Current Preclearance Operations

July 13, 2015
Fiscal Year 2015 Report to Congress

U.S. Customs and Border Protection
Message from the Deputy Commissioner of CBP

July 10, 2015
I am pleased to submit the following report, “Current Preclearance Operations,” prepared by U.S. Customs and Border Protection (CBP).

This document has been compiled pursuant to a requirement in House Report 113-481 accompanying the Fiscal Year 2015 Department of Homeland Security Appropriations Act (P.L. 114-4). The report discusses the results of current preclearance operations, including information about national security benefits to the United States, the travel benefits to passengers, and the economic impacts on the U.S. airline industry.

Pursuant to congressional requirements, this report is being provided to the following Members of Congress:

The Honorable John R. Carter
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lucille Roybal-Allard
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable John Hoeven
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jeanne Shaheen
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

The Honorable Michael McCaul
Chairman, House Committee on Homeland Security

The Honorable Bennie G. Thompson
Ranking Member, House Committee on Homeland Security

The Honorable Ron Johnson
Chairman, Senate Committee on Homeland Security and Governmental Affairs

The Honorable Thomas R. Carper
Ranking Member, Senate Committee on Homeland Security and Governmental Affairs
I would be pleased to respond to any questions you may have. Please do not hesitate to contact my office at (202) 344-2001 or the Department’s Deputy Under Secretary for Management and Chief Financial Officer, Chip Fulghum, at (202) 447-5751.

Sincerely,

[Signature]

Kevin K. McAleenan
Deputy Commissioner
U.S. Customs and Border Protection
Executive Summary

Preclearance operations are an essential part of CBP’s extended border strategy and a key component of DHS’s continued efforts to enhance border and aviation security by identifying and addressing threats at the earliest possible opportunity. The strategic stationing of CBP law enforcement overseas, clearing travelers before they board flights to the United States, is one of the best means we have to disrupt and deter terrorist threats before they reach the homeland.

The benefits of preclearance are numerous: from faster processing times to reduced costs to greater international cooperation on national security concerns. The current air preclearance operations at 15 international locations have proven to be very successful, and expanding preclearance operations will further benefit the Nation’s security and economy as the volume of international air passengers is estimated to grow by four percent per year.
Current Preclearance Operations

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I. Legislative Language

This document was compiled pursuant to the legislative language set forth in the House Report 113-481 accompanying the Fiscal Year (FY) 2015 Department of Homeland Security (DHS) Appropriations Act (P.L. 114-4).

The House Report 113-481 states:

The Committee directs CBP to submit an official report—in classified and unclassified form—to the Committee on Appropriations and the Committee on Homeland Security, with results of current preclearance operations, including information about national security benefits to the United States and, as appropriate, consult with the Department of Transportation on how to fully assess the travel benefits to passengers and the economic impacts on the U.S. airline industry. The unclassified version of the report shall be published on DHS's website.

FOUO Classification

Pursuant to DHS Management Directive 11042.1, Safeguarding Sensitive but Unclassified (For Official Use Only) Information, this report is classified FOUO as it aligns with exemption (J) of the Directive: “Information that could constitute an indicator of U.S. government intentions, capabilities, operations, or activities or otherwise threaten operations security.”
II. Background

U.S. preclearance operations began at Toronto Pearson International Airport in 1952. Since it was first established, preclearance has helped to increase air travel from preclearance airports to the United States. Currently, preclearance of air passengers occurs at 15 locations in 6 foreign countries: Canada, Ireland, the United Arab Emirates, Bermuda, Aruba, and The Bahamas. Over 600 U.S. Customs and Border Protection (CBP) Officers and Agriculture Specialists are deployed to foreign airports, processing over 16 million U.S.-bound passengers per year. In FY 2014, 21.4 percent of all commercial aircraft and 15.3 percent of all commercial air travelers arriving in the United States were precleared.

Preclearance is an essential part of CBP’s extended border strategy, which allows CBP to address threats abroad rather than in the United States. Travelers inspected and cleared overseas do not have to undergo a second CBP inspection upon arrival in the United States. All mission requirements are generally completed at the preclearance location prior to departure, including customs, immigration, and agriculture inspections.

There is also a strategic and facilitative benefit of having all U.S.-equivalent aviation security standards being applied to all persons and flights destined to the United States through a preclearance port of entry. Aviation security screening conducted at preclearance airports must meet U.S. Transportation Security Administration standards. These measures eliminate the need for precleared passengers and their checked baggage to undergo additional security screening before boarding a connecting flight after arriving in the United States.

Preclearance locations add to CBP’s layered enforcement posture while reducing operational costs and enabling air carriers to avoid some potential fines. Overall, preclearance locations offer the opportunity to detect and intercept inadmissible passengers before arrival at U.S. ports of entry. These passenger interceptions at preclearance locations avoid certain costs to the U.S. Government related to detention, processing, and repatriation, as well as other costs generally associated with domestic apprehensions of inadmissible passengers. For instance, the U.S. Government avoided approximately $26.7 million in detention costs that would have been incurred by CBP based on 10,674 interceptions of persons inadmissible under U.S. immigration laws that were made at preclearance locations in FY 2014.¹ The 10,674 interceptions of inadmissible persons also enabled air carriers to avoid more than $17 million in potential fines.²

¹ Calculated in FY 2012 at $2,499.34 per inadmissible passenger.
² Calculated at $1,650.00 per passenger.
III. CBP Preclearance Operations

A. Results of Current Preclearance Operations

In FY 2014, 6 preclearance locations ranked in the top 25 airports by volume. In FY 2014, air preclearance locations processed:

- 16.4 million U.S.-bound travelers;
- 21.4 percent of all commercial aircraft arriving in the United States;
- 15.3 percent of all commercial air travelers arriving in the United States; and
- 10,674 inadmissible travelers before they attempted to board U.S.-bound flights.

Preclearance operations located at Toronto Pearson International Airport in Ontario, Canada, is the number two last point of departure, worldwide, of passengers destined to the United States. The preclearance location ranks fifth among all CBP ports of entry in clearance of international passenger volume, including those at U.S. airports. In FY 2014, CBP Toronto cleared approximately 5.4 million passengers, which is an increase of approximately 19 percent since 2009. Other preclearance locations’ ranking among CBP’s top 25 airports in passenger volume are as follows:

- 13th – Vancouver International Airport 2.4 million passengers
- 15th – Montreal International Airport 1.9 million
- 19th – Calgary International Airport 1.6 million
- 24th – Nassau Bahamas Intl. Airport 1.1 million
- 25th – Dublin International Airport 940 thousand

Of great significance, the first CBP preclearance location within the Middle East began operations in Abu Dhabi, United Arab Emirates, on January 24, 2014. The newest location has certainly enhanced U.S. aviation and border security since commencement.

B. Expanding Preclearance Operations

Building upon the success of existing preclearance operations, CBP intends to significantly expand the preclearance program toward the goal of preclearing 33 percent of all U.S.-bound air travelers by 2024. On September 22, 2014, CBP announced a process to evaluate and prioritize potential new preclearance locations for the current fiscal year. As part of this strategy, CBP Office of Field Operations launched the FY 2015 Preclearance Expansion process. Foreign airport authorities interested in preclearance had the opportunity to initiate the process to expand preclearance operations
to their location. Twenty-five airport locations submitted their letters of interest to CBP by the November 30, 2014, deadline.

Based on core requirements of national security, facilitation, feasibility, and strategic impact to multiple factors, CBP has assessed each location’s capability to establish preclearance. CBP is targeting future expansion efforts to key locations in Asia, Europe, and the Middle East. From January 2015 through February 2015, DHS technical teams conducted site visits and evaluations of applicant airports to prioritize what locations are more readily suited for operations.

The Office of Field Operations led the process to evaluate and review applicant airports. Through these evaluations, DHS and the U.S. Department of State prioritized applicant airports and determined the set of airports for which negotiations are expected to begin with host countries in 2015. DHS will seek to enter formal negotiations with partner governments to expand our air preclearance operations to 10 new foreign airports, located in nine separate countries. The 10 airports identified for potential expansion are: Amsterdam Airport Schiphol, in the Netherlands; London Heathrow and Manchester Airports in the United Kingdom; Istanbul Ataturk Airport in Turkey; Narita Airport in Tokyo, Japan; Madrid-Barajas Airport in Spain; Brussels Airport in Belgium; Stockholm Arlanda Airport in Sweden; Oslo Airport in Norway; and Punta Cana International Airport in the Dominican Republic.

DHS anticipates that once negotiations begin, the first new preclearance agreements will be finalized within 12-18 months and lead to the opening of the new preclearance facilities shortly thereafter. Not necessarily every one of the 10 priority airports will become a new preclearance location, as DHS has important issues to negotiate with host nation governments and with each airport, as well as with other local stakeholders including major U.S. arrivals airports. Nonetheless, the expansion initiative is anticipated to yield a number of new preclearance locations. Each location will benefit our security, our economy, and the overall travel experience to the United States.

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3 This is consistent with P.L. 113-76.
IV. Benefits of CBP Preclearance Operations

On a typical day, more than a quarter million air travelers arrive in the United States from airports around the world. This number is only expected to increase as the volume of international air passengers is estimated to grow by four percent per year. Preclearance has the potential to increase capacity and growth opportunities for airports and air carriers in the United States and abroad, while improving the passenger experience. In addition, preclearance provides significant security and economic benefits for the United States and our international partners.

A. National Security Benefits

Preclearance enhances national security by allowing the United States and our international partners to jointly identify and address threats at the earliest point possible. It increases international law enforcement collaboration to counter global security threats and enhances public-private partnerships to proactively address international security challenges.

CBP officers are not only able to interview, capture biometrics, and thoroughly inspect known or suspected terrorists encountered in preclearance, they also are able to examine nonwatchlisted travelers who present risk factors identified through targeting rules, behavioral indicators, and primary inspection interviews. Preclearance operations on high-risk routes will provide a significantly enhanced security posture, such as with respect to flights from the preclearance operation in Abu Dhabi, benefiting U.S. security and providing an opportunity for comprehensive interviews and examinations of travelers who ultimately may be denied admission.

Preclearance also protects U.S. agricultural infrastructure from the spread of foreign pests, disease, and global outbreaks. For example, in the last 2 years CBP has seen a 400-percent increase in interceptions of khapra beetles, one of the most devastating pests and a great risk to U.S. agriculture, discovered within luggage of passengers originating from Asia and the Middle East.

DHS and CBP assert that the calculated expansion of preclearance operations in strategic locations will further strengthen our ability to identify terrorists, criminals, and other national security threats prior to encountering them on U.S. soil. Targeting specific locations for the expansion of preclearance will effectively confront evolving aviation security threats while enhancing passenger facilitation. These decisive steps serve to

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4 As used here, the term “public-private partnership” does not relate in any way to the authorities founded in Section 559 of FY 2014 DHS Appropriations Act (P.L. 113-76).
further national security objectives, foster foreign relations, and enrich global economic benefits from overall increased efficiency.

B. Travel Benefits to Passengers

Preclearance operations benefit air travelers by providing an improved passenger experience. Precleared passengers have more direct-flight destination options, allowing them to travel directly to domestic U.S. airports from foreign locations. Additionally, precleared passengers generally do not have to go through CBP inspection upon arrival in the United States, resulting in shorter connection times and earlier arrival at final destinations. Preclearance also reduces wait times for the inspection process at U.S. airports. For example, a precleared Boeing 777 from Abu Dhabi arriving at Chicago O’Hare International Airport in the middle of peak traffic reduces the number of passengers in queues for inspection at O’Hare at that time by almost 20 percent.

Without the need for clearance on arrival in the United States, passengers benefit from a rapid and predictable exit from the U.S. airport, or transfer on to a connecting flight. Also, uncertainty concerning whether a passenger will be denied admission on arrival in the United States is greatly reduced. Lastly, it streamlines security screening by generally eliminating the need to undergo additional security screening before boarding a connecting U.S. flight.

Forecasting for FY 2016, existing CBP Preclearance Operations expect to experience continual growth in clearing passenger volumes in line with industry annual growth of 3-4 percent. CBP’s goal of preclearing 33 percent of all U.S.-bound air travelers by 2024 is a critical target toward providing a good travel experience for our growing number of air travelers.

C. Economic Impacts on the U.S. Airline Industry

Air carriers also benefit from the opportunity to increase their efficiency and earnings. Preclearance operations result in greater efficiencies throughout the air travel system, including reduced wait times and greater schedule flexibility, thus increasing the volume of passengers that airports and air carriers can accommodate. Since preclearance operations process air travelers prior to boarding the plane, the costs associated with repatriating travelers who are denied admission to the United States are reduced.

Preclearance operations provide opportunities for air carriers to fly or codeshare to new destinations within the United States, creating more schedule flexibility. More arrival gate options can reduce the need for costly towing between terminals. Plus, a precleared flight arriving at a U.S. domestic gate opens up gate space for a new international route. The greater utilization of domestic gates and the increased opportunities to use secondary U.S. airports help to reduce congestion of international gates.
By providing an alternative to clearance on arrival, preclearance also creates opportunities for airports and air carriers to develop new routes, increase schedule flexibility, and provide a better experience for air passengers.

Airports benefit from future growth because preclearance operations result in higher passenger volumes. Demand for preclearance increases the number of passengers, flights, and routes to and from the United States through preclearance airports, compared to competitor airports. For example, preclearance operations at Dublin Airport have helped to make it the seventh largest airport in Europe for commercial air service to North America. The passengers and crew precleared by CBP at Dublin Airport was approximately 940,000 in 2014, which is triple the total reported from 2003. Airports are also able to offer preclearance service to interested general aviation customers as this service is provided in Aruba and Shannon, Ireland. Lastly, retail sales in preclearance areas tend to increase, generating significant revenue. Duty-free sales in Vancouver International Airport’s U.S. and International Departure Terminals reached $116 million in 2014.
V. Conclusion

CBP is committed to working in close partnership with stakeholders, including airports and air carriers, to make preclearance a success. Critical to the success of an airport’s preclearance model is the full integration of preclearance operations into broader passenger and baggage processes, from check-in to departure for the United States. By considering preclearance operations within this broader context, together, we can leverage technology in the preclearance process, and look beyond the walls of the preclearance area, or even the airport itself, to identify ways to save time, increase efficiency, and reduce costs.
VI. Appendix – List of Abbreviations

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<th>Abbreviation</th>
<th>Definition</th>
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<td>CBP</td>
<td>U.S. Customs and Border Protection</td>
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<td>DHS</td>
<td>Department of Homeland Security</td>
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<td>FY</td>
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