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DEFENDING AMERICA'S TRANSPORTATION INFRASTRUCTURE

HEARING

BEFORE THE

SUBCOMMITTEE ON CRIME AND DRUGS

OF THE

COMMITTEE ON THE JUDICIARY
UNITED STATES SENATE

ONE HUNDRED SEVENTH CONGRESS

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DEFENDING AMERICA'S TRANSPORTATION INFRASTRUCTURE

TUESDAY, OCTOBER 16, 2001

UNITED STATES SENATE,
SUBCOMMITTEE ON CRIME AND DRUGS,
COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:37 a.m., in room SD–226, Dirksen Senate Office Building, Hon. Joseph R. Biden, Jr., chairman of the subcommittee, presiding.

Present: Senators Biden, Schumer, and Grassley.

OPENING STATEMENT OF HON. JOSEPH R. BIDEN, JR., A U.S. SENATOR FROM THE STATE OF DELAWARE

Chairman BIDEN. The hearing will come to order. I thank the witnesses for their patience and for their willingness to be here.

Welcome to this morning's hearing on Defending America's Transportation Infrastructure. As you know, only the initial part of this hearing will be open to the public. I want to explain straight up front the reason for this for the press.

There is no classified information, there is no information that I am aware of that any witness is about to tell us about any imminent attack. They are not in a position to know that, even if there were. I don't want you to think the closing of this hearing has anything to do with the idea that we know something is about to happen and we have decided that we have to keep that quiet, because some press have raised that question. It has nothing to do with that.

What it has to do with is there is going to be an open statement, a public statement made by each of the witnesses, but we want to get into some detail about the vulnerabilities of the system. And although it is probable that the full-blown terrorist organization or organizations would understand what those vulnerabilities are and would not learn much by anything we said publicly, what we are concerned about is the prospect of copycat folks and screwballs out there who have not thought of some of these vulnerabilities.

I realize it is a delicate balance here. I have been a Senator now for 29 years. Other then the 10 years of being on the Intelligence Committee, I don't recall closing many hearings at all, but I don't want to make this a bigger deal than it is in terms of why it is being closed.

The second reason that we have decided to close it, speaking for myself, is that I think we are doing a pretty good job unintention-

ally of scaring the living devil out of the American people about things that could happen.

Our job is to determine what could happen; our job is to look at the worst-case scenario. Many of those worst-case scenarios are highly, highly, highly improbable. Not a subject for this hearing today is the issue of, for example, anthrax out of airplanes, and so on.

The way we talk about it, most Delawareans think that all anybody would have to do is get a hold of a crop duster and fill it up with anthrax, like grass seed, and spread it over a large population and tens of thousands of people are going to be affected. Putting anthrax in aerosol form is incredibly difficult. They wouldn't be sending it in the mail if they were able to do it otherwise.

It is the same way with smallpox. The prospect of an individual terrorist getting access to smallpox and infecting tens of thousands of people is highly unlikely. Is it a worst-case? Yes. Is it possible? Yes, but it is about as possible as your being struck by lightning twice in the same day.

Again, I think it is important that we not inadvertently, in doing our job, which we have to do, unnecessarily alarm the American people. I am going to say something that my staff will be very upset that I say, but I believe very firmly that my granddaughters are going to write about this in their school reports as an episode in American history, not as a fundamental shift in American history.

So I just want to sort of keep this on the straight and narrow, be level-headed about it and put it in perspective. But I do want to be able to ask each of the witnesses, who collectively have a great deal of experience dealing with these issues, some of the worst-case possibilities.

Maybe it is appropriate in the sense that it need not be classified and it is appropriate in the sense that Americans would have a right to know it. There is nothing in particular that we are aware of that is about to happen anywhere, but it just seems to me unnecessary to do that now. We may decide after the hearing to declassify the whole hearing—not declassify, but take it all public based on what we have learned.

So as I said, only the initial portion of the hearing will be open to the public. Pursuant to Senate rules, we will close the hearing after some initial testimony to allow the expert witnesses to speak freely to the subcommittee regarding potential threats to the transportation infrastructure.

It has now been over a month since the tragic events of September 11, and during that time we have heard many speeches memorializing the losses of that day. There is nothing more that I can say, and I suspect Senator Grassley can say, to speak to the profound loss that those thousands now of family members dealing with the loss that occurred on the 11th are undergoing.

Many of us know from personal experience when you get that phone call it is like your chest turns into a black hole and you are being sucked inside it. And there is not much any of us can do, except to express our sympathies and guarantee our support, not just support but our long-term support and commitment to those families.

What we can do and what we have been doing in the Senate and the House, and the White House as well, is to work as hard as we can to prevent future terrorist attacks and if, in fact, God forbid, they occurred, to diminish the damage they can do.

We have recently passed bills to make life harder for those who commit terrorist acts. We have passed the antiterrorism bill that will help law enforcement suck the oxygen out of the air that these sons-of-guns breathe. We have passed a law to make air travel safer, and I am sure we will continue to improve on that so that our own airlines will not again be turned into weapons against the American people.

Now, we need to focus on the other areas of potential vulnerability. In so doing, we need to think ahead of the terrorists, think of the next step and not just the last attack. The horse is out of the barn when it comes to the airlines. We are backfilling now to prevent it from happening, but we will hopefully get ahead of the curve here before the horse gets out of the barn on some other means of surface transportation. We need to stop it before it happens, if at all possible.

We need to think of the ways terrorists can attack. Before September 11, few people thought someone would use a commercial airliner as a missile aimed at our buildings. But in light of the events of September 11, much attention has been paid in the last month to the need for enhanced security and criminal penalties in our Nation's aviation system. But as was noted in a recent New York Times editorial, "airports and airplanes are like Fort Knox when compared to other forms of transport."

These hearings will focus on the extent to which security vulnerabilities exist in non-aviation transportation. That is because today we need to anticipate the threat that may come not just in the belly of a plane, but in the hold of a ship or in the dark of a tunnel or the span of a bridge.

Each day, tens of thousands of companies move tons of cargo, much of it hazardous, over the Nation's railroads, waterways and highways. Countless additional tons of cargo arrive daily in U.S. ports of entry. More importantly, millions of Americans use surface transportation to reach their workplaces, visit their loved ones, and return to their homes.

Our modes of surface and sub-surface transportation may not be keeping up with the security advances that we are seeing in the air. For example, it has recently been reported that 98 percent of all cargo containers enter U.S. ports without any inspection. As one commentator has noted, "We are now experiencing the dark side of a transport system in which efficiency has trumped public security."

As I recently noted on the floor of the United States Senate, when an Amtrak Metroliner train and an Amtrak AmFleet train are in a tunnel at the same time—and this is often the case—there are more people in that confined space than five full 747 aircraft.

I am not an expert on these issues and I am not prepared to measure the extent of the problem for myself, and without responsible inquiry I don't think it is possible. That is why I am glad to welcome our panel of experts today to educate us, and I will be happy to close this hearing to the public at the appropriate time

so that our witnesses may feel free to speak about any concern they have.

I hope today's hearing will be a constructive step toward the goal of shoring up our defenses against terrorism in all realms of our transportation infrastructure. In the wake of September 11, we need to reevaluate our rules of prevention because the rules of engagement have changed.

Now, I would like to turn to Senator Grassley, the ranking member of the subcommittee, and thank him for working so hard in putting this together.

I look forward to hearing all the witnesses at the appropriate time. I see my friend from New York has come in and we will give him the opportunity to make an opening statement, as well.

What I will do at the appropriate time, which I will warn you about ahead of time, is I am going to read a little about your backgrounds, more than we usually do, so people can understand who we have before us.

Senator Grassley?

STATEMENT OF HON. CHARLES E. GRASSLEY, A U.S. SENATOR FROM THE STATE OF IOWA

Senator GRASSLEY. Well, Mr. Chairman, in holding this hearing you show your concern about the safety and the economic vitality of our ground transportation system. Our waterways, highways, rail systems, pipelines and more, are critical to the economy and must be protected from terrorist attack.

Americans must be able to continue to travel by car, truck, train, whether for business or leisure, and do it without fear. We have to increase the confidence of the American traveling public in the safety and integrity of our transportation system. By doing that, I think we show the terrorists that they are not going to break the spirit of America, as they try to put psychological trauma upon our people.

I welcome Mr. Tony Chrestman, President of Ruan Industries, of Des Moines, Iowa. Ruan is one of America's largest trucking companies. Mr. Chrestman has more than 30 years' experience in logistics and transportation services. He is active in the American Trucking Association and Council on Logistics Management, and we look forward to his advice.

I would also join the chairman in welcoming Mike Parker, the Assistant Secretary of the Army for Civil Works. The Corps is heavily involved in maintaining river transportation infrastructure. Of course, the importance of that infrastructure is underscored, I think, by the appearance here this morning of the Assistant Secretary.

As you know, Mr. Chairman, I have focused a great deal of my time on the need for smaller airports, because that is how Iowa is served. This mode of transportation is important not only to our economy, but also to the people of Iowa and elsewhere who need to travel. I realize that today's hearing will not focus upon aviation, but I bring this to your attention in hopes that maybe sometime we can do something in that area as well.

The hearing today is about the backbone of the transportation system, an extensive interrelated network of public and private

roads, railroads, transit routes, waterways, terminals, ports, and pipelines. It is a system that supported more than 2.7 trillion vehicle miles in the year 1999, with a total tonnage miles of 3.1 trillion. Together, these modes of transportation, without even considering airlines, make up more than 65 percent of the value of U.S. international merchandise trade.

Grain is Iowa's biggest commodity, and it is primarily transported by train and river barge. Iowa is the bread basket not just for the United States, but for the world. To hit our means of transporting grain would be to keep food from the hungry of the world and to devastate our own economy.

As to trucking, more than 80 percent of the value and more than 74 percent of the weight of all goods originating in Iowa are transported by truck. Over 64 percent of shipping originating in Iowa is transported to other States. These forms of transportation are important to my State, but also the rest of the country.

Air is not the only method of travel for the general public, obviously. In fact, in the aftermath of September 11, those Americans who usually travel by air at least had the option of traveling by car, train or bus.

So, Mr. Chairman, much is at stake. If we can't ensure the safety of our transportation system, we will have an equally difficult time sustaining the economic vitality of these industries for our economy, as well as instilling confidence in the traveling public.

We need to be focusing, then, on ways in which we can address the issue of security for the trucking industry. I am sure we will hear many recommendations here today, but I would want to suggest looking at the trucking industry's ability to access background checks and licensing requirements for operators of their vehicles, tighter security and scanning methods at the borders, and the safety concerns of the communities and workers of this transportation network.

Although I am confident that the various trucking industries will rapidly take the necessary measures to ensure that operator licensing requirements are rigorously developed and followed, I am concerned about the coordination among the States in sharing this information.

At this time, Ruan Industries, of Des Moines, has no way of accessing a Federal criminal database to check on the backgrounds of potential employees. Mr. Chrestman's employees have to rely on other time-consuming and often unverifiable methods that usually differ from State to State. So I hope that could change.

The other problems have to do with border and port security, especially with regard to inspecting shipments. As I understand it, less than 5 percent of the entries at borders and less than 1 percent of the entries at ports are randomly inspected. Consequently, these statistics do not generate a great deal of confidence that our borders are secure.

I am also concerned with the safety of our locks, dams and bridges. My State is flanked on both sides by the Missouri, on the west, and the Mississippi on the east, which have extensive systems of barge transport. This system carries grain from Iowa to export on the lower Mississippi. It also transports salt, fertilizer, petroleum products, cement and other bulk commodities up river to

Iowa. There are also numerous bridges, obviously, over the rivers that are critical to train and truck transportation. It is not unlikely that terrorists would target them in an effort to disrupt transportation systems.

Finally, Mr. Chairman, one of the lessons of the tragic events of Oklahoma City and the events of September 11 is that terrorists find their weapons of mass destruction once they are here. They rarely bring them with them. The tools that the hijackers used in New York and elsewhere were box cutters and other crude instruments, but their weapons of mass destruction were our jets. The point is their weapons of mass destruction are all around our country, in trucks, in cargo trailers, in rail cars, in ports and pipelines, and even recreation boats.

What is more, as the September 11 terrorist act showed, it had a devastating effect on the general confidence of the public, particularly in traveling, whether for business or leisure. Air transportation came to a grinding halt. The only thing that allowed Americans to keep moving were our highways, waterways and railroads. That is why this hearing is so important, and I thank you for holding it.

Chairman BIDEN. Thank you.

Senator Schumer?

STATEMENT OF HON. CHARLES E. SCHUMER, A U.S. SENATOR FROM THE STATE OF NEW YORK

Senator SCHUMER. Thank you, Mr. Chairman. I too want to thank you for holding this hearing on the critical issue of security of our transportation infrastructure.

Unfortunately, we have learned a lot after September 11 and one of the things we have learned is terrorists look for the weak pressure points in our society and then they strike. Unfortunately, many aspects of our transportation system are those weak pressure points. We have lived in a free and open society, thank God, for all these hundreds of years, and the transportation system reflects it.

But because people agglomerate at the transportation system, because, by definition, there is movement and they have to move things to do what they want to do—move bad things, explosives or whatever—it is really important that we examine our transportation infrastructure because it is one of the places where terrorists will focus their attention. So nothing could be more timely than holding this hearing and I thank you for it.

We are each focusing on areas that affect our States, although we want to look at the whole Nation. Senator Grassley talked about truck and barge and the things that are needed in Iowa. I would like to focus a little bit on rail transportation because of its importance to both the Nation and to New York.

I first want to say, Mr. Chairman, your leadership on rail transportation, and on Amtrak in particular, is just exemplary, and I think all of us who believe in rail transportation, its necessity and the need to make it safe and secure, just thank you for everything that you have done.

The aftermath of the attack on September 11 has made one simple fact clear, and that is that our Nation's rail system is essential and has to be made secure. Last month, when our airports were

shut down, it was rail that provided one of the only means of travel available in many parts of the country. Amtrak added trains and provided transportation to New York City for relief workers and military personnel and public officials. They honored plane tickets for stranded travelers.

Amtrak proved its worth, as more and more Americans relied on its service during this crisis. In the week following the September 11 tragedy, rail ridership increased 17 percent nationally, and Amtrak had to add 30 percent more seating capacity on the Northeast corridor.

What we have learned in this brave new world in which we live is that all our transportation systems are interdependent and we need them all. You cannot simply say let's make one secure in the preeminent part of the system. We have to work on all of them, whether that be air, rail, road, or water or ship.

The Senate has already passed legislation, I am glad to say, addressing airline security. The next item of business must be legislation on the pressing issue of rail security. We need both, and we need them now. That is why I am glad—and I know Senator Biden has joined me in this in playing his leadership and spearhead role—that Senator Hollings and Senator McCain introduced yesterday a bill that was modeled on the amendment that we had worked on to the airline security bill.

The Hollings bill will fill critical gaps in our system of security for rails by providing $1.7 billion to provide new security equipment, training and personnel to our railway system. Included in this package would be something of great concern in New York, and that is the tunnels under the Hudson River. That is also of great concern in Maryland and in Washington, D.C.

We have, coming out of Penn Station, for instance, tunnels that go on for more than a mile, sometimes as much as two. They don't have good ventilation systems. They don't have good egress if, God forbid, something were to happen. Before September 11, nobody paid much attention to that, but now we are, and I think that is extremely important and I am glad that we are looking at that issue.

In addition to pressing for this legislation, I have asked Secretary of Transportation Mineta to conduct a comprehensive study of the Nation's rail security and report back in two months regarding the status of current Amtrak safety standards and procedures; the most urgently needed upgrade throughout our rail system, freight as well as passenger; the ability of our rail, Amtrak and others, to respond and operate in the face of another terrorist attack; and the methods of implementation and execution of new security and safety measures.

The information that we will receive from this study, coupled with additional funds for railroad safety from the Hollings bill, will allow us to put in place security measures designed to provide the maximum security possible.

Let me say as somebody who takes the rails—and I know my colleagues would agree with me because I know they have taken them, or I certainly know Senator Biden has—we are more secure today than we were before September 11. If you go ride the trains, just as when you ride the planes, you will see much more security

personnel. But it is being done in an ad hoc way, in light of the crisis, and we need a permanent regimen.

We may need to look at inspection of baggage and metal detectors and things like that, which we do at airports. I am hopeful that between the legislation that Senator Biden, myself and a number of our colleagues have been working on, embodied in the Hollings bill, as well as the study from Secretary Mineta, we will get quick answers and then move without delay to implement them.

Thank you, Mr. Chairman.

Chairman BIDEN. Thank you very much.

I am going to introduce the background of each of the witnesses all at once and then I am going to start with you, Mike, and we will work our way down.

Mike Parker is the Assistant Secretary of the Army for Civil Works. Since 1996, he has been the owner and president of GFG Farms Incorporated and Wells Resources Incorporated, companies with timber and farming and leasing operations.

In 1999, he was involved in something he would like to forget, the closest race I think that ever existed in Mississippi history for governor.

Is that right, Congressman?

Mr. PARKER. It was close.

Chairman BIDEN. It was close; I mean, it was a heck of a race.

In 1989, he was elected to the 4th District of Mississippi and served in the House for 10 years. He is a graduate of William Carey College, in Hattiesburg, Mississippi, with a B.A. degree in 1970, and in 1985 he was awarded an honorary doctorate in humanities from William Carey College. He has a lot of experience and background here.

Mr. Brian Jenkins is one of the country's leading authorities on terrorism and sophisticated crime. He has been quoted in the media almost daily since September 11. He is a senior adviser to the president of the RAND Corporation, and serves as an adviser to both government and industry.

A former deputy chairman of Kroll Associates, a prominent international investigative and consulting firm, Mr. Jenkins is also currently involved with the Mineta International Institute for Surface Transportation Policy Studies.

Previously, from 1972 to 1989, he was chairman of the RAND political science department. In 2000, he oversaw a year-long RAND study of security vulnerabilities in the California rail, tunnel, waterway, highway and pipeline infrastructure carried out for the California Office of Emergency Services. This report was embargoed on September 11 by Governor Davis in light of the attacks.

Mr. Jenkins served from 1996 to 1997 as a member of the White House Commission on Aviation Safety and Security, and he is the author of "A Hundred Wars: International Terrorism, a New Mode of Conflict," and "Terrorism and Personal Protection."

A former captain in the Green Berets, he served in the Dominican Republic during the American intervention, and later in Vietnam from 1966 to 1970. He is a widely respected and often-quoted analyst with over 25 years of experience. He comes highly recommended by a number of people who have testified before this

committee and the Congressional Research Service Transportation Security Section.

Also, we have Professor Donald E. Brown. He is Professor and Chair of the Department of Systems Engineering at the University of Virginia. He is a nationally regarded expert in qualifying security threats to surface transportation structures.

As such, he served as a consultant for the National Security Administration on intelligence and threat analysis, and he has also recently served on the National Academy of Sciences panel which produced one of the definitive analytical studies on security vulnerabilities in the Nation's transportation system, entitled "Improving Surface Transportation Security."

Dr. Brown has also produced several studies on the asymmetric threat posed to transportation infrastructure by terrorists; that is, the ability of a small cell of dedicated radicals to inflict significant blows against unprotected U.S. transportation targets, rather than against the overwhelming superiority of U.S. military forces.

Prior to joining the University of Virginia, Dr. Brown served for 9 years as an officer in the United States Army, reaching the rank of captain, including more than 3 years as a military intelligence officer in Berlin in the late 1970s. He has also served as a visiting fellow at the National Institute of Justice's Crime Mapping Research Center, and has been a co-principal investigator in over 50 research contracts with Federal, State and private organizations. He has published more than 80 papers.

Dr. Brown is a graduate of the United States Military Academy at West Point, and received his master's in engineering and operations research from the University of California at Berkeley and a Ph.D. in operations engineering from the University of Michigan at Ann Arbor.

Welcome, Doctor. Thank you for being here.

Jeffrey Beatty looks too mild-mannered to fit this description. Jeffrey K. Beatty is a former U.S. Delta Force counterterrorism unit officer, a special agent for the FBI, and an operations officer for the CIA. He is currently president and CEO of Total Security Services International, in Marietta, Georgia.

I might point out, to the best of my knowledge, no other individual has served in all three of the most elite counterterrorism units in the United States military. Mr. Beatty has appeared as a commentator on CNN on terrorism and transportation infrastructure since September 11, and maybe before, but I have noticed him since the 11th.

From 1981 to 1983, Mr. Beatty served as a Delta Force assault troop commander, where he led a unit on several deployments and was commended for saving lives. Subsequently, he became operations officer for the entire Delta Force.

From 1983 to 1985, Mr. Beatty served as a special adviser to the Federal Bureau of Investigation Hostage Rescue Team, with an emphasis on security for the 1984 Los Angeles Olympic. He also flew surveillance missions for the Bureau, including a mission involving the capturing of a Top 10 fugitive.

From 1985 to 1992, he worked at the Central Intelligence Agency on Europe and the Middle East. In addition to traditional intelligence operations, he developed counterterrorism training pro-

grams for Allied troops. He also mounted several successful intelligence and security operations, including thwarting a terrorist attack.

In 1992, Mr. Beatty founded Total Security Services International, a security consulting firm serving corporate and government clients. TSSI has managed large security projects, including the security upgrade program for Fairfax County, Virginia. The reason for that, I might add, was because of the trial of the gentlemen who shot two people at the CIA headquarters in 1993.

Mr. Beatty specializes in the high-threat portion of the security spectrum and has experience in three Olympics—Los Angeles, Barcelona and Atlanta—not as a participant but as a consultant. It would be kind of nice to be a participant, too, wouldn't it?

He has also done work on terrorism prevention with regard to the Big Dig highway excavation project in Boston. He also developed antiterrorism procedures and training materials for Amtrak and the Washington, D.C., Metro system. In addition, he has studied the vulnerabilities of Boston and New York City's tunnels, and has been a speaker at the Department of Transportation's Conference on Land Transportation issues. Mr. Beatty and TSSI have most recently been hired by the Boston MBTA to beef up subway security.

TSSI warned officials at the 1996 Summer Olympics in Atlanta that their security procedures would leave crowds open to package bomb attacks, a prediction that soon came true. In 1999, Mr. Beatty conducted an exercise in Boston preparing for armed terrorists seizing a subway train and a bomb detonating in the train station. In 1998, he went on record as stating that terrorists were aiming for an attack leading to 5,000 or more casualties by the end of 2001, a prediction unfortunately that has come true.

Tony Chrestman currently serves as the president of Ruan Transportation Corporation, a business unit of Ruan Transportation Management Systems. Mr. Chrestman has more than 30 years' experience in logistics and transportation services. Joining Ruan in 1999, he was vice president of transportation services with Ryder Integrated Logistics, and he is active in the American Trucking Association and the Council for Logistics Management. Mr. Chrestman attended Mississippi State University, and he is extremely welcome as well.

Having said that, gentlemen, why don't we proceed with your public statements, if you will. If any of my colleagues want to ask a question on the record here in the public portion, we can do that and then we will go to the closed hearing.

Mike, welcome.

STATEMENT OF MIKE PARKER, ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS), DEPARTMENT OF THE ARMY, WASHINGTON, D.C.

Mr. PARKER. Thank you, Mr. Chairman, members of the committee. For the last three weeks, I have had the privilege of serving as Assistant Secretary of the Army for Civil Works. I appreciate the opportunity to speak to you today, and also thank you for the opportunity to provide information on Army Corps of Engineers ac-

tivities to address the infrastructure security issues resulting from the events of September 11, 2001.

First, allow me to say how proud I am to be associated with the Corps of Engineers, its record, and the manner in which it has begun to move out to protect the large part of America's infrastructure that is our responsibility. I want to assure you that the Corps will prove itself worthy of the trust which that responsibility conveys.

Within two hours of the terrorist attacks on the World Trade Center, Corps employees were at Ground Zero lending assistance. Thousands of New York City residents were evacuated on Corps civil works vessels from Lower Manhattan in excess of 2,000. We provide expert structural assessments, emergency power to get the stock market up and running, and provided technical assistance for the removal of what will likely exceed one million tons of debris.

Within hours of the attack on the Pentagon, Corps structural engineers were on-site providing expert advice. We are presently conducting a comprehensive force protection analysis to make the rebuilt Pentagon safer from terrorist intervention in the future, and we continue to support local and military leaders with every asset the Corps can muster.

In conjunction with its military construction mission, the Corps has developed in-depth antiterrorism force protection expertise. The Corps serves as the Department of Defense lead for public works under national and departmental plans. The Corps' laboratories and technology transfer centers were instrumental in the development of the DoD antiterrorism/force protection standards now used by all of the military services in military construction, major repair and other programs.

These standards and the underlying technologies are being widely used by the State Department in their embassy program. For example, we have world-class antiterrorism force protection engineers at our Protective Design and Electronic Security Centers who are supported by the best available research assets within the Engineer Research and Development Centers six-laboratory network.

Expertise available there to the Corps and others includes, among other things, survivability and protective structures, sustainment engineering, battle space environment, military and civil infrastructure, and environmental quality. We have hundreds of employees trained by these engineers, along with experience born of work on the Khobar Towers, Murrah Federal Building, World Trade Center, the Pentagon and other sites, some well-known and others not so well-known. The Corps centers and labs are supported by the some of the leading antiterrorism/force protection engineering and construction firms through effective contracting vehicles.

We are in the process of leveraging the expertise gained in the Corp's military mission areas to protect the Corps' critical water resources infrastructure from terrorist activities. Fortunately, we are not starting from scratch. Over the past few years, the Corps has been working diligently with other agencies, including the Bureau of Reclamation, the Department of Energy, the Tennessee Valley Authority, the Environmental Protection Agency and the Federal Bureau of Investigation to develop a comprehensive security as-

sessment process to identify risks to critical facilities, such as locks, dams and hydropower facilities. As the security assessments are completed, we will apply the Corps' and others' antiterrorism/force protection expertise to critical sites to mitigate security risks uncovered.

Today, temporary protection measures are in place, including restricted public access, increased stand-off distances to critical structures, increased patrol activities, additional contract guard support, increased coordination with local law enforcement, and establishment of early-warning telephone procedures.

A civil works infrastructure management team has been established at headquarters and in the field, and the Corps has begun the task of assessing the need for more specific, effective protective measures. The centerpiece of this effort is the risk assessment and protection of dams methodology, called RAM–D, developed by the Interagency Forum on Infrastructure Protection from the efforts mentioned earlier. I have with me a copy of the training material and workbooks that teams will be using over the next several months to complete this comprehensive civil works security assessment.

By using this Risk Assessment Methodology for Dams, security risks to dams and other Corps infrastructure can be assessed quickly in a structured, systematic manner, even though the structures to be assessed have been built at different times to meet a specific set of criteria and sited in unique environments.

The Corps of Engineers has already put in place a plan to conduct these assessments on our critical dams and other infrastructure, and to cooperate with other agencies on still more dams. We will also cooperate on other types of structures as requested. The lack of standardizing tools may make for a slower process, but the assessment should be no less accurate.

We are also actively involved with the Nation's leading engineering and construction industry associations, professional societies, and standards-writing organizations to improve the security and survivability of public and private buildings throughout the country.

Your letter of invitation asked that I testify on the structural vulnerabilities of our Nation's surface transportation to terrorist attacks. I must tell you that America's water resources, including our waterborne transportation infrastructure, locks and dams, are at risk to terrorism.

Risk is everywhere and impossible to eliminate entirely. However, there are many forms of risk and many ways to minimize and manage it. The Corps of Engineers has already begun the process of protecting the resources entrusted to it and the people who work and visit there. We have coordinated with the U.S. Coast Guard, the American Waterways Operators, and other members of the marine transportation industry to address the risk and challenges before us in ensuring the safe and efficient movement of hazardous cargoes on our inland rivers and waterways, while maintaining a high level of diligence and concern for the possibility of a terrorist act. I am proud of the Corps and confident in its ability to achieve and maintain the results demanded by the American people and their representatives in this august body.

The President, Secretary of Defense Rumsfeld, Secretary of the Army White and I are committed to providing the leadership and resources for the Army Corps of Engineers to carrying out its vital military and civil works missions in these difficult times.

Mr. Chairman, that concludes my statement and I will be pleased to address any questions.

[The prepared statement of Mr. Parker follows:]

STATEMENT OF MIKE PARKER, ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS), DEPARTMENT OF THE ARMY, WASHINGTON, D.C.

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

INTRODUCTION

I am Mike Parker, for the last three weeks, the Assistant Secretary of the Army for Civil Works. I appreciate the opportunity to speak to you today.

Thank you for the opportunity to provide information on the Army Corps of Engineers activities to address the infrastructure security issues resulting from the events of September 11, 2001. First, allow me to say how proud I am to be associated with the Corps of Engineers, its record, and the manner in which it has begun to move out to protect the large part of America's water infrastructure that is our responsibility. I want to assure you that the Corps will prove itself worthy of the trust which that responsibility conveys.

Within two hours of the terrorist attacks on the World Trade Center, Corps employees were at ground zero lending assistance. Thousands of New York City residents were evacuated on Corps civil works vessels from lower Manhattan. We provided expert structural assessments, emergency power to get the stock market up and running and providing technical assistance for the removal of what will likely exceed 1 million tons of debris. Within hours of the attack on the Pentagon, Corps structural engineers were on site providing expert advice. We are presently conducting a comprehensive force protection analysis to make the rebuilt Pentagon safer from terrorist intervention in the future. We continue to support local and military leaders with every asset the Corps can muster.

In conjunction with its military construction mission, the Corps has developed in-depth anti-terrorism/force protection (AT/FP) expertise. The Corps serves as the Department of Defense (DoD) lead for Public Works under national and departmental plans. The Corps laboratories and technology transfer centers were instrumental in the development of the DoD AT/FP standards now used by all the military services in the Military Construction, major repair and other programs. These standards and the underlying technologies are being widely used by the State Department in their embassy program.

For example, we have world-class AT/FP applications engineers at our Protective Design and Electronic Security Centers who are supported by the best available research assets within the Engineer Research and Development Centers six laboratory network. Expertise available there (to the Corps and others) includes, among other things: Survivability and Protective Structures, Sustainment Engineering, Battlespace Environment, Military and Civil Infrastructure, and Environmental Quality. We have hundreds of employees trained by these engineers, along with experience born of work on the Khobar Towers, Murrah Federal Building, World Trade Center, the Pentagon, and other sites—some well-known and others not-so-well-known. The Corps Centers and labs are supported by some of the leading AT/FP engineering and construction firms through effective contracting vehicles.

We are in the process of leveraging the expertise gained in the Corps military mission areas to protect the Corps critical water resources infrastructure from terrorist activities. Fortunately, we are not starting from scratch. Over the past few years the Corps has been working diligently with other agencies, including Bureau of Reclamation, Department of Energy, Tennessee Valley Authority, Environmental Protection Agency, and the Federal Bureau of Investigation to develop a comprehensive security assessment process to identify risks to critical facilities such as locks, dams and hydropower facilities. As the security assessments are completed we will apply the Corps (and others) AT/FP expertise to critical sites to mitigate security risks uncovered.

Today, temporary protection measures are in place, including restricted public access, increased standoff distances to critical structures, increased patrol activities, additional contract guard support, increased coordination with local law enforcement, and establishment of early warning telephone procedures.

A civil works infrastructure management team has been established at headquarters and in the field, and the Corps has begun the task of assessing the need for more specific, effective protective measures. The centerpiece of this effort is the risk assessment and protection of dams methodology called RAM-D developed by the Interagency Forum on Infrastructure Protection from the efforts mentioned earlier. I have with me a copy of the training material and workbooks that teams will be using over the next several months to complete this comprehensive civil works security assessment.

By using this Risk Assessment Methodology for Dams, security risks to dams and other Corps infrastructure can be assessed quickly, in a structured, systematic manner, even though the structures to be assessed have been built at different times to meet specific set of criteria and sited in unique environments. The Corps of Engineers has already put in place a plan to conduct these assessments on our critical dams and other infrastructure, and to cooperate with other agencies on still more dams. We will also cooperate on other types of structures, as requested. The lack of standardizing tools may make for a slower process, but the assessment should be no less accurate.

We are also actively involved with the Nation's leading engineering and construction industry associations, professional societies and standards writing organizations to improve the security and survivability of public and private buildings throughout the country.

You letter of invitation asked that I testify on the structural vulnerabilities of our Nation's surface transportation to terrorist attacks. I must tell you that America's water resources, including our waterborne transportation infrastructure (locks and dams), are at risk to terrorism. Risk is everywhere, and impossible to eliminate, entirely. However, there are many forms of risk, many ways to minimize and manage it. The Corps of Engineers has already begun the process of protecting the resources entrusted to it, and the people who work and visit there. We have coordinated with the U.S. Coast Guard, the American Waterways Operators, and other members of the marine transportation industry to address the risks and challenges before us in ensuring the safe and efficient movement of hazardous cargos on our inland rivers and waterways, while maintaining a high level of diligence and concern for the possibility of a terrorist act. I am proud of the Corps and confident of its ability to achieve and maintain the results demanded by the American people and their representatives in this august body.

CONCLUSION

The President, Secretary of Defense Rumsfeld, Secretary of the Army White and I are committed to providing the leadership and resources for the Army Corps of Engineers to carrying out its vital military and civil works missions in these difficult times. Mr. Chairman that concludes my statement and I would be pleased to address any questions that you or the committee may have.

Chairman BIDEN. Thank you very much, Congressman.

Mr. Jenkins?

STATEMENT OF BRIAN M. JENKINS, SENIOR ADVISOR TO THE PRESIDENT, RAND CORPORATION, SANTA MONICA, CALIFORNIA

Mr. JENKINS. Mr. Chairman, members of the committee, thank you very much for giving me the opportunity to make a few remarks.

Let me take a cue from your opening comments, Mr. Chairman. We must be realistic in our acceptance of risk. We know that terrorists can attack anything, anywhere, any time. We cannot protect everything, everywhere, all the time.

Trying to imagine all the potential scenarios that exploit the infinite vulnerabilities in our society is not particularly helpful in allocating security resources. Terrorists are always going to find some vulnerability to exploit. Security to a certain extent is always going to be reactive.

This obliges us to make choices based upon the likelihood that terrorists will attack a certain target and the consequences of that

attack were to succeed. Fortunately, terrorists have shown some clear preferences, although the fact that they haven't done something in the past certainly is no guarantee that they will not do it in the future.

We know, for example, that commercial aviation has been a preferred terrorist target for decades. Security at airports has been augmented since September 11, but in my view not enough. Aviation security still requires a complete overhaul.

But for those determined to kill in quantity and willing to kill indiscriminately, which is a trend we have seen in terrorism over the last decade, public surface transportation is an ideal target. Precisely because it is public and used by millions of people daily, there is necessarily little security, with none of the obvious checkpoints like those at airports. Concentrations of people in contained environments are especially vulnerable to conventional explosives and, as we have seen in Tokyo, to unconventional weapons as well.

The threat here is real. We are not talking about hypothetical scenarios. We have seen terrorist attacks in the subways of Paris and London's Underground, Tokyo's subways, Moscow's Metro and Tel Aviv's buses. In the United States, we have seen the deliberate derailment of an Amtrak passenger train. We have seen a thwarted plot to carry out suicide bombings on New York subways.

Terrorists see public transportation as a killing field. Now, it may not be so dramatic in the shadow of more than 5,000 deaths on September 11, but the statistics nonetheless are impressive. Thirty-seven percent of all terrorist attacks on surface transportation have involved fatalities. That is significant when we realize that the average for terrorist attacks in general is about 20 percent. So when they go after public transportation, twice as many of these attacks result in fatalities.

Indeed, two-thirds of the attacks have clearly been intended to kill, versus 37 percent for terrorist attacks overall. So they are twice as likely to be trying to kill people. Twenty-three percent of the attacks with fatalities involve 10 or more deaths. Attacks on public transportation, of course, also cause great disruption and alarm, which are the traditional goals of terrorism.

Security on surface transportation fortunately can be significantly improved without disrupting operations or even spending vast sums of money. Potential casualties can be reduced both through the design of stations and vehicles and through effective and rapid response.

Disruptions resulting from unnecessary shutdowns can be minimized with technology and procedures that permit prompt assessment, accurate diagnosis, and rapid, well-rehearsed responses. Crisis management is a critical component of this security.

We can apply the best practices learned from those systems that have dealt with higher levels of threat. Fortunately, in this country thus far we have seen only a small number of incidents. But other countries—France, the United Kingdom, Japan—have dealt with terrorist campaigns on their public transportation systems and we can learn from their lessons. This has been the focus of ongoing research by the Mineta Transportation Institute, and I have provided members of the committee with advance copies of an executive overview of this ongoing research.

One final thought. Much of our country's critical infrastructure—dams, water systems, ports, transportation systems—is protected by private security guards, and I think we often overlook the role played by private security in this country. We spend over $100 billion a year on private security in this country. The industry currently employs more than 2 million persons. That is close to the strength of the United States armed forces at the height of the Cold War.

We can, of course, on a temporary basis, augment security at critical facilities with police and National Guard, but that is not a permanent solution. I think we should explore ways in which we can better ensure high-level performance among private sector guards, not just in airports, and ways in which we can more effectively utilize this second line of defense in crisis situations. This could be achieved through the certification of those companies involved in protecting designated components of the Nation's critical infrastructure and improved professional training.

Thank you very much.

[The prepared statement of Mr. Jenkins follows:]

STATEMENT OF BRIAN MICHEL JENKINS, SENIOR ADVISOR TO THE PRESIDENT, RAND CORPORATION, SANTA MONICA, CALIFORNIA

Terrorists can attack anything, anywhere, any time, while we cannot protect everything, everywhere, all the time. Trying to imagine all of the potential terrorist scenarios that exploit the infinite vulnerabilities in our society is not particularly helpful in allocating security resources. We can easily overwhelm security planners with plausible threats. Terrorists will always find vulnerabilities to exploit. To a certain extent, security will always be reactive.

This obliges us to make choices based upon the likelihood that terrorists will attack a certain target, and the consequences of that attack were it to succeed. Our ability to protect certain categories of targets is also a factor. Terrorists seeking to cause heavy casualties, can always set off bombs in public places that are by their very nature difficult to protect. We must be realistic in our acceptance of risk.

Fortunately, terrorists have shown clear preferences. However, the fact that terrorists have not done something in the past is no guarantee that they might not try it in the future. Our security goal lies somewhere between ensuring adequate protection at facilities that have been attacked by terrorists in the past and attempting to eliminate every conceivable vulnerability to future attack.

The September 11 attack humbles any analyst attempting to forecast what terrorists might do in the future. While a growing percentage of attacks are clearly intended to kill (as opposed to purely symbolic violence, sabotage, or hostage-taking), of more than 10,000 international terrorist incidents in the past three decades, prior to September 11 only 14 resulted in 100 or more fatalities. The September 11 attack was unprecedented in the annals of terrorism, (although I strongly suspect that the terrorists had hoped for a far greater number of casualties). The attack did conform to the view offered years ago that tomorrow's terrorist might not be the high-tech adversary envisioned by many, but rather a more bloody-minded version of previous low-tech terrorists.

Commercial aviation has been a preferred terrorist target for decades. Security at airports has been augmented since September 11 but not enough. In my view, aviation security requires a complete overhaul.

But our focus today is surface transportation. For those determined to kill in quantity and willing to kill indiscriminately, public surface transportation is an ideal target. Precisely because it is public and used by millions of people daily, there is little security, with no obvious checkpoints like those at airports. Concentrations of people in contained environments are especially vulnerable to conventional explosives and unconventional weapons.

The threat is real. We have seen terrorist bombing campaigns against the subways of Paris, London's Underground and railways, Tokyo's subway, Moscow's Metro, and Tel Aviv's buses. In the United States, we have seen the deliberate derailment of a passenger train, chemical attack scares on metro-rail systems, and a thwarted plot to carry out suicide bombings on New York's subways.

Terrorists see public transportation as a killing field: 37 percent of attacks on surface transportation have involved fatalities compared to 20 percent for all terrorist incidents, and two-thirds of the attacks clearly have been intended to kill (versus 37 percent for terrorist attacks overall); 23 percent of the attacks on surface transportation with fatalities involve 10 or more deaths. Attacks on public transportation, the circulatory systems of our cities, also cause great disruption and alarm, which are the traditional goals of terrorism.

Security of surface transportation can be significantly improved without disrupting operations or spending vast sums of money. Potential casualties can be reduced both through the design of stations and vehicles and through effective and rapid response.

Disruptions resulting from unnecessary shutdowns can be minimized with technologies and procedures that permit prompt assessment, accurate diagnosis, and rapid, well-rehearsed responses. Crisis management is a critical component of security.

We can apply the "best practices" learned from those systems that have dealt with higher levels of threat. This has been the focus of on-going research by the Mineta Transportation Institute. (I have provided committee members with advanced copies of the executive overview of this project, which catalogues many of the security measures.)

Terrorists have carried out fewer attacks in the maritime environment, although they have sabotaged ships and port facilities, especially oil and gas facilities, and the bombing of the U.S.S. Cole, indicates that this area of operations is not outside the terrorists' field of vision.

Other components of the critical physical infrastructure including power generation and distribution, oil and natural gas facilities, and water systems must also be considered as potential targets. The transport of hazardous materials is another area of concern. Power grids and pipelines have been the targets of sabotage in guerrilla wars. In the realm of terrorism, however, fewer than two percent of all terrorist attacks can be categorized as traditional sabotage as opposed to purely symbolic attacks and attacks intended to kill, which together account for 82 percent.

One final thought: Much of the country's critical infrastructure is protected by private security guards. This industry currently employs more than 2 million persons, close to the strength of the United States armed forces at the height of the Cold War. We can, on a temporary basis, augment security at critical facilities with police and the National Guard. It is not, however, a permanent solution. We should explore ways in which we can better ensure high level performance among private sector guards, and in crisis situations effectively utilize this second line of defense. This could be achieved through the certification of those companies involved in protecting designated components of the nation's critical infrastructure and improved professional training.

Chairman BIDEN. Thank you very much.

Professor Brown?

STATEMENT OF DONALD E. BROWN, PROFESSOR AND CHAIR, DEPARTMENT OF SYSTEMS ENGINEERING, UNIVERSITY OF VIRGINIA, CHARLOTTESVILLE, VIRGINIA

Mr. BROWN. Thank you. Good morning, Chairman Biden, Senator Grassley and Senator Schumer. Thank you very much for offering me the opportunity to discuss the issues surrounding surface transportation security.

As each of you have already noted, surface transportation is critical to our Nation's economy, defense, and quality of life. Few Americans spend even one day without enjoying the benefits of our open and easily accessed surface transportation system. However, there can be little question that currently the surface transportation infrastructure is threatened by the potential of terrorist attack, but we can take steps to address these threats.

That our surface transportation infrastructure is threatened can be seen by a simple three-step analysis: what are the threats, what are the vulnerabilities, and what are the impacts?

First, what are the threats? The events of September 11 clearly showed that global terrorist groups provide significant threats to facilities in the United States. Their willingness to use civilians, including even 4-year-old children and their mothers, as human bombs provides chilling evidence of both their lack of morality and the seriousness of their intention as they pursue their objectives. However, we should not lose sight of the fact that many of the terrorist groups, including those spawned within this country, have also targeted the U.S. infrastructure.

Second, what are the vulnerabilities? While I will not discuss specific vulnerabilities in this forum, we need only look at the record of accidents, natural disasters and past terrorist incidents both here and abroad to recognize that vulnerabilities exist within the surface transportation infrastructure. Further, if you talk with the people traveling and working in this infrastructure, you gain a sense of the perceived vulnerabilities. We need to recognize and address these vulnerabilities to ensure the continued growth and the use of surface transportation.

Finally, what are the potential impacts of attacks on the surface transportation infrastructure? Again, specifics are best discussed in a closed forum, but an objective assessment shows that the inherent decentralized, redundant and distributed nature of much of the surface transportation infrastructure makes it robust to many forms of attack. Nonetheless, without going into details at this time, attacks on this infrastructure can cause both significant loss of life and severe economic consequences.

Given threats, vulnerabilities and impacts, what steps can we take to improve security on surface transportation? The answer to this question lies in our past record of success in the face of other threats.

We have made great progress in reducing the threats from disease, environmental hazards, natural disasters and accidents. Clearly, there is more work that needs to be done in each of these areas, but it is difficult to argue that we are not measurably better off today than we were 50 years ago. These successes derive from government actions that provide safer environments in each area.

Additionally, many of these successes derive from one of America's greatest strengths: its research and development community. Forged in World II and institutionalized in the post-war years, this alliance of industry, government and universities provides the capability for addressing national needs that are second to none. As we face this newest threat to our transportation infrastructure, this community can be mobilized to help address the needs for greater security in the face of multiple threats.

Thank you very much.

[The prepared statement of Mr. Brown follows:]

DONALD E. BROWN, PROFESSOR AND CHAIR, DEPARTMENT OF SYSTEMS ENGINEERING, UNIVERSITY OF VIRGINIA, CHARLOTTESVILLE, VIRGINIA

Good morning Chairman Biden and Senator Grassley and thank you for offering me the opportunity to discuss the issues surrounding surface transportation security. Surface transportation is critical to our Nation's economy, defense, and quality of life. Few Americans spend even one day without enjoying the benefits of our open and easily accessed surface transportation systems. However, there can be little question that currently the surface transportation infrastructure is threatened by the potential of terrorist attacks, but we can take steps to address the threats.

That our surface transportation infrastructure is threatened can be seen by a simple three-step analysis: what are the threats, what are the vulnerabilities, and what are the impacts? First, what are the threats? Events of September 11 clearly showed that global terrorist groups provide significant threats to facilities in the U.S. Their willingness to use civilians, including four year old children and their mothers, as human bombs provides chilling evidence of both their lack of morality and the seriousness of their intention as their pursue their objectives. However, we should not lose sight of the fact that many other terrorist groups, including those spawned within this country have also targeted the U.S. infrastructure.

Second, what are the vulnerabilities? While I will not discuss specific vulnerabilities in this forum, we need only look at the record of accidents, natural disasters, and past terrorist incidents, both here and abroad, to recognize that vulnerabilities exist within the surface transportation infrastructure. Further, if you talk with people traveling and working in this infrastructure you gain a sense of the perceived vulnerabilities. We need to recognize and address these vulnerabilities to ensure the continued growth and use of surface transportation.

Finally, what are the potential impacts of attacks on surface transportation? Again the specifics are best discussed in closed forum. On the positive side, an objective assessment shows that the inherent decentralized, redundant, and distributed nature of much of the surface transportation infrastructure makes it robust to many forms of attack. Nonetheless, without going into details at this time, attacks on this infrastructure can cause both significant loss of life and severe economic consequences.

Given these threats, vulnerabilities, and impacts what steps can we take to improve security in surface transportation? The answer to this question lies in our past record of success in the face of other threats. We have made great progress in reducing the threats from disease, environmental hazards, natural disasters, and accidents. Clearly there is more work needed in each of these areas, but it is difficult to argue that we not measurably better off today than we were 50 years ago. These successes derive from government actions that provide safer environments in each area. Additionally, many of these successes derive from one of America's greatest strengths: its research and development community. Forged in World War II and institutionalized in the post war years this alliance of industry, universities, and government provides the capabilities for addressing national needs that are second to none. As we face this newest threat to our transportation infrastructure, this community. Forged in World War II and institutionalized in the post war years this alliance of industry, universities, and government provides the capabilities for addressing national needs that are second to none. As we face this newest threat to our transportation infrastructure, this community can be mobilized to help address the needs for greater security in the face of multiple threats.

Chairman BIDEN. Thank you.

Mr. Beatty?

STATEMENT OF JEFFREY K. BEATTY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, TOTAL SECURITY SERVICES INTERNATIONAL, MARIETTA, GEORGIA

Mr. BEATTY. Mr. Chairman, Senators and distinguished guests of the Senate, my name is Jeff Beatty, President of Total Security Services International, a company that specializes in advising transportation systems on preventing terrorism. Thank you for the opportunity to be with you today and to share some observations and suggestions that might help improve our Nation's security in the transportation sector, specifically in surface and rail transportation. In this open session, I intend to make some very brief general comments, and I will save the details of specific vulnerabilities and remedies for the closed session.

It is the threat that dictates the level of security necessary for the transportation sector. We must build our security based on the threat's capability, not on some interpretation of intention. Intentions can change overnight and we can't change our defenses that fast.

The current threat consists of 1 to 50 persons who either directly or indirectly can launch a pre-planned attack or attacks that are capable of causing mass casualties, destruction of property and severe economic impact, using everything from mechanical weapons to firearms to weapons of mass destruction.

The terrorists have, in fact, at their disposal over 50 different types of weapons and special techniques. These attacks may be pressed home by persons planning to die in the attack. The attacks may have multiple stages, use multiple weapons, and may take place at multiple locations.

Based on that threat, I believe that there is an immediate need to conduct an incremental threat exposure and response analysis for all places where people transit and travel nationwide. This is being undertaken and done by some organizations now, but this analysis is not an end in itself. It must be functional and fast.

This analysis would look beyond the threat of the day, to cover over 50 different types of weapons and special techniques. The Federal Government can provide the guidance and some of the tools to do this task to the tens of thousands of State and local law enforcement professionals who have a contribution to make in the transportation sector. When the locals do the work, you will be improving their capabilities in the war against terrorism. They are a hugely untapped resource in this war and we need to get them more involved.

In the meanwhile, I urge you to continue to deploy more security than may seem necessary in the transportation sector, especially on tunnels, and then adjust as results of the threat exposure and response analysis becomes available.

In the closed session, I will discuss a form of security that is not purely defensive and reactive, but rather is an active defense. There are training and equipment requirements that are near-term and need to be prioritized as a result of September 11. Much good work was underway already. It will need your support and will need to become accelerated. There are other technologies that frankly have not yet been considered in this sector and they can save a significant number of lives in the event of an incident. I hope you will support their early adoption, also.

Public trust is key to the public continuing to use the transportation system. To this end, we must keep the public informed. Right now, threat information is shared with the transit companies and airlines, but not with passengers. The position that government knows best really does not apply. We learned that on September 11.

We must consider requiring transportation providers to post on a Web page or at some other location the same threat information the Government gives those providers, providers such as the MTA in New York, WMATA in D.C., the CTA in Chicago, the MBTA in Boston, and Delta Airlines in Atlanta. Let the citizens use the transportation system under the concept of informed consent. There may be some initial reduction in travel, but soon travelers will realize for themselves the credibility of the threat information posted in this manner and put it into proper perspective. They will make informed choices about traveling and the Government will

have demonstrated its openness and fulfilled its responsibility to the citizens.

In conclusion, I must tell you that I am impressed and encouraged by the work our Government is now doing against terrorism. Now is the time to be bold and decisive. There is no doubt in my mind that we will prevail in this struggle, but what does prevail mean?

This war on terrorism is not like World War II or Desert Storm where victory means peace. It is more like the war on crime. You can make great progress in the war on crime, but after your progress some lower level of crime will still exist. So it is with the war on terrorism. We will make great progress, but we must put in place the tools to ensure that terror in the future, even in its most virulent form, is only an occasional occurrence, with minimum casualties and minimum disruption to our way of life.

The work of this committee on protecting our transportation sector will go a long way to achieve that success for the American people. I wish you good luck in your mission, and thank you for the opportunity to address you.

[The prepared statement of Mr. Beatty follows:]

STATEMENT OF JEFFREY K. BEATTY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, TOTAL SECURITY SERVICES INTERNATIONAL, MARIETTA, GEORGIA

Mr. Chairman, Senators, and distinguished guests of the Senate. My name is Jeff Beatty and I am President of Total Security Services International, a company that specializes in advising transportation systems on preventing terrorism. Thank you for the opportunity to be with you today to share some observations and suggestions that might help improve our nation's security in the transportation sector and specifically in surface and rail transportation. In this open session, I intend to make some general comments, and I will save the details of specific vulnerabilities and remedies I have identified for the closed session.

The threat dictates the level of security necessary for the transportation sector. We must build our security based on the threat's capability, not on some interpretation of intention. Intentions can change overnight, we can't change our defenses that fast.

My company, TSSI, utilizes specialized analysis to evaluate terrorist threats to public events and transportation systems. Using that analysis, TSSI was able to predict a major attack on the United States by the end of 2001 in which the terrorist goal was to create at least 5,000 casualties. We also predicted the breach of security at the Atlanta Olympics. TSSI predicted that Atlanta would suffer a successful package bomb attack after the 5'" day and estimated that there would be 120 casualties. In actuality, there were 112 casualties. TSSI's assessment of the current threat is detailed but can be summarized as follows:

The current threat consists of 1-50 persons who either directly or indirectly can launch a preplanned attack or attacks that are capable of causing mass casualties, great destruction of property and severe economic impact using everything from mechanical weapons to firearms to weapons of mass destruction. The terrorists have at their disposal over 50 different types of weapons and special techniques. These attacks may be pressed home by persons planning to die in the attack. They attacks may have multiple stages, use multiple weapons and may take place at multiple locations.

Based on that threat, I believe there is an immediate need to conduct Incremental Threat, Exposure and Response Analysis for all places where people transit and travel nationwide. This is being done by some organizations now. This analysis would look beyond the "Threat of the Day" to over 50 different types of weapons and special techniques. The Federal Government can provide the guidance and some of the tools to do this task, to the tens of thousands of the State and Local Law Enforcement professionals who have a contribution to make in the transportation sector. When the locals do this work, you will be improving their capabilities in the war against terrorism. They are a hugely untapped resource in this war; we need to get them more involved. In the meanwhile, I urge you to continue to deploy more

security than seems needed in the transportation sector, especially on tunnels, and adjust as results of the Threat Exposure and Response analysis become available.

There are training and equipment requirements that are near term and need to be prioritized, as a result of September 11. Much good work was underway already. It will need your support and become accelerated. There are other technologies that frankly have not yet been considered in this sector that can save significant numbers of lives in the event of an incident. I hope you will support their early adoption.

Public trust is key to the public continuing to use the transportation system. To this end we must keep the public informed. Right now, threat information is shared with the transit companies and airlines, and not with passengers. The position that "government knows best" does not apply. We learned that on September 11. We must consider requiring transportation providers to post on a web page the same threat information the government gives those providers such as the MTA in NY, WMATA in D.C., the CTA in Chicago, the MBTA in Boston and Delta Airlines in Atlanta. Let the citizens use the transportation system under the concept of informed consent. There may be some initial reduction in travel, but soon travelers will realize for themselves the credibility of threat information posted in this manner. They will make informed choices about traveling and the government will have demonstrated its openness and fulfilled its responsibility to the citizens.

In conclusion, I must tell you I am impressed and encouraged by the work our government is now doing against terrorism. There is no doubt in my mind that we will prevail in this struggle. But what does prevail mean? This war on terrorism is not like World War II or Desert Storm, where victory meant peace. It is more like the war on crime. You can make great progress in the war on crime, but after your progress, some lower level of crime will still exist. So it is with the war on terrorism. We will make great progress. But we must put in place the tools to ensure that terror in the future, even in its most virulent form, is only an occasional occurrence, with minimum casualties and minimum disruption to our way of life. The work of this Committee on protecting our transportation sector will go a long way to achieve that success for the American people. I wish you good luck in your mission and thank you for the opportunity to address you.

I will save the details of specific transportation vulnerabilities and suggested remedies for the closed session. Thank you.

The CHAIRMAN. Thank you, Mr. Beatty.

Mr. Chrestman?

STATEMENT OF TONY CHRESTMAN, PRESIDENT, RUAN TRANSPORT, DES MOINES, IOWA

Mr. CHRESTMAN. Thank you, Mr. Chairman, Senator Grassley, members of the subcommittee. Thank you for the opportunity to present Ruan's perspective on transportation infrastructure security.

As a highly diversified transportation company, Ruan is in a unique position to address the many security issues currently facing the trucking industry. We are a Des Moines, Iowa-based company with operations throughout the infrastructure. Ruan provides for-hire trucking services for a full range of commodities, including hazardous materials. Our operations also include dedicated truck fleets, logistic services, truck leasing, contract maintenance services, and truck and trailer rentals.

I want to add that Ruan worked closely with the American Trucking Association in preparation for this hearing to make certain that we are able to present the subcommittee with the broadest possible picture of the many challenges the trucking industry has had to deal with in the wake of the tragedies that occurred on September 11.

Mr. Chairman, the trucking industry has been working to combat cargo theft and address other security concerns for many decades. As a result of the work that we have done in cooperation with various Federal, State and local government agencies, the industry

has made great strides toward ensuring that the cargo and the equipment we are responsible for does not fall into the wrong hands.

However, recent events have caused many carriers, including Ruan, to reevaluate the adequacy of our safety measures. We have certainly made positive changes over the past few weeks, and believe we are using all of the tools at our disposal. However, there are several measures that Congress can adopt which would help Ruan and other trucking companies to both curtail security threats within the trucking industry and help mitigate the impacts of a transportation system disruption resulting from a terrorist act.

Specifically, Congress should take steps to mitigate the impacts of a terrorist attack on the highway system: one, facilitate trucking companies' ability to run criminal background checks on employees; two, give the enforcement community more and better tools to combat cargo theft; three, direct additional resources toward land border infrastructure to facilitate more efficient trade flows; and, last, improve oversight of the commercial driver's license program.

I will go into more detail now. As we have witnessed, a disruption to one part of the transportation system can have ripple effects that impact the entire system from coast to coast. We also discovered that a severe disruption to the transportation system will generate negative impacts throughout the economy.

The best way to deal with these disruptions is to build some redundancy into the transportation system. This means ensuring that if one bridge or one tunnel goes down, there is enough redundancy in the highway network to ensure the continued flow of commerce. This also means prioritizing Federal investments to make certain that the highways that are not critical to our military and our economy are adequately funded.

Of course, it is better to avoid these problems in the first place. Motor carriers have various tools at our disposal to ensure that trucks and their cargo do not fall into the wrong hands and are not used in a terrorist act. We are ready and willing to do more, but we need Congress' help to get there.

Ruan supports recent proposals by the American Trucking Association to authorize motor carrier access to national crime information databases, thus allowing motor carriers to conduct nationwide criminal background checks on current or prospective employees.

Congress has authorized such access to other industries with employees who have a demonstrated impact on public security or are in a position of public trust—banking, credit unions, child care providers, nuclear facility operators, home health care agencies, and airport operators.

While the trucking industry has dealt with cargo theft for many decades, hijacked trucks and trailers are no longer simple economic losses. They now present a national security threat. Even before September 11, ATA proposed cargo theft legislation that would increase the penalties and fines for cargo theft, and require uniform reporting on cargo theft and provide increased funding to local, State and Federal multi-jurisdictional task forces that have proven effective in combatting cargo theft.

Mr. Chairman, it will come as no surprise that the most vulnerable part of the highway system during times of a national security

crisis is at our border crossings with Canada and Mexico. After the terrorist attacks, the Nation's land borders were put on a Level I alert, resulting in extreme border crossing delays and hampering the delivery of parts and equipment.

The Level I alert at our borders continues today. As globalization of manufacturing continues to expand, the need for consistently efficient border operations will grow. While we recognize and support strong security measures, we also believe that greater investments in technology and physical and human infrastructure at the borders will help to alleviate future problems.

As you know, Mr. Chairman, there has been great concern over the fact that suspected terrorists were able to obtain commercial drivers' licenses with HAZMAT endorsements. This should be a wake-up call to all of us. While we believe the CDL program is very effective, it clearly has shown deficiencies particularly with regard to CDL testers and examiners. More Federal personnel should be dedicated to program evaluation and oversight, and Congress should consider directing additional resources to States to improve their own oversight processes.

Finally, we urge Congress to reject any legislation that would curtail the use of Social Security numbers as personal identifiers on national drivers' licenses. While there are legitimate concerns with Social Security numbers related to identity theft, the inability of carriers and States to track drivers due to the loss of Social Security numbers as a personal identifier would compromise both security and highway safety.

This concludes my statement, Mr. Chairman. I have provided much more detail on these recommendations in my written statement. I thank you once more for the opportunity and I am pleased to answer any questions.

[The prepared statement of Mr. Chrestman follows:]

STATEMENT OF TONY CHRESTMAN, PRESIDENT, RUAN TRANSPORT, DES MOINES, IOWA

I. INTRODUCTION

Good morning Mr. Chairman and members of this Subcommittee. My name is Tony Chrestman, and I am the President of Ruan Transport, the trucking arm of Ruan Transportation Management Systems (hereafter referred to as Ruan) based in Des Moines, Iowa. I sincerely appreciate the opportunity to provide testimony today to this Subcommittee, which I have prepared in conjunction with the trucking industry's leading trade group, the American Trucking Associations, Inc. (ATA).

Ruan is a full service ground transportation company that operates more than 200 service centers throughout the United States. The range of trucking-related services Ruan provides include: common for-hire trucking of all types of commodities including bulk transportation of hazardous materials (hazmat); dedicated truck fleets for specific customers; logistics services including complete supply-chain management; full-service truck equipment leasing; contract truck maintenance services; and truck and trailer rentals.

Mr. Chairman, in the wake of the September 11 attacks, Ruan and the entire U.S. trucking industry have worked diligently to support President Bush's goals of keeping our country and our economy moving forward. I am very proud of the effort of Ruan's employees throughout the country, and the entire trucking industry's efforts, to keep America moving. In doing so, we at Ruan, along with most companies in the industry, have tightened operating security measures. Below, I will provide some examples of these increased measures.

Trucking is a critical component of the United States' economic strength, with 9 billion tons of freight transported by inter-city and local trucks, representing 68% of the total domestic tonnage shipped. The trucking industry generates revenues of $606 billion annually, equaling almost 5% of our Gross Domestic Product, and a fig-

ure that represents nearly 87% of all revenues generated by our nation's freight transportation industry. Our nation's transportation infrastructure, in particular the highway system, provides the opportunity for the trucking industry to play such a large and important role in the U.S. economy. Preservation of and improvement to the existing infrastructure will help to ensure a strong and vibrant economy both now and in the future.

As in all businesses and all sectors of our country's economy, the horrific attacks have heightened security concerns in the trucking industry, and even more so after it was recently reported by the FBI that some suspected terrorists had obtained commercial driver's licenses (CDLs) to operate large trucks. It appears that motor carriers involved in transporting hazardous materials (hazmat) may have been, or may be, targeted for hijackings or theft for use in potential acts of terrorism. In fact, just late last week the FBI issued a warning that it is very possible that a new terrorist attack on U.S. soil very likely could involve truck bombs. Obviously, this is a major concern to Ruan and the entire trucking industry. I commend you for holding this hearing today to identify ways to address these very real threats which may be aimed at our transportation infrastructure.

In this testimony, I will communicate the trucking industry's longstanding involvement in transportation security issues, and provide examples of increased security measures the industry has taken since September 11. I will also provide some background information on the transportation of hazmat, since much of the trucking-related concern stems from the fact that suspected terrorists recently obtained commercial driver's licenses (CDLs) to transport hazmat by truck. I will also recommend several potential legislative actions that that would improve our infrastructure, and that would assist Ruan, and hundreds of thousands of other trucking companies, enhance driver, vehicle and cargo security in the industry.

II. The Trucking Industry's Involvement in Transportation Security and Related Issues

SECURITY

Ruan and its fellow ATA members have long been actively involved in providing safe and secure transportation of goods on behalf of customers and their consumers. Since 1982, ATA has maintained a Council of members, like Ruan, dedicated to advancing security and loss prevention issues. The name of this organization has undergone numerous changes since its inception, and today is known as the Safety & Loss Prevention Management Council (Safety Council). The Safety Council has numerous committees, but two in particular focus on security issues—the Security Committee and the Claims and Loss Prevention Committee. These Committees have addressed many trucking security issues, including driver and vehicle security, cargo security, and facility security. The Committees consist of security directors, many of whom are former law enforcement personnel, from a broad array of America's leading motor carriers. The Committees publish guidelines and educational materials to assist motor carriers enhance the security of their operations.

INCREASED SECURITY MEASURES SINCE SEPTEMBER 11

Ruan and other trucking companies throughout the trucking industry took a number of measures to increase the security of operations immediately following the attacks. Some carriers have re-evaluated their overall security procedures for pick-up and delivery, for their service locations, terminals and loading-dock facilities, for dispatch operations to vehicles in cities and on the road. In addition to requesting personnel to be extremely alert and to report any suspicious activity to law enforcement personnel, other examples of actions taken include:

- Initiating new background checks through systems available to motor carriers;
- Designating specific drivers for specific types of loads (particularly hazmat loads) and studying the specific routes to be used;
- Instructing drivers not to stop or render assistance except in the case of a clear emergency, and alerting drivers of possible ploys to obtain vehicles for hijacking purposes;
- Emphasizing to all trucking company employees, not only drivers, to stay alert and remain aware of their surroundings at all times, especially when transporting hazmat;
- Advising drivers transporting hazmat to, whenever possible, avoid highly populated areas, and use alternate routes if feasible to avoid such areas.
- Verifying seal integrity at each and every stop. Notifying central dispatch immediately if the seal is compromised.

- Advising drivers to notify supervisors/managers of any suspicious shipments, and if deemed necessary, to contact local police or law enforcement authorities to request inspection of shipment under safe practices.

These are just a few of the measures that Ruan and many other trucking companies around the country took to enhance their operational security. Now, I will turn to some additional information concerning the transportation of hazmat, since much of the security concern involving the trucking industry stems for suspected terrorists obtaining licenses to operate hazmat trucks.

III. Hazardous Materials Transportation

Transportation of hazmat is highly regulated by the U.S. Department of Transportation (DOT). In addition to the requirements in the Hazardous Materials Regulations (HMRs), the Federal Motor Carrier Safety Regulations (FMCSRs) contain certain rules for transportation of hazardous materials. For instance, drivers of trucks requiring hazmat warning placards need a CDL with a hazmat endorsement. If, the hazmat is transported in a tank truck, then the driver also needs a tank endorsement on the CDL to show proficiency in its operation. To obtain these endorsements, drivers must pass additional exams administered by the state licensing agency. The HMRs also require "hazmat employees," including drivers, to receive periodic training in hazmat awareness and safety and in any specific function that the employee performs. Also, the FMCSRs specifically deal with driving and parking of trucks that contain certain hazmat, and highway routing requirements for both Highway Route Controlled Quantities (HRCQ of Radioactive Materials (RAM) and non-HRCQ RAM.

Hazardous materials are an integral part of American life and are used in the manufacture of everything from automobiles to soap. They include ordinary household items such as bleach and fingernail polish remover, swimming pool chemicals, and lawn and garden fertilizers and insecticides. Welding supplies, paint and varnishes, and gasoline are commonplace. Radiopharmaceuticals are included, as are very highly regulated chemicals such as chlorine gas for water purification, sulfur trioxide for the making of soap products, and, of course, radioactive spent nuclear fuels.

Hazmat is transported in many forms of conveyance ranging from ocean-going supertankers to handyman vans. By highway, hazmat is transported in tank trucks, on flatbeds, and inside van-type trailers. These materials are packaged in drums, boxes, bags, portable tanks, cargo tanks, and in a variety of other ways. These packages are clearly marked and labeled, and the transport vehicles display product markings and hazard class placards in order to warn emergency responders of their contents. Drivers carry shipping papers and emergency response information that clearly identifies the hazmat on board their vehicle and provides emergency responders with immediate response information.

Annually in the U.S., there are at least 300 million hazmat shipments totaling approximately 3.2 billion tons.[1] The U.S. Department of Transportation's Office of Hazardous Materials Safety estimates the number of hazmat shipments in the U.S. at more than 800,000 per day—94% of these shipments are carried by truck. Approximately 500,000 daily shipments involve chemical and allied products; about 300,000 involve petroleum products; and at least 10,000 other shipments involve waste hazmat, medical wastes and various other hazardous materials. Shipments are defined as equivalent to deliveries, and in most instances may be distinguished from the number of movements, trip segments, or other measures. The estimated number of movements associated with these shipments exceeds 1.2 million per day.

As previously mentioned, all hazmat is highly regulated; however, certain materials demand an even higher level of oversight. For instance, high-level nuclear wastes from power plants are closely monitored by several federal agencies, including the Department of Energy (DOE) and DOT. Transportation of radioactive materials is highly regulated, and trucking companies involved in its movement are prescreened and approved by DOE. And, each truck is inspected prior to transporting a specific shipment of nuclear waste. In fact, the trucking industry played an integral role in the development of the Commercial Vehicle Safety Alliance's Level VI enhanced radioactive transporter inspection criteria, which specifically is designed to afford a high level of driver, vehicle, and load scrutiny prior to the truck leaving the shipper's facility.

Type and condition of the transportation infrastructure affect hazmat risks. For example, two-lane rural roads typically have much higher accident rates than di-

[1] Department Wide Program Evaluation of the Hazardous Materials Transportation Programs, Executive Summary, U. S. Department of Transportation, March 2000, p. v.

vided, multi-lane interstate highways. And similarly, interstate highway segments with narrow shoulders and damaged pavement are generally more risky than interstate segments without these problems. One way of dealing with infrastructure concerns is through highway routing of hazmat. Motor carrier and state requirements for the transportation of HRCQ RAM are very detailed in the FMCSRs, while the DOT gives more flexibility to the states on their non-HRCQ routing provisions.

Another step that a number of states have taken to ensure the safety of their citizens, is to implement hazmat and/or hazardous waste transportation permit and registration programs. These programs primarily are designed to monitor the movement of hazmat into, out of, and through their jurisdictions. They also are designed to fund hazmat incident emergency response training and to allow states to closely scrutinize trucking companies involved in the transportation of hazmat through audits of the applicants. In addition, approximately 37,000 trucking companies are registered in the DOT's Hazardous Materials Registration Program that provides funds for grants distributed to states and Indian tribes through the Hazardous Materials Emergency Preparedness Grants Program.

Hopefully, with this as background, it is plain to see that the transportation of hazmat is highly regulated, as it should be. These controls have resulted in a very safe and secure system. Additionally, the Subcommittee may be interested to know that, according to DOT, the 800,000 daily shipments in transportation are generally safer and more secure today than the 500,000 daily shipments were when they moved in transportation during the 1980s.[2] However, these shipments can be made even safer and more secure in the future by expanding and improving our highway infrastructure, and through the adoption of the additional proposals outlined below.

IV. Legislative Remedies to Increase Security in Trucking

Mr. Chairman, this hearing is both timely and necessary. We need to re-examine the security of our nation's infrastructure, and we should take the reasonably available steps to ensure the infrastructure will be there to allow companies like mine to deliver goods to America's consumers and manufacturers in a timely, efficient manner. I would now like to suggest some specific legislative actions that would help ensure America's motor carriers' ability to continue to supply America's economic engine.

INFRASTRUCTURE IMPROVEMENTS

While much attention has appropriately been directed toward aviation security, if additional terrorist attacks occur in the U.S., the surface transportation system is a more likely target, based on past history. Fifty-eight percent of terrorist attacks worldwide are directed at transportation systems. Of these attacks, the surface transportation system is targeted 92 percent of the time. Undoubtedly, it is an enormous challenge to safeguard 3.8 million miles of highway, nearly 600,000 highway bridges, and some 400 highway tunnels throughout the U.S. However, steps can be taken to protect the most vulnerable of these assets, such as tunnels and major bridges. Ruan and the trucking industry support reasonable measures to protect these assets. It must be recognized, however, that any disruptions to truck travel, whether as a result of a terrorist attack or restrictions placed on truck travel to prevent such attacks, have economic consequences that will ultimately spread throughout the national economy. Furthermore, because of the military's heavy reliance on truck transportation, any interruption to our industry also affects the military's ability to move troops and equipment. As the interdependence of the transportation system grows, and as more manufacturers adopt time-definite delivery strategies, the potential impacts of surface transportation system disruptions will increase.

We believe that long-term measures should be taken to mitigate these potential impacts. As we have learned from natural disasters, the key to minimizing transportation disruptions is system redundancy. In the wake of a major earthquake that shut down several major highways, San Francisco residents were able to adjust their travel patterns relatively quickly due to the availability of other modes of transportation and an extensive highway system. On the other side of the coin, the closure of Route 93 over the Hoover Dam to trucks in the wake of the September 11 attacks has forced truckers in the Las Vegas area to take long detours. The closest crossing point to the Hoover Dam is nearly 70 miles away. This is an example of a lack of redundancy in the highway system, which is repeated throughout the nation. Fortunately, an alternative crossing near the Hoover Dam is being planned, but completion is not expected for several more years. Where alternate routes to

[2] Hazardous Materials Shipments, Office of Hazardous Materials Safety, Research and Special Programs Administration, October 1998, p. 10

vulnerable bridges and tunnels are being considered, or are under construction, the trucking industry recommends that these projects be accelerated through additional funding and the expedited approval of environmental reviews.

In addition, Congress should reassess the continuing trend toward a federal transportation program that fails to prioritize spending on the National Highway System (NHS). The NHS, which includes the Interstate Highway System and other principal highways, carries 75 percent of the nation's truck traffic. It serves 53 land borders and 242 military installations. Despite the obvious commercial and military importance of the NHS, one-third of the system is in poor or mediocre condition, and one-quarter of NHS bridges are deficient. Furthermore, the lack of system capacity expansion over the past three decades has led to severe congestion on a large part of this system. The NHS is the backbone of the commercial and military transportation infrastructure, and its many deficiencies will compound any system interruptions that occur as the result of a terrorist attack. The trucking industry recommends that Congress should direct additional funds to the NHS and other highways of national significance.

CRIMINAL BACKGROUND CHECKS

While trucking companies do not possess any authority over our nation's highways, there are certain actions motor carriers can take to play a role in safeguarding the roads, bridges and tunnels essential to our doing our job. One measure to help prevent evildoers from using trucks to purposely harm transportation infrastructure is to conduct criminal background checks. We at Ruan currently review each driver's employment history, and we attempt to conduct criminal background checks on drivers. However, our ability to conduct the criminal background checks is limited to a slow, costly and cumbersome county-by-county search. All in the industry agree that a nationwide check under the present scheme is simply not feasible. While Ruan and its fellow ATA members did not envision the evil wrought on September 11 when the ATA Board of Directors in 1999 directed the ATA staff to pursue cargo theft deterrence legislation that would enable motor carriers to obtain criminal background information on all current and prospective employees, such legislation would be an effective step in addressing the threats we now know await—both to our people and our transportation infrastructure.

The possibility of a truck being used as a weapon of mass destruction, while unthinkable before, is now a reality. Numerous other industries with employees who have a demonstrated impact on public security or are in a position of public trust have been authorized by statute to access national crime information databases to search criminal history records corresponding to fingerprints or other identification information. The list includes federally chartered banks and credit unions through the American Bankers Association, child care providers, nuclear facility operators, nursing facilities, home health care agencies, and airports. Motor carriers are a glaring omission.

A scenario in which a truck driver or motor carrier warehouseman could wreak a similar level of destruction to a major freight corridor as the September 11 perpetrators wrought through air transport means is no longer hard to imagine. Yet, although ATA has sought authorization from Congress to allow motor carriers to conduct criminal background checks of employees and potential employees, the trucking industry remains without this basic tool. Ruan fully supports ATA's efforts on behalf of the trucking industry, and I know that ATA stands willing to work with this Congress to enact legislation that would enable motor carriers to access national crime information databases to conduct nationwide criminal background checks. I truly hope that this Subcommittee and the full Committee will enact such legislation and thus allow motor carriers to assist with the security of our nation.

Moreover, the recent events have highlighted the need to enhance communications between the various federal databases. Ruan supports federal efforts to enhance interoperability and communications between various federal criminal history and immigration databases, which would assist in screening out potential threats. There is some consideration being given in the Congress to have state licensing agencies check criminal history and other relevant databases prior to issuing CDLs to truck drivers. Ruan and its fellow members of ATA would support such requirements provided motor carriers still had the opportunity to conduct criminal background checks at the time of employment.

CARGO THEFT

I would like to now discuss another issue that falls within the full Committee's jurisdiction—cargo theft. Hijacked trucks and trailers are no longer simply economic losses; now, they may be direct threats to our security. What was once an issue of

great importance to the trucking industry before September 11 should now be an issue of concern for this Subcommittee.

It is no secret that cargo theft losses in our country have a severe economic impact on the trucking industry, the shipping public, businesses of all sizes and on consumers. The losses being suffered by our industry from pilferage, theft and hijackings continue to be substantial, with figures ranging from $10 billion to $12 billion annually. Therefore, for a number of years the trucking industry has looked for various means to reduce and control the losses caused by such illegal acts. Ruan has implemented many security measures to combat cargo theft, but without some fundamental changes in the law, these measures cannot be fully successful.

The lax penalties associated with, and insufficient resources devoted to, cargo theft have made it increasingly appealing to criminal elements as a source of funding. Further, some of the goods carried on behalf of America's producers and manufacturers may be diverted for sinister purposes. Therefore, Ruan respectfully requests that this Congress enact much-needed cargo theft deterrence legislation, as proposed by ATA. In addition to allowing motor carriers to conduct criminal background checks, ATA's legislative proposal would: 1) increase the criminal penalties and fines for cargo theft; 2) require uniform statistical reporting on cargo theft; and 3) provide increased funding local, state, and federal multi-jurisdictional task forces that have proven effective in combating cargo theft. Further, in view of the possible threat posed to the public by stolen commercial motor vehicles, any cargo theft legislation should establish a mechanism within DOT to allow for immediate, around-the-clock reporting of the theft. DOT should establish a toll-free hotline to receive reports from motor carriers of commercial vehicle thefts and then disseminate that information to federal, state, and local law enforcement personnel nationwide on a timely basis. Today, no such mechanism exists.

Now, I would like to turn your attention to two other specific areas in which the trucking industry plays crucial roles: international cargo movements, and commercial driver's licenses.

BORDER INFRASTRUCTURE FOR INTERNATIONAL CARGO MOVEMENTS

As the members of this Subcommittee are probably aware, on September 11, ports of entry at our international land borders were put on Level 1 alert, resulting in extreme border crossing delays on, and severely hampering delivery of, parts and equipment for just-in-time deliveries at manufacturing operations. Ruan and its fellow members of ATA would also ask the Subcommittee to look at technologies under development that can facilitate enforcement efforts while at the same time expedite the movement of cargo across our borders. One such system being designed presently by U.S. Customs is the International Trade Data System (ITDS). The ITDS concept is simple: Traders and carriers submit commercially based, standard electronic data records through a single federal gateway for the import or export of goods. As a single information gateway, ITDS distributes these records to the affected federal trade agencies, such as U.S. Customs, INS, and the DOT, for their selectivity and risk assessment.

I would urge the subcommittee to look at infrastructure needs of our ports of entry, in conjunction with other Senate Committees and Subcommittees with oversight of border agencies, to establish appropriate levels of human resources in addition to investments in technology infrastructure, such as the ITDS. Both Canada and Mexico, our largest and second largest trading partners respectively, play a critical role in our economic wellbeing through our economic interdependence. We cannot overlook the critical link that motor carriers play in the success of our increasing trade flows within North America. Therefore, we must continue to find solutions that will continue to allow us to move the legal commodity flows among our three nations, while at the same time improve our security relationships between the trade community and law enforcement agencies at our borders.

COMMERCIAL DRIVER'S LICENSE ISSUES

With the full support of the trucking industry, the U.S. Congress, DOT and the states have been instrumental in establishing a generally successful CDL program. However, the fact that suspected terrorists have illegally obtained CDLs with hazardous materials endorsements should be a wake up call for all of us.

While the federal and state governments have done a good job putting the regulations, programs, and information systems in place to administer the program, the level of effort to actively monitor and oversee the personnel charged with administering the program has not been sufficient. The suspected terrorists illegally obtaining CDLs, and the number of recent CDL related scandals in several states, is evidence that more oversight is needed, particularly as it relates to CDL testers and

examiners. More federal personnel should be dedicated to program evaluation and oversight, possibly including dedicated federal CDL program personnel in each state. The states licensing agencies should also consider increasing their program oversight staffs, to work in greater cooperation with federal CDL oversight personnel. Congress should consider authorizing additional DOT positions for this function, and should also consider establishing a dedicated (and state matching) CDL grant program to provide additional financial assistance to states for greater program oversight.

An additional and more specific security-related issue concerning the CDL program is the collection and use of a driver's Social Security Number (SSN) by state licensing agencies. As part of the federally-required and state administered CDL program, state licensing agencies are required by DOT to collect SSNs on the CDL application. And, many states use the driver's SSN as the driver's state license number on the CDL document. The SSN is one of several ways that states uniquely identify truck drivers, which is an important aspect of the CDL program. With identity theft apparently playing a role in the recent attacks, the industry, the states and the federal government must consider ways to safeguard and even enhance personal identification methods. Clearly, however, we should not make it more difficult for the industry and the states to track the identities of truck drivers—which is what would occur if recently sponsored legislation on SSNs was passed by the Congress. Ruan knows that ATA stands ready to work with DOT and the Congress to enhance truck driver identifiers, and calls upon Members of Congress to reject legislation that would do away with SSNs as personal identifiers on driver licenses.

V. CONCLUSION

Mr. Chairman, Ruan and its fellow ATA members understand we are entrusted with the secure transportation of goods that keep America moving forward. Law enforcement has frequently been a strong ally in the industry's longstanding efforts to ensure the security of cargo, on America's highways and across our international borders. We look forward to continued cooperation with those authorities charged with securing our nation against future terrorist threats. I know that ATA understands the role trucking must play to ensure our national security in this newly changed landscape. Ruan and the trucking industry ask that Congress consider the proposals discussed above which will allow the trucking industry to better fulfill its role to safely and securely transport our nation's freight.

Chairman BIDEN. Thank you very much.

I would like to thank each of the witnesses for their opening statements.

As I mentioned at the outset, we are now going to go into a closed session. Such an act requires a motion, a second, and a recorded vote, with a majority of the members of the subcommittee voting in favor. The reason for my motion is that the testimony we will be hearing will disclose matters necessary to be kept secret in the interest of national defense or confidential conduct of the foreign relations of the United States, as set forth in Rule XXVI, section (b((5)(1).

I therefore move that we go into closed session. Is there a second?

Senator GRASSLEY. I second it.

Chairman BIDEN. Obviously, we are all in favor, since there are only two of us here, and the clerk will record the aye votes of Senator Biden and Senator Grassley.

I am told we need a roll call of the full subcommittee. Proxies are appropriate. The clerk will call the roll.

The CLERK. Mr. Kohl?

Chairman BIDEN. Aye, by proxy.

The CLERK. Mrs. Feinstein?

Chairman BIDEN. Aye, by proxy.

The CLERK. Mr. Durbin?

Chairman BIDEN. Aye, by proxy.

The CLERK. Ms. Cantwell?
Chairman BIDEN. Aye, by proxy.
The CLERK. Mr. Grassley?
Senator GRASSLEY. Aye.
The CLERK. Mr. Hatch?
Senator GRASSLEY. We don't have a proxy.
The CLERK. Mr. Sessions?
Senator GRASSLEY. Aye, by proxy.
The CLERK. Mr. Brownback?
Senator GRASSLEY. Aye, by proxy.
The CLERK. Mr. McConnell?
Senator GRASSLEY. Aye, by proxy.
The CLERK. Mr. Chairman?
Chairman BIDEN. Aye.

The CLERK. Mr. Chairman, the votes are 9 yeas, no nays, and one pass.

Chairman BIDEN. We are now in closed session. I ask the staff, is everyone in here associated with the witnesses? If not, would the staff clear the room?

[Whereupon, at 11:38, the subcommittee was adjourned, to reconvene immediately in closed session.]

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