- they are aligned. As -- as I think about the corridors there are four, the California corridor, which covers the two sectors in California. Arizona corridor covers the two Arizona sectors. West Texas-New Mexico covers two sectors, and then you've got the south Texas, which has three, the Laredo, del Rio and Rio Grande valley.

So each one of those corridors has a commander that is responsible for the coordination and collaboration of the DHS efforts. And so I think that the way that they're aligned, if I understand your question correctly, I think, works.

MCSALLY:

OK, great. Thank you. I'm over my time.

The chair now recognizes Mr. Vela for five minutes.

VELA:

Yeah. I'd kind of like to follow up with the -- the -- the chairwoman's questions.

And that is, Vice Admiral Schultz, with respect to JIATF South and JTF-East, I'm curious as to your thoughts as to why we -- why we need both?

SCHULTZ:

Well, Ranking Member Vela, great question. I think we need both because, I think their -- their focus is definitely different. At the end of the day, as I mentioned, the statutory responsibility that JIATF South has supports drug interdiction, drug interdiction in the maritime domain.

Are there possible expansions of authorities that allow you to do different, you know, counter-network type stuff at JIATF South? Clearly, that's in the realm of the possible. I think, we work -- not we think -- but we clearly work in that space with DHS components.

Again, we at JTF-East are not directing operations from -- from my parent location in Portsmouth, Virginia. We're enabling operations. We're synchronizing operations.

We're getting after that unity of effort. We're getting after than collaboration of regional DHS component work. And we're linking that to the operational priorities that are established from the -- from the secretary of Homeland Security.

They're mutually compatible reinforcing with JIATF South, but I'd say, right now, as I mentioned to the chairwoman, because JIATF South's work is resource-informed, they put their focus against the highest threats.

And right now, the eastern Pacific, given that JIATF's focus is drugs, most of the cocaine is moving in that vector. We support that. I mentioned in my oral statement that we're organized under these regional integration groups. We have an eastern Pacific RIG. That's one of our frameworks. It's very well-standing and well-oiled.

Back when Chief Beeson and I were stationed out in California in our previous assignments, we worked this coastal California corridor and the partnership was terrific there. And when this whole task force model started up the question was, why don't you just take that collaboration (inaudible) and nationalize that? It worked well there. I've been other places it didn't work so well.

March forward, we have these task forces now. I think we leveraged that learning, that -- that coordination at the tactical level and that's where -- that's where you get the differences.

There's the DHS components. There's the local state, federal tie-in there. Then you've got JIATF that's got a national mission getting after drugs.

But again, as the chairwoman suggested, there's always ways to revisit authorities, broaden authorities. The question would be, you know, how do you resource that? How do you fund that? What's their bandwidth to take on too many different things?

They are the best in the world at the counter-narcotics and the maritime mission right now. I'm not sure what happens, you know, if you don't commensurately resource that and you just put more work on them. You may take your eye off the ball and not be as effective at your primary mission at the end of the day.

VELA:

So -- so -- I -- I know we have JIATF South. We have JIATF West, right, stationed in California or Hawaii?

SCHULTZ:

JIATF West, sir, is out of Hawaii.

VELA:

Do we have another JIATF? Or are those the two JIATF?

SCHULTZ:

Sir, under the -- the counter-narcotics frameworks, there's JIATF West, JIATF South. There's other JTFs under the Department of Defense that do different things. There's JTF-North, JTFs that support different entities, but I think in the realm I believe you're asking, it's west and -- and south.

VELA:

And -- and I'm not -- I'm not anywhere familiar with the work of JIATF West but my question for you, Chief Beeson is -- is basically the same thing.

What -- what do you see as the distinction between what JIATF West does and what -- and what JTF-West does and -- and -- and maybe you could comment on -- on your thoughts, in terms of the reasons that -- that we need both as well?

BEESON:

So I -- I look at the task force, the Joint Task Force West, East and -- and I as -- as what is really a whole of government approach.

I was a chief in a sector when these task forces were stood up, and I was also the commander of that task force in the corridor. What I saw, I felt like we had a very good relationship with our DHS partners in the corridor, but I did see it get better.

We -- we were able to get more assets to come together and look at threats, to identify priorities, and then take the actions that we needed to take against the priorities, the appropriate law enforcement consequences.

As I look at what we're doing as a JTF-West, it's -- it's really furthering that DHS unity of effort, bringing together the partners. We're -- we're doing a much better job, I think, on identifying our threats and -- and sharing our intelligence now than -- than we were in the past.

And I think this task force is a way to continue that effort, to continue to align the DHS assets as we go after these transnational criminal organizations.

VELA:

Yeah. And I just -- just -- I'm running out of time as well. I'm just -- so what is JIATF West do that's different than what JTF does?

BEESON:

Well, like -- like you, I have to admit I'm not real familiar with JIATF West.

VELA:

OK. Fair enough. And -- and I'm out of time, but -- and Miss Ayala, maybe we can explore later. I kind of have the same questions with respect to JTF Investigations, HSI and HIDTA, but we can -- we can address that later.

MCSALLY:

Thank you, Mr. Vela.

The chair now recognizes Mr. Rutherford from Florida for five minutes.

RUTHERFORD:

Thank you, Madame Chairwoman. You know, I just had the distinct privilege to go and visit Task Force-West. And I -- I have to tell you, I came back much encouraged by what I saw from the joint Task Force operations.

Admiral, if I could ask you first, you -- you know, I think as -- as we see more pressure placed on our land borders, we're going to see more pressure. You know, as I heard it explained several times, when you squeeze the balloon, the air goes to the, you know, the ends. And particularly in -- in San Diego, we -- we saw that with the -- with the panga boats that started making the -- the end runs and -- and -- but you responded to that.

And now, to -- to disrupt their business model, they're being forced to go hundreds of miles out to sea and around. I -- I think the highest I heard that they even went up to San Francisco Bay, I think they said one time. And -- and I realized that wasn't practical for their business model.

So my -- my question is this. On -- on -- on the maritime response, I -- I know that you all have some very old cutters and things, but can -- can you talk a little bit about the needs -- now I'm shifting to Joint Task Force-East, I think, because I'm -- I'm -- being from Florida, I'm really concerned about the -- the maritime borders over there.

Can you talk about the threat when we tighten up the Rio Grande Valley and how that's going to impact our -- our JTF-East?

SCHULTZ:

Yes, Congressman. Clearly, if, as you noted the balloon analogy, if you squeeze the balloon, the pressure sort of releases elsewhere. So when there's a focus on the land border, clearly, there's -- there's a nice enhanced risk of more maritime smuggling.

You know, we and our partners patrol the waters routinely and we're paying great attention to that. The -- some of the stuff, the manifestation we saw as you talked about California with the panga threat, that was marijuana in large quantities, some methamphetamines coming up.

It used to be human smuggling on the waterfront there. We -- we stymied that with -- with this JTF-like model before in a collaborative environment just working with our DHS partners. And I think that shows the power of what the Task Force -- what enhanced collaboration, unity of effort, federal, state, local linkage can do together.

So we're very much aware of -- of the pressure at the land border. And I say we are constantly, because of our partnerships, because of the shared intelligence, the fusion of intelligence, I think if we see a -- a trend, a threat vector that moves land smuggling to the maritime domain, we'll be ready for that.

RUTHERFORD:

Thank you. Thank you.

And Chief Beeson, I -- I will first tell you that -- that having dealt with span of control quite a lot in my -- in my previous career, I did not see -- I -- I thought you all had a very good span of control in the -- in the JTF.

And -- and another thing that I -- that I know is this. You cannot build relationships in the middle of a crisis. You can only access the relationships that you've already built.

And -- and one of the things that I notice about HSI and the border patrol working together across the border that there's a lot of relationship building going on there that I had no idea existed. And that was -- that was eye-opening.

And -- and -- and the ability to integrate your intelligence, your communication and your response on the border to -- to respond to those invasions was -- was quite impressive.

So my -- my question is, Chief, what -- what other -- what technologies would you say are needed to -- to -- in each of your sectors to -- to better achieve that detection so that we have a good response time.

You know, what I saw -- what I saw in Tucson was excellent. The BigPipe in the intelligence work that was going on there. Can you talk a little bit about what you need in some of the other sectors where I saw less technology?

BEESON:

So as the commander for the Joint Task Force-West, my responsibility is to leverage a whole government approach against counter network operations, against the TCOs that are, you know, out violating the borders.

In my current capacity, I'm not the technology guy. That would be to the component to Customs and Border Protection, so I would want to defer to them on the -- their technology needs.

I can tell you that they're -- they're buried and, you know, quite -- as you saw when you were out there, the terrain is vast. It's diverse. And so the -- the technology to address that's going to be pretty complex, and we have to get back to you from them on that.

RUTHERFORD:

Thank you.

I'm -- I'm out of time, but let me just say, Miss Ayala, the HSI folks were doing a fantastic job working across that border and congratulations to all of you on JTF. I think it's working well.

MCSALLY:

Thank you.

The chair now recognizes Miss Demings from Florida for five minutes.

DEMINGS:

Thank you so much, chairwoman and to our ranking member as well and to our witnesses this morning. Thank you for being here.

Admiral Schultz, yesterday the commandant of the U.S. Coast Guard was quoted as saying even though the services he commands faces the same readiness concerns as the other military services, the Coast Guard is left behind while other branches of the military receive budget increases.

Given that the current administration's fiscal budget for 2017 supplemental budget requests are supposed to bolster military capability and border security capabilities, how will JTF-East strategy and operations be impacted, if the Coast Guard continues to be excluded from the overall discussion on resources and needs?

SCHULTZ:

Well, Congresswoman, thank you for the question. And clearly, with the Fiscal Year '18 budget only being a blueprint at the Hill and the formal budget with a congressional justification not coming until May, I'm at limit at what I can speak to there.

I am confident that Coast Guard will be able to sustain our current level of operations and our ongoing acquisitions efforts with the budget that is proposed. There is talk of a defense supplemental out there, I think to the tune of \$52 billion.

And I think the commandant's comments speak to, you know, we are one of the five armed services. Clearly, when you talk about national security, homeland defense, there are Coast Guard equities as part of that discussion.

I believe that will be a multi-year effort. The Department of Defense has many readiness challenges as we've been a nation at war here for more than the past decade.

The Coast Guard clearly shares some of those readiness challenges, some of our force construct challenges. And clearly, as one of the five armed services, we'd like to see, you know, potential future inclusion there.

But again, we understand the demands on DOD, the challenges on DOD. I think the comments, the commandant's comments yesterday were framing it in don't forget the Coast Guard is one of your fifth -- five armed services and we have national security and homeland security missions, and just to keep the aperture broad for future inclusion in those discussions. But by no means are we at risk in '18 here to sustain our level of operations.

As it impacts the Task Force, as it impacts my Coast Guard duties, I'm confident the secretary, having served under his leadership at SOUTHCOM understands the unique capabilities that the Coast Guard brings to the problem set better than anyone in this town here.

I -- I think we'll be in -- in fine shape, here. But clearly, we as an armed service, we want to be considered on those readiness challenges, because they're -- they're very real in the Coast Guard as well.

We had six years of funding at or below the Budget Control Act level. And I think when you play that forward, looking back playing forward, that's about a 10 percent loss of purchasing power. And so we do have some readiness challenges, but...

DEMINGS:

Isn't -- isn't there a recommendation to cut the Coast Guard's budget by 28 percent? And are you saying if that occurred, that there would be no effect on your readiness to meet your responsibilities?

SCHULTZ:

No, Congresswoman. I'm saying that the '18 budget, which has been bantered around in the press is -- is pre-decisional. There's talk about cuts in there. I'm not going to speak to that.

I believe the commandant and my leadership would say conversations with the department, with the secretary about our needs, and I believe those needs will be addressed that will allow us to sustain our operations and maintain our critical momentum on our -- on our acquisitions programs.

But we have come out of multiple years of funding at -- at the BCA level or below, which has not allowed us to sustain grown with, you know, the increasing costs of things.

DEMINGS:

OK. Thank you.

Chief Beeson, it's good to see you again. Thank you for being here. How has the creation of JTF-West affected the way CBP and its DHS partners interact with other state, local and federal law enforcement as well as tribal partners?

BEESON:

The local level corridor -- so there are within JTF as mentioned, there are the four corridors. And at that level, the commanders there are interacting with state, local, tribal law enforcement partners, something that we have been doing since I've been a border patrol agent.

I mean, certainly, the -- the ability for us to work together to address border security issues has been very impactful for us. You know, we utilize Operation Stonegarden to provide some source of funding for some agencies so that they are able to leverage that -- that -- that stream of funding and provide some border security assistance through increased patrols by law enforcement in particular areas. And then it usually runs the whole gamut from the state, local and tribal.

DEMINGS:

I know my colleague asked about technology. What other areas are there room or is there room for improvement?

BEESON:

So I -- I think, you know, technology is certainly one. Staffing, you know, we -- we continue to look to increase our size. And then, of course, and then there's still the border barriers. We're still looking to enhance those.

DEMINGS:

OK. Thank you.

I yield back.

MCSALLY:

The chair now recognizes Mr. Duncan from South Carolina.

DUNCAN:

Thank you, Madame Chairman. We've been focused on the southwest border for a long time for interdiction of smuggling and narcotrafficking.

In fact, in 1974, in response to a study by the Justice Management Division of the U.S. Department of Justice, the study was entitled "A Secure Border, Recommendation Number 7: A Secure Border."

And recommendation number seven of this study suggested the establishment of a southwest border intelligence center now known as EPIC, led by the DEA and staffed by representatives of that agency, U.S. Customs and now probably 15 other agencies involved in EPIC.

I've visited that center and I -- I point out 1974, and here we are in 2017. So the question I have for the panel is is how is EPIC leveraged in your JTF?

And I'll start with Miss Ayala?

AYALA:

Well, JTFI as a functional Task Force is primarily involved in the improvement of the investigative process. And, of course, part of that is to leverage as much intelligence as possible. Our main goal is to focus on a customer service model, the special agent in the field working on investigation.

EPIC, just like all of the national capital region centers, are leveraged to ensure that we -- that there is no duplication of effort, that there's significant deconfliction, and that we're maximizing the broad knowledge that there is out there and the capabilities of our interagency partners. So from that perspective, we are utilizing EPIC.

But mostly in our models we're looking at transnational criminal networks and how they impact homeland security. So we're focusing in on prioritizing those threats and then creating models that actually enable us to look at a network.

So instead of looking at individual targets or organizations, we're looking at multiple cells and organizations that are supported by multiple sources of supply, money launderers, and illicit pathways and other illicit support systems. And that's the -- the breadth of what we're looking at.

So we're not looking at individual intelligence or small organizations. We're looking at networks that are impacting the international arena that sometimes are the subject of dozens of investigations and hundreds of arrests and indictments and prosecutions on both sides of the border.

DUNCAN:

Thank you, ma'am.

Admiral, on the East with air and marine, I mean I visited EPIC so I've seen some of the capabilities. Are they helping you guys, you know, I guess, triangulate and find the aircraft and the -- and the marine assets that are maybe bringing -- smuggling contraband or drugs into the country? How do you utilize EPIC? It's just for my edification, really.

SCHULTZ:

Congressman, most of our maritime activities here through the transit zone are coordinated through JIATF South. But JIATF South has linkages across all the federal intelligence centers. They have international linkages with Interpol.

We have representations there from it's more than a dozen international partners. So that is the fusion point or the consolidation point. So there's a relationship there with the DOJ, the justice centers in the -- the El Pasos of the world, the El Paso Intelligence Center. So that's sort of our fusion point.

And when all that works through one lens it is fused. It is the best intelligence. It's pushed out to our operational resources.

You know, at the end of the day, the best capability for us with my Coast Guard hat on, which is complementary to the Task Force that is a Coast Guard cutter, a major cutter with the capability of carrying a helicopter in the back, ideally an airborne use of force capable helicopter, which can shoot out the engines. A lot of the threat is fast boats smuggling about a thousand plus or minus kilograms cocaine.

When you can push that intelligence from those centers through JIATF South to the tactical operational units out there, whether it's a Coast Guard law enforcement attachment on a Navy ship or on an allied partnership or a Coast Guard cutter, there's patrol aircraft. We can leverage that intelligence.

We have visibility through all the national intelligence capabilities on about 80 percent of the maritime activity. We action about less than a third of that, about 30 percent of that. So there's really a capacity discussion here.

We could roll more drugs up out of the transit zone with more capabilities, but we're pretty darn good at doing what we do. It's -- it's more of a capacity discussion. And we reach back to all those centers like EPIC to fuse that information and give us the best -- the best ability to target our efforts.

It's -- it's intelligence-driven operations is really what we're driving for because we're capacity constrained. When I was a young ensign, you know, 33 years ago, we were boring holes in the ocean just out there sort of aimlessly patrolling, looking for some vessel that might move through our patrol box.

Today, we, with specific information fused through JIATF South, we can go not quite to the spot on the map, but we can get pretty darn close, launch an unmanned aerial system from the back of a cutter, put a DOD patrol aircraft over the top, then we can get on that vessel and -- and create an endgame, an interdiction or a disruption at sea.

DUNCAN:

All right. Well, thank you for that.

I chair the Western Hemisphere Subcommittee on Foreign Affairs. And so I meet with the leaders in Panama and Costa Rica and Colombia. And one thing that they keep driving home is apprehension of drugs in large bulk shipments as they're coming out of Colombia is more effective than those parcels being broken up in smaller, as they migrate North and being broken up even into backpack size parcels to be brought across the border.

So the question I have, I -- I guess for you Admiral, but Miss Ayala may answer this. How well are our partners working in Panama, Costa Rica, really, Honduras, El Salvador, the whole Central American isthmus, but Colombia as well? Can you all touch on is it effective working with our foreign partners on this?

MCSALLY:

And if you can make it quick? The time is...

SCHULTZ:

Congressman, absolutely it's effective. The partner nations, when I talk about the JIATF successes, the Coast Guard interdicted more than 200 metric tons last year with our interagency partners.

When you roll up the contributions of the other partner nations, I think there's about 340 metric tons taken out of the entire transit system. About two-thirds of those cases have a partner nation connection. About 35 to 40 percent is a partner nation endgame asset, a boat, a cutter, a naval ship from one of those countries does the interdiction.

Sometimes that's informed with U.S. intelligence that we can push through, you know, the right filters to them. Sometimes it's a DOD or a Coast Guard or CBP aircraft that brought that Guatemalan special naval vessel to the scene.

So I'd say the partnerships have grown exponentially in recent years. DOD does some support and capabilities for them, Border Patrol, Coast Guard, CBP, we are training them. We have a persistent presence in those countries. We have attaches. We have liaisons.

So I would tell you that's a very good news story. Sometimes that story, I think, is -- is lost in the collaboration, but our partners are in that fight, because they're kind of caught as the meat in the sandwich.

The end-users of drugs in the United States, the source country in the Indian Ridge and Central America's feeling, you know, that squeeze that manifests itself with people showing up at our Southwest border.

MCSALLY:

All right, the gentleman's time has expired.

DUNCAN:

Thanks. (Inaudible).

MCSALLY:

The chair now recognizes Mr. Correa from California for five minutes.

CORREA:

Thank you, Madam Chair.

General question to all of you, big picture statement. Vice Admiral Charles Ray at the last meeting we had here mentioned that the Coast Guard was unable to interdict, his words, "580 known smuggling events due to capacity challenges." It sounds to me like he just didn't have the assets to interdict those 580 known smuggling events.

And some of the comments you've all made right now, which is working with other countries, collaborating with other countries, and given the fact that we are all limited by resources in trying to come up with an optimal resource allocation in terms of investing our taxpayer dollars, what would you say would be our highest yield in terms of asset investment going forward?

New ships for the Coast Guard, greater cooperation with our neighbors to the south in terms of intelligence, multilayered defense, multilayered border system, so to speak? And it's a general question, but I'm asking you to answer it given your experience out there in the field?

AYALA:

I would say probably a little bit of both on the multilayered and the foreign investment. But I will say that as we look at criminality and our opportunities to engage it, we always want to engage it as far away from the US border as possible. So investment in capacity building with a foreign partner is -- is always crucial to us.

CORREA:

How? Specifics.

AYALA:

Well, in many cases in working with Department of State, our -- our intention is to train them to be able to investigate better, to be able to work with host countries, to strengthen some of their laws or some of their capacities, to engage in investigative surges with them.

Every year we do engage in that type of investigative search where we deploy HSI, CBP and DOD personnel to Central America and other countries to work on priority investigations that have impact on both sides of the border.

These type of operations in just a short time yield up to, like, 800 arrests, identification of 32 transnational criminal organizations, a dismantlement of nine.

But mostly to identify the networks and look for vulnerabilities that we can exploit so we can better attack the adversary further away from the border.

So international...

CORREA:

So that's based on local intel that you pick from sources outside the U.S.?

AYALA:

Yes, and sources in the United States also.

GAMBLER:

If I can add, Congressman? I think it's a really important question, and it gets at the heart of what has been a key finding from GAO's work on border security programs and investments, which is that the department has not established those metrics and those assessments to provide information for looking at which investments are yielding which types of results and to help inform decision-making, whether it's technologies, whether it's additional infrastructure, whether it's additional manpower.

And that's why the department putting in place some of the metrics that we've been recommending through our work is so important.

CORREA:

Thank you.

SHULTZ:

And Congressman, per my answer to Congressman Duncan, it -- it is a capacity conversation. I think from a Coast Guard perspective I think the best way to get after that for us is to maintain the momentum we have on our recapitalization efforts, our national security cutters, our offshore patrol cutters, our fast response cutters.

The Congress has been very supportive keeping steady predictable funding moving forward for us will allow us to replace 50 soon to be 60-year-old ships that are working on those threat vectors.

Our folks are doing a terrific job. But kind of walking back to my answer about the readiness challenges, when you're maintaining a 50-plus-year-old ship, you know, suppliers for those parts don't exist anymore. There's challenging. We're doing a little bit of that on the backs of our people.

So getting those new ships fielded, putting the helicopters, the -- the -- we have C-27s, 14 C-27s that came to the Coast Guard from DOD with the support of Congress. We need to missionize those. They're -- they're slick aircraft.

Right now they go out and they can patrol, but they don't have any capabilities to detect and surveil out there. And getting the predictable funding going forward to make them operationalized is part of solution.

CORREA:

Admiral Ray, let me interdict -- interrupt you and say, Admiral -- Admiral Ray -- I should say Admiral Shultz -- mentioned again 580...

SHULTZ:

Right.

CORREA:

... known drug smuggling targets.

SHULTZ:

Yes, sir.

CORREA:

Not enough assets to go after them. It sounds like you need assets as opposed to a predictable revenue stream, predictable funding.

SHULTZ:

Well -- well, Congressman, we -- more clearly adds to the equations, you know. I -- I talked about the 70 percent we didn't act. We have intelligence and we acted against 30 percent of that. So that is a conversation purely about capacity.

But you need to have the right type of assets. There's been many forays in recent years about pushing vessels out there. You need that vessel. And I mentioned previously about what's that capability that really allows you to be effective on that mission?

It's that flight deck-equipped Coast Guard cutter with an embarked helicopter that can deploy use of force and an over the horizon boat supported by unmanned aerial surveillance or maritime patrol aircraft.

So the right capabilities adds to the equation. Just pushing ships out there with the wrong capabilities -- we have ally partners that contribute. The Navy was very much part of this mission set. But the Navy is subscribed elsewhere in the world with a rising, you know, Russian threat and the South Sea -- sea -- China threat.

We're not seeing a lot of the -- of the Navy in this hemisphere. Admiral Tidd -- General Kelly talked about the Coast Guard being his -- his Navy in the -- in the Western Hemisphere. And that's reality.

So there -- there's a resource component, sir. But I think the momentum getting those assets out there is probably the practical way to keep moving forward here.

CORREA:

I yield, Madam Chair.

MCSALLY:

The chair now recognizes Mr. Hurd from Texas for five minutes.

HURD:

Thank you, Chairwoman. Admiral Shultz, if -- if you had \$999 million in F.Y. '17 how would you use it? How would you suggest it be used in -- in JTF-East?

SHULTZ:

Congressman, I'd have to first get some more people to execute \$999 million, about -- about 40 people. If we had additional resources in JTF-East, kind of agnostic to the number, talking about additional resources, we would build on the momentum we have.

My goal since I've been here the last eight months is we're the startup JTF-East. I say we're like the commercials that talk about BASF. We don't build it. We make it better. We don't direct operations, we power operations.

HURD:

So maybe -- let me -- let me redirect the question. If Coast Guard, and again I know you're wearing your -- your -- your JTF- East hat, right. But if Coast Guard had \$999 million, how would they use it?

SHULTZ:

So if we had just under \$1 billion, we would -- we would get after some of our readiness challenges that we've been forced to kick the can on a little bit here. That's -- that's maintenance. That's operations.

We would potentially -- we are looking to...

HURD:

Can you buy any more boats with that?

SHULTZ:

We are looking to maintain momentum on bringing an icebreaker into our ranks. We haven't -- we've got two icebreakers, one medium one heavy.

There are demands in the Arctic that -- that warrant a heavy icebreaker right now. We're looking to move that down the rails. The commandant's talked about trying to field that ship by 2023. That's an ambitious endeavor. Some, you know, additional funding towards that to meet that (inaudible) support.

HURD:

Might help make it a little bit quicker.

SHULTZ:

Absolutely.

HURD:

Good. Copy.

And I -- I just want to confirm, and you say this -- this multiple times, and -- and -- and Chief Beeson, I'm coming to you with the next question.

A third of the actionable -- actionable intelligence that Coast Guard has, they can only act on a third of that because of capacity issues.

SHULTZ:

We action about one third of the information we have. We have information on about 80 percent of the maritime movements. We get after about a third of that.

HURD:

So Chief Beeson, is that a similar -- is that a similar problem that Joint Task Force West and Border Patrol has when you look at our southern border with Mexico?

BEESON:

I would say that it -- that it is not. I mean, we -- we're not in terms of having a -- a vast number of intelligence targets to go after. That's something that if you were to give me \$999 million I'd be looking at building our intelligence capabilities.

You know, I -- I think that I've seen some really, to me, phenomenal intelligence successes where leveraging the intelligence community has really paid off for us.

But it's -- it's for us, in terms of intelligence targets, it's not what I would call a target-rich environment. It's something we need to continue to build on.

HURD:

So this question, again, to you Chief Beeson, and Miss Ayala, I welcome your impact. As a -- as a former human intelligence officer I would say that countering narcotraffickers and kingpin human smugglers is not a national intelligence priority.

If we made it a national intelligence priority, had it as one of the top three of the NIPF, that we would see increased intelligence coming from Mexico and Central America that can be used to direct some of your limited human resources. Am I crazy to think that? Would you agree? Help me -- help me refine that understanding.

Miss Ayala, you can go first if you're interested.

AYALA:

Yes. I would say that I'd be happy to answer that question and give you certain examples of how we prioritize and are able to leverage that in a different environment in classified setting.

HURD:

Sure. So are you happy with the amount of intelligence that is being produced on the 19 criminal organizations that are operating in Mexico?

AYALA:

I know from our perspective we're beyond the 19 criminal organizations as we're looking at the network. We could always use more intelligence. And we could always use more systems and order in individuals to be able to go through that intelligence, properly analyze it and determining what we go after first.

Our goal is...

HURD:

Which is the lead agency responsible for collecting intelligence on drug trafficking networks coming through Mexico? What agency within the federal government? CIA? What is DEA's role? Can you -- can you -- microphone?

AYALA:

The DEA's role is also to be overseas and collect intelligence. But as we know and as being former military operator and -- and I know that you have a background as a significant operator, there's a lot of other individuals that are out there doing that work and funneling it through different places. So again, I would be happy to discuss that with you in a different environment.

MCSALLY:

Great. We're going to go through a second round here. I want to talk about the process and prioritization of air assets.

So we have two geographic JTFs. And then we have your -- your air force is air and marine. Can you guys talk me through the process of how you prioritize requirements for specifically ISR air assets? And who makes the decision on where those air assets go and -- and how nimble that is?

And then, Ms. Gambler, I think you talked a little bit about this related to Predator B. I want your perspective after I hear.

So like obviously they may have competing requirements, so who decides where the air assets are going? And how quickly does that turn and -- and is it modified on a daily, weekly, monthly basis? Do either of you guys want to go first?

Chief?

BEESON:

So I'll -- I'll go back to having recently come from the Tucson sector. We had an air tasking operations group. So it was basically all of the providers of air support within the corridor, primarily the Office of Air Marine.

There was some DOD support. We did get some state and local support and even civil air patrol provided support to us. So they're meeting on a biweekly basis, sitting down looking at, getting an intel brief to start with.

OK. Here's what we're seeing, here's where -- where we see the -- the activity occurring, the threats, things of that nature. This is we think we're going to need air support and then plugging in based on that.

So the priorities are set by the commanders in the field. Primarily, the agents in charge at the stations are saying these are my priorities. Those would come up and get vetted at the sector level. And then those would be the priorities for that group for that -- that time period.

MCSALLY:

So just to clarify, has it stayed static within the corridor? I mean there's -- there's not easy movement of air assets across corridors or between task forces the way -- if we were being really fluid we would prioritize more fluidly across corridors and task forces as opposed to like everybody having their own little air force within a corridor or a sector. Does that make sense?

BEESON:

So I think I understand what -- what you're saying. That's not how we're currently operating.

MCSALLY:

OK. That's what I understand. I just wanted to...

SHULTZ:

Chairwoman, I would say when you move to the maritime domain, and I'll -- I'll walk back to an example Chief Beeson had in the past. I would say it's actually quite well-integrated.

So let's look at Puerto Rico. So we have Coast Guard helicopters based out of Puerto -- Puerto Rico. Sometimes we'll forward-deploy a more capable 60 helicopters. Sometimes we'll deploy a CASA 235 maritime patrol fixed-wing aircraft.

We work with CBP down there. They fly Dash 8s. We do joint air tasking, so there is coordination. So if we have a target that let's say the Coast Guard longer range capability, the CASA picks up a couple hundred miles south of Hispaniola moving in, we can do a handoff to a CBP aircraft.

We can hand that aircraft off to a Coast Guard helicopter, track that to the beach. We can bring in Coast Guard maritime forces. We can bring in a CBP MIC Boat. It's a Midnight Express or a SAFE boat. We can bring in FURA, which is a local enforcement.

We've -- we've perfected that. When Chief and I worked in California we would have a panga coming for, you know, 18-hour transits, 20-hour transits that Congressman Rutherford talked about that.

We could keep air on top of that. It typically started hundreds of miles away with a Coast Guard C-130 aircraft. We would sometimes use the CBP MEAs, the small twin -- twin fixed-wing aircraft. Do a handoff there ultimately to a 60 to another C-130 until we had an endgame.

So I think we've actually worked in the scheduling of that. And -- and we're perfecting that at the maritime.

And when you to land-centric, if Chief's team comes forward with a request to the Coast Guard, maybe out of San Diego in that quarter, we will respond to those on a case by case basis. We don't fly a lot over the land. But we certainly will support those requests when they come in.

MCSALLY:

Great. But generally speaking, there's -- there's not a lot of fluidity -- fluidity between JTF-East and JTF-West support assets. You're generally talking about what is within your ability to task in JTF-East. But there...

SHULTZ:

Well, if we're talking in the wet domain I would say there absolutely is -- is a coordination, to where at the very point end, at our sectors in the Gulf of Mexico at the regional coordinating mechanisms, they'd work across that seam without border.

I mean, if there's a need we can -- we talk to CBP air marine, they talk to Coast Guard. We can interchange. We can be a -- you know, what we try to do is minimize redundancy.

MCSALLY:

Yeah.

SCHULTZ:

So I say in -- in Chief's world, you know, predominantly in the land-centric border we're not flying a lot of Coast Guard air there. So I'd say you're not that synergy because there's not that sort of demand signal. We're working in different spaces most of time in West.

MCSALLY:

Yeah, but specifically air and marine assets I guess is what I'm getting at.

SHULTZ:

Yeah, I -- I -- I would tell you ma'am, I think there's a great story there.

MCSALLY:

OK.

SHULTZ:

I think we're very -- we schedule jointly together, we -- we, you know, rooted out any redundancies. And we can do hot handoffs where, you know, these cases, particularly in the water when they're

fast moving targets operating at night, shutting down the daytime, if you're not on top of them, they're very difficult to go back and detect again.

So it's all about that efficiency, that -- that -- that crisp handoff. And I think we've got that wired pretty well.

MCSALLY:

Ms. Gambler, your perspective on...

GAMBLER:

Yeah, related specifically to -- to Predator Bs, Chairwoman, we found that there were some differences across the different air and marine operation centers for Predator B.

So some of those operation centers did have procedures for coordinating requests for Predator B support and then some didn't. And so our recommendation was to -- to better improve those coordination procedures as they relate across all of the -- the different air and marine operation centers for the Predator Bs.

MCSALLY:

So they're specifically asking requests for a platform as opposed to a capability in some of these centers?

GAMBLER:

So we looked at what are called the -- the -- the four operation centers from which air and marine flies the Predator Bs. And so some of those air operation centers have procedures for coordinating the request that they receive for air support and that kind of thing and some didn't. So hope to -- hopefully that clarifies.

And s, our recommendation was related to strengthening those -- those coordination procedures and making sure they exist across the different operation centers from which Predator Bs fly.

MCSALLY:

Yeah. My -- my only point is, again, I'm coming from my military experience, you don't ask for an asset. You ask for capability. And there are other manned surveillance capabilities out there.

So if you need intelligence you don't do -- you don't say this is the -- this is the platform I want. And so an intelligence process needs to look at what the requirements are, what the prioritization is, and then what platforms can meet that requirement. Not I need my Predator today, is all I'm getting at. So OK.

I'm over my time, so you want another round?

CORREA:

If I may? Thank you, Madam Chair.

MCSALLY:

Recognize Mr. Correa for five minutes.

CORREA:

Question to everybody again, but I'll start out with Ms. Gambler if I can? About a decade ago the Department of Homeland Security deployed physical infrastructure, fence, wall, anything you want to call it and technology on the southern border.

At the request of this committee, the -- the GAO ultimately issued multiple reports, many of them not too favorable, showing mismanagement, cost overruns, and ultimately led to the cancellation of SBInet technology program.

To this day, CBP lacks a metric to show how these kinds of investments or that investment a decade ago actually contributed to our security, border security.

So my, you know, my question to you is in general. Lessons learned, are we heading down that same road today which is essentially, again, investing heavy sums of taxpayer dollars, not sure of what the ultimate return will be in terms of security, securing our taxpayer's and citizens?

GAMBLER:

I think there are several lessons learned from GAO's past work looking at DHS' efforts to deploy infrastructure and technology. One, Congressman you already mentioned, which is the need to have in place performance metrics to be able to assess what we're getting out of those investments.

The second one relates to DHS oversight and management of these acquisition programs. We've reported on technologies, infrastructures, and even in other areas that DHS doesn't always follow its own acquisition management processes.

And -- and because it doesn't always follow those processes consistently it leads to some of the things you mentioned, Congressman, in terms of schedule slippages, cost overruns, and performance than less -- than is less than what is desired.

And so it's important for the department as it moves forward with acquisition programs to ensure it's following its management processes. That it's testing the technologies that it's putting out there to make sure that they operate in the environments where they're being deployed.

And -- and so, I think those are two key lessons learned from GAO's work on border security technology and assets.

CORREA:

So again, it's a matter of rolling out some -- some metrics to assure that we're watching the results of these investments, and number two, constant vigilance to make sure that what we bought is what we're getting.

GAMBLER:

Management and oversight are two important words there, Congressman, yes.

CORREA:

Thank you.

Any other comments from the rest of the panel?

Madam, I yield my time.

MCSALLY:

Thank you.

Mr. Rutherford, do you want a second round of questions? The chair now recognizes Mr. Rutherford from Florida for five minutes.

RUTHERFORD:

Thank you, Madam Chairwoman.

Miss Ayala, could -- could you talk a little about one of the vulnerabilities of the TCOs is once they move their drugs north, they got to move their money south.

And I know speaking with a couple of the HSI agents, they -- they spoke about some very good coordination of effort that identified a particular bank that I -- that I think was moving like \$20 million.

Could you talk a little bit about that and how that could be replicated across the -- the whole Joint Task Force area?

AYALA:

OK. I'm not sure specifically which case that you're referring to, but I will tell you that, I mean, obviously the components here -- specifically, HSI has over 40 years of money laundering expertise that dates back to the Bank Secrecy Act. So we have a lot of experience in all different areas.

And a lot of, obviously, authorities that help us to intercept, whether it be cash or look for vulnerabilities in our -- in our financial systems, whether they be funnel accounts or the misuse of -- of certain things. And we also work with private sector in order to develop best practices.

I can tell you that we are looking at all of the movements of bulk cash on the way down. And not just at the border, but throughout the United States and pipelines. We're working on, obviously, to seize assets in bank accounts.

Obviously some of that is difficult when we're looking at funnel accounts and the rapid way in which they move and the way that that system is used in order to then remove money near the border and then try to bulk cash it out.

So those are -- are certain ways. There are many vulnerabilities along the way for the organization. Where it becomes complicated is their use of trade-based money laundering, which, of course, is in large scale and it involves billions and billions of dollars in -- in money that's going south through trade investments that are -- are not what they appear.

So one of the main things that we do in JTFI is prioritize the top threats of criminal networks. And money -- many of them involve money laundering investigations.

So we're looking at the complete network. And we're prioritizing the same investigations that are in the field so that we can lend value to them and increase the possibility, not just for seizures, but for increasing prosecutions and the seizure of assets.

RUTHERFORD:

Thank you.

Chief Beeson, could you talk a little bit about BigPipe and how that works in Arizona? And why something like that hasn't been replicated in the Rio Grande Valley sector?

BEESON:

So BigPipe is a platform, a software platform. Let's see how I can explain this. But basically it's - it provides a secure method for law enforcement that are -- that have an account, that can sign into it to chat.

There's like a chatroom, if you will, about what's -- what's going on within the area of operations. There's also the ability to downlink video from an ISR platform that might be out operating in the area. One of the -- either the Predator or a helicopter with a -- with a camera mounted onto it.

And so what -- what they're doing is it's just a way for folks operating within the tactical operation centers to look at what's -- what the threats are, request assets, maybe do some coordination of resources. It could be replicated across the southwest border.

I don't know that it is or isn't being used in Rio Grande Valley. I just know, having come from Tucson, that we were making effective use of it there.

RUTHERFORD:

I -- I don't believe they're using it the -- well, they're not using BigPipe, but I mean they -- they're trying some integration.

But that's why I was asking about the technology needs for, you know, across the board. Because, I -- I -- that's something that -- the integration that we saw there that I -- I guess you started is something that we need to -- we need to replicate over in the Rio Grande Valley.

BEESON:

I would like to take credit for starting it, but the reality is I had a number of predecessors before me that actually did that, so...

RUTHERFORD:

Oh, OK. Well...

(CROSSTALK)

RUTHERFORD:

You just mentioned that you were there so I -- I just think -- OK. Thank you.

I yield back Madam Chair.

MCSALLY:

Thank you. Still have some more questions if you guys don't mind? Bear with me here.

Ms. Ayala -- Ayala, can you share with us, and I know we're in an unclassified setting, the presence of TCOs within the United States, within the 50 states?

I mean, I've seen some different numbers out there about how many cities we have a pretty significant presence of cartel activity and operatives. Can you just share your perspectives on -- on that at the unclassified level?

AYALA:

Well, I probably can't really go into the numbers, the specifics of city by city, but what I can tell you is that our strategy is to pursuing every element of those transnational criminal organizations from a network point of view, whether they're in China, coming up through the southern border and approaches through the border and into, you know, Chicago or Detroit or wherever that is.

That we're looking at all of the sources of supply, the distribution, the transportation networks and putting that together and looking at supply chain investments and -- and seeing how we can look for vulnerabilities in their actions along the entire crime spectrum to be able to then pursue some enforcement action against them.

So they're everywhere. We have transnational criminal organizations in -- in every city across the United States. And we're working to minimize the impact in all those cities.

MCSALLY:

Is there anything that we can do, that Congress can do, to help your activities to combat cartel activity within the 50 states?

AYALA:

Well, I think that when we look at individual agency missions and goals and -- and some of the infrastructure that we built to support that, sometimes we look at it in -- in stovepipes.

So for instance, when we're looking at the hiring of agents, special agents for criminal investigations, we often forget that we really need, you know, forensic auditors and financial experts and other analysts and other missions to support -- to support that effort.

And even if we were able to take on everything we wanted without prioritization, we would still need more assistant U.S. attorneys, and more infrastructure in the court system to be able to support those investigations.

So I think looking at a holistic approach to what hiring 10 border patrol agents or office of field operations or Coast Guard would require as far as investigators and all of the support infrastructure as a whole, I think would help in -- in our endeavor.

MCSALLY:

Great, thanks. Back to just overall effectiveness of the JTF so far, can each of you -- can you think of an example -- I know we're in an unclassified setting -- of a case or a mission or something that you saw now that we have JTFs that show that JTFs are effective?

Like, had we not had this new construct perhaps you wouldn't have been able to operate in a way that impacted a specific mission. Like, can you -- can you give any examples that actually show that what we're doing here is increasing effectiveness?

AYALA:

So what I was going -- we'll -- we'll fill in three distinct gaps in -- in DHS capabilities, things that we are doing now that weren't available before that we developed jointly, most of us together in our integrated teams.

So in the past, DHS lacked a mechanism to prioritize the top transnational -- transnational criminal networks and now we have. We developed the HomeCort process. And the deputies of all of the components and the task force directors and the heads of all of the investigative services are on there.

We also lacked a way to consistently tie together and manage all of the investigations, operations, arrests related to a criminal network. And we were able to develop that, which is Comprehensive Criminal Network Analysis, which we did not have before in the department.

And we also were able to develop national case coordination, which now manages that and is able to coordinate across the entire domain and -- and spectrum.

And the main thing, thirdly, though is that we've been able to focus on the investigative process of work, which we really necessarily did not before. And the criminal investigative process and looking for ways to support that through technology and weaknesses.

So this enables us to have better cross-programmatic and -- and cross-domain visibility. And our strength is really -- is in the interagency team and the broad knowledge that they're bringing together to national centers.

Because of that we've been able to do things like not looking at ways of maybe couching future metrics, but in ways of value added statements.

Like, for instance, like in a human trafficking investigation, a network that we were -- that we assisted in and did comprehensive criminal network analysis, we were able to expand the knowledge of the network by 200 percent in half of the time, which builds in all those efficiencies in man hours.

In addition, that resulted in tripling the number of indictments from -- or more than tripling from 10 to 12 to 38. And, you know, how does that matter? Because then now it's harder to reconstitute itself.

And in this case, because it was human trafficking, obviously prevented people to continually be victimized or create larger victims. And I can go on in -- in many different scenarios...

MCSALLY:

No. That's great. Thank you. So you're a fan of the JTFI organizations it sounds like?

AYALA:

I'm a fan of my team and the support that I receive from my executive agents and my partners in W. and East that support those efforts.

MCSALLY:

Commander Beeson?

BEESON:

I always forget that button. I -- I think that a couple of examples for me come to mind. Most recently in Arizona, a capacity was needed by the -- the team out there in order for them to further their investigative efforts.

So that capacity request came into Joint Task Force-West. It was then sourced out. And then we did source it also to Joint Task Force- I. They have been able to meet the -- the capacity request. And so they'll be getting that resource down to Arizona, if it's not there already, for them to utilize.

And I think that that's something that prior to the task forces, that probably would have gone just up one particular stovepipe and -- and might not have been met. But I do think it was met.

Additionally, I -- I think of some, you know, bringing together -- bringing in citizenship and immigration services into the taskforce has enabled us to identify, I mean, very recently, within the last couple of weeks, individuals who were pending immigration benefits in the U.S. that we know were engaged in narcotics smuggling in Mexico.

And they're not going to get those benefits now. And that's, to me, something that certainly adds value.

MCSALLY:

That's great.

Admiral Schultz?

SCHULTZ:

Madam Chairwoman, I would tell you in a couple places. First and foremost, I think our DHS partners have collaborated well in the past. I think we have upped that game. We are able to bring in capabilities and capacities from outside regional locations towards better end effect against transnational criminal organizations.

Our recent efforts in Puerto Rico, where we linked in DOD linguists, we linked in DOD analysts. We brought in P-3 support that wouldn't normally support that vector in the Western Hemisphere Initiative, illicit pathway initiative I talked about.

In Central America we are fielding a capability with partner nations where they can enroll migrants moving up through the Central American corridor. We can enroll them.

We have biometrics as they move across, you know, the -- the -- the -- they leave the Indian Ridge, they show up in the Darien, the jungle regions there. They move through the Darien into central -

- Costa Rica and up the chain. We enroll them. The partners see that. As they move up, their stories change.

They start to dial in on what are those folks with these changing stories? At what point do we need to get a partner nation lashing up with the U.S. law enforcement folks to figure out who that person really is before they present at the southwest border?"

So I think there's -- there's many places. I use the metric that when I reach out to my DHS partners in the field and they say, hey, we want more support from you, to me that's the greatest testament. We're building relationships and they're asking for more support to be more effective in their work.

MCSALLY:

Great. Thank you.

All right. The chair now recognizes Ms. Barragan for five minutes.

BARRAGAN:

Thank you. I just left a meeting with the Secretary Kelly, and I didn't have an opportunity to get a clarification so I was hoping maybe somebody here maybe to elute on this.

Right now when an agent goes out for an enforcement action they have, as he stated, they have a name of somebody who's a target and that agent has orders to go find this target.

But if, for example, the order is to go out and arrest Nanette (ph) and my friend, you know, Tim is with me, and it turns out Tim's undocumented, he's being picked up, too. Are there any policy memos or any guidelines that are being used on prosecutorial discretion as it pertains to collaterals?

AYALA:

I would say that that's a question that I would leave to the component to answer from a joint task force perspective. What we're looking at is the targeting of human smuggling organizations and people involved in the fraudulent processes and abuses along the way. So our warrants or our arrests would be involved -- large transnational criminal networks involved in the process.

BARRAGAN:

Anybody else up here that might be able to shed some light on this?

BEESON:

So I -- I'm the director for the Joint Task Force-West for Arizona, so we are -- like Director Ayala, we are focusing on transnational criminal organizations. CBP is focusing on border security.

We're not in the business of -- that -- that you just described. That's not within our portfolio of -- at the moment we're focusing on -- on the actual border itself, border security there.

BARRAGAN:

OK.

Ms. Ayala, Mr. Trump wants to add more enforcement and removal operations. What does that do to the workload of Homeland Security Investigations?

AYALA:

Well, I think we just had a bit of a discussion on anytime that we increase the number of enforcement removal or CBP officers. That there's always a correlation between the number of HSI investigators that you would need in order to support the investigative process.

I know there's a ratio out there that we could probably look at that I would be happy to maybe get to you as far as how many investigators to other operators within the department.

BARRAGAN:

What does it do to ICE's Office of the Principal Legal Advisor?

AYALA:

And this is what we were speaking about earlier about the holistic approach to looking at the assets and the support that's always needed, because you're always going to need -- any time you plus up in one area you have to plus up the support mechanisms.

So that would be Office of Principal Legal Advisor. That would be mission support. That would be analytical support. It could be other technological support and other equipment that goes along with it.

So it's a complete, let's say, huge pie of percentages and trying to figure out which correlates to what. And I know that there are workforce models that are out there that each component has that addresses that.

BARRAGAN:

So that reminds me, you know, we've been hearing a lot about ramping up and hiring a lot of new ICE agents and, you know, adding 10,000 agents, but we haven't heard a lot about adding support for the courts, right? The courts are already backed up.

As somebody who has actually represented a women (inaudible) in a silent (ph) case from Guatemala, you know, the -- my case took three years. And we -- I was limited to maybe an hour and a half in court. I'd keep going back until I got, you know, a full six hours.

We aren't really hearing anything about ramping up cost for courts and making sure that we're following through on the judicial side. Do you foresee that we're going to see that or do you have any comment on that?

AYALA:

Our -- our goal is always to have more prosecutorial resources or space for our -- and so that we're separating that from looking at transnational criminal organizations.

We could go out there with all the assets we have and -- and make 20 time more cases, but we don't have the prosecutorial resources to take those investigations, and we don't have pre-trial services to go through and meet all those individuals.

And we don't have detention space to house them, then, you know, we can't take on those number of cases. So that's why there's prioritization everywhere.

So we could definitely support the increase of support in all aspects of government that correlate back to our investigative process.

BARRAGAN:

OK.

And then the last question is to you, Vice Admiral. You know, I was hearing about the possible cuts for the Coast Guard and TSA to -- put down to build a border wall. How do the Coast Guard's aging assets limit your ability to carry out your missions?

SCHULTZ:

Well, Congresswoman, I would say that due to the terrific capabilities of our folks and the commitment we're getting the work done with our aging assets.

But you can only squeeze so much life out of a ship. You know, we've got ships that are 50 plus years old. With the help of Congress we have momentum to recapitalize those ships, our offshore patrol cutters.

We just awarded a contract back in September to build the first nine of what we hope will be a fleet of 25. We're -- just had a ceremony in Seattle, here for the Coast Guard Cutter Monroe this past weekend with the secretaries (inaudible) and the commandant.

That -- that's the most capable platform we ever had. So the end of the day predictable, sustained budgets allow us to continue our recapitalization efforts to get those old ships out of service, put new ships on there.

The new ships are more capable. The -- the living conditions for the men and women onboard are much more adequate and, you know, we want to continue that momentum. I think we're on a good trajectory to recapitalize the Coast Guard.

Clearly we can do more with more, but getting those old ships out and new ships fielded is really a critical part of our continued success.

BARRAGAN:

Great. Thank you.

I yield back.

MCSALLY:

The chair now recognizes Mr. Correa for some final questions.

CORREA:

Thank you, Madam Chair.

You know, gentlemen, if you looked at the border area, 100 miles plus 100 miles plus-minus north-south, if you look at it economically probably would be one of the world's largest economies. Probably one of the top five economies in the world. It's just a lot of economic activity in that area.

And -- and so it -- it behooves all of us to try to coordinate our activities north and south of the border when it comes to a lot of these criminal elements because, of course, otherwise we'd be fighting a -- a war, so to speak, with one hand tied behind us.

Chief Beeson, a minute ago you said that through your coordination, a person that was about to get immigration benefits was denied those benefits because you had intel that that person had been engaged in narcotics activities in Mexico. How did you come up with that information, if you can say?

BEESON:

Not sure that I can in this setting.

CORREA:

Be as general as you can.

BEESON:

It was the result of an investigation. So as the result of -- of investigation, which is the gathering of information, gathering of law enforcement intelligence, they were able to determine that was the case.

CORREA:

Any of those investigations with coordination of assets or government south of the border?

BEESON:

I don't -- thinking of that particular event I -- it does not come immediately to mind. I'd have to take that back for the record.

CORREA:

Is one of the -- one prior life as a state legislator in California, one of the complaints I had from folks in the -- the Tijuana area was the lack of coordination with immigration folks and when it came to following individuals that have criminal records, especially when it came to deportations.

In those days, and I don't know if it's still the case, deportation you're opening some gates. Folks walk out into Tijuana and the folks in the southern side wouldn't know if you -- if you were deporting somebody based on a -- a speeding ticket or that person was a convicted murderer that was now being released into Mexico.

So my -- my question is -- in general is can we -- do we have coordination with Mexican authorities to make sure that we can follow some of these bad hombres, so to speak, not only north of the border but south of the border to make sure that folks are kept in check that should be kept in check?

BEESON:

So I -- I believe the answer is yes. We are -- routinely before we remove anybody to Mexico we provide Mexico with a list of the individuals, and I'm speaking specifically for CBP in terms the folks that we remove, with a list of the individuals that are being removed and -- and the reasons for it.

We work closely with Mexico to check and see if individuals that we've arrested are wanted, if there are outstanding warrants for them in Mexico.

We have -- on occasion we do see where there are individuals that we have arrested in the U.S. that have outstanding criminal warrants in Mexico so we're making sure that when we -- when they are returned to Mexico that Mexico knows and we're essentially meeting them at the border and turning them over to them.

CORREA:

My final question, shifting gears a little bit, drug law in -- in Mexico is a little bit different than it is in the U.S. right now give the emerging pattern in the U.S., clear pattern of legalization of marijuana in the U.S. whereas in Mexico it's still a serious crime. If you're caught with possessions of significant amounts you're going to do 10, 20 years in jail.

Is that complicating the relation between the -- the U.S. and Mexico in terms of enforcement of drug...

SCHULTZ:

Congressman, I would tell you this.

CORREA:

... policy?

SCHULZ:

The government of Mexico remains a -- a key partner, I think, in the land domain under drug enforcement. On the maritime domain we have a great working relationship with CMAR, which is the Mexican navy. We'll be meeting with Mexican counterparts here coming up in April.

You hit the nail on the head. I mean, there's -- there's key economic trade across the border and our challenge is to disrupt these TCOs while allowing and enabling that trade to continue to happen.

If -- if you look at Mexico, you know, from my time at SOUTHCOM, everyone focuses at the goal line defense at the southwest border. I think Mexico's focus is clearly their Guatemalan-Mexican border.

If you think about this as a layered defense of why are folks showing up at our border, most of these days they're Central Americans, not Mexicans anymore.

It's that instability in Mexican -- Mexico -- excuse me, in Central America by the transnational crime that's ending up there. That's where the drugs land. Most of the drugs land in Costa Rica now, increasing amounts, in Panama, in Guatemala.

Guatemala's the first stop country for most of the drugs. That's the violence that comes with the drugs. There's a question about breaking big bulk drugs that you could interdict at sea down to small -- once it's in the land domain it's very much a problem set, and there's a tremendous violence that's associated with it.

So I think the secretary's view is push the border out. You partner with the Mexicans where you can at our land border, but clearly at their land border with Guatemala. That's -- that's part of the problem set as well.

And we have a -- a very good working relationship across our respective components. And I think the task force is apt to complement that, but not create new entities and new partnerships with the Mexicans that confuse them. And I think there's existing strong relationships that we'll continue to build on.

CORREA:

Thank you.

And chair, I yield the remainder of my time.

MCSALLY:

Thank you.

I want to thank the witnesses for their valuable testimony and members for their questions. Members of the committee may have some additional questions, and for the witnesses we'll ask you to respond to those in writing. Pursuant to committee Rule 7-E the hearing record will be held open for 10 days.

Without objection, the committee stands adjourned.