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# BORDER SECURITY: HOW ARE STATE AND LOCAL OFFICIALS COPING WITH THE NEW LEVELS OF THREAT?

## HEARING

BEFORE THE

PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON
GOVERNMENTAL AFFAIRS
UNITED STATES SENATE

ONE HUNDRED EIGHTH CONGRESS

FIRST SESSION

MAY 12, 2003

**FIELD HEARING AT ANOKA, MINNESOTA**

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# BORDER SECURITY: HOW ARE STATE AND LOCAL OFFICIALS COPING WITH THE NEW LEVELS OF THREAT?

**MONDAY, MAY 12, 2003**

U.S. SENATE,
PERMANENT SUBCOMMITTEE ON INVESTIGATIONS,
OF THE COMMITTEE ON GOVERNMENTAL AFFAIRS,
*Washington, DC.*

The Subcommittee met, pursuant to notice, at 8:30 a.m., at Anoka-Hennepin Technical College Auditorium, 1355 West Highway 10, Anoka, Minnesota, Hon. Norm Coleman, Chairman of the Subcommittee, presiding.

Present: Senators Coleman, Collins, and Dayton.

## OPENING STATEMENT OF SENATOR COLEMAN

Senator COLEMAN. Thank you. We are thrilled to have the students here. I hope you enjoy watching democracy in action. Some of us have said, "Legislation, it's like making sausage; you don't want to see how it's made, but in the end, it comes out OK."

It is important for the young people to see what we are doing, and that's our future. So hopefully, it will be a very positive experience for you.

Let me begin by simply thanking all of you for coming out so early for my first hearing as Chairman of the Senate's Permanent Subcommittee on Investigations to discuss what remains a very important topic. We live in changing times in this post-September 11 world. And there is the issue of security and how we cope with new levels of threats for all of us.

I do want to note the presence of the U.S. Attorney, Tom Heffelfinger, who is here. This hearing today will focus on local perspectives and how folks are dealing. Our first witness will give an overview from the Department of Homeland Security. But I do want to note the presence of the U.S. attorney, who is an important part of how we deal with these issues here. And I have asked him—the record will be kept open, and I would like the U.S. attorney, after listening to the testimony and questions that are raised, to prepare a written statement that we would insert into the record.[1] I think that would be very helpful.

I especially want to thank my colleague, Senator Collins, for joining us today. And Senator Collins is from Maine, very much like Minnesota. They are both border States, and both have their own

[1] Exhibit No. 3 appears in the Appendix on page 102.

great north woods. We began yesterday in an area with lots of trees that look just like Maine. Minnesota and Maine similarly share borders with Canada, and have airports that service a number of international travelers, many of them tourists. Seaports are bringing cargo containers bound for locations throughout the region.

I also want to thank Senator Dayton, who will be joining us later. I think Minnesota has a unique opportunity. Both Senator Dayton and I serve on the Governmental Affairs Committee. And rather than having voices that cancel each other out, Minnesota has two strong voices on issues like this. And so it's good for America and good for Minnesota. And would I note that although we are from different parties, we have joined together already on a number of issues, such as the Paul and Sheila Wellstone Center for Community Building and the Torture Victims Relief Authorization Act. And I look forward to working with my colleague, Senator Dayton, on the Senior Center for Minnesota.

Current Federal law gives the Department of Homeland Security little guidance on how to deal and distribute the billions of dollars of domestic preparedness grants for the State and local governments. Senator Collins has indicated, as Chairman of the Governmental Affairs Committee, and I want to stress that to Senator Collins, she is my Chairman, that she will mark up legislation to address this omission. She has put forward a set of principles to guide this legislation, and I agree with those principles, Madam Chairman.

She has also initiated a set of hearings before we begin to draft legislation. And the hearing later this week will include testimony from the Commissioner of Hennepin County. And I hope that the testimony we hear today will contribute to this process. And, again, I want to stress what a great pleasure and privilege it is to have with me today the Chairman of the Governmental Affairs Committee.

The events of September 11 continue to affect all of us. We are all aware of the need to increase domestic security. The main purpose of this hearing is to see how this is being done at the local level, and specifically, right here in Minnesota. And although border security remains a national issue, in many ways, it is also a very local one. Homeland security is about security at home. It's not just about Washington security, and it's not just about Federal Government security, but security right here in Anoka, International Falls, Rochester, and the Twin Cities. And we always have to remember that it's those of us at the local level, it's our first responders, that have to deal with crisis. A chain is only as strong as its weakest link. Increasing airport security in New York or Los Angeles accomplishes very little if passengers can fly into Minneapolis instead. Efforts to tighten border security traffic in Washington State may merely divert traffic to International Falls. And finally, increasing protection in the ports of Boston or New Orleans is not very effective if ships are also unloading in Duluth, and we don't deal with the issues in Duluth.

Second, border security is a local issue, because, as I noted before, we rely primarily on local officials as that first line of defense. They are the ones that inspect international traffic and respond to

events. Our people, those at the local level, need to have the training, equipment, and information necessary to do their jobs. We need to make sure that State and local governments find it easy to work with the Federal agencies, and that any funding includes sufficient flexibility to meet the specific needs of a particular area.

We all know the importance of increasing security, but it is equally important to maintain relatively open borders. Northern Minnesota depends heavily on tourism. Minnesota businesses, including many Fortune 500 companies, are dependent on the ability to import components in order to serve worldwide markets. Their executives increasingly need to oversee international operations. Specific facilities, such as the Mayo Clinic, have seen dramatic reductions in the number of foreign visitors. More importantly, a large degree of openness and personal freedom is integral to our concept of the American way of life that we have come to cherish. We will continue to struggle with this need to increase security while minimizing delays and disruption.

As a former mayor, I know that reality often appears very different at the local level than it does far away in Washington. Information can get stilted through layers of bureaucracy. That is, it is important that we continue to have events like this where we can hear directly from local officials on their own turf. Today's witnesses represent a broad range of agencies throughout Minnesota. They have been asked to address a broad range of issues, including how secure are our entry ports into Minnesota? What kinds of people and cargo are involved? What are the challenges handling these volumes? What has been the cost of handling these volumes? How is border security being conducted now? What procedures are in place? Who is responsible for what? What problems exist in maintaining border security at an acceptable cost, both in terms of government cost and delay at the border? What improvements can be made in how different agencies coordinate with each other and the private sector? Are local and State officials getting the support they need from the Federal Government, both in terms of advice and training and in terms of money? And finally, how should Federal money be distributed to the States and local governments, and are there problems with using the money the way it is currently distributed?

I again want to thank everyone for coming today. I look forward to the testimony. Now, I will turn to my colleague, the distinguished Chairman, Senator Collins, for her opening remarks.

## OPENING STATEMENT OF CHAIRMAN COLLINS

Senator COLLINS. Thank you very much, Mr. Chairman. Let me begin by thanking Senator Coleman for inviting me to come to this critical hearing today, and to the great State of Minnesota. It's been a real pleasure to be the Chairman of the Committee that has jurisdiction over the new Department of Homeland Security, and to work very closely with my colleague as we wrestle with the new challenges of the post-September 11 world.

I must say, I'm just delighted that Senator Coleman is now the Chairman of the prestigious Subcommittee, the Permanent Subcommittee on Investigations. As a new Senator, he has already distinguished himself as someone who is not only a quick study, but

also willing to listen to all sides and work very hard to achieve a compromise that is best for everyone. In fact, in an outstanding class of freshmen Senators, there is no one who has gotten off to a faster start than Senator Coleman, and it's been great to listen to him and to work with him.

I also want you to know that whenever we're discussing any issue that has an impact on local government, that is always the first question that Senator Coleman asks. He is very attuned to what the impact of Federal actions are on State and local governments. And I think that speaks to his former experience as a mayor.

I also look forward to having Minnesota's other Senator, Senator Dayton, join us this morning. Senator Dayton and I just returned from a trip to Asia. I do have a slight cold, but it's not SARS. [Laughter.]

We've been back for more than the 10-day incubation period at this point. But I look forward to his contributions as well. And I am very pleased that both Minnesota Senators serve on the Governmental Affairs Committee, which I am privileged to Chair.

I know that the challenges facing Minnesota today in homeland security are in many ways similar to the challenges that my home State of Maine faces. We have a lot in common besides cold winters and hockey. And I do want you to know that I have blocked out all memory of last year's win by Minnesota over the University of Maine in overtime. [Laughter.]

It was a painful experience to watch it on television. But to show you that I truly have put that behind me, I want you to know that I am rooting for The Wild tonight. I do support you.

We both—as Senator Coleman pointed out—share a border with Canada. We both have important ports, we have international airports, and those are among the vulnerabilities that all of us are more aware of since September 11. On that day, as we all know too well, the United States changed forever. We no longer can believe that we are invincible or invulnerable. We must not, however, become a Nation that is willing to cut itself off from the rest of the world. And part of our dilemma, as we seek to strengthen homeland security, is to avoid actions that have a bad impact. We continue to be a strong nation, but we also must be a wiser one, with a new understanding of the realities that currently confront us, as well as the challenges that await around the corner.

And a sample of our increased preparedness is taking place today; the Department of Homeland Security is doing a joint exercise in Seattle and Chicago that is going to involve Federal, State and local officials, as well as our Canadian neighbors. It's called TOPOFF 2. It's going to involve a response to a weapon of mass destruction, a simulated response, and the weapon is going to be a dirty bomb, which is something that has been a concern for all of us.

I look forward to learning more today about how your State has handled the escalating responsibilities that have come with increased homeland security. We are here from the government, and we are here to help you. And I think the best way we can do that is by learning from you. What do you need from Washington? How can we do a better job with the grant programs that are available?

Do you need more flexibility in how you spend funding? Those are some of the issues that we will be confronting today, and in subsequent hearings later this week in Washington.

It's important that we always remember that if disaster strikes, our citizens don't pick up the phone and call the Washington, DC area code of 202. They dial 9–1–1. And that's why the State and local response, those of you who are on the front lines, is so important to our homeland; because homeland security starts with hometown security.

Again, it's a great pleasure to join the Chairman of PSI today for this hearing, and thank you for inviting me to be here with you.

Senator COLEMAN. Thank you, Senator Collins. I would now like to welcome the first witness of today's hearing, Ms. Anne Lombardi, International Director of Field Operations, from the Bureau of Customs and Border Protection and the Department of Homeland Security. Ms. Lombardi, I want to thank you for your attendance at today's hearing, and I look forward to hearing your perspective on the efforts your department is making in State and local agencies in the field.

Before we begin, pursuant to Rule 6, all witnesses who testify before the Subcommittee are required to be sworn. At this time, I ask you to please stand and raise your right hand.

[Witness sworn.]

Thank you, Ms. Lombardi, you may proceed.

**TESTIMONY OF ANNE LOMBARDI,[1] INTERIM DIRECTOR, FIELD OPERATIONS, CHICAGO BUREAU OF CUSTOMS AND BORDER PROTECTION, DEPARTMENT OF HOMELAND SECURITY, CHICAGO, ILLINOIS**

Ms. LOMBARDI. Chairman Coleman, Madam Chairman, Members of the Committee, good morning. I want to thank you for the opportunity to testify before you today. My name is Anne Lombardi. I am currently the Interim Director of Field Operations in Chicago, Bureau of Customs and Border Protection.

My responsibility entails providing leadership for the legacy agencies of Customs, Immigration and Agriculture Border Inspections for all ports of entry in 11 States under my jurisdiction, including the port of Minneapolis, Minnesota.

As you know, these agencies merged March 1, 2003, under the Department of Homeland Security. While the traditional missions of the respective agencies continue to be observed, we now have to integrate their processes and systems to more effectively and efficiently support one common mission that will serve to enhance the security of our borders. Our collective priority is to prevent terrorists and terrorist weapons from entering into the United States, while facilitating the flow of legitimate trade and travel.

Please allow me to expand on a few of the strategies we use to accomplish this goal. The Department of Defense has provided National Guard support to Customs and Border Protection counter-drug mission since 1999. There are an estimated 315 National Guard soldiers currently assigned to us in locations throughout the country. In addition to the traditional counter-drug mission, an ad-

[1] The prepared statement of Ms. Lombardi appears in the Appendix on page 43.

ditional 626 National Guard Soldiers supported Customs and Border Protection's anti-terrorism operations along the northern and southern border until a sufficient number of full-time staff could be hired and trained.

The deployment of National Guard personnel was significant in securing our borders immediately after the events of September 11. Due to their proximity to remote locations, Border Patrol and State and local law enforcement agencies assist as first responders to incidents that may occur in remote locations where Customs and Border Protection operations are not conducted 24 hours a day. Many of these locations, in addition to being secured with bollards and gates, are supplemented with remote video cameras and ground sensors.

On April 29, 2003, Secretary Ridge announced his commitment to implement a new entry/exit system, called U.S. VISIT System. That's the Visitor and Immigration Status Indicator Technology System. U.S. VISIT System will be the structure for the entry and exit system replacing the existing NCSR and National Student Registration Programs. These databases will provide the government with comprehensive arrival and departure information, and it will expedite the entry of legitimate travelers and residents, being able to concentrate on visitors of—or individuals of interest.

We have expanded our borders with the Container Security Initiative System, known as CSI. We use a lot of acronyms. One example of partnering with other countries to combat terrorism is under CSI, we identify high-risk cargo containers, and we partner with other governments to prescreen these containers at foreign ports before they are shipped to the United States. The governments representing 18 of the top 20 ports have agreed to implement CSI, and the governments with the remaining two ports—where they are located have expressed support for the initiative and a desire to participate. In addition, we have our Custom-Trade Partnership Against Terrorism, known as C–TPAT. It's a pilot program, which enables at this point nearly 3,000 participating companies, including importers, domestic manufacturers, trucking firms and shipping companies, to take a fast lane into the United States after taking steps to ensure security in their cargo supply chain. We are now looking at expanding C–TPAT to other entities, and we have started validations on supply chain security measures reported by existing C–TPAT participants.

Deployment of nonintrusive inspection technology is continuing nationwide. This technology includes large scale X-ray, gamma ray imaging systems, portable radiation monitors, and a mixture of portable and hand-held technologies to include personal radiation detection devices that greatly reduce the need for costly, time consuming physical inspection of containers, and they provide us a picture of what is inside these containers.

Deployment of portable radiation monitors is underway with a total of 45 devices installed along various ports along the northern border. While this technology is limited, it does have the ability to detect anomalies and the presence of radioactive material in containers and conveyances, depending on the source of the material and the amount of shielding. These detection devices allow inspectors to direct suspect cargo into secondary examination areas for

more thorough searches if there is an initial positive reading. In this way, the vast majority of goods and vehicles can pass through without the need for manual inspection.

As more sophisticated screening devices are developed, it will give Customs and Border Protection an even stronger tactical edge in detecting nuclear material entering the United States. A system is already in place at the port of entry at International Falls for examining passenger vehicle trucks and rail traffic. Within 30 days, an installation of a gamma ray imaging system will be completed by the railroad bridge at Ranier, and gamma ray imaging systems will also be installed at the rail line systems at Noyes. Personal radiation detectors have been employed for those who perform passenger screening. And we conduct cargo examination, similarly equipped, and all of the inspectors have been trained to properly use these devices. We have also created Customs Area Security Centers, which monitor by camera outlying crossings from these designated centers. So in addition to bolstering our northern border ports with bollards, gates, security lighting, video security systems will be installed in all ports of entry to monitor activity during nonoperational hours. And this live video is monitored by a center which is manned 24 hours a day, 7 days a week, and uses the response from State, local and border patrol personnel to address and identify illegal crossings.

Today, there are two centers: One in Maine, and one in Blaine, Washington, and soon there will be centers in Highgate Springs, Vermont and Champlain, New York to cover additional areas. Security gates have been installed at the ports of entry at Roseau, Pine Creek, Lancaster and Noyes; ports that have limited public hours. Installation of video systems and lighting is progressing, and all land borders in Minnesota have a 24-hour office presence, even during closed hours.

The Integrated Surveillance Intelligence System was established to effectively monitor the integrity of U.S.-Mexico and U.S.-Canada national boundaries for the purpose of border patrol. The system uses data from components of surveillance systems to provide controlled response, information distribution, mapping and query results to support the U.S. Border Patrol. This includes sensor and video data as they come in from remote sites, providing appropriate responses. The major component of this system is an intelligent computer-aided detection system, unaided ground sensors, night equipment, local positioning systems and remote video surveillance. And it is the integration and management component of an electronic surveillance of the northern border. Staffing to the northern border has been increased significantly since the events of September 11. In fiscal year 2002 and the beginning of 2003, the number of new inspectors, canine officers and special agents increased by 3,200 officers, of whom 775 have been assigned to supplement the northern border. Border Patrol hired 2,500 agents in 2002, and as of 2003, a total of—February, 2003, a total of 560 Border Patrol agents have been deployed. This is all part of the Smart Border Declaration, which was announced between the United States and Canada in December 2001, which focuses on the secure flow of people, the secure flow of goods, investment in common technology and

infrastructure to minimize threat and expedite trade, and coordination and information sharing to defend our mutual border.

In closing, the Bureau of Customs and Border Protection is committed to continue and expand our counter-terrorism efforts and improve our efforts to protect America, the American people and the American economy. Thank you for the opportunity to testify.

Senator COLEMAN. Thank you, Ms. Lombardi. I think we will begin with 5-minute rounds of questioning, and I will start.

It was heartening to hear about the installation of gamma ray imaging systems at the railroad bridge at Ranier. And I know my source for the best place to fish. I could tell you a lot of walleye stories right under that railroad bridge on many occasions. I just want to talk about fishing in Minnesota.

Let me just ask a question about technology. You also mentioned, for instance, biometrics at eQuest. Does that include, for instance, up in International Falls, the air service up there, how do you have biometrics at that operation, and who does it, who manages it, who supervises it, who pays for it?

Ms. LOMBARDI. Well, right now, there are several different registration systems, and what we hope to do is integrate it so that we will be registering all individuals, along with biometric information, so that whenever they enter the United States, whether it's through the border or an airport or seaboard, that this database will be available, and we will be able to find the people and assess their proper status into the United States.

Senator COLEMAN. To kind of continue, if I can just take a bigger perspective, you talked a little bit about homeland security in Minnesota. The Department just got put together in March, and I like to get a sense of who is in charge. In Minnesota, who is in charge, who are the principle points of contact of the State and local officials, many of whom are here today.

Ms. LOMBARDI. OK. It has only been 2½ months. I have been designated as the Interim Director of Field Operations for 11 States, including part of Minnesota. Part of it is under a different director, to ensure that the northern border issues are all dealt with in a uniform manner. We are truly what we have adopted as our motto, "One team, one fight." We have integrated, and I have people behind me from Border Patrol, from Legacy Customs, from Legacy Immigration, and we are working together very closely to assure that we can address the needs.

Our first mission, as of March 1, under Commissioner Bonner was continuity of operations. We were to make sure that we did our priority mission and our traditional missions, and that we continued to operate while the myriad of issues regarding logos, uniforms, unions, and all of the organizational things were worked out. But we have been working very closely together, and we are going to ensure that that continuity of operations continues until we address all of the additional measures and things that we have to do to truly unite and leverage our resources. And I believe that's happening. We have already had some new initiatives in terms of working jointly, and I have been, for instance, from Chicago, I have been working closely with FEMA and part of this TOPOFF 2, Chicago is one of the sites. So we have truly been working together

and not letting the administrative issues and those kinds of things deter us from continuing with our border security primary mission.

Senator COLEMAN. And I know, recognize, that this is a new entity, the Department of Homeland Security. And as we were introduced on the way in, talked about who you are with now, formerly known as.

Ms. LOMBARDI. Yes.

Senator COLEMAN. The artist formerly known as. But if I can again break it down to a very local level, in Minnesota, principal points of contact for these issues, are they with the Chicago office, does the U.S. attorney play a role in that? Who does the sheriff in Aitkin, Minnesota—if all of a sudden an issue came up, who do they contact?

Ms. LOMBARDI. Well, I have behind me Mr. Cloud, who is the Interim Port Director for Minneapolis. I have Mr. Shultens, who is a Legacy Customs Port Director. I have Greg Schroeder from Immigration Border Patrol, Legacy Immigration, and I have Wally Schulte from International Falls. So we all work together. There are different people in charge at different ports. However, they either report to myself, or they report to Tom Hardy in Seattle who is responsible for the entire northern border tier from Duluth to Seattle, Washington.

Senator COLEMAN. And then one more question along that line. How well are the border security activities integrated with the anti-terrorism activities in—as I recall from my old days as a mayor, before that as a prosecutor, we worked together in a joint-Federal, State-Federal, anti-drug and anti-terrorism task force. How well integrated are the border concerns, or the activities of those, operating with these joint task forces?

Ms. LOMBARDI. We certainly do participate in all of those. I have joked about needing larger conference rooms than ever, because we now have more and more people who are working together, but whether it's State and local, whether it's FEMA, whether it's Transportation Security Administration, Customs, Legacy Customs, Immigration, whatever, and we have been working, I think, more closely than I have ever experienced before in terms of meeting on a regular basis, talking about response capabilities, sharing information about resources and capabilities, sharing information about technologies.

I personally feel that things are going as well as they can go right now, and as we merge the agencies and deal with the administrative things, I think we will just continue to progress in our ability to provide effective, efficient border security for the taxpayer dollar.

Senator COLEMAN. And I will direct that same question to the local folks to get their perspective.

Last kind of area of concern. Can you talk about areas and particular points of vulnerability that deserve special attention as we sit here today, 3 months after you began your existence? What are the areas of concern that you have as you look at the Minnesota situation?

Ms. LOMBARDI. Well, I think we have tried to address the—obviously, starting with ports of entry with the additional gates, bollards, detection systems, etc. Obviously, with the long border,

the places in between the ports are always more vulnerable. I sometimes joke about my area not having a land border, but a liquid border. But certainly when you come to Minnesota, sometimes that liquid border in the north is frozen, so it's very easy to come across as a land border. So obviously the efforts of the Border Patrol at the State and local system are going to assist that, because that is such a large border, and we do not want to shut down the border and put fences or whatever, but we do want to protect it.

And I think that is the area we are always concerned with, the places between the ports. Ports tend to be where the legitimate traveller and trades people come through, and they do their proper declarations. Obviously, the places in between are the most vulnerable, which is why we are pursuing the technology that we are with sensors, cameras, and we certainly need the State and local support to respond, because these places are very remote.

Senator COLEMAN. Great. Thank you, Ms. Lombardi. Senator Collins.

Senator COLLINS. Thank you very much, Mr. Chairman. Director Lombardi, I want to follow up on the issue of border security raised by Senator Coleman. In both of our States, Minnesota and Maine, in the more rural communities that are right along the border, it is not uncommon for families to be split on both sides of the border, for people to cross the border literally every single day, whether it's to shop or to work. Now, in Maine where we're seeing the problem is with some of the smaller border crossings being closed in order to improve security, or they're being locked up at 4 p.m. on Friday and not reopened until Monday morning, and I suspect it's probably a similar problem in Minnesota and other States. How are we going to strike the right balance so that we make our borders more secure without interfering with the legitimate commerce and crossing of people each day?

Ms. LOMBARDI. Well, I think we have to rely on several different things. Obviously, staffing a port requires resources. We need to do more with technology. We need to do more with preregistration programs so that legitimate traveller who goes back and forth three or four or five times a day can get through the border legitimately, correctly, identified and can move freely. Obviously, we want to make sure that we also identify the people who are trying to use those remote ports for illegal entry, and we need to monitor for diversions around the port of entry and communicating between the ports.

It is a very difficult job to find that balance, but I think the use of technology, the use of preregistered programs, where people can provide us with all of the information that we need to do, we can do the enforcement assessments on them in advance, and then have some kind of technology system that will allow them to enter more freely when we are not staffed at the border.

Senator COLLINS. Thank you. That is the scenario that I think we are going to have to keep working on. For example, some of the border crossings in Maine that have been closed have created real problems as far as for our woods industry. Others have created emergency response issues, where the first responders may be on the Canadian side of the border and the gate is locked, they may not have the easy access they need to the American side of the bor-

der. It's something that I hope we can keep working with in the department.

Another issue that has come up repeatedly in our conversations with State and local governments concerns the communication between the new Department of Homeland Security and the State and local officials. For example, at a hearing that we held in Washington, where we had police and fire chiefs from around the country testifying, each one of them said that they learned we had elevated the threat to code orange from CNN or from watching television, and not from the Department. What do you think the Department needs to do?

I recognize the challenges of the largest reorganization of government in more than 50 years. But what do you think the Department should do in order to improve communications with State and local governments and first responders?

Ms. LOMBARDI. I appreciate that CNN comment, because we do have that situation sometimes. It also shows up on our website, so it is more of an initial notification. But we have a system of contact in calling, and all of the Customs and Border Protection, all of the directors, are called by our Secretary of Communications. We call our ports.

And it's, in effect, a calling tree of a variety of people that we have identified as being in a needing-to-know, including, as you mentioned, we have our ports in Canada that we need to alert to the fact that the border situation is changing, because, again, it's a shared border. We are trying to make it a smart border, and we need to make our partners in the other countries involved. I think lot of these issues will be worked through over time. And I think the technology one, the communications one, we will have to address. Certainly, we are addressing it within the Department of Homeland Security. We have a number of work groups who are talking about the various communication systems, the legacy agencies, how can we bring them together, how can we make sure that we coordinate. We are sharing technology. For instance, we shared our Customs Radiation Technology with Immigration.

We are working to improve our radio communications, so that we are all on the same systems and being able to communicate. And, again, that will extend to the State and locals as we can make it work. And we will find ways to do it in the interim, and we will find ways to do it in the long-run. But it's very important that we be able to communicate with our counterparts, because we all need to leverage each other's resources in order to make sure this is truly what you call Hometown Security.

Senator COLLINS. Finally, I want to ask you about the staffing of the northern border. For many years, the northern border has received the short end as far as staffing of Immigration officials; all of the focus was on the southern border with Mexico and stemming the tide of the illegal immigrants seeking to cross. And yet, if you look at our northern border, it's so much larger, longer. It's in many ways more of a challenge, as you pointed out when you were talking about the waterways being frozen.

That certainly is the case in northern Maine. There used to be a very vigorous smuggling of cigarettes back and forth in winter months by people just crossing the frozen river. You said in your

statement that the number of inspectors, canine enforcement officers and special agents, had increased by 3,200, of whom 775 had been assigned to supplement the northern border enforcement activities. Does that suggest that we still have an imbalance in the allocation of resources to the northern versus the southern border?

Ms. LOMBARDI. As I indicated to you, Madam Chairman, I started my career in the Boston region, which included your State of Maine, and I have never seen such an influx of new resources on the northern border as has occurred over the last couple of years. For 2001, there were about 1,600 inspectors and canine. In 2002, that jumped 2,114. We are currently at 2,563, and for the rest of this fiscal year, we are projecting 3,000. And hopefully in fiscal year 2004, that will increase to 3,500, approximately, and that includes Legacy Customs, Legacy Immigration and Legacy Agriculture. So in a 3-year period, we are seeing literally almost a tripling of the resources, and that has, as you point out, in the past has not been the case. But I think the concern, the threat, we always thought the northern border in Canada was an alliance, and it was a free-flowing trade.

We have the Free Trade of the Americas, going back to the Canada Free-Trade Agreement and NAFTA, and now the Trade of Americas. But certainly the terrorist mission has changed that view in terms of the risk in the northern border, and all of the legacy agencies in the Department of Homeland Security are supporting a vigorous, aggressive hiring, training package, and, again, leveraging each other's resources so we provide appropriate coverage. But it has been unprecedented, and we are continuing to keep those positions filled and trained and on-site.

Senator COLLINS. Thank you. And thank you, Mr. Chairman.

Senator COLEMAN. Thank you, Senator Collins. We'll do one short round of follow-up. There is one issue that I want to raise, more perhaps as a State. And rather than the question going to the larger focus of homeland security, not just the border protection, but it's a follow-up to Senator Collins' questions about communication between Homeland Security and those of the State and local levels. I was mayor on September 11, 2001 and quite often there would be questions about security concerns, levels of threat, that we would also read in the paper. And folks would come to the mayor as the local elected official, learning what's going on. And we simply weren't in the loop. And I would hope, as one looks at the issue of communication with State and local officials, that one goes back to the elected officials who are often called upon to respond to the concerns of the community, and that they somehow be included. Mayors aren't sitting at those joint task force meetings, local elected officials aren't sitting at those meetings. But clearly, from the public perspective, they represent government, and the government is something to them. Governors may fit into that same situation. But I want to raise that issue, and then follow it up with a question. When it comes to a specific threat, if there is an issue about someone who we believe is in the process of entering the country or on the look-out for entering the country representing a potential threat, can you give me a better sense of how folks on a local level know that? What's the flow of communication to folks at the local level to be part of this look-out part of using

the resources, the public resources that are available to deal with threats?

Ms. LOMBARDI. Well, from my port of entry point of view, we do have databases, we enter criteria, we have a national targeting center that monitors. We have advanced passenger information on many of these, especially in airports and seaports. Land border is always more vulnerable because of passengers coming up, and is right in front of you at that time. And that's why I think this alliance on preregistration programs is going to be important. But you are correct. We need to work with State, local, the elected officials in those areas to ensure that the entire community is involved. I certainly am going to experience that personally in this next week during the TOPOFF exercises. And I think this is only the second one, and I think we learned many lessons from the first one. And I think certainly as we continue to do these around the country, we will learn lessons about integrating State and local elected officials, as well as the Federal law enforcement community. And certainly I would agree with you that is very important that our communications not be insular to a department or to the Federal Government, but that we need to be working in the communities and working together.

And certainly I will take that message back to the Department in terms of your concerns and how we do this and make sure that we continue to address it. Obviously, we have people locally who have good connections and good relationships with State, local, and elected officials, and we will continue to rely on that structure to ensure that we maintain the communications at this point.

Senator COLEMAN. Last follow-up to that line of inquiry. It has to do more with technology. Suppose that there was an alert out for a Mr. X profile. If a State trooper operating outside of the International Falls area, Minnesota, had stopped Mr. X, would they have the capacity to know there was an alert out for him? Do we have the ability for folks at the local level when they stop somebody 15 miles from the border to say, "Yes, we are looking for a specific individual"?

Ms. LOMBARDI. Border Patrol works very closely with the State and local, and they would be the conduit. If the Department of Homeland Security knew of an individual, then through the Border Patrol—well, first through our databases and targeting system, ports of entry would know to be on the look-out for this person. Border Patrol would then communicate with their sheriffs' offices, State, and local to ensure that they are aware of it, as well.

Senator COLEMAN. Thank you. Senator Collins.

Senator COLLINS. Thank you.

Senator COLEMAN. Ms. Lombardi, thank you very much for your testimony.

Ms. LOMBARDI. Thank you.

Senator COLEMAN. I would like to call our second panel of witnesses at this time.

We now welcome our second panel of witnesses, Commissioner Rich Stanek from the Department of Public Safety here in the St. Paul area. Sheriff Patrick D. McGowan of the Hennepin County Sheriff's Office. Rochester Mayor, Ardell Brede. And finally, Paul

Nevanen, who is the Director of the Koochiching Economic Development Authority in International Falls, Minnesota.

Gentlemen, I thank you for your attendance here. I look forward to your testimony and hearing your unique perspective on how your government agencies have had to respond to the general need of increasing domestic preparedness, and how we at the Federal level can do a better job of serving you. Again, pursuant to Rule 6, all witnesses who testify in this Subcommittee are required to be sworn in. At this time, I would ask all of you to stand and raise your right hand.

[Witnesses sworn.]

Thank you. Commissioner Stanek, we'll proceed with your testimony first, and then we'll hear Sheriff McGowan, and then Mayor Brede and then Mr. Nevanen. And once we have heard all of the testimony, we will be hearing questions.

**TESTIMONY OF RICH STANEK,[1] COMMISSIONER OF PUBLIC SAFETY AND DIRECTOR OF HOMELAND SECURITY FOR THE STATE OF MINNESOTA, ST. PAUL, MINNESOTA**

Mr. STANEK. I am the Commissioner of Public Safety, and Director of Homeland Security for the State of Minnesota, and I appreciate the opportunity to testify before you today. The fact that you are having this hearing here reflects your commitment to homeland security not only on a national basis, but at the State and local levels, as well. Because it is here where homeland security begins.

Minnesota has been a national leader in terrorism prevention and preparedness. In 1999, the Department of Public Safety forwarded to the legislature an extensive report on possible terrorism risks in Minnesota, and what our State would do to respond, that leadership continues today. Senator Coleman and I had a conversation recently. The Senator wanted to be actively engaged in the homeland security issues and needs of his State. And after our discussion, I decided to create a Commissioners Public Safety Advisory Group. The leaders of police, fire, emergency services, many of whom who are in the audience today, will get together with me to offer suggestions and advice related to Homeland Security. Minnesota's congressional delegation is also invited to attend our meetings to hear firsthand some of our homeland security issues, and what it all means to our public safety professionals at the local level. Homeland security is all about communication and coordination. The advisory group will demonstrate that. Other existing relationships in Minnesota are demonstrating high levels of communication and coordination. The connection between the State and our Federal partners is rock solid. We are blessed in Minnesota with an FBI field office that is inclusive and accessible, and a U.S. attorney who is engaged in response of law enforcement needs. Our link to the Department of Homeland Security is equally strong, with frequent updates through Secretary Ridge on a regular basis. And we are thankful for the Federal dollars that have come into Minnesota for training, equipment and emergency preparedness exercises. And I can assure you that we are not sitting on that money. We are actively working with our county and local partners

[1] The prepared statement of Mr. Stanek appears in the Appendix on page 47.

to get the funding out the door and into the hands of the people who need it the most, our first responders.

Well, we aren't just passing it along without a plan. In Minnesota, we are working with our counties and cities on a regional approach to fund the equipment and training. In Minnesota, we are being smart with the money you are providing. Inter-operable radio systems and integrated criminal justice integration systems, such as Minnesota's own CrimNet, are key to homeland security success. However, on behalf of our local participants, I ask you to consider lifting some of the restrictions and limitations on how that funding can be spent. We would like flexibility to be able to pay overtime and personnel expenses with the appropriations.

The magnitude of Minnesota's budget crisis cannot be overstated. Public safety is a core function of Governor Pawlenty's administration. Our local law enforcement and other public safety officials are being asked to do more with less. After all, equipment is great, but it's the people that make it work. Every chief law enforcement officer and emergency manager in Minnesota is making smart and creative decisions in how to provide their services on a shoe string. Relaxation of the limitations would help all of us make better decisions for the safety of our citizens. We feel that through leadership we can set a national example by continuing to make great strides in public safety and homeland security in Minnesota, whatever the future brings. Thank you, Senator Coleman, and Members.

Senator COLEMAN. Thank you, Commissioner Stanek. Sheriff McGowan.

## TESTIMONY OF PATRICK D. MCGOWAN,[1] SHERIFF, HENNEPIN COUNTY SHERIFF'S OFFICE, MINNEAPOLIS, MINNESOTA

Sheriff MCGOWAN. Good morning, Senator Coleman. And Senator Collins, welcome to Minnesota. It's a pleasure to have you here.

It's a pleasure to be here today, and I appreciate the opportunity to present a view of homeland security from a law enforcement perspective. September 11 is certainly a date we will all remember for the rest of our lives. We cannot change the physical and emotional devastation that has rocked us all, but we can learn from it. The new role and responsibility of local law enforcement is a key element to homeland security. It challenges our resources and our time. Today, fully one-third or more of my time is spent dealing with homeland security-related issues. I have become a realist in this process, and realize we cannot prevent everything. But we can be prepared.

We in Hennepin County in Minnesota have been very fortunate to have been ahead of the curve on much of the preparation for terrorism. We have been members of the FBI's Joint Terrorism Task Force since 2000, 18 months prior to September 11, and we are proud of our proactive achievements. Our planning and preparation for large-scale events has been ongoing since 1998, and we have learned a great deal from a number of realistic, coordinated drills and exercises. We know that for the first 72 hours of a major incident, local first responders will provide the initial coordinated response. Our response will be the cornerstone to an effective ongoing

[1] The prepared statement of Sheriff McGowan appears in the Appendix on page 49.

operation to save lives and protect our citizens. However, we must be prepared for a weapons of mass destruction array that could include radiological, chemical, biological or explosive strikes. To provide that kind of response, it is imperative that we have the appropriate training, equipment and staff to handle each of these potential threats.

This vital training and resource inventory is expensive and must be ongoing. Even if you have the appropriate equipment, it will be of little value if the parallel training is not continuous. It is not unlike the way that each of us view our personal vehicle. You know that you might have to change a tire on your vehicle, and that is a skill necessary to just getting back on the road again. But how often do you do this? Do you even know where the jack is located, or how to access it? Many of you simply couldn't perform this function so basic to your driving needs. Public safety responders are no different. They need to have ongoing training and updating on equipment techniques, or they will be unable to perform a skill efficiently when they must. Because this training and equipment is expensive, and often has a shelf life of approximately 5 years, the allocation of resources needs to be thoughtful. We cannot afford to equip and train every public safety responder in every facet of preparation.

That is why the formation of Regional Response Teams provides a sensible solution to meeting our public safety response requirements as they apply to terrorism and weapons of mass destruction. For example, in Minnesota, I would propose the formation of five Regional Response Teams, regionalized strategically, which would allow us to consolidate our resources. These regional response teams would not only serve as a primary response team in their own area, but could be rapidly deployed to assist in other areas of this State as needed. I often believe that Americans are great sprinters, but we are poor marathon runners. As a nation, we respond initially with courage, determination, and just true grit. However, we have a tendency to have little taste for the long haul. I strongly urge you to recognize that Americans' homeland security issues are truly a marathon. We must not let our determination to be prepared to respond to any assault on our Nation to wane. We need ongoing funding to provide the training and resources I have discussed. We need your continued focus on and support of our cause.

Ladies and gentlemen, we must preserve the image of those crumbling Twin Towers in New York, the Pentagon in flames, and the Pennsylvania fields with the wreckage of a commercial airliner and those lives lost within our national memory. Our enemies struck the heart of our country. We must say, "Never again." The key, Senators, is your continued support of our needs at the local level to help fund our new role in homeland security. Thank you.

Senator COLEMAN. Thank you, Sheriff McGowan. Mayor Brede.

**TESTIMONY OF ARDELL F. BREDE,[1] MAYOR OF ROCHESTER, MINNESOTA**

Mr. BREDE. Thank you, distinguished Senators, and good morning. I am Ardell Brede, the Mayor of Rochester. For 4 months, I've been mayor, so much of this is new to me. But thank you for the opportunity and the invitation to express our concerns and the impact to our community.

Rochester is unique in the sense that it's perhaps impacted more greatly than other cities of comparable size within the United States, due to its makeup. The city has a major medical Mayo Clinic and high-tech community, IBM, Pemstar and a number of other high-tech companies. And it's also home to an international airport. And because of those particular features, we are considered a listed target of terrorist activities. Because of that, greater security for those facilities are needed, and this comes from more patrol in those areas, thereby reducing the available patrolling for other neighborhoods within the community, since there are no other resources allocated for this purpose.

For this morning's testimony, I received information from the Rochester City Administrator, the police and fire departments, the Mayo Clinic, Olmstead County Public Health Department, as well as our sheriff of Olmsted County. In a separate report, the Rochester International Airport will be presented in the next panel by Mr. Leqve.

The police department estimates it has the equivalent of eight FTE's at the airport, which is funded by the Federal Government. But as of May 31, that funding will be eliminated, and they will become an additional local cost. The present Federal reimbursement amounts to $15,000 a month. However, that is only covering the hourly wages, and none of the other associated costs, such as benefits. Those costs are borne by the city.

Since September 11, there's been an increased volume of calls to the fire department because of suspicious substances. All of those require additional trips out to them, and, with again, no additional resources. It requires the hazmat team to respond. And currently, with the State budget crisis, some of those funds may be cut, which will then create greater concerns. At the Mayo Clinic, they have developed rapid Anthrax and smallpox DNA tests. Those tests dramatically shorten the waiting time for authorities to determine if suspicious substances are contained in these harmful elements. The Mayo Clinic did all of that with little or no financial support, and all of them involved huge amounts of staff time.

The global economy is weak, and specifically from the Middle East—fear of travel in different ways, the delays in processing of visas—prior to September 11 it was about a 1-week time for processing a visa. That actually went up to about 11 weeks, and now, fortunately, is down about 4 to 6 weeks. But an international patient who has a medical condition that warrants them coming to the Mayo Clinic, a 4- to 6-week delay, they're going to find their treatment and care elsewhere. And it is estimated for every dollar that would be spent at Mayo Clinic by these patients, it equates to another $2 in the community. Also, as a payment mechanism,

[1] The prepared statement of Mr. Brede appears in the Appendix on page 51.

those patients pay full dollar, where our Medicare patients and other patients have some sort of discount. The international patients have dropped by 23 percent, although, again, in this year, 2003, we have seen an increase of patients coming from Europe, Latin America, and Kuwait. But it still is a concern. And anecdotally, since the war with Iraq, we have seen somewhat of a quieting of international activity with some cancellations and rescheduling. But no major change or dramatic change.

We are looking forward to the partnership between the University of Minnesota and Mayo on a biotechnology partnership, and I think that's just another area that we will be concerned about, the resources that are needed for security. We have met with the Olmsted County Public Health Services. We do have a Joint Emergency Management Committee, and I have been a part of that, and it is one of the things that needs to be updated, because many of those emergency plans really didn't contain anything on terrorism. And fortunately, we received a small grant that we were able to secure somebody to help us update, that's in the process as we speak.

From the sheriff and also from the police department, they have talked of the 800 megahertz communication system that is needed, and funding of that, whether it's from the State or Federal monies, but has not come forward enough that it can be implemented yet. So I believe that's the level of my comments at this time.

Thank you.

**TESTIMONY OF PAUL NEVANEN,[1] DIRECTOR, KOOCHICHING ECONOMIC DEVELOPMENT AUTHORITY, INTERNATIONAL FALLS, MINNESOTA**

Mr. NEVANEN. I really appreciate this opportunity to talk about Homeland Security from a small town, front-line perspective.

International Falls is a small community, about 6,000 people, 300 miles north of here. It is also situated about midway along the northern border. It stretches across a major border, as well as it's a major border crossing for vehicular traffic as well as a major railport. It is the third busiest railport in terms of trains and containers. We have seen a continued growth in terms of both vehicular and train traffic, and as well there has been a shift in the country of origin for a lot of the incoming rail traffic. Now we are seeing an increase in the Pacific Rim and Middle East.

Our area's economy, much like northern Maine, is driven primarily by the paper industry, as well as tourism. Cities and counties need to have a strong partnership, and I am echoing a lot of the sentiments of the folks here, with Federal and State Governments to help deal with lagging economy, a loss of jobs, and other issues of national security. Homeland security becomes, as you mentioned with hometown security, one person, one block, one Main Street. It is what makes the difference in people's lives. That is what shows people that government can work and does work at the local level. The headlines may come from Washington or St. Paul, but elected officials from the communities, like International Falls, are having to solve the problems and help make life a little bit better in their communities.

[1] The prepared statement of Mr. Nevanen appears in the Appendix on page 52.

As cities and counties in northern Minnesota face some of the tightest budgets in years, Federal help to spur economic growth becomes more crucial than ever. International Falls faces many potential challenges daily as a direct result of a number of border crossings.

We are desperately in need of funding for homeland security situations. Our first responders are very dedicated individuals. Regularly they are asked to give more and more time to become the highly trained unit that they are. We expect our volunteers to act and respond like well-oiled machines. Well, Senators, these well-oiled machines require fuel, and we ask both the State of Minnesota and the Federal Government to help us with that requirement. The State of Minnesota has responded thus far with a mobile decontamination chamber for International Falls. It helps respond to situations. And currently we have a grant application into FEMA for a Mobile Incident Command Center that will be utilized with the decontamination chamber. But all of this equipment requires additional training. The costs associated with emergency preparedness have doubled since September 11 as a result of that additional training. Anthrax, weapons of mass destruction, biological and chemical weapons, are all new terms that have been become common language since September 11. Our firefighters now have to be trained in all areas of response, even the unknown types agents of terrorism regularly employ. Suicide bombings could happen anywhere, and we have to be prepared. State and Federal law enforcement personnel also need and undergo training that continues to evolve to cover an ever-expanding set of emergency scenarios.

For those front-line communities, like International Falls, the key is planning, preparedness, and having the necessary tools. Aside from the mobile decontamination chamber, another item that helped address these needs is the recent placement of the Rail Vehicle and Cargo Inspection System, the VACIS, in Ranier beside International Falls. The VACIS now allows the protection personnel to scan a much higher number of containers immediately as they cross into the country, whereas in the past they sampled a much smaller sampling.

From a training perspective, the community has kind of taken a proactive approach. And what we have done is we have looked at this influx of Federal employees and the need for training, and we have an initiative now that we would like to have International Falls serve as a training center for northern border security issues. We have done a needs assessment with all of the Federal agencies and the locals, and it's been well received. But there is an increased need in training. And we think that International Falls is situated geographically, and because of the other assets there, is in a perfect location to do that. So we have put in a Federal appropriation—applied for a Federal appropriation to further this initiative. But all of these efforts have required a gradual increase of communication and cooperation among all of the participants; local, State and Federal, and that's not always an easy task. And I have been very impressed and encouraged by the professionalism and the amount of cooperation that everybody has shown to date. So I am very encouraged. And, again, I thank you.

Senator COLEMAN. Thank you very much, Mr. Nevanen.

And just before we begin the questioning, I just want to comment how impressed I am with the quality of the panel. Commissioner Stanek has been a police officer, a Minneapolis police officer. He has been a State legislator. Sheriff McGowan has been a State legislator and law enforcement person. They know these issues. Mayor Brede, like you, I have been on the job just a couple months, but to have a city like Rochester, which is an international city, and yet it's not a New York, not a Chicago.

And Mr. Nevanen, as I sit here and listen to a town of 5,900 be worried about Anthrax and weapons of mass destruction, and having again spent time in The Falls, and seeing the border traffic, and the immense demands placed on the local level. And I know who they are. I can't tell whether it's a Democrat or a Republican, but I know that he has got some things that he has to deal with to protect the people of his community. So there are some big needs. And I am glad, by the way, that the VACIS system—just last week International Falls was informed they would be getting one of those systems, so I think we are making headway. Let me turn to the questions.

Commissioner Stanek, kind of following up with my question in the first round here, the communications, you mentioned in your testimony CrimNet. I am interested in the ability of that State trooper that comes under your jurisdiction who stops somebody along the road right outside let's say International Falls or Baudette or Warroad or one of those areas, what kind of capacity do they have today to be tied into any national roads, and what can we do to improve that?

Mr. STANEK. Well, Mr. Chairman, a couple of ways. One, CrimNet is the State of Minnesota's Integrated Justice Information System, and it will allow local enforcement, as well as corrections and judiciary, to share information across many disparate databases. Things that we cannot do now, but I think the public just seems to think that we can do. Specifically in terms of how well that State trooper up North knows if someone on a watch list or something else, there are a couple of ways. We get information on a pretty regular basis from the Federal Department of Homeland Security through NLETS messages or BOMA messages. If they are looking out for someone, they will send it to the State of Minnesota, we will distribute it back out to local enforcement and Minnesota's first responders.

And then the second way, Mr. Chairman and Members, is the State of Minnesota ties the expiration of a driver's license or State identification card to a temporary visitor in this country. So someone who comes to our country and visits for 3 weeks, 3 months, we do not issue them a Minnesota driver's license, or, really, that gateway identification card. It has an expiration status on it so that local law enforcement can pick up the phone, contact the Immigration Service 24 hours a day, and find out if someone is wanted or what action they would further like local law enforcement to take.

Senator COLEMAN. What is the status of CrimNet right now?

Mr. STANEK. The status of CrimNet right now is with the third year of a 6-year building phase, it has finally come on-line in terms of the backbone which it has been built across Minnesota. And now

some of these disparate information systems from local law enforcement and others are finally coming on-line. We are always in need of additional funding. We believe CrimNet is a model nationally. We have spoken with Secretary Ridge about this. We have spoken with Director Mueller and Attorney General Ashcroft and his folks, and I think they see the promise of what CrimNet has to offer, both not only on a State level, but on a national level in terms of information and intelligence sharing.

And Mr. Chairman and Members, I would just add that if someone asked me what homeland security was 20 months ago, homeland security were two independent words that didn't mean much in and of themselves. Today homeland security is all about intelligence, information sharing, emergency preparedness. CrimNet is intelligence and information sharing.

Senator COLEMAN. Thank you very much, Commissioner.

Sheriff McGowan, I am very interested in your Regional Response Team concept. I can tell you that in discussions I have had with some of my colleagues, the comment is made that not every community, for instance, needs a bomb dog. Not everyone. Talk to me about where we are at. What has to be done to make that a reality? How do you make that work?

Sheriff MCGOWAN. Mr. Chairman, I think what it takes is for people to forget the turf battle. Realize we have an infinite number of requests with finite dollars, and we've got to be smart how we use them. And I think a Regional Response Team for us, if I were to look at one, I would say in Minnesota, I would look at one within Ramsey County, to serve that portion of the metropolitan area; one in Hennepin County; one up in the North either in Duluth, or Itasca, somewhere across there, northwest of St. Cloud; and South down beyond Rochester. We have got to realize, we have got to share resources. And, as you said, how many bomb dogs can we have? How many bomb robots? And in preparing for an explosive attack, buying a bomb suit is entirely different from a Level A suit to enter a hot zone either as a result of a chemical or biological attack. So what we've got to figure out is how many pieces of equipment can we have? And as I said, don't forget, the shelf life on most items are only about 5 years. I hope we never have to use them. But if we do, we've got to make sure that the equipment is new, people are trained in it, know how to use it.

And Mr. Chairman, I would say the same thing for funding on the Federal level. The Federal Government will not be able to fund everyone across the United States every year. Take the United States, perhaps divide it into five funding regions. Form within those funding regions ongoing funding every year, so within those regions, they can replace their existing equipment. They can make sure that money is available.

Training dollars. We have got to have money to backfill staff—when I send a man or a woman to training for 8 hours during the day, I've got to still have somebody to do that job. Or if it's their day off, I've got to compensate them somehow. I need money to be able to train our people. And I think it's critical. We forget that we can't give somebody a piece of equipment once and expect them to become an expert. And, as I said, our ability to respond and use this, and without notice, is the key to our success.

Senator COLEMAN. Sheriff, I look forward to working with you on this Regional Response Team concept.

One follow-up question about training, flow of dollars. How is it working for you today? Is it working for the State, or block grants, working with the feds?

Sheriff MCGOWAN. It works both ways, Mr. Chairman. And I would say if there is a way to, first off, catalog what dollars are available through homeland security for what purposes, I mean, there's a variety of dollars when you look at whether it's the cops' office, whether it's through the Office of Domestic Preparedness, whether it's through Homeland Security, where do local officials—where do we go, to what internet site, to see what money is available through the Federal Government for what purpose? If it's for communications inter-operability, where do I find out where that grant is applicable to and how much is available? If it's for equipment and training, where do I find that? So that would be critical for us to be able to—in terms of training dollars, we're right now in the process of through the State of Minnesota receiving some grant money. There will be round two of grant money. We had needs in Hennepin County—and Senator Collins, Hennepin County is the largest county within the State; 25 percent of the State population resides within our county, and it is home to our international airport, the Mall of America, our stadiums for our Minnesota Twins, Minnesota Timberwolves. Minneapolis is the hub of the downtown metropolitan area, along with St. Paul. And I would say that we need to have those dollars come on a regular basis.

We were forced to cut out about a million dollars' worth of equipment that we need here that we have not yet received funding for. Although we are getting a million dollars' worth of equipment. That has to go, just within Hennepin County, to provide for fire, emergency medical response, law enforcement. And those dollars are—when you start talking about training and so forth, Senator, they're very much appreciated, but they need to come on a regular basis. Because, as I said, we can't train once or twice a year and provide the coordinated response that our citizens expect from us and that we as law enforcement professionals want to provide to our citizens.

Senator COLEMAN. Thank you, Sheriff.

Mayor Brede, kind of following up on the line of questioning about flow of dollars, I remember as a mayor at times being concerned about the block grant concepts, and saying, "Hey, we would like the dollars to come directly to us at the local level." Can you talk about that, though, practically? Is it easier for you to access stuff working with friends right here at the State, working with Commissioner Stanek and his folks, or would you prefer a more direct line of contact between local municipality and Homeland Security?

Mr. BREDE. Well, we have enjoyed both, but I think the local connection with the State would be preferred.[1] Certainly right now, the budget concerns within the State, with our local government aid, et cetera, is a major concern. But we have had a good relation-

[1] See Exhibit No. 4, Mayor Brede advised that he has changed his position on this matter and provided a clarification, which appears in the Appendix on page 108.

ship with the various commissioners on various fronts. So I think we would prefer that. I wanted to say, when you mentioned Rochester is an international city, a recent article in the local paper indicated that one out of ten people in Rochester was born outside of the United States. And so it's not only the visitors that are coming in, those people then are concerned about their security while being here. And just quickly, too, thank you for your staff coming down a couple months ago, led by Erick Mische to talk with both our county people and the city folks. But I think we've had good relationships with the various government agencies that we need to deal with.

Senator COLEMAN. Thank you very much. Let me follow up that last question to Mr. Nevanen. At the very local level, you mentioned a number of times in your presentation needing Federal funding, homeland security-related situations, whether it's goods or whether it's training. How do you access what you need? I take it there is not a single on-line website that says if we need dollars for this, this is where we go. At a very practical level, the local level, when you are looking at the need for increased training, who do you call?

Mr. NEVANEN. Well, that's a good question, and especially in the context of the budget problems that we are experiencing. Right now, it's been a two-pronged approach, wherein the locals have approached the State of Minnesota for those two assets. And we also look to the feds for some additional. But at this point in time, it's difficult. We are trying to envision what we are going to need, and then come up with the dollars to do that. And right now, those questions still remain unanswered.

Senator COLEMAN. I hope that we can, as a result of this hearing and others, help answer that question. And I think that's really important.

Thank you, Mr. Nevanen. Senator Collins.

Senator COLLINS. Thank you.

Mr. Nevanen, I want to follow up on the question that Senator Coleman just asked you. You mentioned in your testimony that your costs for homeland security, I think, have doubled you said. And that's quite a burden for a community fewer than 6,000 people. How have you coped with those additional costs, and can you give us some idea of whether you have received funding from the Federal Government to help offset the increased costs?

Mr. NEVANEN. From a local perspective, it's gone from $40,000 to $80,000, which is very significant. And like some of the other panelists have mentioned, you have to do things—everybody is asked to do more with less. But we have reached out to the State of Minnesota, and they have helped to some degree. But those needs are not going to go away.

Sheriff McGowan mentioned the need for annual dollars for training, and to have the equipment, but to be trained on it, be proficient with it. And to continually answer the landscape is evolving all of the time, and needs to be evolving. To anticipate those and then pay for them is going to be a very big challenge, especially given the budget constraints that we are all working under. So it's going to be—I don't know if it's spaghetti feeds or what that's going

to get us there, but it's going to be a need for real resourceful people.

Senator COLLINS. I think your comments are so important, because it reminds us that it's not only the major metropolitan areas that have challenges for homeland security, but a border community such as yours, and the many small communities in Maine similarly are facing real challenges that are going to cost real dollars. And part of my goal is to make sure that funding formulas recognize that it isn't just population that determines threat or vulnerability.

I was interested, Sheriff, in your comments about the myriad of grant programs for inter-operability. For example, we have found that there are five separate Federal grant programs that provide money at the State and local level, with the goal of making communications equipment compatible. And as far as we can tell, there is no coordination among those five Federal programs.

I would like to ask you two questions. First—and I'm going to ask all of you this. Would it be helpful to have a single place within the Department of Homeland Security where you could go for information on all kinds of homeland security assistance, whether it's administered by the Department of Homeland Security, or whether it's like the COPS program, which may be administered elsewhere, or the FIRE program, which I guess is going to be brought into the new department. But would it be helpful for you to have one-stop shopping, if you will?

And second, inter-operability is a major problem. We learned that on September 11. I would be curious from all of you what the status is in Minnesota of your communications equipment. Can your fire departments talk to your police departments? Can your municipal police departments communicate effectively via radio with your State troopers, your sheriff departments? What's the state of that?

We'll start with you, Sheriff, and then go to the Commissioner.

Sheriff MCGOWAN. Mr. Chairman and Senator Collins, the answer to your first question, one-stop shopping. Yes, emphatically.

Second, inter-operability. I've got a personal interest in this, Senator. In 1989, in another life, I served as a State Senator, and I put the first $500,000 into a bill to study the feasibility of an 800 megahertz radio system. Today, in 2003, that system has come to true fruition. We are implementing—the sheriffs—Hennepin County Sheriffs' Office, Senator Collins, provides dispatch service for 21 law enforcement agencies and 19 fire departments. We could not talk before with our colleagues in Minneapolis. We could not talk with the other disparate PSAPS or public safety answering points within our own county. Today, we can do that. The State has built and funded the backbone system for an 800 megahertz radio system. While it started off initially in the nine-county metro area, and actually, we added two counties, Isanti and another county, because that was considered the metropolitan area for the Minnesota State Patrol. So we started there. And today we are implementing an 800 megahertz radio system. It is going to provide us the inter-operability that we need, because there isn't any of us as first responders that do not realize that communications is a key to success. We can plan all day long, we can have the best plans, we can

have the best equipment. But if we cannot communicate, we can't execute.

Senator COLLINS. Thank you, Sheriff.

Commissioner, did you have any comments on those two issues?

Mr. STANEK. Yes, Mr. Chairman and Senator. I guess I'm the one on behalf of Minnesota who is responsible for putting an inter-operable radio system statewide. Within Hennepin County, 800 megahertz has come to fruition. You take it from 1989 to 2003, that 14-year span, it's taken us a long time to get this far. But my job is to move into the rest of Minnesota, and I am committed to doing that over the next several years. There are a number of pieces of legislation winding their way through the Minnesota legislature, and hopefully that winds up a week from today. And if, in fact, those bills and authority come to fruition, you will see the statewide inter-operable radio system become a reality statewide, not just in Hennepin County. But, again, as I talked about earlier, homeland security, intelligence, information sharing, emergency preparedness; but the one thing that ties them all together is the inter-operable radio systems.

Senator COLLINS. Thank you, Commissioner. Mr. Mayor.

Mr. BREDE. Well, I would applaud the Commissioner to say, "Let's get moving on that." Because our sheriff has made it very clear to me, as well as our police department, that we have an old analog system that right now is starting to die. It's gone beyond its life. And you can't replace them; there are no parts for it. So you are in a situation that we need the new digital system, the 800 megahertz, and the money isn't there to move into that. So you kind of hinge from both ways from an old system that is dying and a new one.

When we had our joint emergency committee meeting, I asked about that, and all of the parties said, "Well, our current system works great when nobody uses it." [Laughter.]

But the minute you have to have two or three or more start talking to one another, it just gets bogged down, and you just can't. So anything we can do to move that along would be great.

And certainly, the one-stop shopping, I think my previous career was with the Mayo Clinic, and we have done that with trying to make it easier for patients to get in, and I think that's the way to go. Anything we can do so that there is one number to call or one site to visit would be applauded greatly.

Senator COLLINS. Mr. Nevanen.

Mr. NEVANEN. Senator, on the first point, the one-stop shop, I, too, would echo that. I would absolutely applaud that. Anything we can do in that regard.

Second, from my perspective in talking to the various levels, small towns have always had to be resourceful, just because of limited resources. And I think we sometimes get caught up in technology, and technology is very sexy, and they are answering and helping in a lot of ways. But from our perspective, I think a lot of it is just relationships, and making sure that various levels are working together. And from what I have seen demonstrated, I mean, certainly the technology is needed, and the other items that these folks have spoken to is needed, but that the cooperation and the communication between the various agencies remains strong.

Because that's really the key, I think, from the small-town perspective.

Senator COLLINS. Thank you, Mr. Chairman.

Senator COLEMAN. Thank you, Senator Collins, and thank you gentlemen.

We're going to call upon our next panel of witnesses. I will go to panel three, but before we get started, we expect Senator Dayton to come around 10 a.m. or thereafter. And when he comes, we will give him an opportunity to make his opening statement. We may interrupt questioning.

We welcome Captain Ray Skelton, the Environmental and Governmental Affairs Director of the Duluth Seaway Port Authority. Steve Leqve, Rochester Airport Manager. Michael Curry, Director of Security for the Canadian Pacific Railway in Minneapolis, Minnesota. And finally, John Hausladen, President of the Minnesota Trucking Association here in St. Paul, Minnesota.

Gentlemen, I thank you for your statements. I look forward to your testimony this morning on how you are dealing with the need to tighten transportation security or maintaining the ability of legitimate traffic to move quickly. Pursuant to Rule 6, all witnesses who testify before the Subcommittee are required to be sworn. At this time, I would ask all of you to please raise your hand.

[Witnesses sworn.]

Thank you, gentlemen. I understand that Senator Dayton has arrived, and I think what we will do is we will have Captain Skelton go first with his testimony, then hear from Mr. Leqve, followed by Mr. Curry, and finish up with Mr. Hausladen.

And as with the last panel, after we have heard all of your testimony, we will then turn to questions.

**TESTIMONY OF RAY SKELTON,[1] CAPTAIN, U.S. MERCHANT MARINE (RETIRED), ENVIRONMENTAL GOVERNMENTAL AFFAIRS DIRECTOR, DULUTH, AND DIRECTOR OF SECURITY**

Mr. SKELTON. Good morning. For the record, my name is Ray Skelton, Captain, U.S. Merchant Marine, retired. I am the Environmental Governmental Affairs Director in Duluth, and since September 11, the Director of Security.

As is the case of most ports, with very few exceptions, there are some ports that do have their own police departments, some ports that do have very large security forces. They're the exception, not the rule, except for a mere handful, such as New York, Los Angeles, Long Beach, the huge container ports. We do not have the facilities or the ability to generate funds for security purposes. In the port of Duluth, it is the world's largest seasonal port. We also rank number 17 in the United States, and overall. The situation there, however, is one of limited security requirements in general. The reason for that is that we are primarily a bulk port. How much security is required for a pile of taconite or a pile of stone? So we do have limitations.

However, we do have some difficulties, in that we do have 49 miles of shoreline in our harbor. We also have 29 active docks

[1] The prepared statement of Mr. Skelton appears in the Appendix on page 54.

spread out over that 49 miles. We secure or are beginning to secure that very difficult situation.

Just to go back a little bit, in our port, we had some heads-up warnings prior to September 11, which served us well at that time. In 1992, we had a thing we called a Toxic Tuesday. I've got to start checking my time, here. Usually have clocks everywhere. Toxic Tuesday was a large spill that went into the river from the rail car, and large clouds of benzine-laden—large benzine-laden air came over the city of Duluth, and we were forced to literally evacuate the city of Duluth. We were completely unprepared for that event. Things went well. All of the various agencies pulled together immediately. We brought the Minnesota State Highway Patrol and some additional people up to give assistance to us. Things went well, incredibly well, when considering the lack of preparedness.

Oklahoma City, 1993, gives us our second heads-up that we were indeed vulnerable. Fortunately, again, the FBI headed up a team and used the loose-knit organization that we created after the 1992 benzine spill as a regional security team. The analysts that went through the process of determining what level of risk was at the port and what the requirements were, we just sort of let it sit, but maintained certain levels of communication and tried to maintain an accurate list of designated people from the various agencies.

On September 11, I'm not sure that we were the first area, first major port to have a regional security meeting, bringing in all Federal agencies; State, county and local, but on September 12, we held our first formal meeting of the Regional Security Team.

Senator Dayton, certainly—should I just pause?

Senator COLEMAN. Why don't we do this? Why don't we pause here, finish for a couple of seconds, let him catch his breath.

Mr. SKELTON. Certainly. Poor Senator Dayton has been subjected to me before, so I can just pick up right where I left off, Senator.

**OPENING STATEMENT OF SENATOR DAYTON**

Senator DAYTON. I would just say briefly, Senator Coleman, that you are a brave man to position yourself between two Senators who just came back from Beijing, China.

Senator COLEMAN. Both of whom, by the way, have the sniffles.

Senator DAYTON. The feeling of knowing I could clear a room with just one cough. [Laughter.]

We have a serious homeland security issue in Minnesota today. We have to make sure The Wild win the second game of the series.

Seriously, I want to thank you, Senator Coleman, most of all for convening, and putting together this hearing. And also you, Senator Collins, the Chairman of our Committee for being here and honoring us with your presence.

I am sorry that I am late. I committed to the Freeman family, before knowing about this, to be at the Humphrey Institute to commemorate Orville Freeman's life, career, and share with them a proclamation to be put in the Congressional Record to commemorate his distinguished service to Minnesota. So I apologize. But I'm glad I'm here now.

Senator COLEMAN. Senator Dayton, we are thrilled to have you here with us. I mentioned when we began this hearing what a positive thing I think it is in Minnesota to have in this Committee and

in the ag committee two voices in Minnesota. And I think some of the instincts early on said we were going to cancel each other out. And I think, early on, the experience has been just the opposite on a number of issues with regard to both of these Subcommittees, an ag committee, whether it was dealing with renewables, or this Committee, dealing with homeland security, that we have had two voices speaking out very loudly, understanding what the needs are in this community and joining together. So I greatly appreciate your presence and participation in this hearing today.

Senator DAYTON. Well, I would be glad to come anyway, but when you are a Member of the Minority and the Chairman of the Subcommittee and Chairman of your full Committee are both calling your presence, you really try to show up. [Laughter.]

Or you run your own series of risks. [Laughter.]

Senator COLEMAN. Well, again, thank you for being here. With that, Captain Skelton.

Mr. SKELTON. Senator Dayton, fortunately had to—what was it, 3 weeks ago you had the hearing in Duluth? So he has already been through this. I'm surprised you didn't wait until after I was done before you came.

We left off at September 12 when we had our first Regional Security Meeting. There were over 150 individuals at that first security meeting. Up through the first of 2002, we held weekly meetings, and it was all a matter of partnering, information sharing, intelligence sharing, and it was headed up by our local FBI director.

Concurrently, we started the development of what we referred to as a Port Security Team. Now, when we deal with a seaport, we are starting to deal with two specific areas. And when I say "specific areas," it gets difficult, because a port in itself isn't interfaced between those two areas. We deal with the Department of Homeland Security. We think they are doing an excellent job with the airports, with the Transportation Security Agency (TSA). We think that as they start coming to the seaports, they will give tremendous assist to us, because we simply do not have the capacity to provide security; TSA must provide that security for us. But also, we deal with the U.S. Coast Guard, so we have two areas of responsibility. We have the Homeland Security Department, and then we also have, although it is part of the Homeland Security now, the U.S. Coast Guard, specific maritime responsibilities. We are right in the middle of that. So trying to keep track of a multitude of security of the Department of Defense, Homeland Security, and, of course, our main security levels, which we mentioned very well. And we have had those for a long time, although one no longer exists.

If we could get to a coordinated effort, where—and I don't know what the new color-coding system really does, because I deal primarily with maritime issues, we don't see a lot of change. But if we jump from our site level, things happen very rapidly. And the partnering that is going on in our region is working very well. Now, when we go to our Transportation Identification System, we'll have two types that we will deal with. The Transportation Workers Identification credential, which is handled on a Federal overall level, because the international traffic we get through is just fine. We also have an MMD, or Merchant Mariner's Document, that

deals with our maritime security that are in the process of being reissued now. And then we have the biometric coordinated between the two systems so we don't have mass confusion. That would be excellent. I understand some of the cards that are being looked at now have the potential for three different biometrics in that card, which would be enough to compensate across all of the environments in the maritime community.

Just in closing, I have a couple—I will deviate quite considerably from my prepared statement, but just a couple of things in closing. The partnership between industry and government has played an integral role in both imports. They need not only to maintain, but to enhance. The maritime system capacity has never been greater. Analysts project the transportation demands for goods and passengers will double in 20 years and triple in 50 years. We face challenges related to the issues of homeland security. If there ever should be a terrorist incident in one of our ports, U.S. systems will come to a screeching halt, subjecting our country to economic paralysis. A mere glimpse of the potential impact occurred in last year's labor dispute with U.S. West Coast ports, which according to analysts, cost the U.S. economy $1 billion per day. Security is the No. 1 issue at our ports today. Congress has made additional allocations for these ports.

However, we are keeping in mind that the roughly $200 million designated for ports is far less than 5 percent of what is going to be required, according to the U.S. Coast Guard. Seaports clearly deserve as much funding and attention as air borders, as borne out by recent key recommendations on the Council of Foreign Relations, that urged, "Recalibrate the agenda for transportation security. The vulnerabilities are greater, and the stakes are higher within the sea and land than commercial aviation." Now, I ask you to take note, the administration budget, which was released February 3, includes no money for port security. We would urge you to add money in the budget for seaport security. Thank you very much.

Senator COLEMAN. Thank you, Captain Skelton. And without objection, we will have your entire written testimony entered as part of the record.

Mr. SKELTON. Thank you. There's other issues in there that I couldn't get in in 5 minutes.

Senator COLEMAN. It will all go on the record. Mr. Leqve.

**TESTIMONY OF STEVE LEQVE,[1] AIRPORT MANAGER, ROCHESTER INTERNATIONAL AIRPORT, ROCHESTER, MINNESOTA**

Mr. LEQVE. Senator Coleman, Senator Collins, and Senator Dayton, thank you for the opportunity to be here. For the record, my name is Steven Leqve, General Manager of the Rochester International Airport. But I might add, as the past Chairman of the Minnesota Council of Airports, and State representative for AAAE, the American Association of Airport Executives, I would like to make some comments not only pertaining to Rochester, but collectively from airports that I have talked not only within the State of Minnesota, but also outside the State as well. And I have some

[1] The prepared statement of Mr. Leqve appears in the Appendix on page 61.

positive comments to make as it pertains to the Transportation Security Administration (TSA).

At least it has been our experience, locally, as well as other airports, once again, as I said I had talked with, about the implementation of the TSA and how very well it has gone within the State of Minnesota and nationally. It has gone extremely well for the size and the undertaking that we were forced to deal with. The public feedback that we have received, not only in Rochester, but collectively, as well, has been very positive. So that we can be very thankful for, as well. The comfort level of the traveling public is back. The relationship between the TSA in Rochester and the Rochester Airport company employees has been very positive as well. So we have some very well-trained, very professional people that we are dealing with at our location. All positive signs.

However, the one thing that I would like to see a change in, at least over time, is the authority to the local TSA work force. Additional authority passed on to those individuals when things are levied down from the Federal Government in terms of mandates, that the local Federal security directors who are responsible for their facilities, who understand and know the facilities, the one-size-fits-all concept does not work in this industry. All airports land and take-off airplanes, but all airports function differently, and the structure is different. And the Federal security directors, if they had more ability and more authority in the implementation, not jeopardizing security in the end result would be extremely beneficial. And that is basically a comment that is shared nationally, as well. And we see it at our facility in Rochester.

The termination of the reimbursement for law enforcement officials at the security checkpoints or at the airports I think is a negative move in the industry. Typically, your category X, 1, and 2 airports, your larger airports across the Nation, have police departments and security personnel in place. Your category 3 and 4 airports do not. Rochester and Duluth are category 3, but the rest of the airports outside the Minneapolis International are all category 4. I can tell you from experience in talking with airline personnel, as well as the traveling public, the law enforcement—their being at the airports, if you will—presence, I'm sorry, that's the word I was looking for, has been a very positive thing. In the case of Rochester, not that we're anymore unique, but quite frankly, we do have a lot of unique activities almost on a daily basis. High-profile people move through our community daily. Quite a bit of international activity, not all commercial. A fair amount of that is private, as well.

Having that kind of presence at the airport, I think, is extremely important, and I think moving away from that, where we are into a 15-minute response time to security check points in the event of a mishap is something that is just truly not workable. So funding needs to be in place, at least for both sizes of the airports that do not have those individuals or staffing on-site to handle that. As I said, your category X, 1, and 2, most of them do have their own law enforcement in place.

I might just close by also saying that when mandates come down to airports that would require physical changes to facilities, we really truly need to have funding in place. And not the airport enti-

tlements program. In other words, the AIP program. The airports need to have that program preserved, as well for infrastructure improvements and just ongoing maintenance to our facilities.

Senator COLEMAN. What's the AIP program?

Mr. LEQVE. The Airport Improvement Program through the FAA. And with that, I thank you very much.

Senator COLEMAN. Thank you very much. Mr. Curry.

**TESTIMONY OF MICHAEL CURRY,[1] DIRECTOR OF SECURITY, CANADIAN PACIFIC RAILWAY, MINNEAPOLIS, MINNESOTA**

Mr. CURRY. Mr. Chairman, Senators, my name is Mike Curry. I'm with the Canadian Pacific Railway. And with me today are John Apitz, Councel for the Minnesota Regional Railroad Association, and Phil Marbut, who is Canadian Pacific Railway's Manager of Dangerous Goods.

It's an honor to appear before your Subcommittee today to discuss matters of homeland security as involved in the industry, and I would like to offer a broader perspective of our industry regarding the efforts it's already undertaken to improve security. Railroads are vital to the national economy, the national defense, and public health. Seventy-four percent of all freight goes by rail, including 60 percent by electric utilities. The chemicals used to purify the nation's water supplies and fertilize our crops move by rail. And railroads provide critical support to the Department of Defense's Strategic Railcar Network, STRACNET, which includes 30,000 miles of rail line, and provides the backbone for the movement of DOD shipments. The railroad network of tracks, bridges and terminals presents a huge security challenge. It includes about 130,000—this is nationally, better than three times the length of the interstate highway system. Much of it is in isolated areas. Fencing is neither practical nor effective. Furthermore, securing our infrastructure is only one part of the railroad security challenge. Securing the operations of our railroad adds the further challenge of anticipating unplanned occurrences while trains are en route.

When America came under attack on September 11, the railroad industry responded rather swiftly, working closely with local, State and Federal authorities, and utilizing their own police forces, railroads increased inspection and patrols, restricted access to key facets, briefly suspended movement of particular freight in the New York areas, and changed certain operational practices as anti-terrorist measures. And because enhanced security has become a long-term necessity, the board of directors of the Association of American Railroads, made up of the CEOs of North America's major freight railroads and Amtrak, as well, established a mandate to ensure that the railroads would be more secure each day. Using CIA and national intelligence community best practices, five critical action teams—with the involvement of some 150 rail industry security and intelligence personnel—were established to scrutinize different aspects of the railroad system. The rail security task force developed a comprehensive risk analysis and security plan that establishes four alert levels, and describes a progressive series of actions to thwart terrorist threats to national railroad personnel and

[1] The prepared statement of Mr. Curry appears in the Appendix on page 62.

facilities. It also includes additional measures to be applied in areas of operations, information technology, communications, and security. Some of the actions taken since September 11 include increased cyber security, restricted access to railcar location data—on-line, that is—spot employee identification checks, increased tracking and inspection of shipments, and use of new encryption technology for selected data communications, as well as increased security of physical assets and increased employee training to ensure that the industry has more than 200,000 employees serving as the eyes and ears for our security effort.

With military action against Iraq, the industry has taken additional security steps, including real-time monitoring and additional surveillance of designated trains, increased security of certain rail yards, increased inspection of track, and coordination with customers to tighten control of supply chain logistics. These and similar steps are being taken at international rail crossings to secure shipments into the United States and neighboring countries. The challenge before our sector of the transportation industry is similar to that facing others—how to assure security of our transport system without seriously hindering the efficient flow of rail commerce. However, while our rail network is vast, securing the transportation of massive quantities of freight across the Nation requires the cooperation of authorities at the national, local and State level on a daily basis. We need to be able to better communicate among ourselves before, during, and after a critical incident. And we need to plan and rehearse our response long before and not after one occurs. We need to share information amongst ourselves and have a mutual understanding of capabilities and restraints of each section's response. Freight railroads remain in constant communication with the U.S. Department of Transportation security personnel, the FBI, the National Security Council, and with State and local law enforcement officers. The industry also has in place plans to respond immediately to threats to the transportation network. The Railroad Security Plan is a living document, because the risk assessment process is a continuous one. As conditions warrant, that plan will be updated, revised and strengthened—and it has been. The national industry is committed to moving forward aggressively to ensure the security of its infrastructure and continued service to the Nation.

Senator COLEMAN. Thank you very much, Mr. Curry. Mr. Hausladen.

## TESTIMONY OF JOHN HAUSLADEN,[1] PRESIDENT, MINNESOTA TRUCKING ASSOCIATION, ST. PAUL, MINNESOTA

Mr. HAUSLADEN. Good morning, Mr. Chairman. Good morning, Senator Dayton. Welcome to Minnesota, Senator Collins. My name is John Hausladen, President of the Minnesota Trucking Association. Thank you for the chance to talk today about truck transportation, border security, and homeland security.

I will give you a brief overview of truck crossings over the border, and then focus on two issues today; one is cargo theft, and the

[1] The prepared statement of Mr. Hausladen with attachments appears in the Appendix on page 65.

other is the trucking industry's anti-terrorism action plan that we developed.

First, border security. I think, to put things in context, we should note there are about 750,000 entities who are registered with the Federal Motor Carrier Safety Administration. The American Trucking Association estimates about 500,000 are actively engaged in transportation of freight. Long story short, there's a lot of folks operating trucks around here, and hauling freight across borders, and NAFTA has certainly increased that.

The implementation of NAFTA, which grew U.S. trade with Canada from about $210 billion annually in 1993 to $379 billion in 2002, has, as you can imagine, concurrently increased cross-border truck traffic. According to the Bureau of Customs and Border Protection, the southbound crossings at the U.S./Canada border have increased during that same 9-year period from about 5 million to 7 million. And given this explosion of cross-border traffic, processing speed becomes a major issue, particularly at the crossings on the eastern half of the U.S. and Canada.

Now, we heard some things earlier that we want to applaud. We continue to urge them to be used. The use of the gamma ray systems for inspection, where you can take a picture and look inside is very good, very helpful. We think the implementation of the C–TPAT systems that provide preclearance are very important. But one of the things, when I talk to my members about border crossings that they suggested was, "It's interesting, these tend to be at rivers, tend to be at bridges, yet we have big trucks in a small space, and now we are physically trying to inspect these big things. And is there a way to remove some of this commercial vehicle enforcement and inspection further back from the gateway to possibly help, or get them through to the other side and further away?" There are literally bottlenecks that commercial vehicles create that we may want to take a look at.

The second issue is cargo theft. The highjacking of trailers and their contents remains a major security concern for the trucking industry. Cargo theft has increased. This is an amazing figure, 30 percent nationally, over the last 3 years, now mounting to between $12 and $20 million annually in losses. And while the high-jacking of a trailer full of high-end electronics like DVD players going to Best Buy may not get us worried from a security perspective, a high-jacked trailer full of hazardous materials takes on a whole new meaning since September 11. And unfortunately, cargo theft has routinely been a low priority for local law enforcement. Why? Well, truck trailers are, by their very nature, mobile. And they cross jurisdictions. You take this dynamic, and an already overburdened law enforcement, and it's easy for local law enforcement to avoid taking ownership of a theft. We must work to change the mentality that says, "Well, it's probably out of my jurisdiction already, there's probably nothing I can do about it, let someone else worry about it." We have seen that. But now, with the security concerns that have come forward, we have to pay closer attention. What we recommend is a more aggressive response to cargo theft by local law enforcement and angencies like the FBI which is critical to closing this significant gap in our homeland security system.

And last, our response as an industry to the terrorist threat. The trucking industry has developed its own anti-terrorism action plan. It was created by a partnership, and you have heard that a lot today, a partnership of 65 State and national industry groups, including the Canadian Trucking Alliance, so it is international, with one clear goal, to prevent the use of trucks as a weapon. It's a tall task. I would like to submit a copy of that plan for the record, and that's been provided to your staff.[1]

Senator COLEMAN. Without objection, it will be entered into the record.

Mr. HAUSLADEN. Thank you. The key component of our plan is the recruitment and training of professional truck drivers to help them take ownership of security within their own ranks. We identified the need to specifically train professional truck drivers in how to recognize, observe, and then report potential terrorist operations. Highway Watch, a long standing program between the ATA and the Federal Safety Administration, was identified as an ideal means to launch such an effort and accomplish the other technical objectives placed in our anti-terrorism action plan. With the potential pool of 3 million truck drivers, and these are professionals, on the road every day, they are a community out there. The trucking industry launched an effort to secure funding to enable these objectives of the plan to train them to be the eyes and the ears, if you want: A neighborhood watch on wheels.

Well, thanks to the three of you, through the Supplemental Appropriations Bill, you did appropriate $20 million to expand the Highway Watch Program. But unfortunately, the Transportation Security Administration has yet to release those funds. Now, if I accomplish nothing else today, it would be to impress upon you the need to expedite the release of those funds and put them to work, protecting our vital truck transportation system.

Two topics, I won't go into detail, but are certainly equally important are hazmat regulations and how transportation of that is regulated, and a plethora of new rules, which, frankly, to the small trucking company trying to learn and manage and train is very challenging. And second, just kudos to the Minnesota State Patrol for their training of local law enforcement on how to profile what trucks to inspect.

In conclusion, let me say that when it comes to major truck-related security issues, technology will be a useful tool, but perhaps not the most critical. The trucking industry believes that our true success in defeating terrorism depends on making sure that people know what to look for, and as you have already highlighted, how and where to report it. Again, thank you for the opportunity.

Senator COLEMAN. Thank you very much, Mr. Hausladen.

Two observations before we begin our round of questioning. I can assure you that we will go back and check with the TSA about the funds, and certainly if the Chairman of the Governmental Affairs Committee makes a request like that, people respond. And the Chairman of the Subcommittee will make a request, and it will be

[1] "The American Trucking Industry's Anti-Terrorism Action Plan," May 2002, appears as an attachment to Mr. Hausladen's prepared statement which appears in the Appendix on page 67.

done in a bipartisan way. So we will go back and take a look at that.

Second, when you mentioned the concern about cargo theft, and that tends to be a focus, I did note the U.S. attorney was writing that down. I would hope in his comments to this Subcommittee, which will be included as part of the record, that we do address the focus that we're giving today, and what we can do to improve that.

The observation I have with this panel together as I have on a personal level, not just as a Senator, but also as a citizen, I think about issues of homeland security. I have concerns about the enormous truck trafficking, the incredible amount of rail volume. The concerns of a category 3 airport as really an international airport, or in their reference to Duluth, a port that is a huge port.

I have two questions for the panel: First, if you could address—are you confident as we sit here today of your ability to meet the threat of terrorism? Are you confident today? And second, on the other side of the question is really an economic question. As we do improve the measure of security, my concern is about the continued vitality of our economy, that will keep traffic moving. We've got to keep international visitors coming to Rochester, have got to keep these ports moving. Are there areas where efforts are too restrictive on the economic side? Are we doing things that are slowing things up unnecessarily? With that, I'll go in reverse order. Mr. Hausladen.

Mr. HAUSLADEN. Well, first of all, I think the trucking industry is like every industry; in the process of figuring out how to do things. We do think the Highway Watch Program is going to be great. And when we rolled it out to truck drivers and said, "What do you think about this, if we train you and work with law enforcement and give you tools," they were ecstatic. Because, unlike a lot of moms and dads, it's hard to give back to the community. They're gone all of the time. But they view the road as their work place, and they are creatures of habit. They know what looks normal, they know what looks abnormal. There's a lot of chatter on the CB and the truckstops. And if we train them on what is unusual and what to report, we have a tremendous Army. We have America's trucking Army out there to do that job.

I think on the second question about vitality, again, when I called members and polled them on what is happening in the borders today, we see a difference. If you are a truckload carrier, who are hauling truckloads, they're moving very efficiently. There has not been a significant decrease in the amount of—or increase in the amount of time it takes to get through. If you are hauling less than a truckload, where it's a pallet of this and a pallet of that, or there's mixed loads, during the time it takes to do the inspection it has gone up about 25 percent. So a mixed bag of good news and bad news. Because, overall, I would just harken back to the issue about the economy. If heaven forbid, there was another terrorist attack and a truck was involved, we know that every truck would be stopped. After September 11, we saw the City of Minneapolis literally close its borders and inspect every truck going in. That's a problem. Because we know that in grocery stores, we only have so much food. If this went on for an extended time, we're going to affect vital basic services. Again, our State Patrol, the Commercial

Motor Vehicle Division, did a great job working with the City of Minneapolis and talked about what kind of trucks to look for, how to inspect. I think that sort of training, using Minnesota as a model and taking that nationwide, would be a tool to help keep the engine of the economy rolling.

Senator COLEMAN. Thank you very much. Mr. Curry.

Mr. CURRY. Am I confident that we are able to meet the threat of terrorism? I'm confident we're doing the best we can with the resources that we have. But we could use more, and those resources cost. I don't know what our availability for access to the funds would be from the government. I understand there are a number of bills that have been presented in Congress since September 11. And what the status of those are and what the fall-out is as far as money, money coming down for security, for money interest in railroading, I can't say.

As far as restrictions, we have enjoyed a decent relationship with the Border Patrol, with Customs. We are involved in Detroit, not here in Minnesota, but in Detroit, the Integrated Border Enforcement Team. The restrictions—I guess I would have to reserve judgment, because we are scheduled to receive here in Minnesota, as well as four other crossings, VACIS machines, and we'll have to see how that works out, if traffic's held up.

Senator COLEMAN. Great. Thank you very much. And Mr. Leqve.

Mr. LEQVE. OK. In terms of confidence, I don't think there is any question that within our airport system we are doing a better job, more professional. I think technology is going to continue to play a huge role in our industry. As to how we screen people and luggage and freight, I don't think there is any question. And so as far as restrictive, I think once again, over time, I don't think we're being too restrictive now. That's not what I am hearing from the traveling public. As I indicated earlier, I think that's all been quite positive. But we're doing a better job. Can we do a better job? Sure. And we will, with the use of more trained personnel. And, once again, technology is going to play a huge role, I think, in this industry.

Senator COLEMAN. Great. Thank you very much. Captain Skelton.

Mr. SKELTON. There is a broad array of issues when we start dealing with the level of confidence or dealing with our vulnerability or overall risk. The way I would have to answer, rather than going into the details of it, is I would say, because of the advanced preparation work that has been done on both the Federal, State, and local level, that our confidence level is actually quite high. Are we vulnerable? Yes, we are highly vulnerable. Forty-nine miles of waterfront is not securable. You just can't do that. I'm sorry, you could, but you would be spending billions of dollars to do it. And we don't have that type of—I'm sorry, I shouldn't impose a number, because I don't know what it would cost to do that. It would be unreasonable. So overall confidence level, I think in our commuters and in our ports, they're quite high.

Restrictions. Not yet. We have not experienced severe restrictions, but we haven't gone to marine security level, or mar-set level 3 yet. Should we go, we are dealing with specific threats. Should we go to mar-set level 3, I am concerned that we would have re-

strictions. There are national standards set there as to what is required of the U.S. Coast Guard response and the FBI response. If possible, we must keep the decisionmaking process on security requirements local. Our local marine safety office, we usually call them the Captain of the Port is fully capable of making security decisions for our port and region. Second, the District Coast Guards formed what they call the Waterways Forum.

We have a Subcommittee on security that is going to make an attempt to address the Great Lakes Navigation System. The reason for that is overseas vessels entering our system are inspected first at Montreal. And there are—the less beyond that, the lesser crew changes or changes in members of the vessel itself. The security risk is really very limited. And we already have the system in place where those people that are from questionable origin or they have questions about their citizenship, they are referred to as detainees, the vessels that are required to post the guard. So we haven't experienced extreme restrictions yet, but if things get out of hand or they decide on a national level, they could get out of hand very rapidly.

Senator COLEMAN. Thank you very much. With that, I will turn to Senator Dayton.

Senator DAYTON. Thank you. I'll defer to the Chairman of the Committee. We call them chairs now in Minnesota. And I don't know if we need to refer to them as Leaders of Peace—— [Laughter.]

Senator COLLINS. Whatever is politically correct. But thank you for your graciousness. I just have a few questions.

Mr. Hausladen, the TSA recently issued new regulations requiring background checks on commercial truck drivers in order for them to be certified to carry hazardous waste. Could you share with us your views on those new regulations?

Mr. HAUSLADEN. We have a couple concerns as an industry. One would be the turnaround time it's going to take to conduct the background checks because of the flow into the State, up to the feds, back. And what we get back, basically, is going to be whether they are approved or not to haul hazardous materials. But as employers, we will know nothing about if they're rejected, why they are rejected. The industry would like, actually, more access to the information obtained from criminal background checks, because not only in the hauling of hazardous materials is it important, but in the hauling of anything, it is very important. You want to make sure we are putting safe drivers on the road.

I think the other issue, with background checks in general, and Mr. Skelton referred to that, we now have a variety of different types of background checks and I.D.s that drivers may potentially have to have, depending on where they are going. And if they are hauling intermodal or going to a port, they may need multiple checks and I.D.s. We prefer one transportation worker I.D., that if you get all of the multiple stamps on it, you are eligible to go on whatever facility that's needed, because if it's a good background check, it should serve all of them.

Senator COLLINS. Thank you. Captain Skelton, there was a study released recently that suggested the Coast Guard was being stretched too thin in the wake of September 11, and that it was un-

able to perform some of its traditional fisheries enforcement and other duties because so many of its resources have been diverted to Port Security. Could you share with us—since you're right there on the front lines—your observations about the Coast Guard's ability to handle all of the new responsibilities that it has?

Mr. SKELTON. Thank you, Senator. The U.S. Coast Guard has requited themselves admirably since September 11. As the Coast Guard was assigned additional responsibilities, such as the war on drugs, some war interdiction processes, there was no additional funding for—traditionally the Coast Guard was voted to 25,000 people. And as a matter of fact, I would like to thank the three of you personally, because now with the increased authorization, or the removal of the cap, the 35,000 managing skills of the U.S. Coast Guard, now they have a chance. With the additional funding that was given for the U.S. Coast Guard, now they have a chance. However, right now they are stretched so very thin. When we were at security level 2, there are increased requirements for security nationally when you go in a public hearing. The details—and I would be very happy to host anyone up to the port of Duluth to go through it in detail. Their manning has been just exhausted. The return of marine security level 1 happened on a very timely basis, because we were running out of manpower. So it's going to take some time to put out an additional 10,000 Coast Guard personnel. It's going to take time to train them. It's not going to happen overnight. And I would be happy to talk to the ninth district and the Coast Guard headquarters and relate the information as to what they feel the timing of that is. But right now, they are stretched very thin, dangerously thin, and I'll get that information as to exactly how long it's going to take them.

Senator COLLINS. Thank you, Mr. Chairman.

Senator COLEMAN. Thank you, Senator Collins. Senator Dayton.

Senator DAYTON. Senator Collins, after less than a year of being on the Committee, the discussion was on what to give to the Coast Guard. I realized then, with Senator Stevens being the Ranking Member and now the Chairman of the Senate Appropriations Committee and the Senior Member of the Governmental Affairs Committee, that the primary purpose of the U.S. Coast Guard is to ferry the citizens of Millaca back and forth at taxpayers' expense. [Laughter.]

But when you said, Captain, that the cost of securing 49 miles of coast line would be prohibitive, which I agree, it would be, I wondered then how many miles of the coast line of Maine would also have to be secured.

Senator COLLINS. Many more.

Senator DAYTON. So I would like to follow up with the question that Senator Coleman asked you. What really is the scale and scope of this challenge, and how do we provide the kind of security that all Americans want without interfering and totally delaying transport and trade?

In your industry, what percent of the cargo is actually physically inspected at international crossings? If it's not a hundred percent, and I suspect it's not, is it close to a hundred percent? How much time delay would physical inspections of all cargo add to the system? Let me start with you, Captain.

Mr. SKELTON. Senator, we do actually have the information relating to that. Prior to September 11, 2 percent of the cargo entering the United States was fiscally inspected. We're dealing in container traffic here at this point, because nationally, bulk cargos, you just stand there and watch as it is being loaded or unloaded. It's not a matter of a security issue. But the container traffic, they estimated that prior to September 11, 2 percent was the inspection level. In the last 2 years now, they're up to 4 percent. To go to 100 percent would take some rather vast increases in technology ability so they could do it rapidly without completely crippling the ports. The Customs Trade Partnership is working very well. Even though there are cargos that are not being physically inspected, as an indication of the trucking industry, if they are full container zones.

Senator DAYTON. So a full increase, from 4 percent to 100 percent would mean 25 times more inspections.

Mr. SKELTON. Yes, sir.

Senator DAYTON. Thank you.

Mr. LEQVE. Quite frankly, we don't have a lot of international cargo that travels in and out of our facility. Most of that is handled by Federal Express and Airborne. And those items are actually cleared at their main base before it actually arrives.

Senator DAYTON. Any indication on how much?

Mr. LEQVE. I couldn't tell you. I'm sorry.

Senator DAYTON. Mr. Curry.

Mr. CURRY. I don't know for a fact, but it's nothing more than 2 percent. However, with the vehicle and cargo inspection system, the VACIS machines being installed, we expect that there will be an increase to the level of confidence of the cargo that is coming through.

Senator DAYTON. You can get one that International Falls has at the end of it.

Mr. CURRY. Our crossing, the crossing at Noyes, as well.

Senator DAYTON. Thank you. Mr. Hausladen.

Mr. HAUSLADEN. Senator, no, I do not have a number. The percentage, I do know it's a small percentage at this time. Also as a function of the threat level, there's less that's going on now. And, as we said, the gamma ray systems are very good, but I think it's a matter of triaging freight, too. If you have freight that goes back and forth regularly like logs, that's a different commodity than if you have a sealed cargo container coming across. So you have focused resources on those freight pieces that are perhaps most suspect.

Senator DAYTON. In all, the point we are trying to make is just now relatively few inspections are actually being done, and the need to do many more. If the same time, more means we would really be prohibiting the flow of goods into our country. I appreciate your comments about the Transportation Security Agency, because the government seldom gets kudos for doing anything well these days, and in my own observation and experience, and also from talking about this with passengers, flight attendants, airline pilots, and Senators about their personal experience, flying in and out of our airports. I think all agree the professionalism, the quality, and the consistency of inspections from site to site around the country

has greatly improved. I think that is very important to the traveling public.

But I wanted to go back to your concern about the funding for the law enforcement at airports of your size. Can you verify for me exactly where the funding comes from? Is it Federal? And what would need to be added or removed?

Mr. LEQVE. OK. Thank you, Senator. Yes, currently the funding is coming through the TSA. And that is due to sunset at the end of the month, at the end of May.

Senator DAYTON. That's regular funding—is it prorated, or is this a special appropriation?

Mr. LEQVE. Actually, the communities actually have an agreement, a reimbursement agreement, that is in place with the TSA. And once again, that will go away at the end of May. As I indicated earlier, the category X'es, 1's and 2's typically have law enforcement on staff. Whereas, in our case, we do not. I think it's important to maintain that type of level, and a couple of reasons why. One, it's been well received by the community. And I think as well as providing security, we want the traveling public to feel secure, as well.

Two, if the threat level were to change from its current yellow to orange, that is a requirement under today's guidelines that we must have law enforcement on-site at the security checkpoint. So we always run that risk. I hope that will not be the case, but nevertheless, if it is, at least we have things in place, and so we are complying with the regulations as they exist and as they tend to come out of Washington. I think it's very essential. At least your category 3 airports, funding is available during air carrier operations. Some of your category 4 airports, they may have four or five or three operations a day. Maybe just providing funding during those time periods would be very helpful, as well.

Senator DAYTON. On behalf of the local officials and the airport manager at International Falls, a mandate and very real expenses have been placed upon them as well. So thank you.

And just a last question, Mr. Chairman. Chairman Collins has really been terrific about getting the chance for local officials to comment about the inefficiencies that exist in funds provided by Congress that are not being made available or existing barriers, hurdles, in terms of the application and approval process. And I know, Madam Chairman, you helped carry this subject in Washington. And it would be a great chance to hear that you are speaking to these people. Since Senator Coleman is certainly not in the Minority party in the Senate, he doesn't realize that when you are, and especially when your party is not the administration, that you don't have quite the same impact with your own phone calls that the two of you will have. So I will put myself in a separate category. But seriously, you really are in positions of great influence. And I will do my best, as well.

But if there are any further elaborations or blanks you want to fill in, or suggestions, these are good people to talk to. And I will start with the other end. Mr. Hausladen.

Mr. HAUSLADEN. I think I have adequately covered it, with one exception, and that is food transportation is sort of a different animal. It's not in boxes, generally. At a certain point, it's coming out

of the field. And again, in talking to some of our members, we do have significant cross-border traffic of food in various stages, and this is a new priority for the Federal Government for inspection. And I guess the question is, this is such a new area, do we need to treat food somehow differently? We want to protect it, we want to make sure it's not contaminated, but it's morphing; it's always sort of changing form. And before we get hard and fast in how we regulate that, let's make sure the food manufacturers, the companies like the General Mills based here in Minnesota, let's get operations people involved in some of that discussion. Thank you.

Mr. CURRY. Well, I echo the comment. When you brought that up, the border folks that handle the port of services may be aware of the hearing here today. They mentioned that the FDA has recently taken a keen interest in food stuffs moving in the country across the border. And we have had for some time an arrangement by which Customs is able to extract from our commuter systems information on the manifests of materials that are coming across. FDA is in the initial stages of discussing this, but if the FDA is looking for some other special treatment, their own information is available. If they could somehow work through Customs, with Customs, they get into that same system, which would take care of it, but I think their talk is scheduled.

Senator DAYTON. My time is being trailed. Others, can you comment?

Mr. LEQVE. We have covered everything, and I appreciate the opportunity.

Mr. SKELTON. In the Ag Department, of course, the Port of Duluth is responsible for approximately 4 million metric tons of grain per year in movement through the port. They're being transshipped, or shipped directly overseas. Our security concerns in that area are more on domestic levels, some interruption in that process than in that transfer, because once the ship is sealed up, it's quite safe.

Senator DAYTON. Thank you. Thank you, Mr. Chairman. Thank you for your leadership, and thank you for inviting me to this hearing today.

Senator COLEMAN. Thank you very much, Senator Dayton. We are very much on time. This hearing is scheduled to end at 11:30; we will adjourn at 11 a.m.

First, on the issue about food transportation, I think it's a very important one. It may require an independent focus. Unlike tons of taconite, we consume food in this country. And with the potential to wreak havoc with biological and chemical agents and the ability to detect, that is something that clearly we have to make sure that we are focusing on and having the right resources and the ability to focus at the local level to deal with it.

I do want to thank all of the participants. I think all of these panels have been very helpful, and I believe I speak for Chairman Collins and Senator Dayton in that regard. It's always good for us who work in Washington to go back home to listen to folks at the local level, because you are the ones who have to make it happen. So very appreciative.

And then to my colleagues, Chairman Collins, thank you very much for taking time in your very busy schedule to be part of this

hearing. And to my friend and colleague across the aisle, Senator Dayton, I thank you for being here.

I do have several staff who are here. Can the staff raise their hands? The reason I do that, if folks have additional information or questions, please contact staff and let them know. We will keep the record open until the end of the week for the purpose of accepting further comments and a statement from the U.S. attorney.

So with that, I want to thank you all for coming, and this hearing is adjourned.

[Whereupon, at 11 a.m., the Subcommittee adjourned.]

# APPENDIX

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**STATEMENT OF ANNE LOMBARDI, INTERIM DIRECTOR**
**FIELD OPERATIONS, CHICAGO**
**BUREAU OF CUSTOMS AND BORDER PROTECTION**
**BEFORE THE COMMITTEE ON**
**SENATE GOVERNMENTAL AFFAIRS**
**PERMANENT SUBCOMMITTEE ON INVESTIGATIONS**
**MAY 12, 2003**

Chairman Coleman, Madame Chairman, Members of the Committee, good morning. I want to thank you for this opportunity to testify before you today.

My name is Anne Lombardi. I am currently the Interim Director, Field Operations, for the Chicago Field Office of the Bureau of Customs and Border Protection (BBCBP). My responsibility entails providing leadership for the legacy agencies of Customs, Immigration and Agriculture border inspections for all ports of entry under my jurisdiction – including the port of Minneapolis, Minnesota.

As you know, these agencies merged on March 1, 2003, under the Department of Homeland Security. While the traditional missions of the respective agencies continue to be observed, we now have to integrate their processes and systems to more effectively and efficiently support one common mission that will serve to enhance the security of our borders.

Our collective priority is to prevent terrorists and terrorist weapons from entering into the United States, while facilitating the flow of legitimate trade and travel. Our strategy to accomplish these goals involve a number of factors, including engaging state and local enforcement agencies to assist with border security efforts, deploying advanced inspection technology and equipment, pushing our "zone of security outward" by partnering with other countries as well as the private sector, and increasing staffing positions for border security. Please allow me to expand on a few of these strategies.

- **The Department of Defense (DoD)** has provided National Guard support to BCBP's counterdrug mission since 1989. There is an estimated 350 National Guard soldiers currently assigned to BCBP locations throughout the country. In addition to the traditional counterdrug support provided by DoD, an additional 626 National Guard soldiers supported BCBP anti-terrorism operations along the northern and southern borders until a sufficient number of full-time staffing could be hired and trained. The deployment of Guard personnel was significant to the securing of our borders immediately after the events of 9/11.

- **State and local enforcement agencies** have been requested to assist as first responders to incidents that may occur in remote locations where BCBP operations are not conducted 24 hours a day, 7 days a week. Many of these locations are supplemented with remote video camera equipment and ground

sensors in addition to being secured with bollards and gates. The Border Patrol and state and local enforcement agencies have been requested to be the first responders to potential incursions due to their proximity to these areas.

- On April 29, 2003, Secretary Ridge announced his commitment to implement a new Entry/Exit system called the **US VISIT system** – the Visitor and Immigration Status Indicator Technology system. US VISIT will take the structure of the entry exit system (replacing NSEERS and integrating SEVIS and other data bases) and provide the government with comprehensive arrival and departure information. VISIT will capture more information about arriving visitors than is captured in systems today. It will include biometrics by the end of this year at air and seaports. The system will expedite the entry of legitimate travelers and residents, enabling personnel to concentrate on individuals of interest.

- **The Container Security Initiative (CSI)** is one example of partnering with countries to combat terrorism. Under CSI, we are identifying high-risk cargo containers and partnering with other governments to pre-screen those containers at foreign ports, before they are shipped to our ports. Within one year of our announcement of CSI, the governments representing 18 of the top 20 ports agreed to implement CSI, and those governments where the remaining two ports are located have expressed support for the initiative and a desire to participate.

- **The Customs-Trade Partnership Against Terrorism (C-TPAT),** is a pilot program that enables nearly 3,000 participating companies-including domestic manufacturers, trucking firms and shipping companies-to take a "fast lane" into the United States after taking steps to ensure security in the cargo supply chain. We are now looking at expanding C-TPAT over the next several months to include foreign manufacturers. BCBP officials also have started conducting "validations" of supply-chain security measures reported by C-TPAT participants.

- **Deployment of Non-intrusive Inspection Equipment** (NII) technology is continuing nationwide. The technology provides for a more effective and efficient, and less time consuming method of inspecting cargo, allowing conveyances to move more rapidly through the import lots for inspections. NII equipment includes large-scale x-ray and gamma-ray imaging systems, portal radiation monitors, and a mixture of portable and handheld technologies to include personal radiation detection devices that greatly reduce the need for costly, time-consuming physical inspection of containers and provide us a picture of what is inside containers.

  Deployment of Radiation Portal Monitors is well under way with a total of 45 RPMs installed at various ports along the Northern Border. While this

technology is limited, it does have the ability to detect some anomalies and the presence of radiological material in containers and conveyances depending on the source material and amount of shielding. These detection devices allow inspectors to direct suspect cargo into secondary screening areas for more thorough searches if there is an initial positive reading. In this way, the vast majority of goods and vehicles can quickly pass through check points without the need for manual inspection. As more sophisticated screening devices are developed that will allow us to defeat shielding, it will give BCBP an even stronger tactical edge in keeping nuclear and radiological material from entering the United States.

A mobile gamma-ray imaging system is already in place at the port of entry at International Falls for examining passenger vehicle, truck, and rail traffic. Within 30 days, installation of a gamma-ray imaging system should be complete at the railroad bridge at Ranier. Gamma-ray imaging systems also will be installed at the rail lines at Noyes.

Personal Radiation Detectors (PRDs) have been issued for all customs and immigration inspectors who perform passenger screening. BCBP inspectors conducting cargo examinations are equipped with PRDs. All inspectors have been trained to properly use PRDs.

- **Creation of Customs Area Security Centers** (CASC) to monitor by cameras, outlying crossings from these designated centers. In addition to bolstering our northern border ports of entry with bollards, gates, and security lighting, video security systems will be installed in all ports of entry to monitor activity during non-operational hours. The live video is monitored by the CASC which is manned 24 hours a day, 7 days a week. Response assistance from state, local and Border Patrol personnel has been coordinated to address identified illegal crossings. Today, there are 2 operationally active CASCs. The CASCs are located in Houlton, ME, and Blaine, WA. The CASCs at Highgate Springs, VT and Champlain, NY will be active as connectivity to outlying ports is completed.

  Security gates have been installed at the ports of entry at Roseau, Pinecreek, Lancaster, and Noyes – ports with limited public hours. Installation of video security systems and lighting is progressing. All land border ports in Minnesota have 24-hour officer presence, even during closed port hours.

- **The Integrated Surveillance Intelligence System** (ISIS) program was established to provide BCBP with the capability to effectively monitor the integrity of U.S.-Mexico and U.S.-Canada national boundaries for purposes of border control. ISIS uses data from component surveillance systems to provide control responses, information distribution, mapping, and query results to support the U.S. Border Patrol. This includes coordinating sensor

and video data as they come in from remote sites, providing for appropriate responses, and alerting agents in the field to events requiring response.

The major component systems of ISIS are the Intelligent Computer-Aided Detection (ICAD) system, unattended ground sensors, night vision equipment, Global Positioning Systems (GPS) units, and the Remote Video Surveillance (RVS) system, which comprises an elaborate system of fixed cameras along the border. ISIS is the integration and management component of electronic surveillance.

- **Staffing for the Northern Border** has been increased significantly since the events of 9/11. In FY '02 and the beginning of FY '03, the number of new inspectors, canine enforcement officers, and special agents increased by 3,200 officers, of whom 775 have been assigned to supplement the northern border enforcement activities. The Border Patrol hired 2,050 new agents in FY '02, and, as of February 2003, a total of 560 Border Patrol Agents have been deployed all along the Northern Border.

There are many initiatives being undertaken to support our cross border efforts to simultaneously address terrorism while maintaining the free flow of trade. One such cross border initiative is the ongoing **Smart Border Declaration** entered into between the U.S. and Canada in December 2001. This Declaration focuses on four primary areas: the secure flow of people; the secure flow of goods; investments in common technology and infrastructure to minimize threats and expedite trade; and coordination and information sharing to defend our mutual border. By benchmarking our security measures and sharing information, we are able to relieve pressure and congestion at our mutual land border.

In closing, the Bureau of Customs and Border Protection is committed to continue and expand our counter-terrorism initiatives, and improve our efforts to protect America, the American people, and the American economy.

Thank you again for this opportunity to testify. I would be happy to answer any of your questions.

**TALKING POINTS**
**OF**
**COMMISSIONER RICH STANEK**
**Minnesota Department of Public Safety**
**St. Paul, Minnesota**

My name is Rich Stanek, commissioner of public safety and director of homeland security for the state of Minnesota. I appreciate the opportunity to testify before you today.

The fact you are having this hearing here reflects your commitment to homeland security not only on a national basis, but at the state and local levels. Because it is here where homeland security begins.

Minnesota has been a national leader in terrorism prevention and preparedness. In 1999, the department of public safety forwarded to the legislature an extensive report on possible terrorism in Minnesota and what the state would do to respond.

That leadership continues today. Senator Coleman and I had a conversation recently. The senator wanted to be actively engaged in the homeland security issues and needs of his state.

After our discussion, I decided to create a Commissioner's public safety advisory group. Leaders of police, fire and emergency medical services will get together with me to offer suggestions and advice related to homeland security.

Minnesota's congressional delegation is also invited to attend our meetings to hear first-hand, some of our homeland security issues and what it all means to our public safety professionals on the local level.

Homeland security is all about communication and coordination. The advisory group will demonstrate that.

Other existing relationships in Minnesota are demonstrating high levels of communication and coordination. The connection between the state and our federal partners is rock solid. We are blessed in Minnesota with an FBI field office that is inclusive and accessible. Our link to the department of homeland security is strong.

We are thankful for the federal dollars that are coming to Minnesota for training, equipment, exercising and administration.

I can assure you that we are not sitting on that money. We are actively working with our county and local partners to get the funding out the door and into the hands of the people who need it the most.

But we aren't just passing it along without a plan. In Minnesota we are working with our counties and cities on a regional approach to funding equipment and training. In Minnesota, we are being smart with the money you are providing.

Interoperable radio systems and integrated criminal justice information systems such as Minnesota's own CriMNet are key to homeland security's success.

However, I ask you to consider lifting some of the restrictions and limitations on how the funding can be spent. We would like flexibility to pay overtime and personnel expenses with the appropriations.

The magnitude of Minnesota's budget crisis cannot be over-stated. Public Safety is a core function of our administration. Our law enforcement and other public safety officials are being asked to do more with less. After all, equipment is great. But it's the people that make it work. Every chief law enforcement officer and emergency manager in Minnesota is making smart and creative decisions on how to provide their services on a shoe-string.

A relaxation of the limitations would help us all make better decisions for the safety of our citizens.

With your leadership, we can set a national example by continuing to make great strides in public safety and homeland security in Minnesota…whatever the future brings.

Thank you.

Remarks of Sheriff Patrick D. McGowan
Hennepin County, Minnesota
*Homeland Security: The Law Enforcement Perspective Since September 11.*
May 12, 2003

Good morning, Senators Dayton, Coleman and Collins.

It my pleasure to be here today and I appreciate the opportunity to present a view of Homeland Security from a Law Enforcement Perspective.

September 11 is certainly a day to be remembered for the rest of our lives. We cannot change the physical and emotional devastation that it wrought, but we can learn from it.

The new role and responsibility of local law enforcement as a key element of Homeland Security challenges our resources and our time. Today, fully one-third of my time is spent dealing with Homeland Security-related issues. I have become a realist in this process and believe that we cannot prevent everything, but we can be prepared. We, in Hennepin County and Minnesota, have been very fortunate to have been ahead of the curve on much of the preparation for terrorism. We have been members of the FBI's Joint Terrorism Task Force (JTTF) since 2000 and we are proud of our proactive achievements. Our planning and preparation for large scale events has been ongoing for several years and we have learned a great deal from a number of realistic, coordinated drills and exercises.

We know that for that the first 72 hours of a major incident, local public safety will provide the initial, coordinated response. That response will be a keystone to an effective, ongoing operation to save lives and protect our citizens. However, we must be prepared for a Weapons of Mass Destruction array that could include radiological, chemical, biological or explosive strikes. To provide that kind of response, it is imperative that we have the appropriate training, equipment and staff to handle each of these potential threats.

This vital training and resource inventory is expensive and must be ongoing. Even if you have the appropriate equipment, it will be of little value if the parallel training has not been updated. It is not unlike the way each of us views our personal vehicle. You know that you might have to change a tire on your vehicle and that this skill is necessary to getting back on the road again. But how often do you do this? Do you even know where the jack is located or how to access it? Many of you simply couldn't perform this function so basic to your driving safety. Public safety responders are no different. They need to have ongoing training and updating on equipment and techniques or they will be unable to perform with skill and efficiency when they must.

Because this training and equipment is expensive and often has a shelf life of approximately five years, the allocation of resources needs to be thoughtful. We cannot afford to equip and train every public safety responder in every facet of preparedness.

That is why the formation of Regional Response Teams provides a sensible solution to meeting our public safety response requirements as they apply to terrorism and weapons of mass destruction. For example in Minnesota, the formation of five Regional Response Teams, regionalized strategically, would allow us to consolidate our valuable resources. These Regional Response Teams would not only serve as a primary response team in their own area, but could be rapidly deployed to assist in other areas of the state as needed.

I have often believed that Americans are great sprinters, but we are poor marathon runners. As a nation, we respond initially with courage, determination and just "true grit". However, we have a tendency to have little taste for the long haul. I strongly urge you to recognize that America's Homeland Security issues are truly a marathon. We must not let our determination to be prepared to respond to any assault on our nation to wane. We need ongoing funding to provide the training and resources I have discussed. We need your continued focus on and support of our cause.

We must preserve our image of those burning, crumbling Twin Towers in New York, the Pentagon inflames in Washington and a Pennsylvania field strewn with the wreckage of a commercial airliner and the lives within it in our national memory. Our enemies struck the heart of our country. We must say, "never again!" The key is your continued support of the needs of local public safety responders to fill our new role in Homeland Security.

Thank you.

**TALKING POINTS**
**OF**
**MAYOR ARDELL F. BREDE**
**Rochester, Minnesota**

## Post 9/11 Impact to City of Rochester/Mayo Clinic*

City of Rochester:

- Increased patrolling in medical and high tech areas, reducing available patrolling for neighborhoods. No additional resources.
- Rochester Police Department provides security at Rochester International Airport (8 FTE's). Federal reimbursement has covered hourly wages (through May 31st) but no associated costs; i.e. benefits
- Fire Department needs have been for additional training/planning at City expense.
- Increased call volumes relating to suspicious substances etc.
- State budget crisis will put public safety at risk; HAZMAT program funding will be reduced.

Mayo Clinic

- Reduced number of international patients; 23% reduction from 2001 to 2002.
- 4-6 week delay in visa processing (formerly 1 week).
- Mayo Clinic developed rapid Anthrax and Smallpox DNA tests with little or no financial support.

General

- 800-megahertz communication system needed.
- General economic downturn has impacted the loss of more than 1000 technology jobs.
- Every reduction of international visitors to Mayo Clinic has significant impact on local economy.

* Rochester International Airport summary being sent separately.

**PREPARED STATEMENT OF PAUL NEVANEN**

TESTIMONY FOR HEARING ON BORDER SECURITY
BEFORE THE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS
MAY 12, 2003 ANOKA, MN

Paul Nevanen, Director of the Koochiching Economic Development Authority (KEDA)
Representing International Falls and Koochiching County
(Supporting comments supplied with the assistance of Paul McLaughlin, city councilor, Int'l. Falls; and member of the National League of Cities Working Group on Homeland Security.)

Intro: My name is Paul Nevanen, Director of the Koochiching Economic Development Authority, in International Falls. Thank you for this opportunity to share Homeland Security Issues from our perspective. International Falls, population 5, 860, is situated approximately midway along the 4,279 mile northern border and serves as a major border crossing for vehicular traffic as well as a major rail port – the third busiest in terms of trains and containers. We see a continued growth in terms of both vehicular and train traffic; as well as a shift in the country of origin for container traffic to the Pacific Rim and the Middle East. Our area's economy is driven primarily by the wood products/paper industry and tourism.

Cities and counties need to have a strong partnership with federal and state governments to help deal with the lagging economy, loss of jobs, and other issues of national security. Homeland security begins with hometown security—one person, one block, one main street is what makes the real difference in people's lives. That is what shows people that government can work and does work at the local level. The headlines may come from Washington or St Paul but International Falls' elected officials, like Mayor Harry Swensen, like Councilor Paul McLaughlin who by the way apologizes for not being able to testify before you today, are solving problems and making life a little better in International Falls.

As cities and counties in northern Minnesota face some of the tightest budgets in years, federal help to spur economic growth becomes more crucial then ever. International Falls, faces many potential challenges daily as a direct result of the number of border crossings. We are desperately in need of federal funding for homeland-security related situations.

Our first responders are very dedicated individuals who regularly are asked to give more and more time to become the highly trained unit that they are. We expect our volunteers to act and respond as a well-oiled machine. Well, Senator these well-oiled machines require fuel and we ask both the State of Minnesota and the Federal Government help us with the requirement. The State of Minnesota has responded with a mobile decontamination chamber for International Falls to house and to respond to situations should they occur. International Falls currently has a grant application into FEMA for a Mobile Incident Command Center that will be utilized in conjunction with the decontamination trailer.

All this equipment requires additional training. The cost associated with emergency preparedness has doubled since 9/11 as a result of the additional training. Anthrax, Weapons of Mass Destruction, Biological and Chemical Weapons are all new terms that have become common language since 9/11. Our firefighters now have to be trained in all areas of response even the unknown types that agents of terrorism regularly employ. Suicide bombings could happen anywhere and we have to be prepared. State and Federal law enforcement personnel also need and undergo training that continues to evolve to cover an ever-expanding set of emergency scenarios.

For those front-line communities, like Int'l. Falls, the key is planning, preparedness, and having the necessary tools. Aside from the mobile decontamination chamber, another item that help address these needs, is the recent announcement from the Federal Government of the placement of the Rail Vehicle and Cargo Inspection Systems (VACIS) in Int'l. Falls. The VACIS now allows the Bureau of Customs and Border Protection personnel to scan a much higher percentage of rail cars and containers immediately as they cross into this country and identify any anomalies or security threats. Previously, a small percentage of containers were randomly sampled. From a training perspective, a group of local officials has been meeting to proactively look at creating a training program for the various Federal law-enforcement agencies in International Falls. The initiative would be tailored to provide a cost-effective location to conduct periodic or as-needed training for those involved along the northern border. The concept would be to utilize local resources including the local Rainy River Community College to provide classroom as well as real-world tactical training in a unique four-seasons environment. We've conducted informal assessment meetings with the various agencies, including local law enforcement, and the concept was well received. We've applied for a federal appropriation to further this initiative.

All of these efforts have required communication and cooperation among all of the participants – local, state, and federal elected officials and agencies – not always an easy task. I'm encouraged by the cooperation and commitment demonstrated thus far.

Thank you for your time.

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U.S. SENATE PERMANENT

SUBCOMMITTEE ON INVESTIGATIONS

MAY 12, 2002

ANKOA HENNEPIN TECHNICAL COLLEGE

ANOKA, MINNESOTA

RAY SKELTON

ENVIRONMENTAL AND GOVERNMENT AFFAIRS DIRECTOR

DULUTH SEAWAY PORT AUTHORITY

For the record, my name is Ray Skelton of the Duluth Seaway Port Authority. I am the director of environmental and government affairs and, since 9-11, the director of port security.

Ports are literally our nation's connection to the world, benefiting consumers and producers in all 50 states. They serve as a vital part of our transportation infrastructure, handling some 95 percent of our nation's overseas trade volume.

Just about everything we touch daily moves through a port -- from the imported cars we drive, which come in from Asia, Europe and Latin America, as well as our own top quality American made cars that use parts from those same continents -- to the coffee we drink, made from beans imported from Brazil and other countries. Much of the food we eat and the clothes we wear comes to us through our nation's ports. If you use it, eat it or wear it, it probably comes through a port.

And that's only half the picture, because marine transportation is also the most cost-effective means for getting American goods into the global marketplace. Corn, soybeans, wheat, barley, forest products, coal, iron ore, petroleum, chemicals, machinery and manufactured goods represent just a small sampling of our nation's exports that rely upon ports to make their way throughout the world for sale at competitive prices.

The growth of our great nation parallels the growth of our ports. Back in Colonial days, our forefathers settled along natural coastal harbors and inland riverbanks,

trading goods on ships that sailed overseas. Trade supported the growth of these communities and led to the prosperous and dynamic port cities of today.

Today's U.S. port system is vast and versatile, consisting of more than 100 public port authorities and agencies along the Atlantic, Pacific, Gulf and Great Lakes coasts, as well as in Alaska, Hawaii, Puerto Rico, Guam and the U.S. Virgin Islands. These ports range in size and scope from huge coastal load centers handling millions of tons of general cargo, like machinery and manufactured products, or bulk commodities, like grains, coal, petroleum and petrochemical products, to relatively small niche ports that serve unique needs of a particular region. And even land-locked states are heavily dependent upon the port system for efficient international cargo movements. Everything in the U.S. transportation system is connected, via the roadways on which trucks travel, via the railways, via the gateways to the world provided by ports.

The mobilization and deployment of our U.S. Armed Forces is heavily reliant on ports for support. America's seaports provide the gateway for military ships, supplies, weaponry and munitions, and personnel.

Ports, of course, also are at the heart of the cruise industry, the fastest-growing segment of the leisure travel industry, which has an economic impact approaching $20 billion a year.

If you haven't visited the port lately, let me take this opportunity to invite you to do so. We would welcome the opportunity to show you around.

Partnerships between industry and government have played an integral role in the growth of ports. The need to not only maintain but to enhance maritime system

capacity has never been greater. Analysts project transportation demands for goods and passengers will double in 20 years and triple in 50 years.

At the same time, we face challenges related to issues such as homeland security. If there should be a terrorist incident at any of our nation's ports, the U.S. maritime system could come to a screeching halt, subjecting our country to economic paralysis. A mere glimpse of the potential impact occurred with last year's labor dispute at U.S. West Coast ports, which, according to industry analysts, cost the U.S. economy $1 billion per day.

Security is the No. 1 concern at our nation's ports today. U.S. ports are pleased that Congress has made an additional allocation this year for federal grants for port security measures. While we are appreciative, however, keep in mind that the roughly $200 million total designated for port security thus far is less than five percent of what the Coast Guard says is needed. Seaports clearly deserve as much funding attention as air borders, as borne out by a recent key recommendation of the Council on Foreign Affairs that urged, and I quote, "Recalibrate the agenda for transportation security; the vulnerabilities are greater and the stakes are higher in the sea and land modes than in commercial aviation." Now, I must ask you to take note that the Administration's budget, which was released on February 3, includes no money for key port facilities security projects. We would you to urge you to add in money in the '04 budget for seaport security.

A second key concern for ports is sufficient funding for highways and other intermodal infrastructure to provide swift, efficient movement of freight throughout the U.S. transportation system. Surface transportation legislation is due for reauthorization this year, and it is vitally important that changes are made to

promote freight mobility. Reauthorization of the Transportation Equity Act for the 21st Century, commonly known as TEA-21, must ensure that Highway Trust Fund monies are used for their dedicated purpose – and not for debt reduction. Methods for increasing transportation funding must not employ new user fees or taxes—transportation and trade are already paying their fair share. In addition, we support proper prioritization of projects based upon volume and congestion resulting from freight movement. And we favor dedication of funds toward National Highway System, or NHS, intermodal freight connectors--road segments reported to be in worse condition and receiving less funding than other NHS routes. The U.S. Congress has recognized the unprecedented, ever-dynamic demands that international trade places upon our nation's transportation infrastructure, as indicated by its establishment of the Borders and Corridors Program. Sections 1118 and 1119 of TEA-21 authorized $140 million annually over a five-year period for planning, project development, construction and operation of projects serving border areas near Mexico and Canada and high-priority corridors throughout the United States.

Since the beginning of the TEA-21 programs, more than 15 dollars have been requested for each dollar that has been made available in the Borders and Corridors program. Much of the funds that have been allocated have gone toward planning, design and engineering of future projects. The result: A constantly growing backlog of "shelf-ready" essential projects that remain unfunded and therefore not completed. Thus, we are encouraging funding at a level of $2 billion per year for the Borders and Corridors program.

Let me briefly touch upon a couple other key concerns of ports. First is the issue of dredging. We want to ensure that necessary dredging projects are completed, to

maintain and strengthen the nation's deep-draft navigation system which is critical to transporting international commerce and national defense. We note that the Administration budget request seeks less than half of what is needed to efficiently construct authorized deep-draft navigation channel improvement projects. We hope Congress will appropriate adequate funding to the Corps of Engineers for these projects. The budget also calls for major policy changes -- expanding the Harbor Maintenance Trust Fund to be used for funding construction projects. We oppose this because it eliminates all general treasury funding by the Federal government in the nation's navigation system. Enactment of the Water Resources Development Act, or WRDA, is of critical importance to the nation's economy. This law provides the policy direction to the U.S. Army Corps of Engineers, and also authorizes new projects that have been demonstrated to be in the national interest. Delays in authorizing vital navigation and water resource projects result in increased costs and reduced benefits from substantial Federal, local and private investment in port facilities and navigation channels. We urge Congress to enact a Water Resources Development Act of 2003 that authorizes needed deep-draft improvement projects and needed policy changes to modernize the Federal-local partnership.

And finally is the issue of management of ballast water, which is the water that ships take on and discharge to maintain stability, balance and structural strength. We support effective policies for ballast water management, including establishment of a uniform national mandatory program that ensures prevention of introduction of aquatic nuisance species into state waters including reauthorization of the National Invasive Species Act.

Partnerships, in fact, are critical to everything we are talking about today. Perhaps

it is most fitting that we are here talking about their importance. Within the port industry, we have found that partnerships are the most effective way to get things done. For example, in Minnesota, we have partnered with the other four public ports on issues ranging from security funding to fast corridor development. Throughout the nation, state and various regions partnerships have been forged that help us achieve our nation's trade and transportation objectives. America's ports depend not only upon partnerships with each other but, moreover, upon partnerships with Congress and a broad spectrum of government entities. Ports are the vital connection to trade and transportation. By working with you, that connection can be strengthened. Our economy and our quality of life depend on it.

###

**TALKING POINTS**
**OF**
**MR. STEVE LEQVE**
**Airport Manager - Rochester International Airport**
**Rochester, Minnesota**

Rochester International Airport
ROCHESTER, MINNESOTA, USA
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## SPEAKING POINTS

1. Transportation Security Administration
   - Implementation of TSA personnel at the Rochester International Airport
   - Public feedback on TSA screeners
   - Relationship with local TSA leadership
   - More authority to local TSA leadership with working knowledge of airport

2. Security Mandates
   - Termination of agreements for reimbursement of Law Enforcement expenses incurred to keep an officer at the screening checkpoint
   - Cat. X, I, and II typically have officers on site at all times but Cat. III and IV do not

3. Security Funding
   - Funding available for required security changes to airport facilities

Steven W. Leqve
Airport Manager
Rochester International Airport
Rochester, MN

**Testimony of Michael Curry**
**Superintendent of Police, Canadian Pacific Railway**

**before the**

**United States Senate Committee on Government Affairs**
**the Permanent Subcommittee on Investigations**

**Hearing on Border Security**
**May 12, 2003**

Mr. Chairman, I am Mike Curry, Superintendent of Police for the Canadian Pacific Railway. With me today are Mr. Bill Drusch, President of the Minnesota Regional Railroads Association and Mr. Phil Marbut, Supervisor of Dangerous Commodities for the Canadian Pacific Railway, who can help answer questions after our testimony

.It is an honor to appear before your committee today to discuss matters of homeland security as they involve the railroad industry. I would like to offer a bit broader perspective of our industry regarding the efforts we have undertaken to assure security along our lines.

Railroads are vital to our national economy, national defense and public health. Some 40 % of all intercity freight goes by rail, including 67 % of the coal used by electric utilities to produce power. The chemicals used to purify the nation's water supplies and fertilize our crops also move by rail. And, railroads provide critical support to the Department of Defense Strategic Rail Corridor Network (STRACNET) which includes more than 30,000 miles of rail line and provides the backbone for the movement of Department of Defense shipments.

The railroad network of tracks, bridges, and terminals presents a huge security challenge. It includes about 130,000 route miles — that's better than three times as long as the Interstate Highway System. Much of it is in isolated areas. Fencing is neither practicable nor effective. Furthermore, securing our infrastructure is only one part of the railroad security challenge. Securing the operations of our railroads adds the further challenge of anticipating unplanned occurrences while trains are in operation.

When America came under attack on September 11, 2001, the railroad industry responded swiftly. Working closely with local, state and federal authorities and utilizing their own police forces, railroads increased inspections and patrols, restricted access to key facilities, briefly suspended the movement of freight in the New York area and changed certain operational practices as anti-terrorist measures.

Because enhanced security has become a long-term necessity, the Board of Directors of the Association of American Railroads (AAR) — made up of the CEOs of North America's major freight railroads and Amtrak — has established the mandate to ensure that the railroads would be more secure each day.

Using CIA and national intelligence community best practices, five critical action teams — with the active involvement of some 150 railroad industry, security and intelligence personnel — were established to scrutinize different aspects of the railroad system:

- hazardous materials
- operations
- infrastructure
- information technology and communications
- military movements

Using national intelligence community "best practices," the Railroad Security Task Force developed a comprehensive risk analysis and security plan which includes:

- a database of railroad critical assets;
- assessments of railroad vulnerabilities;
- analysis of the terrorism threat;
- calculations of risk;
- identifications of countermeasures to reduce risk;
- definition of alert levels;
- delineation of actions to be taken at each alert levels; and
- functions of the AAR operations center and railroad alert network.

The plan establishes six alert levels and describes progressive series of actions to thwart terrorist threats to railroad personnel and facilities. It also includes additional countermeasures that will be applied in the areas of operations; information technology and communications; and police.

Some of the actions taken since Sept. 11 include increased cybersecurity, restricted access to railcar location data, spot employee identification checks, increased tracking and inspection of certain shipments, use of new encryption technology for selected data communications, increased security at physical assets, and increased employee training to ensure that the industry's more than 200,000 employees serve as the "eyes and ears" of the security effort.

With military action against Iraq, the industry has taken additional security steps including real-time monitoring and additional surveillance of designated trains, increased security at certain rail yards, increased inspection of priority track, tunnels and bridges, and working with customers to tighten control of supply chain logistics.

These and similar steps are being taken at international railroad crossings to secure shipments into the United States and neighboring counties. The challenge before our sector of the transportation industry is similar to that facing the others – how to assure security of our transport system without seriously hindering the efficient flow of rail commerce.

However, while our railroad network is vast and our employees many, securing the transportation of massive quantities of freight across this nation requires the cooperation of authorities at the national, state and local on a daily basis. We need to be able to communicate among ourselves before, during and after any critical incident. We need to plan and rehearse our response long before - not after - a problem occurs. And, we need to share information among ourselves so that we have a mutual understanding of the capabilities and constraints of each sector response.

Freight railroads remain in constant communication with the U.S. Department of Transportation security personnel, the FBI, the National Security Council, and state and local law enforcement officers. The industry also has in place plans to respond immediately to any threats to our transportation network.

The railroad security plan is a living document, because the risk assessment process is a continuous one. As conditions warrant, that plan will be updated, revised and strengthened. The railroad industry is committed to moving forward aggressively to ensure the security of the railroads and their continued service to the nation.

Testimony Before the United States Senate
Permanent Subcommittee on Investigations

Presented by John Hausladen, President
Minnesota Trucking Association

May 12, 2003

Good morning, Mr. Chairman. My name is John Hausladen and I am president of the Minnesota Trucking Association. Thank you for the opportunity to visit with you today regarding the issue of truck transportation and homeland security.

I would like to provide a brief overview of truck border crossing and then focus on two issues during my brief comments: cargo theft and the trucking industry's Anti-Terrorism Action Plan (ATAP.)

**First, border security**: I want to stress that there are approximately 750,000 trucking entities registered with the Federal Motor Carrier Safety Administration (FMCSA). Of those, the American Trucking Association (ATA) estimates approximately 500,000 of these companies are "actively engaged" in regular truck transportation activities. The implementation of NAFTA, which grew U.S. trade with Canada from $211 billion annually in 1993 to $379 billion in 2002, has concurrently increased cross border truck traffic. According to the Bureau of Customs and Border Protection (CBP), southbound truck crossings at the U.S.-Canada border during that same nine-year period increased from 5 million to nearly 7 million. Given this explosion in cross border traffic, processing speed becomes a major issue. To help balance the needs of security and processing speed we recommend two strategies be adopted at border crossings: increased use of gamma ray inspections and the addition of FAST/C-TPAT systems.

**The next issue is cargo theft**. The hijacking of trailers and their contents remains a major security concern for the trucking industry. Cargo theft has increased 30% over the last three years, now amounting to $12-$20 billion in losses per year. While the hijacking of a trailer full of high-end personal electronics may not pose a great security threat, a hijacked trailer full of hazardous materials takes on a whole new meaning in this post-September 11 world. Unfortunately, cargo theft has routinely been a low priority for law

enforcement. Since truck trailers are by their very nature mobile, they travel across multiple jurisdictions. This dynamic, coupled with already overburdened officers, make it easy for law enforcement to avoid taking ownership of a reported theft. We must work to change a mentality that says, "It's probably already out of my jurisdiction. There is nothing I can do about now anyways." A more aggressive response by federal agencies, such as the FBI, is critical to closing this significant gap in our homeland security system.

**Lastly, our response to the terrorist threat**: The trucking industry's has developed an Anti-Terrorism Action Plan (ATAP). It was created by a partnership of sixty-five state and national industry groups with one clear goal: preventing the use of trucks as a weapon. I would like to submit a copy of that plan for the written record. The key component of our plan is the recruitment and training of professional truck drivers to help them take ownership of security within their own ranks. We identified the need to specifically train professional drivers in how to recognize, observe and report potential terrorist operations. Highway Watch, a long-standing cooperative program between the ATA and the FMCSA, was identified as an ideal means to both rapidly launch such an effort and accomplish the other tactical objectives identified in the Anti-Terrorism Action Plan. I would also like to submit an overview of these objectives for the written record. With a potential pool of 3 million truck drivers, the trucking industry launched an effort to secure funding to enable these objectives. Thanks to you, Senator Coleman, and the other Members of Congress, $20 million was appropriated to expand the Highway Watch program. Unfortunately, the Transportation Security Administration has yet to release those funds. If I accomplish nothing else today, it would be to impress upon you that we need your help to expedite the release of those funds and put them to work protecting our vital truck transportation system.

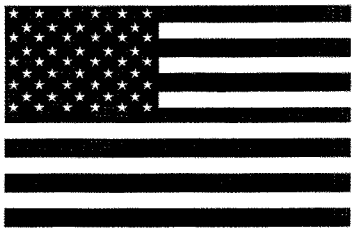
In conclusion, let me say that when it comes to major trucking-related security issues, technology will be useful tool, but perhaps not the most critical. The trucking industry believes our true success in defeating terrorism within in our borders depends on making sure people know what to look for and how to respond. Again, thank you for this opportunity. I would be happy to answer any questions.

*ATTACHMENT TO STATEMENT OF:*
**MR. JOHN HAUSLAUDEN**
President, Minnesota Trucking Association
St. Paul, Minnesota

FINAL

# The American Trucking Industry's

# Anti-Terrorism Action Plan
# May 2002



As developed with the assistance of Jeffrey K. Beatty, President and Chief Executive Officer – Total Security Services International, Inc. and Security and Anti-Terrorism Consultant to the American Trucking Associations

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The Anti-Terrorism Action Plan (ATAP) is a coordinated effort among the following organizations:[1]

- AMSA — American Moving and Storage Association
- ATA — American Trucking Associations[2]
  - AMTA — Arizona Motor Transport Association[3]
  - GMTA — Georgia Motor Trucking Association[4]
  - MTA — Minnesota Trucking Association[5]
  - NJMTA — New Jersey Motor Truck Association[6]
- ATC — Agricultural Transporters Conference
- CTA — Canadian Trucking Alliance
- DLTLCA — Distribution and LTL Carriers Association
- NATA — National Automobile Transporters Association
- NATSO — National Association of Truck Stop Operators
- NTTC — National Tank Truck Carriers
- TCA — Truckload Carriers Association
- TIA — Transportation Intermediaries Association

The above groups represent hundreds of thousands transportation industry-related companies, along with millions of professional truck drivers and millions of others in trucking-related jobs. The ATAP is a working plan, not a final plan, and outlines both work already underway and work to be completed.

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[1] **The listing of an Association should not be taken as an endorsement of every aspect of the ATAP, but as general support of the Plan in its entirety.**

[2] ATA's federation includes 50 affiliated state trucking associations, which divide themselves into four regions. In preparing ATAP, each of the four regions was represented. A complete list of the state trucking association executives is set forth in Appendix A.

[3] AMTA represented the 15 affiliated state trucking associations that comprise Region IV.

[4] GMTA represented the 12 affiliated state trucking associations that comprise Region II.

[5] MTA represented the 12 affiliated state trucking associations that comprise Region III.

[6] NJMTA represented the 11 affiliated state trucking associations that comprise Region I.

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## EXECUTIVE SUMMARY

For many years, the trucking industry has worked to improve the security of trucking operations principally to address cargo theft by organized crime and individual networks. In the aftermath of the events of September 11, the trucking industry expanded its security focus to include prevention of the use of its vehicles and containers by terrorists and contingency plans to deal with the response and consequence management of an incident in which its vehicles or containers may have played a role. Because of trucking's essentiality to our nation's economy and recognizing that our industry is a possible target for terrorists, ATA and other industry members have created this Anti-Terrorism Action Plan (ATAP).

Trucking industry representatives have established this security blueprint with a set of recommendations for a joint industry-government effort to evaluate and mitigate possible security risks to our industry in the near, medium, and long term. This industry-developed plan closely follows the lead set by the Office of Homeland Security. It is important to note that the trucking industry recognizes that it has undertaken this effort as only one segment of the supply chain. Our industry is aware that a broader effort will need to be undertaken with other segments of the supply chain to include manufacturers, retailers, and others to even further improve the security of our nation's infrastructure and economic well-being. The essential goals of ATAP are to ensure that a truck or its cargo will not be used as a weapon of mass destruction and that the wheels of commerce continue to roll during a terrorist threat or even a terrorist attack. To accomplish these goals, the ATAP coordinates sets of actions and programs to deter terrorists from utilizing trucks as weapons conveyances or as weapons with the Office of Homeland Security's threat advisory system. ATAP will address the four subject areas described in Presidential Decision Directive 39 (June 21, 1995) (PDD-39) – reduce vulnerability, deter, response, and consequence management – in a way that will increase industry anti-terrorism capabilities. The major programs that ATAP envisions include:

- Expanding ATA's Highway Watch® program to include training professional truck drivers and truck stop employees to be the eyes and ears of America's Trucking Army and to report suspicious activity on the public roadways;
- Establishing an industry Highway Watch® Operations Center to function as the "Information Sharing and Analysis Center" (ISAC), facilitating two-way communications between the trucking industry and various government organizations. This center will receive and manage the Highway Watch® information while providing government and industry a way to communicate timely information to industry members;
- Developing preparedness and response strategies that coincide with government threat level warnings of possible terrorist attacks;
- Evaluating technologies that could possibly assist the trucking industry to effectively improve the security of trucks, terminals, and other operations;
- Improving industry access to information databases to undertake security and criminal background checks of commercial truck drivers and possibly other employees in sensitive positions;
- Expanding a strong liaison program with relevant U.S. government agencies, law enforcement representatives, and our trucking industry counterparts and government agencies in Canada and Mexico, among others; and
- Assessing vulnerabilities within trucking operations and providing access to educational and training programs that promote security risk management.

Although trucking industry members have already taken many steps to increase the security of their operations, the ATAP participants are aware that much of the work ahead will depend on a close working relationship between industry and government in defense of our nation's security. Therefore, Phase I of



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the ATAP focuses on programs in which government and industry share the costs of efficiently utilizing resources to enhance security. The ATAP is not a final document, but merely a template from which to continue to build and improve our national and economic security. Phase II of the ATAP will list security measures that may be considered by industry members individually.


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## Trucking Industry Anti-Terrorism Action Plan Measures[7]

| Threat Condition | Actions |
|---|---|
| **GREEN**<br>Low Condition<br><br>*Low risk of terrorist attacks.* | 1. America's Trucking Army[8] receives training on observation and communication procedures to enhance security and extend the surveillance capabilities of law enforcement.<br>2. America's Trucking Army, through Highway Watch® and its Operations Center,[9] maintains normal vigilance.<br>3. Background checks on commercial drivers (to include criminal history).<br>4. Work with DOT to establish a national ID card for transportation workers.<br>5. Utilize Rewards for Justice Program to encourage security threat reporting.<br>6. Liaison with federal and state governments and appropriate trade associations.<br>7. Industry continues to review and expands, if necessary, security programs covering personnel, facilities, equipment, and cargo.<br>8. Law enforcement responds to industry reports of cargo theft or hijacked vehicles within 60 minutes.<br>9. Pre-cleared vehicles expedited at international borders.<br>10. Industry works with appropriate law enforcement on truck security inspections.<br>11. Highway Watch® Operation Center coordinates scenario-training drills. |
| **BLUE**<br>Guarded Condition<br><br>*General risk of terrorist attacks.* | (In addition to the Proactive Measures in the Previous Threat Condition)<br>12. America's Trucking Army is provided updated threat information and maintains increased vigilance on the nations trucking assets and highways.<br>13. Law enforcement responds to industry reports of cargo theft or hijacked vehicles report within 30 minutes. |
| **YELLOW**<br>Elevated Condition<br><br>*Significant risk of terrorist attacks.* | (In addition to the Proactive Measures in the Previous Threat Conditions)<br>14. Exception reporting based on industry practices initiated to the Highway Watch® Operations Center for unaccounted dispatched vehicles or static equipment.<br>15. Law enforcement focuses on security awareness at routine traffic stops and/or at existing weigh facilities, based upon specific threat information. |
| **ORANGE**<br>High Condition<br><br>*High risk of terrorist attacks.* | (In addition to the Proactive Measures in the Previous Threat Conditions)<br>16. In response to enhanced security at critical infrastructure, pre-cleared vehicles are expedited at selected areas.<br>17. America's Trucking Army increases reporting and vigilance on key highway infrastructure, including interstate highways, bridges, tunnels and major seaports.<br>18. Regional broadcast by the Highway Watch® Operations Center to law enforcement and the trucking industry of any reported missing or overdue equipment. |
| **RED**<br>Severe Condition<br><br>*Severe risk of terrorist attacks.* | (In addition to the Proactive Measures in the Previous Threat Conditions)<br>19. Highway Watch® Operation Center communications is granted priority telecommunications access with designated federal and state contacts.<br>20. Approved route plan for sensitive infrastructure coordinated and activated through the Highway Watch® Operations Center. Trucks directed to predetermined checkpoints through the Highway Watch® Operations Center. |

[7] This chart outlines measures for the industry as a whole. It is intended to dovetail with the Homeland Security Advisory System (HSAS).

[8] The phrase "America's Trucking Army" is used throughout this document as a reference to the more than 3 million professional truck drivers and truck stop employees throughout North America. America's Trucking Army will extend law enforcement's capabilities by observing and reporting potential security breaches to the Highway Watch® Operations Center for further action.

[9] ATA's Highway Watch® Operations Center currently operates as a call center, accepting safety-related incident reports from drivers that are then communicated to the appropriate state or local authorities for action. An expanded Operations Center will function as the nerve center for accepting reports from America's Trucking Army of suspicious persons or activities, missing equipment, or other security-related issues and communicating OHS threat conditions and other related security information to the trucking industry.



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## The Challenge Ahead:

The trucking industry, at the urging of President George W. Bush, Director of Homeland Security Governor Tom Ridge, Attorney General John Ashcroft, and Secretary of Transportation Norman Mineta, has developed this document to help accelerate the government's ability to protect the country against the use of trucks as weapons. These leaders have requested input from the U.S. trucking industry on how to better secure the nation's trucking industry to ensure that terrorists cannot use trucks to press an attack. In response, the trucking industry has drafted this Anti-Terrorism Action Plan (ATAP).[10]

We learned two important lessons from the tragic events of September 11th. Terrorists use our transportation industries to achieve their objectives, and they seek to disrupt our nation's economy and commerce as a means to achieve their political goals. We all recognize our country's dependence on trucking in our daily lives and know that if trucks stop, America stops. The goal in drafting ATAP is to keep the wheels of commerce moving while placing safety and security as the highest priorities.

Trucking is a critical component of the United States' economic strength, with 9 billion tons of freight transported by inter-city and local trucks. This translates into 68% of the total domestic tonnage being shipped by trucks, with annual revenues of $606 billion, a figure that not only equals 5% of our Gross Domestic Product but also represents more than 87% of all revenues generated by our nation's entire freight transportation industry.[11] Our nation's transportation infrastructure, in particular the National Highway System (NHS), enables the trucking industry to play such a large and important role in the U.S. economy.[12]

The United States must have a secure trucking industry to maintain the flow of commerce and to minimize social and economic disruption. Terrorists have used trucks as weapons in the past[13] and according to government threat experts, may attempt to infiltrate the trucking industry and use trucks as weapons in the future.[14] Use of a truck as a weapon by a terrorist will have serious long-reaching effects on the trucking industry and the nation. Government and the trucking industry must work cooperatively to prevent this. To this end, the trucking industry created ATAP as a set of recommendations for joint government and industry security measures the industry can undertake, including a discussion of security considerations designed to help the industry evaluate and mitigate security risks in the near and long term.

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[10] This ATAP was developed with the assistance of Jeffrey K. Beatty, President and Chief Executive Officer – Total Security Services International, Inc., and Security and Anti-Terrorism Consultant to the American Trucking Associations. Mr. Beatty's experience includes duties as the Operations Officer for the U.S. Army Delta Force, Special Advisor to the FBI's Hostage Rescue Team, and an Operations Officer with the CIA Counter Terrorism Center. Mr. Beatty's complete Curriculum Vitae appears as Appendix B.

[11] American Trucking Associations, "U.S. Freight Transportation Forecast...To 2013" (February 2002).

[12] Trucking accounts for 87.3% of all freight transportation revenues. The remaining 12.7% is divided among the following modes: rail (5.1%), rail intermodal (1.0%), air (1.6%), water (1.2%), and pipeline (3.9%). *See* American Trucking Associations, "U.S. Freight Transportation Forecast...To 2013" (February 2002).

[13] Terrorist Research Center, Worldwide Truck Bomb Study, which appears as Appendix C.

[14] *See* RSPA Security Guidelines, 66 *Federal Register 6963 (February 14, 2002)* (hereinafter "RSPA Security Guidelines"), which appears as Appendix D.



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ATAP builds on existing trucking industry practices and government efforts to improve the security of the nation's transportation and infrastructure system. Phase I of ATAP calls for the following actions: expansion of ATA's Highway Watch® Program and the Department of State's Rewards for Justice Program; the establishment of a uniform transportation identification card; and the development of a commercial driver security training program, route planning, truck stop and roadside security plans, physical security measures to reduce vulnerability of potential truck bomb targets in order to deter truck bomb attacks, liaison with federal, state and local authorities, and cooperation amongst trade associations and industry-related organizations.

The terrorist events on U.S. soil in 2001 clearly demonstrated the difficulties our government now faces in executing its duty of providing for the common defense. Subsequent to the events of September 11, the Federal Bureau of Investigation (FBI), the Central Intelligence Agency (CIA), our armed forces, and the Office of Homeland Security (OHS) have made it more difficult for terrorists to plan, communicate, and position resources to attack us. Recognizing the efforts implemented by the Administration, the implementation of ATAP will ensure that America's most critical transportation element - trucking - is better protected.

## Joint Government-Industry Recommended Programs

### A. The Government-Industry Partnership

While much attention has appropriately been directed toward aviation security, if additional terrorist attacks occur in the U.S., past history suggests that the surface transportation system is more likely to be involved. Undoubtedly, it is an enormous challenge to safeguard 3.8 million miles of highway,[15] nearly 600,000 highway bridges,[16] and some 400 highway tunnels[17] throughout the U.S. It must be recognized 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 the trucking industry also affects the military's ability to move troops, equipment, munitions, and supplies. In a similar vein, trucks required for relief efforts could be affected adversely. 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 dramatically.

The trucking industry has long been actively involved in providing safe and secure transportation of goods on behalf of customers and their consumers. For example, since 1982, ATA has maintained a council of members dedicated to advancing security and loss prevention issues, 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. Over the years, these committees – comprised

[15] "Highway Statistics 2000" Table HM-20. Federal Highway Administration, 2001.
[16] National Bridge Inventory. Federal Highway Administration, 1999.
[17] Federal Highway Administration's Office of System Management, 2002.


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of security directors and former law enforcement personnel - have addressed many trucking security issues, including driver and vehicle security, cargo security, and facility security. The Committees publish guidelines and educational materials to assist motor carriers enhance the security of their operations.

In addition, the ATA Foundation – the research institute for the trucking industry – has been working closely with government partners to develop and test a number of important transportation security systems. In 1997, the Federal Aviation Administration (FAA) and the ATA Foundation jointly developed a technology-based air cargo security access system at Chicago's O'Hare International Airport. The system allowed truck drivers to quickly and securely transfer air cargo to secured areas of the airport through the use of biometric fingerprint readers and encrypted smart cards.

Two years later, the ATA Foundation -- working with the FAA, the Federal Highway Administration (FHWA) and DOT's Office of Intermodalism -- developed and tested a secure internet-based system for transferring cargo data between manufacturers, trucking companies, and airlines. That "electronic supply chain manifest" research initiative has expanded over the last two years to include businesses in Chicago, New York, Los Angeles and Toronto. In the summer of 2001, the ATA Foundation began a DOT research project that is attempting to develop secure cargo data connections between maritime shipping companies, railroads and trucking companies, so that shipping information can be reviewed and validated by businesses in advance of the cargo delivery.

Throughout the trucking industry, carriers took a number of measures to increase the security of operations immediately following the September 11 attacks. Some carriers re-evaluated their overall security procedures for pick-up and delivery; for service locations, terminals and loading-dock facilities; and for dispatch operations to vehicles in cities and on the road. In addition, companies asked their personnel to be extremely alert and to report any suspicious activity to law enforcement personnel. Some other actions implemented by individual carriers include:

- Creating tamper-resistant company ID cards that are verifiable at both ends of the supply chain;
- Initiating new background checks through systems currently available to motor carriers;
- Designating specific drivers for specific types of loads (e.g., certain hazardous materials[18] loads) and evaluating 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;

[18] Hazardous materials are those materials that have been determined by the Secretary of Transportation to be capable of posing an unreasonable risk to health, safety, and property when transported in commerce and which have been so designated by the Secretary as set forth in 49 CFR Part 172.



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- Emphasizing to all trucking company employees, not only drivers, to stay alert and remain aware of their surroundings at all times, especially when transporting certain hazardous materials;
- Advising drivers transporting certain hazardous materials to avoid highly populated areas, whenever possible;
- Verifying seal integrity at each and every stop. Notifying central dispatch immediately if a 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; and
- Reconciling the seal serial number on loaded trailers to the seal number indicated on the shipper's documents.

These are just a few of the measures that many trucking companies around the country took to enhance their operational security and prevent the use of a truck as a weapon.[19]

The U.S. Department of Transportation also has taken steps to increase the emphasis on security within the motor carrier industry since September 11. The Federal Motor Carrier Safety Administration (FMCSA) within DOT initiated a new program to conduct on-site visits–called Security Sensitivity Visits (SSVs)– with hazardous materials-hauling motor carriers to discuss practical ways to enhance driver, equipment, and cargo security. FMCSA's program was intended to not only increase the level of security awareness among hazardous materials carriers, but also to identify potential weaknesses in carrier security programs and report potentially serious security concerns to appropriate law enforcement authorities. FMCSA reported interim results of this new program to the U.S. Congress in early March 2002.[20]

DOT also responded to the events of September 11 through the Research and Special Programs Administration (RSPA), which issued guidelines to help enhance the security of hazardous materials shipments.[21] Many of the voluntary measures identified in RSPA's advisory notice will be incorporated into Phase II of the ATAP.

The ATAP's basic tenet is to use government and industry resources as needed to prevent serious incidents, rather than to deploy massive resources too late to respond to serious incidents. To accomplish this mission, industry and government must work together to prevent the shutdown of the trucking industry, the lifeblood of the American economy, in the event of a terrorist attack utilizing a truck. Stopping all trucks on the road for a period of days would cost the trucking industry $1.7 billion a day; the ensuing damage to the U.S. economy reaches far beyond that figure.[22]

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[19] Testimony of Tony Chrestman, President, Ruan Transport Unit of Ruan Transportation Management Systems, before the Subcommittee on Crime and Drugs, Judiciary Committee, U.S. Senate, October 16, 2001.
[20] *See* "Report on FMCSA's Security Sensitivity Visits to the House and Senate Committees on Appropriations," which appears as Appendix E.
[21] *See* RSPA Security Guidelines, which appears as Appendix D.
[22] $ 1.7 billion represents the average amount of daily revenue the industry records during the course of the year, as calculated using DRI-WEFA, Inc. estimation in "U.S. Freight Transportation Forecast . . . to 2013" (February 2002).


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To assist the U.S. government in its formidable task of providing for the national defense while facilitating critically needed commerce in a time of emergency, the trucking industry proposes its ATAP. To help define the threat and develop strategies to defeat it, the trucking industry has asked the intelligence community (FBI, CIA) to provide details of how terrorists have acquired trucks to use as weapons in the past, along with a breakdown of all the "operational acts" that have gone into terrorist utilization of trucks as weapons.

The ATAP is based on the following assumptions:

- Public safety and security takes precedence over all other considerations.
- Government responsibility is to provide for the common defense.
- Terrorists have made use of trucks as weapons in the past and may attempt to do so again.
- Industry can and should assist the government with its responsibility to provide for the common defense.

The trucking industry may implement numerous security measures on its own; however, several security improvements require government and industry to work together. The remainder of this section discusses measures that require government action to implement.

## B. The American Trucking Industry's Anti-Terrorism Action Plan

### ATAP measures for the Trucking Industry (Coordinated with the Homeland Security Advisory System)

The OHS has established the Homeland Security Advisory System (HSAS), comprising the five color-coded steps.[23] The threat condition descriptions characterize the risk of terrorist attack. The protective measures listed are the steps that will be taken by the government and the private sector to reduce vulnerabilities. The ATAP adopts this template for the trucking industry and suggests industry measures that may be helpful at each threat condition.

The threat condition levels, based on the OHS plan, are generally described in the left column of the table below, starting with the least serious (GREEN) and increasing to the most serious (RED). In the right column are the 20 ascending and cumulative ATAP steps that should be considered in response to specific threat conditions.

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This amount does not include the cumulative indirect costs of having the supply chain shutdown for an extended period of time.

[23] *See* Homeland Security Presidential Directive-3 (March 11, 2002) and a press release dated March 12, 2002 announcing the Homeland Security Advisory System, which appears as Appendix F.



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## Trucking Industry Anti-Terrorism Action Plan Measures[24]

| Threat Condition | Actions |
|---|---|
| **GREEN**<br>Low Condition<br><br>*Low risk of terrorist attacks.* | 1. America's Trucking Army[25] receives training on observation and communication procedures to enhance security and extend the surveillance capabilities of law enforcement.<br>2. America's Trucking Army, through Highway Watch® and its Operations Center,[26] maintains normal vigilance.<br>3. Background checks on commercial drivers (to include criminal history).<br>4. Work with DOT to establish a national ID card for transportation workers.<br>5. Utilize Rewards for Justice Program to encourage security threat reporting.<br>6. Liaison with federal and state governments and appropriate trade associations.<br>7. Industry continues to review and expands, if necessary, security programs covering personnel, facilities, equipment, and cargo.<br>8. Law enforcement responds to industry reports of cargo theft or hijacked vehicles within 60 minutes.<br>9. Pre-cleared vehicles expedited at international borders.<br>10. Industry works with appropriate law enforcement on truck security inspections.<br>11. Highway Watch® Operation Center coordinates scenario-training drills. |
| **BLUE**<br>Guarded Condition<br><br>*General risk of terrorist attacks.* | (In addition to the Proactive Measures in the Previous Threat Condition)<br>12. America's Trucking Army is provided updated threat information and maintains increased vigilance on the nation's trucking assets and highways.<br>13. Law enforcement responds to industry reported cargo theft or hijacked vehicle report within 30 minutes. |
| **YELLOW**<br>Elevated Condition<br><br>*Significant risk of terrorist attacks.* | (In addition to the Proactive Measures in the Previous Threat Conditions)<br>14. Exception reporting based on industry practices initiated to the Highway Watch® Operations Center for unaccounted dispatched vehicles or static equipment.<br>15. Law enforcement focuses on security awareness at routine traffic stops and/or at existing weigh facilities, based upon specific threat information. |
| **ORANGE**<br>High Condition<br><br>*High risk of terrorist attacks.* | (In addition to the Proactive Measures in the Previous Threat Conditions)<br>16. In response to enhanced security at critical infrastructure, pre-cleared vehicles are expedited at selected areas.<br>17. America's Trucking Army increases reporting and vigilance on key highway infrastructure, including interstate highways, bridges, tunnels and majors seaports.<br>18. Regional broadcast by the Highway Watch® Operations Center to law enforcement and the trucking industry of any reported missing or overdue equipment. |
| **RED**<br>Severe Condition<br><br>*Severe risk of terrorist attacks.* | (In addition to the Proactive Measures in the Previous Threat Conditions)<br>19. Highway Watch® Operation Center communications is granted priority telecommunications access with designated federal and state contacts.<br>20. Approved route plan for sensitive infrastructure coordinated and activated through the Highway Watch® Operations Center. Trucks directed to predetermined checkpoints through the Highway Watch® Operations Center. |

[24] This chart outlines measures for the industry as a whole. It is intended to dovetail with the Homeland Security Advisory System (HSAS).

[25] The phrase "America's Trucking Army" is used throughout this document as a reference to the more than 3 million professional truck drivers and truck stop employees throughout North America. America's Trucking Army will extend law enforcement's capabilities by observing and reporting potential security breaches to the Highway Watch® Operations Center for further action.

[26] ATA's Highway Watch® Operations Center currently operates as a call center, accepting safety-related incident reports from drivers that are then communicated to the appropriate state or local authorities for action. An expanded Operations Center will function as the nerve center for accepting reports from America's Trucking Army of suspicious persons or activities, missing equipment, or other security-related issues and communicating OHS threat conditions and other related security information to the trucking industry.



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## C. Major Programs

### 1. America's Trucking Army – The Highway Watch® Program

Crime statistics repeatedly show that crime diminishes when law enforcement patrols neighborhoods and neighborhood watch programs are initiated. Greater visibility increases the risks of committing a criminal act and deters and detects criminal behavior. With more than 3.1 million professional truck drivers[27] traveling U.S. highways (4 times the number of the nation's sworn law enforcement personnel) and approximately 200,000 truck stop employees, the trucking industry could clearly become the most visible element of the President's Army in the War on Terrorism. To meet the trucking industry's central mission of helping to ensure the safety and security of this nation's highways, we propose to immediately begin expanding ATA's already-existing successful Highway Watch® program by enlisting an army of more than 3.1 million truck drivers in the War on Terrorism. The Highway Watch® program has proved to be a valuable tool in the effort to save lives on the nation's roadways and can be easily and quickly expanded to enlist these 3.1 million professional truck drivers and 200,000 truck stop employees as additional, always-present eyes and ears on our nation's highways, bridges, tunnels, and critical infrastructure to guard against terrorist activities.

In 1998, ATA created the Highway Watch® program as a national safety outreach initiative that trains professional truck drivers to recognize and report a variety of incidents – such as stranded motorists, drunk drivers, changing road conditions, poor signage, accidents, etc. -- on the nation's highways, communicating this information to a centralized call center. Professionals at the call center quickly evaluate and transfer relevant information to the appropriate authorities in the network – all over the U.S. – dramatically reducing response times for these situations. By utilizing FMCSA funding, the program efficiently accomplishes the goal of increasing highway safety through a network of partnerships among the trucking industry, law enforcement agencies, ATA's state affiliates, DOT, and other safety allies. Currently, six states are actively involved in the Highway Watch® program: Colorado, Florida, Kansas, Minnesota, Oregon and Virginia. ATA is currently coordinating program start-up efforts in 12 additional states. A security component can be efficiently, effectively and expeditiously added to this already successful program, a component that will fulfill the mission of the "Public Safety – Terrorism Prevention" Working Group of the President's Task Force on Citizen Preparedness.

The Highway Watch® Operations Center could function as the motor carrier "Highway Information Sharing and Analysis Center" (H-ISAC). H-ISAC would facilitate two-way communication between the Department of Transportation's "Transportation Information Operations Center" (TIOC) and the trucking industry. By functioning as a conduit of information, the Highway Watch® Operations Center would provide a much-needed secure link between government and industry.

In building the trucking industry's ATAP we have made Highway Watch® one of the foundations of trucking security responses to a terrorist attack, from Code Green all the way through Code

[27] Employment and Earnings, Washington, D.C.: Bureau of Labor Statistics (1989-1999).



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Red. The extra sets of eyes and ears already monitoring safety concerns on our highways can easily and quickly be enlisted to monitor suspicious activities all over the United States. The expanded Highway Watch® mission is clearly in line with the goals and objectives for national security and cargo security embraced by the White House, DOJ, OHS, and DOT (through FMCSA). Highway Watch® is referenced in the USA Freedom Corps paper on homeland security programs.[28]

*Government needs to assist in expanding Highway Watch® to include a security component, open to all members of the industry.* ATA, working with its 50 state affiliates, and in consultation with the Executive Branch, can do the following:

- Design the structure of a national reporting system that would direct all "security-related calls" to one or more designated government entities "in real time," while safeguarding industry and company proprietary information. The "safety-related calls" also would continue to be directed to the proper authorities within the state;
- Develop a training component for drivers, dispatchers, safety/security directors, operations directors, and law enforcement;
- Coordinate the roll out of the program, including a media campaign. This media campaign will have a deterrent effect on terrorist plans that may involve trucks;
- Monitor the program and keep statistics on the effectiveness of the program; and
- Pass relevant threat information along to its 50 state affiliates and members in a timely and efficient manner.

With adequate federal funding, many of these steps, which involve private industry in partnership with the federal government, could be accomplished by the first anniversary of the September 11 terrorist attacks.[29] With resources and infrastructure already in place, ATA is poised and stands ready, willing, and able to expand the Highway Watch® program to enter the War on Terrorism.

To further encourage reporting under the Highway Watch® program, the federal government should provide Good Samaritan protection. When citizens volunteer their time and resources to help protect our nation's roadways, they are rightfully concerned that they are putting themselves at legal risk. Allegations of slander and defamation of character may result in expensive litigation that could have a chilling effect on an individual's desire to participate in a secure program. Therefore, the federal government should enact a Good Samaritan law that insulates persons who provide information concerning potential terrorist threats from criminal and civil liability when they act in good faith.

Highway Watch® will provide America's 3.1 million professional truck drivers, regardless of their affiliation with ATA or any other trade association, and the 200,000 truck stop employees, with basic training on how to identify and report potential terrorist activity. **The trucking industry requests that the federal government fund the expansion of the Highway Watch®**

[28] "Operation TIPS builds on the success of programs such as Highway Watch, which is a crime prevention partnership among the American Trucking Association and six states..." USA Freedom Corps, January 30, 2002, paper, page 17, paragraph 4.
[29] *See* Timeline for the Rollout of Highway Watch®, which appears as Appendix G.


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**program.** The cost of expanding the Highway Watch® program to include a security component has been presented to the Administration and appears in Appendix H.

## 2. Security and Criminal Background Checks

In the post September 11 security environment, intelligence and law enforcement officials have generally advised that terrorists are attempting or may attempt to infiltrate organizations that could be useful in a terrorist attack, such as trucking companies. These officials have stressed the importance of criminal background checks and personnel surety. In fact, in a March 4, 2002 report to Congress on its Security Sensitivity Visits, FMCSA recommended to motor carriers that "particular attention should be given to ... criminal history."[30] Similarly, the RSPA Security Guidelines instruct shippers to "verify the carrier has an appropriate employee hiring and review process, including background checks . . . ."[31] The trucking industry requests the government to provide it access to nationwide criminal history record databases to allow the motor carrier employer to make an informed decision.

The current method many trucking companies use to perform criminal background checks through county courthouses is simply not efficient and preserves information gaps that may easily be exploited by those with evil intentions. Motor carrier employers rely upon the information provided in the potential employee's application to target certain county courthouses. A potential applicant may choose to falsely conceal information on an application to avoid a search of a county courthouse in which he or she may have committed a potentially serious crime. In short, a county-by-county search through information in all of the nation's courthouses is neither an efficient nor a reliable method for trucking companies to check prospective employees.

**The trucking industry requests the government to provide it the necessary tools to more effectively assess the qualifications of prospective and current professional truck drivers from a security perspective. Access to nationwide criminal history record databases, such as the National Crime Information Center, is necessary to eliminate the flaw in conducting background checks in the trucking industry.** In this respect, the trucking industry is no less important to our nation's security than the aviation industry, and arguably more critical to our nation's security than the banking industry, home health care agencies, and child care providers – all of whom have been authorized by Congress to have access to the FBI's criminal history record databases.[32] Immediate reactions to September 11, such as enactment of Section 1012 of the USA PATRIOT Act,[33] fall short of this simple request and will not effectively and efficiently improve security in the industry.

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[30] *See* Appendix F.
[31] *See* RSPA Security Guidelines at 6964/2-3, which appears as Appendix D.
[32] *See* 49 U.S.C. § 44936 (for the aviation industry); P.L. 92-544 (for the banking industry); P.L. 105-277 (for nursing homes and home health care agencies); and P.L. 103-29 (for childcare providers).
[33] *See* 49 USC § 5103(a) and 49 USC § 31305(a)(5).


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## 3. National Transportation Worker Identification Card

In light of the events of September 11, many shippers and transportation facilities, including ports and airports, have begun requiring the display of additional forms of identification to access restricted areas. In Florida, each of the Florida seaports requires those seeking access to restricted areas to undergo a criminal background check and obtain a port security identification card. These requirements apply to truck drivers. Therefore, a truck driver doing business at five different ports in Florida would be required to undergo a background check five different times, obtain five different security identification cards, and pay five separate background check fees. That same driver would have to undergo another criminal background check and show a different identification card if he/she was to pick up the freight from a Florida port and deliver it to an airport. The redundant requirements for multiple identification cards must be streamlined.

The trucking industry supports the DOT concept of a transportation worker ID card (TWIC). Issuance of the TWIC should be authorized by employers depending upon the results of a completed background check as described in subsection 2, above. This concept envisions a secure identification system encompassing transportation workers in all transportation modes; trucking, rail, aviation, and maritime. The system would utilize "smart card" technology and a biometric identifier. Each holder's card would be encrypted with unique identifying information and a nationally standardized level of security clearance for that individual. DOT should be responsible for establishing the system's architecture elements for the card to ensure interoperability throughout the various modes of the supply chain. Actual issuance of the TWIC should be delegated to designated entities by mode, which may include private, federal, state and/or local entities. These entities shall issue cards in compliance with the DOT-established program elements and should be subject to periodic audit. National standards regarding security and access to restricted areas throughout the supply chain should be tied to the TWIC, and state and local laws that conflict with the national standards should be preempted. It is especially important that terms such as "transportation worker," "access," and "secure area" be clearly defined in law.

While the requirement for background security checks and a national identification card will cover US-resident commercial drivers, arrangements will also have to be put in place to ensure that drivers entering the United States from Canada and Mexico satisfy the security requirements. It will be incumbent on the federal government to reach an understanding with its Canadian and Mexican counterparts on an acceptable form of background check and identification for drivers from those countries who operate in the United States.

## 4. Rewards for Justice Program[34]

Given the important role that truck drivers and truck stop employees can play in identifying suspicious situations and notifying authorities of potential terrorist activities, the trucking

[34] *See* 18 USC § 3071.



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industry strongly supports rewarding professional truck drivers and truck stop employees for doing the right thing. A program well positioned to fulfill this role is the Rewards for Justice Program.

The Rewards for Justice Program, which was established by the 1984 Act to Combat International Terrorism (Public Law 98-533) and is administered by the U.S. Department of State's Bureau of Diplomatic Security, has proven itself to be a highly effective tool in the U.S. Government's fight against terrorism. Prior to September 11, the U.S. paid over $8 million to 22 people who provided important information that resulted in putting terrorists behind bars or prevented acts of terrorism throughout the world. Furthermore, the program played a significant role in the arrest of international terrorist Ramzi Yousef, who was convicted in the 1993 bombing of the World Trade Center.

After the attacks on September 11, the program was expanded by the USA Patriot Act of 2001, which authorized the Secretary of State to offer rewards greater than $5 million if he determines that a greater amount is necessary to combat terrorism or to defend the United States against terrorist acts.

At the present time, truck drivers and truck stop employees are technically eligible to receive rewards under the Rewards for Justice Program; however, much of the outreach efforts have focused on international audiences. The trucking industry believes that the unique vulnerabilities associated with surface transportation terrorism in the U.S. warrant the following new actions:

- The Director of the Diplomatic Security Service, as chair of the Interagency Rewards Committee, should appoint standing representatives from both FMCSA and the Transportation Security Administration (TSA) to the Committee.
- A new Rewards for Justice surface transportation outreach initiative be developed and marketed through the Highway Watch® program to increase interest and participation by trucking industry employees.

## 5. Liaison Programs

The trucking industry will build and maintain relationships with all relevant Departments and Agencies within the federal and state governments. A list of the designated liaisons appears in Appendix I. To the extent that a particular agency is not included, the industry requests that agency designate a representative to function as the liaison to the trucking industry.

### a. Federal Government

- Centers for Disease Control
- Department of Agriculture
- Department of Justice
- Department of Transportation
- Federal Emergency Management Agency
- Food and Drug Administration


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- General Services Administration
- Military Traffic Management Command
- Office of Homeland Security

### b. State Governments (State Department and Agencies that Correspond to the Entities listed in subsection a).

### c. Mexico and Canada

Both Canada and Mexico, our largest and second largest trading partners respectively, play a critical role in our economic wellbeing through our economic interdependence. 70,000 Canadian drivers cross into the United States every day. In 2001, there were 4.3 million truck crossings at the U.S.-Mexico border and 7.5 million crossings at the U.S.-Canada border.[35] Because of this, we cannot overlook the critical link that motor carriers play in the success of our increasing trade flows within North America. Therefore, we must find solutions that will allow us to move the legal commodity flows efficiently among our three nations, while at the same time improve the effectiveness of our security relationships between the trade community and law enforcement agencies at our borders.

On September 11, ports of entry at our international land borders were put on a U.S. Customs Level 1 alert, resulting in extreme border crossing delays as long as 24 hours and hampering delivery of parts and equipment for just-in-time deliveries at manufacturing operations.[36] Technologies under development by government agencies with jurisdiction at the borders can assist security efforts and expedite the movement of cargo across our borders. Examples of technology solutions include U.S. Customs' International Trade Data System (ITDS) and Automated Commercial Environment (ACE). These systems allow carriers to pre-file cargo, conveyance and crew data for risk assessment by multiple federal agencies prior to arrival at land border ports.

In addition, the trucking industry has been working closely with government agencies to improve communication and information sharing related to cross-border trucking operations. ATA has been actively participating in the U.S. Treasury Department's Commercial Operations Advisory Committee (COAC) to develop recommended guidelines to ensure the security of the international supply chain. As a result, U.S. Customs initiated the Customs Trade Partnership Against Terrorist (C-TPAT), of which ATA is an active member, to help develop an improved clearance and security program for motor carriers with cross-border operations into and out of Mexico and Canada.

In the post-September 11 environment, movement of cargo and people across U.S. land borders became a security concern to the U.S. government. The long delays experienced by motor carriers and the general public crossing through our ports of entry after the September 11 attacks cannot be allowed to happen again. As part of the ATAP, the trucking industry envisions working closely with the OHS, U.S. Customs, DOT and Canadian and Mexican customs and

[35] Source: Office of Field Operations, U.S. Customs Service headquarters.
[36] Source: Office of Field Operations, U.S. Customs Service headquarters.


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border agencies to develop measures to facilitate cross-border operations under each threat condition established by OHS.

The U.S. and Canadian governments last December signed a 30-point Smart Border Declaration[37] that spells out key areas for cooperation in modernizing border policy and approaches. The objective underlying the plan is a more efficient border, better suited to the new security reality as well as better equipped to meet the need of the growing U.S-Canada trade relationship. Talks now underway between the two governments are aimed at improved harmonization of customs procedures and a more secure and trade efficient border. At this point, the bilateral dialogue and negotiation are at senior levels, with representatives of the two countries concentrating on broad principles. However, in the coming months, assuming agreement on these principles, the discussions will begin to focus on the details necessary for implementation. As the major stakeholders in a modernized border, the trucking industries of the U.S. and Canada must be involved at the working level from the beginning of these discussions.

### d. Trade Associations (non-trucking)

- American Chemistry Council
- American Legislative Exchange Council
- American Petroleum Institute
- International Association of Chiefs of Police
- National Association of Counties
- National Conference of State Legislators

## 6. Technology Evaluation Plan

Technology may play a role in security enforcement, but each technology must be carefully evaluated. We believe that industry and the government need to play an important role in evaluating technology and creating economic incentives to facilitate its use. Before any technology can be mandated, it must be subjected to a cost benefit assessment.

The Highway Watch® Operations Center provides a low cost, high concept, near-term capability to have a significantly increased comfort level regarding the security of dispatched and static trucking industry assets. Therefore, federal or state laws should not mandate vehicle-tracking systems. Data generated from such systems that are voluntarily adopted by carriers should not be accessible by other parties without the carrier's express consent. Data captured by electronic toll tags, electronic screening transponders, or any other kind of electronic identifying devices, including license plate readers, should not be used for purposes other than those for which a vehicle owner or lessee, as appropriate, has consented. Data from these devices should have proper privacy protection and protections against misuse in civil litigation and regulatory enforcement.

[37] The 30-point Smart Border Declaration appears as Appendix J. Also included in Appendix J is a copy of the 22-point Smart Border Declaration between the United States and Mexico.



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The trucking industry believes that performance standards will provide a more cost-effective means of enhancing security than specific technology mandates. Notwithstanding, the industry plans to begin evaluating various security technologies from an effectiveness and cost-benefit standpoint in the summer of 2002. Tracking technology should be evaluated, with the caveat that on September 11 terrorists rapidly disabled the aircraft transponders, making it difficult to track the aircraft with only the benefit of primary radar, which gave no altitude readout. For a truck or trailer, there is no primary radar to locate it if a GPS or transponder type system is disabled. Mandatory investment in such easily overcome systems may not be wise at this time. Other immediate measures that do not require a substantial investment in technology will aid in the tracking of errant equipment and provide for necessary communication.

## Conclusion

In summary, the trucking industry security program goals envisioned in this ATAP blueprint, designed to reduce vulnerability, deter, develop responses, and manage consequences for acts of terrorism, include:

- Expanding the Highway Watch® program;
- Establishing an Industry-wide HighwayWatch® Operations Center, which could also function as an ISAC;
- Developing preparedness and response strategies that coincide with government threat level warnings;
- Evaluating technologies that could possibly assist in improving the security of trucks, terminals, and other operations;
- Improving industry access to government databases for security and criminal and background checks of professional truck drivers and other employees;
- Establishing a trucking industry liaison with relevant U.S. government agencies, state agencies, law enforcement, trucking industry counterparts and government agencies in Canada and Mexico; and
- Providing access to educational and training programs that promote security risk management in order to assess vulnerabilities within trucking operations.

To accomplish the industry security goals set out in the ATAP government-industry partnership, the trucking industry requests that the federal government:

- Fund the expansion of the Highway Watch® program;
- Provide tools to more effectively assess the qualifications of prospective and current professional truck drivers from a security perspective; and
- Develop and market a new Rewards for Justice surface transportation outreach initiative through the Highway Watch® program and request that the Director of the Diplomatic Security Service, as chair of the Interagency Rewards Committee, appoint representatives from FMCSA and the TSA to the committee.


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In conclusion, the trucking industry seeks to build a strong government-industry partnership to accomplish the specific goals outlined in the ATAP, which in turn will build a stronger, more secure trucking industry and nation.

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★ *Driving Trucking's Success*

# The Proposed Expansion Of The Highway Watch Program Under The American Trucking Industry's *Anti-Terrorism Action Plan*

**April 8, 2003**

## Overview

In the wake of the events of September 11, 2001, a national coalition of trucking organizations led by the American Trucking Associations (ATA) formed the Trucking Security and Anti-Terrorism Working Group (TSWG). The members of TSWG are listed in Appendix IV. The product of this group, the American Trucking Industry's Anti-Terrorism Action Plan (ATAP), identifies four major tactical initiatives, to form the basis of a cooperative effort between the Trucking Industry and the Federal government to organize and facilitate industry's response to the terrorism threat.

The ATAP initiative is based upon the unique government/industry partnership facilitated by the TSWG, a coalition of over 65 state and national organizations, including trade associations, labor and law enforcement representation. Its concept is to build upon and dramatically expand the long-standing Highway Watch® Program (HWW), begun as a pre-existing cooperative effort between ATA and the Federal Motor Carrier Safety Administration (FMCSA). Critical to the success of ATAP is an interconnected, coordinated national network of standardized state programs. No other forum exists that even remotely resembles the all encompassing nature of TSWG, and no facility currently exists than can perform the functions of this proposed program.

The proposed expansion of the Highway Watch® Program has four components:

- An expanded Safety/Security Training Program for trucking professionals;
- An expanded and more robust centralized Highway Watch Call Center;
- A new Highway Watch Operations Center; and
- Complete deployment of the Trucking Industry Information Sharing and Analysis Center (Truck ISAC).

This initiative has the following objectives:



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- To provide standardized HWW training for professional truck drivers, dispatchers, truck stop operators, employees and other critical personnel in recognition of safety related incidents and potential terrorist operational acts, how to react to those observations, and how to communicate them to authorities, as the corps of "America' s Trucking Army";
- To establish a more effective centralized reporting function, through the HWW Call Center, so that reports received from the industry can be routed to the appropriate law enforcement and safety agencies, catalogued and tracked to assist in operational planning and response, and through which emergency information can be pushed to "America's Trucking Army";
- To establish a network of trucking industry professionals with communication links to state law enforcement, homeland security and emergency response communities to facilitate planning and response to terrorist incidents as well as natural disasters and other emergencies that affect the trucking sector;
- To provide for centralized analysis of security related data from the trucking industry, develop guidance documents and tools to assist the industry to detect, deter, avoid and mitigate terrorist and other security threats and to collaborate with the Department of Homeland Security in contingency planning and coordination to respond and recover to attacks and other national emergencies that impact the trucking industry, via a robust HWW Operations Center; and
- To facilitate and coordinate the exchange of information to and from the Federal Government, Intelligence and Law Enforcement communities through a Trucking Industry Information Sharing and Analysis Center (ISAC).

There are approximately 750,000 trucking entities registered with the FMCSA. ATA's estimate is that around 500,000 of these companies can be considered as "actively engaged" in regularly truck transportation activities. In order to successfully combat the terrorist threat, the industry must achieve a level of security that is not only appropriate, but is widespread throughout the industry, so as not to leave a "weak link" that can be identified and exploited to launch attacks. The ATAP concept is to make the resources proposed in this initiative on an open and accessible basis to the entire trucking industry, regardless of affiliation

Support for the program has been garnered from the White House, the Office of the Secretary of Transportation and key Congressional Committee Members. ATA and TSWG have sought Federal funding to assist in this effort, and are pursuing establishment formal relationships with the critical departments and agencies. Once funding has been secured, ATA has plans to bring these initiatives into full operation within months from initiation of the expanded project.


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**Major Components**

The following is a description of the four major components of the expanded Highway Watch® Program being proposed.

**Highway Watch® Driver Training Program**

The driver training component of the ATAP plan aims to eventually train over 3 million professional drivers nationwide as the corps of "America's Trucking Army".

The Training Office, operated by ATA will provide:

- Training for instructors and association personnel;
- Provision of instructors for field training of drivers and other line personnel, and covering their expenses;
- Standardized training materials, to be distributed from a central warehouse on demand, including a standard set of customized materials for each state program;
- Marketing support materials;
- A web facility for information to all parties involved in the program, a remote entry HWW participant database, and a remote training capability.

The various State Trucking Associations and the partner associations in TSWG will play pivotal roles in implementing, facilitating and maintaining the program in their states or areas of specialty:

- Assistance in obtaining and maintaining state government and law enforcement endorsements and participation in the program;
- Working with state agencies to assure that emergency operators throughout the state are aware of the HWW Program and give appropriate recognition and handling to calls received from HWW trained professionals and the HWW Call Center;
- Promotion of the program to the industry, identifying and arranging for instructor training; identifying and engaging the cooperation of large trucking companies to conduct internal training; promote, arranging and conducting training sessions for the industry at large;
- Maintaining enrollment in the HWW database of the individuals trained in that state.

The Highway Watch® Driver Training program is a volunteer effort comprised of dedicated professional truck drivers, dispatchers and truck stop managers who are committed to guarding the welfare of the motoring public. A partnership between the American Trucking Associations, trucking companies, State Trucking Associations and state law enforcement, the Highway Watch® program trains trucking professionals to use their wireless location and communication technology to report incidents involving potential terrorist activities, accidents,



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breakdowns, hazardous road conditions and other highway dangers to the appropriate authorities.

Highway Watch® trained professionals are given a specific toll free number to call and make reports. The Call Center operator receives the incident report from the driver and then patches the call to the proper authorities as determined by each individual state, and in the case of terrorism activity, to the National Infrastructure Protection Center. To become a Highway Watch® participant, the person must receive comprehensive training wherein state patrol officers and other qualified security professionals conduct a standardized training curriculum covering both anti-terrorism and safety observation and reporting. The course teaches drivers what situations and behaviors they need to observe, how emergencies should be reported, the appropriate numbers to call, safe and responsible wireless phone use and how the Highway Watch® program coordinates with other emergency and highway personnel.

The training curriculum, developed by ATA expert staff with consultation by internationally renowned security experts and with peer review by the top trucking security directors in the nation, is being used to widespread acclaim by drivers and management. A component of this proposal is to develop the training program into a media presentation that can be delivered without the need of an instructor being present, or to be served remotely via the internet.

The Highway Watch® Program is currently running in twenty-one states: Alabama, Arizona, Arkansas, Colorado, Florida, Kansas, Kentucky, Maryland, Minnesota, Mississippi, Montana, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Virginia, Washington, West Virginia, and Wisconsin.

**Highway Watch® Call Center**

Acting as a critical "information intermediary", the Call Center serves as a vital link between the cadre of trained drivers and other professionals and the state and federal agencies and law enforcement community who have not only the duty to respond to emergencies, but have the need to know essential elements of information from the industry.

The Call Center currently exists and fulfills these functions:

- 24/7/365 coverage;
- Trained operators and operations manuals in order to take information in the proper format, and transmit that information to the proper authorities;
- Ability to handle the surge of calls that would be attendant to a national event or significant regional event;
- The ability to "push" information back to the Highway Watch® community via virtually instantaneous fax, e-mail and auto-dial messaging;



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- The ability to provide toll-free dial-in access for the industry to access critical emergency information and instructions, operating in conjunction with the Trucking Information Sharing and Analysis Center.

As the corps of "America's Trucking Army" grows exponentially under this proposed expansion of the Highway Watch® Driver Training Program, the facilities of the Call Center will have to be expanded in corresponding proportion to the number of trained personnel. It will also serve as a conduit of information being dispersed to trucking companies by the Operations Center. The Call Center will have the capability to serve as a backup location for the Operations Center and ISAC, should the Washington, DC facility become inaccessible as a result of an incident in the National Capital Area.

**Highway Watch® Operations Center**

The proposed Highway Watch Operations Center will provide staff and communication, analysis, and planning resources to enable real-time widespread communication of information on threats, vulnerabilities and response strategies to the trucking industry. The Operations Center will perform its function in conjunction with federal, state and corporate transportation executives and managers to assess the vulnerabilities of the industry, augmenting the capabilities of government and enabling mobilization of industry resources and expertise. It will develop strategies, tactics and tools to reduce or control the risks of terrorist attacks and to respond in the event of actual attacks. These processes and their outputs will have significant benefit in the event of other types of national emergencies where the ability of the industry to respond quickly will make the difference between paralysis of commerce and successful weathering the challenge.

Features of the Operations Center include:

- Staff expertise in trucking operations planning and operations, analysis, data and systems management, and external relations.
- Database and systems capabilities to provide for gathering, synthesizing and protecting industry proprietary data, Call Center reports and external data inputs through a Secure Area Network, and to interface with the Call Center for "push communications". Preliminary commitment has been obtained from the Transportation Engineering Administration of the Military Traffic Management Command (MTMC/TEA) to permit ATA to build a layered commercial version of the Intelligent Road Rail Information Server (IRRIS), to be served from the Operations Center and interfaced with the MTMC system. The level of access provided to various segments of the industry would vary based upon the need to know and the ability to protect information.
- A "Ready Alert System", which identifies and maintains 24/7/365 contacts for all the TSWG associations and critical trucking industry infrastructure and operations centers to facilitate communications and coordination;



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- Interface with the Highway Watch Call Center and the various TSWG associations to provide for rapid, wide area distribution of information throughout the industry.

**Trucking Information Sharing and Analysis Center**

ATA, on behalf of the TSWG, and for the benefit of the entire industry has already established the Trucking Information Sharing and Analysis Center (ISAC) through an agreement with the National Infrastructure Protection Center of the U.S. Department of Homeland Security (DHS). This process involves daily discussions between security-cleared professional staff and our government intelligence, law enforcement and transportation security counterparts. The depth and intensity of these discussions will be significantly enhanced, and also will provide for the communications tools to push this information to security directors, the member networks of the various TSWG associations and to make this information available and accessible to the industry at large.

**Coordination With The Homeland Security Advisory System**

The ATAP plan sets forth a series of industry-level anti-terrorism training, planning and response activities, relating to the dynamic threat level affecting the trucking industry and the industries that trucking serves in turn. The TWSG determined to key the industry's actions with the threat condition levels of the Homeland Security Advisory System (HSAS). These actions are set forth in Appendix I. The TSWG also recommended to the former Office Of Homeland Security that additional threat conditions be added to HSAS to be utilized in the period or response and recovery to an attack or national catastrophic event. This proposal is shown in Appendix III. A principal objective of the proposed expansion of the Highway Watch® Program is to plan for and to facilitate the industry's response in such an eventuality.

**Organization**

The program being proposed is depicted in organizational charts presented in Appendix II.


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**Appendix I – Anti-Terrorism Action Plan Threat Response Activities**

| Threat Condition | Actions |
|---|---|
| **GREEN**<br><br>Low Condition<br><br>*Low risk of terrorist attacks.* | 1. America's Trucking Army[1] receives training on observation and communication procedures to enhance security and extend the surveillance capabilities of law enforcement.<br>2. America's Trucking Army, through Highway Watch® and its Operations Center,[2] maintains normal vigilance.<br>3. Background checks on commercial drivers (to include criminal history).<br>4. Work with DOT to establish a national ID card for transportation workers.<br>5. Utilize Rewards for Justice Program to encourage security threat reporting.<br>6. Liaison with federal and state governments and appropriate trade associations.<br>7. Industry continues to review and expands, if necessary, security programs covering personnel, facilities, equipment, and cargo.<br>8. Law enforcement responds to industry reports of cargo theft or hijacked vehicles within 60 minutes.<br>9. Pre-cleared vehicles expedited at international borders.<br>10. Industry works with appropriate law enforcement on truck security inspections.<br>11. Highway Watch® Operations Center coordinates scenario-training drills. |
| **BLUE**<br>Guarded Condition<br><br>*General risk of terrorist attacks.* | (*In addition to the Proactive Measures in the Previous Threat Condition*)<br>12. America's Trucking Army is provided updated threat information and maintains increased vigilance on the nations trucking assets and highways.<br>13. Law enforcement responds to industry reports of cargo theft or hijacked vehicles report within 30 minutes. |
| **YELLOW**<br>Elevated Condition<br><br>*Significant risk of terrorist attacks.* | (*In addition to the Proactive Measures in the Previous Threat Conditions*)<br>14. Exception reporting based on industry practices initiated to the Highway Watch® Operations Center for unaccounted dispatched vehicles or static equipment.<br>15. Law enforcement focuses on security awareness at routine traffic stops and/or at existing weigh facilities, based upon specific threat information. |
| **ORANGE**<br>High Condition<br><br>*High risk of terrorist attacks.* | (*In addition to the Proactive Measures in the Previous Threat Conditions*)<br>16. In response to enhanced security at critical infrastructure, pre-cleared vehicles are expedited at selected areas.<br>17. America's Trucking Army increases reporting and vigilance on key highway infrastructure, including interstate highways, bridges, tunnels and major seaports.<br>18. Regional broadcast by the Highway Watch® Operations Center to law enforcement and the trucking industry of any reported missing or overdue equipment. |
| **RED**<br>Severe Condition<br><br>*Severe risk of terrorist attacks.* | (*In addition to the Proactive Measures in the Previous Threat Conditions*)<br>19. Highway Watch® Operations Center communications is granted priority telecommunications access with designated federal and state contacts.<br>20. Approved route plan for sensitive infrastructure coordinated and activated through the Highway Watch® Operations Center. Trucks directed to pre-determined checkpoints through the Highway Watch® Operations Center. |

[1] The phrase "America's Trucking Army" is used throughout this document as a reference to the more than 3 million professional truck drivers and truck stop employees throughout North America. America's Trucking Army will extend law enforcement's capabilities by observing and reporting potential security breaches to the Highway Watch® Operations Center for further action.

[2] ATA's Highway Watch® Operations Center currently operates in rudimentary form as a call center, accepting safety-related incident reports from drivers that are then communicated to the appropriate state or local authorities for action, with ATA staff providing limited additional assistance.



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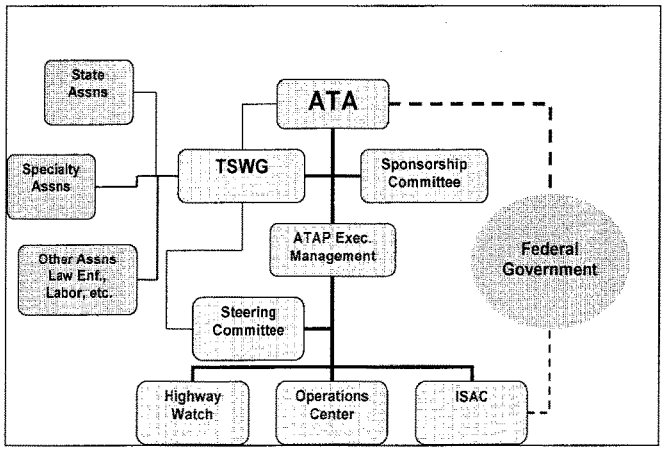
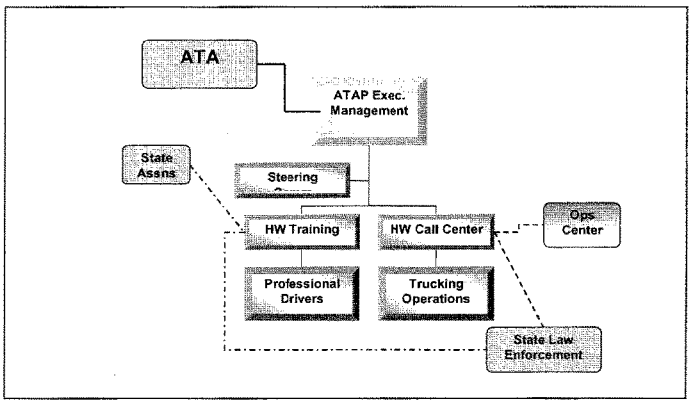
**Appendix II – ATAP Proposed Security Organization**

## Overview Of The Expanded Highway Watch® Program Security Organization




## Expanded Highway Watch Program Driver Training Center and Call Center



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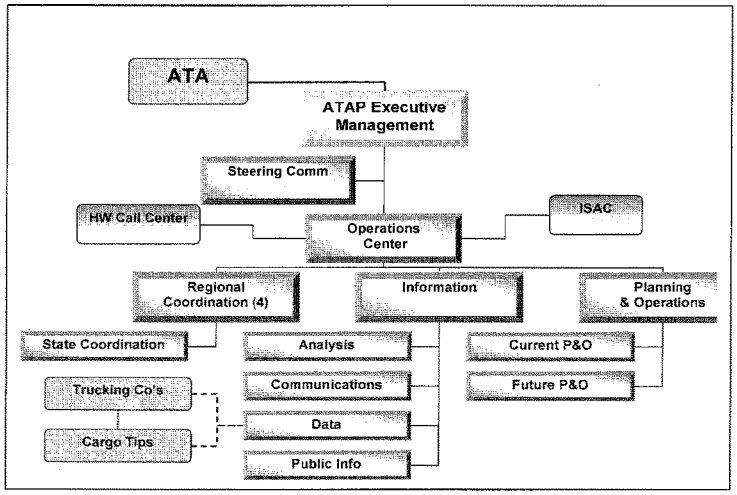
# Expanded Highway Watch Program Operations Center and ISAC




**Notes:**

- The overall program will be administered and staffed by ATA, with the strategic guidance provided by the TSWG and an internal ATA executive level committee.
- The Steering Committee, which would serve as a professional advisory committee for professional and day to day operational issues would be a subset of the TSWG members, ATA management and professional staff, and other experts as appropriate.
- The proposal contemplates a staff for the Operations Center of 10-12 individuals with permanent assignments to the various functions with "surge" capabilities to accommodate up to twice that number in times of crisis, to be drawn from ATA staff, the TSWG member organizations and consultants. Provisions will be made for physical participation of government agency personnel as may be necessary.
- Each State Trucking Association will serve as a liaison to their respective State's Homeland Security apparatus.
- ISAC personnel will hold appropriate security clearances (minimum SECRET). The Operations Center will function on a NON-CLASSIFIED level, but will maintain protection for industry data at the same level as for Security Sensitive Information and CONFIDENTIAL classified documents.



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**Appendix III – Proposed Conditions Black and Purple For HSAS**

## Description Of Proposed Conditions Black and Purple For The Homeland Security Advisory System August 24, 2002

**Event Response Condition (Black).** An Event Response Condition will be declared immediately at the time of a terrorist attack and during the time of active emergency response to the event. In addition to the Protective Measures taken in the previous Threat Conditions, Federal departments and agencies should consider the following general measures in addition to the agency-specific Protective Measures that they will develop and implement:

- Mobilizing all necessary critical emergency assets in response to the attack;
- Coordinating necessary security efforts with Federal, State, and local law enforcement agencies or any National Guard or other appropriate armed forces organizations to secure the area affected by the attack and to protect the rest of the nation from imminent threat of further attacks;
- Suspending, redirecting or imposing extraordinary security requirements on transportation systems;
- Executing contingency procedures, as federal agencies are impacted or threatened by the event;
- Closing public government functions and locking down facilities as appropriate.

**Recovery Condition (Purple).** After an incident, a Recovery Condition reflects the dual challenges of protecting against further terrorist attacks, maintaining order and social calm in the area affected by the attack, and in resuming normal economic activity as soon as practicable. In addition to the Protective Measures in the previous Threat Conditions, Federal departments and agencies also should consider the following short-term measures for implementation:

- Increasing or redirecting personnel to address recovery needs;
- Coordinate emergency, law enforcement emergency management personnel to secure the areas of the country affected by the attack until normal social and economic order is restored;
- Identify a series of priorities for the interim continuation of the social order and needs of society and establish a hierarchy of priorities for restarting business activity, regionally and nationally;
- Initiate a process to bring transportation back into operation in concert with the priorities established; and
- Reopening public and government facilities in order to facilitate the orderly return to normal commerce and social order.



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### *Appendix IV – Members of the Transportation Security and Anti-Terrorism Working Group*

The following organizations participated in the Trucking Security and Anti-Terrorism Working Group (TSWG) and have endorsed as of September 6, 2002.[1]

- ABA — American Bus Association
- AMSA — American Moving and Storage Association
- ATA — American Trucking Associations[2]
  - AMTA — Arizona Motor Transport Association[3]
  - GMTA — Georgia Motor Trucking Association[4]
  - MTA — Minnesota Trucking Association[5]
  - NJMTA — New Jersey Motor Truck Association[6]
- ATC — Agricultural Transporters Conference
- CTA — Canadian Trucking Alliance
- CVSA — Commercial Vehicle Safety Alliance
- DLTLCA — Distribution and LTL Carriers Association
- ISRI — Institute of Scrap Recycling Industries
- NATA — National Automobile Transporters Association
- NATSO — National Association of Truck Stop Operators
- NITL — National Industrial Transportation League
- NPTC — National Private Truck Council
- NTTC — National Tank Truck Carriers
- TCA — Truckload Carriers Association
- TIA — Transportation Intermediaries Association

[1] *The listing of an Association should not be taken as an endorsement of every aspect of the ATAP, but as general support of the Plan in its entirety.*
[2] ATA's federation includes 50 affiliated state trucking associations, which have organized themselves into four regions. In preparing ATAP, each of the four regions was represented.
[3] AMTA represented the 15 affiliated state trucking associations that comprise Region IV.
[4] GMTA represented the 12 affiliated state trucking associations that comprise Region II.
[5] MTA represented the 12 affiliated state trucking associations that comprise Region III.
[6] NJMTA represented the 11 affiliated state trucking associations that comprise Region I.

*Note: Communications channels have been opened with the International Brotherhood of Teamsters regarding communication of threat and emergency response information. However, IBT has yet to consider the formal ATAP plan and its proposed initiatives.*


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PATRICK D. McGOWAN
HENNEPIN COUNTY SHERIFF
ROOM 6 COURTHOUSE
350 SOUTH FIFTH STREET
MINNEAPOLIS, MN 55415

(612) 348-3740
FAX 348-4208

OFFICE OF THE SHERIFF

May 14, 2003

Senator Norm Coleman
B-3 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Coleman:

Thank you for the opportunity to testify in regard to our Homeland Security at the hearing earlier this week at Anoka-Hennepin Technical College. This continues to be an issue of vital importance to everyone in law enforcement and to all of our citizens as well.

I would like to take this opportunity to offer these additional comments not offered into testimony earlier today:

(1) I encourage the Congress to consider reimbursement for local law enforcement agencies working in proactive partnership on federal terrorism related task forces i. e., FBI Joint Terrorism Task Forces (JTTF) or Secret Service Financial Crimes Task Forces. As local budgets become more and more strained in budget cutbacks, our service to Task Forces creates an additional burden for local agencies who must backfill their own personnel. We recognize the value of our participation on these Task Forces, but we also find they place an additional strain on our budgets.

(2) I encourage the authorization and allocation of federal money to allow local chief law enforcement officers in lead roles to hire a Terrorism Coordinator within their jurisdiction. Effective implementation of Homeland Security measures requires efficient cooperation between local, state and federal authorities beyond the scope of current local staffing levels. This position would clearly be a benefit to Homeland Security and our abilities to support it.

(3) I urge you to review S. 762 and Report 108-33 now in the Senate to re-assign 650 FBI agents permanently to the Counterterrorism Division. I understand the need for additional personnel dedicated to this very important mission; however, the way the legislation is currently written, their previous responsibilities have simply been pushed back to local law enforcement. Again, local law enforcement is already strapped by restrictive budgets and we are probably facing even more cuts in the near future.

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Permanent Subcommittee on Investigations
EXHIBIT #1

**Senator Norm Coleman**
**May 14, 2003**
**-Page 2-**

Once again, I appreciate the opportunity to testify. I understand that you have an infinite array of requests with a finite number of resources to fill them. I do, however, hope that you will assist local law enforcement by addressing these important issues. I look forward to assisting in that effort however I can. As the Chairman of the Weapons of Mass Destruction Committee of the National Sheriffs' Association (NSA) and a member of Major County Sheriffs' Association (MCSA – representing counties and parishes of more than 500,000 citizens), I can assure you that my concerns are shared across the country. Both NSA and MCSA stand ready to assist you as well.

Sincerely,

Patrick D. McGowan
Hennepin County Sheriff's Office

cc: Senator Mark Dayton
Senator Susan Collins

Norm,
Thanks for the opportunity to testify before your sub-committee. If ever I can be of assistance please let me know. Take care my friend.
Best Wishes,
Pat

**Supplemental Statement of**
**Michael Curry**
**Canadian Pacific Railway**
**Permanent Subcommittee on Investigations**
**Hearing on Border Security**
**May 12, 2003**

As part of the information on rail border security I would like to bring attention to the current efforts of Canada's two largest railways and U.S. and Canadian Customs Agencies to secure transborder rail shipments.

In April 2003, Canadian Pacific Railway and Canadian National Railway signed a declaration of principles with the U.S. Bureau of Customs and Border Protection (CBP) and Canada Customs and Revenue Agency to further enhance security at the Canada - U.S. border. This joint government-industry outlines the principle for targeting, screening and examining rail shipments transported into the U.S. from Canada. As part of this agreement US CBP will be installing imaging (VACIS) and radiation detection equipment at the seven main rail border crossings.

VACIS (Vehicle and Cargo Inspection Systems) uses gamma ray technology to scan the entire train and produces images of each railcar and its contents. As part of the agreement CBP will provide the VACIS and radiation detection equipment and manage the operation of the equipment. CBP will not be funding the infrastructure the railroads have to provide to accommodate the VACIS machines and the related CBP inspection activities.

The actual requirements will vary between rail border crossings but at all locations rail will have to incur substantial costs in order to provide the necessary infrastructure. The infrastructure requirements include but are not limited to: inspection facilities, track re-alignment, security enhancements and additional equipment such as toplifters and fork left ramps.

The inspection facility details for each location are still under review with the railroads and the U.S. Customs and Border Patrol. However preliminary estimates indicate that the costs could be as high as $5 million per VACIS installation. The financial assistance that the railroads are looking for is to help defray the onerous costs that the rail industry is incurring to help secure the borders. By comparison, the trucking industry will not incur any infrastructure costs for the deployment of the truck VACIS machines at the U.S. border, as Customs will be able to conduct inspections at or near the existing Customs plazas.

The rail industry continues to work closely with U.S. Customs in ensuring a secure border while facilitating the flow of legitimate trade. Reimbursement of these expenditures necessitated by Customs' installation of VACIS is appropriate and will and will successfully implement this important security measure in such a way that does not impede critical freight and passenger rail service in North America.

Permanent Subcommittee on Investigations
**EXHIBIT #2**

**U.S. Department of Justice**

*United States Attorney*
*District of Minnesota*

*600 United States Courthouse*
*300 South Fourth Street*
*Minneapolis, MN 55415*
*www.usdoj.gov/usao/mn*

*(612)664-5600*

June 16, 2003

**VIA E-MAIL (joe_kennedy@govt-aff.senate.gov),**
**REGULAR MAIL TO FOLLOW**

Senator Norm Coleman
United States Senate
320 Hart Senate Office Building
Washington, D.C. 20530

Attn: Joseph Kennedy, General Counsel,
Permanent Subcommittee on Investigations

Dear Senator Coleman:

Thank you for your leadership in convening a hearing on May 12, 2003, in Minnesota of the United States Senate Permanent Subcommittee for Investigations to examine the contributions of state and local partners to our national homeland security. I am grateful for the opportunity to present to your subcommittee the views and experiences of the United States Attorney's Office for the District of Minnesota on this vital issue. In fact, our experiences in working to strengthen both border and infrastructure security have underscored the reality that effective homeland and border security should not be viewed as an exclusively federal responsibility, but instead requires full partnership with state and local law enforcement as well as the active participation of private sector constituencies.

I will focus my comments on the challenges of infrastructure protection and border security and describe some of our federal support to our state and local partners. As you well know, the issue of border security with our good neighbors and friends to the north is of utmost importance. We not only share with Canada the largest unprotected border in the world, but we have a trading volume with Canada that is not even approached by any other international trading partner. Well over $1 billion in goods and commerce cross the U.S.-Canadian border each and every day. As we saw in the days immediately following the attacks of September 11, 2001, even modest restrictions on this trading volume can close factories and put people out of work on both sides of the border.

Permanent Subcommittee on Investigations
**EXHIBIT #3**

The challenge, therefore, is to insure that "the border is open for commerce, but closed to terrorists." That was also the theme of "The Canada-U.S. Smart Border Declaration" which was signed in Ottawa on December 12, 2001, by Canadian Deputy Prime Minister John Manley and our then Homeland Security Director former Governor Tom Ridge. This international accord committed both countries to enhancing security without choking the flow of people, goods and commerce by strengthening our mutual cooperation in four areas: immigration control, commercial shipment screening, securing critical infrastructure and coordinating information sharing by law enforcement in both countries. Federal, state and local government law enforcement in Minnesota as well as our private sector partners have taken a lead role in implementing this accord.

On March 6, 2003, the U.S. Attorney's Office for Minnesota organized and co-hosted with the Canadian Counsel General, Christopher Thomson, a conference of U.S. and Canadian federal, state and local law enforcement as well as private sector partners from transportation and other industries to discuss the implementation of the Smart Border Accord. Of particular value to this conference were the attendance and contributions of several sheriffs from the Minnesota counties adjoining the northern border. There were also important contributions from representatives of the State of Minnesota, Department of Public Safety, Highway Patrol and Department of Transportation.

Two areas of the Smart Border Accord deserve special mention in this context. First, a central component of the increased cooperation and information sharing between law enforcement on both sides of the border involves the formation and operation of Integrated Border Enforcement Teams (IBETS). These teams combine U.S. resources with officers from the Canadian RCMP and provincial police. The IBET concept is being deployed across the U.S.-Canadian border and our border is no exception. For example, the Pigeon River separates Cook County, Minnesota, from the province of Ontario near the border crossing at Grand Portage in northeast Minnesota. This past year, my Terrorism Coordinator, Assistant U.S. Attorney Mike Ward, has joined with Cook County Sheriff Dave Wirt and officers from U.S. Customs and Border Patrol and with officers of the Canadian RCMP and the Ontario Provincial Police (O.P.P.) to plan and conduct joint border enforcement operations along that river. Similar joint operations have been conducted along the Minnesota border with Canada in the area from International Falls to the North Dakota border. Finally, the U.S. Park Service, the U.S. Forest Service, the U.S. Border Patrol and the sheriffs in the region have jointly developed a border

protection strategy for Voyageur's National Park, Superior National Forest and the Boundary Water Canoe Area.

These operations are vital to maintaining and enhancing border security and the involvement of local law enforcement such as Sheriff Wirt is critical. Because the local law enforcement contribution is so critical to our national border security, I have also repeatedly sent my office Intelligence Research Specialist to meet directly with county sheriffs along the northern border to ensure that federal-state-local cooperation is maintained and that sufficient resources are being provided. For example, during the course of the planning for the joint operations along the Pigeon River border area, my office provided a federal grant of over $30,000 to Sheriff Wirt to permit the acquisition of enhanced night vision capability and satellite telephone communications equipment.

Another important concern is the area of communication and information sharing among federal, state and local law enforcement officials in the area of homeland security. This is indeed a critical component and one in which the entire Minnesota law enforcement and first responder community have excelled. For our part, the U.S. Attorney's Office has established an Anti-Terrorism Task Force (ATTF) made up of federal, state and local law enforcement and prosecutors from across the state. The ATTF's mission is coordinated by our Terrorism Coordinator. The role and function of the ATTF are also closely coordinated with the FBI-led Joint Terrorism Task Force (JTTF) which also includes state and local enforcement alongside the FBI and other federal law enforcement agencies. In addition to these standing organizations, ad hoc exchanges of information among federal, state and local law enforcement and first responders have been established both in northeast and southeast Minnesota. Each month information meetings and briefings of federal, state and local law enforcement are held in the Duluth area and in Rochester, Minnesota.

Comprehensive protection of America's borders and infrastructure cannot be accomplished without inclusion of this country's tribal communities. Nationally, 37 Indian reservations either abut or are within close proximity of our northern and southern borders. This represents approximately 200 miles of our national border. In addition, numerous key national infrastructure facilities - dams, power plants, telecommunication facilities - are in or adjacent to Indian reservations. I chair the Attorney General's Advisory Committee, Subcommittee on Native American Issues. This is one of our priority issues, a view shared by the Attorney General, who has met with the U.S. Border Patrol and tribal representatives to increase cooperation. Effective homeland

security planning must include not only federal, state and local authorities, but also tribal authorities.

Minnesota's ATTF and JTTF have been leaders in coordinating infrastructure protection and preparedness measures. As alluded to earlier, the ATTF has established working groups of federal, state and local law enforcement to study border security. Another ATTF/JTTF initiative has been port security at Duluth. We have included state and local partners along with the U.S. Coast Guard in our port security group and my Terrorism Coordinator sits on the Executive Board of the Duluth-Superior Port Security Committee. The Duluth harbor response to the terrorism threat began within days of September 11, 2001, under the direction of the local FBI, the Coast Guard and local law enforcement. Finally, our ATTF has established a pilot project in cooperation with the State Departments of Public Safety and Transportation to study implementation of Global Positioning Satellite (GPS) systems to track dangerous truck shipments of hazardous materials such as gasoline and other flammable fuels. This pilot project with our state partners offers the chance to provide early warnings to law enforcement of hijacked and off-route, dangerous cargo.

Although the U.S. Attorney's Office, through the ATTF, has limited opportunity to make grant money available to support our state and local partners, we have attempted to focus those funds where they can help us accomplish our common mission. For example, our grant to the Cook County Sheriff's Office to purchase night vision and satellite telephone equipment was critical to helping them secure our northern border in very remote terrain. The grant to the State of Minnesota for the GPS pilot project will form the basis for future increased public safety from hijacked, hazardous cargos. Finally, another very focused grant to the State Homeland Security Director made it possible to establish a statewide, internet-based communication system which will enhance statewide communication of warnings and investigative leads.

During the May 12, 2003, hearing, Mayor Brede from Rochester, Minnesota, commented upon the impact of the war on terrorism not only upon rural and small community police and sheriffs' departments, but also upon foreign visitors to businesses like the Mayo Clinic. The impact upon law-abiding foreign visitors, specifically upon those from predominantly Muslim countries, is also an area of concern for me and the Department of Justice. As you know, Minnesota is home to many Muslim visitors and residents, including the nation's largest Somali population. In order to maintain lines of communication and to effectively protect their civil rights, I and other state, local and federal law enforcement

and elected officials meet regularly with members of those communities. This outreach effect is important and must be continued.

An additional issue which arose during the May 12, 2003, hearing was the national issue of thefts of interstate cargo shipments, which you specifically asked me to address. In doing so, I have consulted with the Minneapolis office of the FBI. The Department of Justice and the FBI view theft from interstate shipment (TFIS), also referred to as cargo theft, as a significant crime problem. The Bureau has jurisdiction in theft investigations when the products leave the seaports and travel across state lines. Due to the fact that there are no national cargo theft databases, it is impossible to track and analyze cargo theft and to identify any precise trends. Industries that are experiencing significant cargo thefts are cigarette manufacturers, high-tech companies, clothing manufacturers, pharmaceutical companies and liquor distributors. All of these industries have two things in common - they are virtually untraceable and they are high-dollar items. The size and consequent portability of some of these components also contribute to their appeal by thieves and fences. Other significant interstate cargo theft involves automobiles.

While it is difficult to determine precise trends in TFIS, it is clear that truck hijacking and burglaries from interstate carriers, theft at and around major seaports and airports of the United States and high-tech/computer component theft have increased significantly over the past few years. Counter-terrorism concerns associated with cargo theft have also increased dramatically since September 11, 2001, due to the relative ease with which cargo is stolen and the possibility that terrorists may use cargo containers to deliver weapons of mass destruction (WMD). Moreover, funds derived from the theft of cargo could also be used to support terrorists and sophisticated, organized crime activities.

National annual cargo theft losses range from FBI estimates of $12 billion to the National Cargo Security Council (NCSC) estimates exceeding $20 billion. The NCSC conservatively estimates that $30 billion to $50 billion in cargo is stolen worldwide each year. These figures are supported by major insurance companies.

The states with the most significant TFIS or cargo theft problems are those which also have major ocean seaports. Although TFIS or cargo theft is a significant crime problem for which the FBI and the U.S. Attorney's Office remain vigilant, there are relatively few reported thefts in Minnesota. (Currently, the Minnesota office of the FBI, which also covers North and South

Dakota, has only four TFIS cases open.) Since the May 12, 2003, hearing, we have consulted with John Hausladen of the Minnesota Trucking Association, who testified at the hearing, and he confirms that this is true locally. Nonetheless, these types of thefts remain a high priority for us because of the risk of thefts of hazardous materials which could pose a terrorist threat.

Thank you for your consideration of our experience in Minnesota on these important issues. If I may be of further assistance, please contact me.

Sincerely yours,

THOMAS B. HEFFELFINGER
United States Attorney
District of Minnesota

TBH:ph/jmt

June 27, 2003

Permanent Subcommittee on Investigations
Attention: Mary Robertson

Thank you for the opportunity to look over my transcript from the May 12, 2003 hearing.

I have one comment regarding my testimony and one additional point I failed to make during the hearing.

Page 55, line 15-21; with further information and knowledge I would prefer any funds be sent directly to the city, as is the case with Community Development Block Grants. To have the State delay the distribution of funds and take a cut for administration (up to 20%) doesn't make sense.

My additional point is the Rochester, in addition to the Mayo Clinic and an International Airport; we have a Federal Medical Center (prison) within the city. Residents of the prison include both national and international political and celebrity inmates. We have had high-ranking Middle East inmates which increase the potential for terrorist activities.

I would appreciate the inclusion of these points to my testimony.

Ardell F. Brede

Ardell F. Brede, Mayor
City of Rochester

Permanent Subcommittee on Investigations
**EXHIBIT #4**