

**Statement of Robert Cintron
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Before the House Ways and Means Trade Subcommittee
United States House of Representatives
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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 2018¹, 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.

¹ Volumes measured exclude letter- and flat-shaped letter post items and military mail.

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

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