TAXES: SENATE APPROVES INTERNET SALES TAX BILL

By a wide margin of 69-27, the Senate on May 6, 2013 passed S. 743, the Marketplace Fairness Act of 2013. The bill will allow states to require online retailers, without a physical presence in the state, to collect and remit state sales taxes.

Similar legislation has been considered several times in the past, but has not been able to garner the support to move forward. The Senate vote indicates a recognition of the growth of internet sales and the negative impact the inability to collect taxes on those sales has had on the states. In addition, “brick and mortar” stores, which must collect sales taxes, argue that the exemption for most internet sales discriminates against them.

During Senate consideration, a Manager’s amendment was adopted by a vote of 70-24. It delays implementation of the bill until six months after enactment, and it clearly prohibits states from imposing any requirements on internet sales retailers that differ from those imposed on in-state retailers. The amendment also exempts from the tax collection requirement any online retailer that makes less than $1 million in annual internet sales.

The National Conference of State Legislatures has released a study estimating the lost revenues sustained by each state because of internet sales. It estimates that states lost a total of $23.3 billion in revenues in 2012; California, it found, lost $4.15 billion.


IMMIGRATION: SENATE JUDICIARY BEGINS MARATHON Markup Of IMMIGRATION BILL

On May 9, 2013, the Senate Judiciary Committee began what will be several days of markup on S. 744, the Border Security, Economic Opportunity, and Immigration Modernization Act (the proposal negotiated by the so-called “Gang of Eight”: Sens. Charles Schumer (NY), Lindsey Graham (SC),
Richard Durbin (IL), Jeff Flake (AZ), Robert Menendez (NJ), John McCain (AZ), Michael Bennet (CO), and Marco Rubio (FL).

About 300 amendments have been proposed to the bill, although the Committee hopes to whittle down that number significantly as it wades through the bill.

The first markup session concentrated on Title I of the bill regarding Border Security. The Committee worked through 32 amendments on Thursday, beginning with an amendment in the nature of a substitute by the bill’s sponsors. Twenty-one of the amendments were adopted. The amendment makes technical changes and clarifies several provisions, including specific visas that will have surcharges and that surcharges do not sunset; that immigrant aliens with STEM degrees are exempt from the green card caps set in the bill, and that biological sciences are included in STEM fields included in the bill. The amendment was accepted by a vote of 14-4.

Several amendments were accepted by the bill’s sponsors and agreed to by voice vote; the majority of the amendments subject to a roll call vote were defeated, with the Committee’s Republican sponsors, Sens. Graham and Flake, aligning with the Democrats in opposition to them.

Among the amendments considered were:

- Feinstein 1 - Reauthorizes the State Criminal Alien Assistance Program (SCAAP) and provides that the reimbursements to counties include pre-conviction costs, as well as costs associated with people with unknown immigration status. Adopted 10-8.
- Feinstein 10 - Establishes a grant program to improve the transportation infrastructure at existing and new international border crossings to facilitate safe and efficient cross border movements of persons and vehicles. Adopted by voice vote.
- Sessions: To expand the functions of the DHS Immigration Ombudsman to include providing assistance to individuals and families who have been the victims of crimes committed by aliens or violence near the United States border. Adopted by voice vote.
- Sessions 9 - To require the completion of the 700 miles of reinforced, double-layered fencing described in the bill as a trigger before adjusting Registered Provisional Immigrant (RPI) status to legal permanent residence. Defeated by a vote of 6-12.
- Cornyn 6 - To amend the Omnibus Crime Control and Safe Streets Act of 1968 to include human trafficking as a part 1 violent crime for purposes of the Edward Byrne Memorial Justice Assistance Grant Program. Adopted by voice vote.
- Grassley 4 - To prohibit the granting of registered provisional immigrant status until the Secretary has maintained effective control of the borders for 6 months and to apply border security strategies to all border sectors. Defeated 6-12.
- Cruz 1 - To replace title I of the bill with specific border security requirements that shall be met before the Secretary of Homeland Security may process applications for registered immigrant status or blue card status and to avoid Department of Homeland Security budget reductions. The substitute would triple the number of border patrol agents from about 21,000 to over 60,000; quadruple the number of cameras, sensors, drones and other technology on the border; require completion of US-
VISIT system with biometric measures, and require operational control over 100 percent of the southern border. Defeated 5-13.

- Feinstein 2 - To provide additional permanent U.S. district court judgeships in southwest border States, including 3 new permanent judgeships in California, along with others in Texas and Arizona. Adopted by voice vote.

The Committee has scheduled Tuesday, May 14th and Thursday, May 16th to continue the markup, and further dates are expected. Chairman Patrick Leahy has said he hopes to move the bill out of Committee by the end of May. Other Senate Committee’s with shared jurisdiction over the bill have also begun to hold hearings (see related articles below).

A summary of key provisions in the bill can be found at: http://www.calinst.org/bul2/b2011.shtml#TOC1_1. Further information on the bill, and the amendments considered by, and still pending before, the Senate Judiciary Committee, go to: http://www.judiciary.senate.gov/

**RESOURCES: SENATE BEGINS CONSIDERATION OF WATER RESOURCES DEVELOPMENT ACT OF 2013**

The Senate began consideration of S. 601, the Waters Resources Development Act of 2013 (WRDA), on Tuesday, May 7, 2013 and continued through the rest of the week. In brief, WRDA would authorize Army Corps of Engineers projects, including harbor dredging and protecting waterways from storm damage. It also would create a national levee safety program and a financing pilot program to provide loans and loan guarantees for flood control, water supply and wastewater projects. The Senate Environment and Public Works Committee panel, chaired by Sen. Barbara Boxer, approved the measure 18-0 on March 20, 2013. A separate bill, S.407, the Reinvesting in Vital Economic Rivers and Waterways (RIVER) Act of 2013, also aims to revitalize the nation's waterways. Some provisions of S.407 may be incorporated into the final version of the WRDA. The Senate is still considering amendments to the WRDA as of Thursday, May 09, 2013.

The Congressional Budget Office has estimated the measure would cost about $5.9 billion through 2018. Spending would continue from amounts appropriated under the bill after 2018, and CBO estimates that such spending would total $6.6 billion over the 2019-2023 period. The staff of the Joint Committee on Taxation (JCT) estimates that enacting the bill would reduce revenues by $135 million over the next 10 years; therefore, pay-as-you-go procedures apply. Enacting the bill would not affect direct spending.

Specifically, the WRDA bill, as approved by the Committee, includes the following:

- **Title I - Water Resource Projects.** The CBO estimates that implementing title I would cost $3.4 billion over the 2014-2018 period, assuming appropriation of the necessary amounts. Title I would authorize the Corps to construct water projects that are in the federal interest if it has completed a project report and has recommended to the Congress, prior to enactment of this legislation, that the project should receive funding for construction. One of the largest projects is the American River Watershed Common Features Project in Natomas Basin, California.

- **Title II - Water Resources Policy Reforms.** Title II would authorize the Corps to implement a pilot program, in coordination with state and local governments, other federal agencies, and interested parties, to stabilize riverbanks and reduce erosion on inland and intracoastal waterways in the United States.

- **Title V - Regional and Nonproject Provisions.** Title V would authorize the Corps to establish regional partnerships with state and local governments, other federal agencies, and interested parties to
address regional priorities for water resources, including restoring ecosystems, controlling invasive
species, and mitigating impacts from floods and extreme weather.

- Title VI - Levee Safety. Title VI would direct the Corps, in consultation with FEMA, to
develop a levee safety program, including a national database to classify flood risk at federal and
nonfederal levees, levee safety guidelines, and a public education program focusing on communities
vulnerable to flooding from levee failure.

- Title VIII - Harbor Maintenance. The bill would direct the Corps to prioritize navigation
projects funded with appropriations from the Harbor Maintenance Trust Fund based on the need to
maintain the authorized width and depth of those projects. The bill would make the federal government
responsible for all operation and maintenance costs for harbors more than 45 feet deep but less than 50
feet deep.

- Title X - Innovative Financing Pilot Projects. This legislation would authorize the
appropriation of $500 million over the 2014-2016 period for the Corps and EPA to provide loans or
loan guarantees to state and local governments and certain nongovernmental entities to complete water
infrastructure projects.

Since Tuesday, the Senate has adopted numerous amendments to the WRDA, including the
following:

- On Wednesday, the chamber adopted 67-32 a Sen. Sheldon Whitehouse (RI) proposal that
would authorize the creation of a national endowment to support the restoration and protection of
oceans, coastal areas and the Great Lakes.

- The Senate, under previous agreement, offered a manager's amendment to the underlying text
of the bill. The manager's amendment settles a dispute between authorizers and appropriators over
control of the Harbor Maintenance Trust Fund, which is designed to pay for dredging and other harbor
projects. The proposal would ramp up the money available from the Harbor Maintenance Trust Fund
for such projects, starting at a minimum of $1 billion in fiscal 2014 and increasing annually until fiscal
2020, when all the money directed toward the fund would need to be available for dredging and other
port activities. Currently, only about $900 million of the $1.6 billion collected annually through user
fees on shipping companies is spent for such purposes. The bill originally would have dedicated the
entire fund to port projects, but appropriators objected that the language would necessitate deep cuts to
other programs, including Energy Department research.

- The manager's amendment also would make a variety of other changes to the bill, including
changes to provisions designed to speed up environmental reviews of projects.

- The Senate also adopted 95-0 a modified Sen. Sherrod Brown (OH) amendment that would
require the Fish and Wildlife Service to lead a multiagency effort to slow the spread of Asian carp in the
Upper Mississippi and Ohio River basins and tributaries.

- Also adopted by unanimous consent was a modified proposal by Sen. Mark Pryor (AR) that
would loosen an EPA rule aimed at preventing discharging oil into navigable waters in its application to
certain farms.

For more information, go to:
- S.601 Water Resources Development Act of 2013,
  http://hdl.loc.gov/loc.uscongress/legislation.113s601
- S.407 Reinvesting In Vital Economic Rivers and Waterways Act of 2013,
  http://hdl.loc.gov/loc.uscongress/legislation.113s407
- Congressional Budget Office, Cost Estimate for S.601 Water Resources Development Act of
ENERGY: HOUSE ENERGY & COMMERCE SUBCOMMITTEE EXAMINES BENEFITS OF ENERGY EXPORTS

The House Committee on Energy and Commerce's Subcommittee on Energy and Power held a hearing on Tuesday, May 7, 2013 entitled "U.S. Energy Abundance: Exports and the Changing Global Energy Landscape." The hearing examined the impacts that exporting energy resources, particularly Liquefied Natural Gas (LNG), could have in the United States and abroad. Specifically, the Subcommittee received testimony on the geopolitical and domestic implications of increased LNG exports and the history of the Federal government's restriction and controls on exportation.

Witnesses included: Honorable J. Bennett Johnston, Chairman, Johnston & Associates; Honorable Byron Dorgan, Co-Chair, Bipartisan Policy Center (BPC); Mr. James Bradbury, Senior Associate, Climate and Energy Program, World Resources Institute; Mr. Michael Breen, Executive Director, Truman National Security Project; Mr. Mike Halleck, President Executive, Columbiana County Board of Commissioners; and Ms. Amy Jaffe, Director, Energy & Sustainability, UC Davis Graduate School of Management.

Professor Jaffe noted that reduced dependence on Middle East oil will not completely relieve the U.S. from caring about the potential impacts of a global oil crisis because the U.S. still has an interest in policing the sea lanes and is still highly dependent on trade with countries that will remain major oil importers. Moreover, while an energy independent U.S. would allow for greater promotion of democracy and human rights, it might also weaken the relationship the U.S. has with authoritarian governments in major oil producing states. Nonetheless, the U.S. could recapture its role as a wing producer to stabilize the oil market in the face of Middle East conflicts and other geopolitical events. Finally, Professor Jaffe recommended that the U.S. increase its diplomatic efforts to engage other major oil importing countries into a dialogue about burden sharing.

Mr. Dorgan discussed the results of an 18-month long project, the Strategy Energy Policy Initiative, which aimed to assess the U.S.'s current energy strengths and weaknesses and make comprehensive policy recommendations. Mr. Dorgan, along with his colleagues on BPC's Energy Board identified four core objectives for U.S. energy policy: (1) pursue a diverse portfolio of energy resources; (2) improve the energy productivity of the U.S. economy; (3) accelerate innovation and technology improvements across the energy sector; and (4) improve energy policy governance and accountability. In order to advance these objectives, the BPC suggests the following policy actions: (1) further efforts to promote the environmentally responsible development of domestic resources including oil, natural gas, and renewables; (2) continued investment to further improve the energy productivity of the U.S. economy; and (3) advance new technologies to preserve a wide menu of energy options for the future (including clean coal and nuclear technologies); (4) diversify fuel options for the transportation sector; (5) meet future energy-related workforce needs, and (6) strengthen key infrastructure, particularly the U.S. electric grid.
Mr. Breen warned that relying on oil as the sole source of transportation fuel poses a clear national security threat. However, regardless of whether the U.S. significantly decreases its dependence on oil, increased global demand and trade will continue to create geostrategic issues. Mr. Breen also echoed other panelists concerns about disengaging from critical shipping routes, which would place an undue burden on the U.S.’s allies to protect trade routes.

For more information, go to: http://energycommerce.house.gov/hearing/us-energy-abundance-exports-and-changing-global-energy-landscape

**HEALTH: HOUSE WAYS & MEANS SUBCOMMITTEE ASSESSES REFORMING MEDICARE PHYSICIAN PAYMENT POLICY**

The House Committee on Ways and Means' Subcommittee on Health met on Tuesday, May 7, 2013 to examine options for repealing the Sustainable Growth Rate (SGR) formula and reforming the Medicare physician payment system to reward quality and value. While the physician fee schedule takes into account the work, time, and other costs that go into furnishing each service, it does not account for the quality and efficiency of the care provided. Further, the mechanism used to annually update fee schedule payments – the SGR formula, which limits spending growth to growth in the economy – does not recognize value or quality. In its current state, the Committee leadership’s blueprint would repeal the SGR and then provide physicians with a period of stable payment updates. After that, physicians' payment levels would be based on quality of care and value, as measured by standards endorsed by physicians. Physicians would then have a variety of new payment models to participate in and get payment adjustments.

Witnesses included: David Hoyt, MD, Executive Director, American College of Surgeons; Kim Allan Williams, MD, Past President, American Society of Nuclear Cardiology; Charles Cutler, MD, Chair, Board of Regents, American College of Physicians; Frank G. Opelka, MD, Vice-Chair, Consensus Standards Approval Committee, National Quality Forum; and Patrick Courneya, MD, Medical Director, HealthPartners Health Plan.

Witnesses largely praised the Majority’s proposal which would put in place a three-part system for Medicare physician payments. Although there is bipartisan agreement on elements of the blueprint, lawmakers – at least publicly – have not gotten down to the level of detail where real division may arise. Rep. Jim McDermott (WA) noted that Democrats would not support any proposal that is paid for by putting more costs onto beneficiaries.

The current plan does not indicate the length of each phase. Several witnesses, including Dr. Hoyt and Dr. Cutler said the first phase of stable payments should last five years.

The current plan also does not specify quality measures Medicare would use to determine physicians' payment updates. Dr. Opelka said that universal standards for measuring quality are necessary and that physicians should approve of the measures used. Other witnesses noted that different kinds of providers would need different standards and measurements of effectiveness.

For more information, go to: http://waysandmeans.house.gov/calendar/eventsingle.aspx?EventID=332173

**ENERGY: HOUSE E&C SUBCOMMITTEE EXAMINES GRID RELIABILITY**

reliability challenges and consumer impacts resulting from the shift in the Nation's generation portfolio, spurred by low natural gas prices, new environmental regulations affecting the power sector, and the integration of renewable energy resources.

Witnesses included: Mr. Gary Sypolt, CEO, Dominion Energy on behalf of Interstate Natural Gas Association of America; Mr. John Shelk, President and CEO, Electric Power Supply Association; Mr. Paul Cicio, President, Industrial Energy Consumers of America; Mr. Daniel Weiss, Senior Fellow and Director of Climate Strategy, Center for American Progress; Mr. Robert Gramlich, Interim CEO, American Wind Energy Association; and Dr. Jonathan Lesser, President, Continental Economics, Inc.

Mr. Sypolt noted several concerns about natural gas/electric power reliability, which often varies by region, including power market rules that make it difficult for generators to recover the costs associated with procuring reliable natural gas service. He also listed some of these key features of the natural gas model, such as "open access" transporters and storage providers and competition for market opportunities. He further praised the success of the restructuring of the wholesale natural gas market, but encouraged ensuring reliability of natural gas through increased investment in pipeline capacity. Finally, he warned that without such arrangements, there will be a much greater risk that parts of the nation will experience increasing blackouts, volatile power prices, and degradation of the quality of service for natural gas utilities and other traditional natural gas pipeline customers.

- Mr. Weiss put forth the following points: (1) extreme weather is related to man-made climate change that costs our economy billions of dollars annually; (2) electricity reliability is threatened by climate related extreme weather; (3) carbon pollution from power plants must be reduced; (4) investments in emerging no and low carbon technologies must be increased; and (5) the electricity system's resilience to damages from extreme weather must be enhanced.

- Mr. Shelk stated that natural gas transportation on interstate pipelines should remain a business option, but not mandated by the government. He recommended a regional approach to the electric/gas challenge as opposed to a top-down federal solution. He also stated that flexible resources, such as natural gas plants, should be compensated for providing electricity when intermittent resources do not. Finally, he cautioned that policymakers should avoid interfering in ways that distort market prices and undermine market revenue streams.

For more information, go to:

**TOURISM: HOUSE REVIEWS BENEFITS OF TOURISM**

The House Committee on Energy and Commerce's Subcommittee on Commerce, Manufacturing, and Trade met on Tuesday, May 7, 2013 to discuss the impact that U.S. travel and tourism has on the economy. Domestic travelers still account for the biggest portion of travel spending in the U.S., but attracting international travelers to the U.S. – particularly those coming from overseas – is increasingly a focal point for policy makers.

Witnesses included: Panel I: Roger Dow, President & CEO, U.S. Travel Association; Kathleen Matthews, Executive Vice President and Chief Global Communications and Public Affairs Officer, Marriott International, Inc.; Brian Rothery, Assistant Vice President, Government Affairs, Enterprise Holdings; Lori Gaytan, Senior Vice President Americas HR and Global Reward, InterContinental Hotels Group; and Hudson Riehle, Senior Vice President Research & Knowledge Group, National Restaurant Association. Panel II: J. William Seccombe, President & CEO, Visit Florida; Sharon Zadra, Board Member, Reno-Sparks Convention and Visitors Authority; Councilwoman, City of Reno, NV, Gina Speckman, Executive Director, Chicago's North Shore Convention and Visitors Bureau; Ralph
Witsell, Executive Director, Discover Torrance Visitors Bureau; and Beverly Nicholson-Doty, Commissioner, U.S. Virgin Islands Department of Tourism.

Mr. Dow noted several positive travel statistics with respect to international travelers, including the fact that overseas travelers tend to spend consistently more than domestic travelers. Indeed, for every 33 overseas travelers who decide to visit the U.S., an additional American job is created. He also praised Congress's passage of the Travel Promotion Act, which created a public-private partnership now known as Brand USA. Brand USA helps promote the U.S. as an ideal travel destination and has increased the critical "intent to travel" metric by double digits in each of the targeted countries.

However, he reported discouraging survey results which found that 43 percent of overseas travelers who visited the U.S. said they would tell other people to avoid a trip because of the cumbersome entry process. Notwithstanding current negative views on the entry process, almost two-thirds of those surveyed said that eliminating long lines and wait times would make the U.S. a more attractive destination.

Mr. Riehle noted his support for the following measures: (1) reducing barriers to international travel, including improved visa processing and enhancing security; (2) promoting the U.S. as an international destination through programs like Brand USA; and (3) increasing business meal deductibility to 80 percent to encourage business meal sales and, therefore, hospitality jobs.

Mr. Witsell discussed local strategies, including marketing Torrance among the beach cities near Los Angeles, to increase tourism to his city. He also noted a January 2013 report by the California Legislative Analyst's Office which indicated that employment in the leisure and hospitality sector consistently outpaces almost every other industry, even during economic downturns.

For more information, go to:

IMMIGRATION: SENATE COMMERCE COMMITTEE EXAMINES “THE ROLE OF IMMIGRANTS IN AMERICA'S INNOVATION ECONOMY”

The Senate Committee on Commerce, Science, and Transportation met on Wednesday, May 8, 2013 to examine current U.S. immigration policies and their impact on economic growth. Panelists largely focused on their personal stories and those of their employees, co-workers, and students in trying to navigate the complex American immigration system.

Witnesses included: Ms. Ruchi Sanghvi, San Francisco, CA; Mr. Jeffrey J. Bussgang, General Partner, Flybridge Capital Partners, Senior Lecturer of Business Administration, Harvard Business School; Ms. Gwenne Hendricks, Chief Technology Officer and Vice President of Product Development and Global Technology, Caterpillar; Mr. Stuart Anderson, Executive Director, National Foundation for American Policy; and Mr. Luis Arbulu, Managing Director, Hattery.

- Ms. Sanghvi discussed her personal story of immigrating to America in 2000 to enroll in Carnegie Mellon University and, later, working at Facebook and Dropbox as an engineer. She described the difficulty and complexity of the visa system, particularly for immigrants trying to work in the start-up technology field. She further noted that some bright individuals are deterred from start-ups due to this complexity.

Professor Bussgang echoed Ms. Sanghvi's observations, emphasizing that the U.S.'s complex immigration system is turning away the best and brightest from creating jobs and wealth in America. He singled out the low H1-B visa cap as a large deterrent to keeping educated immigrants in the U.S.

Ms Hendricks emphasized the positive impact that high-skilled immigration reform could have on Midwest manufacturers, such as Caterpillar. Today, Caterpillar has more than 1,400 employees.
working in the U.S. on non-immigrant visas and an additional 300 employees who have obtained their
green card through Caterpillar. The vast majority of these employees are working in STEM fields,
particularly in engineering and IT positions. Many of these foreign nationals are working on research
and development projects. She concurred with other panelists concerns regarding the H1-B visa cap as
well as the backlog of green card applications.

For more information, go to:
http://www.commerce.senate.gov/public/index.cfm?p=Hearings&ContentRecord_id=8bea5548-f0d7-41
e-9c1b-65b5d77455e2&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=b06c3
9af-e033-4cba-9221-de668ca1978a

IMMIGRATION: SENATE HOMELAND SECURITY HOLD HEARING ON IMMIGRATION
REFORM BILL

The Senate Committee on Homeland Security and Government Affairs met on Tuesday, May 7,
2013 to examine the border security provisions of the Senate’s "Gang of Eight" comprehensive
immigration reform bill (S. 744). That legislation sets a number of goals on securing the border, and
provides additional funding and directions aimed at making it happen. For many lawmakers, a secure
border is an essential prerequisite for passing a comprehensive immigration overhaul.

Witnesses included: The Honorable David F. Heyman, Assistant Secretary for Policy, U.S.
Department of Homeland Security; Kevin K. McAleenan, Acting Deputy Commissioner, U.S. Customs
and Border Protection (CBP), U.S. Department of Homeland Security (DHS); Michael J. Fisher, Chief,
Daniel H. Ragsdale, Deputy Director, U.S. Immigration and Customs Enforcement (ICE), U.S.
Department of Homeland Security; and Anne L. Richards, Assistant Inspector General, Office of

Mr. Heyman, Mr. McAleenan, Mr. Fisher, and Mr. Ragsdale testified as to the current and future
improvements to border security and building a better exit system to enhance overstay tracking and
compliance. They noted that, since 2004, the DHS has doubled the number of Border Patrol agents
from approximately 10,000 to more than 21,000 today. Also, CBP plans to work closely with the DHS
Science & Technology Directorate to identify and develop technology to improve surveillance and
detection capabilities, including tunnel detection and aircraft tracking systems, at ports and along
maritime and land borders. Additionally, the Bill includes funding to further this surveillance,
particularly along the Southwest border. Finally, the Bill includes provisions designed to enhance the
DHS's ability to track visa overstays by collecting data for foreign nationals departing the United States,
often referred to as "exit data", to allow the DHS to match entry and exit records and identify those who
have remained in the United States after the expiration of their visas.

Under questioning from Rep. Tom Coburn (OK), Mr. Fisher said the Department was a ways off
from the 90 percent effectiveness rate set in the bill for high-risk border sectors and the 100 percent
surveillance goal. Mr. Fisher said that most sectors are between 80 and 85 percent on the effectiveness
rate, and it would take "at least another year or two" to reach persistent surveillance.

Ms. Richards highlighted some overarching issues identified in Inspector General audits and
inspections that the DHS will need to address to achieve the goals and standards established in the
proposed legislation – specifically, data reliability, planning, and systems modernization. With respect
to data reliability, Richards noted certain issues, including: (1) personnel could not always provide
evidence that all aliens were screened against the Terrorist Watchlist; (2) field offices duplicated the
research associated with detention, and officers did not always sufficiently document their enforcement
actions; and (3) a 12% error rate in immigration status verification. Foremost among the steps to implement the Bill's requirements would be preparing for the expanded use of surveillance drones by putting in place detailed planning for buying the right equipment.

Chairman Thomas Carper (DE) noted that modest changes would improve border security, such as making sure that all border aircraft are outfitted with advanced sensors to detect illegal border activity.