



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 8c

**ACTION ITEM**

**Date of Meeting** February 13, 2018

**DATE:** February 5, 2018

**TO:** Executive Director Stephen P. Metruck

**FROM:** Michael Ehl, Director Aviation Operations  
Daniel Zenk, Senior Manager, Airport Operations

**SUBJECT:** Memorandum of Understanding between Port of Seattle and U.S. Customs and Border Protection

**Amount of this request:** \$0

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to execute a memorandum of understanding (MOU) and fee agreement between the Port of Seattle and U.S. Customs and Border Protection (CBP) to fund additional officer hours at Seattle-Tacoma International Airport, effective February 15, 2018.

**EXECUTIVE SUMMARY**

The purpose of this request is to enhance customer service for arriving international passengers. Seattle-Tacoma International Airport (SEA) is one of the fastest growing international gateway airports in the country. In 2016, international travel through our airport increased 11% from the prior year, to almost 5 million passengers, and continued with 5.4% growth in 2017. Since 2016, SEA has added nine new international airlines (Aeromexico, Volaris, Xiamen, Virgin Atlantic, Eurowings, Norwegian, Aer Lingus, Air France, and Thomas Cook) with direct nonstop service to over nine destinations.

That growth has resulted in an increasing demand for CBP staffing, but national CBP focus has been increasingly targeted on increasing staffing at land borders rather than air and sea gateways. When combined with the lengthy durations required to fill these positions, sometimes as much as one year, this dynamic has created longer than desirable international arriving passenger screening wait times. To address this issue, the Port applied for – and was accepted into – the Reimbursable Services Program, which allows SEA to fund additional CBP overtime hours over and above CBP’s staffing budget via a memorandum of understanding (MOU) and a fee agreement.

The services the Port of Seattle is proposing to fund are additional overtime hours for the current CBP staff serving our international arrivals facility at SEA, which is located in the

Meeting Date: February 13, 2018

airport's South Satellite terminal. Our specific need is extra "officer hours" in the passport control and baggage claim areas for use in the primary inspection process for commercial airline passengers on arriving international flights. This funding may be required daily, seven days per week at any time between 4:00 a.m. and midnight.

### **JUSTIFICATION**

The flexibility and capacity provided by an approved MOU would allow CBP not only to handle peak hour surges but also to support international flights that require early morning and late evening processing. CBP staffing needs will increase later this year (2018), with several new airline services/destinations coming online in spring and early summer, as well as the additional staffing burdens created by the need for international flights to park remotely because of current international arrival facility constraints.

#### Other Key Points:

- Over 30 airports nationwide received approval to participate in the CBP Reimbursable Services Program (RSP) in 2017.
- Signing an MOU for reimbursable services does not obligate the CBP to provide services beyond its staffing resource capacity and CBP Port Directors maintain control over their staff.
- Signing an MOU does not obligate stakeholders to request the full amount of authorized funding for reimbursable services.
- The RSP does not impact CBP's staffing formula for hiring new officers.
- CBP must adhere to the provisions of the CBP Collective Bargaining Agreement relating to CBP personnel and for overtime assignments which include, but are not limited to, least cost principles. Efforts will be made by CBP to accommodate requests by the Port for overtime, subject to such applicable constraints.
- RSP provides flexibility for the Port and CBP to add staff during peak hours or outside regular facility hours to process international passengers.
- The budget amount will be expensed to the Port's FIS cost center and paid for by international airlines.
- A use of the full amount (\$500,000) would translate to 2 additional 8-hour-equivalent overtime shifts (the equivalent of two additional FTEs) per day or 4 additional 4-hour-equivalent overtime shifts per day, and is based on ballpark assumptions of the cost of CBP officer hours.
- The RSP provides an alternative source of funding for overtime services beyond CBP's appropriated budget and allows our partners to target where they desire CBP to provide additional services.
- The MOU may be terminated for any other reason by either party upon 90 days prior written notice to the other party.

Meeting Date: February 13, 2018

**ALTERNATIVES AND IMPLICATIONS CONSIDERED**

**Alternative 1** – Do not enter into an agreement with CBP for additional overtime services.

Cost Implications: \$0

Pros:

- (1) No additional cost to the Port (airlines)

Cons:

- (1) No additional efficiency or throughput at existing international arrivals facility.
- (2) Most likely passenger wait times and congestion will stay similar or increase in size from our current situation.
- (3) Most likely require additional resources (expense) to manage queue and congestion in the future.
- (4) This would not achieve the airline/airport goals of providing a better customer experience.

This is not the recommended alternative.

**Alternative 2** – Enter into an agreement with CBP for overtime services.

Cost Implications: \$500,000 (assuming all of 2018 budget is used)

Pros:

- (1) Provides additional staff for CBP during peak and off-peak hours to increase international passenger processing.
- (2) Will decrease passenger wait times, both in corridor and on board.
- (3) Will improve overall customer experience at SEA.
- (4) Services provided are at the request of the Port.
- (5) Port will pay for actual overtime expense used.
- (6) Expense is through the FIS cost center and paid by airline revenues.

Cons:

- (1) Additional cost to airlines.

***This is the recommended alternative.***

**FINANCIAL IMPLICATIONS**

The costs associated with this MOU will be budgeted annually in the Aviation Division operating budget. The costs will be charged to the Federal Inspection Services (FIS) cost center and recovered from airlines through the FIS fee (per passenger fee charged to airlines with passengers using the FIS).

***Annual Budget Status and Source of Funds***

For 2018 the Aviation Division budgeted \$500,000 for this service. For 2019 and subsequent years, staff will include a line item in the annual budget for services to be provided under this MOU.

**COMMISSION AGENDA – Action Item No. 8c**

Meeting Date: February 13, 2018

**ATTACHMENTS TO THIS REQUEST**

- (1) Memorandum of Understanding
- (2) U.S. Customs and Border Protection “Section 481” Service Fee Agreement

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

None