

Testimony of:

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to the

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on

*“Stopping the Shipment of Synthetic Opioids:
Oversight of U.S. Strategy to Combat Illicit Drugs”*

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Chairman Portman, Ranking Member Carper, members of the Subcommittee, thank you for the opportunity to appear today to discuss the issue of illicit drugs, including synthetic opioids, in international mail. I want to highlight the efforts the State Department is taking to improve our information flows and awareness of items manifested for domestic recipients. The supply side of the synthetic opioid crisis presents a complicated picture with multiple pathways for these drugs to enter the country. In addition to the shipments that find their way into the United States from across our land borders and through express delivery services, illicit fentanyl and other illicit drugs also enter the country through international mail, typically in small shipments purchased on-line by individual consumers. The Department of State is aware that these small shipments pose unique challenges to U.S. Customs and Border Protection (CBP) -- challenges that the exchange of advance electronic information (AEI) can help mitigate. Consequently, the Department works closely with CBP and United States Postal Service (USPS) to take steps, at the global level, to increase the availability of AEI for international mail. And we are committed to helping enhance CBP's ability to interdict illicit drugs in this channel.

Before discussing these efforts, I should explain that the Postal Accountability and Enhancement Act of 2006 identifies the State Department as the lead agency for international postal policy. The main forum for our work is the Universal Postal Union (or UPU). The UPU is an intergovernmental organization of 192 countries that have committed to delivering one another's mail on the basis of reciprocity.

The UPU Congress, and its forty-member Postal Operations Council (or POC), write and adopt the *Acts of the Union*, which are the rules of the road for international mail exchange. At the UPU Congress of 2012, the United States was successful in securing amendments to the UPU Convention that committed each member state to adopt and implement a security strategy that includes complying with the requirements for providing AEI.

And at the most recent UPU Congress in 2016, the United States was re-elected to the POC and was selected as co-chair of the POC Committee on Supply Chain. This committee oversees all UPU work on customs, security, transportation and standards. The United States also chairs that Committee's Standing Group on Postal Security. These leadership roles position us extremely well to ensure that high priority security issues -- especially AEI -- move forward as quickly as possible. And we have made very significant progress toward that goal.

With active participation and technical input by the United States, the UPU cooperated with the World Customs Organization to develop an electronic system to allow for the capture, transmission, and receipt of AEI. In February of last year, the POC adopted a new regulatory framework for the exchange AEI and a Roadmap for AEI implementation. The United States now leads the steering committee coordinating the work required to reach the Roadmap's milestones, which include final adoption of the technical messaging standard for item-level data -- which we expect at this fall's POC meeting.

As significant as these achievements are, they are only part of the picture, and there are significant obstacles to overcome. The main impediment to widespread exchange of AEI is the very limited ability of most postal services to collect and transmit it. The UPU Business Plan adopted in 2016 calls for all postal services to have the capability to exchange item-level data by the end of 2020.

The technical ability to exchange this data does not, however, translate directly into the ability to collect and enter it. Many post offices in rural areas of the developing world do not have Internet connectivity or even reliable sources of electricity, which makes collection and transmission of data for postal items extremely difficult. Even in developed countries, some postal services have been slow to invest in the needed infrastructure for item-level electronic data exchange -- and few, if any, countries now have the ability to provide it for 100% of their mail requiring customs declarations.

Our approach has been to support the UPU to provide capacity building that enables AEI. The UPU is devoting approximately half of its cooperation budget over the next four year to a project designed to position postal services in developing countries to obtain this capacity. And the major focus of this program is AEI.

We will continue to support and encourage these efforts but recognize that rapid acceleration of investment in, and use of, electronic data for customs and security will also be driven by the business needs of postal operators themselves. Increasingly, postal operators see that delays caused by customs processing are a major impediment to growth in the use of the international mail for e-commerce transactions. Exchange of AEI is the only solution to this problem. Consequently, while once the United States was a voice in the wilderness calling for AEI, we are now leading a chorus of countries – developing and developed – that are calling for AEI exchange.

Another significant development with implications for AEI is the decision of the last UPU Congress to launch the Integrated Product Plan (IPP), which aims to modernize the UPU's product offerings with an eye toward e-commerce. This far-reaching effort has clear benefits for the customs processing of mail. Phase 1, which will commence in January of 2018, will introduce a new division of mail products into items containing documents and those containing goods. This split will facilitate compliance with customs requirements, including AEI. Phase 1 also entails a requirement for mail items containing goods to have a UPU standard bar code label, which is a critical enabling condition for AEI.

Furthermore, regulations approved by the POC last February will allow members to impose requirements for AEI on items containing goods, provided they take into account whether the requirements they are imposing can be met by those to whom they apply. The thinking behind the regulation was that demanding something that is impossible as a condition for delivering

another country's mail is the same as refusing to receive it at all. Such requirements would undermine the reciprocity that is at the heart of the UPU.

In conclusion, I would like to highlight that, as work on the UPU Roadmap for AEI progresses and IPP implementation proceeds, the number of countries able to provide AEI and the proportion of their mail stream that it covers will continue to grow. I assure the Subcommittee that the Department of State will spare no effort in working to accelerate this process.

Thank you Mr. Chairman. I look forward to answering your questions and those of other members of the Subcommittee.