

**Hearing on the Opioid Crisis: Stopping the Flow of  
Synthetic Opioids in the International Mail System**

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HEARING  
BEFORE THE  
SUBCOMMITTEE ON TRADE  
OF THE  
COMMITTEE ON WAYS AND MEANS  
U.S. HOUSE OF REPRESENTATIVES  
ONE HUNDRED FIFTEENTH CONGRESS  
SECOND SESSION

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APRIL 25, 2018

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**Serial No. 115-TR04**

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**Hearing on the Opioid Crisis:  
Stopping the Flow of Synthetic Opioids in the International Mail System**

U.S. House of Representatives,  
Subcommittee on Trade,  
Committee on Ways and Means,  
Washington, D.C

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**WITNESSES**

**Todd Owen**

Executive Assistant Commissioner, Office of Field Operations, U.S. Customs and Border  
Protection

Witness Statement

**Robert Cintron**

Vice President, Network Operations, U.S. Postal Service

Witness Statement

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# WAYS AND MEANS

CHAIRMAN KEVIN BRADY

## **Chairman Reichert Announces Hearing on the Opioid Crisis: Stopping the Flow of Synthetic Opioids in the International Mail System**

House Ways and Means Trade Subcommittee Chairman David Reichert (R-WA) announced today that the Subcommittee will hold a hearing entitled “The Opioid Crisis: Stopping the Flow of Synthetic Opioids in the International Mail System.” The hearing will focus on efforts to improve the detection of synthetic opioids in the international mail system and prevent them from entering the United States. The hearing will also examine bipartisan legislative solutions to address vulnerabilities in the international mail system that have allowed synthetic opioids to go undetected. The hearing will take place on **Wednesday, April 25, 2018, in 1100 Longworth House Office Building, beginning at 2:00 PM.**

In view of the limited time to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

### **DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:**

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to make a submission, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Wednesday, May 9, 2018.** For questions, or if you encounter technical problems, please call (202) 225-3625.

### **FORMATTING REQUIREMENTS:**

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the

Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.
2. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.
3. Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

**Note:** All Committee advisories and news releases are available at <http://www.waysandmeans.house.gov/>.

OPIOID CRISIS: STOPPING THE FLOW OF SYNTHETIC  
OPIOIDS IN THE INTERNATIONAL MAIL SYSTEM

Wednesday, April 25, 2018

House of Representatives,  
Subcommittee on Trade,  
Committee on Ways and Means,  
Washington, D.C.

The subcommittee met, pursuant to call, at 2:08 p.m., in Room 1100, Longworth House Office Building, Hon. Dave Reichert [chairman of the subcommittee] presiding.

Chairman Reichert. Good afternoon, the subcommittee will come to order.

Welcome to the Ways and Means Trade Subcommittee.

We are having a hearing today on how to stop the flow of synthetic opioids in the international mail system.

In 2016, nearly 64,000 Americans died from drug overdoses, nearly doubled from 10 years ago. Of those deaths, approximately 66 percent involved opioids. In my home State of Washington, there has been 134 percent increase in opioid-related cases between 2004 and 2016. That is an increase of 33 percent.

To put this in stark and shocking terms, the increase in opioid-related deaths in Washington State exceeds the growth in the State's population. There has been a sharp rise in the number of deaths involving fentanyl, a cheap, synthetic opioid that is up to 50 times stronger than heroin and up to 100 times stronger than morphine. The number of Americans who died from an overdose on synthetic opioid more than doubled from 2015 to 2016. Because fentanyl is so potent, it takes only a very small amount to cause severe or deadly reactions.

Fentanyl enters the United States with alarming ease. It is frequently sold online, and then shipped to the United States typically from China through express delivery carriers, or through the international mail.

Because it is shipped in such small quantities, it is very difficult to detect. For the last 15 years Customs and Border Protection, by law, has required private carriers to transmit advance electronic data on shipments entering the United

States. The data typically includes the shipper and recipient name and address, as well as the package contents, all of which helps CBP identify high-risk shipments.

CBP has exercised its discretion not to impose this data requirement on the Postal Service because the Postal Service operates in a different environment than private carriers do. As a result, international mail shipments arrive in the United States with little information. This lack of data creates a significant vulnerability that can be easily exploited by drug traffickers.

To the credit of CBP and the Postal Service, they have established a pilot program to test the effectiveness of acquiring advance electronic data on a small subset of mail shipments. The pilot itself is an important step, and I commend the agencies for taking that step. But as the pilot has expanded, there are significant concerns about the quality of the data supplied by foreign postal operators and the ability of the Postal Service to physically retrieve the packages that CBP targets.

I am eager to hear from our witnesses today about what steps the agencies are taking to improve the pilot program, and whether they believe it has been effective.

I also look forward to hearing about the unique challenges surrounding the Postal Service's ability to collect and transmit advance electronic data.

Finally, I would like to thank CBP and the Postal Service for working closely and cooperatively with our bipartisan committee staff to craft a legislative solution that will require the transmittal of advance electronic data on all international mail shipments in a way that is effective and achievable and ensures the agencies are held accountable to Congress.

I would also like to thank Representative Mike Bishop, who is leading the committee's effort on this important issue, together with Representative Vern Buchanan, and Carlos Curbelo, as well as Representative French Hill for his work to improve the detection of fentanyl by the Postal Service and Representative John Faso, who is here with us today to show his commitment to help solving this problem.

The opioid crisis must be addressed from every angle, and that includes stopping synthetic opioids from entering our country. We must do more to protect our families and our communities from this deadly substance in

requiring advance electronic data on international mail shipments that would help us do that.

Right now, I will yield to Mr. Pascrell, the ranking member, for his opening statement.

Mr. Pascrell. Thank you, Chairman Reichert, for holding the hearing today, and I want to thank Mr. Owen and Mr. Citron. Mr. Owen is the executive assistant commissioner, correct me if I am wrong, Office of Field Operations, U.S. Customs and Border Protection. Thank you for being here today; and Robert Citron is Vice President of Network Operations in the U.S. Postal Office.

So you are at the heart of what we are talking about today, so thank you both.

Every day in the United States, 115 Americans lose their lives to opiates. We are trying to attack the problem from every direction possible.

In 2016, my home State of New Jersey alone experienced 2,056 lives lost to this epidemic. The New Jersey Attorney General's Office predicts that the number this year could surpass 3,000.

One of the ways that synthetic opioids make their way into the United States is through the mail. Fentanyl, an illicit synthetic opiate, that is extremely deadly, primarily comes from China. Fentanyl is frequently sold online, shipped to the United States in very small quantities, making it hard to detect.

These sellers are incredibly easy to find online, and there is evidence of multiple fatalities in which the victim received fentanyl through the mail from China.

Ports of entry are a critical juncture in the flow of synthetic opiates. Just across the river from my district in New York City, the Postal Service receives international mail at one of its five international service centers. The Postal Service receives an astronomical volume of mail, handling an estimated 275 million international packages in 1 year.

Given this high volume of international shipments, more data is needed for international shipments to catch synthetic opiates at the ports of entry before they enter our country and devastate so many of our communities.

To address the vulnerability, I was proud to sponsor the Synthetics Trafficking and Overdose Prevention, or the STOP Act, with my friend, Congressman Pat Tiberi -- and we miss him -- Ranking Member Neal of the entire committee.

This bill would require the Postal Service to transmit advance electronic data to Customs and Border Patrol on international shipments into the United States. This information typically includes the name and the address of the shipper, the recipient, as well the contents of the package.

When CBP identifies shipments that may pose a risk, they can place a hold on the shipment, notify carriers that a package must be presented for examination. This data will help CBP identify and stop the shipments of synthetic opiates coming from China and other countries around the world.

I understand that CBP and the U.S. Post Office have some concerns with the STOP Act as it currently stands, but I am confident that we can work on a bipartisan basis to address these concerns, maintain a robust mechanism that ensures that the CBP and USPS are held accountable for collecting data on international shipments.

The Postal Service and Customs have already put in place a pilot program that has made great progress in the transmission of this electronic data. The program began in 2014, I believe, at JFK International Service Center in New York, and the Postal Service was able to secure data from foreign posts on certain international packages.

CBP then targeted a small amount of mail each day for the Postal Service to locate and provide to CBP for this inspection. I understand that in 2017, the CBP and Postal Service expanded the pilot program, entered bilateral agreements with several foreign posts, including China, which accounts for nearly two-thirds of international mail in the United States.

In 2017, Customs and Border Patrol seized more than 1,100 pounds of fentanyl. This rate doubled over the year before. However, an Office of Inspector General report found in 2016, that under the pilot program, the Postal Service had only presented around 80 percent of the packages targeted by CBP for inspection, and the majority, more than 60 percent, of international packages received by the Postal Service, had no advance electronic data associated with them. Much of the data it did receive from foreign posts was low quality.

We also know that foreign carriers like UPS and FedEx are already required to provide advance electronic data, but have separate requirements and receive only around one-fourth the volume of packages as the U.S. Postal Service.

It is my hope that with the continued progress of the pilot program and subsequently with the STOP Act passage, we can address the remaining vulnerabilities within the system itself.

Again, I thank you both for being here today, and I turn it back to our chairman.

Chairman Reichert. Thank you, Mr. Pascrell.

Today we are joined by two witnesses. The first witness is Mr. Todd Owen, the Executive Assistant Commissioner for CBP's Office of Field Operations.

Our second witness is Mr. Rob Cintron, Vice President of the Postal Service's network operations.

Before recognizing our first witness, let me note that our time is limited as almost always we say. So you should limit your testimony to 5 minutes please, and members should keep their questioning to 5 minutes.

Mr. Owen, your written statement will be made a part of this record. You are recognized for 5 minutes.

**STATEMENT OF TODD C. OWEN, EXECUTIVE ASSISTANT  
COMMISSIONER, OFFICE OF FIELD OPERATIONS**

Mr. Owen. Chairman Reichert, Ranking Member Pascrell, distinguished members of the subcommittee, thank you for the opportunity to appear today to discuss the role of U.S. Customs and Border Protection in combating the flow of dangerous, illicit drugs into the United States.

As America's unified border security agency, CBP plays a critical role in our Nation's efforts to keep dangerous drugs from entering our communities. CBP interdicts drugs and other dangerous items at our ports of entry, including multiple mail and express courier facilities by leveraging advance electronic data, automated targeting systems and intelligence-driven strategies, and by

using various types of detection technology as part of our multilayered, risk-based approach to enhance the security of our borders.

Since the STOP Act was first introduced, CBP, working collaboratively with the Postal Service and our law enforcement partners, has made strong progress in enhancing our enforcement capabilities and the effectiveness in the international mail and express courier environments, but more must be done.

Recent bilateral agreements regarding advance electronic data between the U.S. Postal Service and foreign postal operators, have increased CBP's ability to target high-risk shipments.

At the start of 2016, CBP was receiving advance electronic data, or AED, on a limited basis from only eight countries. Today we are receiving advance electronic data from 28 countries accounting for over 40 percent of all international mail shipments with goods.

CBP works internationally to increase the volume and the accuracy of the AED provided to the Postal Service.

CBP has now initiated pilot programs at the top five international mail facilities in JFK, Los Angeles, Miami, Chicago, and San Francisco, which allows CBP officers to target high-risk shipments using AED. Through these pilots, CBP has enhanced our automated targeting capabilities and has been working with the Postal Service to develop protocols to ensure that every shipment selected for CBP by examination is, in fact, presented for inspection.

Last summer, CBP and the Postal Service signed a memorandum of understanding aimed at increasing the level of advance electronic data while aligning inspection processes.

In the past year, CBP has increased our staffing at the six main international mail facilities by 20 percent, and all CBP narcotics detection canines assigned to the mail facilities express courier operations at international airports, have now been trained to detect fentanyl, adding important detection capability at our ports of entry. Once detected, these substances must be positively identified.

In the past 18 months, CBP has deployed identification testing equipment so that officers can quickly determine what the unknown substances are. The average fentanyl seizure in the international mail environment is only 700 grams and arrives as an unknown powder. CBP officers must have the

technology enabling them to quickly and safely identify these unknown substances.

CBP has increased the availability of such testing equipment, and we are appreciative to Congress for the recently-passed funding which will allow us to add even additional testing equipment.

In the mail and express courier environments, the fentanyl detected arise primarily from China and is over 90 percent pure. CBP has deployed the necessary personal protective equipment to safely inspect and process these narcotics.

We have also deployed naloxone or Narcan to our ports of entry, so if our officers or our canines are accidentally exposed to these deadly substances, we can quickly administer these treatments to save their lives.

Lastly, substantive and timely information sharing is critical to targeting and interdicting shipments containing illicit drugs. CBP's national targeting center collaborates with critical partners on a daily basis, including HSI, the DEA, FBI, members of the intelligence community, and the Postal Service inspection service. These investigative relations are critical to delivering consequences to those who try to smuggle narcotics across our border.

In closing, we are seeing an increase in interdictions as a result of the efforts I have outlined. In 2015, CBP seized 50 pounds of fentanyl in the international mail and express courier environments. In 2016 that increased to 81 pounds of fentanyl; and in 2017, 335 pounds of fentanyl were seized again in the mail and express courier environments.

Already this fiscal year, we have seized 211 pounds of fentanyl and expect to exceed our numbers by early this summer.

So despite this success, much more must still be done. We must continue to increase the level and accuracy of advance electronic data provided. We must further refine our targeting capabilities, we must find a technological solution that can quickly examine parcels for the presence of contraband without having to open the package, and we must work with our law enforcement partners to identify and dismantle those criminal networks bringing these illicit narcotics into our communities, and ensure criminal prosecutions.

We must deliver consequences.

Chairman Reichert, Ranking Member Pascrell, distinguished members of the subcommittee, thank you for the opportunity to testify today. I look forward to your questions.



TESTIMONY OF

TODD C. OWEN  
Executive Assistant Commissioner  
Office of Field Operations

U.S. Customs and Border Protection  
Department of Homeland Security

For a Hearing

BEFORE THE

United States House of Representatives  
Committee on Ways and Means, Subcommittee on Trade

ON

“The Opioid Crisis: Stopping the Flow of Synthetic Opioids in the International Mail System”

April 25, 2018  
Washington, D.C.

## **Introduction**

Chairman Reichert, Ranking Member Pascrell, and distinguished Members of the Subcommittee, thank you for the opportunity to appear today to discuss the role of U.S. Customs and Border Protection (CBP) in combating the flow of illicit drugs, including synthetic opioids, into the United States through international mail and express consignment carrier (ECC) shipments.

As America's unified border security agency, CBP plays a critical role in the Nation's efforts to keep illicit drugs from harming the American public. CBP personnel interdict drugs at and between our ports of entry (POEs) and multiple international mail and ECC facilities, leveraging targeting and intelligence-driven strategies and working with our partners, including the U.S. Postal Service (USPS), the U.S. Postal Inspection Service (USPIS), the U.S. Department of State (DOS), the U.S. Food and Drug Administration (FDA), and U.S. Immigration and Customs Enforcement (ICE), to combat Drug Trafficking Organizations (DTOs) as part of our multi-layered, risk-based approach to enhance the security of our borders. This layered approach reduces our reliance on any single point or program and extends our zone of security outward, ensuring our physical border is not the first or last line of defense, but one of many.

## **Illicit Drug Trends, Interdictions, and Challenges**

The smuggling of illicit synthetic drugs in the international mail and ECC environments poses a significant threat, one which is exacerbated by the dramatic increase in the volume of international mail and express consignment shipments. CBP has seen a nearly 50 percent increase in express consignment shipments over the past five years alone. In Fiscal Year (FY) 2013, CBP processed over 76 million express bills. In FY 2017, CBP processed approximately 110 million bills. In FY 2013, CBP and the USPS processed approximately 150 million international mail shipments. By FY 2017, the number of international mail shipments had grown to over 500 million shipments annually.

USPS receives international mail from more than 180 countries, the vast majority of which arrives via commercial air or surface transportation. An increasing number of foreign postal operators provide advance electronic data (AED) to USPS, which is then passed on to CBP to use for targeting potential illicit narcotics. For international mail arriving from foreign postal operators who do not provide AED, CBP officers utilize experience, technology and training to identify items that potentially pose a risk to homeland security and public safety while facilitating the movement of legitimate mail. CBP and the USPS have, however, conducted an AED pilot on express mail and e-packets from select countries, which is now operational at five of our main International Mail Facilities (IMFs) to target high-risk shipments, with plans for further expansion. The USPS is responsible for locating targeted shipments and delivering them to CBP for examination.

Thus far in FY 2018, CBP has interdicted 186 shipments of fentanyl at the John F. Kennedy (JFK) International Airport IMF, one of the five locations where the AED pilot program is currently operating. One hundred and twenty-five of those interdictions can be attributed to AED targeting. For example, on January 9, 2018, CBP officers assigned to the JFK IMF processed one seizure of benzoyl fentanyl that arrived in an e-packet mail parcel from China. The parcel was targeted in the Automated Targeting System (ATS) using AED. During the examination of the parcel, an unknown white powder was discovered. The parcel was referred for testing and was positively identified as benzoyl fentanyl. The benzoyl fentanyl was seized and, as a result, a joint law enforcement controlled delivery was conducted and a suspect was arrested and charged.

The detection of illicit synthetic drugs remains challenging in the postal environment. However, recent agreements regarding AED between USPS and foreign postal operators have increased CBP's ability to target high-risk shipments. The USPS currently receives AED for mail parcels from an increasing number of foreign postal operators around the world, totaling over 40 percent of all international mail shipments with goods. Limited advance manifest data on parcels, as well as the sheer volume of mail and potentially hazardous nature of various types of illicit drugs, present challenges to CBP's interdiction efforts in the international mail environment.

CBP, in close coordination with USPS and FDA, provided technical assistance on the pending *Synthetics Trafficking and Overdose Prevention (STOP) Act* to address these challenges in a multi-phase process which emphasizes risk-assessment, technology, and collaboration across the Federal government and with our international partners. We support efforts to expand the ability of USPS to collect fees to help offset the additional cost associated with building the capacity of foreign postal operators to implement AED collection, to develop new scanning technology, and to greatly increase the availability of AED for international mail.

CBP, USPS, and DOS continue to also work with foreign postal operators to highlight the benefits of transmitting AED. CBP will continue to collaborate with USPS to address the issue of AED availability through its participation on U.S. delegations to meetings of the Universal Postal Union (UPU), which is working to expand and drive the use of AED globally in ways consistent with the United States' international obligations as a member of the UPU.

### *Illicit Drug Trends*

Dozens of different types of illicit synthetic drugs, also called "designer drugs," are currently being sold abroad and shipped to drug traffickers or end-users in the United States via the international mail and ECCs, including synthetic opioids such as fentanyl and fentanyl analogues, synthetic cannabinoids,<sup>1</sup> and synthetic cathinones.<sup>2</sup> CBP seizures of illicit fentanyl, the most frequently seized fentanyl-class compound,<sup>3</sup> remain relatively small compared to other opioids

<sup>1</sup> Synthetic cannabinoids are drugs that do not contain marijuana but are pharmacologically similar to tetrahydrocannabinol (<https://www.cdc.gov/mmwr/volumes/65/wr/mm6527a2.htm>).

<sup>2</sup> Synthetic cathinones, more commonly known as "bath salts," are synthetic drugs chemically related to cathinone, a stimulant found in the khat plant (<https://www.drugabuse.gov/publications/drugfacts/synthetic-cathinones-bath-salts>).

<sup>3</sup> While illicit fentanyl is the most frequently-seized synthetic opioid, CBP has also encountered eighteen fentanyl analogues, including acetylfentanyl, butyrylfentanyl,  $\beta$ -hydroxythiofentanyl,  $\alpha$ -methylacetylfentanyl, p-fluorobutyrylfentanyl, p-fluorofentanyl, pentanoylfentanyl (a.k.a. valerylfentanyl), 2-furanylfentanyl, p-

such as heroin,<sup>4</sup> but involve a more potent substance and have significantly increased over the past several years, from approximately two pounds seized in FY 2013 to approximately 544 pounds seized in FY 2016,<sup>5</sup> and approximately 1,296 pounds seized in FY 2017. More than 790 pounds have already been seized CBP in FY 2018.<sup>6</sup>

Illicit synthetic drugs are often purchased from foreign sellers through online transactions. The drugs are then shipped to the United States and delivered to domestic purchasers – DTOs and individuals – primarily via USPS or ECC. DTOs and individual purchasers move synthetic drugs such as illicit fentanyl in small quantities, making detection and targeting a significant challenge. Follow-on investigations, which are conducted by ICE, are also challenging because these shippers are often not the hierarchically structured DTOs we encounter in other environments.

In FY 2017, CBP made 118 seizures of illicit fentanyl totaling approximately 240 pounds in the ECC environment and 227 seizures totaling approximately 92 pounds of illicit fentanyl in the international mail environment. CBP also made 65 seizures of fentanyl at land POEs totaling approximately 853 pounds. In addition to illicit fentanyl, purchasers can also access open source and dark web marketplaces for the tools needed to manufacture synthetic drugs. Fentanyl, powdered fentanyl, pill presses, and binding agents can all be purchased online and then shipped into the United States.<sup>7</sup> In FY 2014, 24 seizures of pill presses and tablet machines were made by CBP officers. The number had increased to 92 in FY 2017.

The majority of illicit fentanyl in the international mail and ECC environments is shipped in purities of over 90 percent, whereas the majority of fentanyl in the land border environment is seized in purities of less than 10 percent. It is important to note that the fentanyl seized on the Southern border in lower concentrations is often ready for sale to the end-user. The higher purity of fentanyl seized in the international mail and ECC environments is often intended to be mixed and repackaged by a distributor.<sup>8</sup>

### **International Mail and Express Consignment Carrier Operations**

In the ECC environment, shipments are processed at 25 established facilities located throughout the United States. Prior to arrival of the express parcels, CBP reviews the manifest information transmitted by the ECC operators and targets those high-risk packages requiring examination. For example, on November 23, 2017, CBP officers assigned to the Federal Express Consignment Hub in Memphis, Tennessee, seized over six pounds of methamphetamine in a shipment manifested as

fluoroisobutyrylfentanyl, n-hexanoylfentanyl, carfentanil, benzodioxolefentanyl, acrylfentanyl, 2,2'-difluorofentanyl, methoxyacetylfentanyl, benzoylfentanyl, cyclopropylfentanyl, and hydrocinnamoylfentanyl.

<sup>4</sup> In FY 2017, CBP officers and agents seized or disrupted over 1.9 million pounds of narcotics across the country, including over 60,000 pounds of methamphetamine, over 330,000 pounds of cocaine, and over 4,800 pounds of heroin.

<sup>5</sup> This includes approximately 440 pounds seized at POEs (including mail and ECC facilities) and 104 pounds seized at U.S. Border Patrol checkpoints.

<sup>6</sup> Effective 03/01/2018

<sup>7</sup> U.S. law enforcement suspects that there are also some clandestine fentanyl milling and production labs in Mexico. These labs likely obtain precursor chemicals and fentanyl for milling and tableting from China.

<sup>8</sup> According to DEA, 2.2 pounds (one kilogram) of pure fentanyl can make approximately 500,000 pills with a retail cost per pill between \$10-\$20. <https://www.DEA.gov/druginfo/fentanyl-faq.shtml>

religious articles. ICE was notified and a controlled delivery was conducted that resulted in the apprehensions of two individuals.

Due to the complex tracking systems used by ECCs, when CBP identifies a high-risk shipment in the ECC environment, an electronic hold is placed and the carrier is notified that a particular parcel needs to be presented to CBP for inspection. The major international air shipping carriers have a tracking number system that allows them to pull these parcels for inspection when they are scanned into the computer system upon arrival at an air hub. All parcels presented to CBP for examination are subjected to Non-Intrusive Inspection (NII) to include x-ray imaging. CBP operates in all 25 facilities nationwide.

On parcels for which USPS does not receive AED, CBP can request specific international mail packages be presented for inspection. USPS relies on a manual process to locate the parcel. As USPS is able to present these, CBP x-rays the packages and physically examines those deemed to be high-risk. On shipments for which USPS and CBP receive AED, an electronic hold is placed and USPS is notified that a particular parcel needs to be presented to CBP for inspection, streamlining the process and enhancing CBP's targeting capabilities.

For example, through joint efforts at the Chicago IMF- another location where the AED pilot program is in place- CBP assisted ICE with a controlled delivery based on two Chicago IMF seizures of approximately one pound of MDMA, commonly known as ecstasy, in late October 2017. The controlled delivery resulted in discovery of 2.3 pounds of MDMA, 175 hydrocodone tablets, 630 Xanax® tablets, 36 ecstasy tablets, two pill presses and lab equipment for manufacturing ecstasy and Xanax®, one pistol with the serial number removed and six rounds of ammunition, as well as \$11,329. The controlled delivery resulted in the arrest of one suspect on charges related to controlled substance possession and trafficking, as well as possession of a defaced firearm.

### **CBP Resources and Capabilities to Target, Detect, and Interdict Illicit Drugs**

Thanks to the support of Congress, CBP has and continues to make significant investments and improvements in our drug detection, identification, and targeting capabilities. These resources, along with enhanced information sharing and partnerships, are critical components of CBP's ability to detect and deter the entry of illicit drugs in the international mail and ECC environments.

#### *Advance Information and Targeting*

An important element of CBP's layered security strategy is obtaining advance information to help identify shipments that are potentially at a higher risk of containing contraband. Under section 343 of the *Trade Act of 2002* (Pub. L. No. 107-210), as amended, and under the *Security and Accountability for Every Port Act* or *SAFE Port Act of 2006*, (Pub. L. No. 109-347), CBP has the legal authority to collect key cargo data elements provided by air, sea, and land commercial transport companies (carriers), including ECCs and importers.<sup>9</sup> This information is automatically fed into CBP's ATS, a secure intranet-based enforcement and decision support system that compares cargo and conveyance information against intelligence and other enforcement data.

<sup>9</sup> Under TSA regulations, international mail destined for the United States is considered cargo and, as a result, is subject to all existing security controls. These security controls, which include screening for unauthorized explosive,

At CBP's National Targeting Center (NTC), advance data and access to law enforcement and intelligence records converge to facilitate the targeting of travelers and items of cargo, including international mail, that pose the highest risk to our security in all modes of inbound transportation. The NTC takes in large amounts of data and uses sophisticated targeting tools and subject matter expertise to analyze, assess, and segment risk at every stage in the cargo/shipment and travel life cycles. As the focal point of that strategy, the NTC leverages classified, law enforcement, commercial, and open-source information in unique, proactive ways to identify high-risk travelers and shipments at the earliest possible point prior to arrival in the United States. ICE Special Agents and USFIS Inspectors are embedded at the NTC to support these efforts and support investigations. The NTC works in close coordination with several pertinent task forces including the Department of Justice's (DOJ) Organized Crime Drug Enforcement Task Forces (OCDEF), the Office of National Drug Control Policy's (ONDCP) High Intensity Drug Trafficking Areas, as well as the Department of Homeland Security's Joint Task Forces, the DOJ's Federal Bureau of Investigation and DEA, the FDA Office of Criminal Investigations, and members of the Intelligence Community.

### *Detection Technology and Canines*

CBP officers utilize a variety of technologies including NII, spectroscopic equipment, wet chemical testing, and narcotics detection canines to detect and presumptively identify illicit drugs at international mail and ECC facilities. Canine operations are an invaluable component of CBP's counternarcotic operations. CBP canine teams work at international mail and ECC facilities to examine millions of foreign mail shipments coming into the United States from all parts of the world. At the Chicago Field Office in FY 2018 canine teams have contributed to 15 finds totaling 14.40 pounds of fentanyl, all in the international mail and ECC environments.

Synthetic opioids present challenges to canine teams due to the toxicity of the drug and the associated potential danger to the health and safety of the canines and their handlers. To address this, CBP created a Fentanyl Detection Canine Pilot Course in 2017. As of November 23, 2017, all Office of Field Operations (OFO) concealed human and narcotic detector dogs working in the international mail and ECC environments have been trained to detect fentanyl. All but one of CBP's concealed human and narcotic detector dog teams have been trained to detect fentanyl across OFO's work environments, with the remaining team scheduled to be trained by May 4, 2018. All future OFO concealed human and narcotic detector dog teams will graduate fentanyl certified. CBP continues to conduct special research to determine the detection and identification of signature odor profiles for fentanyl compounds to aid in our detection capabilities.

incendiary, and other destructive substances or items in accordance with TSA regulations and security program requirements, are applied to international mail prior to transporting on aircraft at Last Point of Departure locations to the United States. 49 U.S.C. 44901(a) states: "The Under Secretary of Transportation for Security shall provide for the screening of all passengers and property, including United States mail, cargo, carry-on and checked baggage, and other articles, that will be carried aboard a passenger aircraft." Under 49 C.F.R. 1540.5, "Cargo means property tendered for air transportation accounted for on an air waybill. All accompanied commercial courier consignments whether or not accounted for on an air waybill, are also classified as cargo. Aircraft operator security programs further define the terms 'cargo' and 'non-U.S. Mail'." These requirements are not dependent on advance electronic manifest data, as provided by ECC operators and other participants in the Air Cargo Advance Screening (ACAS) pilot program.

As the narcotics seized through the international mail and at ECC facilities usually have a very high purity, CBP officers at IMFs and ECC facilities use various field testing devices to rapidly screen suspected controlled substances and obtain presumptive results. Using CBP's Laboratories and Scientific Services Directorate (LSSD) Field Triage Reachback Program, CBP officers can transmit sample data directly to LSSD for scientific interpretation and identification.<sup>10</sup> When any synthetic opioids are detected by the reachback program, LSSD notifies key CBP personnel at the NTC, as well as our liaisons at the U.S. Drug Enforcement Administration (DEA). CBP is working to expand the field testing program, along with the scientific assets and personnel who are able to provide real-time chemical composition determinations.<sup>11</sup>

In 2016, CBP pilot tested four handheld tools and a new reagent test kit to provide immediate presumptive testing for fentanyl. Based on the results of the pilot, OFO procured 12 systems for further testing across San Diego, Tucson, El Paso, and Laredo Field Offices. Last year, over 90 handheld analyzers were purchased for deployment. Handheld analyzers improves officer safety, and provides a near real-time capability to increase narcotic interdiction.

Technology and canine detection capabilities are critical components of CBP's security operations at international mail and ECC facilities. These capabilities are used in conjunction with advance information and targeting capabilities to effectively and efficiently detect and interdict dangerous illicit drugs. Thanks to the support of Congress, the *International Narcotics Trafficking Emergency Response by Detecting Incoming Contraband with Technology Act* or the INTERDICT Act, authorized to be appropriated to the Commissioner of CBP \$9 million to ensure that CBP has sufficient resources and personnel, including scientists and chemical screening devices, to enhance CBP's drug interdiction mission and provide for additional scientists to process lab tests expeditiously.

### *Workforce Protection*

CBP's frontline operations, including drug interdiction activities, are extremely hands-on. The potential for contact with dangerous substances—especially illicit synthetic opioids—is a very real health and safety risk to law enforcement personnel and canines. For example, in its pure powder form, fentanyl is approximately 50-100 times more potent in its intensity, speed of action, and effect on organs than morphine, and, at first glance, it is often mistaken for other drugs, which appear as white powders such as cocaine or heroin.

Explicit instructions, including guidance to canine handlers, have been distributed to the field regarding the safe handling of fentanyl. In October 2015 CBP completed the first phase of a pilot program to train and equip CBP officers with naloxone, a drug for the treatment of opioid overdose. CBP officers at seven participating POEs<sup>12</sup> received training on recognizing the signs

<sup>10</sup> At some POEs, officers also use spectroscopy and handheld narcotics analyzer equipment that have the ability to make presumptive identifications of illicit substances.

<sup>11</sup> Since the inception of the program, LSSD has triaged 29,837 submissions within a business day and has contributed to many controlled deliveries because of the rapid turnaround.

<sup>12</sup> Phase I Naloxone Pilot Program POEs include El Paso, Laredo, Fort Lauderdale International Airport, John F. Kennedy International Airport, San Luis, San Ysidro, and Seattle/Blaine.

and symptoms of opioid overdose, administering naloxone, and CPR. In February 2016, CBP expanded the pilot to an additional eight POEs, deploying 602 intranasal naloxone administration kits.<sup>13</sup> To date, OFO has deployed over 1,100 two-dose boxes of naloxone to the field. Additional naloxone is being deployed to field offices upon request, as additional personnel are trained in its administration. The naloxone program has also expanded to LSSD to help protect its scientists in both its main and satellite laboratories. CBP was the first Federal law enforcement agency to implement such a program.

### **Information Sharing and Operational Coordination**

Information sharing is critical to targeting and interdicting shipments containing illicit drugs. CBP contributes to the whole-of-government effort to identify and disrupt sophisticated routes and networks used by DTOs for the smuggling of illicit drugs by sharing critical information on individuals and cargo with investigative and intelligence partner agencies.

Collaboration with our partners yields results. For example, the Chicago Field Office Tactical Analytical Unit initiated “Operation Mad Dog” in February 2017 to target international mail shipments suspected of containing illicit fentanyl and refer those shipments to our law enforcement partners across the country—including ICE and state, local, territorial, and tribal partners. Controlled deliveries have resulted in 37 arrests. Successes attributed to this operation to date also include the seizure of approximately 57 pounds of fentanyl, multiple firearms, cash and crypto-currency, and the disruption of a major domestic dark web distributor of illicit fentanyl.

On January 31, 2018, ICE and the New Orleans Police Department collaborated with CBP on a controlled delivery of tramadol, a synthetic opioid, in New Orleans. The suspect accepted the tramadol and was arrested on-site. The residence was searched and 27,500 tramadol pills, 15,010 soma pills, one bag of marijuana, two handguns and \$4,000 were discovered and promptly seized.

CBP is a key partner in the implementation of the ONDCP’s Heroin Availability Reduction Plan. CBP also utilizes the DOJ’s Nationwide Deconfliction System operated by DEA, conducting interagency deconfliction and coordination, and is working with the Heroin and Fentanyl Working Group with DEA, OCDETF Fusion Center, and ICE officials.

### **Conclusion**

There is no single entity or single solution that can stop the flow of illicit drugs into the United States or keep them from harming the American public. Tackling this complex threat involves a united, comprehensive strategy and an aggressive approach by multiple entities across all levels of government. With the support of Congress, CBP will continue to expand our targeting efforts and deepen our partnerships across government and around the world. We look forward to working with Congress to find legislative solutions that facilitate legitimate trade while protecting the lives of Americans.

Chairman Reichert, Ranking Member Pascrell, and distinguished Members of the Subcommittee, thank you for the opportunity to testify today. I look forward to your questions.

<sup>13</sup> Phase 2 Naloxone Pilot Program POEs include Miami Int’l/Miami Seaport, Boston, Buffalo, Detroit, Newark, Chicago, Houston Int’l/Houston Seaport, and Dallas.

Chairman Reichert. Thank you for your testimony.

Mr. Cintron, your written statement will be made part of the record, and you are recognized for 5 minutes.

**STATEMENT OF ROBERT CINTRON, VICE PRESIDENT,  
NETWORK OPERATIONS, UNITED STATES POSTAL SERVICE**

Mr. Cintron. Good afternoon.

Chairman Reichert, Ranking Member Pascrell, and members of the subcommittee, thank you, Chairman Reichert, for calling this hearing.

My name is Robert Cintron. I am the Vice President, Network Operations for the United States Postal Service. I oversee the Postal Service's national distribution network, including its operations at the international service centers, known as ISCs.

I appreciate the opportunity to testify before the subcommittee on our efforts to combat opioids in the mail. This includes improvements in the collection and receipt of advance electronic data, or AED.

Together with our Federal agency partners, we are committed to work with foreign postal operators to increase AED for packages coming into the United States. In order to improve the targeting of illicit drugs and other contraband, we collect AED from more than 90 percent of outbound international mail. In the past 3 years, we have increased the receipt of AED on inbound shipments from virtually none to over 40 percent as of March 2018. A substantial portion of these originate in China.

The amount of AED from China is expected to grow significantly by the end of this year.

Since January 2017, the number of countries sending AED to the Postal Service has grown from 8 to 27, and includes China and other countries of interest. We have prioritized obtaining AED from the largest volume foreign postal operators, which collectively account for over 90 percent of all inbound volume.

We now require AED on packages where rates are established under bilaterally negotiated agreements, and currently have such agreements in place with postal

operators in Australia, Canada, China, Hong Kong, and Korea. Moreover, 60 foreign posts have entered into voluntary data sharing agreements to facilitate the exchange of AED. In September 2017, the Postal Service, CBP completed a memorandum of understanding to solidify our interagency partnership.

Additionally, a program initiated at the New York ISC to use inbound AED to facilitate more advanced targeting by CBP has been expanded to all five ISC's across the country.

Over the last year, the Postal Service has provided hundreds of thousands of records per data CBP, and expanded the number of countries and types of packages available for targeting. We have also implemented an automated process to identify targeted pieces requested by CBP. Additionally, we provided training to ISC employees to reinforce proper processes for handling and presenting and handling mail in accordance with CBP requirements.

To further improve the Federal Government's coordination of oversight over inbound international items, the Postal Service, CBP, and the FDA formed an interagency work group. The group is working on efforts to build capacity to exchange AED, develop detection technology, continue information sharing, provide technical assistance for legislation, and improve physical and IT infrastructure.

We also continue to work in close collaboration with our law enforcement branch at the inspection service, which has seen significant improvements in its ability to seize opioids.

From fiscal year 2016 through fiscal year 2017, the inspection service achieved a 375 percent increase in international parcel seizures, and an 880 percent increase in domestic parcel seizures related to opioids.

The Postal Service agrees with the goal of the STOP Act to increase AED. However, unlike private companies, the Postal Service must accept and deliver mail from nearly every country in the world. As we do not control the induction of foreign mail destined for the United States, we cannot control the collection of AED abroad.

As detailed in my written testimony, we have worked with DHS, CBP, the FDA, and State Department, to provide technical assistance for proposed legislation that recognizes the practical realities and sets achievable targets.

Additionally, our recommendations align with the administration's opioid initiative.

In conclusion, we share the concerns about illegal drugs and contraband entering the country through the mail and commercial carriers. The Postal Service is committed to taking all practicable measures to ensure our Nation's mail security and provide the best, most efficient service possible.

Thank you for this opportunity to testify. I look forward to your questions.

**Statement of Robert Cintron  
Vice President, Network Operations  
United States Postal Service  
Before the House Ways and Means Trade Subcommittee  
United States House of Representatives  
April 25, 2018**

Good morning, Chairman Reichert, Ranking Member Pascrell, and members of the Subcommittee. Thank you for holding this hearing on one of our country's most pressing public health emergency: the opioid crisis.

My name is Robert Cintron, Vice President, Network Operations, for the United States Postal Service (Postal Service). I oversee the Postal Service's national distribution network, including international operations. Network Operations manages international mail once it arrives at one of our five International Service Centers (ISCs) and is provided to U.S. Customs and Border Protection (CBP) for inspection. Once the mail is cleared by CBP and returned to the Postal Service, Network Operations is responsible for processing and transportation to its destination in preparation for delivery.

I appreciate the opportunity to testify before this Subcommittee on our efforts to combat opioids in the mail, which include advancements in the collection and receipt of customs advance electronic data (AED). Increasing the amount of AED, which includes fields such as the item identifier, sender's full name and address, recipient's full name and address, stated content description, unit of measure and quantity, weight, declared value, and date of mailing, has been and remains one of the highest priorities for the Postal Service.

Together with our federal agency partners, we have committed to aggressively increase receiving AED on packages coming into the United States in order to improve the targeting of illicit drugs entering the country. Over the past year, the Postal Service, in collaboration with CBP, the U.S. Postal Inspection Service (Inspection Service), Department of State, and other federal agencies, has significantly improved detection of opioids, as detailed later in my testimony.

### **The Growth in AED**

We collect AED for more than 90 percent of outbound international mail, and in the past three years we have increased receipt of AED on inbound shipments from virtually none to over 40 percent as of March 2018<sup>1</sup>, including a substantial portion of those originating in China. The amount of AED from China is expected to grow significantly by the end of this year.

Since January 2017, the number of countries sending AED to the Postal Service has

<sup>1</sup> Volumes measured exclude letter- and flat-shaped letter post items and military mail.

grown from 8 to 27. Generally, the increase in the percentage of inbound items with AED is expected to continue to grow, especially as more countries develop their capacities.

### ***Strategy for Growing AED***

The Postal Service has prioritized obtaining AED from the largest volume foreign postal operators (FPOs), which collectively account for over 90 percent of all inbound volume. We have leveraged AED on outbound package shipments to incent FPOs to provide AED in bilateral and multilateral relationships.

The Postal Service requires AED to accompany any package flows for which rates are established under bilaterally negotiated arrangements with FPOs. The Postal Service has entered into bilateral agreements with AED requirements for certain package flows with the FPOs of Australia, Canada, China, Hong Kong, and Korea. Additionally, several FPOs have entered into voluntary data sharing agreements (DSAs) with the Postal Service, which is the first step to providing AED. We currently have signed DSAs with 60 FPOs.

The Postal Service is also pursuing the exchange of AED through multilateral agreements and strategic alliances. The Kahala Posts Group (KPG) is an organization composed of 11 large volume FPOs, including China. Through that organization, the Postal Service has shared AED best practices, assisted in the development of a DSA, and encouraged members to commit to the collection of AED and set performance standards. The members have each submitted AED 2018 targets and timelines to support those goals. The Postal Service continues to engage members to track progress on those project plans as well as monitor their performance.

The Postal Service has issued a notice to FPOs to require AED for all inbound EMS shipments from FPOs with capacity by September 2018, and the remaining FPOs by July 1, 2019. The Postal Service is in the process of assessing capacity and will notify those FPOs by June 1, 2018.

The Postal Service works closely with the Department of State, which has lead responsibility for representing the United States Government in the Universal Postal Union (UPU), the 192-member international organization charged with facilitating the exchange of mail among member countries through treaty agreements. At the UPU, United States initiatives are focused on advancing AED requirements which have resulted in mandatory barcodes on all packages, standardized AED electronic messaging, and contributing to capacity building efforts, to name a few. These initiatives have resulted in UPU members increasing their adoption and implementation of AED messaging and security standards. We have also assisted FPOs in regional UPU organizations to increase their capacity to collect AED.

### **Ongoing Postal Service Efforts**

The Postal Service has been working collaboratively with several agencies to improve the targeting of illicit opioids. Ongoing efforts to date include the following:

## ***Memorandum of Understanding (MOU)***

The Postal Service has the responsibility to process and deliver inbound international mail, while CBP has the primary responsibility and authority to screen items at the first point of entry into the United States for security. These distinct responsibilities complement our shared goal to fight the importation of synthetic opioids. A MOU between the Postal Service and CBP was completed on September 1, 2017. It defines the participants' roles and responsibilities in relation to their mutual cooperation, and provides guidelines for mail inspection. The MOU solidifies the ongoing interagency partnership between CBP and the Postal Service at exchange offices.

## ***Expansion of AED Program***

The Postal Service began a pilot program in mid-2015 at the New York ISC to use inbound AED to facilitate more automated and advanced targeting by CBP. We have now enabled targeting based on AED at all five ISCs. The Postal Service provides AED to CBP that can be used to review and target specific mail pieces prior to arrival at the ISC. CBP identifies the individual target items by placing electronic holds, and the Postal Service leverages its barcode tracking and scanning system to locate the inbound target items. Once located, the Postal Service presents the targeted items to CBP for inspection.

The Postal Service and the Inspection Service are continuing to coordinate with CBP to enhance operational processes at the ISCs. Over the last year, the Postal Service has provided hundreds of thousands of records per day to CBP, expanded the countries and types of packages available for targeting, and implemented automated processes to identify and provide to CBP targeted items. As the Postal Service continues to advance mail sorting technology, these successes will grow. The Inspection Service is also expanding personnel at each ISC to hone our analytical models through the use of AED analysis to assist locating targeted parcels. These new investigative resources will start at the ISCs currently facing the heaviest volume.

## ***Enhanced Network Operations***

Over the past year, we have worked to enhance our operations, to include:

- Enhancing the automation process to identify mail requested by CBP by updating software and equipment. Software updates have been completed and an additional piece of equipment is scheduled to be installed this summer to automate and facilitate the selection of targeted pieces for CBP.
- Ensuring recurring training to ISC employees to reinforce proper processes for handling and presenting mail in accordance with CBP requirements. Training is provided on an on-going basis, both for new employees and as a refresher for current employees in the ISCs.

- Deploying additional mobile scanners with augmented capability at the ISCs to capture the physical movement of packages and ensure it is streamlined for reliability.
- Implementing the capability to intercept CBP holds at specific downstream processing facilities to improve the identification of AED target packages.

### ***Formalized Interagency Work Group (IWG)***

The Postal Service, CBP, and the U.S. Food and Drug Administration (FDA) formalized a working relationship on actions related to combatting opioids in the mail through establishing the IWG. The objective of the work group is to improve the federal government's coordination of oversight over inbound international items containing goods entered through international mail facilities, and to disrupt illegal supply chains that exploit the international mail environment, including illicit opioid/fentanyl shipments.

The IWG is working on short and long-term efforts to build stakeholder capacity to provide AED, identify and develop detection technology, encourage information sharing in the international mail environment, provide technical assistance for legislation, and improve physical and IT infrastructure.

### **The Role of the Inspection Service**

As suggested throughout this testimony, the Postal Service works in close collaboration with its law enforcement branch, the Inspection Service. While the Postal Service has the responsibility to process and deliver inbound international mail, the Inspection Service investigates mail-related crime and works closely with other law enforcement agencies, including CBP, to share intelligence, coordinate cases and conduct joint enforcement operations. Through enhanced investigative methods, deploying resources as needed, and strengthening strategic partnerships, the Inspection Service has seen significant improvements in its ability to seize fentanyl and synthetic opioids from the U.S. Mail. From fiscal year 2016 through 2017, the Inspection Service achieved a 375 percent increase in international parcel seizures and an 880 percent increase in domestic parcel seizures related to opioids.

Without disclosing sensitive law enforcement techniques, some of the current investigative approaches of the Inspection Service include:

- Creating an internal team of cross-functional subject matter experts specifically focused on narcotics trafficking through the mail, both international and domestic.
- Assigning full-time personnel at the Drug Enforcement Administration's (DEA's) International Organized Crime Center (IOC-2), the Organized Crime Drug Enforcement Task Force (OCDETF) Fusion Center, the International Service Centers and the CBP National Targeting Center (NTC). Being embedded in these locations allows the Inspection Service to share intelligence, coordinate cases, and conduct joint enforcement operations domestically and internationally.

- Partnering with High Intensity Drug Trafficking Area (HIDTA) Task Forces, OCDETF, and the Office of National Drug Control Policy (ONDCP) to coordinate investigative information and real-time intelligence. These relationships strengthen cohesive communication and data sharing partnerships that enable the identification of criminal networks, which would not be possible without interagency cooperation.
- Participating in the ONDCP Federal Law Enforcement Secure Conference Group, the Interagency Implementation Group, and the DEA's Heroin/Fentanyl Task Force to stay abreast of the latest trends in criminal activity and transnational threats.
- Evaluating numerous pieces of technology in collaboration with CBP that will assist us with detecting narcotics in the mail.
- Launching a Cyber and Analytics Unit to enhance investigative techniques, including expanded use of AED with historical seizure data and criminal intelligence to better forecast and target international parcels.
- Working with Postal Service management to enhance operational processes and equipment that utilizes advanced technologies, which includes transitioning from manually sorting parcels to automated operations at the ISCs.

### **The Synthetics Trafficking and Overdose Protection (STOP) Act of 2017 (H.R. 1057)**

The Postal Service agrees with the goal of the *STOP Act* (H.R. 1057) to increase Advance Electronic Data (AED), but an immediate blanket requirement that mail from all countries include AED is impractical, exceedingly costly, and could impede the flow of international mail.

We worked with CBP, FDA, and the Department of State to provide technical assistance for the proposed legislation that recognizes the practical realities and sets achievable targets.

We are also focusing efforts initially on the FPOs that send the highest mail volumes and have the capability of providing AED.

### **Proposed Legislative Changes**

- Set achievable targets and focus efforts initially on the posts that send the highest mail volumes and have the capability of providing AED.
- Set an AED target of 70% (excluding letters, flats, and military mail) by the end of CY2018 and 95% by the end of CY2022.
- Eliminated provisions requiring the Postal Service to be a consignee of mail received from foreign posts and imposing penalties on the Postal Service. CBP does not require any express carrier to be the consignee and doing so would impact their ability to target.
- Recommended a \$1 fee for inbound EMS, with proceeds from the fee divided between CBP and USPS to be used to safeguard international mail and to support capacity building of foreign posts to provide AED.

Notably, the above AED targets align with the Trump Administration's recently announced Opioid Initiative, which would require AED for 90 percent of all international mail shipments (with goods) and consignment shipments within three years.

## **Conclusion**

The Postal Service understands and continues to share the concerns about illegal drugs and contraband entering the U.S. through the mail and commercial carriers. As CBP Field Operations Executive Assistant Commissioner Todd Owen indicated in his September 2017 testimony before the House Oversight and Government Reform Subcommittee on Government Operations: "While most illicit drug smuggling attempts occur at Southwest land Points of Entry (POEs), the smuggling of illicit synthetic drugs in the mail and express consignment carrier environment is a growing threat that we need to work to address. Tackling this complex threat involves a united, comprehensive strategy and an aggressive approach by multiple entities across all levels of government."

The Postal Service is committed to partnering with CBP and other federal agencies, as evidenced by initiatives to date to enhance CBP's ability to target synthetic opioids and other illicit drugs from entering the country. In collaboration with federal agencies and state and local law enforcement, improved investigative techniques have increased our ability to interdict opioids such as fentanyl.

We have worked closely with CBP to complete the MOU, expand the AED program at all five ISCs, increase the countries and products for which AED is provided, and use technology to improve the process of intercepting hold items to present to CBP.

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

###

Chairman Reichert. I thank you both for your testimony.

I will start out with the questioning.

It seems to me that in the national conversation about opioids, there is not enough emphasis placed upon the dangers that synthetic opioids pose to first responders, law enforcement officials, postal workers, and I think that, Mr. Owen, you mentioned canine units who may come into direct contact with these substances in the normal course of their duties.

Has the rise in shipments of synthetic opioids posed a greater risk to CBP officers and Postal Service workers?

What measures are your agencies taking to protect the workforce?

And would having advance electronic data on international mail shipments improve your ability to protect your employees?

Mr. Owen. Well, sir, speaking on behalf of U.S. Customs and Border Protection, yes, the risk of accidental exposure has always been there, whether it is fentanyl, which has much more deadly consequences now, or throughout our history when we dealt with narcotic interdiction. With the increase in the fentanyl and the other synthetic opioids, we have now have deployed naloxone, more commonly known as Narcan, throughout our ports of entry, so it is readily available for all of our officers, as well as for members of the traveling public should they be coming in through an airport or a seaport and have an incident with any narcotics.

So we have deployed that. We have special equipment at our mail facilities, our express courier facilities, to allow us to safely inspect the packages. So I think as an agency, we have put a lot of emphasis on personal protective equipment, safe protocols to handle the fentanyl.

Mr. Cintron. As it relates to Postal Service employees, over 600,000 employees in the organization, so as it relates to keeping them safe, we do suspicious package training. So our focus really is not just on fentanyl but any suspicious package that they could come in contact with, that would be at any one of our processing facilities, the ISCs, delivery units. We have got specific protocols for how they would handle those suspicious packages.

As it relates very specifically at the ISCs, we have handling procedures. Again, the pilot program has got very specific ways for us to isolate through

automation that volume and keep, so we can isolate and then present to CBP upon request. We do a lot of standard work instruction. We do a lot of visual aids that are utilized by the employees so it is very visible in terms of what suspicious packages and the protocols are.

The last thing that we do, we have deployed Narcan to the inspection service, and in the next several months we will be deploying that to the largest postal facilities, the largest post offices around the country, and that will be happening in the next few months.

Chairman Reichert. The last part of that question had to do with electronic data, having more access to that, having accurate data. I am sure you get some intel on some packages coming through and you are able to proactively. So how would advance electronic data help keep the employees and your canine units safer?

Mr. Owen. Absolutely. When you look at the volume that we are receiving today, every day, 1.7 million parcels come into the country through the mail and through the express courier facilities, 1.7 million a day.

When I last testified before Congress on this subject in January, it was at 1.4 million. So in the course of 3-1/2 months, we have increased by roughly 35 percent of the overall volume. The manual inspection of volumes like that are not efficient and not effective. We need advance electronic information so we can use our targeting system to identify those shipments that pose a greater risk, and then initiate the proper inspection protocols, whether it is to safely isolate that package, open it in these specialized boxes that we have with special ventilation systems and things of that nature.

So without advance electronic data, we will simply not be effective in identifying the high-risk shipments when we are dealing with such growing volumes through e-commerce

Chairman Reichert. So the quality of your data would increase if you had some of the technology that you just mentioned. The Senate Subcommittee on Homeland Security, as you know, did a study, and the subcommittee found that the quality of the advance electronic data that the Postal Service receives from foreign postal operators is very low. The report found that at times basic information like the sender name and addresses were not provided, or the data was a long line of illogical letters and characters.

Can either of you speak to the quality of the data?

Mr. Owen. When we started the pilot with China post, the quality of the data in some circumstances was what not what we expected it to be. It was not very effective for targeting. But now that we have been active for about 18 months, we have seen the quality improve as well as the timeliness of the data improve. So as with any process, as it matures, we are getting stronger, the data quality is getting better, it is presented more timely to CBP, we are able to effectively target the shipment before it arrives, place it on hold giving the Postal Service the opportunity to stop it and present it to us for inspection. So the process is improving.

Chairman Reichert. Mr. Cintron.

Mr. Cintron. I think the quality, I look at it from two perspectives, one of them is around being able to get the data so one thing that we do every day we are monitoring every day that the data we expect to get we are actually receiving. We work very closely with the foreign postal operators on that exchange.

The second piece is we use our internal advanced analytics group at Postal Service, has been taking the data sets and we have been looking at, there are certain fields that we expect, A, are they getting filled out? Are the fields actually populated? That is number one.

Two, what we are starting to spend some time on is the quality of what is in the field itself, and I think collaboratively, that is the kind of stuff that we can do across the agencies to really improve.

Last part I might add on that is we use this AED not only from the pilots at the ISC itself, but we have expanded this to downflow facilities away from the ISCs, so using that electronic information if we capture a piece downstream, we are able to actually capture it and present it back to CBP. And in the summer of this year, we will also have ability to capture that at a delivery unit. So if, for some reason, it gets further downstream, we will have that ability very soon to be able to capture it and then bring it back to CBP.

Chairman Reichert. I appreciate your answers and some of the specifics there. I would ask that maybe you could supply some additional specifics in a written answer to this question as far as specific steps that your agencies are taking to ensure that you are receiving good and actionable data from foreign postal operators. So if you can provide that in writing.

Now I recognize Mr. Pascrell for his question.

Mr. Pascrell. Thank you, Mr. Chairman. Again, thank you, Todd and Robert, for being with us here today. Your testimony is invaluable.

The focus on efforts to improve the detection of synthetic opioids in our international mail system and prevent them from entering the United States is a big task. I understand that. My first question goes right to the country that accounts for a very high percentage of all packages entering the United States, and China is the primary source of fentanyl to our folks.

So this is a question for both of you.

What is the status of efforts on coordinating our efforts with China? Number one.

And what stands in the way of that?

And the second question is how close are we to collecting advance electronic data on all shipments from China? All shipments?

Those are two questions. Who wants to go first?

Mr. Cintron. I think in terms of our ability to collect the advance electronic data from China, we get a substantial amount of it today. One stream of product that comes in out of China is what we consider this untracked volume. There is a lot of effort underway right now to get AED on that. The first step to it is getting barcode information on those packages, and we are seeing a significant amount of that today.

The focus for us is by the time we hit December of this year, we will have a significant portion of the mail from China that will have advance electronic data. We are projecting that the overall number for the organization is going to bring the United States up to about 70 percent total of AED collected. And a big portion of this will come from that one large effort, not to mention --

Mr. Pascrell. How is it shipped? Is it by cover? Is it actually right out in the open? The majority of the material that is shipped into this country that winds up in American homes. How is it shipped?

Mr. Owen. The parcels themselves or the fentanyl?

Mr. Pascrell. The parcel itself.

Mr. Owen. Just package.

Mr. Cintron. It is generally packages that are coming in. So cargo planes are bringing product in from China into the ports here in the U.S.

Mr. Pascrell. How are they marked?

Mr. Cintron. They are enclosed in sacks. So the way that these come in, we have large sacks of mail that contain a significant number of pieces in them.

For our, the way that we leverage the AED data, we are actually scanning that sack. And in that sack there is information nested about what is sitting in that sack the taxer tells us that there is a piece in there that potentially we are looking for in that, and we extract that sack out of the mail itself or out of the flow of the mail, and then we extract the pieces. But these are, again, several hundred pieces nested inside of a sack.

Mr. Pascrell. Drugs from all countries come into the United States of America. Most of the drugs that come into this country, prescription drugs, are legal, and they are marked such. Is that correct? Or am I incorrect?

Mr. Owen. Most of the prescription drugs coming in from overseas, they need to be cautious as to what you are purchasing from overseas suppliers.

Mr. Pascrell. We have to have enough resources and manpower to go through this mail and be able to take out what is being shipped into this country to go on the streets basically, most of it?

Mr. Owen. No, sir. The volumes are just too overwhelming. In the case of fentanyl, again, the average seizure is 700 grams. It is just a small baggie that you can hide inside a book, inside anything at all. It is very, very difficult. We will send those packages through x-ray systems to try to identify the anomalies. We have the canines that run them.

Mr. Pascrell. So your point, then, is that basically this is hidden, most of it that comes into this country that is illicit is hidden.

Mr. Owen. Inside some other commodities yes, sir.

Mr. Pascrell. So how do you find it if it is hidden?

Mr. Owen. Again, it is very difficult. The x-ray systems, the canines, and intuition of the officers. But really, it comes, again, back to the advance electronic data, knowing the parties that are sending it, the parties that are receiving it, different rules sets that we have in our targeting will help us to go through those mass quantities of mail to say this is a shipment that poses a greater likelihood of being problematic, and it is something that we need to pull aside and look.

The manual process of dumping all of these huge sacks on to conveyor belts, pushing them through x-rays and perhaps having the canines run them, opening what you can, the volumes are just too overwhelming to be effective.

Chairman Reichert. Mr. Rice.

Mr. Rice. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here to testify today.

Mr. Owen, you mentioned that we are up to 20 countries that are providing advance electronic data?

Mr. Owen. Yes, sir, 28.

Mr. Rice. Twenty-eight. What is advance electronic data? What is that?

Mr. Owen. Advance electronic data is a data set, if you will, of certain data elements that the foreign post will capture, will transmit to the U.S. Postal Service, who will then forward it to us.

Mr. Rice. So in other words they are looking for suspicious characters that are mailing packages?

Mr. Owen. The individuals who are sending it, receiving it, the descriptions, the weights, the quantities.

Mr. Rice. So there is some kind of a database of that that we are sharing back and forth?

Mr. Owen. Well, that advance information is run through our law enforcement, our trade databases to identify those shipments that are outside of what is normal. Of course, the targeting efforts are focused on previous violators, things of concern that we won't get into here, but it is a very rich targeting

environment in the mail, and we are pretty good at picking out things that are problematic.

Mr. Rice. You are saying there are so many parcels and it is so small, it is so easy to hide, that, really, it is almost -- you could add as many people as you wanted to and as many x-ray machines as you wanted to, and it is still come through. Is that what you are saying?

Mr. Owen. I am saying that is why we need the advance electronic data to be very effective, because opening 1.7 million packages a day is just not possible. So we need to identify that smaller subset that is a higher risk, because the targeting systems have said, for whatever reason, this one needs to be pulled aside, that is the only way we can be effective in this space.

Mr. Rice. So we are hearing that 90 percent of the fentanyl is coming from China. Is that correct? Isn't that what you said?

Mr. Owen. The fentanyl that is coming from China is 90 percent pure.

Mr. Rice. I am sorry. Excuse me. Do you know what percentage of the fentanyl that is killing people in the United States is coming from China? Do we know that?

Mr. Owen. I do not know that.

Mr. Rice. So is fentanyl the only drug that is coming in through the mail, the only opioid?

Mr. Owen. No. There is various analogues, different types of synthetic opioids that are coming through the mail, cocaine, heroin, meth, all the traditional narcotics.

Mr. Rice. Is most of it coming from China? Do we know that?

Mr. Owen. Most of the fentanyl?

Mr. Rice. Most of the opioids coming through the mail.

Mr. Owen. A good deal coming through, the opioids coming through, I believe, I would say are coming from China yes.

Mr. Rice. What about Mexico?

Mr. Owen. Mexico, you are primarily seeing your meth and your cocaine primarily.

Mr. Rice. And do we have the same level of scrutiny from packages coming in from Mexico and Central America and South America?

Mr. Owen. We do. The narcotics that are coming in from the Mexican border are primarily coming across the land border in passenger vehicles through our ports of entry.

Mr. Rice. Not necessarily through the Postal Service?

Mr. Owen. Not necessarily from mail yes.

Mr. Rice. Gotcha. Looking at the, when you consider diseases and maladies of humans, and you look at the graphs of how they affect people and our life expectancy, most every malady that we incur, they are either starting to trend level or down. We are getting a handle on a lot of these things, and certainly we have a long way to go with a lot of things, but we are getting better.

But with opioids, the trend is startling. It is not that it is getting better, it is actually getting much, much worse. It has passed traffic deaths in South Carolina. Over 100 people in my home county, Horry County, were killed last year. We have got to do a much better job of dealing with that.

Do you have any idea about what percentages come through the Postal Service versus other methods, across our southern border?

Mr. Owen. Speaking for the fentanyl that we actually have more seizures in mail, but smaller quantities than what we have in the express courier environments. So in the express courier environments, fewer seizures, but more quantities, so larger shipments. You compare that to what is coming across the Mexican border, much larger quantities of fentanyl, but it is mixed in with other hard narcotics, and the fentanyl coming in through Mexico because it is mixed with other things it is less than 10 percent pure. So, really, the greater concern is the small packet coming directly from China that is 90 percent pure.

Mr. Rice. Do you think that we would make a bigger dent by focusing more on the small packages coming through the Post Office, or through the large couriers coming across the southern border?

Mr. Owen. I think we need to focus both on the Postal Service and the express courier companies that are bringing through their hubs in the U.S. too. I think if we focus too much resources on one, the shift -- the drug traffickers will just shift into that other avenue into the country. So I think our strategy has to focus on the international mail. It also has to continue to focus on the express courier environments, as well as interdiction along the southwest border for the hard narcotics that are coming in through the ports of entry.

Mr. Rice. Thank you, sir.

Chairman Reichert. Mr. Levin.

Mr. Levin. Hello. Thank you so much for coming and for holding this hearing.

It is hard to know, but just based on what you find, do you have any estimate as to how much fentanyl is being sent into this country through the Postal Service? Do you have any guess?

Mr. Owen. No, sir.

Mr. Levin. What percentage -- this was asked more or less. Is most of it coming from China?

Mr. Owen. In terms of the purity and the most dangerous fentanyl is coming directly from China, and the fentanyl coming in from Mexico is much less pure, mixed in with other hard narcotics.

Mr. Levin. Do you know where -- from where in China it is coming?

Mr. Owen. It is coming from throughout the country, yes.

Mr. Levin. You can't tell anything about where it is produced?

Mr. Owen. Well, with the electronic information, we are able to identify who the shippers were of those seizures working Customs to Customs, between U.S. Customs and Border Protection and the general administration of China Customs, we are able to exchange information as to those types of seizures, and then the bigger investigations, the State Department and DEA are involved with those types of things.

Mr. Levin. So you know the shippers, at least in some cases. And then what kind of communication or action comes from the U.S. as to those shippers? Do you know?

Mr. Owen. That is what filters into our automated targeting systems. So when we have a seizure, and we identify the parties that were involved with those seizures, we will set up the rules to target additional shipments that may be going between those parties to those addresses, all of those types of selector information.

Mr. Levin. Is any action attempted with the Chinese against the sources of fentanyl?

Mr. Owen. That would be a question that we would have to speak with the State Department about that. It is not something that CBP is engaged with. We are, again, engaged with that customs to customs relationship but not as to the bigger getting to the supply, the source of the fentanyl.

Mr. Levin. Do you know, sir?

Mr. Cintron. I would not know.

Mr. Levin. Do the shipments go -- they are small amounts -- to individuals, do you think?

Mr. Owen. Yes. They are definitely going to individuals. Individuals will go on to the dark web or even the regular web, and will purchase the fentanyl. The fentanyl will be shipped. It will either be mis-described as some other type of medicine, or it will, again, be smuggled in everything you could think of, inside books, inside pens, inside figurines, whatever the case may be. And again, that average size seizure we are seeing is 700 grams. It is very easy to hide 700 grams in anything.

So when we do identify a shipment and identify it as fentanyl, we will work with our criminal investigators, with homeland security investigation, as well as the State and local task forces to do what we call a controlled delivery to allow the merchandise to move to the recipient so that additional arrests can be made.

Mr. Levin. So you think, in many cases, action is taken against the recipients?

Mr. Owen. I think there needs to be consequences against the recipient. I think part of the challenge that we have had is to be able to timely identify what those white, unknown powders are. The equipment that we have purchased with the assistance of Congress in the last 2 years allows us to quickly identify what that merchandise is, and what that commodity is.

If you have ordered your illegal narcotics and you are waiting and it has now been several months it hasn't shown up, and then it shows up, you are not going to take receipt of those goods. So the investigative component needs to occur timely after an interdiction. That is where the testing equipment allows us to get that presumptive determination as to what that unknown substance is so that the criminal investigators can then move forward and try to initiate arrests on that commodity.

Mr. Levin. So we are now taking actions to try and determine the source?

Mr. Owen. Yes.

Mr. Levin. And to try to determine the amount and to be able to take action against people who ordered?

Mr. Owen. Yes, working, again, with the investigative partners to various task forces that have been set up all across the country. When we will interdict at the mail facility, it is our goal to work with them to conduct, again, a delivery and make an arrest on the individuals that have ordered those products. There must be consequences behind bringing this in, because if we just interdicted today, they can go back online tomorrow and try again.

Mr. Levin. Thank you, Mr. Chairman.

Chairman Reichert. Thank you.

Mr. Marchant.

Mr. Marchant. Thank you, Mr. Chairman.

Thanks for being here today, Mr. Owen. Are you familiar with the Senate subcommittee investigations report on drug trafficking that was released in January?

Mr. Owen. I am not sure which one that was, sir.

Mr. Marchant. It came out January of this year.

Mr. Owen. The Permanent Subcommittee on Investigations?

Mr. Marchant. The Senate Subcommittee of Investigations.

Mr. Owen. Yes. The one that talked about a lot of the online purchases? Yes.

Mr. Marchant. That is the one that we have been studying.

Their study found that 318 million packages, international packages, and most of them from China, entered the United States with no advance data on the shipper, recipient, or the contents of the package which were used by your agency to target packages that contained fentanyl.

Mr. Cintron, the Postal Regulatory Commission's annual compliance determination report disclosed that of those 318 million packages, there was basically a \$170 million loss by the Post Office last year alone.

So we have written a letter to Mr. Mnuchin asking him to look into this matter, and to ask him why we continue to cooperate with the postal agreement that basically binds us to these lower cost packages. So the way we have begun to look at it, is if many of these packages contain illicit drugs, if most of these packages contain something we really don't want shipped into the United States, why in the world are the United States citizens, people that buy stamps, people that use the Post Office, why in the world would we be subsidizing the very sending of those packages to the United States?

Mr. Cintron. Yes, I will try and answer that not. I am not a subject matter expert on all of the rates, how they apply. I am familiar with the report. I would say it identifies one stream of mail coming into the country. We would be looking at international with all of the pieces that are involved with it. There have been changes that I am aware of that change some of that cost coverage for the pieces coming in in that mail stream.

Going forward, I can tell you that getting back to the AED, why it is so important as you mentioned some of this without the AED, I will say that China, we are seeing a substantial amount of additional AED coming in, and that has really been our focus. As we have said, we have been focused on top countries, get the AED from them, we have signed five bilateral agreements. One of those is with China, express mail is an example. It is mandatory for them to have AED, and these bilateral mandate that as well.

Mr. Marchant. All of that is really good work. But at the base of all this is an almost competitive advantage given to China, almost an inducement for them to ship these by a smaller package, a package that is very specifically subsidized through this international agreement that we are really not even a party to anymore. We observe it, and we respect the rates. But in many cases, it is more expensive to send something inside the United States to Dallas than it is to send it from China to Dallas.

I just have to say, I don't think -- I think that, first of all, the Postal Service, the postal inspection service, could use the extra revenue generated just to screen these packages, and it would certainly reduce the number of packages if they were paying a significantly higher price to ship them in here. It just doesn't seem -- so I have introduced H.R. 5524 that basically is called the Post Act. It basically terminates the subsidy. I believe that if the Postal Service wanted to use that extra money to bring about the services, employ the people to interdict this stuff, that would be a decision of Congress. But certainly, it would be something that the United States citizens would feel a whole lot better about than if they knew that these millions of packages were coming in from China, and I would say a great deal of them have these drugs in them, and they are contributing to the opioid problem, not trying to solve it. Thank you very much.

Chairman Reichert. Mr. Kind.

Mr. Kind. Thank you, Mr. Chairman. Thank you for holding this very important meeting. I want to thank the witnesses for your testimony here today.

I represent a very large, rural western Wisconsin district. The opioid epidemic is sweeping through my district as it is my State and most parts of the country right now. Most of us truly believe it is an all-hands-on-deck moment. Now more than ever, we are going to need incredibly strong partnerships at the Federal, State, local level to try to get out ahead of that. I have been holding a lot of opioid meetings and forums in my district, too, getting feedback with people on the ground, from law enforcement to healthcare providers to addiction clinics. They all conclude that unless we address the demand aspect, the addictive qualities, and try to get out ahead of that, there is not enough we can do as far as the enforcement or the interdiction part. But it doesn't mean we shouldn't try.

As a former prosecutor, I had to live in the drug world for a while, and I know how nefarious it can be. But the challenge at the borders is certainly

gigantic. If we can help you with more tools and how to better intercept and how to identify, you need to let us know.

AED is something that we required back in '02 with the private carriers, went into effect, but Mr. Cintron, at that time, USPS was exempted. I think one of the reasons was some of the international obligations that existed.

Do any of those still exist today that might make universal AED difficult to achieve, or might get us in trouble with some other countries?

Mr. Cintron. I think that is probably the big difference, right, through the UPU for the United States, we are the postal designated provider to deliver the mail for over 192 countries. So we don't get to choose, unlike the private industry, where they can, private carriers can choose where they are going to do business, we are pretty much under the treaty obligations required to deliver for the 192 countries.

Mr. Kind. And it has to be uniform with all of them? Is that the problem? The requirements, the standards have to be uniform for all 191 countries?

Mr. Cintron. Yeah, look, our focus has really been, as I said earlier, we are trying to focus on the top 20 countries that represent 90 percent of the volume, so there is different capacity levels for each one of these countries. While it is a deterrent and you can't keep them all the same, there is a lot of work with every one of these countries to try to figure out how to get the AED.

The focus primarily, again, let's focus on where we have the big pile of the volume. Like I said, 20 countries represent 90 percent of that volume.

Mr. Kind. So is it an issue of capacity building for some of these other nations?

Mr. Cintron. Yes. If you read some of the reports, look, in some cases, we have got countries and places inside countries who don't have power, don't have internet, don't have technical capability, there are privacy issues that could be an issue in some countries. So it is a big issue all the way around.

Mr. Kind. Let me ask you both, GAO went in and did a 2017 assessment as far as the pilot AED program and how it is going, and it came forward with some recommendations. One is some measurable performance standards. Where are we in all of that?

Mr. Owen. We concurred with all of those. We clearly agree that we should measure the effectiveness of AED, but the manual way to screen the mail is just not going to be effective. So far at JFK Airport, we made 189 fentanyl seizures, 125 of those have been based on targeting through the AED. So while we are working on those performance measures, we are seeing the effects and positive results every single day of why we need that advance electronic data.

Mr. Kind. Mr. Cintron, anything to add as far as GAO recommendations?

Mr. Cintron. I would say, we have been working very closely together between both agencies. The focus for us is twofold. Get AED, work with the foreign post to get the data. The second real big piece is for us to present to CBP everything they are asking for. So, well over 80 percent today on the presentation. We have seen some pretty large numbers since we have started this project. All five ISCs are up.

As I mentioned earlier, one of the key focuses for us is to make sure that nothing gets beyond the ISCs. As you mentioned, a lot of volume comes in, a very small percentage could leave the ISC, which is why we have expanded our capabilities through automation to be able to capture a piece downstream. And as I mentioned in the summer of this year, we will also be able to now capture an added delivery unit. So before it even gets to the stream we will have that capability.

Mr. Kind. Mr. Cintron, with what little time I have remaining, obviously there are a lot of delegations, a lot of trade missions, a lot of trade discussions going on between the U.S. and China right now. Do you feel as if this issue, in particular, is being elevated high enough in those discussions with Chinese officials that they need to be doing more to crack down?

Mr. Cintron. I believe so, but I am not the expert on those negotiations. I know from customs to customs relationship, we have had these discussions. Those higher level treaty discussions, sir, I can't speak to that.

Mr. Kind. Thank you both for being here. Thank you, Mr. Chairman.

Chairman Reichert. Mr. Kelly.

Mr. Kelly. Thank you, Chairman. Thank you both for being here. Some of the information we had beforehand, I was looking at it, and I think there was an article in The Wall Street Journal, and just you being here really helps us, because I don't think a lot of people understand just how difficult it is to do

what we are asking you to do, especially with the manpower you have and the volume and the capacity that you are trying to handle.

My question comes back, and I think Mr. Kind was talking about it, but so the UPU, the universal postal union, I am reading this from this article, was founded in 1874, and it is now a United Nations agency. It sets intercountry rates for mail delivery. It would just seem to me that something that was founded in 1874, if we are still working under the parameters of that, there are probably some other considerations we should be looking at.

There is not one person sitting up here either at this panel, or out in the room, that doesn't have a great concern with this opioid crisis and fentanyl and we are saying we know where it comes from. Listen, the Chinese use our mail system because it is a cheap way to deliver, and they also get a big break on that because of the UPU. That is my understanding.

So you being on the frontline, and you being the ones that are the people we go to and say, So what would you do different? We know what the problem is. We know why we have a problem.

Then the question is, so how do we fix it?

I am just amazed that we have an agreement in 1874, and we are still running with that as the parameters of the way we should run this whole outline?

I think Mr. Pascrell hit on this, too. What can we do to help you help us?

This is kind of a Jerry Maguire moment. Help me to help you. So what would we do? From a congressional standpoint, what will we do?

From a congressional standpoint, what will we do? I hear people keep talking about look, we have got this fentanyl problem, we have this drug problem, we have got this overdose problem. I hear all that. Then we are talking about we know where the source of it comes. And get the idea of the AED, it is kind of an honor system. We are kind of believing what we see on the label, and then for some reason, other ways of shipping don't have to follow the same regulations. They go from original entry to destination, so they have more control.

But what would you suggest to us today? If you can't do it right now, put it in writing. What could we do from a congressional standpoint to help you?

Mr. Owen. Thank you for the funding that we received in the fiscal year 18 budget. The money that was allocated to CBP to enhance our technology capabilities at our ports of entry including the mail facilities was definitely a positive. The additional 328 officers that was accounted for in the budget will definitely help staff up at some the mail securities at the express courier facilities, as well as our seaports and some of our airports as well. So the funding that Congress has provided has been very appreciated. Thank you.

Mr. Kelly. What else can we do, because I heard we can use different methods of technology, we have dogs that can smell this stuff out.

Apparently, just the volume alone creates a situation where we can't look at enough at these packages that if we know where it is coming from and we know who the biggest user of this postal system is, my question is, there is an old saying, you shoot yourself in the foot and then wonder why you are limping. If we know this, why do we keep following the same path and saying you know what? We know they are doing it. We just don't know how to handle it.

I just am trying to understand, you are their front line. I understand about the money. I get the thing about the money, because we throw money at every problem we can, and if we don't get the right result, then we just throw more money at it.

What are we not doing with the money that we are already allocating? How can we get better use out of what the taxpayers put into this?

Mr. Owen. The growth of e-commerce has just been overwhelming. When you look at what is coming out of China, the volumes are significant. We have been working with the technology folks with the Department of Homeland Security.

When we can get to a piece of equipment that can tell us what is inside that package without us having to open the package, that really is a game changer for us.

So the technology folks that are working towards this I think are close to having a solution with the different types of algorithms and the way the different systems can work because that can really be a game changer in this space.

Mr. Kelly. One of the things I was reading, one example, one Pennsylvania address was used to send more than 120 packages tied to payment to an online seller during a 2-month period in early 2017 alone. So when you are looking at these numbers, and you are doing the analytics on them, there has got to be something that red flags or pops that up, there is something that just doesn't make sense here.

Mr. Owen. Right. With the post seizure analyses that we do and with the information that is provided back to us from the local law enforcement, the task forces that we sit on, we take that information and we put it into our targeting system. So shipments that are destined for those areas of interest will be flagged and inspected the next time they come in.

Mr. Kelly. So innovation and technology, we will be able to have a better feel for this. But I do say, if we already know who the bigger users of this way of getting cheap mail delivered to us, that should send out a really warning signal. I appreciate what you are doing. Just let us know, and if there is something you are seeing that we are not seeing, let us know how it is we can help you, because this affects every single American at every single level. So thank you so much for what you do.

Chairman Reichert. Mr. Davis.

Mr. Davis. Thank you, Mr. Chairman. And I certainly agree that every single American and every tight community or neighborhood is affected. I happen to represent a large low income population group in a big urban area, and, of course, we are simply frightened to death.

I am wondering, since we know that China, whether intentionally, unintentionally, or however it happens, is a major concern in terms of the quantity that comes in. How cooperative would we say that China has been relative to trying to not only get a better handle on the situation, but also to reduce and stop the transmission?

Mr. Cintron. I will try to answer from the perspective of AED. For us, as we have been talking about today, the importance of the AED is, for us, to be able to do the type of analysis to really be able to identify particular addresses or places where we know we may have an issue. I would say as it relates to AED, because I can speak to that part, they have been very cooperative.

As I said, one of the key structures we are going after right now is that untracked volume of mail that is coming through the country that has no

tracking at all. We are very, very much along the way with them of getting -- the initial steps of getting them barcoded, and we expect by the end of the year, a substantial amount of their mail, that untracked volume will absolutely have AED, and that will help us with the analysis that we are doing.

Mr. Davis. So when you just mentioned, or talked about the technology, and we know that technological advances occurring significantly in our country, I was thinking that I just opened at the University of Illinois about 3 weeks ago, their robotics competition, where hundreds of high school kids were coming in to practice.

Are we hearing anything from our technical people relative to needs they may have that may not be being met sufficiently to do the kind of work and the experimentation that they are doing and attempting to do?

Mr. Owen. Well, I know the science and technology director within DHS are looking at this challenge that we have and how we can design technology that can help us to see what is inside the containers -- or I am sorry, what is within the parcels. We are also working with TSA on some of the equipment that they currently have that helps to identify explosives within suitcases and things, and how can that be further developed to look for the synthetic substances and such that are inside of parcels.

So there is a great deal of work that is being done in this area between science and technology directorate, and with some of the existing technology that is geared towards explosives that could be modified to focus on the opioids.

Mr. Davis. And, finally, what I asked, Mr. Cintron, do you think that some of the other countries, even though we are not getting as much action from them, that they may be doing a better job than the areas where we are getting the most, China, and the other two or three countries?

Mr. Cintron. Yeah. Well, like I said, our focus has been on the top 20, not that we don't focus on the rest, but the top 20 generate 90 percent of the volume coming into the country, so a lot of work is being done with that group. As I said, five bilaterals that were just signed over the past year that mandate AED, and that group probably represents close to 80 percent of the volume.

So there is a lot of work. It is based really on capacity of the country in terms of our ability to get it, but there is cooperation with many different countries. So I think it varies from country to country and their abilities.

Mr. Davis. Thank you both. And thank you, Mr. Chairman, for holding this hearing, and I yield back.

Chairman Reichert. Thank you, Mr. Davis. Mr. Reed.

Mr. Reed. Thank you, Mr. Chairman. And thank you to our panelists today for the work that you are doing and coming and having a conversation with us and how maybe we can assist you to address this critical issue that is impacting so many lives across the country, and in particular, in western New York and our district of the 23rd.

One of the things that I am a big advocate for is making sure as we deal with data, as we get into the data question, is that one of the things I learned when I first got here in 2010 is often the bureaucracies of Washington, D.C. has an inability to make sure that all of the data is standardized, so that there is seamless transition between the different agencies, be it the IRS into other agencies, et cetera.

So the premise of my question is, how are you getting the data? And is the data that you are receiving standardized across your organization so that there is no loss of information from that data exchange that is occurring either between your two organizations or, I would assume, in your efforts in coordination with law enforcement, such as the FBI, and other resources that are out there?

Mr. Cintron. I will start and I will turn it over to Todd. Yeah, I mean, is it standardized in terms of how the electronic data comes into the country, so we do have standard formats. We do, when we onboard anyone, you heard us talk about the 60 data sharing agreements that we have had, that is kind of like the starting pieces of getting people to start exchanging the data. We then get into testing where they are actually --

Mr. Reed. So, Mr. Cintron, when you get that data, when you enter that data, is that data accessible by the FBI? Is that data accessible by Customs? Do they have the capability in their departments to read your data, pick up your data, and coordinate with you on coordinated efforts to address this issue?

Mr. Cintron. So, 96 times a day I pass the data on to Customs Border Protection.

Mr. Reed. And there is no technical barriers to your receiving that data and interpreting that data?

Mr. Owens. No.

Mr. Reed. Okay. That is good to hear. Now, going outside the government and our interactions with the express carriers, and this may have been covered, so bear with me. But when you are interacting with carriers like FedEx, UPS, DHL, those carriers, is there a data problem between your organizations and their organizations as to making sure that information is --

Mr. Owens. They provide the data directly to U.S. Customs and Border Protection and there is no issues.

Mr. Reed. So you can read their data and they can read your data?

Mr. Owens. Yeah, since the Trade Act of 2002, they have been providing the data to us. In the beginning, there was issues similar to what we are seeing now with the postal service in terms of being able to have all the data that we are looking for, the timely submission of the data, the accuracy of the data, the completeness, that has improved, and now the express couriers really are the model of where we need to go with the postal service.

So I think with time as this process matures, I think with the right focus, the right level of attention, the right funding stream, that this can be a model, much like the express couriers are.

Mr. Reed. Excellent. So what is the difference between the express carriers' data and your data, or the postal carrier data, if there is a difference, that we are trying to aspire to what the express carriers are doing?

Mr. Owens. The data elements are the same.

Mr. Reed. What are they doing that you are not doing?

Mr. Owens. They control their supply chain from start to finish. So as they receive the goods at the source of origin, they immediately bring that data in through their process, transmit it to us. On the postal side, the foreign postal carrier collects that data and then transmits it to the U.S. Postal Service, who transmits it to us.

Mr. Reed. Okay. So that is what we have to try to streamline and improve upon, is what you are indicating? Okay. What do you do with the data when you get it? Are you deploying analytics? Are you deploying data mining on it?

Mr. Owens. Yes.

Mr. Reed. Do you have cutting edge technology in order to --

Mr. Owens. Yes, we have our advanced targeting system, we have our national targeting center out in Northern Virginia. We have got everything you talked about down to a counter network division that will identify the networks that are behind different shipments and things of that nature. So we have a very robust targeting system that will use not only our past enforcement results, but inputs from the intelligence community, all sorts of different intelligence items, and further streamline those targeting capabilities so that when we have those 1.7 million parcels coming in a day, we can identify those that need to be held and inspected because they have a higher risk for whatever trigger our targeting systems said is the concern here.

Mr. Reed. Well, that is good to hear. Is the analytics and the technology the private sector is using in FedEx, UPS, the express carriers, is that at the similar capability or is that better or worse?

Mr. Owens. Well, they collect the data and transmit it to us and we run the targeting --

Mr. Reed. Oh, they are not running analytics?

Mr. Owens. No. Not in terms of border security and our enforcement mission, that is all done by CBP. So it is their data that they transmit to us, we run it through the same system as the data that the postal service is providing to us.

Mr. Reed. That is interesting. So are the express carriers running any analytical triggers that they are sharing with you up front, or they are just giving you the data and relying on you to run the analytic?

Mr. Owens. We have very strong working relationships with express carriers. I think I will just leave it at that.

Mr. Reed. Okay. I appreciate it. We don't want to let the bad guys know what we are up to. Keep up the good work and anything you need from us -- we want to be of assistance. So with that, I yield back. Thank you.

Chairman Reichert. Mr. Higgins.

Mr. Higgins. Thank you, Mr. Chairman. You know, fentanyl is 50 times more potent than heroin, and it is often used to enhance the potency of heroin. According to the Centers for Disease Control, 116 people a day die from opioids. This is obviously a national epidemic.

And what you are saying is huge volumes of fentanyl is moved into the United States and Canada in the aggregate, yet, that volume defies detection as it is moved in very small increments because of its potency?

Mr. Owens. The overall volume of trade coming in from China is overwhelming. Hidden within that overall volume are small shipments of fentanyl.

Mr. Higgins. And that is what defies detection?

Mr. Owens. It is very difficult.

Mr. Higgins. And what are your tools of detection now; let's say, at the airport? You had made reference to it in previous discussions, but I am just curious what you have now and what is being developed to enhance those efforts?

Mr. Owens. The targeting, of course, begins with the advanced electronic data. So having that data as to who is shipping it to whom, other data elements that helps our targeting system to identify those shipments that are of concern. We also have the standard x-ray systems that have a role in this. We are looking to advance the technology, as we have talked about. All of our narcotics detection K-9s at the mail facilities, the express facilities at the airports have been trained to detect fentanyl, so that is an addition. We have also increased our officers at the mail facilities by 20 percent.

So combined, where I think we are having a much greater impact on the seizure rates, but again, the volume is very significant that is coming in.

Mr. Higgins. So you are confident that that technology is evolving, the detection technology to the point where even the smallest trace of fentanyl in a suitcase, which is further disguised in a book or something, will be detectable within --

Mr. Owens. That is where we hope the technology manufacturers can get us to, yes.

Mr. Higgins. When do those manufacturers estimate that that technology will be --

Mr. Owens. That I don't have.

Mr. Higgins. Interesting. Let me ask you this: I represent Buffalo, the Peace Bridge connects Buffalo to southern Ontario. Southern Ontario is a third of the entire population of Canada. Would we have a situation whereby -- would it be easier for China to mail order fentanyl into Canada and then have it driven into the United States through places like Buffalo?

Mr. Owens. I don't think it would be easier. I know that Canada Border Services Agency, CBSA, also has the same challenges in their mail facilities. They are also seizing fentanyl directly from China. So it is going directly into Canada, it is going directly into the United States. I don't think there is a reason it would have to go into Canada to be moved across --

Mr. Higgins. Customs and Border Protection coordinates well with their Canadian counterpart?

Mr. Owens. We have an excellent relationship with CBSA. We have their targeters with us in Northern Virginia and we with them up in Toronto.

Mr. Higgins. Good. So, you know, the President has indicated a strong commitment to help fund, I think on the demand side, this national crisis, and he also has indicated that in discussions with China, greater efforts will be made to get the Chinese government to crack down on these efforts of some hundred thousand pharmaceutical companies in China.

Do you hold a lot of confidence that we will be able to make progress in those efforts?

Mr. Owens. I don't think that is something that I can speak to. Speaking to, again, the U.S. Customs with general administration at China Customs relationship has been strong and cooperative. Outside of that, that is really outside my scope, sir.

Mr. Higgins. Just a general issue, let me just say this. The Peace Bridge is the busiest northern border crossing combined for commercial vehicles and passenger vehicles. We have been struggling with new -- a new plaza, an American plaza on the American side, where the Canadians have successfully done their side.

The x-ray and gamma-ray detection technology facial recognition, I am speaking generally, that seems to be available now, which creates an opportunity for Buffalo, the Peace Bridge, to become the most modern state-of-the-art land port of entry between the United States and Canada.

I would just ask you, as a field leader in Customs and Border Protection, to please consider making whatever technology that is available, make it available at the Peace Bridge, at the very least, as a demonstration project, because I think it would go a long way, and in terms of testing the efficacy of that detection technology, but also generally cutting down on problems between the United States and Canada.

Mr. Owens. Yes, sir. And we worked very well with the Peace Bridge Authority on the innovative approach as the pre-arrival readiness evaluation system, Ron Rienas has worked on it with us, has really reduced the wait times on the Peace Bridge itself. The facial recognition is not ready for land processing yet. We are doing very well in the air environment, don't quite have a solution yet to have the facial technician -- facial technology working in the land border environment. But I think we have a very good relationship with the Peace Bridge.

Mr. Higgins. Finally, Mr. Chairman, I just want to say your Customs and Border Protection agents are real professionals, and they do a great job at all of the western border crossings. Thank you.

Chairman Reichert. I think the gentleman. Mr. Bishop.

Mr. Bishop. Thank you, Mr. Chairman. Thank you for your leadership on this subject. I appreciate your inclusion of some of us who are very interested in this. Gentlemen, I thank you for your time. We, as members, represent 700,000 or so individuals, citizens who all have concerns about this. Parents, teachers, law enforcement, first responders, educators. This is a real problem. It is a real urgent problem.

And I presume that after our discussion so far today that we are on the same page when it comes to this issue of addressing the vulnerabilities in the international mail system. Am I correct? Do we have a consensus that we needed to address this issue?

Mr. Owens. Yes, sir.

Mr. Cintron. Yes.

Mr. Bishop. I know that that seems like a -- kind of a slam dunk question, but in reality, we have got to be on the same page here and work together to figure this out. 318 million international packages enter the U.S. with no advance electronic data or shipper or recipient name, address or content. That is a huge number. And we simply can't continue to allow this to happen. It is very obvious to me that China, Southeast Asia, those responsible for sending this into our country, don't care, and have done everything in their power to make sure that these synthetic opioids like fentanyl and Carfentanil continue to get into our country.

Mr. Higgins made a point that fentanyl is 50 times as potent as heroin. Just to add on to that, Carfentanil is 100 times as potent as fentanyl, and 5,000 times as potent as a unit of heroin, 5,000 times. In fact, it takes two milligrams of Carfentanil to be lethal. And this package of sweetener has 1,000 milligrams. So it is just amazing how small it can be and how -- that illustration is how much can be sent into this country and how lethal it can be.

We have got a big job on our hands to get a hold of this. And that is why I am working with my associates here and my colleagues in the Congress to introduce a bill that would close the loophole and make it harder for these drugs to enter illegally. And I am glad to pick up where Representative Tiberi left off on the Stop Act, and also work with my colleague, Representative Faso, on this subject.

It is designed to stop dangerous synthetic drugs like fentanyl and Carfentanil from being shipped through our borders. Specifically, the bill would require shipments from foreign countries through our postal system to provide electronic advance data, such as who and where it is coming from, who it is going to, where it is going, and what is in it before the United States will accept it.

This will enable our respective agencies to better target potentially illegal packages and keep these dangerous drugs from ending up in the hands of drug traffickers who want to harm our local communities and our children. I am wondering if you can provide me some information on this. There is a provision here that is outside of our control, and that is that effectively screening international mail is difficult, especially when their ability to obtain advance electronic manifest information is depending on whether or not there is postal agreement with a foreign postal service.

How do you reconcile that? How do we put a solution in place and be able to work with China and other countries to ensure that this solution works?

Mr. Cintron. I think as it relates to the AED, right? I will go back, our focus has been, again, on this top 20, I will keep saying it, represents 90 percent of the volume, China is certainly in that. We have been working on signing these bilateral agreements. We have got five of them. AED is absolutely mandated that you have to have it. We have mandated it now with the express.

We have got the untracked packages out of China specifically, which represent a significant volume of that. The packages that we are talking about that are coming in without that AED. So the focus really is -- and they have been, you know, I will say, collaborating to get us to that point. We will have a substantial amount of AED, most of the China mail by the time we get to the end of this year. That is our focus with them.

I think what we have got to do is stay the course around doing that. Stay very focused on where we see the volumes and the countries that we are focused with, and it will net us what we are looking for over time here.

Mr. Bishop. Okay. Big subject. Thank you all for your focus on this issue, appreciate it. Yield back.

Chairman Reichert. I thank the gentleman. I am going to allow the ranking member to say a couple of closing comments, he has had some amazing thoughts.

Mr. Pascrell. Mr. Chairman, I want to thank our two witnesses today, first of all. They were excellent. I really mean that. I have a major problem in addressing the subject of any illicit drug, because we haven't done a very good job. You have done your job. We are trying to figure out how we can do our job, we really have. And in saying that, we are never going to get to a point where we are able to have a seamless system at the borders, at the ports, and stopping illicit drugs coming into this country.

So I start this way. No market, no sale. We have got the problem, the population. If we don't educate people about what these drugs do to us, as I said, it is not better living through chemistry. If we don't educate the public, or if we do educate the public, and decide to get really into this, then I think we are going to have a better shot of curtailing -- curtailing the sale of drugs. This is the market. We are the market. Ordinary people living in rural America, suburban America, urban America, and the more there is a desire, I don't care what you do. I don't care how much electronic equipment you have at the port, at the border, it is not going to work. But I salute you for what you are doing day in and day out. Thank you, Mr. Chairman.

Chairman Reichert. Thank you. I want to thank you both for your testimony, first of all, but secondly, I want to thank you for your service. And I -- having been a law enforcement officer for -- that as my first career before I came here, 33 years. I understand that the law enforcement agencies and the postal office, included in this, are usually behind the curve when it comes to new resources, technology, and the ability to have the resources to address the issues. I mean, you just have an amazing hurdle to overcome in the thousands, hundreds of thousands of packages that you have got, millions of packages that you have got to look through to try to protect the citizens of this country.

I can only compare it to, in a very small way, to my experience in working a serial murder case that you might be familiar with from the Seattle area called The Green River serial case, and that was in the 1980s. We had 40,000 tip sheets and no computer. We did it by 3-by-5 note cards. We collected evidence, but there was no science other than blood typing in the 1980s, and then all of a sudden -- well, all of a sudden for us, anyway, in the late 1990s DNA came into being, and we solved that case by technology, by new science.

And sometimes, you know, the crooks get a little bit of a head start on us as far as technology, and they find a way around the system. I do think that, you know, the things that you have described today as steps that you have taken and you are in the middle of taking, I think those are great steps, but I do think that we need to support you in the advancement of technology and your ability to identify those packages, gain quality information, and have that technology help you further protect us.

I think Mr. Pascrell does make a great point in that we do have a sociological problem here as far as number of people who are willing to experiment with drugs, and therefore become addicted, especially to these opioids that we have discussed, and how dangerous they can be in destroying not only one life, but a community, and eventually the entire Nation.

And your abilities, your efforts, again, are just greatly appreciated. And I would just like to say on behalf of this committee and the Members of Congress, I think we all agree, to thank you again for your service and recognizing the tough job that you have to do.

So I would like to thank the witnesses for their testimony and your responses to our questions. We appreciate that. And I think you have given us all much to think about as we prepare to move forward with legislation that would require the transmission of advanced electronic data on international mail shipments

and prevent synthetic opioids from entering our country and harming American citizens.

Please be advised that members will have 2 weeks to submit written questions to be answered later in writing. Those questions and your answers will be made part of the formal hearing record. Our record will remain open until May 9. I urge interested parties to submit statements to inform the committee's consideration of the issues discussed today.

With that, this subcommittee stands adjourned. Thank you.

[Whereupon, at 3:35 p.m., the subcommittee was adjourned.]

# **MEMBER QUESTIONS FOR THE RECORD**

**Post-Hearing Questions for the Record  
Submitted to Mr. Robert Cintron  
Vice President, Network Operations  
U.S. Postal Service**

**“The Opioid Crisis:  
Stopping the Flow of Synthetic Opioids in the International Mail System”  
April 25, 2018**

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**From Chairman Dave Reichert (R-WA)**

**1) Determining Percentage Covered**

How much international mail volume do our current bilateral agreements cover, and how do you determine that percentage?

**Response:**

The Postal Service interprets this question as an inquiry regarding the bilateral agreements executed with foreign postal operators that provide for the mandatory production of advance electronic data (AED). Applying that interpretation to this question, we can report that the bilateral instruments with the postal operators of the following countries contain provisions for the mandatory production of AED: Australia, Canada, China, Hong Kong, and Korea. In addition, the Postal Service has negotiated provisions for mandatory AED in exchanges of EMS service with the postal operators of various other countries; however, these volumes are not particularly large and are not included in the calculation below.

During the month of April, inbound flows under the bilateral agreements with the foreign postal operators of Australia, Canada, China, Hong Kong, and Korea accounted for a substantial portion of international inbound volume to the US. That percentage is calculated from the total number of items sent under the bilaterally covered products specific to each country divided by the total inbound volume (excluding letters, flats and military mail) the Postal Service received.

**2) GAO Report**

In August 2017, the Governmental Accountability Office (GAO) released a report assessing the costs and benefits of using electronic data to screen international mail. The GAO made two recommendations: (1) that CBP, in coordination with the Postal Service establish measurable performance goals to assess pilot programs; and (2) that CBP, in coordination with the Postal Service, evaluate the costs and benefits of using advance electronic data to target mail for inspection compared with other targeting methods. The GAO said that without this information, the agencies "risk spending resources on efforts that may not increase the security of inbound international mail or that may not result in sufficient improvement to justify the costs." I understand that both of your agencies concurred with GAO's recommendations. Can you provide us with a status update as to the progress the agencies have made in addressing GAO's recommendations?

**Response:**

The Postal Service continues to work with CBP in support of completing the recommendations. With regard to the first recommendation, we continue to collaborate with CBP to agree upon a

methodology for measuring presentment rate of requested items. As of May 30, 2018, we have reconciled over 93% of February holds and 91% of March holds. The majority of the remaining holds in question for both months are items for which the Postal Service has a scan indicating the item was handed over to CBP, but CBP does not have a disposition in its system. CBP is currently reviewing these items internally, with the goal to determine a business rule of how to address this matter moving forward. With regard to the second recommendation, we have provided data to CBP to assist with its analysis, including analysis of the Postal Service cost of segregating the requested hold items.

### **3) Quality of Advance Electronic Data**

During the hearing you discussed the quality of the advance electronic data the Postal Service receives from foreign postal operators. Could you provide additional information on the specific steps that your agency is taking to ensure that you are receiving good and actionable data from foreign postal operators?

#### **Response:**

The Postal Service participates in data quality programs via the International Post Corporation (IPC), which includes use of a data quality monitoring tool. The IPC data quality monitoring tool allows posts to validate the quality of their outbound data against the data messaging standards. The Postal Service also monitors inbound AED files against the Universal Postal Union (UPU) message format specifications. Files which do not meet certain specifications are automatically rejected. Alerts are monitored and emails are sent to key personnel when the number of rejected files passes a certain threshold. The Postal Service communicates with foreign postal operators to resolve issues that are discovered to be causing files to reject. We also meet regularly with CBP to identify any anomalies it is seeing in the data, and address those with foreign postal operators as needed. The Postal Service continues to expand and enhance its data quality analyses to ensure quality data is provided to CBP.

#### **From Representative Devin Nunes (R-CA)**

### **4) International Mail System and the Threat of Terrorism**

Mr. Cintron, the international mail system continues to be used as a way to send synthetic opioids to the United States. Stopping this is a worthy goal, but we must also fight the threat of terrorism being perpetuated through international mail. On this topic, can you speak to what the Postal Service is doing to prevent the international mail system from being used as a vehicle for terrorism in the United States?

#### **Response:**

Protecting the customers, employees and infrastructure of the United States Postal Service from international terrorism is a top priority of the U.S. Postal Service. The Postal Inspection Service, the law enforcement branch of the Postal Service, minimizes the risk of international terrorism by working with its law enforcement partners, including partnering with more than 40 federal, state and local agencies as part of the National Joint Terrorism Task Force (NJTTF). In this capacity, the Inspection Service works closely with Customs and Border Protection, the Department of State, the Armed Forces and other agencies with an international security mission on matters involving terrorism and the use of international mail.

As you may be aware, inbound international parcels are subject to screening measures established by the Transportation Security Administration (TSA). In furtherance of the goal of

ensuring the safety and security of the airline industry, the Inspection Service and TSA are members of the Civil Aviation Security Program (CASP) at NJTTF to engage with the Federal Bureau of Investigation (FBI), the Federal Aviation Administration, and local law enforcement. The Inspection Service is also a member of a working group with the FBI and private Express Consignment Carriers, such as UPS, FedEx, and DHL, to minimize the use of the domestic and international shipping sector to fund, support, or carry out acts of terrorism.

The exchange of mail between countries is governed by international treaties designed to serve a wide range of U.S. government priorities. The Postal Service is a member of the Universal Postal Union (UPU). The Postal Service works closely with the United States Department of State, which has lead responsibility for representing the United States Government in the UPU, the 192-member international organization charged with facilitating the exchange of mail among member countries through treaty agreements. The Inspection Service chairs the UPU Postal Security Group. In this capacity, the Inspection Service leads the work to develop and improve mandatory security standards for all designated postal operators. These physical and procedural standards define minimum security requirements for operations relating to security and the transport of international mail. The Inspection Service provides training, conducts security reviews, and is building capacity toward further implementation of these standards. In January, 2018, the Inspection Service conducted security training for 33 participants from 16 countries in the Asia-Pacific region. Two additional security workshops are planned for the Pan-African region in July, 2018. The Inspection Service has also partnered with the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) to implement a two year project plan to deliver security workshops in various regions around the world.

As you heard in the testimony, the Postal Service is aggressively expanding the collection of Advance Electronic Data (AED) in order to target suspicious mail. The Inspection Service uses AED for interdiction activities when looking for specific pieces of international mail based on information obtained from on-going investigations, previous seizures, or law enforcement intelligence with the goal of protecting U.S. mail from dangerous or illegal use. The Postal Service provides AED to CBP to help enable CBP to identify pieces of interest in the inbound international mail stream and the Inspection Service now has full-time personnel at CBP's National Targeting Center. The Postal Service expanded the automated sorting process at all five International Service Center (ISCs) to capture holds on items of interest requested by CBP and the Inspection Service.

The Postal Service continues to identify and implement countermeasures to address the challenges of international terrorism, including training of employees, implementing standard work instructions, and updating scanning software and equipment. The Postal Service provides personnel training concerning suspicious mail, such as unknown powders, liquids or substances, and emergency situations involving smoke, fumes or vapors. Every Inspection Service field division has Inspectors with specialized training and equipment that allows them to respond to suspicious items and substances.

#### **From Representative Erik Paulsen (R-MN)**

##### **5) Locating High Risk Packages**

Mr. Cintron, it has been reported that there have been times that the Postal Service has been unable to locate and tender packages that were deemed high risk by Customs and Border Protection. Why is that? If a targeted package isn't reviewed by Customs, does it still get delivered to its intended recipient? And if so, don't you think that doing so poses a risk to our

citizens? Since U.S. law does not apply to foreign posts and shippers, what enforcement mechanism would you ideally require in order for them to comply?

**Response:**

There are multiple reasons a target package may not be located and presented to CBP. Generally, it can be broken down into technology issues, process issues, and human error. To address technology issues, we have worked with our Information Technology (IT) and Engineering systems to ensure all "hold" requests by CBP are transmitted through all applicable databases and systems to ensure a hold is signaled when a piece is scanned. We have reduced process issues by working with each International Service Center (ISC) to ensure each has a robust process for handling the hold packages once they have been identified. To reduce human error, we have provided standard work instructions and other training materials to ensure the employees in the field have the knowledge and ability to execute the process.

Targeted pieces that are not intercepted prior to induction into the domestic network may be delivered, but CBP also works directly with the U.S. Postal Inspection Service to manually intercept items that are high risk prior to delivery. To help mitigate the risk of delivering targeted pieces, the Postal Service will deploy the ability to intercept targeted pieces at delivery units this summer.

The Postal Service continues to work to ensure all targeted packages are presented to CBP. To that end, we have enhanced our automated sorting capability as it relates to extracting holds, have set up interception capability at secondary facilities that often process inbound international mail, and are getting ready to deploy intercept capability at delivery units. Due to all of the efforts mentioned above, we have seen a marked increase in intercept capability and presentation rate over the last year, and expect the upward trend to continue.

In reference to the last sentence of the question, we would defer to the State Department on matters of international law and enforcement.

**6) Advance Electronic Data**

a. Mr. Cintron, there are reports that China is capable of providing Advance Electronic Data (AED) on its packages and currently only includes this information on 50 percent of the packages it ships to the US. Why do you not require a higher percentage from China Post?

**Response:**

The bilateral agreement with China Post Group requires AED for specific products. The Postal Service and China Post are arranging to provide for the transmission of AED for untracked packet flows by the end of 2018.

b. Mr. Cintron, how many contracts do you have with foreign posts, and do you require AED on packages from these posts? If so, what percentage of data are they supplying and why do we not hold China to the same standard?

**Response:**

For purposes of the question, the Postal Service interprets the question to pertain to agreements having inbound volumes. The Postal Service has multiple forms of agreements with its foreign trading partners, some of which require AED and other that do not. The following table displays each category of agreement the Postal Service has entered into, and the number of countries included in that agreement.

**Postal Service International Agreements**

| <b>Agreement</b>                  | <b>Number of Countries</b>                              |
|-----------------------------------|---|
| Data Sharing Agreement (DSA)      | 60  |
| Bilateral Agreement               | 9 <sup>1</sup>  |
| PRIME Expres Agreement            | 54  |
| PRIME Tracked Agreement           | 16  |
| PRIME Registered Agreement        | 42  |
| EMS Pay for Performance Agreement | 85  |
| EMS Rate Agreement                | 3   |
| EMS Operational Agreement         | The Postal Service has over 150 agreements <sup>2</sup> |

Bilateral instruments with the postal operators of the following countries contain provisions for the mandatory production of AED: Australia, Canada, China, Hong Kong, and Korea. Of the bilateral agreements requiring AED, China accounted for a large percentage of AED received from such agreements, as of March 2018.

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<sup>1</sup> The Postal Service entered into four of these bilateral agreements prior to 2016. At that time, the Postal Service did not require AED as a pre-requisite for any bilateral agreement

<sup>2</sup> The Postal Service has concluded EMS operational agreements with the postal operators of almost all countries in the world; some of those agreements date back more than several decades. Those operational agreements do not themselves contain AED requirements, but the Postal Service has sometimes also entered into separate agreements in the past with postal operators that set discounted rates for the exchange of EMS premised upon the exchange of AED. The Postal Service has implemented a mandate of the United States Government for foreign trading partners with the capability to provide AED for EMS volumes to commence sending AED by September 1, 2018. The Postal Service has formally notified the trading partners of their requirement in June 2018. Additionally, the mandate requires all countries without the present capacity to send AED for EMS volumes to implement transmission by July 1, 2019.

|                   |   |
|-------------------|---|
| <b>Question#:</b> | 1   |
| <b>Topic:</b>     | Determining Percentage Covered  |
| <b>Hearing:</b>   | Stopping the Flow of Synthetic Opioids in the International Mail System |
| <b>Primary:</b>   | The Honorable David G. Reichert   |
| <b>Committee:</b> | WAYS & MEANS (HOUSE)  |

**Question:** How much international mail volume do our current bilateral agreements cover, and how do you determine that percentage?

**Response:** USPS negotiates bilateral agreements directly with foreign postal operators. Given that role, CBP would suggest that USPS as the best resource for an accurate and complete answer.

However, USPS has shared informal data with CBP that indicates an approximate volume of 501 million shipments of international mail with goods for FY 2017. CBP can report that of the 501 million shipments, CBP received approximately 179 million postal bills with advance electronic data (AED). This equates to approximately 36 percent of the total volume of mail with goods, but CBP would defer to USPS on the volume of AED received from foreign postal operators.

|                   |   |
|-------------------|---|
| <b>Question#:</b> | 2   |
| <b>Topic:</b>     | GAO Report  |
| <b>Hearing:</b>   | Stopping the Flow of Synthetic Opioids in the International Mail System |
| <b>Primary:</b>   | The Honorable David G. Reichert   |
| <b>Committee:</b> | WAYS & MEANS (HOUSE)  |

**Question:** In August 2017, the Governmental Accountability Office (GAO) released a report assessing the costs and benefits of using electronic data to screen international mail. The GAO made two recommendations: (1) that CBP, in coordination with the Postal Service establish measurable performance goals to assess pilot programs; and (2) that CBP, in coordination with the Postal Service, evaluate the costs and benefits of using advance electronic data to target mail for inspection compared with other targeting methods. The GAO said that without this information, the agencies "risk spending resources on efforts that may not increase the security of inbound international mail or that may not result in sufficient improvement to justify the costs." I understand that both of your agencies concurred with GAO's recommendations. Can you provide us with a status update as to the progress the agencies have made in addressing GAO's recommendations?

**Response:** CBP worked with USPS to act upon the GAO recommendations referenced above.

Recommendation 1: To ensure that current pilot programs related to electronic advance data provide insights that help in assessing United States Postal Service's (USPS) effectiveness at providing mail targeted by CBP for inspection, the Secretary of Homeland Security should direct the Commissioner of CBP to, in conjunction with USPS, (1) establish measureable performance goals for pilot programs and (2) assess the performance of the pilots in achieving these goals.

May 10, 2018, update: In relation to USPS developing a solution to present to CBP targeted international mail, USPS has agreed the presentment rate of all CBP targeted mail going forward will be at a minimum 95 percent with the intent of more. USPS has signaled that this has been developed but not yet widely implemented with the depth that CBP requires. CBP believes that the solution should not be limited simply to the next physical location beyond the International Service Center (ISC), but should extend to all downstream USPS locations to include the final post office prior to domestic delivery. CBP continues to collaborate with the USPS to implement the technical solution throughout the mail item life cycle, which would add a 'safety-net' for ensuring that the agreed to 95 plus presentment percentile rate for CBP targeted international mail shipments.

In April 2018, CBP and USPS exchanged data covering the month of February 2018 for the purpose of comparing presentment rates. On May 3, 2018, CBP and USPS completed their respective reviews of the data and met to discuss findings. CBP and USPS agreed

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| <b>Question#:</b> | 2   |
| <b>Topic:</b>     | GAO Report  |
| <b>Hearing:</b>   | Stopping the Flow of Synthetic Opioids in the International Mail System |
| <b>Primary:</b>   | The Honorable David G. Reichert   |
| <b>Committee:</b> | WAYS & MEANS (HOUSE)  |

to look into the following identified factors that may have contributed to these differences: 1) USPS will check for updated scans in their Product Tracking and Reporting system (scanning and tracking events) and review their list with Inspection Service daily logs; and 2) CBP will have their ports review the list of mail items placed on hold and make appropriate updates in their Automated Targeting System/CERTS to reflect item had been examined and released. This will ensure more timely coordination between the input to the USPS Global Business System (GBS) and the CBP Automated Targeting System. As a next step, CBP sent March's data to USPS to complete a comparison and will schedule another review. CBP is working to develop an electronic tool to assist International Mail Facility (IMF) staff in managing the international mail. CBP continues to work with our Office of Information and Technology (OIT) on the development of an International Mail Dashboard to assist in the tracking of CBP targeting activity at each IMF. This will allow CBP to compare and confirm presentment rates provided by the USPS in order to assess the performance of the mail pilots.

The estimated conclusion date is October 31, 2018.

Recommendation 2: To provide information on the costs and benefits of collecting electronic advance data for use in targeting inbound international mail for screening, the Secretary of Homeland Security should direct the Commissioner of CBP to, in conjunction with USPS, evaluate the relative costs and benefits of collecting electronic advance data for targeting mail for inspection.

May 10, 2018 update: CBP is working internally to address this recommendation, with an expected completion date of October 31, 2018.

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| <b>Question#:</b> | 3   |
| <b>Topic:</b>     | Advance Electronic Data   |
| <b>Hearing:</b>   | Stopping the Flow of Synthetic Opioids in the International Mail System |
| <b>Primary:</b>   | The Honorable David G. Reichert   |
| <b>Committee:</b> | WAYS & MEANS (HOUSE)  |

**Question:** During the hearing you discussed the quality of the advance electronic data the Postal Service receives from foreign postal operators. Could you provide additional information on the specific steps that your agency is taking to ensure that you are receiving good and actionable data from foreign postal operators?

**Response:** CBP has provided a subset of the advance data to USPS to show examples of the data that is unacceptable for targeting purposes. CBP asked the USPS to coordinate with the foreign postal operators to address the data integrity on their end.

Some examples of poor actionable data:

| Shipper Name | Shipper Address | Shipper City                        | Cargo Description |
|--------------|-----------------|-------------------------------------|-------------------|
| ?            | ?               | ?                                   | SAMPLE            |
| ????         | WAREHOUSE       | ?                                   | HOLIDAY SUPPLIES  |
| ????         | APARTMENT       | LANGBEILU RIVE;R ROAD PUTUO DISTRIC | SICKLE, SICKLE    |

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| <b>Question#:</b> | 4   |
| <b>Topic:</b>     | Terrorism Threat  |
| <b>Hearing:</b>   | Stopping the Flow of Synthetic Opioids in the International Mail System |
| <b>Primary:</b>   | The Honorable Devin Nunes   |
| <b>Committee:</b> | WAYS & MEANS (HOUSE)  |

**Question:** Mr. Owen, there has been a lot of focus on synthetic opioids that are flowing into the United States through international mail, and rightfully so. While I think this is important to prevent, as Chairman of the Intelligence Committee, I also have an interest in thwarting terrorism. As you know in 2010, two packages destined for the United States were found to contain explosives and a detonating mechanism, although the bombs were disguised as printer cartridges. Luckily, the packages were discovered before arrival in the United States. Can you tell us what would help your agency continue to prevent plots like these from taking place?

**Response:** In October 2010, the global counterterrorism community disrupted a potential terrorist attack when concealed explosive devices were discovered in cargo on board aircraft destined for the United States. This incident demonstrated the significance of advance information in identifying and disrupting the attempts of terrorists to exploit the global supply chain. While CBP had already been receiving advance electronic information for air shipments prior to arrival, this incident exposed the need to collect certain information earlier or prior to the loading of cargo onto aircraft bound for the United States. To that end, CBP and the Transportation Security Administration (TSA) collaborated with express consignment carriers to identify solutions to this gap, and launched the Air Cargo Advance Screening (ACAS) pilot in December 2010. The pilot has since expanded to include participation by relevant stakeholders in the air cargo community such as passenger carriers and freight forwarders. CBP intends to propose additional rulemaking to make ACAS a permanent program. In July 2017, CBP published a Federal Register Notice that extended the pilot an additional 12 months to July 26, 2018. An interim final rule codifying this program as a permanent initiative was published on June 12, 2018.

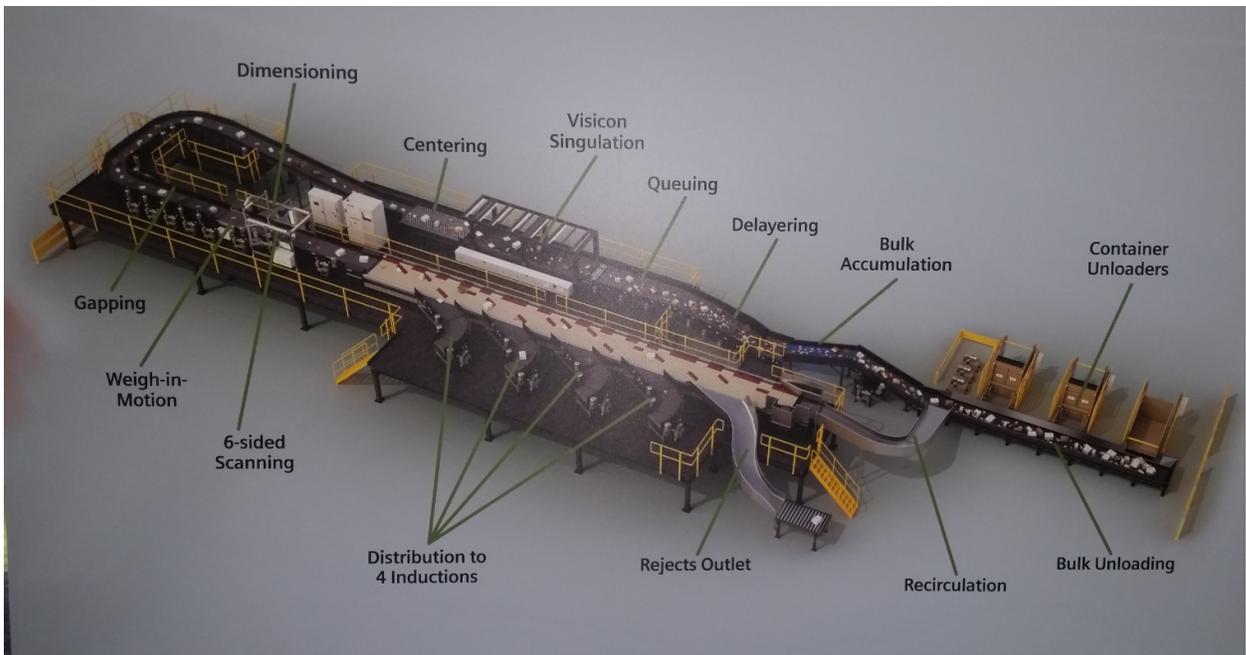
**ACAS Data Elements (7+1):**

|                      |                        |
|----------------------|------------------------|
| 1- Shipper name      | 5- Cargo description   |
| 2- Shipper address   | 6- Piece count         |
| 3- Consignee name    | 7- Weight              |
| 4- Consignee address | +1- Air waybill number |

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| <b>Question#:</b> | 4   |
| <b>Topic:</b>     | Terrorism Threat  |
| <b>Hearing:</b>   | Stopping the Flow of Synthetic Opioids in the International Mail System |
| <b>Primary:</b>   | The Honorable Devin Nunes   |
| <b>Committee:</b> | WAYS & MEANS (HOUSE)  |

**Question:** Are there any current barriers that would make it difficult for you to track or find dangerous packages?

**Response:** Currently, the equipment CBP uses for moving packages between the USPS area and the CBP area are antiquated and in desperate need of replacement. A new conveyor belt system with integrated delayering, queuing, singulation, centering, 6-sided bar-code scanning, 3D x-ray technology, opioid detection equipment, and distribution inductions is planned to address the increasing volume in the international mail environment. CBP is pursuing the use of its NII and postal-related funding to install systems like the photo below, and expects it will greatly enhance our ability to track high-risk targeted shipments.



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| <b>Question#:</b> | 5   |
| <b>Topic:</b>     | Incoming Packages   |
| <b>Hearing:</b>   | Stopping the Flow of Synthetic Opioids in the International Mail System |
| <b>Primary:</b>   | The Honorable Erik Paulsen  |
| <b>Committee:</b> | WAYS & MEANS (HOUSE)  |

**Question:** Mr. Owen, does the Postal Service provide you with all the data necessary for you to run analytics on every single package coming into the country? If not, what is missing and why?

**Response:** For FY2017, USPS reported an approximate volume of 501 million shipments of international mail with goods. CBP can report that of the 501 million shipments, CBP received approximately 179 million postal bills with advance electronic data. This equates to approximately 36 percent of the total volume of mail with goods which CBP receives data and there remains approximately 64 percent of the total volume which does not have any data. USPS provides CBP with the data elements prescribed to in the CN22/23. CBP is not asking for additional data elements.

The standard customs data (CN22/23) that is received from the USPS includes:

- Sender's Name
- Sender's Address
- Sender's Telephone Number
- Sender's Email Address
- Consignee's Name
- Consignee's Address
- Consignee's Telephone Number
- Consignee's Email Address
- Description of contents
- Quantity
- Weight
- Value
- Tariff #
- Country of Origin
- Bill Number = Bar Code ID

The email and telephone number field are not mandatory fields and the tariff number is only included for commercial shipments. These data fields have been agreed to by the World Customs Organization (WCO) and are the standard throughout the world.

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| <b>Question#:</b> | 6   |
| <b>Topic:</b>     | China   |
| <b>Hearing:</b>   | Stopping the Flow of Synthetic Opioids in the International Mail System |
| <b>Primary:</b>   | The Honorable Erik Paulsen  |
| <b>Committee:</b> | WAYS & MEANS (HOUSE)  |

**Question:** Mr. Owen, the Senate report issued by the Permanent Subcommittee on Investigations found that Customs and Border Protection (CBP) manually searches through packages to locate illegal items, why is that?

**Response:** CBP employs numerous methods to identify packages for inspection to include, analysis of advance data through an automated targeting system, narcotics detection canines, and non-intrusive inspection technology (x-ray). CBP Officers will also select packages by hand, based upon experience and knowledge gained through the years of working in that environment.

**Question:** It also found that CBP did not list China as a country of interest due to the high volume of packages China shipped to the U.S., if you can, please share the reasoning behind not listing China as a country of interest even though they were shipping a higher volume of packages.

**Response:** At times, CBP did not identify China as a country of interest due to the sheer volume of international mail that comes from China. It is estimated that nearly 60 percent of the total international mail volume originates from China. Although CBP previously utilized a layered enforcement strategy to select shipments for examination that were deemed to be the highest risk mail arriving from China for the smuggling of opioids, placing a country on the “country of interest list” would require the USPS to provide CBP with 100 percent of the international mail arriving from that country. On a daily basis, the JFK international mail facility receives approximately one million postal shipments, based on USPS data. If CBP were to inspect even half of that volume, it would significantly impact delivery timelines.

Recently, the USPS made some improvements to their system, which will allow CBP to select between 100 percent and a fraction of the international mail arriving from a country of interest. As in all modes of transportation, CBP utilizes a layered security approach and is now utilizing electronic advance data to assist us with targeting high-risk shipments from China. In the month of March 2018, CBP received a daily average of 1.4 million postal shipments with advance electronic data.

# **PUBLIC SUBMISSIONS FOR THE RECORD**

**VIA ELECTRONIC DELIVERY**

Monday, October 29, 2018

The Honorable David Reichert  
Chairman, House Ways and Means Trade  
Subcommittee  
United States House of Representatives  
1102 Longworth House Office Building  
Washington D.C. 20515

The Honorable Bill Pascrell  
Ranking Member, House Ways and Means  
Trade Subcommittee  
United States House of Representatives  
1139E Longworth House Office Building  
Washington D.C. 20515

**RE: Statement for the Record from the Alliance for Safe Online Pharmacies (ASOP Global) on the House Ways and Means Trade Subcommittee Hearing Titled, “*The Opioid Crisis: Stopping the Flow of Synthetic Opioids in the International Mail System.*”**

Dear Chairman Reichert and Ranking Member Pascrell:

Thank you for considering the Alliance for Safe Online Pharmacies’ (ASOP Global) statement for the record in response to the U.S. House of Representatives Ways and Means Trade Subcommittee hearing: *The Opioid Crisis: Stopping the Flow of Synthetic Opioids in the International Mail System* on Wednesday, April 25, 2018.

ASOP Global is a nonprofit organization dedicated to addressing the public health threat posed by illegal online prescription drug sellers. Our work focuses on research, consumer awareness, advocacy, and international engagement. With over 85 member organizations worldwide, ASOP Global is active in the United States, Canada, Europe, India, Latin America and Asia. For more about ASOP Global please visit [www.BuySafeRx.Pharmacy](http://www.BuySafeRx.Pharmacy).

We would like to thank the Committee for its leadership on addressing the issue of counterfeit products entering the United States. Counterfeit drugs, including those marketed as controlled substances, have been linked to serious injury and even death. As you know, the significant influx in counterfeit, falsified and substandard medicines into the country remains a critical patient safety and public health issue.

According to U.S. Customs and Border Protection<sup>i</sup>, counterfeit pharmaceutical products now account for nearly 6% of all counterfeit product seizures in the U.S. and totaled nearly \$70 million in fiscal year 2017. Globally, the World Health Organization estimates that the costs incurred from counterfeit pharmaceutical products are approximately \$75 billion per year.<sup>ii</sup> U.S. seizures and international operations, such as INTERPOL’s Operation Pangea, continue to illustrate the need for comprehensive and coordinated efforts to ensure counterfeit medicines do not continue to make their way into American households.

Recently, Members of Congress and several federal agencies have called attention to the increase in online sales of prescription medicines and illicit narcotics, such as fentanyl and carfentanil, shipped to the U.S. through the Postal Service.<sup>iii</sup> Earlier this year, Senate investigators on the Senate Permanent Subcommittee on Investigations (PSI) identified hundreds of illegal online drug transactions in over 40 states, adding up to \$230,000 worth of fentanyl – with a street value of over \$750 million – from just six online sellers. This is not surprising given the size and sophistication of illegal online drug sellers often posing as legitimate online pharmacies. ASOP Global Board Member LegitScript has found there are

roughly 30,000 illegal online pharmacies operating at any one time, and the National Association of Boards of Pharmacy (NABP) reports that 96% of online pharmacies are unsafe and illegal, failing to comply with state and federal laws or pharmacy practice standards. What is more, a February 2018 report by NABP found that more half (54%) of the online drug sellers they analyzed offered controlled substances, and 40% offered one or more of the drugs frequently counterfeited with fentanyl.<sup>iv</sup> This puts millions of Americans at risk of receiving dangerous counterfeit or otherwise illegal and unsafe medications, often shipped into the U.S. from foreign sources to patients without requiring a prescription.

Given the danger posed by counterfeit prescription drugs (including fentanyl) sold online, it is crucial the U.S. does more to reinforce international shipping standards. The failure to track and stop shipments containing illegal prescription and synthetic drugs from rogue online pharmacies, as well as failing to prepare for the increase in international shipments due to the lack of advanced electronic data, will only continue to put Americans at risk and worsen the nation's opioid epidemic. ASOP Global appreciates the Administration's effort to encourage foreign jurisdictions to provide advance shipment data, but feels more must be done. ASOP Global supports enactment of the Synthetics Trafficking and Overdose Prevention (STOP) Act as well as additional Administration actions to crack down on illegal shipments of counterfeit or otherwise illegal medicines into the U.S.

Recently FDA Commissioner Scott Gottlieb moved to improve the agency's ability to screen for illegal prescription and illicit drugs at several international mail facilities. He doubled the staff responsible for package inspections and called for further expansion this program.<sup>v</sup> Additionally, in April at the National Rx Drug Abuse and Heroin Summit, Commissioner Gottlieb called on Internet providers and social media platforms to take proactive measures to help address the illegal advertisement and sale of prescription drugs and illicit narcotics online, urging changes in search/social organic search results related to online prescription drug sales.<sup>vi</sup> ASOP Global applauds this leadership and looks forward to continuing to support FDA's effort to protect patient safety online. ASOP Global supports this and other FDA efforts to crack down on illegal online sellers and is pleased to see the Administration focus more resources on stopping dangerous counterfeit and otherwise illegal medicines at the border.

In addition to the issue of stopping illegal prescription drugs via international mail facilities, as Senators Grassley, Feinstein, Klobuchar, Kennedy and Whitehouse recently observed,<sup>vii</sup> online platforms and marketplaces also have a key role to play in stopping the deadly supply of counterfeit and otherwise illegal medicines from reaching Americans. A recent study<sup>viii</sup> published in the *American Journal of Public Health* found widespread use of Twitter, Facebook and YouTube by illegal online pharmacies to market and sell fentanyl, oxycodone and other highly addictive, often deadly controlled substances to U.S. consumers, in direct violation of federal law. Moreover, online platforms and marketplaces make it easy – even by accident – to find illegal sources of prescription and illicit drugs online. For example, an innocuous search for e.g. “Follistim (an infertility drug) online” or “fentanyl online” yields dozens of top-page search results for illegal sites offering medicines without a prescription shipped through the USPS. Rather than offering up illegal online drug sellers on page one – including CanadaDrugs.com – which has been indicted and recently pled guilty to selling counterfeit medicines to Americans<sup>ix</sup> – it is in the public interest for online platforms and marketplaces to return results that lead Americans to legitimate sources of medicine and information in response to innocuous queries. We encourage this Committee to consider ways to further encourage online platforms and marketplaces to promote legitimate sources of medicine and health information as part of your ongoing efforts to protect Americans from counterfeit goods sold online.

Finally, ASOP Global supports the recommendations outlined in the Government Accountability Office's January 2018 Intellectual Property Report<sup>x</sup>, including strengthening the detection of IPR-infringing goods, engagement with international partners, and launching localized pilots and port-specific initiatives. Increased resources focused towards the U.S. agencies responsible for this oversight, such as Customs and Border Protection, Homeland Security Investigations, Federal Bureau of Investigations, and others, are necessary.

The Alliance for Safe Online Pharmacies thanks you for considering this statement and stands ready to assist the Committee in your continued work on important public health and safety issue.

Respectfully,



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<sup>i</sup> <https://www.cbp.gov/sites/default/files/assets/documents/2018-Feb/trade-fy2017-ipr-seizures.pdf>

<sup>ii</sup> <http://business.financialpost.com/opinion/they-cost-us-billions-and-they-can-kill-counterfeit-drugs-are-invading-canada>

<sup>iii</sup> <https://www.hsgac.senate.gov/subcommittees/investigations/hearings/combating-the-opioid-crisis-exploiting-vulnerabilities-in-international-mail>

<sup>iv</sup> <https://nabp.pharmacy/wp-content/uploads/2018/02/Internet-Drug-Report-Feb-2018.pdf>

<sup>v</sup> <https://www.apnews.com/6de59e7d620b4a75b605e60580b1c569/FDA-chief-wants-more-mail-inspectors-to-stem-opioid-influx>

<sup>vi</sup> <https://www.fda.gov/NewsEvents/Speeches/ucm603651.htm>

<sup>vii</sup> <https://www.grassley.senate.gov/news/news-releases/grassley-feinstein-colleagues-urge-tech-companies-clamp-down-illegal-online-drug>

<sup>viii</sup> <https://www.ncbi.nlm.nih.gov/pubmed/29048960>

<sup>ix</sup> <https://buysaferx.pharmacy/news-release-statement-in-response-to-case/>

<sup>x</sup> <https://www.gao.gov/assets/690/689713.pdf>

**Statement for the Record of IO/STA Director Greg Thome**  
**House Committee on Ways and Means**  
**Hearing of April 25, 2018**

The Department of State has assigned the highest priority to combatting the opioid epidemic in the United States. We are making important progress in convincing the international community to join us in addressing this emergency, but more needs to be done. Illicit synthetic opioids, including illicit fentanyl, are smuggled into the United States across our border with Mexico, through international mail, or through commercial consignment shipments. U.S. Customs and Border Protection (CBP) uses a variety of tools to combat the entry of these drugs into the United States, including the use of advance electronic data (AED) to target packages and other shipments for inspection and interdiction. However, as members of the Committee are aware, AED is currently widely used to assist with targeting of inspections in the express consignment environment, but is less readily available for the screening of international mail. Consequently, the State Department, the U.S. Postal Service (USPS), and CBP are cooperating in efforts to increase the amounts of this data available to us. And it is the State Department's view that H.R. 1057, the Synthetic Trafficking and Overdose Prevention Act of 2017, with the technical assistance that the Department of Homeland Security has recommended be incorporated into the bill, would assist the Department in making further progress toward our shared goal of further increasing the amount of AED we are receiving.

USPS has taken the lead in engaging foreign postal services directly to increase their provision of advance electronic data. USPS has actively pursued data sharing agreements with foreign postal operators to enable this exchange and has successfully solicited data from key postal operators, including China Post, with which it has commercial agreements. Extending the success USPS is seeing in its bilateral relationships with foreign postal services to the global level, however, requires multilateral engagement. Here too we have willing partners at the Universal Postal Union (UPU), which is the principal multilateral venue for issues related to the exchange of mail.

Emblematic of this willingness to address the challenges posed to the global mail system by the abuse of international mail for the shipment of illicit drugs, the UPU signed a cooperative agreement with the International Narcotics Control Board on April 18 of this year on countering dangerous toxic substances in the post. Acknowledging that abuse of the mail by drug traffickers was not a new problem, the UPU Director General remarked during the signing ceremony that the scale and scope of the challenge posed by illicit synthetic opioids demanded action.

The UPU is an intergovernmental organization with a membership that comprises nearly all of the world's countries. It is the first multilateral body the United States joined, and the conference that led to its establishment was an initiative of the Lincoln Administration. The UPU's mission entails guaranteeing the free circulation of postal items over "a single postal territory composed of interconnected networks." It is a compact between the world's nations that their postal services will deliver one another's mail according to common rules and on the basis of reciprocity. The United States is leading the work at the UPU that is needed to weave advance electronic data exchange into the fabric of the reciprocal cooperation that is at the heart

of the global mail system. This statement will center on efforts underway within that body to expand the exchange of advance electronic data.

Advance electronic data is essentially a digital version of the postal customs declaration that is transmitted prior to the arrival of a physical postal item. In addition to CBP's use of this data for targeting to increase the efficiency of its screening of international mail, it has multiple other uses, including aviation security, for which it was conceived. Consequently, efforts to promote its exchange through the UPU have a long history. A key moment in this history was the decision of UPU member countries at their Doha Congress in 2012 to amend the UPU Convention to require countries and their designated postal operators to adopt and implement security strategies that "...include the principle of complying with requirements for providing electronic advance data on postal items adopted by the Council of Administration and Postal Operations Council, in accordance with UPU technical messaging standards." Developing the implementing measures for this amendment has been a top priority for U.S. delegations at UPU meetings ever since. Our efforts, which include intensive, sustained work by colleagues at USPS and Homeland Security, including CBP, are now bearing fruit, and there has been recent rapid progress on this front.

In February 2016, after several years of discussions, the UPU's Postal Operations Council adopted regulations to implement the advance electronic data provision of the 2012 Convention amendment and a Roadmap for their implementation. The United States co-chairs, with India, the Postal Operations Council committee that oversees the work required to reach the Roadmap's milestones. These milestones include final adoption of the technical messaging standard for item-level data—a goal that the Council achieved at its meeting in October 2017. In combination, these developments enable UPU member countries, in principle, to impose national requirements for advance electronic data. UPU members must do so, however, in a manner that is consistent with the real-world capacity of the global postal network and the available infrastructure. They must also take into account whether all concerned parties in the international postal transport chain can meet the requirements for providing advance electronic data. In other words, when imposing advance electronic data requirements, UPU members must take account of the limitations and complexities of the network, including the significant challenge this presents to most postal operators to capture and provide it. This restriction is really just an expression of the reality that one cannot demand the impossible.

UPU express mail service (EMS) provides an early example of the approach we are taking. EMS is an optional service for UPU members, and represents the UPU's premium product category. A recent Senate report identified EMS as a preferred method for shipping synthetic opioids purchased online into the United States. The report attributed this preference to the lack of advance electronic data for most EMS items. In light of that finding, we prioritized obtaining data for this product.

Accordingly, on April 9, 2018 the UPU published a circular notice at the United States' request announcing new U.S. requirements for advance electronic data on EMS items. Recognizing that many foreign postal operators lack the ability to provide this data, we established two compliance dates: September 1, 2018, for those countries that USPS and CBP determine currently have the ability to comply; and September 1, 2019, for everyone else. Since

the volume of EMS traffic is relatively low, and since this is a very lucrative product, we anticipate that most postal operators will make the needed investment to provide advance electronic data for U.S.-bound EMS by the applicable compliance date. Those investments will simultaneously improve the environment for enhancing the very limited capacity of most foreign postal operators to capture and exchange advance electronic data for basic international mail items.

Our focus, therefore, is on building the capacity of foreign posts. At the level of the UPU itself, the work entails building out other elements of the UPU's messaging and data flows, testing the suitability of messaging tools designed for other purposes and integrating them into a unified global postal model. This work is progressing but will only have utility if postal operators develop the capacity to collect the data and use the tools available to them.

We are happy to report that this investment in skills and technology is occurring and is being greatly accelerated by evolving attitudes among the UPU membership, which now understand that advance electronic data and other, related data management and communications technology are essential to the future of the postal sector. Postal services increasingly appreciate that these investments enable expanded business and provide a means of overcoming the delays caused by customs processing, which is an impediment to growth in e-commerce-linked shipments. Exchange of advance electronic data is a means of addressing these delays, while the investments it requires enable solutions to other problems ranging from the return of merchandise subject to duty to interface with mailers and transportation companies. Consequently, members have endorsed several initiatives aimed at positioning postal operators in developing countries to exchange advance electronic data.

Over half of the UPU's development cooperation budget for the 2017-2020 period is devoted to a project that aims to make posts in developing countries operationally ready for e-commerce, which entails having the ability to meet customs authorities' emerging requirements for advance electronic data. This project, which now involves over 100 postal operators, has as one of its key performance indicators supporting at least 80 of them to be exchanging advance electronic data by 2020. The UPU is also implementing a second project focused narrowly on security with an emphasis on capturing and transmitting advance electronic data. Countries involved with this project—all developing countries—elected to fund their own participation with money held in trust for them by the UPU from a surcharge on the payments they receive for delivering international mail (terminal dues). Notably, India is one of the countries taking part. This development is significant not only because of the growing volume of e-commerce-linked mail from India but also because of its previous reluctance to endorse the imposition of AED requirements. We are also working through the regional postal organizations in our hemisphere to accelerate AED exchange through support of capacity building efforts and, most recently, through sponsorship of a measure adopted by the Postal Union of the Americas, Spain, and Portugal in November of last year that aims at deploying technology supporting post-customs interface by the end of 2019. In addition, State's Bureau of International Narcotics and Law Enforcement Affairs (INL) has entered into discussions with the UPU about ways the United States might fund a further expansion of capacity building activities and the development of additional technical tools.

As previously noted, the evolution of the overall international mail environment is conducive to expanded use of advance electronic data, and the Integrated Product Plan (IPP), which the most recent UPU Congress adopted in Istanbul in October 2016 with strong U.S. support, is intended to modernize the portfolio of postal products to meet the changing needs of mailers and supply chain partners, especially customs authorities in the e-commerce-dominated environment in which they are located. This modernization initiative has clear benefits for the customs processing of mail. Phase 1, which commenced on January 1 of this year, introduced a new classification of mail products into items containing documents and those containing goods. The IPP also facilitates compliance with customs requirements through its requirement that mail items containing goods must have a UPU standard bar code label, which is a critical enabling condition supporting the use of advance electronic data. By enabling sending and receiving posts to more readily associate items for which they have electronic customs data with the postal dispatch in which they were sent they can more easily locate items of interest for customs officials. In addition, Phase 2 of the IPP which is currently under consideration will likely entail additional requirements supportive of advance electronic data exchange.

Important work has been done but there is more to do. Although the UPU has the stated goal of all postal services having some capability to exchange item-level data by the end of 2020, there is a difference between the technical ability to exchange data and the realized ability to collect and enter it for a significant part of the mail stream. Many post offices in parts of the developing world lack Internet connectivity and reliable sources of electricity, which complicates collection and transmission of data for the postal items they take in. For example, a 2014 survey undertaken by the UPU found that 23% of the 2,885 post offices in ten target African countries lacked a stable electricity supply, and 67% of them were not connected to the Internet. Lack of preparedness for advance electronic data is not a problem confined to developing countries, however, and most postal services have been slow to make the needed investments in the infrastructure for item-level electronic data exchange. One notable exception to the prevailing lack of preparedness is China, which now supplies advance electronic data for a significant portion of the mail that it sends us.

In addition to the country-level challenges, there is also the challenge posed by the complexity of the global postal network and the logistics network that supports it. USPS dispatches and receives mail items from the more than 200 designated operators of the UPU's other 191 members, all of whom are highly dependent on independent air carriers, freight agents and ground handlers for the physical movement of the mail, which introduces formidable technical challenges in building out the global postal model for AED.

Nevertheless, we are optimistic that rapid progress both at the country and at the global levels is now being made. Postal services around the world understand the need to incorporate advance electronic data into the fabric of global mail exchange, not only because the United States and other countries will begin to require it but also because it is essential to the evolution of international mail. This realization accounts, in part, for USPS's expanding network of pilot projects and its success in increasing the flow of advance electronic data for premium products. It also accounts for the emphasis placed on facilitating data exchange within the UPU's activities. Consequently, as work on the UPU Roadmap for advance electronic data progresses and Integrated Product Plan implementation proceeds, the number of countries able to provide

data and the proportion of their mail stream that it covers will continue to grow. Although the work of making the global postal model a reality so that countries can comprehensively exchange the full range of AED is a long-term undertaking, we are confident that the United States should, within just a few years, certainly by 2020, be receiving AED for most of the mail entering the country.