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THE IMPLEMENTATION OF THE MARITIME TRANSPORTATION SECURITY ACT

(109–27)

HEARING

BEFORE THE

SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

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IMPLEMENTATION OF THE MARITIME TRANSPORTATION SAFETY ACT

House of Representatives,

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION, WASHINGTON, D.C.

The committee met, pursuant to call, at 10:00 a.m. in room 2167, Rayburn House Office Building, Hon. Frank LoBiondo [chairman of the committee] presiding.

Mr. LOBIONDO. Good morning. The Subcommittee on Coast Guard and Maritime Transportation will come to order.

The Subcommittee is meeting today to oversee implementation of the maritime transportation security measures required by the Maritime Transportation Security Act. At this time last year, the Subcommittee held two hearings to review the implementation of the final regulations that carried out the maritime security measures under MTSA. Today, U.S. facilities and vessels must operate under an approved plan that includes measures to enhance security on-site and to identify and ensure the availability of security measures to deter transportation security incidents and the threat of such incidents.

I want to applaud the Coast Guard for working so closely with the maritime sector to put these plans in place before the July 1st deadline. Nearly one year after these regulations went into effect, I am looking forward to hearing more about the status of these port security regulations as well as the Department's other efforts to secure our ports and our maritime transportation system.

Following the events of September 11th, the Coast Guard has been designated as the lead Federal agency responsible for securing America's maritime transportation system and the Congress adopted the MTSA. That Act established the framework upon which the Coast Guard and other partner agencies within the Department of Homeland Security are building the national maritime security strategy.

While some of the components of this national strategy are in place, I am extremely concerned at the lack of progress on many others, including completion of the now long overdue National Maritime Transportation Security Plan, a long-range vessel tracking system the Transportation Worker Identification Card and the secure systems of the transportation program.

Under the MTSA, the Coast Guard is required to develop systems to target and track vessels as they operate in U.S. waters and on the high seas. The Coast Guard has implemented the Automatic Identification System to provide information on vessel movement in

12 major ports and expects to expand the system in the future. However, much less progress has been made toward developing a system to track vessels at greater distances from the shore, which I think is extremely essential to our policy and our ability to protect ourselves.

I look forward to the hearing testimony this morning regarding the Coast Guard's current efforts to develop a domestic long range vessel tracking system and to work with the International Maritime Organization to plan and implement a system internationally.

I understand that the Department is currently carrying out a pilot program to test a prototype of the Transportation Worker Identification Credential, we call this the TWIC plan. TSA is issuing prototype TWIC cards in a handful of ports nationwide, including the ports on the Delaware River. This program will improve the security by employing the use of biometric information to prevent unauthorized persons from accessing secure areas in our ports and onboard vessels.

I hope that the witnesses can provide the Subcommittee with some insight into how this pilot program is going.

The Subcommittee also remains concerned about the Department's efforts to improve cargo security. The MTSA requires the Department to investigate and develop methods, programs and technologies to better inspect vessels and cargo, to detect explosives and radiological, nuclear, chemical and biological weapons carried aboard vessels and in cargo, and to improve seals and tracking sensors fastened to cargo containers.

However, this secure systems of transportation program authorized under MTSA exist in name only. The Department has not taken steps to establish this important program. The Subcommittee continues to be very active in the oversight of the Maritime homeland security.

I thank the Coast Guard for its continued presence before the Subcommittee. And I welcome the witnesses from the U.S. Customs Border Protection. I am disappointed that the Transportation Security Administration has declined an invitation to appear before the Subcommittee. Last year, the 9/11 Commission challenged the Congress to significantly increase its oversight to homeland security. The Subcommittee will continue active oversight of the Department's implementation of MTSA, including completion of the National Maritime Transportation Security Plan, enhanced identification credentialing of maritime transportation workers, and a long range vessel tracking program.

Again, I want to thank the witnesses for coming this morning, and I look forward to their testimony.

Mr. Simmons. do you care to make any remarks?

Mr. SIMMONS. Simply to thank you, Mr. Chairman, for holding this important oversight meeting. I yield back.

Mr. LOBIONDO. Okay. Mr. Filner is on his way. He said it was okay for us to get started, so if he wants to make any comments when he comes in, we will certainly allow this.

Right now I would like to introduce our witnesses. We have Rear Admiral Craig Bone, who is Director of Port Security for the United States Coast Guard, and Mr. Robert Jacksta, Executive Director of

the Border Security and Facilitation Office of the Field Operations of the United States Customs and Border Protection.

Admiral Bone, it is great to see you again. Thank you for being here and please proceed.

TESTIMONY OF REAR ADMIRAL CRAIG E. BONE, DIRECTOR OF PORT SECURITY, UNITED STATES COAST GUARD; ROBERT JACKSTA, EXECUTIVE DIRECTOR OF BORDER SECURITY AND FACILITATION, OFFICE OF FIELD OPERATIONS, UNITED STATES CUSTOMS AND BORDER PROTECTION

Admiral BONE. Thank you, sir.

Good afternoon, Mr. Chairman. It is great to see you again, sir, and distinguished members of the Committee.

I am Rear Admiral Craig Bone, Director of Port Security and the Coast Guard's Marine Safety, Security and Environmental Protection Director. Today I intend to discuss the Coast Guard's role to secure our ports and waterways and ensure the safe and efficient flow of commerce.

The Coast Guard's overarching security goal is to prevent terrorist attacks against our ports and waterways. Doing so requires a risk-based approach to identify and intercept threats, ideally before they reach our shores. We do that by conducting layered, multi-agency security operations nationwide while strengthening the security posture and reducing the vulnerability of our ports with a particular focus on our Nation's militarily and economically strategic ports.

Our Nation's maritime transportation system spans 26,000 of commercial navigable waterways. It accounts for $800 billion of freight trade each year, and is used by 78 million recreational boaters. A maritime terrorist attack on this system, with its associated ripple effects throughout our trade and commerce could have a devastating impact on our Nation's economy. Protecting this system is a significant challenge for the Department of Homeland Security, the Coast Guard and our other maritime stakeholders. We accomplish this through partnerships with other Federal, State and local agencies as well as the maritime industry.

Since trade is global and terrorism is global, we knew it was necessary to build a global security regime. Our domestic and international efforts focused on the implementation of MTSA and the international ship and port security code, or ISPS code. We collaborated with 147 other countries at the International Maritime Organization to build a new and substantial security code that applies to all vessels and port facilities around the world. These international requirements mirror the domestic standards set forth in MTSA. Both the MTSA regulations and the ISPS code went into effect together on July 1st, 2004.

To complement the new security standards, we worked in parallel with the International Standards Organization, or ISO, to develop the ISPS code implementation guide. This guide is meant to aid countries complying with the standards. I am pleased to report excellent initial success. Approximately only one out of every 100 foreign-flagged vessels that we inspect in the U.S. require us to take major port-State control action to correct security deficiencies.

We seek to obtain transparency of what and who moves through the maritime domain with accountability. The IMO and the ISO have been key allies in developing requirements and practical standards that lead to consistency, greater compliance and risk reductions. We verify reported compliance and implementation by conducting vessel offshore boardings, examinations and foreign port visits.

Implementation has been a big challenge to all stakeholders involved with 9,000 U.S.-flagged vessels, 3,200 U.S. facilities and 8,000 foreign vessels that trade in the U.S. I am pleased to report the MTSA compliance rates for both vessels and facilities are near 99 percent across the board. This was due in large measure to the collaboration and excellent relationship Coast Guard captains of ports have at the local level, working with the area maritime security committees.

I also note that as required by MTSA, we have also established an international port security program that works in concert with other Federal agencies to identify foreign countries posing potential security risks to the international maritime transportation system. To date, we have visited 27 countries. Two of all 27 countries we visited have not properly implemented the ISPS code. Five additional countries are currently on our port security advisory list, because they have not reported their compliance to the IMO or the Coast Guard.

The long term challenge is ahead for all of us. MTSA and the ISPS code provided the framework for our Nation's maritime security. But additional capability and capacity is needed by the agencies and industry to ensure we can best protect our maritime interests and respond to threats and terrorist events.

To make maritime domain awareness protection and response systemic, we have acted on lessons learned. We have identified efforts needed, both domestically and internationally, and many of these require extensive interagency and industry coordination. This inventory of projects we refer to as America's Maritime Shield. They will improve how we execute the national maritime strategy. They represent our next wave of improvements to strengthen maritime security. Included are improved maritime domain awareness, improved identity security, improved underwater detection and response, complete supply chain cargo security and improved training for personal and vehicle-borne improved explosive devices as well as a counter-terrorism response.

I thank you for this opportunity to testify today, and I will be pleased to answer any questions at the appropriate time, sir.

Mr. LOBIONDO. Thank you, Admiral Bone.

Mr. Jacksta, thank you for being here. Please proceed.

Mr. JACKSTA. Good morning, Mr. Chairman and distinguished members of the Subcommittee. Thank you for this opportunity to update the Subcommittee on U.S. Customs and Border Protection's effort to strengthen maritime security.

CBP, as the guardian of the Nation's borders, safeguards the homeland foremost by protecting the American public against terrorists and instruments of terror, while at the same time enforcing the laws of the United States and fostering the Nation's economic activity through lawful trade

Mr. LOBIONDO. Excuse me, Mr. Jacksta, is your microphone on?

Mr. JACKSTA. Yes.

Mr. LOBIONDO. Okay. Just a weak one. Maybe you can pull it a little bit closer. Thank you.

Mr. JACKSTA. My remarks today will focus on advanced electronic cargo information, Customs-Trade Partnership Against Terrorism, CT-PAT, the container security initiative, non-intrusive technology and the implementation of the Maritime Transportation Security Act. Automation, electronic information and technology are critical tools that facilitate the progress we continue to make with regard to securing in maritime cargo and increasing security against the terrorist threat.

All information on cargo enroute to the United States is analyzed in advance of loading the container, based on available intelligence and historic trade information. This review takes place at our national targeting center, the container security initiative ports and CBP's ports of entry.

Further, the NTC provides tactical targeting and analytical research support for CBP field offices and remains the single point of reference for CBP anti-terrorism efforts. As the Customs-Trade Partnership Against Terrorism has evolved, we have steadily added to the rigor of this volunteer industry-partnership program. In order to join CT-PAT, a participant must commit to increasing its supply chain security to meet minimal supply chain security criteria.

Perhaps most importantly, participants also make a commitment to work with their business partners and customers throughout the supply chains to ensure that those businesses also increase their supply chain security. By leveraging the influence of importers and others on different participants in the supply chain, CT-PAT is able to increase the security of United States-bound goods to the points of origin. That is, to the point of stuffing the container. This reach is critical to the goal of increasing supply chain security. In addition, CBP has published the CT-PAT strategic plan, clearly articulating the program's goals and strategies and complete CT-PAT human capital plan, which addresses recruitment, training and workload issues.

To meet our priority mission of preventing terrorists and terrorist weapons from entering the United States, CBP has partnered with other countries on our container security initiative, CSI. Almost 26,000 sea containers arrive and are offloaded at United States seaports each day. In fiscal year 2004, that equated to 9.6 million containers. Because of the sheer volume of the sea containers traffic and the opportunities it presents to terrorists, containerized shipping is uniquely vulnerable to terrorists' exportation.

Under CSI, which is the first program of its kind, we are partnering with foreign governments to identify and inspect high risk cargo containers at foreign ports before they are shipped to our seaports and pose a threat to the United States. Today, CSI is operational at 37 ports.

Non-intrusive inspection technology is another cornerstone in our strategy. Technologies deployed to our Nation's ports of entry include large-scale x-ray and gamma imaging systems, as well as a variety of portable and handheld technologies to include our recent

focus on radiation detection technology. Our non-intrusive technologies are viewed as force multipliers that enable us to examine or screen a larger portion of legitimate trade.

CBP is also moving quickly to deploy nuclear and radiological detection equipment to our ports of entry. CBP is initiating the deployment of radiation portal monitors in the maritime environment with the ultimate goal of screening 100 percent of all containerized imported cargo for radiation. Additionally, CBP has deployed personal radiation detectors in quantities necessary for ensuring that there his 100 percent coverage at primary, the first port of contact.

Finally, CBP is committed to internationalizing core elements of CT-PAT and CSI programs. The World Customs Organization, WCO, has worked cooperatively to develop an internal framework of standards governed by customs to customs relationships and customs to business relationships.

The recent adoption of the World Customs Organization framework of standards and facilitation will strengthen our mutual efforts to secure trade against terrorists and the terrorist threat. I believe CBP has demonstrated and will continue to demonstrate our leadership and commitment to the maritime security efforts, and we anticipate that working with our sister agencies under the Department of Homeland Security we will further these efforts.

Thank you again for the opportunity to testify. I will be happy to answer any questions you may have.

Mr. LOBIONDO. Thank you very much.

Mr. Filner, thank you and the floor is yours.

Mr. FILNER. I apologize for being late, Mr. Chairman. And thank you for scheduling this hearing and I thank the panel for being here.

Obviously we are coming up to the first anniversary for the facilities and vessels in the United States to be operating under Coast Guard approved security plans. And of course, it is time now to see how our security has improved.

I would like to focus on a couple of issues with the panel first. What benchmarks are there to help us determine whether or not the security plans are in fact making our facilities and vessels more secure? And second, I would like to look at maritime security from the perspective of, I think what Sheriff Reichert and I talked about in a previous hearing, and I will just call it community policing, as applied to the Coast Guard. That is to what extent is the Coast Guard developing the kinds of relationships with the community that would allow better identification of maritime security threats?

Obviously to implement Coast Guard security plans, marine terminal operators have had to install, for example, fencing and entry gates at terminals across the United States. Do we know to what extent have these measures decreased the amount of theft and pilferage at terminals? If televisions or containers are being stolen, I doubt that the security plans are adequate to prevent WMD from being smuggled in or out of that terminal.

We all know that cities around the United States have been implementing what we call community policing plans over the past decade. They are getting police officers out of their cars and having them walk streets and visit businesses and know the residents.

They get to know all these people and they know when something looks out of place.

In contrast, it seems to me that Coast Guard facilities are restricting access to their facilities. The coastal communities only know Coast Guard personnel from watching them from afar as they patrol the waters. In the past, recreational boaters and commercial fishermen got to know Coast Guard personnel when they conducted safety exams on their boats to make sure they had enough life preservers.

Now, the Coast Guard has asked the boating and fishing communities to be their eyes in the water and to let them know when they see suspicious activities. However, when the Coast Guard stops the recreation or fishing vessel for an exam, they often board them with weapons. What we have seen in the intelligence community pre-9/11 was an over-dependence on technology and not enough emphasis on human intelligence that is based on these kinds of personal relationships.

What I am worried about, I think, is that the Coast Guard is going to close itself off in its facilities and become over-reliant on these technologies to monitor waterways, rather than having Coast Guard personnel develop personal and ongoing relationships with our communities. Another component of this might be the Coast Guard's rotation policy for its personnel. When Admiral Collins joined the Coast Guard, most personnel spent their whole careers in a single Coast Guard district. They knew the business leaders, the marina operators and the fishermen. Coast Guard personnel knew the waters and could identify when something looked out of place, because many of them had even grown up in these local areas.

However, once the Coast Guard centralized job assignments, personnel were transferred all over the United States from one tour to the next. It is difficult to develop the kind of personal relationships needed for homeland security if you are only there for three years.

I hope we can comment on these concerns. Mr. Chairman, I look forward to working with you to make sure that we have the safest security possible in our Nation's coastal communities.

Mr. LOBIONDO. Thank you, Mr. Filner.

Admiral Bone, I would like to start with some questions for you. First, I was recalling fondly our little trip back to the Coast Guard station and was wondering if that may be in the Coast Guard training library yet.

Admiral BONE. It could have made the video, yes, sir.

[Laughter.]

Mr. LOBIONDO. Thank you.

Admiral Bone, the MTSA required the Department of Homeland Security to develop a National Maritime Transportation Security Plan to prevent and respond to security incidents in the maritime transportation sector. Last year's Intelligence Reform Act required the National Maritime Transportation Security Plan to be submitted by April 1st of 2005. Can you give us any idea of where the plan is in the Administration's review process and when it will be released? Then I have some follow-ups to that.

Admiral BONE. Yes, sir. Yes, Mr. Chairman. The plan is actually undergoing final review, and it will be provided for interagency review in July. That is our schedule.

Originally the plan was going to be completed December 2005, and as you indicated, there was a change that directed it to be completed by April. What is inclusive in that plan is related to another security plan, however, when we look at the infrastructure recovery plan, the Marine Infrastructure Recovery Plan, it is also required. That's a piece of the National Maritime Security Plan.

Deputy Secretary Jackson indicated in order to complete these simultaneously that we would need several more months in order to complete both, since you want them also in parallel. One applies to the other. So we in fact again, in July we will have it completed for interagency review and expect it to go forward from there.

At the same time, we also completed the area maritime security plans as well as the vessel and facility security plans if you look at it from a tiered structure. We also wanted to ensure that the National Maritime Security Plan also serves as the sector plan under the transportation specific security plans. As you can see, there are multiple plans required of us, some with MTSA and some under HSPD-13 and HSPD-7.

Mr. LOBIONDO. So if I am understanding you correctly, part of what you are doing in putting this together is also to, when it is released, to be able to tell us how this plan will be integrated into the multi-sector National Transportation Security Plan?

Admiral BONE. Yes, sir, in fact, it actually represents that subsector plan under the transportation security plan, maritime sector.

Mr. LOBIONDO. Have you already begun to implement any of the measures that will be part of the plan once it is finalized?

Admiral BONE. Yes, sir, and that is why when we look at the area maritime security plans, although this is a national capstone document, like a national response plan, that does not keep us from working, again, at the areas and at the local level in order to address security now. We knew we couldn't wait for a national plan to begin that.

So all of your area maritime security plans have been completed, as well as all the vessel and security plans, which again, support that area maritime security plan.

Mr. LOBIONDO. Will the implementation of the plan lead to changes in existing vessel and facility plans or other already established MTSA programs?

Admiral BONE. I am not aware of any at this time, sir, but I will get back for the record if there are.

[The information received follows:]

There are no immediate changes in store for MTSA vessel and facility plans. However, those plans are subject to a regulatory requirement for ongoing review and revision. The National Maritime Security Plan may suggest mitigation strategies that could have an impact on maritime security practices and protocols. These strategies may affect vessels and facility owners' plans, such as passenger security measures for ferries and the sharing of up-to-date reserve cargo handling capability information and data with the Government to support the restoration of cargo flow in the aftermath of a Transportation Security Incident (TSI). Although MTSA-regulated facility and vesel plans may not be immediately affected, the NMSP exercise program could address issues associated with the restoration of cargo flow and communications at the national level. Lessons learned from these and other national level exercises may generate rec-

ommendations for improvements and corrective actions that could affect the content or construct of the MTSA system of maritime security plans and programs.

Mr. LOBIONDO. Okay. We look forward to receiving this and we will already be talking about, after today, about setting up a schedule so that we can have an opportunity to deal with that.

I just have a minute or so left, but I am going to defer to Mr. Filner.

Mr. FILNER. Thank you, Mr. Chairman.

Thank you gentlemen for being here with us. I wonder if, Admiral, you might comment on one of the points I raised about what we will call community policing, that is access of course restricted as if it were a military installation, isolation from the public, location policy which takes people away from being in one community, boarding recreational vehicles with weapons. In the post-9/11 world, we have to move in that direction.

But are you concerned about moving too far? Because we need the community. We need those on the waters as our eyes and ears. We want them to be part of us and not in isolation. So I wonder, where do we find that balance?

Admiral BONE. Representative Filner, I can't agree with you more that we need those people. In fact, we seek them out through America's Waterways Watch Program and our Coast Guard Auxiliary has engaged them. We do have military facilities, we are a military organization and we do have force protection issues and we do provide security at our facilities, the same as other DOD military facilities. But that in no way should restrict our access, as you indicated, to the public in carrying out our duties.

Our people have been armed prior to 9/11, conducting boardings, law enforcement boardings that you are talking about. But in addition, our auxiliary are not armed. Quite often, they are the people that most often do our boating safety exams that you see on recreational vessels.

But I can tell you that through the Area Maritime Security Committee, there is probably more engagement than ever before, with the community as a whole, including marinas, than we ever had before. I don't know where the perception is, but if it is in a particular area, I would be of interest to know it, so that we can see if we can address it, sir.

Mr. FILNER. How about the rotation policy?

Admiral BONE. The rotation policy is, when you look at it, it is kind of a double-edged sword. You want the people to bring the new approaches and ideas in and you want the experience, the breadth of experience and in not every port can you receive that experience to move in the organization. You want people that, for example, not all vessels operate, all types of vessels or all types of facilities are in one location. So you don't want to minimize a person's ability to develop your skills and their competencies and capabilities, and at the same time, I agree, you want some continuity.

So what we look at is a rotation, and not everyone rotates at once, obviously. So there is continuity. We also have increased our civilian billets at many of those units and civilianized those billets so there will be long term continuity.

Mr. FILNER. Do any of your Coast Guard have a say in if they want to stay at a location longer? Are they required to rotate?

Admiral BONE. When you indicated there are three years, there are people that have been in geographic areas for fifteen to twenty years. Not everyone rotates. But I would say that opportunity or that look to rotate or have another assignment, and it could be an assignment within the same geographic area, someone could move from one position to another and still have a job rotation. You can do that internally within a command, but you can also do it within command within a geographic area and garner that same interest of continuity that you are looking for.

Mr. FILNER. In the post-9/11 world, we moved to the so-called Patriot Act, which strongly limits a lot of the privacies and freedoms we had taken for granted. The Coast Guard becomes something else. We have to move, obviously, in a direction. But let us not go overboard, if I may use that expression, in reaction to 9/11, because we become something that we don't want to be as a nation, whether it is losing our freedom or losing our close relationship with the Coast Guard.

Admiral BONE. I agree with you.

Mr. FILNER. My other point I made was effective measurement of how effective we are. That is, we have implementation of security plans, for example. But can we measure what effect this has had? Have we identified weaknesses? Are we trying to measure whether thefts have been prevented? How do we do that?

Admiral BONE. That is a good point. I think there are multiple ways you can measure. One way is looking at changes. When longshoremen are basically trained and looking, trained to look for those anomalies and are actually providing that information to you at different points, that is a change that is significant. There is a measure with our field intelligence support teams where they are receiving information just as you said, from the public, but also from the mariners themselves and the facility workers of unusual activity or vessels loitering in and around the facility.

I can tell you that our largest problem with facilities has in fact been access control. We believe that improved credentialing will assist in that.

I have talked to the insurance companies to identify to what degree is the pilfering or theft taking place in the port versus out of port. It is clear in the view of the insurance companies that the problem lies outside the port area, and in a sense that it has improved since 9/11. I asked them for statistics, they said they haven't done the analysis, but they in fact have a confidence that since MTSA has been put in place and the increased security following 9/11 that that has improved significantly. They just have not done the total analysis yet.

Mr. FILNER. Just one more point if I may, Mr. Chairman. The first item you mentioned is longshoremen, that they know what is going on. We had a discussion, or several discussions when the security committees were set up, there was no guaranteed representation for the longshoremen. I was just wondering, has that changed? Are you bringing in these people who know the ports the best?

Admiral BONE. I can speak from experience from New York, myself. The longshoremen in fact were trained, I think, you had the national, you had the New York Maritime Association actually training longshoremen and people at the facility themselves. And the labor leaders were in fact very positive that they wanted to be a force in place to prevent any actions of terrorism.

Mr. FILNER. But we did not add them as required members of the security committees, did we?

Admiral BONE. I would have to look, myself.

Mr. FILNER. Would you look into that, please. Thank you, Mr. Chairman.

Admiral BONE. We could.

[The information received follows:]

Longshoremen are not required members of the security committees. The regulations for Area Maritime Security Committees, however, state that the committee will be composed of members having an interest in the security of the area and who may be selected from various groups, one of which is maritime industry, including labor.

Mr. LOBIONDO. Okay, thank you, Mr. Filner.

Mr. Reichert.

Mr. REICHERT. Thank you, Mr. Chairman.

Welcome. The Maritime Transportation Security Act created a requirement that workers entering a secure area in our ports had a Transportation Worker Identification Card. The port of Seattle, which has jurisdiction over SeaTac International Airport and the seaport near downtown Seattle has created a viable biometrics based access system for the 20,000 plus employees who work in the airport. Because this port operates both the airport and the seaport, they are extending many features of the airport access system to the seaport. To date, the seaport of Seattle has invested over $5 million for this biometrics system.

Currently there is a lack of Federal guidance in establishing these cards. I am sure other ports are also in the process of developing these cards. Do you know if there is an effort by the Department of Homeland Security and the Coast Guard and others to implement management standards?

Admiral BONE. Yes. The Transportation Security Administration has the lead for the Transportation Worker Identification Card, which would in fact incorporate air, surface and maritime requirements for the credential itself, in other words, what needs to be on the identification credential and also for the requirements for issuance.

The Coast Guard is actually working, since November 2004, with TSA in order to do this. Again, the Department of Homeland Security has determined TSA to be the lead agency for this in that there are 12 million people impacted by the TWIC card. The maritime group represents about 300,000 when you look at ships and facilities. But we are basically poised to move forward when that standard is set, and in fact the TSA has indicated that they expect the proposed rulemaking in 2006. That is their timetable for that.

We share concerns that have been raised with regard to the timeliness of this effort, and we are working with them as closely as we can to assist them in any way we can to get this moved for-

ward for the maritime environment. Again, we don't own all the different modes in this regard.

Mr. REICHERT. Right. Some time in 2006, though is the target date.

Admiral BONE. Say again?

Mr. REICHERT. Is there a target date, you said, sometime in 2006?

Admiral BONE. Yes, end of fiscal year 2006, which would be September 2006.

Mr. REICHERT. Another question. The Maritime Transportation Security Act created a grant program to help our ports perform security enhancements. These grants have proven very effective in my home ports of Seattle and Tacoma. My question involves how these funds are allocated to each port. How does the Department of Homeland Security determine how to allocate port security grants to each port? Do you know?

Admiral BONE. Yes. Actually it is first done at the Captain of the Ports of the Federal Maritime Security Coordinator's level. The identification, working with the area maritime security committees, when you identify your vulnerabilities and your gaps, you look at what do you need in your system. What happens is industry puts their proposals forward, they are initially vetted at that level so that you want to make sure they are going to be effective.

It is then put forward to a national level. And the national level looks at not just the local but the regional and national impacts. It is a risk-based formula that is used across ODP, IAIP, CBP, all agencies, TSA, working together to look at this risk-based approach, looking at vulnerability, threat, and consequence. That is what you determine, of the critical ports in this case, that have been identified this year, the 66 critical ports that have economic and military significance. Those ports then are determined, those ports are able to put the grants in and those are then evaluated on a national level and a determination is made based on, again, value, impact of this proposal against the risk that is being proposed.

Mr. REICHERT. The House of Representatives recently passed a first responder's bill that focuses those monies toward first responders on a threat basis and a risk basis. You are involved in the intelligence gathering process also, across the Nation, involved with some of the joint analytical centers and terrorism task force centers around the world. We have those in Seattle. You are involved in that process?

Admiral BONE. Yes. We are actually a full member of the intelligence community. As such, we have access to all the intelligence, available intelligence, whether it is national or international, working with CIA, FBI, NSA, all the major FBI. We have people in the JTTFs, personnel that are assigned liaison with the JTTFs. We have established 30 field intelligence support teams that basically support the area maritime security committees and the Federal maritime security coordinators. If you know where your threat is, then you move your assets based upon the threat.

They also work directly with the JTTFs and the local law enforcement to make sure that we are working collectively and not duplicating efforts. In other words, by example, in New York, we

might have State assets in one location and Federal assets in another, city assets in another location, to maximize the effectiveness, based upon the threat.

Mr. REICHERT. Thank you, Mr. Chairman. I see my time has expired.

Mr. LOBIONDO. I thank you, Mr. Reichert.

Mr. Higgins?

Mr. HIGGINS. No questions, thank you, Mr. Chairman.

Mr. LOBIONDO. Mr. Coble, Master Chief?

Mr. COBLE. Thank you, Mr. Chairman.

Gentlemen, it is good to have you all with us. He calls me affectionately Master Chief. I was never a master chief, unfortunately. But I like the title.

It is good to have both of you with us. Mr. Jacksta, let me put a question to you, a multi-faceted question, if I may. The Maritime Transportation Security Act, as you all know, requires the Secretary to establish a secure system of transportation program, but no such program has yet been established. Admiral, either you or Mr. Jacksta, when will this program be established?

Mr. JACKSTA. Well, sir, basically we are working on it right now, with the World Customs Organization just establishing and agreeing on standards for supply chain. We are working to first of all begin looking at the supply chain from when the container is actually stuffed, with who is putting the goods into the container, making sure that we measure that responsibility. We seal the container with a seal where we can verify that the goods have been put in and that no one else has had access to the container.

Then we have a system of information where we gain the information, we run it against our automated targeting systems to make a decision whether there is a concern or a threat. At 37 locations today, the container is moving through a CSI port, which allows us to once again, our officers overseas to evaluate the container if there is a concern, we can request the examination of that container.

We are also working with the importers, the shipping industry, through the CT-PAT program to make sure that there is a consistent and uniform way of securing the goods, to make sure that no one can compromise

Mr. COBLE. You are sort of getting into my second question, Mr. Jacksta. When do you think the program will be online?

Mr. JACKSTA. Sir, I would like to say, I think we are online with a number of our changes today, through the CT-PAT program, through the CSI program, working to develop a seal that is a secure seal. So I think there are a number of initiatives that are already started and are actually moving forward.

Mr. COBLE. Like I say, you accelerated ahead of me, you were sort of reading my mind and my next question. Let me jump into that now.

Cargo security is largely overseen by U.S. Customs and Border Protection. However, numerous Federal agencies have some responsibility over securing the transport of cargo through the maritime domain, as you have just pointed out. Let me walk you through, here is my multi-faceted question, Mr. Jacksta. From the moment that a cargo container is brought into a foreign port until

that container is offloaded at a U.S. port, what responsibilities does Customs and Border carry out to secure the maritime cargo supply, A, and B, what are the Coast Guard's responsibilities with regard to container security? And Admiral, you can weigh in on that.

What efforts are taken by other DHS agencies and other Federal agencies? Are these responsibilities well defined, or do they overlap? That is to say, is there duplication, as is oftentimes the case with the Federal Government? And how are these efforts and requirements integrated for a vessel operator who is pulling into a U.S. port?

Mr. JACKSTA. What I can do is, I will start it off, sir, with the responsibility that first of all, we have a number of voluntary programs out there that we work with the industry, the importers, the exporters and the shipping industry. With that, when a container arrives at a port overseas, one of the first things that is required is that before that container can be put on that vessel, we have to receive information regarding what is in that container. That information allows us to run our automated targeting system and our rules to identify if there is anything that is a concern or if any recent intelligence has come out that would help us make a decision on whether an examination needs to take place.

So we review the manifest information before that container gets on that vessel. If there is a concern, we look at it, we work with the host governments. This is a cooperative effort where we need to work on the international side of the house to make sure that when there is a concern, that it actually gets addressed overseas.

We also are working with our CT-PAT program, and anybody who is involved with this program is required to put a seal on the container at the time of stuffing, which is extremely important, because it makes sure that the container is not being compromised. When the vessel, we work very closely with the Coast Guard, and the vessel, when it is arriving at our ports of entry, we have some concerns or new intelligence, we work to develop a plan to make sure that that container is identified, that when it comes off the vessel we do the appropriate examinations. And if necessary, working with the Coast Guard, a decision can be made, not actually to allow that vessel in until we know more about the container itself.

So before the container is actually put on the vessel, while it is enroute and before it is released by Customs-Border Protection, we are reviewing the information. We have technology at the ports of entry through our radiation portal monitors that allow us to determine whether there is any type of threat in the radiological area. And there is also the systems, what we call our x-ray systems, our VACUS systems, that allow us to basically take pictures and view the images of containers and the goods in the containers before they are released.

So it is a comprehensive, layered approach that we try to work very closely with TSA in the seaport environment.

Mr. COBLE. Admiral, do you want to weigh in on this?

Admiral BONE. I just offer that HSPD-13 in fact is being developed that identifies very explicitly the responsibility of different agencies, as Mr. Jacksta mentioned, and kind of describes how that process works so there isn't overlap, so there is clarity of respon-

sibility. And again, that is one of the plans that is going to be completed.

I just offer that we do have responsibility with regard to the vessels as well as from the time through its transit and when it is on that facility, a MTSA facility. We do have responsibility for securing and safety of that cargo, not just the security but also the safety of that cargo.

And I think that is where our international code and our standards and our verification, both with our foreign port and our examinations which we do jointly when there is a CSI, so that we look at the full measure of security, as well as the examinations and boardings that are conducted offshore, by our offshore, our legacy assets, and then again at the facility examinations inshore to look for any anomalies.

Mr. COBLE. I thank the gentleman. Mr. Chairman, I guess my point is, I would like to avoid duplication, but I would rather have duplication to preclude an omission if it comes to that. I thank you, Mr. Chairman.

Mr. LOBIONDO. Thank you, Mr. Coble. Mr. Diaz-Balart?

Mr. DIAZ-BALART. No questions at this time, Mr. Chairman.

Mr. LOBIONDO. Mr. Mack?

Mr. MACK. Thank you, Mr. Chairman.

Maybe I will try to make this a little more simple for me. In the State of Florida, we have a number of ports. Just to give you an example, when I travel, let's say, with my children, I have a five-year old little girl and a two-year old little boy. When we go to the airport, a lot of times my two-year old little boy is wanded down at the airport.

So my question is, do you feel like we have the same strength of security in our ports that we do at our airports? And then, which I don't think we do, but I want to hear from your perspective. And I believe that earlier you said there were 9.6 million containers, roughly, that come in. What percentage of those are being checked?

And specifically, how do you think the security of our ports should be funded? I think we have in some cases a funding discrepancy on who is responsible for that funding.

Mr. JACKSTA. I think I will start off with first of all, the question that is always asked is exactly how many containers are examined that arrive at our ports of entry. I would like to begin that, first of all, sir, all freight containers that are arriving at our ports of entry are screened by an electronic fashion, where we get the information, we review the manifest, and based on intelligence, based on previous history, based on information provided by other agencies, a decision is made whether an examination should take place or not.

Mr. MACK. But most of those, the manifests are filled out by the people who are loading or responsible for loading the containers, correct?

Mr. JACKSTA. Yes, sir. The information that is provided is provided by the members that are responsible for creating the manifests and responsible for shipping the goods. So the information is not perfect, but it is fairly accurate in most cases.

With that, when we do the screening, if there is a decision that is made that there is something unusual or we need to take a look

at it, we do screening through our VACUS system, our imaging systems that we have out there. We have about 167 of them at various ports of entry throughout the country.

Basically, the current rate of examination is approximately 5.4 percent of the containers that are arriving at our ports of entry go through either a VACUS imaging system or are actually devanned, in other words, we take the goods entirely off the container to take a look at the container. Those are containers that are either identified through our automatic targeted system as a risk or containers that we randomly select for examination.

Admiral BONE. With regard to security in the ports versus the airports, I agree with you. I think the vulnerability of airports is much different than the vulnerability of a port, accessibility and controls, moving in and out of an airport, whereas on the waterway, the accessibility and mobility of entities, both from an external but also from an internal threat, like a Kohl type incident, a small boat that is engaged, or an individual who comes aboard a high-speed ferry.

So yes, our challenges are greater. But I think also our resources collectively are also greater. The key to this is pooling those resources collectively together at the Federal, State, local and industry level.

I think the difficult thing to decide is to what degree, whose responsibility is it? Is it a Federal, State, or local responsibility for protection and response and recovery, and to what degree is that at those layers, as well as industry's responsibilities? That is what Congress, I think, has spent a lot of time doing.

I wouldn't touch the funding issue, because that is not my business to decide how to pay for it, I don't think. I do know it is a challenge. I appreciate the challenge associated with it, and I also appreciate the challenges industry has with being, staying afloat at the same time they in fact have to carry out these security changes.

As I said, our challenges are many. We want to address the most critical, the highest risk, the highest consequence ones first, and then it is Congress' and others, the public's determination, if it is worth pursuing the others.

Mr. MACK. Mr. Chairman, for us in Florida, in particular the port of Everglades, you have the seaport, the airport, a lot of petroleum reserves, and downtown all in one very small location. I just think that this topic of port security is one that I know the Chairman and I know this Committee has been working on.

But we really have to do more. Because the people who want to cause harm to this Country are going to look for our vulnerabilities. They have proven to be sneaky. So they are going to try to find ways around systems. I just hope that we will continue to work towards a funding solution and also to make sure that our ports are safe.

Thank you, Mr. Chairman.

Mr. LOBIONDO. Thank you, Mr. Mack.

I can understand, Admiral Bone, your reluctance on the funding issue. But Mr. Mack, I will tell you, I am not reluctant to say that I don't think we have received nearly enough funding for our port security issues or nearly enough attention. Heaven forbid we ever

have an incident at one of our ports and will see the level of awareness rise significantly and probably the funding follow. Our hope through hearings like this is to make sure that we can keep an incident from happening by keeping the process moving along. But you are right on the mark with your questions about where we stand.

Mr. Filner, round two.

Mr. FILNER. Also, Mr. Mack, I agree with everything you said. San Diego, where I represent, it is the exact same thing, we will throw in a few nuclear carriers and nuclear subs, and it is pretty bad as far as the percentage of stuff that is inspected. So thank you for your comments.

If I may with that, Mr. Jacksta, when I listened to the President last night, you wouldn't know that there was anything wrong in Iraq, that we had not made any errors or that our troops were subject to such risks. Everything was fine. And you guys, I don't think you have to say everything is fine. Tell us what is the problem. Because you lose credibility when there is knowledge that is different than what you are saying.

Let me just make two points, if I may on the CT-PAT system that you referred to. According to the GAO, the Department has not confirmed whether most of the importers have actually tightened their security, or whether thousands of high-risk containers were inspected overseas. They say that 9,000 applications from importers have been submitted for CT-PAT, 5,000 have been accepted. However, you have only verified that 597 were implementing the required security measures.

So when are we going to know that all of them who are participating in this system are actually complying with your directives?

Mr. JACKSTA. Sir, you asked a question of challenges that we face. This is clearly one of the challenges that we faced when we established the CT-PAT program. It grew fairly quickly, which was good, because it is a voluntarily program and companies wanted to participate and work with the Government to establish security protocols.

And based on that, we made a commitment that we would go out there and verify that what they were telling us through their security profiles was accurate and that they were complying with what they said. To get started, we needed to bring personnel on board. And initially when the GAO report that you are referring to was done, we only had somewhere in the area of about 35 people on board working on this initiative.

As a result of this, we have taken an initiative, and today we have over 70 employees that are currently going out there, traveling around the world to verify what these companies are saying is true. Our goal is that by the end of this calendar year that we have 157 employees working on the CT-PAT program to ensure that we are visiting the locations and verifying what they say in their security profiles.

What I think is important to note, sir, is that we currently have about 600 verifications done. We hope to have 1,500 by the end of this calendar year, and then hopefully by the end of next fiscal year, we will have close to 3,000 companies that will have had one

of our supply chain specialists visit and actually verify that the information that the company provided us is accurate.

So it is one of our challenges. We are making every effort to get the people on board so that we can go out there and verify that the companies that are participating in this program are truly in compliance.

Mr. FILNER. Again, I wish you guys would be more clear. If you add up the number of years it is going to take before you investigate all, the 5,000 that have been accepted, 9,000 want to be, and you are only up in three years to what did you say, 3,000? Hello? I don't have a lot of confidence. You have 70 people out in the whole world looking at these 5,000?

I don't have the confidence that you are trying to, I guess in your tone, provide. But I think you should be saying, look, these are the challenges, help us meet those challenges, not tell us how everything is fine. Because everything is not so fine. People have said over and over again, we have to be 100 percent correct, and the terrorist only has to be right once.

But when you leave half or two-thirds of our potential of the CT-PTA people that haven't even been verified, I don't have a lot of confidence that you have enough resources to do this job. I am not questioning your commitment or your attempt. I am saying, be honest with us so we can get you the resources that you need to do the job. Just like I wish the President would—you know, what resources you need to do the mission successful and he says everything was fine.

So let me just make the same point on another issue, and that is, that you mentioned also the high risk containers and the program to inspect them you outlined earlier in answer to another question. But apparently, again according to a GAO report, containers have already been loaded and shipped in many cases before you have scanned them in the way you have told us about in the foreign port. In fact, some of the host countries have declined to conduct the inspections.

So we have a certain percentage leaving the port before they are even going through this thing that you have such high confidence in. I am not sure that I like the fact that a container that has not been inspected may have a WMD in it and can go off as it gets to our port.

So again, what are the exact problems and what do you need to deal with it?

Mr. JACKSTA. One of the issues, again, a challenge that we have to face is that we have to work very closely with the foreign government, because our officers are in a foreign port, we have to make sure that when a shipment is targeted for examination that we can ensure that that shipment goes through a VACUS image or actually has the goods taken off. I think what we have done, once again, a new program that was developed and is continuing to evolve is we continue to work with the various governments to ensure that when we target a container for examination that it is examined. That at times can be a challenge.

What I will tell you and commit to you is that based on the information that we have regarding the container, if it is a threat or a real concern to us, we have the authority to just not load that con-

tainer and give a no-load message that tells the carrier that he is not allowed to ship that container until examination takes place. So once again, this is a challenge that we do have, that we are continuing to try to address with the foreign governments.

I think at the World Customs Organization, the recent adoption of the standards that have been achieved, that we work together in partnership, both through customs and the industry, to make sure that when a container is identified by a government for examination that it takes place.

So I think the recent agreement will help us get to that point.

Mr. FILNER. Well, again, I am not getting a lot of confidence here. I think there are governments that have not put those scanners in or refused to put them in. There are again containers leaving the port before you even get there. So again, I just wish you had more quantitatively let us know about that so we can, as we want to do, provide the resources to make us safe. That is all, and I just don't think you all in the Administration have got to say everything is going right.

We don't expect everything to happen overnight, but we do expect to know the real problems so we can help correct them. We see this as a partnership. If you are not giving us all the information, then we can't help as much as we would like.

Thank you, Mr. Chairman.

Mr. LOBIONDO. Thank you, Mr. Filner.

For Admiral Bone or Mr. Jacksta, just a follow-up. The MTSA implementation with the final regulations to implement the requirements of MTSA went into effect one year ago. Has the Coast Guard and the Department identified additional port security measures not specifically authorized by MTSA that remain to be implemented?

Admiral BONE. I can identify one of the areas that we know. When you talk about the merchant mariners credentialing and the TWIC card, again, as we discussed earlier, that still remains and we actually need a legislative change proposal in order to effectively execute that merchant mariner credentialing process, that would allow the biometrics to be used and allow us to basically keep someone from receiving a merchant mariner's document that is in fact a security risk.

We still have some work to do in that area specifically.

Mr. LOBIONDO. Admiral Bone, for you, I am sure you know and we are all painfully aware that the design and funding of the Deepwater program has received considerable attention recently, and we have some serious questions and I think problems. I would like you to comment on what is your take, will the effect of the delay in the implementation of the first response cutter program be on the Coast Guard's readiness to carry out vessel inspections, interceptions and other port and coastal waterway security missions?

Admiral BONE. I can only tell you that my experience has been that you don't want to board these ships in the port. You don't want to have it in your own back yard. We need to have cutters, aircraft and communications systems that will allow us to intercept these vessels offshore, or any threat that presents itself in an offshore environment, and not in a near shore environment, if at all possible.

Those legacy assets in fact do need replacement. And if we don't have replacement, then their availability will be limited and therefore, something that may have been needed to be out on scene may in fact be in repair. So if your readiness is at risk, then your shield basically of security is also at risk. It is a serious issue and something that why, in fact, we are requesting the full $966 million that the President's budget identifies.

Mr. LOBIONDO. I wish we collectively could do a better job of having everyone understand what the implications are if we are not able to keep on track with this critical program. It is discussed in sort of abstract terms sometimes, and it has some very real world applications which could give us huge problems if we are not able to bring this together. So thank you.

Mr. Reichert, second round?

Mr. REICHERT. Thank you, Mr. Chairman.

Have you participated in the Top Off exercises?

Admiral BONE. I did not participate in the Top Off exercise that was recently held, but I have had close to that experience in the past.

[Laughter.]

Mr. REICHERT. I had experience as the sheriff in Seattle to participate in Top Off II. I just wondered if the Coast Guard—I know in that exercise the Coast Guard was not a part of that exercise.

Admiral BONE. There was a Top Off exercise recently in Connecticut, Mr. Simmons can probably speak to it. But where the Coast Guard in fact did have a lead responsibility is—I am trying to remember the term now, basically served as the Department of Homeland Security coordinator and lead representative for the Department. And yes, there have been exercises. There is a regularly scheduled exercise program, including facility level programs as well as national level programs that the Coast Guard, Customs and Border Protection, TSA and the other agencies collectively are involved in. I would say that that is a program which is included in the MTSA that we are carrying out.

Mr. REICHERT. Do you think that those programs are beneficial for you in helping you identify the weaknesses that we might have in your response?

Admiral BONE. I think definitely a perfect example is lessons learned, such as, it may be much simpler to close a port than it is to decide how to re-open and what would be true impacts and regional and national impacts associated with that, and who is involved in that decision making and the complexity that that brings.

Mr. REICHERT. So as you have analyzed it, Top Off exercises or some of the other training exercises, is there any legislation that you can think of, any way that we can help you to address some of the weaknesses that you might have identified in some of those exercises? If you don't have an answer now to that question, you can answer for the record.

Admiral BONE. I think what the exercises help you do is give focus to say, okay, are your screening methods proper, are your communications effective. If they weren't, you reexamine what it is you have. I would not come to you and say, I have a problem, I would rather come to you with, here is the solution, here is what we need. And I think that as you say, we are in the early stages

of this. But some of those areas that I identified in America's maritime shield, the efforts that we have ongoing, are directly reflective of what we have learned in some of those events and exercises.

Mr. REICHERT. Do you think that in some of the smaller fishing boats, especially from my area I'm familiar with in the Puget Sound, being subject to some of the same requirements as the larger vessels, is that an issue that you see as a challenge for the Coast Guard to address?

Admiral BONE. Yes. In fact, we look at legislation, at the potential for legislation to move the Automatic Identification System or the identification of vessels and their movement to a lower threshold to include vessels 65 feet, all vessels that are down to 65 feet. We are looking at that. We have not put that forward at this time.

But we do understand that a Kohl type incident which could be even a smaller vessel than that, has the potential, of course, as the vessels get larger, they could carry more explosives and therefore do more damage. But I think anything that could move or be a transport mechanism, not just the big ships and containers, but anything internally that moves within the system, a lot of times we focus out instead of looking within. We need to address those threats.

Someone may want to move somebody to a location, say you have great security around your tunnels and your bridges. Well, then, you get in a boat, you take the boat across, the truck went across, they drop them off in a location, they get in the vehicle from the small boat and off they go. We don't want to have anything large come in or any vessel be used as a transit method for bringing weapons of mass destruction, conventional weapons or terrorists in any direction.

Mr. REICHERT. So you mentioned you are considering proposing some legislation, maybe in some areas that we might be to help you in.

Admiral BONE. Yes.

Mr. REICHERT. One last question. I am always curious as to what agencies looked like pre-September 11th. I know what our sheriff's office looked like and what our mission focus was. But after September 11th, it changed. Maybe just give an example of, and maybe if there is an increase in personnel training, mission focus, your resources, those sorts of things, I imagine you have changed a lot in the years since September 11th.

Admiral BONE. MTSA actually provided funding of the $101 million we have. We moved 800 more people into position, basically, to work both as boarding and examination, but also in the liaison position. Again, a lot of this activity involves coordination, besides examinations. I think that what you found is an organization that used to organize themselves and work in partnerships with others on safety and environmental issues now leveraging some of those same relationships and adding many more additional in order to address the security portion of this.

Our intelligence community alone has grown greatly as well. In other words, if you don't know the threat then you can't accurately place your assets. No different than a police chief has to know where his high crime areas and where the crooks are moving in order to move his assets into the proper location to address it.

Mr. REICHERT. I appreciate the work you are doing. I know that you have made lots of progress, but there are lots of things yet to come. We look forward to helping you.

Thank you, Mr. Chairman.

Mr. LOBIONDO. Thank you, Mr. Reichert. Mr. Diaz-Balart?

Mr. DIAZ-BALART. Thank you, Mr. Chairman.

The MTSA and SOLAS both require that certain vessels operating in U.S. waters be equipped with an operating Automatic Identification System, AIS. AIS includes a position-indicating transponder and an electronic charting or situation display for accessing information made available by that transponder system. The system allows the operator of a vessel to identify the position and heading of their vessels but also other vessels in the area. Also, it will allow shore-based Coast Guard facilities to more easily monitor the location and heading of those vessels in their area.

Two questions, if I may, Mr. Chairman. The AIS has been traditionally seen as a safety system. However, since 9/11, is that system now being viewed as an anti-terrorism tool, number one. And number two is, is it unusual for technology that is developed for commercial and safety missions of the Coast Guard to also serve now as multi-mission purposes that include port and waterway security? Those would be the two questions.

Admiral BONE. First, AIS, yes, early on was identified as a safety system. But I can tell you, as early as 1998 even it was being viewed as a potential security tool at the same time. It just became of more import after 9/11.

I think that the issue of safety and security go hand in hand. In fact, environmental protection goes hand in hand. We look at our requirements both in the impacts of something as having improved training, improved awareness. It cuts across all of what the Commandant likes to talk about as the three-legged stool of safety, security and environmental protection.

So our multi-mission, our examinations we look at together, when we go aboard to look at a security boarding, we look at the safety issues and the environmental issues at the same time. I think that even whole construction vessels could be identified as making them stronger and less likely susceptible to a security incident.

So we look at the communications again, the capabilities and the awareness. Having security officers onboard will also improve the safety onboard.

Mr. DIAZ-BALART. Mr. Chairman, if I may, just a couple more questions.

Mr. LOBIONDO. Go ahead.

Mr. DIAZ-BALART. Thank you, Mr. Chairman.

You mentioned in your testimony, sir, that the Coast Guard will be increasing its presence in ports and coastal zones with more people, boats, ships, your force structure. My question is, where are those assets and personnel going to come from, number one, and number two is, do you have enough personnel and vessels and ships to really make an impact, significantly increase your presence for port security and your myriad of other, multiple missions?

Admiral BONE. Again, we have received $101 million and again, included in that, we also have 80 small boats that have been pro-

cured since 9/11. We have 14 coastal patrol boats and crews. We have 500 personnel added to our small boat stations and our command centers. That is an example of, in the budget that Congress has actually provided us to increase our capabilities.

Additionally, in this next year's budget, there is an increase in funding for personnel associated that we are going to be placing again at L&G facilities and to address, again, additional crews to provide protection of the highest risk arenas.

Mr. DIAZ-BALART. Thank you, Mr. Chairman.

Mr. LOBIONDO. Thank you, Mr. Diaz-Balart.

Mr. Filner, do you have anything else? Mr. Reichert?

I would like to thank Admiral Bone and Mr. Jacksta for being here today and for the work that you do and continue to do in a very, very challenging but critically important area for homeland security for the United States of America. We on the Subcommittee will continue to try to be as vigorous as we can and we look forward to hearing from you again soon.

We are adjourned. Thank you.

[Whereupon, at 11:17 a.m., the subcommittee was adjourned.]

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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

REAR ADMIRAL CRAIG BONE

ON THE

MARITIME TRANSPORTATION SECURITY ACT IMPLEMENTATION

BEFORE THE

COAST GUARD AND MARITIME TRANSPORTATION SUBCOMMITTE

U. S. HOUSE OF REPRESENTATIVES

JUNE 29, 2005

Introduction

Good morning Mr. Chairman and distinguished Members of the Subcommittee. It is a pleasure to be here today to discuss the Coast Guard's role in securing our ports in order to facilitate the safe and efficient flow of commerce.

On September 10th, 2001, our primary maritime focus was on the safe and efficient use of America's waterways. However, the events of 9/11 changed our focus to security. Since then, we have made great progress in securing America's waterways without impeding commerce. The men and women of the U.S. Coast Guard and the Department of Homeland Security remain committed to improving maritime homeland security each and every day through continued interagency cooperation and assistance from our partners at the local, state, and international levels as well as maritime industry stakeholders.

Reducing Maritime Risk

The Coast Guard's overarching security goal is to prevent the exploitation of, or terrorist attacks within, the U.S. maritime domain. Doing so requires a threat-based, risk-managed approach to identify and intercept threats well before they reach U.S. shores. The Coast Guard accomplishes this by conducting layered, multi-agency security operations nationwide; while strengthening the security posture and reducing the vulnerability of our ports, with the initial focus being our militarily and economically strategic ports. As we seek to reduce maritime risk, we continually strive to balance each of the Coast Guard's mission requirements to ensure minimal degradation in service to the American public. Looking at their accomplishments, it is clear that Coast Guard men and women continue to rise to the challenge and deliver tangible and important results across both homeland security and non-homeland security missions.

Today's global maritime safety and security environment requires a new level of operations specifically directed against terrorism without degrading other critical maritime safety missions. Most importantly, the Coast Guard must exercise its full suite of authorities, capabilities, competencies and partnerships to mitigate maritime security risks in the post-9/11 world.

In terms of threat, vulnerability, and consequence, there are few more valuable and vulnerable targets than the U.S. maritime transportation system.

- Threat: While the 9/11 Commission noted the continuing threat against our aviation system, it also stated that "opportunities to do harm are as great, or greater, in maritime or surface transportation." From smuggling to piracy, suicide attacks to the threat of weapons of mass destruction, the threats are many and varied.

- Vulnerability: The maritime transportation system annually accommodates 6.5 million cruise ship passengers, 51,000 port calls by over 7,500 foreign ships, at more than 360 commercial ports spread out over 95,000 miles of coastline. The vastness of this system and its widespread and diverse critical infrastructure leave the nation vulnerable to terrorist acts within our ports, waterways, and coastal zones, as well as exploitation of maritime commerce as a means of transporting terrorists and their weapons.

- Consequence: Contributing nearly $750 billion to the U.S. gross domestic product annually and handling 95% of all overseas trade each year – the value of the U.S. maritime domain and the consequence of any significant attack cannot be overstated. Independent analysis and the

experiences of 9/11 and the west coast dock workers strike demonstrates an economic impact of a forced closure of U.S. ports for a period of only eight days to have been in excess of $58 billion to the U.S. economy.

Lingering and new maritime safety and security gaps continually present themselves and it is these risks we will continually work to reduce. The Coast Guard guides its efforts by implementing policies, seeking resources, and deploying capabilities through the lens of our maritime security strategy.

Implement the Maritime Strategy for Homeland Security

Considering the vast economic utility of our ports, waterways, and coastal approaches, it is clear that a terrorist incident against our marine transportation system would have a disastrous impact on global shipping, international trade, and the world economy, in addition to the strategic military value of many ports and waterways.

The elements of the Coast Guard's *Maritime Strategy for Homeland Security* are in direct alignment with the DHS' strategic goals of Awareness, Prevention, Protection, Response and Recovery. These elements serve as guiding pillars in our efforts to reduce America's vulnerabilities to terrorism by enhancing our ability to prevent terrorist attacks and limit the damage to our nation's ports, coastal infrastructure and population centers in the event a terrorist attack occurs. A brief overview of the core elements of that strategy with particular emphasis on creation and management of a robust security regime is presented here in the following paragraphs.

Enhance Maritime Domain Awareness (MDA).
First, we seek to increase our awareness and knowledge of what is happening in the maritime arena, not just here in American waters, but globally. We need to know which vessels are in operation, the names of the crews and passengers, and the ship's cargo, especially those inbound for U.S. ports. Maritime Domain Awareness (MDA) is critical to separate the law-abiding sailor from the anomalous threat.

The core of our MDA efforts revolve around the development and employment of accurate information, intelligence, and targeting of vessels, cargo, crews and passengers – and extending this well beyond our traditional maritime boundaries. All DHS components are working to provide a layered defense through collaborative efforts with our interagency and international partners to counter and manage security risks long before they reach a U.S. port.

Create and Oversee Maritime Security Regime.
Second, to help prevent terrorist attacks we have developed and continue to improve an effective maritime security regime – both domestically and internationally. This element of our strategy focuses on our domestic and international efforts and includes initiatives related to MTSA enforcement, International Maritime Organization regulations such as the ISPS Code, as well as improving supply chain security and identity security processes.

Before 9/11 we had no formal international or domestic maritime security regime for ports, port facilities, and ships – with the exception of cruise ships. Partnering with domestic and international stakeholders, we now have both a comprehensive domestic security regime and an international security convention in place. Both have been in force since July 1, 2004. In executing the requirements of the Maritime Transportation Security Act (MTSA) and the International Ship and Port Facility Security (ISPS) code, the Coast Guard has:

- Reviewed and approved over 9,600 domestic vessel security plans and 3,100 domestic facility security plans,
- Overseen the development of 43 Area Maritime Security Plans and Committees,
- Verified security plan implementation on 8,100 foreign vessels,
- Completed all domestic port security assessments for the 55 militarily and economically strategic ports,
- Visited 26 foreign countries to assess the effectiveness of anti-terrorism measures and implementation of ISPS code requirements. An additional 18 countries are scheduled for visits by December 2005 with the goal of visiting all of our approximately 140 maritime trading partners; and
- Oversaw the continuing development of the National Maritime Security Plan.

Aside from the statistics, MTSA and ISPS are truly landmark achievements within the maritime industry. Through a variety of measures, or layers, of regulatory requirements, these two regimes complement each other and have gone far to reduce vulnerabilities within the global maritime transportations system, the general framework of which includes:

- *Physical Security*. The first pillar of this framework is physical security. Through the implementation of the MTSA, we have significantly hardened the physical security of our ports. Roughly 3,100 of the nation's highest risk port facilities have implemented mandatory access control measures to ensure that only authorized persons are able to gain access. They have established designated restricted areas within the facility gates and facility owners and operators are now required, under federal regulations, to implement screening protocols for ensuring that cargo-transport vehicles and persons entering the facilities are inspected to deter the unauthorized introduction of dangerous substances and devices. At the facility gates, containers are required to be checked for evidence of tampering and cargo seals are checked.
- *Identity Security*: Identity verification is the second critical element of port security, recognizing that we must know and trust those who are provided unescorted access to our port facilities and vessels. The 9/11 Commission report noted that the September 11th hijackers obtained and used government-issued identification cards such as driver's licenses. The Commission recommended that forms of identification be made more secure. Congress partially addressed this issue in the Maritime Transportation Security Act of 2002 mandating the development of a biometric transportation security card known as the Transportation Worker Identification Credential or TWIC. However, merchant mariner documents are, by statute, identification documents, yet they contain virtually no security features. This, among other reasons, is why the Commandant, the Secretary of Homeland Security and the President have proposed a complete update of the merchant mariner credentialing statutes. Congress has not yet taken up the President's proposal in this area. We strongly urge that Congress include the merchant mariner credentials proposal in this year's Coast Guard authorization bill. We cannot, and must not, continue with business as usual in the area of mariner credentialing. The specter of a terrorist obtaining and using a merchant mariner credential to access and attack vital areas of a strategic port is one that is very real. The changes we have proposed will enable the Department to heighten the security of all mariner credentials in partnership with the mariners themselves and the maritime industry.

The Coast Guard is working very closely with the Transportation Security Administration (TSA), the lead for implementation of the Transportation Worker Identification Credential, to assist in the implementation of this new credentialing program. The Coast Guard is fully supportive of this regulatory effort. We will do everything within our ability to assist TSA in the development of this rulemaking and ensure that the TWIC and MMC initiatives are complementary in order to minimize the burden on mariners in the future.

- *Cargo Security*: Cargo security encompasses the process of ensuring that all cargo bound for the U.S. is legitimate and was properly supervised from the point of origin, through its sea transit, and during its arrival at the final destination in the U.S.

Since Customs and Border Protection (CBP) has the lead role in maritime cargo security, the Coast Guard has worked in concert with CBP to align respective agency roles and responsibilities regarding international trade. When a cargo is moved on the waterborne leg of the trade route, the Coast Guard has oversight of the cargo's care and carriage on the vessels and within the port facility. The Coast Guard also oversees the training and identity verification of the people who are moving the cargo. CBP has authority over the cargo contents and container standards. Using the information provided through the Coast Guard's 96-hour notice of arrival rule and CBP's 24-hour cargo loading rule, we can act to control vessels, and thus their cargoes, that pose an unacceptable risk to our ports. With Coast Guard officers posted at CBP's National Targeting Center, we continuously improve agency coordination and our collective ability to quickly take appropriate action when notified of a cargo of interest. As a further improvement, the trade community can file required passenger and crew information via an electronic notice of arrival and departure system. This streamlines the process for industry and improves our ability to apply targeting and selectivity methods.

The Coast Guard has worked hard to align all of our regulatory and policy development efforts with CBP and TSA. We meet regularly to discuss policy, we participate on inter-agency regulation development teams, and we sit on the Operation Safe Commerce Executive Steering Committee. Between DHS, CBP, and the Coast Guard, we coordinate the work of our various Federal Advisory Committees so that we all understand the trade community's concerns and priorities. Now that MTSA and the ISPS Code are fully implemented, we are monitoring compliance and carefully noting issues for future improvements to the regulatory framework.

Looking at specific cargo-related initiatives, the Coast Guard fully supports the Container Security Initiative and the Customs-Trade Partnership Against Terrorism. We support CBP's pending regulation on mechanical seals for inbound cargo containers. We look forward to the results of Operation Safe Commerce, which will highlight technologies and business practices that will bring improved, layered security throughout the supply chain. We also agree with CBP's view that international compliance and the establishment of international standards are needed to help gain global compliance. In this way, the International Standards Organization and the International Maritime Organization have achieved great success in institutionalizing both safety and security standards, many times incorporating industry standards by reference. A multilateral approach provides a more efficient and effective security regime. Compliance with a common, acceptable standard is checked by all our trading partners, not just the U.S. The evidence of success can be directly measured in the level of compliance. A prime example is the success of the ISPS Code implementation evidenced by the 98% compliance rate achieved by foreign vessels arriving in U.S. ports.

- *Culture of Security*: Finally, and perhaps most importantly we have been able to take important steps to instill a culture of security within a system previously focused almost exclusively on efficiency. Reducing the vulnerabilities of our vessels and ports required a cultural shift to put

security at the top of the agenda rather than as an afterthought. It is centered on the people who must implement the new security measures. Under our MTSA regulations, facilities and vessels are required to designate individuals with security responsibilities, including company security officers, facility security officers, and vessel security officers. These individuals must have knowledge, thorough training and equivalent job experience. They must be familiar with, and responsible for, implementation of the specific security measures outlined in their facility/vessel security plans and they must be knowledgeable in emergency preparedness, the conduct of security audits, and security exercises. In addition, facility security officers must have training in security assessment methodologies; current security threats and patterns; recognizing and detecting dangerous substances and devices, recognizing characteristics and behavioral patterns of persons who are likely to threaten security; and techniques used to circumvent security measures.

Increase Operational Presence. Third, we seek to better protect critical maritime infrastructure and improve our ability to respond to suspect activities by increasing our operational presence in ports, coastal zones and beyond,--to implement a layered security posture, a defense-in-depth. Our collective efforts to increase operational presence in ports and coastal zones focus not only on adding more people, boats and ships to our force structures, but making the employment of those resources more effective through the application of technology, information sharing, and intelligence support.

Improve Response and Recovery Posture. Finally, we are improving our ability to respond to and aid in recovery if there were an actual terrorist attack. Understanding the challenge of defending 26,000 miles of navigable waterways and 361 ports against every conceivable threat at every possible time, we are also aggressively working to improve our response capabilities and readiness. While many of the increases in MDA and operational presence augment our collective response and recovery posture, we must also incorporate initiatives that will increase our ability to adequately manage operations and coordinate resources during maritime threat response or recovery operations.

The Coast Guard is implementing the new National Response Plan across all operations. The Incident Command System is our mandated crisis management system, and we have years of practical experience in its use. At the local level, each port is ready with port-specific and even sub-area specific, response plans. All law enforcement agencies, public service providers, and port stakeholders have participated in the plan development process.

The Coast Guard has confidence that if a maritime transportation security incident (TSI) should occur in one of our ports, the local responders (Coast Guard Sector Commander or Captain of the Port, other federal agencies, state and local authorities, and partners in industry) will immediately react with mitigation, response, and recovery activities in that port and region. At the same time, we are continuing to refine tools and analysis to aid senior leadership in their ability to rapidly respond to a crisis, minimize damage, and aid in recovery operations.

Conclusion

After experiencing the most horrific act of terrorism on U.S. soil on 9-11, all sectors of the maritime community rallied together to strengthen the security of the maritime transportation system. The tremendous successes in this endeavor is due, in large part, to the cooperation by federal, state, and local government and industry working together as partners. Much work remains to be done to reduce America's vulnerabilities to terrorism and other maritime security threats but with the continued support of the Congress and Administration, I know that we will succeed in delivering the robust maritime safety and security America expects and deserves well into the 21st Century.

Thank you for the opportunity to testify today. I will be happy to answer any questions you may have.

DEPARTMENT OF HOMELAND SECURITY

STATEMENT OF

Robert M. Jacksta,
Executive Director, Border Security and Facilitation
U.S. Customs and Border Protection

Hearing before the
Committee on Transportation and Infrastructure
Subcommittee on Coast Guard and Maritime Transportation
U.S. House of Representatives

June 29, 2005

Good morning Mr. Chairman and distinguished Members of the Subcommittee. Thank you for this opportunity to update the Subcommittee on U.S. Customs and Border Protection's (CBP) efforts to strengthen maritime security.

CBP, as the guardian of the Nation's borders, safeguards the homeland foremost by protecting the American public against terrorists and the instruments of terror; while at the same time enforcing the laws of the United States and fostering the Nation's economic security through lawful travel and trade. Today, trained CBP Officers, technology, automation, electronic information, and partnerships with the trade and foreign governments are concepts that underpin CBP's port security and anti-terrorism initiatives. These concepts extend our zone of security outward and reinforce the components of our layered defense strategy.

My remarks today will focus on advance electronic cargo information and CBP targeting capabilities, as well as progress related to the Customs-Trade Partnership Against Terrorism (C-TPAT), the Container Security Initiative (CSI), Non-Intrusive Inspection (NII), Radiation Detection Technology (RDT), and the implementation of the Maritime Transportation Security Act of 2002 (MTSA).

Advance Information, National Targeting Center, Automated Targeting System

Automation, electronic information, and technology are critical tools that facilitate the progress we continue to make with regards to securing maritime cargo and increasing security against the terrorist threat.

The Trade Act of 2002 facilitates CBP's layered defense strategy by mandating advance electronic cargo information on all shipments bound for the United States. The CBP 24-Hour Rule goes one step further to require advance cargo information on all containerized and break-bulk cargo 24 hours before cargo is laden onto a vessel destined for the United States.

All information on cargo en route to the United States is analyzed based on available intelligence and historic trade information using sophisticated automated techniques and algorithms at the CBP National Targeting Center (NTC), Container Security Initiative (CSI) ports, and U.S. ports of arrival. Further, the NTC provides tactical targeting and analytical research support for CBP field offices and remains the single point of reference for CBP anti-terrorism efforts.

Additionally, CBP's Automated Targeting System (ATS) facilitates this risk-based analysis to indicate which shipments are high risk and require additional scrutiny and mandatory security inspections. All shipments are subjected to this analysis and assigned an ATS score, an indicator of whether the shipment can be admitted without further inspection.

In combination, these tools help CBP push our borders outward, reinforce the components of CBP's layered defense, and allow the NTC and CBP Field Offices to process all available information rapidly and completely.

Customs-Trade Partnership Against Terrorism (C-TPAT)

As the Customs-Trade Partnership Against Terrorism (C-TPAT) has evolved, we have steadily added to the rigor of this volunteer industry partnership program. In order to join C-TPAT, a participant must commit to increasing its supply chain security to meet minimal supply chain security criteria. Perhaps most importantly, participants also make a commitment to work with their business partners and customers throughout their supply chains to ensure that those businesses also increase their supply chain security. By leveraging the influence of importers and others on different participants in the supply chain, C-TPAT is able to increase security of United States bound goods to the point of origin (i.e., to the point of container stuffing). This reach is critical to the goal of increasing supply chain security.

Moreover, CBP has worked towards addressing a number of areas as recommended by the Government Accountability Office. Today, CBP initiates validations based on risk, using a quantitative risk assessment tool to identify certified members with high-risk supply chains. CBP's new validation objective identifies and validates high-risk supply chain components, while engaging C-TPAT members with the greatest leverage over their foreign components of the international supply chain. This refined validation objective allows CBP to direct resources accordingly, where they can have the most impact in meeting the overall objectives of the C-TPAT program.

In late October 2004, in discussions with the trade community, we began drafting more clearly defined, minimum-security criteria for importers wishing to participate in the C-TPAT program. After months of constructive dialogue, we developed minimum security criteria designed to accomplish two important goals: first, to offer flexibility to

accommodate the diverse business models represented within the international supply chain; and second, to achieve CBP's twin goals of security and facilitation. The minimum-security criteria for importers became effective on March 25, 2005.

In addition, CBP has published the C-TPAT Strategic Plan, clearly articulating program goals and strategies, and completed the C-TPAT Human Capital Plan, which addresses recruitment, training and workload issues.

CBP recognizes the need for effective measures to determine the success of the program. While new measures are under development, C-TPAT currently uses quantifiable workload measures, but gauging deterrence and prevention remains a challenging task. We continue our efforts in this area, focusing on effective measures that help gauge the success of C-TPAT partnership.

Finally, steps have been taken to automate key processes, and implement a records management system to document key decisions and operational events, including decisions made through the validation process, and tracking member status.

With three years' experience in the program, C-TPAT has successfully increased supply chain security through the voluntary enrollment and enhancement of supply chain security by the private sector, and learned much about the program and over 9,400 of its participants.

The Container Security Initiative (CSI)

To meet our mission of preventing terrorists and terrorist weapons from entering the United States, CBP has partnered with other countries on our Container Security Initiative (CSI). Almost 26,000 seagoing containers arrive and are off loaded at United States seaports each day. In fiscal year 2004, that equated to 9.6 million cargo containers. Because of the sheer volume of sea container traffic and the opportunities it

presents for terrorists, containerized shipping is uniquely vulnerable to terrorist exploitation. Under CSI, which is the first program of its kind, we are partnering with foreign governments to identify and inspect high-risk cargo containers at foreign ports before they are shipped to our seaports and pose a threat to the United States and to global trade. Today, CSI is operational in 37 ports. CBP is working towards strategically locating CSI in additional locations focusing on areas of the world where terrorists have a presence. CBP will continue expanding the CSI security network by using advanced technologies while optimizing resources such as CBP's National Targeting Center as a communications hub coordinating domestic and international communication. Through a framework for security and facilitation of global trade, endorsed by the World Customs Organization, CBP intends to strengthen trade data and targeting of high risk containers by promoting harmonized standards for data elements, examinations and risk assessments. Further, to inspect all high-risk containers before they are loaded on board vessels to the United States, CBP plans to continue fostering partnerships with other countries and our trading partners.

Non-Intrusive Inspection and Radiation Detection Technologies

Non-Intrusive Inspection Technology (NII) is another cornerstone in our layered strategy. Technologies deployed to our nation's sea, air, and land border ports of entry include large-scale X-ray and gamma-imaging systems as well as a variety of portable and hand-held technologies to include our recent focus on radiation detection technology. NII technologies are viewed as force multipliers that enable us to screen or examine a larger portion of the stream of commercial traffic while facilitating the flow of legitimate trade, cargo, and passengers.

CBP large-scale NII systems deployed to our nation's air, land, and sea ports of entry include the Vehicle and Cargo Inspection System (VACIS), Mobile VACIS, Truck X-ray, Mobile Truck X-ray, Rail VACIS, Mobile Sea Container Examination Systems, and the Pallet Gamma-ray system.

CBP is also moving quickly to deploy nuclear and radiological detection equipment, including Personal Radiation Detectors (PRDs), Radiation Isotope Identifier Devices (RIIDs) and Radiation Portal Monitors (RPMs) to our ports of entry. CBP is also initiating the deployment of RPM's in the maritime environment with the ultimate goal of screening 100% of all containerized imported cargo for radiation. A variety of configurations have been developed and CBP is working with stakeholders to ensure that radiation screening does not significantly impact operations within a port. Additionally, CBP has deployed PRDs in quantities necessary for ensuring that there is 100% coverage at primary, the first point of contact.

During the upcoming year CBP looks forward to working with the new DHS Domestic Nuclear Detection Office to couple these varying configurations into a cohesive global architecture to greatly increase the nation radiological and nuclear detection capability.

Maritime Transportation Security Act of 2002 (MTSA)

CBP, in concert with our sister agencies, continues to work towards maritime security mandates as outlined in the Maritime Transportation Security Act of 2002 (MTSA). As the operational lead, CBP efforts have focused on the requirements of 46 U.S.C. 70116 (Secure Systems of Transportation) and section 111 (performance standards) as re-delegated to the Border Transportation Security Directorate (BTS) in January 2004. In addition to our layered defense strategy, CBP continues to contribute

towards enhancing a secure system of transportation and the development of effective performance standards. Recent efforts include the establishment of a DHS Commercial Operational Advisory Committee (COAC) subcommittee. As requested by BTS, a COAC subcommittee was formed to assist DHS with a trade perspective on cargo security performance standards under MTSA.

The COAC's recommendations have assisted CBP with understanding the trade community's concerns and priorities. Further, under the direction of BTS, recommendations are assisting CBP's development of a proposed rule requiring that loaded containers be appropriately secured by use of an International Organization for Standardization (ISO)-compliant high security seal and verified by the carrier prior to being transported by vessel to the United States.

CBP is also supporting the implementation of additional MTSA related issues in coordination with the USCG and other DHS components. These include:

- The USCG International Port Security Program – CBP CSI teams work in concert with USCG to conduct joint assessments of foreign ports.
- The Area Maritime Security Committees (AMSC) – CBP senior field office managers are participating in the USCG led AMS Committees.
- Port Vulnerability Assessments – CBP field offices participated in the USCG port assessments addressing cargo security operations.
- Transportation Worker Identification Credentialing (TWIC)– CBP supports the USCG and TSA efforts to develop this DHS credentialing program.

Conclusion

Mr. Chairman, Members of the Subcommittee, I have outlined a broad array of initiatives and steps towards enhancing maritime security. Further, CBP is committed to

internationalizing core elements of the C-TPAT and CSI programs. The World Customs Organization (WCO) has worked cooperatively to develop an international framework of standards governed by customs-to-customs relationships and customs-to-business relationships. The adoption of the WCO Framework of Standards to Secure and Facilitate Global Trade will strengthen our efforts to secure trade against terrorists and the terrorist threat. As you may know, the WCO has the participation of the customs administrations of 163 countries, representing 99 percent of global trade. Customs administrations have important authorities that exist nowhere else in government—the authority to inspect all cargo shipped into or exported from a country, the authority to refuse entry or exit, and the authority, for example, to expedite or delay entry. Customs administrations require information about goods being imported, and often require information about goods exported. They can, with appropriate legislation, require that information be provided in advance and electronically. These classic "customs" authorities traditionally used for interdicting illegal drugs, assuring trade compliance, and collecting revenues will now help us meet the challenges posed by the ongoing terrorist threat and the need to facilitate legitimate shipments and travelers.

I believe CBP has demonstrated and will continue to demonstrate our leadership and commitment to maritime security efforts, and we anticipate that working with our sister agencies under the Department of Homeland Security we will further these efforts.

Thank you again for the opportunity to testify. I will be happy to answer any questions you may have.

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