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HOMELAND SECURITY: PROTECTING STRATEGIC PORTS

HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

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HOMELAND SECURITY: PROTECTING STRATEGIC PORTS

MONDAY, AUGUST 5, 2002

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS AND INTERNATIONAL RELATIONS,
COMMITTEE ON GOVERNMENT REFORM,
Tampa, FL.

The subcommittee met, pursuant to notice, at 1:05 p.m., Tampa Port Authority, 1101 Channelside Drive, Tampa, FL, Hon. Christopher Shays (chairman of the subcommittee) presiding.

Present: Representatives Shays and Putnam.

Also present: Representative Davis of Florida.

Staff present: Lawrence J. Halloran, staff director and counsel; R. Nicholas Palarino, senior policy advisor; and Jason M. Chung, clerk.

Mr. SHAYS. A quorum being present, this hearing of the Subcommittee on National Security, Veterans Affairs and International Relations, entitled, "Homeland Security: Protecting Strategic Ports," is called to order.

I would like to welcome our witnesses and guests and, to someone who lives in Connecticut, tell you that it is a pleasure to be in Tampa, to have our committee be here at the invitation of the vice chairman of the committee Mr. Putnam.

It is also a pleasure, Mr. Davis, to be in your district and to have you participate today.

The globalization of just-in-time trade brings bustling economic vitality to America's ports. Ninety-five percent of international goods entering the U.S. flow through these vital trade nodes, representing fully 25 percent of our gross domestic product.

But the growing pace and volume of that trade also brings growing vulnerabilities. Containers listed as holding high-tech machinery can also contain smuggled nuclear material for use in a dirty bomb. Sailors who slip away from their ships could be delivering orders to activate an al Qaeda cell.

In the aftermath of the September 11th attacks, tightening security at ports and borders stalled the movement of parts and equipment essential to economic activity and growth. We learned a disrupted port means a badly disrupted economy. It was a lesson not lost on would-be terrorists.

A qualitative not a quantitative approach is required to improve port security. Various estimates about the tiny fraction of imports actually inspected could be reassuring, not frightening, if we could be sure that the right ships and warehouses were being inspected,

those posing the most risk. Knowing that is a matter of intelligence at ports of origin, of diligence in the search for anomalies in a sea of routine trade data, and a vigilance in engaging high-risk cargoes before they reach the dockside. Tension between tighter security and faster commerce is inevitable.

Our witnesses today all understand that tension, and they are trying to strike a balance that will result in safer and more productive ports. As evidenced by our lengthy witness list, it is a complex job involving numerous governmental and private entities. We appreciate their willingness to join us today, and we look forward to their testimony.

[The prepared statement of Hon. Christopher Shays follows:]

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Statement of Rep. Christopher Shays
August 5, 2002

Let me first thank Congressman Adam Putnam for inviting the Subcommittee to come to this area for a first-hand look at efforts to enhance security at critical seaports. We are also joined this morning by our colleague Congressman Jim Davis and we welcome his participation in this hearing.

The globalization of just-in-time trade brings bustling economic vitality to America's ports. Ninety five percent of international goods entering the U.S. flow through these vital trade nodes, representing fully twenty-five percent of our gross domestic product.

But the growing pace and volume of that trade also brings growing vulnerabilities. Containers listed as holding high tech machinery could also contain smuggled nuclear material for use in a dirty bomb. Sailors who slip away from their ships could be delivering orders to activate an Al Queda cell.

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Mr. SHAYS. At this time the Chair would recognize Mr. Putnam.

Mr. PUTNAM. Thank you, Mr. Chairman. And I want to thank you for your leadership on this issue and for allowing the subcommittee to conduct the field hearing here in Tampa.

The Port of Tampa is the largest port by tonnage in the State of Florida. In fact, Tampa handles almost as much cargo as Florida's other 13 deepwater seaports combined. The port is Florida's largest seaport and handles nearly half of all seaborne commerce that passes through the State. It is the 12th largest cargo port in the Nation, and with several homeported passenger vessels, it has become a major cruise port.

Now, Florida finds itself in the position of being a sentinel State on a variety of issues. We are a major tourist destination. We are the gateway to the Western Hemisphere for north-south trade routes. We are uniquely situated to unfortunately bear a large brunt of the drug trade, illegal narcotics as well as humanitarian issues. So when you talk about the role of the Coast Guard or the role of the seaports or the role of the Federal agencies in Florida, it is a very unique situation that you are talking about.

In these seaports we have over 600 laws that have to be enforced, 500 different trade agreements that have to be enforced and interpreted, and in attempting to do that we have 60 different Federal agencies sometimes working together, sometimes not. In the aftermath of September 11th, I believe that the Congress and this Nation has spent a great deal of the resources and time and energy in effect closing the barn door after the horse is out. We have focused the vast majority of our attention on airport security at the expense of seaport security, and in creating the Department of Homeland Security, which the House passed before the district work period, we focused—we attempted to bring together all of the agencies that we might have a seamless border security department.

And in order to do that, we have to acknowledge and recognize the critical vulnerabilities that lie in our seaports. In this port alone we have 50 percent of the hazardous cargo that comes in and out of Florida right here. It extends way beyond the greater Tampa area.

As someone who represents a substantial portion of the interior portion of the State, with industry such as phosphate and citrus that are dependent upon being able to move goods and services, it has a tremendous impact on us. It has a tremendous impact on the environment. We have the headquarters of Central Command and Special Operations Command at MacDill which pose unique vulnerabilities in and of themselves. And we have a substantial civilian population on Davis Island and Harbour Island, literally a stone's throw from tank farms for petroleum, for grain, and for ammonium nitrate.

So this port, Mr. Chairman, gives you a unique sampling of the issues that all of our Nation's seaports face, particularly those that are commercial. Our subcommittee has done an outstanding job, I believe, of focusing on our strategic seaports, those that the military depends on for rapid deployments of troops and material overseas.

What this hearing, I believe, can accomplish is allowing us to build a body of evidence and a record to take back to our colleagues who may not represent seaports and may not represent major commercial hubs, to prove to them that homeland security needs are not only in our airports, and they are not only on our northern and southern borders. Our east coast and our west coast are substantial vulnerabilities, and we have proof of that with situations such as 4 years ago when we intercepted two Scud missiles that had been imported into the Port of Long Beach, made it through all of the systems, made it through all of our agencies, made it through all of our safeguards, and ended up in the hands of a private weapons collector.

Those types of vulnerabilities have to be plugged, and the gaps in our homeland security, particularly in our seaports, and particularly along our coastal areas, have to be addressed. And we are very fortunate to have a number of industries and stakeholders and user groups and the whole patchwork of Federal agencies who are here today who can give us some insight into how we can best do that at the Federal level.

But the important issue is that it is a Federal problem. Florida has done an outstanding job of preparing a port security plan, but they need Federal help. They need additional resources, they need additional funds, and we need additional priority given to seaport security.

And so I appreciate the opportunity that you are giving this community in the Tampa Bay area and these stakeholders to be able to showcase what we are doing right and have an opportunity to learn how we can be more smart, use better technologies and more efficiencies to continue to be the hub of commerce for this hemisphere, and take a great leap forward in terms of the security that we provide our citizens and stakeholders.

Thank you, Mr. Chairman, for the leadership on this issue.

Mr. SHAYS. I thank the gentleman. I continue to learn from you every time you speak, and feel very blessed that you are the vice chairman of this committee.

I would welcome, again, Congressman Jim Davis, and ask unanimous consent that he be permitted to sit with the subcommittee and participate fully in these hearings. Without objection, so ordered.

And, Mr. Davis, again, thank you for your hospitality. Wonderful to be in your district.

Mr. DAVIS OF FLORIDA. Thank you, Mr. Chairman, for the chance to join you. And thanks again for bringing your committee here, along with Adam as your vice chairman. Your presence, as Adam mentioned, underscores this is not just a local and State issue, it is indeed a national issue.

It has been my privilege to serve with Chris Shays on the Budget Committee and to work very closely with him in a long, hard-fought, successful battle for campaign finance reform. Chris Shays has an earned reputation for speaking his mind and tackling difficult national issues. It is our hope today, Chris, to arm you with some compelling information about the present and future successes of this port as an economic engine for a multitude of congressional districts, and the needs that Adam highlighted.

I am going to mention a few other facts as well. This port is estimated to have an annual economic impact of $10.6 billion, affecting 93,000 people's jobs. I think it is fair to say the Port of Tampa represents one of the most strategic and critical assets of the entire State of Florida. Highlight some other examples that Adam Putnam alluded to: Fifty percent of the motor fuel, gasoline and jet fuel coming to the State of Florida comes in through this port, including the fuel provided to the Sarasota, Ft. Myers, and Orlando airports, as well as CENTCOM at MacDill Air Force Base. This port encompasses 2,500 acres.

There is a clear funding shortfall, Mr. Chairman. As I am sure you would expect, we have tried to do everything we can here at home through funding, through local devices, and as well as the State, but we still have a shortfall of $12 million even after having recently earned a very successful grant of $3.5 million from the Transportation Security Administration.

I put in a request for $1 million in the Transportation Subcommittee for some funding for this particular port for information, technology, but the most critical item, Mr. Chairman, for this port and for the entire State of Florida, will be the level at which we fund the Transportation Security Agency Seaport Security Grant Program. Last year that program distributed $92 million in response to requests of over $700 million from around the country, and I think it is fair to say that no State has as much at stake as the State of Florida does, and thus fully funding that program this year as part of creating the Department of Homeland Security.

So I look forward to the testimony, and I appreciate the fact that you have made a trip here and brought your subcommittee, and thank you, Mr. Chairman.

Mr. SHAYS. Thank you very much.

[The prepared statement of Hon. Jim Davis follows:]

Statement by Congressman Jim Davis
Hearing of the Subcommittee on National Security, Veterans Affairs & International Relations
House Committee on Government Reform
Tampa, Florida
August 5, 2002

Mr. Chairman, on behalf of the people of Florida's 11th Congressional District, let me welcome you to the beautiful Tampa Bay area. First, I would like to thank you for the opportunity to participate in this hearing even though I am not a member of the House Committee on Government Reform. Thank you all for attending today's Subcommittee on National Security, Veterans Affairs, and International Relations hearing entitled *Homeland Security: Facilitating Trade and Securing Seaports*.

I am pleased that the Subcommittee has chosen the Port of Tampa as the site of this hearing, as it provides a case study of a U.S. port that is striving to balance the need for physical security with the need to maintain an uninterrupted flow of trade. The Port of Tampa has an annual economic impact of $10.6 billion in the immediate region, and 93,000 jobs are linked to its operation. The Port is also the state's lifeline for a variety of goods ranging from automobiles to fertilizers and from aviation fuel to citrus. Yet, by virtue of the role the Port of Tampa, and ports across the nation, play in our economy, they are undoubtedly subject to unique risks in the current post September 11th context.

Inherent in this risk is the fact that the Port of Tampa is one of the most strategic and critical assets of the State of Florida and the entire nation. The Port of Tampa is the largest fertilizer port in the country. The Port handled over 47 million tons of total cargo in 2001, over 50 percent of which was hazardous. The Port of Tampa handles over half of all the hazardous cargo of the State of Florida.

The Port of Tampa also handles in excess of 50 percent of the volatile combustible processed motor fuels (gasoline and jet fuel) coming into the State of Florida. Aviation fuel from the Port feeds Tampa International, Orlando International, St. Petersburg/Clearwater International, Sarasota International, Ft. Myers International, and all of the general aviation airports in Central Florida. The Port's facilities also provide the fuel required to support the vital security and defense operations at MacDill Air Force Base, which is the base for the Air Refueling Wing and hosts several join commands, including the U.S. Central Command (USCENTCOM), which the Committee visited this morning.

With such dependence on the Port of Tampa for the shipment of these hazardous goods, it is important that the facilities here are as secure as humanly possible, and I applaud the Tampa Port Authority, the Florida Ports Council, and the Florida Legislature for making this a priority even before September 11th. However, even with the head start that Florida ports had, there remains a formidable task ahead for Florida ports and for the Port of Tampa. Here at the Port of Tampa, the security efforts are compounded by the immense Port complex, which encompasses over 2,500 acres. A comprehensive vulnerability assessment conducted with the Florida

Department of Law Enforcement, the U.S. Coast Guard, and local law enforcement personnel has identified key deficiencies and critically needed security improvements, including access control facilities, cameras, and facility lighting.

Unfortunately, there is a clear funding shortfall to adequately implement these identified security improvements. The Port of Tampa needs $17 million for security construction and related equipment, and as much as $5 million a year to cover payroll for security personnel. I was encouraged that the U.S. Department of Transportation recently awarded the Port of Tampa $3.5 million for security improvements as part of its newly created Transportation Security Administration's (TSA) Seaport Security Grant Program. However, the Port of Tampa alone still needs more than $12 million to increase security to an adequate level.

For this reason, on behalf of the Tampa Port Authority, I have requested $1 million in the Fiscal Year 2003 Transportation Appropriations Bill for an Intelligent Transportation System Safeport Intermodal project that would enhance and increase security and emergency response capabilities at the Port. I now also call upon the State Legislature, which acted so responsibly by mandating increased security measures for Florida Ports even before September 11th, to now act responsibly by helping Florida ports adequately fund the security provisions that they have required.

I would like to stress that the funding shortfall for increased port security is not unique to the Port of Tampa or even to Florida ports, but it is a problem that is facing every major port throughout the country. For this reason, I and 14 other Members from the Florida Delegation sent a letter to Chairman Harold Rogers and Ranking Member Martin Sabo of the Appropriations Subcommittee on Transportation urging them to continue to fund the TSA Seaport Security Grant Program in FY 2003 and beyond. In its first year of operation, this grant program successfully disbursed $92 million dollars to 51 ports across the nation. The most telling number, however, is that ports across the country applied for over $700 million in aid for this $92 million pot, which clearly demonstrates the necessity for continuing the Seaport Security Grant Program in the coming years. As state and local government agencies, public port authorities warrant federal and state assistance to assist in guarding our international boundaries against terrorist threats.

While some of the issues I have mentioned are not within this Subcommittee's jurisdiction, I believe they are very important and must be addressed in order to accurately show the importance of port security in addressing the overall matter of homeland security. Throughout this hearing, we will hear more about funding and other issues that we need to address, not just on behalf of the Tampa Bay community but on behalf of communities and ports throughout the country.

In closing, Mr. Chairman, I would like to thank you and Congressman Putnam, who I have worked closely with on issues concerning the Port of Tampa, for putting together this hearing. As I believe we will hear throughout the afternoon, port security is a very important issue, which needs more attention from the public, as well as our colleagues in Congress.

Mr. SHAYS. I would ask unanimous consent that all members of the subcommittee be permitted to place an opening statement in the record, and that the record remain open for 3 days for that purpose. And without objection, so ordered.

I ask further unanimous consent that all witnesses be permitted to include their written statements in the record. Without objection, so ordered.

And I would like to thank our second and third panel. Usually we have government officials go first, particularly Federal. That is the protocol. And the Federal officials have willingly agreed that they would listen to the port users first, the State and local second, and then be able to comment on what they have heard. And I just appreciate their willingness to allow that, us to proceed in that way.

I would also say that we sometimes have three panels, clearly, but we don't usually have 17 witnesses. I have been very liberal in the past with allowing people to go over 5 minutes, but this is what we are going to do. Jason is going to be having a clock be a 5-minute clock. It will be turned red. We are going to leave the red on. We usually flip it over. When we get a minute past that, he will just put his finger up for me, and I will start to do a gentle tap. So you can kind of go 6 minutes. But with all due respect, given that we have 17 witnesses, I think you would understand why we need to move it along.

And I would also thank Mark Stuart, who is our official reporter. Mark, you are allowed to put that in the transcript, and say that I think we only have one transcriber. He is the one person here I am certain is working today. And so we will have a quick break between each of our panels to allow his fingers to relax.

Let me welcome our first panel. Our panel consists of Mr. George Williamson, who is port director and CEO of the Tampa Port Authority; Mr. Stephen White, who is president, Maritime Security Group; Mr. Willie Tims, Jr., vice president, IMC Phosphates MP, Inc.; Mr. Thomas Hindle, president, CTL Distribution; Mr. Arthur Savage, president, A.R. Savage and Sons, Inc.; and Ms. Janet Kovack, corporate community affairs specialist, CF Industries.

Now, we swear our witnesses in because we are an investigative committee. I think you know that. So we will ask you to rise and raise your right hand. I will say that we do it with all of our witnesses. There is only one who has escaped that, and that was Senator Byrd, and the reason he wasn't sworn in is I chickened out.

[Witnesses sworn.]

Mr. SHAYS. Note for the record that all of our witnesses have responded in the affirmative.

I am sorry, but we do have some seats up front if some would like to sit up front. If we have any students who are here, they could sit in the three chairs there. Anyone who is a student here is welcome to do that.

Well, let us begin. I would like you to—Mr. Williamson, to proceed, and we will just go right down the list, and then Mr. Putnam will start off with questions and then Mr. Davis, and then I will have some questions to add. So let us begin.

STATEMENTS OF GEORGE WILLIAMSON, PORT DIRECTOR AND CEO, TAMPA PORT AUTHORITY; STEPHEN WHITE, PRESIDENT, MARITIME SECURITY GROUP; WILLIE TIMS, JR., VICE PRESIDENT, IMC PHOSPHATES MP, INC.; THOMAS HINDLE, PRESIDENT, CTL DISTRIBUTION; ARTHUR SAVAGE, PRESIDENT, A.R. SAVAGE AND SONS, INC.; AND JANET KOVACK, CORPORATE COMMUNITY AFFAIRS SPECIALIST, CF INDUSTRIES

Mr. WILLIAMSON. Thank you, Mr. Chairman, and thank you, Congressman Putnam and Congressman Davis. Always great to see you. And thank you for providing us this opportunity to chat with you today, for allowing the Port of Tampa to host this field hearing here in our new public facility here.

I will say this, that enhancing port security impacts our agenda at the Port of Tampa unlike any other issue that we have had to face both logistically and financially. And I would like to add to a couple of the statistics that were pointed out, because you are absolutely right on the money about the Port of Tampa. It is the largest port in the State of Florida, handles the most tonnage. It is the 12th largest in the Nation and so forth.

But, if I may for just a second, I would like to speak for the entire Tampa Bay port area, because we have two additional ports, Port Manatee and the Port of St. Petersburg. Together the three ports encompass 150,000 jobs, and that economic impact moves up from 10.6 to about $12 billion when we put it all together. So this area is really rich in the maritime activity.

As you spoke quite truthfully, the amount of energy products that come to this port are enormous. Last year we handled 17 million tons of energy products that came through this port alone, the Port of Tampa. And our economy depends on a continuous flow of these fuel products as local storage capacity is limited to about 7 days. And as you know, we are the largest port in the world for the shipment of fertilizer and fertilizer products.

Historically the mandate for port authorities has been to oversee commercial development and expansion of their respective ports with a focus on job creation in and around the immediate port area. Interestingly, in 1999, well before the events of September 11th, the State of Florida began to explore an entirely new role for seaports, and that was overseeing and implementing massive new security measures.

Florida seaports have worked together in a unified manner to move forward, perhaps with the most advanced security planning of any port security in the United States. There are an awful lot of people to thank for this, including the Governor's Office of Drug Control and the FDLE. But I would say that when—by the time September 11th happened, Florida seaports were 18 months ahead of the rest of the Nation in preparing for unprecedented security challenges posed by those events.

We have already begun, for example, a badging process that involves criminal background checks not only here with the FDLE in the State of Florida, but also through the FBI. We want to know who is working in this port, who is coming in and out, and do all of that for the purpose of access control.

The crux of what we are facing today, I think, is brought out by the title of this discussion, and that is facilitating trade and securing seaports. Tampa handles today 12,000 truck movements through its port. If you add in the port of Manatee, we handle 15,000 trucks a day through dozens of marine terminals.

The Port of Tampa alone encompasses 2,500 acres sprawling all over Hillsborough County, which requires 30 miles of new fencing to comply with State standards. As you pointed out, half of the State's hazardous cargo moved through this port, and much of the port is located near major population centers in and around downtown Tampa. And we are situated just several miles from MacDill Air Force Base. We are one of America's fastest growing cruise ports, expecting over 700,000 passengers this coming year.

What happens at the Port of Tampa affects the entire Tampa community, but this diverse commercial portfolio so vital to our State's economy presents profound security challenges. The stability and viability of the seaport's enterprise will be jeopardized if security measures are implemented that significantly impede the flow of commerce.

Just to give you an example, if we stopped each one of our trucks—this was a study done by the Florida Department of Transportation—if we stopped each one of the trucks entering port for just 3 minutes to verify who they are and where they are coming and check their badge, that type of thing, we will have a 21-mile backup within 3 hours. Clearly we have to use technology to be able to push these trucks, identify them, and move them quicker and quicker and quicker in and out of the port without endangering security.

Mr. SHAYS. I am a pretty impressionable person. Do you literally mean 21 miles?

Mr. WILLIAMSON. I believe that number is correct, sir, from the Department of Transportation.

And Tampa, like other Florida ports, has embarked on unprecedented security upgrades; hard costs for infrastructure, such as lighting, fencing, surveillance systems, access control will move in the order of about $17 million. In addition to that, recurring annual soft costs for additional security personnel are expected to run $5 million a year.

Let me put that in perspective for you. On an annual basis, generally the port brings to the bottom line about $6 million, after paying for all of its costs. So what happens is that the other dollars go directly into security, and there are very few dollars left over for the infrastructure that we are required to do for cranes, warehouses, berths, docks, that kind of thing.

I can't overemphasize the need for outside funding. We are using every penny that we have to make sure that we comply with all of the State standards. We have received some support, and we were certainly interested in having some more.

I see my time is about up, but I would like to thank you for this opportunity to tell you that we appreciate the work that you have done, and we certainly hope that you can provide us with some ad-

ditional funding in the future years in Congress. Thank you very much.

Mr. SHAYS. Thank you, Mr. Williamson. Between our two Florida members and you, I think you have set us up well.

[The prepared statement of Mr. Williamson follows:]

Testimony of George T. Williamson

Port Director/ CEO, Tampa Port Authority

House Subcommittee on National Security, Veterans Affairs

and International Relations

Field Hearing

"Homeland Security: Facilitating Trade and Securing Seaports"

Tampa, Florida

August 5, 2002

Thank you, Mr. Chairman, Congressman Putnam, and other members of the National Security Subcommittee, for not only providing me this opportunity to speak, but also for selecting Tampa to hold this field hearing dealing with seaport security. Enhancing port security impacts our agenda at the Port of Tampa like no other issue. The magnitude of its impact, both logistically and financially, is most compelling.

The Port of Tampa is the largest seaport in Florida (by far), and one of the largest ports in the nation. The Port is the largest economic engine in West Central Florida, impacting 93,000 jobs in a five-county area and accounting for an economic impact of $10.6 billion on the region. Aviation jet fuel for the major airports in Central Florida is delivered through the Port. In fact most of the energy needs for Central Florida are met through product deliveries via the Port of Tampa. Last year over 17,000,000 tons of energy products moved through the Port of Tampa. The region's economy depends on a continuous flow of fuel shipments through this port, as local storage capacity is limited to about a seven-day supply. Also, Tampa is the largest port for the shipment of fertilizer in the world.

Historically, the mandate for port authorities has been to oversee the commercial development and expansion of their respective ports with a focus on job creation in and around the immediate port area. Interestingly, in 1999 (long before the events of last September), the State of Florida began to explore an entirely new role for its seaports; that of overseeing and implementing massive new security measures. In May 2001, the Florida

Legislature enacted F.S. 311.12, which required Florida seaports to adopt rigorous new security measures such as increased lighting, enhanced access control with credentialing of all port workers, surveillance cameras, fencing, etc. Florida seaports have worked together in a unified manner to move forward with perhaps the most advanced security planning of any port system in the United States. When the events of September 11, 2001 occurred, Florida seaports were 18 months ahead of most of the rest of the nation in preparing for the unprecedented security challenges posed by those events. Ports throughout Florida have already implemented a badging process involving criminal background checks for workers in their seaports as part of the State standards. Workers at Florida seaports will have access to their work sites only after going through a rigorous credentialing process and being issued a badge. In Tampa, we estimate 10,000 – 12,000 badges will have to be issued including truck drivers, delivery personnel, vendors, etc. Thousands of badges have already been issued.

The crux of what seaports are facing is captured in the title of today's hearing, "Homeland Security: Facilitating Trade and Securing Seaports." This is certainly the case for the Port of Tampa. Our port handles 11,000 truck movements a day through dozens of marine terminals. The Port encompasses 2,500 acres sprawling all over Hillsborough County, which will require 30 miles of new fencing to comply with State standards. Half of the State's hazardous cargoes move through the Port of Tampa. Much of the Port is located near major population centers in and around downtown Tampa, and the Port is situated just several miles from MacDill AFB. What happens at the Port affects the entire community. Tampa is one of America's fastest growing cruise ports, handling over 600,000 passengers this year. This diverse commercial portfolio, so vital to our State's economy, presents profound security challenges. The stability and viability of the Port enterprise will be jeopardized if security measures are implemented that significantly impede the flow of commerce. If checkpoints for trucks entering the Port result in significant backlogs, for example, the competitive position of the Port will be compromised. Long traffic back-ups generate safety concerns as well. Government mandated security standards for ports, especially relating to issues of access control, must look creatively at ways to ensure that the flow of goods continues in and out of ports efficiently and expeditiously. Ultimately the use of improved technology should facilitate and improve the movement of goods through our seaports.

Tampa, like other Florida ports, has embarked on unprecedented security upgrades. The huge land mass of the Port requires enormously complex and costly measures to be taken. Hard costs for infrastructure such as lighting, fencing, surveillance systems and access control gate complexes are expected to run about $17.0 million. Implementation of these measures is underway. Recurring annual soft costs for additional security personnel are expected to run $5.0 million per year. To put this in perspective, the Port typically generates about $6.0 million in surplus revenues after paying expenses and debt service. We are now facing the prospect of almost all that surplus being diverted away from much needed capital infrastructure such as docks, wharves and cargo warehouses to pay for upgraded security.

We are grateful for the seaport security monies the Port received through the recent Transportation Security Administration (TSA) grant program. We are pleased that Congress has appropriated additional funds for security grants in the '02 Supplemental bill. Tampa is joining ports throughout the country in urging Congress to continue its support of seaport security grant funding in the '03 and '04 budget cycles. I cannot overemphasize the need for outside funding for seaport security to augment heavily stretched local resources. Ultimately, we strongly concur with what Governor Jeb Bush said at his press conference in Tampa on June 17 to announce the first round of TSA grants. Governor Bush indicated he felt this enormous funding issue of seaport security would have to be addressed through a combination of local, State and Federal resources.

In November of 2001 the Tampa Port Authority created and filled a new position, Chief of Security. We have added numerous security positions at the Port Authority, even as we have frozen hiring in other job areas. We have contracted with private security firms and we now have dedicated onsite Hillsborough County law enforcement presence 24 hours a day, seven days a week, pursuant to the State standards. The contract with Hillsborough County Sheriff's Office for three deputies patrolling the Port on a continuous basis is $99,000 / month (with $597,000 in one-time start-up costs).

I would like to acknowledge and express my gratitude to the various local, State and Federal law enforcement agencies and other public agencies who have supported, and continued to support, a rapidly changing security environment in our seaport. Cooperation and communication have never been stronger between the Tampa Port Authority and these various agencies. At the State level we have dealt most closely with the Florida Department of Law Enforcement. At the Federal level we have dealt most closely with the U.S. Coast Guard. There are many other groups, many represented in this room, who have been stellar in their efforts as we face challenges unlike any in our history. I would also like to thank private industry in our community, which could not have been more supportive. Prior to September 11, the Port of Tampa had in place a Port Security Committee, under the auspices of the Tampa Bay Harbor Safety Committee, that met regularly to discuss and assess security issues. The urgency of that group's work has obviously been greatly elevated since the events of September 11. The Tampa Bay Harbor Safety Committee's Port Security Committee is chaired by the U.S. Coast Guard Captain of the Port and is comprised of representatives of the Ports of Tampa, Manatee and St. Petersburg, encompassing all of Tampa Bay, as well as representatives from major facility operations and from every level of local, State and Federal law enforcement agencies with jurisdiction in the Port. This includes a close working relationship with the Hillsborough County Sheriff's Office. The exchange of information within the Tampa Bay Harbor Safety Committee has been vital to implementing a comprehensive approach to seaport security in the Tampa Bay area.

Tampa, and other ports in Florida, have developed comprehensive, systematic strategies for addressing massive security upgrades in our respective ports, and have

committed tens of millions of dollars toward these upgrades. Without additional State and/or Federal funding to support local resources, however, international trade, Florida's second largest industry, will be negatively impacted as critical port infrastructure is left unbuilt in order to pay for more security. Furthermore, implementation of some security improvements will be slowed until necessary funding can be secured. Washington has stepped into the gap with its TSA grant programs and we commend your efforts, even as we respectfully urge future funding allocations for seaport security. We are following the Graham-Hollings Seaport Security legislation very closely, and we appreciate the efforts to include significant federal funding for seaport security as part of that bill. To combat the threats we face will take a partnership between seaports and local, State and Federal government unrivaled by previous experience.

To conclude, I would like to express my appreciation to the National Security Subcommittee for its focus on the importance of seaport security. Ninety-five percent of America's trade moves through its seaports. I would urge the continued funding commitment of our national government to support grant programs for seaport security such as those administered by the TSA.

Chairman Shays, Congressman Putnam, and others, we are gratified you have chosen Tampa today as the site for your hearing. Thank you for taking your time to allow members of our community to share with you about an issue that has, frankly, been very consuming. I believe port authorities have really stepped up and tried to do what's right in terms of security for the benefit of their communities. They just need some help, and it has been my sense that many in Washington are seeking to provide the partnership needed. Thank you.

Mr. SHAYS. Mr. White. You live where?

Mr. WHITE. Thank you very much, Mr. Chairman. I am from the great State of Connecticut.

Mr. SHAYS. Among this group, Mr. White, you are first among equals.

Mr. WHITE. Thank you, sir.

So as I mentioned, my name is Stephen White. I am the CEO of the Maritime Security Group, again from the great State of Connecticut. Thank you for allowing us the opportunity to participate in this hearing today.

Most of my comments today, and my testimony, are based on a survey that my group made for the Connecticut Maritime Association in the spring of 2002. The survey sought to ask the opinion of the maritime industry for their comments on legislation proposed at that time.

The threats and the vulnerabilities to the seaport we view as vulnerabilities to the cargo ships. We are cargo-ship-centric from that point of view, and we view the cargo ship, because it is big and ponderous, and is unable to defend itself, and it has only probably 20 to 25 crewmen onboard, as the center of the insecurity of the seaport.

So if you consider that the ship is sitting in the center, then around that will become the port facility, which is also very unlikely to be able to defend itself as probably a storage facility. Then around that the third ring would be the seaport, which has to be a primary ring of security for the seaport environment. The further ring is what is—what the Customs have now identified as the area where the cargo is actually loaded, and the Customs Department, we applaud them in pushing the ring of security out to where the cargo is being loaded.

So ships are unable to defend themselves, but they can carry weapons, and the weapons can be introduced into the ship either knowingly or unknowingly by people, could be crew members, could be in the cargo, or could be in terms of goods and services. So the primary job of the ship is to find out who is coming and who is leaving the ship.

The role of government agencies is something different. A number of government agencies, we think, has a role to the security itself. And seaports are very complicated, and they have a lot of different jurisdictions, a lot of different government agencies. For cargo there is Customs and Agriculture, there is Seafarers, there is INS, there is the Coast Guard, DEA, and there is a range of local responders who need to be brought into the picture should an incident occur, so they need to be tied in early on.

Now, if you consider that security is awareness, prevention, response and consequence management, then what we have is a problem of managing the agencies. We have got to organize them in such a way that they will communicate with each other, and then we have to train them in their jobs of communication and practice what they are doing through drills.

In our survey we identified that the most important issue facing maritime industries was getting reliable information from the myriad of government agencies. Second most important was the need to avoid dealing with multiple government agencies. Third, we

asked the industry who should be in charge of maritime security. They said, unanimously, the Coast Guard, because the Coast Guard is the one that they know.

So this all took place before the Department of Homeland Security was initiated by the President, but now that we see that it is come into the forefront, it seems to satisfy these needs that have been brought about. So we would like to see the Department of Homeland Security have a strong mission in port security. We would like to see it include the Coast Guard.

Our survey also identified that the industry is concerned that new rules should balance security with cost. And there—there is a big worry—I think Mr. Williamson was correct in pointing out this is a big worry among our users. Time is money, and anything we do to slow down the industry is going to negatively impact it.

What are the challenges facing the government agencies? Well, our survey identified that one of the concerns was that the United States would go off on its own track after having recommended legislation to the international community, with—the United States would go off on its own track, which it has done before. We believe that terrorism is an international problem. Maritime security, because the maritime industry is a global industry, has to be dealt with with international rules.

Our survey also identified that the biggest threat to the maritime environment was the dry box container. Securing a seaport against the threat of weapons in a dry box container is a daunting task. Again, we applaud the Customs Department on their great initiatives, the CSI and the CTPAT initiative, which basically pushed the boundaries out away from the seaports of the United States.

So, in conclusion, I would like to sum up by saying that organization and communication among government agencies is a key to security. There is a need, a strong need, for an international approach. The rest of the countries can follow. There is a need for economic common sense to prevail. Thank you.

Mr. SHAYS. Thank you very much, Mr. White.

[The prepared statement of Mr. White follows:]

Testimony of

Stephen H White

CEO of the

Maritime Security Group

To the

House Subcommittee on National Security, Veterans affairs, and International Relations

On the subject of

Homeland Security: Facilitating Trade and Securing Seaports

Tampa, Florida

August 5, 2002

We have been asked to provide views on the impact of "efforts to secure seaports from terrorist attack on free and uninterrupted flow of trade" as it relates to subcommittee's purview of overall economic efficiency and "management of government operations and activities". In this context, The Maritime Security Group conducted a maritime industry survey in the spring of 2002 addressing issues around this theme. Therefore to the extent appropriate we will populate this paper with results of that survey. The purpose of the survey is to query the Maritime Industry on the needs and opinions of the industry with regard to Maritime Security specifically as proposed by the United States to the International Maritime Organization January 15, 2002. Survey respondents came from the following categories: ship owners, ship brokers/agents, port facility/authority, charterer/cargo owner, lawyer/consultant, and others not categorized.

Threats and Vulnerabilities of Seaports to Potential Terrorist Attacks

Although we have known that some terrorists organizations have a presence in the United States, most exist outside of its boundaries. Since 90% of US trade enters the United States by ship and seaport, there is a high probability that terrorists will try to utilize this efficient system to introduce weapons of mass destruction into the country. The daunting task of securing the seaports against terrorist attack must not be underestimated; nevertheless, we feel that actions taken to date by government to enhance seaport security are well thought out and on the right track. No doubt it is possible to throw countless resources against the threat of terrorism, but the reality is that meaningful upgrading of the nation's defenses can be achieved by effecting small, well targeted, change to existing structures and procedures.

The Maritime Security Group's focus concentrates on the cargo ship as part of the seaport community. Our view is ship-centric, i.e. the center of concentric rings, the ship, the port facility and the seaport. Given that the ship cannot defend itself, nor is it advisable to divert resources to do so, the burden of defending the ship will fall to the seaport while the ship is in port. To a large extent the same rationale will apply to the port facility being perhaps a storage facility, warehouse or public dock. Both the ship and the port facility must share in the responsibility of creating security, but the larger share must be born by the seaport. It is the seaport that must build the comprehensive security and response plan that will tie in the ship, the port facility, and the large number of agencies who need to be involved in the

important issue of seaport security.

There is also a fourth ring of security that is comprised of cargo interests. These are the businesses that control the purchase of transportation for their goods and services. By the purchasing decisions they make, these entities define some of the security issues well in advance of the ship or cargo arrival in the port.

Ships are vulnerable in the context of terrorism for basically two reasons; 1) the cargo they carry or 2) the weapon that the ship may carry, be it intentional or inadvertent. The Coast Guard has defined certain ships as having inherent high interest (High Interest Vessels or HIV's) such as a chemical carrier or a gas carrier. These ships will merit special attention and protection from external attack while entering, leaving or remaining in port.

However, any ship has the capability of harboring a weapon of mass destruction if planted there by a knowledgeable individual either being sent as cargo or perhaps planted elsewhere on the ship. This may apply to both high interest and non-high interest vessels. Weapons shipped as cargo could be introduced into containers or perhaps hidden within other legitimate cargo. Because the ship is so large, and in the case of most cargo ships in particular the crew is so small, there are spaces in the ship that the crew does not regularly visit. The primary defense against the placement of weapons in a ship will be the control of access to the ship for personnel, goods and cargo. This applies not only to US ports, but also to the previous ports that may well have been foreign. In other words access to any ship at any time in any port needs to be guarded. The front line of defense against unauthorized access to a ship therefore becomes threefold, 1) ensuring of proper credentials for seafarers and other personnel entering the ship, 2) monitoring the access of goods and services to the ship and 3) assurance that cargo entering the ship conforms to description and remains unadulterated.

By its very nature the cargo ship is vulnerable to external attack and is virtually unable to defend itself. Many ships elect not to carry even small arms for fear of the potential of aggravating an intruder, historically pirates. Our survey found that about half of the respondents thought ships should carry arms but the other half thought that they should not. Cargo ships carry small crews for reason of necessity, often fewer than 20 or 25 seafarers in total. These crews are stretched to their limits of conducting normal ship operations and should not be burdened with additional responsibilities.

The survey revealed that respondents felt adding additional burdens to the duties of the crew might jeopardize the safe operation of the ship. Examples of additional burdens might include requirements to man stern facing radar, monitoring of surveillance cameras, and requirements for additional roving patrols, etc. For many cargo ships the concept of

security while in port presently only includes the notion of keeping an eye out while other work is being done. It appears that new rules being introduced will require additional of new crew for the sole purpose of providing security, thereby increasing costs for the shipowner.

Some of the counter-defenses being proposed involve greater technology components than the maritime industry has previously been able to utilize. We are supportive of technology and it's use in maritime security, but we want to make the point that this industry is often still low tech and that introducing overly technical solutions will result in counterproductive results. Any device with cameras, radar, sonar, and the like will require people to man them. The additional costs of buying, and maintaining the equipment in the maritime environment, and training the operators are aggravated by the loss of productivity in crew being diverted from other duties. In the end we feel that with the exception of controlling ship access, ship security should be apportioned to the seaport and not left in any great measure to the devices of the ship itself while the ship is in port.

The survey found that the assignment of a ship security officer is another job for which the ship is not adequately manned. The Captain is responsible for the ship, and he is (almost) by definition the ship security officer. The company security officer from can do many duties of the ship security officer ashore. It is important that the job of security officer does not turn into "one more book on the bookshelf."

Survey respondents also agreed with the concept of requiring AIS (Automatic Identification System) for ships. AIS is an electronic device that will enable the Coast Guard to identify ships on their radar screens. Two AIS enhancements were suggested from the survey response. First, the requirements for AIS should be broadened so as to include smaller ships which could be used for terrorist activities i.e. bombing of the USS Cole. Second, was to increase the range of the AIS effectiveness to longer distance. The survey also found favor for the installation of a silent alarm on ships to alert authorities of terrorist attack or hijacking.

The role agencies play in the management of security and actions taken to enhance security

The number and variety of governmental agencies that come to play in the seaport environment is key to seaport security itself. Our survey revealed that the Industry regards a need to "avoid dealing with multiple agencies" as highly important and second only to "getting reliable information " as the single most important issue in pending legislation. Ships routinely come into contact with multiple governmental agencies that confuse and

confound the ship with their inability to communicate internally. This lack of coordination will make it more difficult for these same agencies to detect terrorist activity or to respond to any terrorist incident. There is a strong need for someone to oversee and coordinate the agencies involved. The Survey identified that the maritime industry believes the Coast Guard to be the agency most suited to be in charge of this coordination.

In this regard we support the President's concept of the Office of Homeland Security including the Coast Guard. Here multiple agencies can be required to communicate together and act in unison. In our opinion the proposed Office of Homeland Security can be a powerful force to secure the maritime environment. Because 90% of the trade of the United States comes through the seaports of the country, and because they are so woefully devoid of security by post 9/11 measurements, the importance of maintaining this trade uninterrupted must be a primary mission for the Office of Homeland Security.

At the other end of the spectrum, an excellent example of achieving results with minimal organizational change is the Port Safety Operations Committee in the port(s) of New York and New Jersey. Here the operating entities of the port meet regularly to discuss events and coordination of activities in the port. It is through such interactions that practical response plans are drawn up and all parties achieve a working knowledge of different areas of the port. Another benefit from this kind of meeting is that it promotes designing of response drills that encourage people to work together under simulated emergency conditions. As one police chief recently told us, the way people behave in emergencies correlates to how they practice their drills.

The survey revealed that the maritime industry understands the need for increased security and to an extent is willing to pay for it. There is a fear however that the introduction of stronger measures will impact the economic viability of the industry slowing it down with burdensome regulation. Time is money in this industry and anything that slows down the operations of ships and cargoes through the port increases costs. We would hope that the proposed Office of Homeland Security will enable and even facilitate the design of systems that create efficiency rather than hinder it. In business we often see that adding a new requirement to a complex situation can enable process redesign that accomplishes the new requirement while improving the overall operation as a by product. We believe that creative minds can deliver process redesign to enhance overall efficiency to security measures implemented in the seaport environment.

The Challenge agencies face in planning for and implementing seaport security enhancement measures.

Perhaps the most daunting task agencies face in overhauling security procedures in the

nations seaports is that of implementing container security. Our survey identified the dry box container as the most likely threat of major terrorist attack on the maritime industry. The reason is simple. 20,000 to 30,000 dry box containers a day enter United States ports and presently there are no foolproof ways to establish their contents. The survey further identified that the industry believes the 2% rate of inspection of containers presently in place should increase to the neighborhood of 5%. The Customs Service has said that they cannot increase physical inspection of the dry box containers in any appreciable amount beyond the present 2% without dramatically slowing down the movement of boxes through the ports.

The Customs Service has taken important steps in entering what we call the fourth ring of security by its introduction of the Customs' Trade Partnership Against Terrorism (C-TPAT). This initiative moves the inspection of the container to the point on foreign soil where the box is "stuffed" with its contents. By doing this the Customs service has begun extending the ring of security away from the seaport to a location where it is best sited, the point of origin.

We also applaud the Customs service initiative, Container Security Initiative (CSI). Here again the customs service has introduced creative thinking that pushes the security perimeter back away from the seaport in the United States to the foreign exporting ports of the world. This concept also harnesses advanced computer profiling to further screen container shipments for security purposes.

Much has been written of the need for positive identification of persons entering and leaving the port. While this activity proceeds there is a parallel activity which is no less important and potentially much more difficult; that of identifying non-US seafarers. The root of the difficulty is that very often these seafarers come from underdeveloped countries where the sophistication of documentation desired cannot be achieved. This task will probably eventually fall to the Flag State of the ship employing the seafarers. Our survey showed that the maritime industry is squarely behind the efforts to upgrade seafarer identification.

The business of trade is an international one that requires an international approach. While some ships on dedicated trade routes gain familiarity with specific seaports, many port calls are "first time" visits for the ship or the officers of the ship. It follows that there must be a clearly defined, consistent communication protocol for ships entering ports in the United States and for that matter for the rest of the world. It will be confusing and counterproductive for ships to face different security plan formats for each different port and in each country. At the present time cargo ships use a variety of methods for communication while in port that range from VHF radio to cell phone to land line to nothing at all. It is the interface between the ship and this plan that must be standardized according to an international protocol.

If seaport security can be summarized as awareness, prevention, response, and consequence management then the need to implement and exercise seaport emergency response plans is critical. So much has been learned about responding to disasters from the World Trade Center bombings. We must not let the lessons go unheeded. 1) If the World Trade Center had not been bombed in 1993 and evacuation drills had not been initiated and practiced, the death toll would have certainly been double or triple or higher. 2) The different emergency units dispatched to the World Trade Center were unable to communicate with each other. 3) Emergency units were unable to quickly organize under a central command and control system.

Unfortunately FEMA tells us that this is not unusual in disaster situations around the world and around the country. It follows that the seaports of the country must develop emergency response plans and exercise them on a regular basis. These plans must be developed along standard lines with standard communications protocols, because disaster response plans must incorporate the capability to re-deploy emergency units to different command areas without loosing their ability to communicate effectively within the plan. The proposed Office of Homeland Security would facilitate this objective.

Conclusion

Government has moved quickly and commendably by historical standards to adapt new legislation to enable implementation of enhanced seaport security. Unfortunately the task of upgrading security in seaports will take years. It is both a complex and immense undertaking. The good news is that very small steps taken by way of creating awareness and instituting preventative measures can make a sizable difference to the profile of the seaports that a terrorist will face. The three overriding concepts we wish to leave with this subcommittee are that 1) because the maritime industry is an international industry, actions that the United States takes must be compatible with the international community. 2) Virtually any action that government can take to pare down the barriers of its own agencies so that they will communicate and work together will automatically enhance seaport security. The proposed office of Homeland Security, with Coast Guard in tact, does this handsomely. 3) We need to strike a balance between security and economic impact; we need to make sure that the medicine does not harm the patient more than the disease.

Mr. SHAYS. Mr. Tims.

Mr. TIMS. Thank you, Mr. Chairman, for the opportunity to speak before you, and to Representative Davis and Representative Putnam. And I spent time in the great State of Connecticut, lived there for several years, so I hope that gains me a few points.

Mr. SHAYS. It definitely does. Why did you leave?

Mr. TIMS. My wife.

My name is Willie Tims, and I am a Hillsborough County resident, and vice president of environmental health, safety and security for IMC Phosphates Co. in Mulberry, FL. Today, however, I am speaking on behalf of several phosphate companies that have a presence in the Port of Tampa.

America grows on Florida phosphate. Phosphate is a natural product that is essential for home gardeners and farmers across the country, and also around the world. Ninety percent of phosphate from Florida is used in agricultural products such as crop nutrients and animal feed supplements, while the remainder, of course, is used in a variety of consumer goods from soft drinks and light bulbs to vitamins and other consumer goods.

Florida produces 75 percent of the U.S.' demand for this essential product and 25 percent of the world's supply. In 2001, Florida companies produced more than 13 million tons of phosphate and related products, primarily for the agricultural industry. The phosphate industry is one of Florida's largest and oldest, tracing its roots back to the late 1800's. Today the industry employs a little bit more than 6,000 Floridians with an annual payroll and benefits totaling more than $400 million. These employees empower an industry that generated more than $975 million in State mining taxes since 1971, including $32 million in 2001 alone.

Florida phosphate industry generated $131.4 million in property tax and $14.9 million in sales tax last year. Though the industry's most important market is domestic, phosphate exports plays a major role in the industry viability and Florida's economy. The phosphate industry provides the No. 1 export from the Port of Tampa. During 2001, the Port of Tampa reported 39 countries as phosphate export destinations. China was a major export destination with 1.7 million tons of phosphate chemicals, followed by Australia, Japan and Brazil.

According to Enterprise Florida, Incorporated, fertilizer was one of the State's leading export commodities with a 2001 value of more than $1 billion. The International Fertilizer Institute Association reported that during 2000, the United States accounted for 52 percent or world trade in phosphate fertilizers. The 2001 figures are still in preparation; however, we still believe that our share is expected to remain essentially constant.

Our presence at the port and our ability to operate our terminals in Tampa are essential to our continued business success. Four phosphate companies, IMC Phosphate, Cargill Crop Nutrition, CF Industries, and Farmland Hydro operate within the jurisdiction of the Tampa Port Authority. Those terminals encompass more than 1,000 acres of property and employ more than 600 people full time, in addition to a number of part-time and contract workers. All of these facilities operate under risk management practices established under the 1990 Clean Air Act.

Since September 11th, a number of heightened security measures have been implemented to strengthen applied controls and to enforce existing security measures to proactively mitigate potential threats. Some of these measures include facilities added approximately 3,000 feet of chain-link fencing, augmented by additional passive deterrence measures such as barbed wire and concertina wire, the installation of barricades and supplemental measures at critical traffic points. Additional closed-circuit television cameras were added to an existing electronic surveillance system. Concrete bollards and gates were added to further secure all rail and car access. These areas are tightly monitored by facility personnel to prevent breaching of security areas during rail car transfers into and out of our facilities.

Access control requirements mandated by the seaport security standards are in place and maintained by port authority security. All tenants of the port are required to submit to a fingerprint-based State and national criminal history economic. After completing the background investigation, all authorized employees are provided with identification badges limiting access to specific port areas.

I am going to skip through—looking at the time here—and point out that we work very closely with a number of local and State law enforcement agencies, from the Hillsborough County Sheriff's Office, to the Tampa Bay Police Department, the FBI, the U.S. Customs Service, and also U.S. Immigration and Naturalization Service.

Many of these agencies, along with several port tenants and the port authority, participate in the Tampa Bay Harbor Safety Committee. This committee meets regularly to coordinate matters between the interested parties. These meetings are well attended and are very useful in communicating security information about the port.

The committee has reviewed presentations from security consultants on a variety of topics ranging from antiterrorism and force protection to underwater robotic vehicles for use in port inspection.

Mr. SHAYS. Thank you, Mr. Tims. I realize that 5 or 6 minutes doesn't do justice to what we do need to say, but it is a good start. Thank you very much.

[The prepared statement of Mr. Tims follows:]

United States House of Representatives

Subcommittee on National Security Testimony

Willie Tims

Vice President – Environmental, Health and Safety

IMC Phosphates

8/5/02

Thank you for the opportunity to testify before this committee today. My name is Willie C. Tims. I am a Hillsborough County resident and Vice President of Environmental, Health and Safety for IMC Phosphates Company in Mulberry, Florida. I am speaking today on behalf of several Florida phosphate companies that have a presence at the Port of Tampa.

America grows on Florida phosphate. Phosphate is a natural product, essential for home gardeners and farmers across this country and around the world. Ninety percent of phosphate from Florida is used in agricultural products, such as crop nutrients and animal feed supplements, while the remainder is used in a variety of consumer products from soft drinks and light bulbs to vitamins and other consumer goods. Florida produces 75 percent of the United States' demand for this essential product and 25 percent of the world's supply. In 2001, Florida companies produced more than 13 million tons of phosphate and related products, primarily for the agricultural industry.

The phosphate industry is one of Florida's largest and oldest, tracing its roots back to the late 1800s. Today, the industry employs more than 6,000 Floridians, with an annual payroll and benefits totaling more than $400 million. These employees empower an industry that

generated more than $975 million in state mining severance taxes since 1971, including $32 million in 2001 alone. In addition, Florida's phosphate industry generated $31.4 million in property tax and $14.9 million in sales tax last year.

Though the industry 's most important market is domestic, phosphate exports play a major role in the industry's viability and Florida 's economy. The phosphate industry provides the number one export from the Port of Tampa. During 2001, the Port of Tampa reported 39 countries as phosphate export destinations. China was the major export destination with 1.7 million net tons of phosphate chemicals followed by Australia, Japan and Brazil. According to Enterprise Florida, Inc., fertilizer was one of the state 's leading export commodities with a 2001 value of more than $1 billion. The International Fertilizer Industry Association reported that during 2000, the United States accounted for 52% of world trade in phosphate fertilizers. The 2001 figures are still in preparation, however, the United States' share, is expected to remain constant. Our presence at the port and our ability to operate our terminals in Tampa are essential to our continued business success.

Four phosphate companies: IMC Phosphates, Cargill Crop Nutrition, CF Industries and Farmland-Hydro, operate within the jurisdiction of the Tampa Port Authority. These terminals encompass more than 1000 acres of property and employ more than 600 people full-time in addition to a number of part-time and contract workers. All of these facilities operate under Risk Management Practices established under the 1990 Clean Air Act.

Since September 11, a number of heightened security measures have been implemented to strengthen applied controls and to reinforce existing security measures to proactively mitigate potential threats. Some of these measures include:

- Facilities added approximately 3,000 feet of chain-link fencing augmented by additional passive deterrence measures, such as barbed wire and concertina wire.
- The installation of barricades and supplemental measures at critical traffic points.
- Additional closed-circuit television cameras were added to an existing electronic surveillance network.
- Concrete bollards and gates were added to further secure rail and truck access. These areas are tightly monitored by facility personnel to prevent breaching of secure area during railcar transfer into, and out of, the facility.
- Access control requirements mandated by the Seaport Security Standards are in place and maintained by Port Authority Security. All tenants of the port are required to submit to a fingerprint-based state and national criminal history check. After completing the background investigation, all authorized employees are provided with identification badges limiting access specific to port areas.
- The companies have developed enhanced industry employee training to familiarize employees with their role in security issues of the facilities. Employees are keenly aware of the security concerns at port facilities.

Phosphate companies at the port each employ their own private security force, and also have existing relationships with local, state and federal law enforcement and regulatory agencies, including:

- Hillsborough County Sheriff's Office
- Tampa Police Department
- Hillsborough County Fire Rescue
- Hillsborough County Emergency Management
- Florida Department of Law Enforcement
- Florida Department of Environmental Protection
- Florida Department of Community Affairs
- Federal Bureau of Investigation
- U.S. Drug Enforcement Administration
- U.S. Customs Service
- U.S. Immigration and Naturalization Service
- U.S. Coast Guard
- Occupational Safety and Health Administration
- Federal Railroad Administration
- As well as a number of ancillary local, state, and federal regulatory agencies

Many of these agencies, along with several port tenants and the port authority participate in the Tampa Bay Harbor Safety Committee's Port Security Committee. This committee meets regularly to coordinate matters between the interested parties. These meetings are well attended and are very useful in communicating security information about the port. The committee has reviewed presentations from security consultants on a variety of topics ranging from anti-terrorism and force protection products to underwater robotic vehicles for use in port inspections.

Do we have concerns? Of course we do. Our primary concern is funding for port security. While Florida's phosphate companies have been able to move into an era of heightened security without any significant impact to trade or our normal business operation, increased electronic and physical security measures are expensive. But, they are essential in today's environment. However, additional help is needed. While $5 billion was approved for national security, only $93.3 million was directed to port security. Locally, only the Tampa Port Authority received any additional security funding. I urge you to take a proactive stance in considering centralizing homeland security efforts concerning the Port of Tampa. I further urge you to please consider additional funding for protective measures for individual companies operating at the port.

Thank you again for this opportunity to speak before you.

Mr. SHAYS. Mr. Hindle.

Mr. HINDLE. Mr. Chairman, members of the subcommittee, thank you for the opportunity to be here today. My name is Tom Hindle. I am the president of CTL Distribution. We are a wholly owned subsidiary of Comcar Industries, who is the fifth largest privately owned trucking company in the United States.

We have interests in Florida at 2 points primarily. One is Jacksonville, where we do a minor amount of business to the tune of only 108 loads a year. But in the port of Tampa, we do an annual load count of 215,000 loads a year, with an annual revenue in excess of $20 million. That $20 million is one-third of our nationwide revenue that our trucking company generates.

The commodities we haul to and from the Port of Tampa are molten sulphur, sulfuric acid, DAP, water, caustic soda, anhydrous ammonia, GTSP, phosphoric acid and coal.

In the Port of Tampa each day, CTL alone averages 590 loads in and out of the port, utilizing 187 different drivers. The drivers that we have assigned to the Port of Tampa No. 308, and they are used exclusively for shipments from and to the Port of Tampa. The interesting part, in trying to get together this group of 308 drivers, we employ 17 different nationalities that are represented in a cross-section of our drivers.

Sixty-nine percent of our local industry shipments, which averages 860 loads a day, come to or from the Port of Tampa. The average of 860 loads a day—we can haul in excess of 1,000 loads a day, and again 69 percent access the port.

We have had some challenges to date. The challenges to date are with the initial impact of the access control and badging system. To date we have had poor utility of our assets, tractor-trailers and drivers. We have experienced diminished revenue. We have seen a reduction in our available DOT log hours. And per the DOT hours of service regulation, time must be logged as on-duty not-driving, which hinders our drivers' productivity. We therefore have to supplement our drivers with increased miscellaneous pay for these delays in the access control badging system, which results in reduced driver earnings, diminished service to our valued customers, and with the new port security measures, the initial cost of driver background checks has increased 374 percent.

We anticipate that once we get past the initial access control badging system and all of the problems inherent in that, that the overall impact to CTL is yet to be determined. We have a small terminal in the port called Detsco. We closed that effectively on August 1. Our reason for closing the facility, it did in excess of $400,000 a year in revenue, but the impending cost of security with 24-hour guards, lighting, fencing improvements would exceed $150,000 a year. The return on investment was not prudent for us to continue.

We are also going to proceed to equip 139 of our power units, our tractors, with a Qualcom system. We currently use company radios in local operations, but because we do embrace security, we want to equip all these tractors with positioning systems so we can tell at any moment where each and every truck is.

We expected that the ongoing cost of the additional badging of 308 drivers a year—and unfortunately in our industry we experi-

ence 120 percent turnover, so you can see how you can multiply those costs.

Mr. SHAYS. Explain the 120 percent. I'll ask later.

Mr. HINDLE. To summarize, I would like to say that we appreciate all of the initiatives the port has taken. We are only optimistic that the unknown efficiencies regarding port access will be resolved in the not too distant future so we can provide service to our customers and retain a level of profitability. Thank you very much.

Mr. SHAYS. Thank you very much, Mr. Hindle.

[The prepared statement of Mr. Hindle follows:]

Thomas B. Hindle, president
CTL Distribution, Incorporated

Homeland Security:
Facilitating Trade and Securing Seaports

- **CTL Ports of Interest**
  - Jacksonville, Florida
    - Annual Load Count: 108
    - Annual Revenue: $48,944
    - Commodities: Pine Oil Products
  - Tampa, Florida
    - Annual Load Count: 215,350
    - Annual Revenue: $20,458,250
    - Commodities
      - Sulphur, Sulfuric Acid, DAP, Water, Caustic Soda, Anhydrous Ammonia, GTSP, Phosphoric Acid, Coal
- **Port of Tampa**
  - Each day CTL averages 590 loads in or out of the Port, utilizing 187 drivers
  - 308 CTL drivers are utilized for Tampa Port shipments annually
  - 17 different nationalities are represented in this cross-section of CTL drivers
  - 69% of our local industry shipments, averaging 360 loads/day, either originate or terminate at the Port of Tampa
- **Challenges - Initial Impact of Access Control/Badging System**
  - Poor utility of Assets (Tractors, Trailers and Drivers)
  - Diminished Revenue
  - Reduction in DOT available log hours
    - Per DOT Hours of Service Regulations time must be logged as "On duty - not driving", hindering driver productivity levels
  - Increased Miscellaneous Pay to drivers for delay
  - Reduced Driver Earnings
  - Diminished service to our customers
  - With new Port Security measures, the cost of driver background screening has increased 374%
- **Overall Impact to CTL**
  - Detsco Terminal - CLOSED - Effective August 1, 2002
    - Annual Revenue $422,753
    - Costs for 24 hour guards and lighting/fencing improvements exceed $150,000/year
  - Cost to equip 139 units with Qualcomm vs. company radio - $347,300
  - Ongoing cost of badging 308 drivers at a turnover rate of 120%

Mr. SHAYS. Mr. Savage.

Mr. SAVAGE. Thank you, Mr. Chairman, committee members. Welcome to Tampa. My name is Arthur Savage. I have been asked by the Tampa chapter of the Propeller Club of the United States to speak to you today.

As a past president of the Tampa Chapter of the Propeller Club, I commend you on your decision to include Tampa in your hearings, and the Propeller Club as an attendee. The Tampa chapter is one of the oldest and most active in the country, representing a cross-section of port industries. Its members are from shipyards, terminals, ship chandlers, ship pilots, port authorities, tugboat companies, ship agencies, and admiralty attorneys to name but a few. The diversity of our membership gives us the opportunity to both hear and express views of the port community, providing a forum with great depth and breadth.

The purpose of this hearing, "to examine the impact of efforts to secure seaports from terrorist attack on the free and uninterrupted flow of trade," is both well defined and needed. While the securing of our seaports is of utmost importance, if not properly done it can be ineffective, expensive, and, in fact, a burden, and drive the cost of trading with the United States up, making it noncompetitive.

One of the greatest strengths of our country is trade, of which nearly all international trade travels through our seaports. We believe, therefore, that part of your purpose that focuses on the free and uninterrupted flow of trade should be your guiding light when developing your goal of securing our seaports.

I am also the president of A.R. Savage and Sons, a 57-year-old ship agency and ocean freight forwarder that represents ship and cargo interests that trade in and out of the ports of Tampa Bay. Our agency deals with a maze of different government agencies in order for a vessel to enter the port, be cleared to load or discharge, and get them out on their voyage in a safe, expeditious manner, and at a cost competitive to our domestic and international competitors.

Some of the difficulties are on a local level as well. Tampa Bay has three separate port authorities, three Customs districts, with half of the terminals being on port property and governed by the port authorities, and the other half being private.

An example of the complexities involved on a foreign-flagged vessel coming from a foreign port with a foreign crew is that we now have to deal with Federal, State and local agencies, ranging from the U.S. Coast Guard, to U.S. Customs, to the Immigration and Naturalization Service, to Agriculture and the local port authorities to name but a few.

Since September 11th, in addition to all of the other operational arrangements necessary to coordinate the arrival of a vessel, we now must send pertinent information regarding the vessel, her crew and cargo 96 hours prior to arrival to the U.S. Coast Guard for them to investigate, with other government agencies. After their research, we either get permission for the vessel to enter port, or it is denied. Rather than creating more bureaucracy for us to wade through, this solution uses existing assets, forces them to coordinate their collective efforts to assess potential risk to the port prior to allowing the vessel in port. I believe this represents a time-

ly, effective solution to protect our ports without additional expense or cumbersome bureaucracy.

I believe the ports of Tampa Bay, with its cohesive port community and proactive efforts to address security and safety, are a model for other ports in the United States to follow. Our community has had a marine advisory council in place for decades to address navigational and safety issues on Tampa Bay. Today, it solicits input, disseminates it, and provides that information to the Tampa Bay Harbor Safety Committee through a seat on the board, which also includes the Propeller Club and various other industry and governmental agencies. Having this in place along with its committees has allowed us to address issues intelligently, proactively before they are problems. This in large part is why the ports of Tampa Bay are so safe and efficient to call.

A glaring example of our proactive efforts was evident after September 11th. At the request of the U.S. Coast Guard Captain of the Port, this agency was able to simply convene its existing port security committee to provide the forum to make prompt and effective security assessments and suggestions to Federal, State and local authorities in a timely and cost-effective manner. As a result of this valuable resource being in place, steps were taken to protect our ports long before other ports could react.

Trade is why ports exist. U.S. ports are among the most expensive in the world. This is largely due to a high percentage of the costs which are related to the plethora of government regulations imposed on companies, such as employment, environmental, taxes, permitting, licensing, building, etc. Already we are hearing of additional costs that will be related to additional security, when most of the physical security measures that we have seen put in place will have little or no effect on deterring a determined terrorist. They are effective, though, in burdening the customers, employees and vendors who derive their livelihoods from the port.

I believe that we have capable and willing agencies in place to deal with this threat. Untie their hands, give them resources, break down the barriers, eliminate redundancies and promote communication. The last thing we need is more bureaucracy or agencies to further confuse the already complicated system of defending our Nation and Constitution.

We also hope that the Committee on Government Reform aimed at dealing with this threat will listen to the industries affected. They are our most valuable asset. Thank you very much.

Mr. SHAYS. Thank you.

[The prepared statement of Mr. Savage follows:]

Testimony of Arthur R. Savage
President, A. R. Savage & Son, Inc.
To The House Subcommittee on National Security, Veteran Affairs and International Relations, Committee on Government Reform
Field hearing entitled *Homeland Security: Facilitating Trade and Securing Seaports*
Held in Tampa on August 5th, 2002

Hello Mr. Chairman and committee members, welcome to Tampa and thank you for the opportunity to express my views and opinions on our ports and their security. My name is Arthur Savage and I have been asked by the Tampa Chapter of the Propeller Club of the United States to speak to you today.

As a Past President of the Tampa Chapter of the Propeller Club I commend you on your decision to include Tampa in your hearings and the Propeller Club as an attendee. The Tampa Chapter is one of the oldest and most active in the country and represents a cross section of port industries. Its members are from shipyards, terminals, ship chandlers, ships pilots, Port Authorities, tug boat companies, ship agencies and admiralty attorneys to name but a few. The diversity of our membership gives us the opportunity to both hear and express views of the port community, providing a forum with great depth and breadth. The purpose of this hearing, "to examine the impact of efforts to secure seaports from terrorists attack on the free and uninterrupted flow of trade", is both well defined and needed. While the securing of our seaports if of utmost importance, if not properly done it could be ineffective, expensive and in fact a burden and drive the costs of trading with the United States up, making it non-competitive. One of the greatest strengths of our country is trade, of which, nearly all of the international trade travels through our seaports. We believe therefore that the part of your purpose that focuses on the free and uninterrupted flow of trade should be your guiding light when developing your goal of securing our seaports.

I am also the President of A. R. Savage & Son, a 57-year-old Ship Agency and Ocean Freight Forwarder, that represents ship and cargo interests that trade in and out of the ports of Tampa Bay. Our ship agency deals with a maze of different government agencies in order for a vessel to enter the port, be cleared to load or discharge and get them out on their voyage in a safe, expeditious manner and at a cost competitive to our domestic and international competitors. Some of the difficulties are on the local level as well. Tampa Bay has three separate Port Authorities, Three Customs Districts with half of the terminals being on and governed by the local Port Authorities and the other half being private. An example of the complexity involved on a foreign flag

vessel, coming from a foreign port, with a foreign crew is that we have to deal with federal, state and local agencies ranging from the U. S. Coast Guard, to U. S. Customs Service, to Immigration and Naturalization Service, to U. S. Agriculture Service, to the local Port Authority to name just a few. Since 9/11/2001, in addition to all of the other operational arrangements necessary to coordinate the arrival of a vessel, we now must send pertinent information regarding a vessel, her crew and cargo, 96 hours prior to arrival, to U. S. Coast Guard for them to investigate with other government agencies such as Customs and Immigrations. After their research, we either get permission for the vessel to enter port or it is denied. Rather than creating more bureaucracy for us to wade through, this solution uses existing assets, forces them to coordinate their collective efforts to assess the potential risk to the port **prior** to allowing the vessel to enter the port. I believe this represents a timely, effective solution to protect our ports without additional expensive and cumbersome bureaucracy.

I believe The Ports of Tampa Bay; with it cohesive port community and proactive efforts to address security and safety are a model for the other ports in the United States to follow. Our community has had a Marine Advisory Council in place for decades to addresses navigational and safety issues on Tampa Bay. Today it solicits input, decimates it and provides that information to the Tampa Bay Harbor Safety Committee through a seat on the Board, which also includes the Propeller Club and various other industry and governmental interests. Having this in place, along with its committees, has allowed us to address issues intelligently and proactively before there are problems. This, in large part, is why the ports of Tampa Bay are so safe and efficient to call. A glaring example of our proactive efforts was evident after 9/11. At the request of the U. S. Coast Guard Captain of the Port this organization was able to simply convene its existing Port Security committee to provide the forum to make prompt and effective security assessments and suggestions to Federal, State and local authorities in a timely and cost effective manner. As a result of having this valuable resource in place steps were taken to protect our ports long before other ports could react.

Trade is why ports exist! United States ports are among the most expensive in the world. This is largely due to a high percentage of the costs which are related to the plethora of government regulations imposed on companies such as employment, environmental, taxes, permitting, licensing, building, etc. Already, we are hearing of the additional costs that will be related to additional security when most of the physical security measures we have seen put in place will have little or no effect in hampering a determined terrorist. They are effective though in burdening the customers, employees and vendors who derive their livelihood from the ports.

I believe that we have capable and willing agencies in place to deal with the threat. Untie their hand, give them the resources, break down barriers, eliminate redundancy and promote communication. The last thing that we need is more bureaucracy, or agencies to further confuse the already complicated system of defending our nation and constitution. We also hope that the Committee on Government Reform aimed at dealing with this threat will listen to the industries affected, as it is private industry that knows the risks and vulnerabilities to their facilities, cargoes and personnel best. They are your most valuable assets in understanding the risks so we can jointly deal with the threat. By using a government/industry forum such as the Tampa Bay Harbor Safety Committee you would be well on your way to intelligently discuss the issues and form meaningful, effective and efficient solutions.

Thank you for the opportunity to speak with you today.

Mr. SHAYS. I am reluctant to draw you to the 6-minute closure because you are providing a little bit of controversy. That always makes the hearing more interesting.

Mr. SAVAGE. I am open for questions.

Mr. SHAYS. Ms. Kovack, you will close us out? Then we will start with questions.

Ms. KOVACK. Thank you. Let me say that I was born in Stamford, CT, but moved down here as a child. So I really didn't have a say, but do I love Tampa as well.

Mr. SHAYS. You were born in a very important city. Welcome.

Ms. KOVACK. Again, I want to thank you, Chairman Shays, Congressman Putnam, and other members of the National Security Subcommittee for allowing me the opportunity to testify today.

I also will be testifying on behalf of the Propeller Club of Tampa concerning the importance of securing our seaports efficiently and effectively, while at the same time preserving unimpeded transportation, streamlined and standardized regulations, and economic incentives for our maritime industries to remain globally competitive.

My name is Janet Kovack, and I am a resident of Hillsborough County, FL. I am here today to speak to you as a longtime member, current vice president and spokesperson for the Propeller Club of Tampa. I am also a community affairs representative for CF Industries, Inc., a North American farming cooperative with distribution facilities located in the Port of Tampa.

The Propeller Club of the United States was formed in November 1927 as a national trade organization whose mission is to support the maritime industry. In May 1929, the Propeller Club of Tampa was chartered as the fifth individual member club in the Nation, or port No. 5, and remains today one of the most active clubs in the U.S. with a membership of approximately 350 individuals representing 195 public and private sector interests associated with the maritime industry or region.

Our mission is to develop a better understanding of the maritime industry for all ports in the Tampa Bay area, which comprises the three counties of Hillsborough, Pinellas and Manatee, and incorporates the respective ports of Tampa, St. Petersburg and Manatee.

The organization's maritime support and education occurs through professional dialog and development among the various businesses, professions and agencies connecting the maritime industry within our ports. We have achieved this goal and fostered public understanding of both the value and importance of the ports community through monthly meetings, special events, newspapers, letters, position papers, media involvement, governmental relations, as well as through the participation on related boards and initiatives associated with maritime activities, such as our seat on the Tampa Bay Harbor Safety Committee, and our two seats on the executive committee for the Southeast Regional Propeller Club Board of Directors.

On the issues of seaport security and trade before us today, the Propeller Club of Tampa is uniquely suited to providing a broad, balanced perspective due to the diversity of our maritime interests. We recently polled our membership in order to receive feedback from the maritime community on these important issues. I will attempt to summarize their input, which was received in the form of

comments, questions, concerns, and potential solutions to the daunting tasks of effectively protecting our seaports while efficiently serving both local and national interests in supporting rather than impeding valuable maritime commerce.

First, on the subject of economics, every port interest in this country today is undoubtedly looking toward Congress for support funding to accomplish the mandate of port security. Our members would like to ensure that these security measures are necessary, meaningful, effective and focused on real threats, while at the same time ensuring that these measures are efficient, cost-effective, and not redundant.

Because most of the maritime or maritime-related companies already function on tight margins in a highly competitive and global economy, they are insistent on cost identification and accountability. And most importantly, they want to ensure the continued unimpeded transportation of goods and services necessary to maintain both a viable economy and a healthy maritime commerce.

Second, Propeller Club members are concerned about the redundancy and layers of bureaucracy associated with governmental operations and activities. Our members would like to see a consolidation of State, local and Federal requirements and regulations. Some of their suggested solutions include the standardization of all port security requirements, with particular emphasis on the implementation of universal badging, parking permits, background checks, dock access, including adequate time to perform tasks related to vessel maintenance, security infrastructure such as fencing, and security personnel.

Also, many of the members believe that there could be possible benefits to the utilization of more sophisticated technology such as smart cards versus the current picture badging, and the use of underwater cameras to monitor possible suspicious activity during vessel unloading rather than SCUBA divers.

Further, port businesses are concerned about how the cost of security measures will ultimately be borne. We believe Federal funding must be an important component to meeting the cost challenges posed by facilitating trade while securing our seaports. To aid the subcommittee's review and evaluation of such port security issues, we would appreciate the opportunity to provide a written summary of the comments received from our survey, and we would be pleased to seek further input from the maritime community to assist in researching beneficial solutions to these complex issues.

In closing, the Propeller Club of Tampa is proud of our service in the surrounding maritime community, especially our participation with the Tampa Bay Harbor Safety Committee and the U.S. Coast Guard to implement our ongoing strategic plan. We will continue to work in concert with the Tampa Bay Port Authority, the U.S. Coast Guard, other Propeller Clubs throughout the United States, and the Navy League to achieve mutually beneficial security goals for the entire Tampa Bay area port community.

The ports of Tampa Bay offer a laudable model for other port communities for what public-private cooperation and partnership can achieve, and we stand ready to assist Congress in its efforts to secure thriving seaports and maritime business.

On behalf of the Propeller Club of Tampa, I would like to thank you for your consideration of our comments. The Propeller Club and the Tampa Bay port community stand ready to partner with you in this very important endeavor. Thank you.

Mr. SHAYS. Thank you.

[The prepared statement of Ms. Kovach follows:]

Testimony of Janet D. Kovach
Vice President, Propeller Club
House Subcommittee on National Security, Veteran Affairs
And International Relation
Field Hearing
"Homeland Security: Facilitating Trade and Securing Seaports"
Tampa, Florida
August 5, 2002

Thank you, Chairman Shays, Congressman Putnam, and other members of the National Security Subcommittee, for allowing me the opportunity to testify today on behalf of the Propeller Club of Tampa concerning the importance of securing our seaports efficiently and effectively, while at the same time preserving unimpeded transportation, streamlined and standardized regulations, and economic incentives for our maritime industries to remain globally competitive.

My name is Janet Kovach, and I am a resident of Hillsborough County, Florida. I am here today to speak to you as a long time member, current Vice President, and spokesperson for Propeller Club of Tampa. I am a also a community affairs representative for CF Industries, Inc., a North American farming cooperative with distribution facilities located in the Port of Tampa.

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Our mission is to develop a better understanding of the maritime industry for all Ports in the Tampa Bay area, which comprises the three counties of Hillsborough, Pinellas, and Manatee and incorporates the respective ports of Tampa, St. Petersburg, and Manatee. The organization's maritime support and education occurs through professional dialogue and development among the various businesses, professions, and agencies connecting the maritime industry within our ports. We have achieved this goal and fostered public understanding of both the value and importance of the Ports community through monthly meetings, special events, newsletters, position papers, media involvement, governmental relations, as well as through participation on related boards and initiatives associated with maritime activities, such as our seat on the Tampa Bay Harbor Safety Committee and our two board seats on the Executive Committee for the Southeast Regional Propeller Club Board of Directors.

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valuable maritime commerce. Afterwards, Mr. Arthur Savage, an operations tenant in the Port of Tampa, will speak to provide specific details regarding some of the more general comments that I will address.

First, on the subject of economics, every port interest in this country today is undoubtedly looking toward Congress for support funding to accomplish the mandate of Ports security. Our members would like to ensure that these security measures are necessary, meaningful, effective, and focused on "real threats," while at the same time ensuring that these measures are efficient, cost effective, and not redundant. Because most of the maritime or maritime related companies already function on tight margins in a highly competitive and global economy, they are insistent on cost identification and accountability. And most importantly, they want to ensure the continued, unimpeded transportation of goods and services necessary to maintain a both a viable economy and healthy maritime commerce.

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Also, many of our members believe that there could be possible benefits to the utilization of more sophisticated technologies, such as smart cards versus the current picture badging, and the use of underwater cameras to monitoring possible suspicious activities during vessel unloading rather than scuba divers. Further, port businesses are concerned about how the cost of security measures will ultimately be borne. We believe federal funding must be an important component to meeting the cost challenges posed by facilitating trade while securing seaports.

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On behalf of the Propeller Club of Tampa, I would like to thank you for the consideration of our comments. The Propeller Club and the Tampa Bay Port community stand ready to partner with you in this very important endeavor.

Mr. SHAYS. I am going to have the Members have approximately 10 minutes, you know, between 5 and 10, because I think 5 minutes, we can't followup questions as well. So we will start with you, Mr. Putnam, and again, I thank all of the witnesses.

Mr. PUTNAM. Thank you, Mr. Chairman.

I would like to begin with Mr. White. Mr. White, we have heard testimony most recently from Ms. Kovack, whose constituents have advocated the consolidation of State, local and Federal officials, and an emphasis on greater technology, in particular smart cards and things such as underwater cameras.

In your testimony you say that additional burdens would include requirements to man stern-facing radar, monitoring of surveillance cameras and requirements for additional patrols. For many cargo ships, "the concept of security while in port presently only includes the notion of keeping an eye out while other work is done." And you go on to say that in the end we feel that with the exception of controlled ship access, ship's security should be apportioned to the seaport and not left in any great measures to the devices of the ship itself.

What responsibility do you believe the ship should have?

Mr. WHITE. I think that the ship ought to have the primary security for making sure what is on and what is not on the ship, and that ought to end it right there.

I don't think the ship—you don't have want to have the ship with guns on it. You don't want to have the ship burdened with additional responsibilities. The ship's job should be to make sure who is on and who is not on the ship.

Mr. PUTNAM. Mr. Savage, as someone in the shipping business, would you like to elaborate on that?

Mr. SAVAGE. I would concur with that. The matter of the operation of a ship and, when it is in port, tending to the cargo operations, need to be the focus of a ship. When you are handling dangerous cargoes, that focus needs to be singular. Likewise, I don't think that the ship has the opportunity to govern who comes on the docks and comes alongside those ships. It needs to know that it is coming to a secure pier.

Mr. PUTNAM. Mr. Tims or Ms. Kovack, how much has the phosphate industry spent since September 11th in additional security requirements?

Mr. TIMS. Representative Putnam, in terms of having the exact number in terms of moneys spent, I don't have that directly before me. But, as I indicated during my testimony, each of us have certainly added additional measures in the form of additional monitoring equipment, as far as cameras. We improved perimeter security. We erected additional barricades. We are not talking in terms of just thousands or tens of thousands. It is more in the 50- to $100,000 range, if not higher.

Mr. PUTNAM. Ms. Kovack.

Mr. KOVACK. Thank you, Congressman Putnam.

I can't speak for the other phosphate companies, but I know that we have spent quite a bit of money in the Port of Tampa helping to refence our facility that was already fenced for requirements, added monitors and cameras, and that our terminal manager is in

the audience and could answer that question. But just alone, our costs have been over what Mr. Tims expressed.

Mr. PUTNAM. Well, just in your testimony you added 3,000 feet of chain-link fence, Mr. Tims, additional closed-circuit television, concrete gates, additional employee training, all things that are beyond the scope of mining and producing high-quality fertilizer, obviously additional burdens that you have taken on. So I will ask Mr. White or Mr. Savage if it would appear that in this changed world everyone is taking on, unfortunately, additional costs, additional responsibilities, sympathizing with the fact that we need to make sure that they are coordinated and are smart, don't you think that there is a role for shippers to play in additional security beyond just maintaining the ship?

Mr. TIMS. Let me add this. The numbers that I used represented a cumulative number for CF Industries, IMC, along with Cargill. That was just not only IMC. So it was a cumulative number for the phosphate industry.

Mr. PUTNAM. I understand.

Mr. White.

Mr. WHITE. I understand your point. Our survey shows that the people in the ship industry believe that they should share in the cost. The point is that the ship is large, the crew is small, so that I think the most realistic position for the ship security is that the ship be responsible for who is on and who is not on the ship. It should be the job of the port facility and the port—the seaport itself to find out who is having access to the pier, to guard against any other kind of terrorism from the outside.

It is impossible for the ship to secure itself with anything more than who is on and who is not on the ship.

Mr. PUTNAM. Mr. Williams, what percent of the ships that come through the port are flagged U.S. vessels?

Mr. WILLIAMSON. I couldn't tell you that exactly, but I would say at least 50 percent of them.

Mr. PUTNAM. So half are not U.S.-flagged vessels?

Mr. WILLIAMSON. Correct.

Mr. PUTNAM. What percentage of the crews that come through are non-U.S. citizens?

Mr. WILLIAMSON. Generally only those on non-U.S.-flagged ships.

Mr. PUTNAM. So basically half again.

Mr. Savage, you raised some interesting points that I think it is important that we flesh out in this panel so that we can be better prepared for the next panels dealing with State, local and Federal officials.

There appears to be agreement in the shipping industry and in the port community that we do a pretty lousy job of communicating within the agencies and coordinating. You mentioned that there is redundancies. Do you have any specific recommendations for ways that we can improve our port security across these 60 different agencies, and do you believe that the creation of the Homeland Security Department is a step in the right direction or a step in the wrong direction?

Mr. SAVAGE. That is a loaded question. But I don't know the details of what is happening in the Homeland Security Committee. I do know that we have some very, very good Federal, State and

local agencies that we work with here, and they are all working together in a very cohesive manner. There isn't a lot of barriers. There is good communication, and, as a result, a day after September 11th, this port was ready to defend itself. All of the agencies had come together through an already existing Tampa Bay Harbor Safety Committee Subcommittee called the Security Committee that was already put together, and it allowed us the venue to address these things. And I would submit that you should use that as a model as to how the rest of the Federal Government should work. It was in place. It had already taken proactive measures to address security things, even though Tampa has not had a history of any security problems.

We went ahead and put that in place, and it was there. It was ready. When the Captain of the Port needed to pull this community together, it took one phone call in asking everybody to rally together. They were there, they responded, and we have not had an incident.

Mr. PUTNAM. It wasn't intended to be a loaded question. I got the impression from your testimony that when you said rather than creating more bureaucracy, we should be a little bit smarter about it, but you also say that Tampa is a model. So I want to make sure that we are fleshing this out so that we can——

Mr. SAVAGE. I contend that we have done a good job about it. I think that we have very, very capable agencies in place, and that is where I mentioned, untie their hands. The U.S. Customs Service and Immigration in this office is dramatically undermanned, yet they still do a good job. They do—they are really good at catching the bad guys, not letting them off the ships if they come in.

Again, all of those groups are reviewing the issues related to a ship prior to allowing it to come into port, and I think that is a key.

Let's remember, we would not have had a terrorist incident if we would not have let those people in the country in the first place. I think prevention, as we are doing today in our port, is going to take care of the majority of the problem. And if these groups can work together, then I don't think the interior has much to worry about.

Mr. PUTNAM. How frequently does the port conduct emergency drills? Mr. Williamson.

Mr. WILLIAMSON. I can probably let the Coast Guard answer. We do a number of drills. The Coast Guard, the Emergency Management Service does drills. We have our ammonia drills that go on a quarterly basis. So there is a number of them, but they take place quite frequently.

Mr. PUTNAM. Do you believe that it should be a trade priority to standardize port protocols, inspections, locks and seals for cargo containers? Should that be built into our trade negotiations in the future?

Mr. WILLIAMSON. I think that is going to be a difficult thing to do. You are talking about international trade here. If you can get there through the IMO or something of that nature—it would be a wonderful thing if you could accomplish that—I think it will be difficult because of the dispersement of containers and the activi-

ties of it around the world. But I think any form of standardization that we can domestically in this country is a good thing.

The issues that we have here with badging, we have 14 deepwater ports. They all have to have a separate badge. We have worked together in Tampa Bay, but for the trucking companies, for example, just getting a badge, if they go to six or eight ports with their trucks, they have to have a badge for each one of them. Those are the types of things that we are talking about redundancy, and we need to get better and smarter and better technology to allow them to have better movement.

Mr. PUTNAM. Thank you, Mr. Chairman.

Mr. SHAYS. We can have a second round if we need it.

Mr. Davis.

Mr. DAVIS OF FLORIDA. Thank you, Mr. Chairman.

Mr. Williamson, because our port is so unique in being a bulk cargo port as opposed to containerized cargoes, which most of the ports, I am sure, the chairman has seen, are there any unique aspects of the security issues to us that we haven't already discussed?

Mr. WILLIAMSON. I don't think that there is anything especially unique about us. I think that the dispersion of all of the activities over 2,500 acres is important. The nice thing, I suppose—I suppose, about a lot of bulk traffic is it is—while it may seem easier to conceal things inside 60,000 tons of phosphate, at the same time it is hard to do that when you are loading it at 5,000 tons an hour. I think the difficulties that we have here are that we have competing industries that are not on port property that are not necessarily, at this point in time anyway, required to have the same types of security that the port tenants are required to have.

Having said that, most of them are responsible corporate citizens and are following in the part of what the port is requiring, but there are competitive issues there. One group pays a lot of money for security; the other one doesn't. So these are some of the things that we need to work out in the long term.

Mr. DAVIS OF FLORIDA. Would any of the private sector folks like to comment on this point, whether you have had any issues in terms of competition by virtue of costs you have embedded in your infrastructure that perhaps your others didn't?

Mr. TIMS. One of the biggest concerns that we have had is that recently there was an opportunity to apply for funding for security measures. Now, the Port of Tampa was very fortunate to receive funding, and we were certainly supportive of that, but, as far as I know, none of the private companies that applied for any of this grant-type funding received any money. And we have incurred quite a bit of cost just upgrading our security.

I would certainly urge that as we take a look at homeland security, that measures be taken to provide some sort of a funding for private companies for the additional costs that we have had to incur for increasing our security.

Mr. DAVIS OF FLORIDA. One of the points that Janet Kovack made which I thought was very important is we need to be focused on credible security risks and not perceived risk. Are all of you confident that you have been able to develop a competent assessment of risk in ascertaining what the security issues are and how to prioritize them as far as need, or is there additional information

the Federal Government or somebody else or—or technical assistance ought to be providing to you in the future?

Mr. WILLIAMSON. Speaking on behalf of the port, I think that is somewhat of a moving target, depending on how the actual threats may ultimately develop. I think at this point we have had several risk assessments done by several agencies, the Coast Guard, with the Hillsborough County Sheriff's Office and others, and we have a fairly good confidence of what is out there and what we need to protect.

The infrastructure has been focused on the hazardous materials, the cruise ships, but we have to stay ever vigilant. As things change, we may need additional assessments.

Mr. DAVIS OF FLORIDA. One of things that strikes me about the testimony is I believe virtually every member of the panel in the private sector agreed that the process that you have set up with the St. Pete and Manatee port authorities, Tampa Bay Harbor Safety Committee, is a good process and is producing good outcomes. That is powerful and not always heard, that you all are working so closely together. And I have also heard each of you testify you are convinced as to the need that Mr. Williamson has claimed for additional funds and the fact that the Federal Government should assist.

What about with respect to the Coast Guard? They are very, very busy these days. We are going to hear from Captain Thompson, who unfortunately, I think, may be moving down to Miami. I don't know if I got that wrong. I am sure you are working closely with them as well. I know they believe they need additional funds. I will certainly say that. Any comments you all would make in terms of their workload, whether we need to be providing them additional support to help them work with you to help you do your job?

Mr. WHITE. I would like to say that I think the Coast Guard is a wonderful organization. They have been considered a less than first class agency for a number of years, and they deserve a lot of funding and a lot of credit, and they should lead the charge in the seaports.

If they, in fact, are to take on the larger role, then some of the other roles that they already have a great deal of trouble policing will need to be beefed up as well. So, yes, I think they need a tremendous amount of funding.

Mr. SAVAGE. If I may, Congressman Davis, I concur with that 100 percent. We deal with the Coast Guard on a daily basis. In addition to their other roles of drug interdiction, air-sea rescue and marine safety, this new security is asking a tremendous amount upon them without much additional resources.

We have three Coast Guard offices in the Tampa Bay area, and they have very small crews, and anything that can be done to help them do their job in terms of resources and cooperation from other agencies I think would help.

Mr. WILLIAMSON. I would echo those sentiments, Congressman Davis. The Coast Guard has provided some terrific leadership with Captain Thompson, Commander Ferguson. They have been there from the beginning. They have been on top of the situation. They have kept the whole community informed and together, and they certainly and clearly need additional funds for more platforms on

the water and for more crew and people to handle all of the responsibilities they have been charged with.

Mr. DAVIS OF FLORIDA. My last question is the same with respect to both the Customs Service and the Border Patrol. I know from personal experiences in my office, the Border Patrol was heavily undermanned before September 11th. I am sure that they have had additional responsibilities imposed upon them that we would all strongly support. Any observations that you would like to share about how those two agencies are doing handling the workload and what we as Federal officials should be cognizant of?

Mr. WILLIAMSON. I would just start off by saying that they also could use additional funding. Customs in particular does a terrific job with the few resources that they have. We move 52 million tons through this port, plus or minus, on an annual basis. That is an awful lot of freight. The difficulty of sifting through all of that is too much for what they have got to do in addition to some of the other security measures that are involved in. Even down at the cruise terminals, I think that they can use all of the help that they can get.

Mr. WHITE. As I mentioned before, our survey identified the dry box containers as the biggest single hole in the seaport security area, and the Customs Department is the one that is going to try to figure out how to find out what is in these boxes. This is a tremendous effort. They need a lot of additional resources. I think a lot of it is going to have to be done smarter, computer-based. Some of the initiatives that Customs has already started are excellent initiatives, but they need support, they need people, they need funding.

Mr. DAVIS OF FLORIDA. Mr. Chairman, just to close with two comments. The first is that the comment about the overlapping State, local and Federal rules, I would be very interested in hearing where the problems lie there and how we can address them. And I urge you to put that through this committee process you have mentioned as well.

Mr. Chairman, that concludes my questions. Thank you.

Mr. SHAYS. I thank the gentleman.

Let me just set up this question by saying to you that our committee held 19 hearings before September 11th on terrorist activities, on the whole issue of homeland security. If we were to put basically a card for every government department or agency, we would have 99 that somehow are involved in homeland security.

And also say to you that I certainly believe, and I think many of our committee members believe, it is not a question of if, but when, where and of what magnitude we will face an attack by terrorists, at least an attempt, using chemical, biological, radioactive material or nuclear weapons, heaven forbid. So that we think we are in a race with terrorists to shut them down before they use the weapon or attempt to use a weapon of mass destruction.

I would like to first understand, and I throw it open to any of you to answer the question of compare bulk-type delivery of goods that we see in this—these ports here versus a container. I have a hard time visualizing the kinds of threats when we have bulk material. So be a terrorist for a second and describe to me what represents an opportunity.

Mr. WHITE. I would like to take a shot at that. The problem with cargo ships is that they are tremendous, and they have small crews, as I pointed out. So anywhere in one of those large ships—some of the spaces in these large ships don't get visited very often by crew members. So anywhere in a ship is a place to hide a weapon. So anybody who gets on the ship at the last port or the port before the last port and puts a weapon in with a remote-controlled triggering device has a bomb that is directed into the seaport.

Mr. SHAYS. Well, the worst-case scenario would be a nuclear weapon in the hull of a ship. So there is no difference between a bulk ship or a container ship in that regard.

Mr. WHITE. In that regard they are all tremendous, and they have a tremendous number of spaces and places to hide.

Mr. SHAYS. In terms of explosive material, if the bulk material is explosive, then clearly a detonating device there could be pretty catastrophic?

Mr. WHITE. That is correct. The additional complications with the container ship is that they have got these containers that just come neatly on board, whereas on a dry bulk ship, somebody would have to actually sneak something through. But the container, you bring the container on board, since we don't know what is in the containers, it is easy.

Mr. SHAYS. Right. I am hearing you on the container. I guess what I wanted to develop is what are the ships that carry bulk material that could be highly explosive? You are not telling the general—you may be telling the general public, the committee something we don't know, but you are not telling the terrorists.

Mr. WHITE. For example, some of the ships have explosive cargoes, LNG ships, could be chemical carriers, petroleum carriers. There is a lot of explosive cargoes that travel on the waters. But a ship that is transporting phosphates could have a bomb, a dirty bomb, a nuclear weapon, any kind of a bomb, which I understand can be made quite small these days.

Mr. SHAYS. Not just explosive material, but potentially contaminated material? I am looking here. Help me out, folks. Give me examples of what could be explosive material or potentially material that, if it was in a plume, would be a chemical that could be very harmful to the general public. Mr. Williamson.

Mr. WILLIAMSON. I think the obvious example here in our community is anhydrous ammonia. We have several tanks of anhydrous ammonia. If they were attacked, those plumes could do some real damage to the Tampa community.

Mr. SHAYS. What is real damage?

Mr. WILLIAMSON. I think the last study I saw was several hundred thousand people could be taken out with that in a short period of time, in a matter of minutes.

Mr. SHAYS. So, you know, just trying to set up and try to make sure that we are—you know, don't have our heads in the sand in terms—because there hasn't been something caused necessarily by a terrorist since they have chosen other targets. The thing that drives us pretty crazy in public policy and government is that we begin to try to think like a terrorist, and you can give yourself nightmares. But that is obviously a vulnerability that we have to anticipate, and, therefore, the likelihood may be small, but if, in

fact, it happens, the consequence could be large. So we then have to work out a plan to deal with that.

Mr. Savage, give me a sense of—you know, untie their hands is something I am going to ask you about, because that doesn't mean anything to me, because I don't know where their hands are tied. So I am going to have you walk through where people's hands are tied.

But help me understand what you consider balance. But first I am going to ask you, tell me what is the worst thing that you think could happen in the Port of Tampa or the other two ports in this area.

Mr. SAVAGE. The scenario that Mr. Williamson just explained to my understanding is the worst-case scenario. The probability of that worst-case scenario happening is pretty improbable.

Even if you did blow an ammonia ship in half, that ammonia is held in four to five different holds. Would they all be ruptured? Would the wind be in the correct direction to get to the populace to create an inhalation hazard that would knock out downtown Tampa during the middle of a workday? It is all pretty improbable.

Mr. SHAYS. The danger I have heard is the next day you have people very fearful. But this is my general philosophy. You tell the American people the truth, and then they have you do the right thing. And because of the terrorist threat, that is why we have wiretapping laws that are changed, that is why we have invaded somewhat the attorney/client privilege, that is why we have talked about tribunals, that is why we have made arrests.

When we made these arrests, we put potential terrorists on defense rather than offense, but they are in a position now as we let people go to reorganize the cells, can come out of hiding and so on. The cells do exist. So tell me what we are doing right now, Mr. Savage, because I happen to believe that are you right, but I don't understand what it means. What does it mean? What are we doing right now that is not effective, because it is just dumb to require anything that isn't effective.

Mr. SAVAGE. These security badges. My 8-year-old son could copy one of these and walk into the port tomorrow. Miles and miles of 8-foot fences. Do you think that is going to deter a determined terrorist? Absolutely no effect. I think in identifying the threat, it is not the American worker that is going in and out of the port, it is these guests that are coming in and out of the country.

Mr. SHAYS. You said something that I just have a real big problem with. Do you make an assumption that terrorists wouldn't choose to be employed for a year or 2 before they might potentially do something harmful?

Mr. SAVAGE. Certainly could. Certainly could. That is why I endorse this effort. I do not agree that this is necessarily the best solution, because it is so easily copied. Likewise, you know, an 8-foot fence, I would rather see the $3 million that the port spent on things like that go into a new crane or a new warehouse. If it is behind the checkpoint, what purpose——

Mr. SHAYS. Tell me how the new crane or the new warehouse is going to protect the people of Tampa.

Mr. SAVAGE. Excuse me. I am always trying to promote commerce, but, in addition, we have Coast Guard boarding these high-

risk vessels prior to entering the port. As I mentioned, the 96-hour prenotice that we have to give before the ships are allowed in, I think that is key. Don't let the threat in the port if it is a perceived threat. And we are doing that with existing resources. It isn't costing any additional money to the industry. But at the end of the day, we have—we have to make sure that these agencies do have the resources to do that additional work, because, again, they are doing a tremendous amount of additional work with no additional people, no additional funding or anything like that.

Mr. SHAYS. What does "untie their hands" mean?

Mr. SAVAGE. I go to resources again. I think that our agencies—you know, there is a lot of overlap. If we could eliminate some of those redundancies and give them the resources to go out there and do the investigations to monitor what is going on in the port, they can be more effective.

Mr. SHAYS. OK. You mentioned that—I'm sorry to—ask you these questions because you just mentioned them. I want to pursue them a second. Three ports, three Federal Customs districts.

Mr. SAVAGE. Yes, sir.

Mr. SHAYS. Maybe I will get to asking others how—would it be a wise thing for these three ports to become one district, or is that—is that an economic question, or just an impractical question on the whole host? Is this like New York and New Jersey, they have a port authority? Is this—is this a political issue? Is there any reason to want to be one? Maybe others could jump in.

Mr. SAVAGE. I would defer to George here in a second, but I think my point here is that there is a bunch of different agencies that we have to deal with here. In Tampa we have brought them all together under the Tampa Bay Harbor Safety Committee. And in using the example of post-September 11th——

Mr. SHAYS. Is St. Petersburg——

Mr. SAVAGE. St. Pete has a seat. Manatee has a seat. Tampa has a seat. Navigational interests, a number of the environmental interests, safety groups and everything. So rather than trying to deal with each one of those separately, they all have a seat and have a say. And as to bringing them together, that is something——

Mr. SHAYS. One of the things that I will be asking the next panel, I want to know potentially how much different government agents could go on a ship looking for a particular interest that they have, and then potentially what is the value of how the Homeland Security Department may enable people to do cross kinds of concerns here to have some of those kinds—my light is on. I know that we do have three panels, but I do want to make sure that we pursue any questions. I know there—do you want to answer a question, too?

Mr. WILLIAMSON. No. I was going to followup on that one and say that the idea of putting Customs together is a Federal issue. We are not really here discussing putting all of the ports together necessarily, as the ports of Tampa Bay complex, but you can combine Federal agencies if you wish without any impacts to the community. A number of ports have done that.

Mr. SHAYS. Right. Do you want to followup?

Let me just check here. I feel in some cases that we are being caught by the fact that we have so many panels, because I would

like to ask—I don't know if it is you, Mr. White, who talked about the four rings.

Mr. WHITE. Yes.

Mr. SHAYS. Just give some importance to the concept of your—it is the ship, the dock, the seaport, the port of origin. Which represents the most important ring?

Mr. WHITE. Well, the concept of the rings is to try to say that you—you don't want to—as a—if you are trying to plan the whole notion of security, you don't want to make the ship absolutely secure and then make the port facility absolutely secure and then make the seaport secure, because you are building in a redundancy. So that the basic unit of security ought to be the seaport. That is where the emphasis ought to be put, rather than the port facility and rather than the ship. The real place to go is push it out beyond the seaport, which is where the cargo loads. That is where we want to head, Because once we can do that, you have nipped it in the bud.

Mr. SHAYS. The same concept in an airport, where if we could check people before they actually walked in the airport, even the crews, we wouldn't have to keep checking along the way.

Mr. WHITE. Well, the other thing is that if you can eliminate as many things as you can, you know certain people, let them go through. You—if you qualify, prequalify, a lot of containers that are coming through the port because you are assured that the systems are going to catch a problem, then your defenses can apply to what is left, so you can concentrate on what you haven't already prechecked. So you narrow the range of vulnerability.

Mr. SHAYS. Mr. Hindle, quickly. You mentioned 120 percent turnover in truckers, drivers. And would 80 of those drivers be consistent and the last 20 just constantly turn over, or how many of that 100—if you had 100 drivers, how many of those 100 drivers are actually with you year in and year out?

Mr. HINDLE. Less than 20 percent, and the other 80 percent cycle. And so to keep 308 drivers involved in port, we have to hire 370 every year.

Mr. SHAYS. OK. Well, one last question to you, Mr. White. Were you the—were you the one who said maritime security has to abide by international rules?

Mr. WHITE. Yes, that is correct.

Mr. SHAYS. And your concept is that there needs to be uniformity from port to port to port and certain expectations form port to port to port?

Mr. WHITE. Yes, within the United States and also in the world community, because of the fact that you have got the same ships going all of the way around the world, because you need to have the same expectations of the ship coming into the port. If there is going to be a problem when there is a ship involved, the ship needs to know—the ship needs to know now how to interface with the port, what is expected of the ship, what is going on in the port. He needs to have a set protocol. So I think the whole notion of set protocols for all seaports is very important.

Mr. SHAYS. I am going to ask each of you this final question, but I am looking for a quicker answer. I want to know what is the most important thing we can do in a port to improve security. I want to

know what is the most difficult thing, and that—the most difficult challenge that we face. And those could be two different answers, to live in the spirit, frankly, that Mr. Savage raised about let's make sure it works.

Mr. WILLIAMSON. I think really the most important thing to do is to make sure that we have the funding to do what we want to do. A lot of this has to do with just the eyes and ears once you have built the infrastructure.

Mr. SHAYS. Most challenging thing facing our ports?

Mr. WILLIAMSON. I think the most challenging thing is to make sure that we stay vigilant on this issue, because it won't go away.

Mr. SHAYS. Thank you.

Mr. White.

Mr. WHITE. I would say the most important thing we can do is bring the multiple government agencies down into one manageable unit. And I think the Department of Homeland Security are——

Mr. SHAYS. What is the biggest challenge?

Mr. WHITE. Dry box container, to figure out what is inside it.

Mr. SHAYS. Fair enough.

Mr. Tims.

Mr. TIMS. I think the most important thing is centralizing activities associated around homeland security and making sure that in terms with private industry, particularly those like the phosphate industry, can receive some sort of agency funding.

I think probably the most difficult thing to do is to make sure that with all of the wonderful governmental and law enforcement agencies that we have, that we try and streamline things to make it easier for them to move quickly. I think we have a good system here that has served us well.

Mr. SHAYS. Let me move on. Mr. Hindle.

Mr. HINDLE. The most important thing from a trucker's viewpoint is to make sure that all of those 308 drivers satisfactorily pass the fingerprint examination so we don't have the wrong drivers getting into the port to start with.

Mr. SHAYS. Make sure that happens on a timely basis.

Mr. HINDLE. Yes. The most challenging thing is once we do have the system up and running properly is to get the trucks in and out of port on a timely basis, like Gore mentioned earlier.

Mr. SHAYS. Mr. Savage.

Mr. SAVAGE. I would agree with the centralized government concept, but I think it needs to go a step further and develop those deterrents with industry. Nobody knows the cargoes, the terminals, and the personnel issues better than industry. And I think that it should be a concerted effort to develop those things together, but also to make sure, once the solution is given, that you all provide the funding to cover it.

Mr. SHAYS. Two most important things. What is the most difficult thing?

Mr. SAVAGE. I would concur with Mr. White. I think that containers do present a very big problem, and we have to know what is coming in on those things before they get into the interior.

Mr. SHAYS. Thank you.

Ms. Kovack, I didn't have questions for you, but I appreciate your statement. What would be the most difficult and the most challenging?

Mr. KOVACK. I think one of the most challenging is to identify what is reasonable, especially for water access security and for dock security, as far as who is responsible for security guards on the dock.

Mr. SHAYS. And the most important thing?

Mr. KOVACK. Most important thing. I would agree with George Williamson, that funding is what is going to put all of those mandates in place.

Mr. SHAYS. I am prepared to release you.

Do you have a question?

Mr. PUTNAM. Just very quickly, probably for Mr. Savage, because you have given us the most practical advice from the standpoint of a user.

Does it concern you that we have a small airport whose approach and takeoff is several dozen feet above a petroleum tank farm?

Mr. SAVAGE. No.

Mr. PUTNAM. No concern?

Mr. SAVAGE. We have dealt with that. We have Air Force loaded tankers going over the port every day. The amount of explosives that a small plane could deliver would not be a threat to the majority of our hazardous facilities.

Mr. PUTNAM. OK.

Mr. SAVAGE. I don't know that for sure.

Mr. SHAYS. Thank you all. You all have been great. Thank you very much.

We will go to the next panel. We are going to roll. We are taking the second panel right now.

Mr. PUTNAM [presiding]. The subcommittee is ready to welcome our second panel. The second panel is represented by Commissioner Patricia Frank; Commissioner Chris Hart; Mr. Steve Lauer, chief of the Florida Domestic Security Initiatives for the Florida Department of Law Enforcement; and Chief Deputy David Gee with Hillsborough County as well.

We welcome you to the subcommittee. As with the first panel, we will need you to please rise and raise your right hand.

[Witnesses sworn.]

Mr. PUTNAM. Note for the record that the witnesses responded in the affirmative.

As with the first panel, we will do our best to maintain the 5-minute rule, with the 1 minute runoff. And we will begin with you, Ms. Frank. Welcome.

STATEMENTS OF PATRICIA FRANK, COMMISSIONER, HILLSBOROUGH COUNTY, FL; CHRIS HART, COMMISSIONER, HILLSBOROUGH COUNTY, FL; STEVE LAUER, CHIEF, FLORIDA DOMESTIC SECURITY INITIATIVES, FLORIDA DEPARTMENT OF LAW ENFORCEMENT; AND CHIEF DEPUTY DAVID GEE, HILLSBOROUGH COUNTY, FL

Ms. FRANK. Thank you very much, Chairman Shays, Vice Chairman Putnam, and I know my Congressman Jim Davis was here

earlier. We do appreciate your being in our county, and it is an honor to have been invited to speak to you.

When Hillsborough County reached the 1 million population mark in the year 2001, there was cause to celebrate. It marked our leap in a statistical class shared by only 34 other counties in the United States and ranked us as the fourth most populous county in Florida. We hailed the milestone in annual reports and speeches, boasting about our thriving economy, our healthy tax base, desirable community, and attractive destinations. Then came September 11th.

Several months ago, in anticipation that Federal antiterrorism funding will work its way to local governments, I, as chairman of the Emergency Policy Group and chairman of the Board of County Commissioners, convened an interagency meeting to assess the needs, the security needs and priorities of local law enforcement, rescue agencies, hospitals, the aviation authority, and, of course, the port authority.

I have given a copy of that report to Chairman Shays, and if the other members of the committee would like it, we would be happy to furnish it.

With startling clarity, we have come to realize that many of the very assets we trumpeted, including a centrally located metropolitan area served by three interstates, 75 miles of shoreline, the largest seaport in the State, and MacDill Air Force Base, are also our greatest vulnerabilities.

Through the testimony of previous speakers, you now have a clear idea of the size and importance of the Port of Tampa. The numbers are impressive. The port is a major economic engine in west central Florida, impacting 93,000 jobs and accounting for an economic impact of $10.6 billion.

As you have heard, Tampa handled more than 47 million net tons last year, as much tonnage as all of the other 13 deepwater ports in Florida combined. The port is also becoming a major player in the cruise market, handling more than 500,000 passengers in 2001. Clearly any action that would partially or fully disrupt normal operations at the Port of Tampa would be disastrous, but to stop at these statistics would paint only a partial picture.

The Port of Tampa is not a microcosm, but is part of a much larger community that could be dramatically affected by the seconds that it takes for terrorists to attack. Consider the big picture, if you will. The Port of Tamps rings the eastern boundary of downtown Tampa. Within downtown's 750 acres are 6.5 million square feet of office space in buildings as tall as 43 stories, 51,000 workers, the convention center, and 2,400 hotel rooms. The main administrative headquarters for Hillsborough County and the city of Tampa governments are located downtown, as well as the courts of the 13th Judicial District, the U.S. District Court for the Middle District of Florida and other Federal offices.

Rounding out the landscape are the four-theater performing arts center, the 21,000-seat Ice Palace, the port's headquarters, the cruise terminals, a brand new shopping district, and, adjacent to this building, the Florida Aquarium, which hosted 600,000 visitors last year.

Separated from the port by a mere channel's distance are the residential communities of Harbour Island and Davis Island. On Davis Island is located the sprawling Tampa General Hospital, a Level 1 trauma center. Nearby are the densely populated neighborhoods of South Tampa. Within approximately a 1-mile radius of the port are approximately 4,100 businesses employing some 112,500 people.

Now consider this: By volume, more than 50 percent of the hazardous materials that enter or leave the State of Florida are handled through the Port of Tampa. The port is one of the largest exporters of phosphate in the world, and the top foreign import last year was ammonia, used in processing that phosphate.

A 1995 study by the local emergency planning committee modeled what could happen in the event of a catastrophic release from the 75-million-gallon CF Industries' anhydrous ammonia storage tank located in the center of Hooker's Point. Their projection: At least 20,000 people would be impacted in the immediate adjacent areas of Palmetto Beach, Harbour Island, Davis Island and other communities. Within the study's 10-mile vulnerability zone, some 200,000 people could be impacted. Even with a state-of-the-art warning system, many of these people would have little or no notice of the disaster. The human toll could be incomprehensible.

Ironically, because of its proximity to the port, Tampa General Hospital, one of the hospitals most equipped to handle the casualties, would be locked down in such an event. Depending on the wind and other weather conditions, an ammonia cloud could dissipate in just a few hours.

But what about an event that could render buildings, businesses, and other operations near the port unusable for days, even weeks? Based on studies and historical data, we can project the impact on those 4,100 businesses within the 1-mile radius of the port would be up to $68 million in lost payroll in just 1 week's time, and that doesn't begin to touch lost productivity. It is not unreasonable to expect that some businesses could not survive the disruption. Some employers, including county government, have alternate relocation plans. Even so, implementing those plans could be difficult.

I think you have received a copy of my comments. I know my time is over, but what I am trying to say to you is that we have a potentially very disastrous situation here without Federal funding to assist us in equipping this community for anything that could happen. We could be extremely vulnerable, and it would be a very unhappy scene. Thank you.

Mr. PUTNAM. Thank you, Commissioner Frank. We appreciate your needs assessment for Hillsborough County. And without objection, we will enter it into the record at this point. Thank you.

[The prepared statement of Ms. Frank follows:]

Testimony of Commissioner Pat Frank

Chairman, Hillsborough County Board of County Commissioners

Secretary/Treasurer, Tampa Port Authority governing board

For presentation to the House Subcommittee on National Security,

Veterans Affairs and International Relations

August 5, 2002

Field Hearing – Tampa, Florida

"Homeland Security: Facilitating Trade and Securing Seaports"

Thank you, Mr. Chairman, Congressman Putnam and other members of the subcommittee. It is my pleasure to welcome you to Hillsborough County, and it is indeed an honor to have been invited to speak to you today on behalf of county government.

When Hillsborough County reached the 1 million population mark in 2001, there was cause to celebrate. It marked our leap into a statistical class shared by only 34 other counties in the United States, and ranked us as the fourth most populous county in Florida. We hailed the milestone in annual reports and speeches, boasting about our thriving economy, our healthy tax base, desirable community and attractive destinations.

Then came September 11. Some months ago, in anticipation that federal anti-terrorism funding will work its way to local governments, Hillsborough County launched a collaborative effort to compile the security needs and priorities of local law enforcement, rescue agencies, hospitals, the Aviation Authority, and of course, the Port Authority. With startling clarity, we have come to realize that many of the very assets we trumpet - including a centrally located metropolitan area served by three interstates, 75 miles of shoreline, the largest seaport in the state, and MacDill Air Force Base – also are our greatest

vulnerabilities.

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But to stop at these statistics would paint only a partial picture. The Port of Tampa is not a microcosm. It is part of a much larger community that could be dramatically affected in the seconds it takes for terrorists to attack.

Consider the big picture:

The Port of Tampa frames the eastern boundary of downtown Tampa. Within downtown's 760 acres are 6.5 million square feet of office space in buildings as tall as 42 stories, 51,000 workers, the Tampa Convention Center and 2,400 hotel rooms. The main administrative headquarters for Hillsborough County and City of Tampa governments are located downtown, as well as the courts of the 13th Judicial Circuit, the U.S. District Court for the Middle District of Florida, and other federal offices. Rounding out the landscape are the four-theater Performing Arts Center, the 21,000-seat Ice Palace, the port's headquarters, cruise terminals, a brand new shopping district, and, adjacent to this building, the Florida Aquarium, which hosted 600,000 visitors last year.

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Depending on the wind and other weather conditions, an ammonia cloud could dissipate in just a few hours. But what about an event that could render buildings, businesses, and other operations near the port, unusable for days, even weeks? Based on studies and historical data, we can project the impact on those 4,100 businesses within the one-mile radius of the port would be up to $68 million in lost payroll in just one week's time – and that doesn't begin to touch lost productivity. It is not unreasonable to expect that some businesses could not survive the disruption. Some employers, including county government, have alternate relocation plans. Even so, implementing those plans comes with a price tag, both for the physical move and lost productivity.

Even so, it wouldn't take a catastrophic event involving hazardous materials to create economic and service delivery havoc across Central Florida and beyond. A freighter attacked and sunk in a strategic location could disrupt operations at the port for weeks. Imagine the effect on a region that depends upon the port for the delivery of jet fuel to Tampa International Airport, for petroleum and other products that meet most of our energy needs, and for the delivery of vital products used in manufacturing.

Is this the stuff of fantasy and Hollywood movies? We might have thought so once - before September 11.

That awful day also reinforced the message that, in any emergency situation, most of the law enforcement officers, rescue workers and other first responders will come from city and county government. A large-scale attack with a long recovery process would severely

deplete local resources and budgets. Nor can we dismiss the possible long-term effect a terrorist attack could have on this area's business image within corporate America and international markets. In sum, without adequate security measures and protections, one of our community's most valuable assets could become a potential liability that could deteriorate our burgeoning economy, damage logistics for the delivery of invaluable cargoes, and undermine our ability to attract future domestic business and international trade.

The protection of our nation's seaports is paramount. Hillsborough County is not alone in these scenarios. Every city in the United States in which a seaport plays an integral role would suffer similar consequences. Hillsborough County's Sheriff, Cal Henderson, co-chairs the Florida Department of Law Enforcement's Region 7 Domestic Security Task Force. In his opinion, the acquisition of communications and data-sharing technology is our community's most important homeland security need. Such technology is critical for the storing and sharing of intelligence information that could be used to prevent, respond to and investigate terrorist action.

As I mentioned earlier, our first responder agencies already are collaborating on seeking funding for this and other needs. But we cannot do it alone. We need your help. Mr. Chairman, members of the committee, I urge you to take whatever steps are reasonable and necessary to help us safeguard the security of our port, the stability of our economy, and the safety of our most valuable asset of all – our citizens.

Thank you for the opportunity to speak.

Mr. PUTNAM. Commissioner Hart, you are recognized. Welcome to the subcommittee.

Mr. HART. Good afternoon, Representative Putnam, and Mr. Chairman and Representative Davis. Thank you for being here today and offering me the opportunity to testify before your committee.

I am elected at large to represent the people in Hillsborough County and residents of our three cities of Tampa, Plant City, and Temple Terrace. I wanted to thank you for being here today, because since the events of September 11th, I know that I have testified before a number of congressional committees regarding both transportation and homeland security not only affecting my community, but also America's deeply held concerns, in my role of the leadership of the National Association of Counties. However, today I am most appreciative that you have taken the time to host this meeting at the Port of Tampa specifically on port security, clearly because the port has a major impact on our community's economy and the Tampa Bay region as well.

Since the horrific events of September 11th, I have served on a Homeland Security Task Force in Washington, DC. In this capacity I work closely with Governor Tom Ridge, Transportation Secretary Norm Mineta, other Cabinet members and Members of Congress in addressing both emergency actions, legislation and funding for local and national-level security concerns dealing with terrorism, transportation, and the public safety.

Mr. Chairman, I would like to focus my remarks on one primary area, the role that county government plays in management of security and actions taken to enhance seaport security.

Hillsborough County has developed an integrated strategy. In fact, our Chair, Commissioner Pat Frank, has provided that to you, so we will be a little bit redundant in this regard. But we have developed an integrated strategy in collaboration with our three cities, the school board, the State's public health department, all public and private hospitals, the regional water supply authority, sea, air and ground transportation organizations, and most assuredly including all first responders, and MacDill Air Force Base to include and address the extensive security needs of our area.

We estimate the hard cost impact conservatively here in port at $17 million. The Port of Tampa is one of the most critical elements. I have attached a copy of Hillsborough County's needs assessment for your review. I would suggest that it can be a useful guide or model for other communities in America.

Now, one final recommendation for your consideration. The U.S. Department of Transportation has an Aviation Security Advisory Subcommittee consisting of business and governmental leaders appointed by the Secretary of Transportation. It is my considered judgment that Congress should strongly consider creating a transportation security advisory committee that would include maritime and port security as a key component, as well as addressing the need for an intermodal approach to security. The members of this public-private committee could be appointed by either the Secretary of Transportation or by the President of the United States. Its specific charge would be to make transportation security recommendations to the President and to Congress.

Mr. Chairman, this concludes my testimony. Thank you and your committee for this opportunity to testify before you today. I look forward to your questions.

Mr. PUTNAM. Thank you very much, Commissioner.

Mr. Lauer.

Mr. LAUER. Thank you, Mr. Chairman. Representative Shays, Mr. Davis, it is a pleasure to be here today on behalf of Governor Bush, and also on behalf of Commissioner Tim Moore of the Florida Department of Law Enforcement. It is a great privilege to have you here and to thank you personally for the efforts you have taken in supporting Florida in our approach to securing our seaports.

My actual involvement in this began back about 1999 when I retired from the Marines Corps and came to the State of Florida. I was privileged to work as the deputy to the—in the Office of Drug Control, and was one of the individuals who was responsible to move this Seaport Security Act that Florida passed through the legislature. Subsequently, I moved to the Department of Law Enforcement, where I actually conducted with a team of individuals the assessment, the initial assessment under that law for each of our public seaports.

On November 27th of last year, I was appointed to my current position as the Chief of Domestic Security Initiatives for Florida. And so my background kind of leads me to want to discuss with you a lot about the Port of Tampa, which is very critical to the State of Florida.

Let me speak for a moment about the State of Florida. Of course the Florida Department of Law Enforcement is not in the business of seaports and commerce, but the impact of Florida's seaports is enormous: $47.6 billion in trade in 2000, 64.5 percent of Florida's entire international trade, $3 billion in direct expenditures in cruises, from the cruise industry, 11.8 million passengers, 15 cruise lines; the three largest cruise seaports in the world, 2.5 million shipping containers, 265,000 jobs statewide.

Florida's seaports deserve to be protected. The Seaport Security Act which came into effect on July 1, 2001, was the first effort to do that, in fact the first act to mandate minimum security standards in the ports, and they are minimum security standards.

We conducted the assessments of each of the ports according to that law in the fall of 2001, immediately following the attacks on September 11th. The initial impetus to protect our seaports was against drug smuggling and against cargo theft. 50 percent, in 2000, of all of the cocaine coming into the United States came through Florida seaports. That is an enormous figure and requires protection.

That connection to narcotics, as I will mention in a moment, continues in this respect. Under domestic security, Governor Bush demanded and we immediately undertook the creation of a domestic security strategy that encompassed a holistic view of the entire State of Florida. Seaports are an integral part of that. Governor Bush created seven regional domestic security task forces. There is one here in Tampa, which Commissioner Moore as the Crisis Manager will execute that responsibility.

Under domestic security we view two primary areas of threat or vulnerability in our seaports. The first are those things that are on

the seaport, that are vulnerable. We consider the cruise terminals and the cruise vessels to be first and our hazardous materials storage to be second in that effort. We believe that the measures that have been taken to date, in particular the protection of those particular high value assets, have been significant and correct.

Our partnership with the Coast Guard in the protection of the cruise vessels is particularly important because you see there a true partnership between the Coast Guard responsibility on the seaside and our responsibility in the State on the land side. That coordination and cooperation has created we believe the safest cruise industry in the world.

The second area of vulnerability is that of pass-through, the things that pass through our seaports. This area we believe is a primary concern for ours because of the ability of people who want to do harm to the United States to use existing smuggling networks, smuggling organizations to move things through Florida, and these are things that we know have—in Colombia as an example that have connections to terrorists, to terrorism, the ability of them to use or others to use these existing networks that exist today across the State of Florida and have been in existence roughly 30 years. That is a vulnerability and a key that we would like to see assistance from the Federal Government.

We are particularly concerned with our ability to work with you, our Federal partners, concerned in this sense. We are doing a great job at the local level, at the Seaport Security Committee you have heard discussed here today. We are doing great work, but gaps exist. We strongly support the creation and development of a Department of Homeland Security as a means to better coordinate all of those efforts on the seaport.

You will hear again after this panel multiple Federal agencies that are responsible. I would like to leave you with this thought. Seaport security in the State of Florida is local security. The background against which all of our Federal partners work on our seaports is against local security measures taken by a seaport for local guards, for cameras, for gates, for access control, for badges, for background checks of local police officials, uniformed officers, all paid for by the revenues from that seaport or by the citizens of that community, and the creation of that department and its integration in the sharing of information across these requirements is critical to our success.

I want to thank you for all that you have done, the support that Congress has given to us, particularly the award of the $19.2 million for our seaport in recognition of the significant efforts that Florida has taken, and look forward to working with you in partnership. Thank you.

[The prepared statement of Mr. Lauer follows:]

TESTIMONY OF G. STEPHEN LAUER

BEFORE THE SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS

COMMITTEE ON GOVERNMENT REFORM

G. STEPHEN LAUER

Chief, Florida Domestic Security Initiatives

Florida Department of Law Enforcement

Monday, August 5, 2002

Tampa, Florida

Good Afternoon. It is a great pleasure and honor to testify today before Chairman ~~Christopher~~ Shays and the honored members of ~~the~~ this Subcommittee. ~~on National Security, Veterans Affairs, and International Relations.~~ On behalf of Florida Governor Jeb Bush and Commissioner Tim Moore of the Florida Department of Law Enforcement, and our other state and local leaders welcome to Florida and thank you. ~~involved in our combined efforts to secure our seaports from the threat of terrorism, I am~~We are most appreciative of the national leadership ~~Congressman Shaw and~~ the members of ~~the~~ this Subcommittee have given to the~~se~~ important issues before us today. ~~I thank you for your time and attention and the opportunity to meet with you.~~

Today I will address the state of security in Florida's public and private seaports and their vulnerabilities in terms of terrorism and other criminal activity. Further, I will address the steps Florida has taken to recognize and counter these vulnerabilities and the challenges we face in balancing the need for security and the enormous economic impact of these ports on Florida's economy.

Background:

In terms of both geography and demography, Florida has a number of features that make it vulnerable and attractive as a potential area of operations for terrorists. These

include approximately 1,350 miles of largely unprotected continental coastline and the Florida Keys archipelago, a well-developed transportation infrastructure and a diverse ethnic population that has economic and cultural ties to countries throughout the world. ~

~~The issue of seaport~~ Seaport security is a daunting and complex issue.~~security is of daunting complexity.~~ This ~~assessment~~ statement would no doubt hold true for any coastline state having deepwater seaports. ~~Most~~ While most states have only one or two deepwater seaports, ~~or possibly three.~~ Florida~~, however,~~ has *fourteen* public deepwater seaports. In addition, our coastline is ~~dotted~~ inundated with hundreds of smaller, privately owned commercial marinas and ports engaged in intra-state, ~~as well as~~ interstate and international business enterprises. Florida is home to four of the twenty busiest container ports in the nation~~,~~ and the top three cruise ship ports in the world. The exceptionally complex inter-modal transport system within which these ports operate must be ~~These ports operate within an exceptionally complex inter-modal transport system that must be fully~~ taken into account when addressing vulnerabilities to terrorism. Florida enjoys a vibrant and growing economic benefit from these ports of entry. Ensuring both the security and the continued commercial growth and prosperity of our maritime ports ~~even as we better secure~~ is ~~of~~ a primary concern ~~to~~ of the citizens of Florida.

-

The diversity of issues within each port only adds ~~Adding~~ to the challenge of enhancing overall seaport security. ~~securing Florida's seaports is the noteworthy diversity from port to port.~~ Each seaport is quite different from the others in terms of the parameters of the ports' establishing charter ~~of the port~~, governance, organizational structure, geography, law enforcement support, labor base, funding mechanisms, and commercial operations. Some seaports provide a full range of cargo and cruise operations~~.~~, while ~~Others~~ others offer only specific types of cargo and/or cruise operations. Such diversity ~~may well be regarded as~~is a key contributor to the state's overall economic posture~~,~~. Nevertheless, ~~but~~ it also significantly complicates efforts to standardize security preparedness across all fourteen deepwater seaports in the state.

The economic impact of Florida's seaport trade is enormous. ~~as the following figures indicate.~~

- Total waterborne trade equaled $47.6 billion in 2000, representing 64.5% of Florida's entire international trade.
- Florida's cruise industry accounts for $3 billion in direct expenditures, with 11.8 million passengers in 2001~~, and~~.
- 15 cruise lines make Florida home to their corporate or administrative offices.

- The Ports of Miami-Dade, Everglades, and Canaveral are the top three cruise seaports in the world.
- 2.5 million shipping containers pass through Florida's seaports each year.
- Nearly 265,000 jobs statewide are generated from seaport initiatives.
- Florida's seaports generated $836.2 million in state and local taxes in 1999.

Security of Florida's seaports is vital to protecting these extraordinary economic engines. ~~To that end, and in recognition of the importance of the seaports to Florida's economic future, Florida has undertaken unique and powerful initiatives to protect the seaports.~~

Security Background

Recognizing the importance of these seaports to Florida's economic future, Governor Bush has undertaken unique and powerful initiatives to protect the seaports. ~~Prior to September 11, 2001,~~ Florida was ~~became~~ the first State to pass a comprehensive seaport security law~~,~~ well before the tragic events of September 11, 2001. Effective July 1, 2001, Florida Statutes ~~(F.S.) 311.12 that~~ mandated minimum-security standards for all 14 public deepwater seaports. The genesis of this law lay in the increasing awareness and realization of the impact of the movement of illegal narcotics through Florida's seaports. In 2000, 50% of the cocaine imported into the United States moved through Florida. This amounted to an estimated 150 to 200 metric tons of cocaine – primarily through our seaports. ~~Estimated in 2000 at between 150-200 metric tons, the international movement of cocaine into Florida, primarily through the seaports, represented nearly 50% of the national importation of cocaine through a single state.~~ Governor ~~Jeb~~ Bush and the Florida Legislature ~~passed into law, effective July 1, 2001,~~ enacted the Seaport Security Act~~. The intent of the law was~~ designed to diminish the vulnerability of Florida's seaports to criminal activity conducted both on, and ~~through~~ in the vicinity of, the seaports. Crime prevention and deterrence efforts, through the presence of sworn, uniformed officers, were believed to be central to changing the working environment on the seaports.

Fundamental features of this new law include~~d~~ the following:

- Permanent law enforcement presence on Florida's Tier One seaports: Miami-Dade, Everglades, Canaveral, Tampa, and Jacksonville

- Fingerprint background checks for all employees of the seaports and all tenants, including truck drivers, with access to restricted ~~access~~ areas such as docks, fuel storage areas, cargo storage areas, and cruise terminals

- Employment restrictions on those employees or applicants ~~for employment~~ whose backgrounds included specific felony criminal histories

- Access control in the form of picture ID badges, issued based upon a fingerprint background check, and entry requirements for visitors

- Physical infrastructure minimum standards for gates, fences, lighting, and closed circuit television systems

- The development of seaport security plans that combine the operational requirements for security, with the inclusion of physical infrastructure standards, and the integration of sworn, uniformed officer presence

- The creation of seaport security committees with membership from federal, state, and local law enforcement, as well as seaport security, tenants and other port users

- The requirement for annual unannounced security inspections by the Florida Department of Law Enforcement and the reporting of the results of these inspections, for compliance purposes, to the Governor~~,~~ and the leadership of the State Legislature.~~President of the Senate, and the Speaker of the House~~

Inspections of the seaports, as required by law, were originally scheduled to begin in~~began during~~ September 2001.~~, and while this coincided with the terror attacks of September 11, 2001, these inspections had been planned prior to the attack.~~ The terror attacks only confirmed the premise that seaport security must be taken seriously. Results of these initial inspections found only a single port, Port Canaveral, in substantial compliance with the law in both its security plan and its physical infrastructure. As of today, the security plans for all 12 currently active public seaports have been found to be in compliance~~, and~~. T~~t~~he seaports are now awaiting~~await~~ the next round of annual inspections for determination of substantial compliance as required by the law.

Demonstrating its commitment to the security of our seaports, the Florida Legislature approved Governor Bush's request in 2001 for an additional $7 million in funding for physical security infrastructure improvements on the public seaports. ~~Funding indicators following the terror attacks of September 11, 2001, follows later in this document.~~ Florida's seaports have made extraordinary progress in moving forward with the requirements of the new law and we look forward to ~~continuing~~ continued improvement~~s~~ as ~~more~~ additional federal funding ~~comes on line~~is authorized.

Security Following the Terror Attacks of September 11, 2001

Within a few weeks of the attacks, Florida moved quickly under the leadership of Governor ~~Jeb~~ Bush, developing an initial strategy for Domestic Security. ~~within a few weeks of the attacks.~~ During the Special Session of the Florida Legislature, additional new laws were passed designating the Commissioner of the Florida Department of Law Enforcement, Tim Moore, as Crisis Manager in the event of another terrorist ~~attack~~ attack. Likewise, the Director ~~and establishing the role~~ of the Division of Emergency Management, ~~under Director~~ Craig Fugate, assumed responsibility ~~as responsible~~ for Consequence Management. ~~in the event of terror attack.~~ Measures passed during the Special Session included initial state funding and spending authority as well as new laws that included modifications to the release of security-related information under Florida's Government in the Sunshine statutes. In addition, the new law established seven Regional Domestic Security Task Forces as the means through which Commissioner Moore would lead the initial response to a terrorist attack.

Also ~~I~~included in these new measures was the creation of a Counter-Terror Intelligence Center and Counter-Terror Intelligence Database in the Office of Statewide Intelligence in the Florida Department of Law Enforcement. ~~The importance of information sharing in the prevention of another terror attack cannot be overstated, and the~~ The formation of these counter-terror elements within the Florida State government underscores the seriousness with which Florida approaches the primacy of preventing an attack. To further demonstrate this concern, Florida was the site of a unique gathering of the leaders of all our federal intelligence services to address issues related to the sharing of investigative and intelligence information between the federal government and state and local jurisdictions. *The importance of information sharing in the prevention of another terrorist attack cannot be overstated.*

Immediately following ~~the~~ a request by the federal government, the Florida National Guard deployed over 600 soldiers to enhance security at Florida's 19 commercial airports. ~~in support of these airports efforts to increase security in the air terminals.~~ These soldiers remained on duty until May 31, 2002. In addition, Governor Bush ordered the deployment of 335 Florida National Guard soldiers to assist ~~in~~ the security efforts at our largest cruise and hazardous material storage seaports ~~beginning on~~ between November 9, 2001, and continuing through April 15, 2002. The men and women of the Florida National Guard ~~acted to enhance security as a shield to~~ allowed the security measures at our airports and seaports, particularly cruise terminals, to be brought to the strongest possible level. Since the departure of the Florida National Guard, that ~~That~~ increased level of security has continued with both local security and local ~~uniformed~~ sworn officer presence ~~since the departure of the Florida National Guard~~.

Seaport ~~S~~security ~~at the seaports~~ has remained a primary concern for the seven Regional Domestic Security Task Forces. The synergy that the seven task forces have brought to all aspects of Florida's prevention and response efforts in regards to terrorist attack has been significant and unique. Comprised of Law Enforcement, Public Health and Hospitals, Emergency Management, Fire/Rescue, HazMat, Emergency Medicine Technicians (EMT), as well as ~~Education~~ education and private industry partners, the task forces have ~~brought~~ created a new level of cooperation and understanding across all disciplines charged with the prevention of, and the response to, a terror attack in Florida. Led by ~~a~~ County Sheriffs and ~~a~~ Regional Directors ~~of~~ from the Florida Department of Law Enforcement, the task forces emphasize the unique distinction of a terrorist attack as a crime scene from the traditional response to a natural disaster.

The steps taken in Florida, as outlined above, represent a portion of Florida's ~~very~~ strong response to the attacks of September 11, 2001, and provide the background for Florida's response to the threats and vulnerabilities faced by our seaports. ~~The~~ Our efforts ~~taken by the State of Florida to date~~ have been recognized by the federal government ~~with~~ resulting in the recent award of $19.2 million for seaport security infrastructure improvements. This was the largest state award and stands as ~~proof~~ validation of the significant efforts taken by Florida to improve security at our public seaports.

Threats and Vulnerabilities of Florida's Seaports to Potential Terrorist Attack

Prior to the attacks of September 11, 2001, criminal activity associated ~~to~~ with the seaports was primarily related to drug-trafficking and cargo theft. Today the terrorist risk faced by the seaports ~~in relation to terror~~ falls into two primary categories: the critical infrastructure of the seaport itself and the potential movement of terror-related matériel and personnel disguised as legitimate commercial activity. ~~The first category is the risk to facilities on the seaport itself. This risk breaks down further into the two sub-categories of Hazardous Material Storage and Transportation, and Cruise Vessel and Terminal Security. The second category is the risk associated to the movement of terror supplies, equipment and people being passed through our seaports as part of the commercial enterprise of the seaport.~~

Risk #1: Critical Seaport Infrastructure

The issue of seaport infrastructure applies to security concerns about two of Florida's major seaport activities: hazardous material storage and transportation and cruise vessel/terminal security.

~~**Risk #1- Risk to the seaport**~~

Hazardous Material Storage and Transportation

Located on or adjacent to many of our major seaports are large storage facilities for chemicals such as liquid propane gas (LPG), anhydrous ammonia, chloride, as well as gasoline and jet fuel. These materials are unintended, ready-made weapons of mass destruction. Of further concern is the location of these materials adjacent to large population centers such as ~~in~~ the Port of Tampa and Port Everglades. The vulnerability of these hazardous material facilities on Florida's public seaports has been addressed ~~very directly~~ through Florida law. The presence of these facilities outside the public seaports~~,~~ and their ~~subsequent relative~~ vulnerability is a concern.

The movement of large numbers of tanker trucks and rail tankers poses an additional vulnerability both on and off the seaport. New regulations to create a common method of licensing for tanker truck operators provide a first step in ensuring that these trucks will not be used in a terror attack. Further steps to ensure against the misuse of these trucks may also need to be taken.

Cruise Vessels and Terminals

~~Because of~~Due to the large number of passengers aboard these vessels and their ~~relatively~~ well-known ~~travel~~ transit periods, these vessels and the terminals that support them, offer lucrative potential targets for our enemies. The State of Florida, in partnership with the U.S. Coast Guard, has again taken significant steps to reduce the vulnerability of these vessels and facilities to potential attack. With increased security at the gates of our seaports, the addition of sworn, uniformed officers in each cruise terminal while a ship is docked, and the U.S. Coast Guard terminal inspection process and sea side protection, the cruise vessels and cruise terminals in Florida are uniquely well-protected.

Risk #2:~~–~~ Clandestine Movement of Terror Matériel and People ~~Risk associated to the movement of terror supplies, equipment and people being passed through our seaports on~~

~~container and bulk cargo ships, coastal freighters, recreational boats, tugs, fishing and cruise vessels.~~

The second primary category of risk associated ~~to~~ with the seaports is the potential for ~~the unknown~~ clandestine movement of terror supplies, equipment, and people passing through our seaports. Several key areas of concern ~~for this pass-through~~ occur both on and off our public seaports.

~~It is a~~ A major ~~primary~~ concern is that terrorist organizations have the capability to take advantage of well-known and well-established drug-trafficking ~~patterns~~ networks with long-standing associations and organizations capable of supporting terror aims and operations. These organizations' activities may include ~~concealing~~ money-laundering operations, transportation and distribution of explosives and~~/or~~ hazardous materials, ~~or~~ and illegal entry into the United States.

Large container and bulk cargo vessels have long been a dominant component of the maritime drug smuggling threat. This threat is particularly acute in those port facilities outside Florida's public seaports, not regularly patrolled by uniformed officers. ~~In particular, uniformed officers do not regularly patrol private port facilities outside Florida's public seaports. In the cases of both public and private seaports ample~~ Ample opportunity to smuggle matériel and people exists in these non-monitored seaports. ~~, and this smuggling may just as easily apply to explosives or other terror related materials.~~

Coastal freighters are numerous in Florida's ports and often operate from isolated piers and areas away from those patrolled by uniformed officers on our public ports. The isolation of these piers lends itself to an increased vulnerability to use by terror organizations. Recent law enforcement operations on the Miami River have clearly ~~demonstrated~~ proven the susceptibility of these non-monitored dockage facilities and their coastal freighter counterparts to widespread narcotics trafficking and other illicit behavior. We must assume that these weaknesses are as well known to terrorists as they are to the criminal organizations currently exploiting them. ~~use of these vessels in the drug smuggling trade and have also demonstrated the impact a sustained enforcement effort can have on reducing that vulnerability.~~

The fishing industry in Florida is another potential source of terrorist infiltration. ~~area of vulnerability.~~ Again, operating largely away from our public seaports, the potential for smuggling of terror related materials is significant as evidenced by the ~~and related again to the~~ ease with which drug smuggling has historically been ~~can also be~~ conducted.

Private vessels, tugs, offshore supply vessels and other coastal traffic vessels pose a similar vulnerability due to the widely dispersed nature of the many marinas and small isolated piers available for mooring and operations. Recently increased seizures in the Caribbean and the Bahamas as well as greatly increased seizures in Florida in the past year have seen the rise of the use of smaller "go-fast" boat operations to take advantage of the dispersal of these smaller marinas and the 1,300 miles of Florida's coastline.

~~Finally, t~~There has been a rise in ~~cruise vessel~~ individual passenger drug seizures aboard cruise vessels. ~~from individual passengers.~~ With 11.8 million passengers in the past year, Florida is particularly vulnerable to this dispersed form of smuggling. Again, drug smuggling is a sure indicator of potential avenues for terror related smuggling.

The ~~pass through nature~~volume of smuggling through Florida's ports and the well-established nature of the organizations involved ~~in drug smuggling,~~ this criminal activity, some of which have been linked to terrorist organizations in Latin America, make this a primary area of concern. In particular, these vulnerabilities underscore the need for coordinated action by all enforcement agencies involved in the protection of commercial activity on the seaports. *The integration of operations and intelligence across all federal, state, and local enforcement agencies is critical to lessening our vulnerability.*

Challenges to Implementing Enhanced Security ~~in the Implementation of Security~~ at Florida's Seaports

The effective integration of federal, state, and local enforcement activities is the primary challenge for security measures on Florida's seaports is. While examples are numerous of the close and continuous cooperation of multi-agency cooperation and coordination at the local level, particularly in support of various task forces, closing the gaps among agencies is a primary goal of the State of Florida. To that end, we ~~in Florida~~ strongly support the creation of the Department of Homeland Security as a single entity to comprise the U.S. Coast Guard, the Customs Service, the Immigration and Naturalization Service, and the Border Patrol. The integration of these separate agencies' efforts under a single directive authority will create the enormous synergy necessary to effect real ~~change~~ cooperation in our seaport security efforts. The close working relationships we have developed with our federal law enforcement partners will be significantly enhanced with the creation of the Department of Homeland Security through the integration of our primary border control agencies.

~~We have~~Certain indicators suggest that we are being successful today in detecting and deterring activities with potential terrorist implications. During October 2001, uniformed Hillsborough County officers providing security at a cruise terminal at the Port of Tampa confronted two individuals making videotape of the cruise terminal. These individuals were subsequently detained by the INS on immigration violations. As late as two weeks ago a similar event occurred at Port Canaveral.

Drug ~~S~~seizures are ~~up~~ on the rise throughout the State of Florida, the Caribbean and the Bahamas. The measures we are taking to secure our Florida ports are working to create a safer work environment for our port and tenant employees. Likewise, these efforts are ~~and~~ ensuring the safety and security of our cruise vessels and passengers. Our measures have been strong and effective. However, some areas of concern remain.

~~It is significant to note that seaport security is essentially local security. Our federal enforcement partners conduct their activities against the background of a seaport secured by local security and local sworn, uniformed officers. This security is paid for by the citizens of that community and by the revenues generated by the seaport. In contrast, the federal government pays for the presence of local law enforcement officials engaged in security activities at Florida's 19 FAA controlled commercial airports. Given the importance of out seaports, a similar federal security funding mechanism may be an important component of any plan to sustain the effort by local and state governments to protect our nation's seaports.~~

~~While Florida has been effective at creating a secure workplace on our public seaports, these measures do not apply to our private marinas and terminals across our enormous coastline. Federal measures and standards would be welcome to ensure first that all public seaports maintain the same security standard, ensuring competitive commercial activity across all public seaports. Second, create applicable federal standards, as appropriate, to our private ports and marinas. We look to the federal government to continue to fund the efforts we have begun here in Florida and to provide the fullest possible funding to secure our seaports. We offer our Florida law as a standard for incorporation across the nation as a model and example for what can be done with the will to make a difference.~~

~~The problem of terror crosses many jurisdictional boundaries. We look forward especially to the creation of the Department of Homeland Security, and ultimately to a better coordinated and even more effective deterrent to terrorism and to those who would plan to use the freedom we cherish to attack our institutions and our people.~~

While Florida has been effective at creating a secure workplace on our public seaports, these measures do not apply to ~~our~~ the private marinas and terminals ~~across~~ along our enormous coastline. ~~Federal~~ Minimum federal ~~measures and~~ standards would be welcomed to ensure ~~first~~ that all public seaports maintain the same minimal security standards~~,~~ - thereby ensuring competitive commercial activity across all U.S. public

seaports. We also advocate that the federal government and the State of Florida jointly review the potential vulnerability posed by the absence of minimum security standards at ~~out~~ our private ports and marinas. We look to the federal government to continue to fund the efforts we have begun here in Florida and to provide the fullest possible funding to secure our seaports. We offer our Florida law as a standard ~~for incorporation across the nation as a~~ model and example ~~for~~ of what can be ~~done~~ accomplished with the will to make a difference.

The problem of terrorism crosses many jurisdictional boundaries. We look forward ~~especially~~ to the creation of the Department of Homeland Security~~,~~ and ultimately to a ~~better coordinated~~better-coordinated and even more effective deterrent ~~to terrorism and~~ to those who would plan to use the freedom we cherish to attack our institutions and our people.

Mr. PUTNAM. Thank you very much, Mr. Lauer. Looking forward to your answers to several of our questions, and we certainly appreciate the work that have you done on this. Obviously you are a pioneer in seaport security with regard to the drug and narcotics level, but certainly has other benefits as well.

You are recognized. Welcome to the subcommittee.

Mr. GEE. Good afternoon, Chairman Shays and subcommittee members. Thank you for the opportunity to speak to you today about protecting the Port of Tampa from terrorist attacks. For the purposes of this open hearing, I have restricted my testimony, both written and verbal, to general concerns about port security. Specific threat assessment information, which includes data unique to the Port of Tampa, has been compiled by our staff and can be provided to you at a later time should you request it.

The Hillsborough County Sheriff's Office employs over 2,800 people and provides service for more than 666,000 residents of unincorporated Hillsborough County. The agency is responsible for a jurisdiction of over 900 square miles. It is ranked the eighth largest suburban county law enforcement agency force staff in the Nation.

Since the terrorist tacks of September 11, 2001, the agency has redirected substantial resources to provide improved security to the Port of Tampa and also Tampa International Airport.

In July 2002, through contract with the Port of Tampa, a 16-deputy Security Unit was deployed to the port. This unit of specially trained sheriff's deputies provided 24-hour enforcement services to areas of the port under the control of the Tampa Port Authority.

In addition to the 16 deputies assigned as a land-based port Security Unit, this agency has redeployed eight deputies into waterborne patrol assignment. These eight deputies, which represent more than 60 percent of our Marine Unit, provide 24-hour patrolled waters surrounding Tampa Bay in the Port of Tampa, and assist the U.S. Coast Guard with enforcement of restrictions placed on dock and vessel access. Although greatly improving patrol and security of county waterways, redeployment of personnel into domestic security assignments negatively impacts the number of deputies available to respond to calls for service.

To further support these deployments to the Port of Tampa, this agency has allocated up to 13 additional deputies at a time to full-time homeland security assignments. These deputies conduct security assignments, attend intelligence and security briefings, present domestic security programs to the community, and provide increased antiterrorism investigative services and support to Federal and local and State agencies.

In addition to personnel redeployment, we have redirected other resources to provide improved port security. After September 11th, the Sheriff's Aviation Unit began routine flyovers of port properties. Additionally, the Sheriff's Office purchased an additional helicopter which when delivered will be equipped with a gyrocamera remote surveillance system to provide real-time surveillance for port and other locations.

We are in the process of obtaining specialized emergency response equipment and a new automated fingerprint identification system through State and Federal grants. This system will allow

Federal and local agencies to rapidly ascertain the identity of persons arrested at the port and throughout Hillsborough County.

In order to continue assisting the U.S. Coast Guard with 24-hour patrols, we are working to purchase two new dedicated port security vessels. In addition to the law enforcement personnel, interagency cooperation is essential to the war on terrorism. Through these collaborations with others, our law enforcement agencies work together to establish effective terrorism prevention and response strategies.

I would like to end my remarks today by addressing the challenges that Hillsborough County faces in planning for and implementing Port of Tampa security enhancement measures. Securing the port's large and diverse perimeter from unauthorized penetration is one of Hillsborough County's greatest domestic security challenges. As we all know, no terrorist operation is successful without outside assistance.

The Port of Tampa was designed long before anyone envisioned the need for security requirements that we are discussing today. Prior to the events of September, all of the port's main access roads were completely unmonitored and open to the public.

As detailed in my agency's written testimony, the port has substantial and varied points of entry via land, water and sea and air. Securing the port's many avenues of access and monitoring and controlling its flow of operations is an extremely formidable undertaking. Although there have been significant improvements to port security, there are three areas that substantial resources must continue to be redirected: Local law enforcement personnel, communications and information systems technology, and multiagency planning and training. It is essential that my agency be able to hire additional deputies if we are going to be able to devote adequate manpower to terrorist prevention and response initiatives while at the same time providing basic public safety services to Hillsborough County's residents.

Beyond personnel, the events of September 11th make clear that communications, sharing information, and coordination of response activities are essential to effective crisis management. Within Hillsborough County, Federal funding is needed to establish reliable, effective information sharing systems, and to facilitate ongoing multiagency planning and training exercises.

Only through adequate staffing, effective information sharing, and expanded training can Hillsborough County's emergency management and response agencies prevent or minimize the large scale loss of life and property which can conceivably result from a terrorist attack on the Port of Tampa.

Chairman Shays and members of the committee, it has been my pleasure to speak to you today. I thank you on behalf of Sheriff Henderson, who is out of town, and look forward to working with you in any matters of national security.

[The prepared statement of Mr. Gee follows:]

Statement of Chief Deputy David A. Gee

Hillsborough County Sheriff's Office, Tampa, FL.

Before the U.S. House of Representatives Subcommittee on

National Security, Veterans Affairs, and International Relations

Testimony on "Homeland Security: Facilitating Trade and Securing Seaports"

August 5, 2002

Good afternoon, Chairman Shays, and subcommittee members. I am Chief Deputy David Gee of the Hillsborough County Sheriff's Office. I understand that this subcommittee's focus today is to examine and assess efforts to secure the Port of Tampa from terrorist attack. Thank you for the opportunity to speak to you about the Hillsborough County Sheriff's Office's local domestic security concerns, and actions that this agency has taken to date to secure the Port of Tampa. For the purposes of today's open hearing, I will restrict my remarks to general concerns about Port security. However, more specific information has been compiled by Sheriff's Office staff and can be provided to you at a later time, if you so request.

Hillsborough County

Hillsborough County has many unique characteristics that could place it at risk for terrorist attack. The County is home to MacDill Air Force Base, the headquarters for Central Command for "Operation Enduring Freedom." Hillsborough County's Tampa International Airport is ranked one of the nation's busiest airports, having ferried 15.9 million passengers last year. The County is home to the Port of Tampa, which is one of the

nation's largest cargo ports, and is Florida's busiest seaport. The County boasts many major tourist attractions and a first-class convention center, which hosts dozens of major events and conferences by national and international organizations each year. The Florida State Fair and the renowned "Plant City Strawberry Festival" attract close to two million visitors each year. Several large colleges and universities, professional sports teams, and a thriving agricultural industry operate within the County. In 2001, Hillsborough County had 15.7 million visitors, and reached a population of 1 million, marking its leap into a statistical class shared by only 34 other counties in the U.S.

Hillsborough County's large population, military installation, active tourism industry, and geographical location with its many well-established highways, air corridors, and coastal areas with numerous shipping channels may present desirable targets to those who would use the deaths of innocent victims to further political agendas.

Port of Tampa

The Port of Tampa is Florida's largest seaport and handles nearly half of all sea-born commerce that passes through the state. It is one of the largest cargo ports in the nation, conducting as much cargo commerce as all 13 other deepwater Florida ports combined. With passenger counts expected to approach 750,000 by 2002-2003, the Port of Tampa has also become a major cruise port. The Port of Tampa has over 2,500 acres of land which is owned and controlled by the Tampa Port Authority. The Port is also comprised of approximately 2,500 additional acres upon which more than 20 privately-owned businesses, an electric power plant and a city water treatment facility operate.

The Port of Tampa is a storage depot for vast quantities of toxic and flammable materials and the State of Florida has identified it as a high-risk domestic security concern. The Port contains more than 200 major tanks storing a vast array of combustible and flammable materials. Ranging in size from 100,000 gallons to more than 7 million gallons, these containers store a variety of hazardous chemicals including gasoline, jet fuel, liquid petroleum gas, anhydrous ammonia, phosphate, sulfur, and chlorine gas. Because these tanks are located within a relatively short distance from each other, they pose the potential for a chain reaction of explosions, should one tank ignite. Many of these chemicals pose an extremely serious safety risk if vaporized or otherwise released into the environment. The risk to our County's communities should gases from these tanks be released into the environment extends far beyond the Port's boundaries. The need to protect the structural integrity of these tanks cannot be overstated.

The Port of Tampa contains numerous marine facilities, pipelines, rail terminals, and entry roads. There are over 11,000 truck movements at the Port each day. Heavy activity and traffic provide potential access to the Port by foot, rail and vehicle. The jurisdictional boundaries of the Tampa Port Authority include 119 miles of coastal waters. Within the Port of Tampa, there are 15 miles of shoreline that provide direct Port access via private boat or through entry from one of the approximately 4000 vessels that dock at the Port each year. Adjacent to Port property, Peter O'Knight Airport handles 66,000 plane takeoffs and landings each year. The location of the airport's landing strips commonly results in planes flying at low altitudes over Port property and storage facilities. Planes from nearby MacDill Air force Base and Tampa International Airport also fly over Port property, although at higher altitudes. Securing the Port of Tampa's large and diverse perimeter from unauthorized penetration is one of Hillsborough County greatest domestic security priorities and is the focus of many of the Hillsborough County Sheriff's Office's recent initiatives.

Hillsborough County Sheriff's Office

The Hillsborough County Sheriff's Office (HCSO) provides law enforcement, detention, and 9-1-1 dispatch service for more than 666,000 residents of unincorporated Hillsborough County, FL. The agency is responsible for a jurisdiction of over 900 square miles, and is ranked the eighth largest suburban county law enforcement agency for staff in the nation. The Hillsborough County Sheriff's Office employs 2,836 people, including 1,056 sworn law enforcement deputies and 883 detention deputies. The HCSO conducts police operations from a central Operations Center, four uniformed Patrol districts and twenty-six Community Substations geographically dispersed throughout the county. Additionally, the Sheriff's Office is responsible for operating and staffing three jail facilities, which maintain an average population of more than 3,400 prisoners on any given day; security of the Hillsborough County Courts; and service of criminal warrants and civil process issued by Hillsborough County Courts.

In order to address the potential threat to our community, the Hillsborough County Sheriff's Office has worked to direct substantial resources to Homeland Security initiatives. Initiatives undertaken at the Port of Tampa can be divided into four general categories: Land, Sea, Air, and Overall.

LAND

Through contract with the Port of Tampa and the Hillsborough County Board of County Commissioners, a sixteen-deputy Security Unit has been deployed to the Port. In full-time operation since July 2002, this unit of specially trained Sheriff's deputies provides 24-hour law enforcement services to areas of the Port of Tampa under the control of the Tampa Port Authority. In the event of a terrorist attack, a biohazardous incident, or other emergency situation, the HCSO Port Security Unit will evacuate citizens, support rescue operations, and conduct criminal investigations.

Additionally, this agency assigned several deputies to full-time Homeland Security duties, providing customized security assessments to Port properties and privately-owned businesses housed at the Port. Duties performed by these deputies include:

- Providing twenty-eight major security assessments of industries at the Port of Tampa.
- Compiling vital data in reference to company information, contact persons, and types of hazardous materials stored at the Port. This information is kept in a geo-mapping system for immediate retrieval in case of an emergency, and has been distributed to all Port-assigned deputies and supervisors.
- Collaborating with the Florida Department of Law Enforcement and the U.S. Coast Guard to develop the improved security assessment form now in use by the FDLE in their Seaport Security Anti-Terrorism Training Program.
- Developing and teaching a training course for Florida National Guard members deployed to the Port of Tampa and for Port security officers.
- Attending intelligence briefings, conducting manpower assessments and working to develop Port

checkpoint locations.

SEA

In addition to the sixteen deputies assigned as a land-based Port Security Unit, this agency has redeployed eight deputies into water-born patrol assignments in direct response to the events of September 11, 2001. At the U.S. Coast Guard's request, the HCSO Marine Unit assists with enforcement of new restrictions placed on dock and ship access, in addition to established law enforcement duties. This redeployment increased total staffing of the HCSO Marine Unit from five to thirteen. Although greatly improving patrol and security of County waterways, this dramatic increase in this agency's Marine Unit negatively impacted the number of deputies available to respond to calls for service. Today, more than 60% of the HCSO's Marine Unit continues to provide round-the-clock patrol of waters surrounding the Port of Tampa.

Senior staff from this agency's Port Security Unit and Marine Unit hold weekly intelligence meetings with Port Authority Security personnel and private security personnel working at the Port to share information and coordinate security activities.

The HCSO is working to purchase two new Port Security Vessels in order have the capacity to continue to supplement the U.S. Coast Guard with twenty-four (24) hour water patrols around the Port of Tampa. These crafts will be purchased with this agency's Local Law Enforcement Block Grant award, and through redirection of unexpended salaries accumulated from deputies' assignment to "Operation Enduring Freedom" as well as the early retirement of employees in the DROP program.

AIR

Since September 11, 2001, the HCSO Aviation Unit has conducted daily patrols over the Port of Tampa. This agency is currently awaiting delivery of a newly purchased helicopter, which will be equipped with a "Gyrocam," remote surveillance camera system. This helicopter and Gyrocam will provide dramatically enhanced airborne surveillance to the Port of Tampa and other vulnerable locations.

OVERALL

The Hillsborough County Sheriff's Office is an active participant in domestic security planning and provides leadership to many homeland security task forces and working groups. HCSO Sheriff Cal Henderson is Co-Chair with Dr. Jim Sewell (FDLE) of the Region 7 Domestic Security Task Force. As such, Sheriff Henderson provides leadership to coordinate and direct the law enforcement, initial emergency, and other responses to acts of terrorism and domestic security for the nine county area comprising Region 7. Additionally, Sheriff Henderson works to coordinate the effective use of resources, training events, and the collection and dissemination of intelligence information to local and state personnel.

The Hillsborough County Sheriff's Office has established a Regional Intelligence Sharing Workgroup which meets at its facilities monthly. Established after the attack on the World Trade Center, this group is comprised of membership from most county and regional emergency responders and law enforcement. Additionally, Sheriff's Office senior staff are active participants in many intelligence organizations, including the Regional Organized Criminal Information Center (ROCIC), the Florida Intelligence Unit (FIU), the Maritime

Safety and Security Task Force for Western Florida, and the Hillsborough County Emergency Planning Group. These working groups represent just a few of the ongoing collaborations this agency participates in to provide better security to the county, region, and state.

In addition to these activities, collaborations, and redirection of resources described thus far, the Hillsborough County Sheriff's Office continuously strives to bring other local, state and federal resources to Hillsborough County's unique domestic security concerns.

In May 2002, the HCSO partnered with the Hillsborough Board of County Commissioners to submit application to the U.S. Department of Justice requesting funding to hire ten Community Resource Deputies to serve the County as a "Homeland Security Unit." I am optimistic that this grant will receive favorable consideration by the U.S. Department of Justice, and will result in a critically needed increase in local law enforcement dedicated to Homeland Security initiatives at the Port and elsewhere in the County.

Through partnership with the Florida Department of Law Enforcement, the HCSO is currently implementing a new Automated Fingerprint Identification System (AFIS). This AFIS system will allow local law enforcement to quickly ascertain the true identity of persons arrested at the Port and throughout Hillsborough County through a comparison of arrestees' fingerprints against state and federal fingerprint databases.

In late 2001, the HCSO received approval for Department of Justice Domestic Preparedness Equipment Grant for almost $150,000 in specialized equipment to be used to support and participate in the State of Florida Terrorism Response System.

In April 2002, the HCSO received approval for Federal Byrne Program funding with which to purchase protective breathing masks and clothing for the HCSO Port Security Unit.

In June 2002, this agency submitted application to the Office of Drug Control Policy requesting a Wireless Operability System. This technology connects a variety of diverse radio systems, including digital, analog, VHF, trunked and cell phones, allowing real-time communication to multiple agencies during joint operations. This technology would be instrumental in creating a common and reliable communications channel among public safety agencies responsible for responding to a terrorist attack at the Port or other locations. Additionally, this equipment will play an instrumental role in ongoing multi-agency training exercises.

In January 2003, the HCSO intends to use grant funds to purchase a Mobile Forensic Crime Lab. This Mobile Crime Lab will be used for on-site criminal investigations, and will prove instrumental if terrorist activity occurs at the Port of Tampa.

Since April of 2002, the HCSO has been actively working with local emergency providers, law enforcement and County government through the Hillsborough County Emergency Planning Group to form a countywide Domestic Security Needs Assessment. This Needs Assessment will form the basis for a coordinated effort to ensure that the Hillsborough County's priority domestic security needs are identified and that available funding is obtained and directed to meet these priority needs.

I would like to end my remarks today by addressing the challenges that Hillsborough County faces in planning for and implementing Port of Tampa security enhancement measures. Much work as been accomplished at the Port of Tampa, and it is truly amazing to see how much real progress has been made in the eleven months that have passed since the terrorist attack of September 11, 2001. However, much work remains. In my opinion, there are two areas in which additional resources are critically needed: 1.) the acquisition of communications and data-sharing technology, and 2.) multi-agency training, utilizing this equipment.

Interoperable communications and information sharing systems are needed by the public safety providers of Hillsborough County to increase the effectiveness of terrorism prevention and response activities. Such technology will make possible the real-time retrieval, storing, and sharing of intelligence and investigative information which is critical to the prevention, response and investigation of a terrorist attack. This technology will establish reliable communication, which is integral to coordinated response and recovery efforts, and will expand Hillsborough County's capability to mesh with new Homeland Security infrastructure being developed by state and national organizations. Local public safety providers must join forces with state and federal agencies to acquire these systems, and provide ongoing participation in multi-agency training exercises utilizing this technology. Only through these activities can loss of life and property from terrorist acts at the Port of Tampa and elsewhere be prevented or minimized.

Chairman Shays and Committee members, it has been my privilege to speak to you today. I would like to thank you on behalf of my agency, and the citizens of Hillsborough County for your work to provide greater security for not only our Port of Tampa, but to all ports nationwide. Please be assured of my agency's continued cooperation and support in all matters of national security. If further information is needed, I can respond to questions at this time, or at any future time that you may wish to contact me. Thank you.

Mr. PUTNAM. Thank you very much, Chief Deputy Gee. We appreciate your presence here today. And we will have a 10-minute round of questions, beginning with Chairman Shays.

Mr. SHAYS. Thank you, Mr. Chairman.

If I could expose my ignorance, but then be able to put something in perspective. My understanding, in Hillsborough County you have seven commissioners, is that right?

Ms. FRANK. That is correct.

Mr. SHAYS. You are both executive and legislative, as well?

Ms. FRANK. We are executive and legislative, but on the other hand, we have a County Administrator who carries out the operations. He is the administrator of the operation.

Mr. SHAYS. You are the chairperson.

Ms. FRANK. Yes. I have been for 3 years.

Mr. SHAYS. Mr. Hart, how long have you been a commissioner?

Mr. HART. This is my 8th year.

Mr. SHAYS. Mr. Lauer, to understand, you are as domestic—Chief of Domestic Security, does that mean that you basically have homeland security responsibilities in the State of Florida?

Mr. LAUER. That is correct.

Mr. SHAYS. It is focused just—not just as a small just, but it is focused primarily on homeland security?

Mr. LAUER. Yes, sir, it is.

Mr. SHAYS. And Deputy Chief, you are the chief operating officer of the Sheriff's Department as well as responsible for homeland security?

Mr. GEE. Essentially that is correct. I am the chief operating officer. We have an elected sheriff who is out of town today. He is the regional chairman for the State of Florida for the homeland security effort in the State of Florida.

Mr. SHAYS. I am sorry, I should have gotten this, but does Hillsborough County include all three ports or just Tampa?

Ms. FRANK. No, just Tampa.

Mr. SHAYS. So do you interface? Do you interface, Mr. Hart, with the other commissioners? Are we talking about one other county or two counties, the other two ports?

Mr. HART. It is Pinellas County and Manatee County.

Mr. SHAYS. So three counties?

Mr. HART. Yes, sir.

Mr. SHAYS. Are you all working collectively, all three counties, to look at this issue or are you basically looking at your own particular ports?

Mr. HART. We started looking collectively within our community, and have opened it up, as both separately through the Port Authority and their working relationships in security, but through our process of saying if there are other counties, adjacent cities that would like to collaborate with us—for example, Pinellas County would like to work with us on communications for interoperability. We also have medical agreements with hospitals. Pasco County Sheriff is a reinforcement for mutual aid. He would like to work with us. We are currently working on other areas as well.

Mr. SHAYS. Ms. Franks, would you add anything to that?

Ms. FRANK. No. But I would say that of course we want to cooperate with other entities. But there is very definitely a division.

Mr. SHAYS. Fair enough. In the State of Connecticut we have no county governments ironically, so we have no even regional approaches quite often when it would be helpful.

Chief, in reading your bio it—I am getting to a point here, you will understand what I am getting to. But it says the Chief is deputized as a U.S. Marshal, and is a member of the FBI's Joint Terrorism Task Force. He is commissioned as a U.S. Customs Officer at DEA and is the agency's liaison to Customs Service.

So are you all of those things?

Mr. GEE. Yes.

Mr. SHAYS. Now, explain to me the impact of being a deputized U.S. Marshal and as a member of the FBI Joint Terrorism Task Force and commissioned as a U.S. Customs Officer at DEA and liaison to Customs. I want to understand, is that important and why and is that typical?

Mr. GEE. Well, some of those initiatives, the Customs Service initially was part of the drug initiative in this area, part of the Blue Light Task Force where the Customs Service, going back a number of years, commissioned local law enforcement officers and gave them authority under Federal statutes to enforce certain customs laws.

Obviously a lot of times there are more of us out there at night in our Marine Unit than there would be maybe Customs officers. And we had the ability to board vessels under certain circumstances and these things and to enforce drug laws. And of course now things are a little different.

Mr. SHAYS. Do you need U.S. Marshal status in order to board a ship, or once it is in your local——

Mr. GEE. No. The U.S. Marshal status has to do with the Joint Terrorism Task Force, with the Federal Bureau of Investigation. That is related to homeland security and to our terrorism initiative. That enables us to participate with the Federal Government in these investigations. I am the liaison between our agency and the FBI.

Mr. SHAYS. Some Federal employees do not have the ability to make arrests, some departments, agencies do not have the ability to carry firearms. This is not because you lack certain powers in your county responsibilities, correct; you have all of the power to make arrests and so on?

Mr. GEE. Right. What essentially it does is it gives us the ability to share information that normally you wouldn't give to local law enforcement.

Mr. SHAYS. You are more apt to get Federal information. One of the initiatives that Mr. Putnam and the rest of the committee has done is in one of our hearings we basically learned that the FBI was not sharing data with the INS or the State Department when they were considering allowing visas. Pretty shocking.

Then the other issue that our committee became very involved in is being able to allow a commissioner, allow a State official, allow a county or local official to be plugged into intelligence information that might be helpful in dealing with terrorist issues, and kind of gets me to this point here.

Customs is going to board a ship and look for stuff, things. INS is going to board and look for people. The Ag—Department of Agri-

culture is going to come aboard to look at animals as well as crops. The FDA is going to potentially—I make an assumption—is going to come on board, the Coast Guard, the DEA.

One of the things that we are hoping happens—well, excuse me, more than hoping, we are determined to see that it happens—is that the Customs and the INS have the ability to, I was going to say cross fertilize, but that wouldn't be the right word, to have the ability to—but have the ability to do each other's jobs. And I just want to make sure that the local and State folk are plugged into this issue.

And maybe, Mr. Lauer, maybe you can talk to me about the challenges that exist and the incentives you would like to see or legislation or whatever to make sure there is integration and so on. Maybe it is not a problem.

Mr. LAUER. It is a problem. It is a problem across all seaports. It is a problem of knowing who is doing what and when they are doing it. We have attempted to resolve that problem through the formation, and in the law to require that each port have a seaport security committee. Through the Department of Law Enforcement we have created a subcommittee to that which brings the enforcement agencies together, on a monthly basis roughly, in which they bring, whether it is DEA or FBI or INS who has an enforcement responsibility, so that they are able to talk across their boundaries. That works to a point.

I think the—what we have on our seaports is, as you have witnessed here, is a very strong cooperation at the local level. I think the difficulty that we all have in dealing with our Federal counterparts is the number of their responsibilities that go back to Washington. The lack of local coordinators across for each of these local agencies is a difficulty in enforcement.

And if there were to be—in answer to that, I would say that we would encourage—if and when the Department of Homeland Security is formed, that they encourage this creation of regional or local leadership of the local Federal agencies that are down here, for all of them, simply an inspector and Customs manifest to report back to Washington, an investigator has a chain back to Washington. The lack of that local integration I think is something we would like to see coordinated better.

Mr. SHAYS. That is the message that we have heard in other hearings that we have had.

Mr. Chairman, I would just like to put on the record, because I know there has to be some interest and concern on this issue, I am absolutely convinced, just based on the work that we have done, that the Coast Guard will play a much more influential role under a Department of Homeland Security, not forget its other responsibilities. But if you were—if the Coast Guard were a business and you were looking to make a smart investment, you would invest in the Coast Guard, because their mission clearly will be more better recognized and the resources that will go to them I think will be quite significant.

Thank you, Mr. Chairman.

Mr. PUTNAM. Thank you, sir. The gentleman from Davis Island, Mr. Davis.

Mr. DAVIS OF FLORIDA. When the State passed a very good law mandating these assessment plans which you helped develop, how did the State envision that the various port authorities would fund the improvements that were called for?

Mr. LAUER. There was no mandates to fund them. We looked initially to the fact that—two ways: One, to the TOPS fund, transportation outreach, which is the first funding that was provided; second, through Federal funding. In 2001, the legislature budgeted and Governor Bush signed into law the TOPS fund for $7 million to begin the appropriation of funding toward these improvements.

The ports, seaports identified about $45 million worth of improvements required to meet the minimum standards. We went into that session in 2001 with a general agreement that the State would seek $34 million of that funding. So roughly 75 percent of it would be funded by the State over the course of 2 or 3 years. The remaining 25 percent would be left to the ports to fund.

The $7 million was funded, as I said, and this year there is an amount of funding, about $10 million, that comes to them for economic development from Seaport Transportation and Economic Development funds. Those FSTED funds granted flexibility to the seaports for the next 2 years to fund these either for economic improvements or for security improvements on the seaport, in essence trying to mirror what the Federal Government has done with FAA funding to airports. It allows them now for 2 years to fund a combination of either economic or security improvements on the seaports.

My role was initially to try to find that $34 million worth of funding for the seaports. So far we have funded less than the $34 million, $19 and $7 so far.

Mr. DAVIS OF FLORIDA. So the State only put in $7?

Mr. LAUER. The State put in $7 in 2001. The Federal Government just funded the $19 million.

Mr. DAVIS OF FLORIDA. So the State essentially, and I know you can't speak for the Governor and the legislature, but the State basically forced the ports to choose between funding their economic development and funding security, at least in this year's appropriation?

Mr. LAUER. I don't know if I would say they forced them to do so. They gave them the option. They gave them flexibility. The intent of that flexibility was so that could move forward in providing some of the funding that was necessary.

Mr. DAVIS OF FLORIDA. Would you speculate that perhaps the State might be more aggressive in funding, for example, if—as you probably know very well, one of the best uses of Federal dollars is to leverage State and local dollars. And we don't know what this is going to look like, but it might require some State and maybe local matching money. What are the chances the State will more aggressively fund security, particular one-time nonrecurring revenue needs of the ports in the future?

Mr. LAUER. I think the State has demonstrated that they would, and they will try to find that kind of funding. If we go to a State match, I would encourage that from the Federal Government, that we put that match in kind, as well as in dollars, give them some option to do that, because all of the seaports, and I think this was

unique in Florida, across all of the seaports in Florida, none of them waited for someone to tell—to give them money to do this.

All of them moved forward and did some of this on their own in a good faith effort, and I think particularly as a result of the requirements of domestic security and protecting their seaports and their communities all of them went forth in good faith and did some things. The Florida Ports Council has reported that all of our seaports have put some $30 million into these kinds of measures since September 11th. I do not have those figures for you, so I can't break that out. But the issue was, is that, yes, the State government and Governor Bush and the legislature has shown they intend to assist the seaports in doing this, and have focused, particularly in my efforts, primarily on trying to find those funds from the Federal Government that we can.

Mr. DAVIS OF FLORIDA. Did you get a chance to hear the testimony earlier from Mr. Savage about the ID badges? Is that a problem that you are aware of? What is the State doing? Is there anything the Federal Government can be doing to come up with a more foolproof identification system?

Mr. LAUER. Yes. Two things. One, the issue of the ID badges has always been integral to security and access to the seaport. I think that one of the key things we have to keep in mind is that the ID badges are one part of what we term a very holistic view of seaport security.

It is one measure that is taken among many others to ensure that this individual has a right to be on the port, has the right to access, get access to restricted access area, to do business on the seaport.

The three ports that you have here have a unique arrangement, and they have a common set of ID cards. So the same card will work in each of the three ports that exist here. One of the difficulties for the entire State going to that level is the differences in the way the seaports allow or don't allow waivers to the felony background restrictions that the law puts in place. The law put in place a series of checks of certain felony backgrounds that restrict you from working on the seaport within 5 years of your release from incarceration or supervision of whatever that felony might have been.

The law also allows the seaports to create a waiver process. Some seaports have said there is not going to be any waiver process after January 1, 2002. Others have said there will be. And one of the main difficulties in a common card, and the Florida Ports Council has taken leave of the seaports today to try to resolve this issue, is that a port which does not allow a waiver may not want to allow access to an individual who has that felony background that has been waived by another port.

I don't know that the Federal Government has a role in that, except perhaps in the area that we talked about trucks and the idea that the trucking industry would like to see a common set of badges across all of the ports. We support that initiative and would like to see a common set of badges.

The difficulty is the background checks and other things that are mandated by Florida law come into effect as well in those background, felony background restrictions. I think that if we are, and

I think we are all working toward this, I have spoken to the trucking industry on several occasions, to indicate that we want to see that occur and we will work with the seaports to try and make that playing ground level.

Mr. DAVIS OF FLORIDA. Deputy Chief Gee, in your written testimony you referred to the possibility that the Sheriff's Office would provide what sounded like a community-based policing to the port. Would that be through the COPS program?

Mr. GEE. Well, that is our vision. We have actually asked for 10 positions through what was previously the universal hire COPS program. But it is—we are planning on using them a little different. We are actually going to try to tailor their duties to homeland security. We are certainly hoping—that is probably the biggest issue for us is capital and those type of things are things that we can get grants for from time to time. You can buy a helicopter, you can come up with the money. But for local law enforcement to take 15 or 16 people and redirect them to different areas is very difficult. We are being reimbursed for the port right now, the Port Authority. But, long term—we have minimal amount of people down there truthfully. So we are hoping that a program like that redirected toward homeland security would help us form a homeland Security Unit, essentially.

Mr. DAVIS OF FLORIDA. Now, I know that your office is one of the leaders in the country in using the COPS program very successfully. Is the COPS program written in a way that would currently allow you to use these men and women for homeland security?

Mr. GEE. We have spoken to them and we have sent it to them. We have tried to tailor it where it does fit. I think it is possibly questionable. We think that we have a chance where it could pass the way it is. But certainly it was not the original—it is not in the original spirit of what it was when it started up, you know, a number of years ago. There are some differences. We are hoping that we will get some variance on that.

Mr. DAVIS OF FLORIDA. Last question for the two commissioners, Commissioner Frank, Commissioner Hart. I know both of you all have at least served on the Port Authority and are very familiar with it. Is there anything further the county or the Port Authority can do to fund these expenses is my first question.

The second is, if you are forced to choose between spending, say, your own economic dollars for security, what is going to be the ultimate impact of that?

Ms. FRANK. Well, let me say that the Port Authority has a taxing authority that is permitted, and that budget goes to the County Commission as well as the Sheriff's budget goes to the County Commission.

I know that Chairman Shays said that he does—is not familiar with county government. But it—the county is the umbrella organization through which these budgets flow.

We have restricted the money that is raised by property taxes that the port levies to capital projects which enhance the ability of the port to economically grow.

Only these last 2 years, last year and then it will be another year, have we made the exception, and sitting on the Port Authority, I of course supported this. And we have spent, the port has

raised about $5 to $6 million out of property taxes for security purposes.

We anticipate that probably we will have to raise another $8 million in property taxes to support security. So we are doing a fair share of the financing of the security of the port. But, you know, everyone is stressed these days. It becomes difficult, because the county has needs also that deal with security. We run the Emergency Preparedness Organization, which is quite effective and hasn't really been discussed much here today. But that is a composite body of representatives in the three cities, the Commissioners and the Sheriff's Office. Ordinarily we would be preparing for hurricanes. But we also have a part to play in the security issues.

Mr. HART. That was an excellent question, and I think that Chairman Frank answered it as specifically as anyone could representing Hillsborough County. There is another aspect as it relates to some of the policy questions that Chairman Shays was asking, and that Mr. Lauer answered.

It depends on whether you are talking about a push system or a pull system, whether you are talking about it in terms of offense or defense. First and foremost, I think we all know that acts of terrorism are local events, period, that if local government can't handle it then we ask the State and/or Federal Government to come in. Nobody is standing there waiting to assist us anywhere in America.

FEMA is as close as Atlanta. You are talking about a staff person. You are talking about somebody that is good at writing checks as they watch the home float down the river. But you are not talking about somebody that is going out on the offense. So we have got to take a look at our national policy from the standpoint of both the offensive side, but I think, as Mr. Lauer said, when they create the office of—Department of Homeland Security, what part of that recognizes what happens in local government, where regions do work together as we have crafted in the State of Florida, and how can we be more responsible to be sure of the public safety.

There are no easy answers. I think as a first cut we have all done the best we can. Right now, as you know, there is some $700 million hanging in 2002 dollars, sitting in Washington unallocated.

Part of what we did to put our needs assessment together was to say, OK, we have put a plan together. Governor Ridge, will you help us? But meanwhile you have got issues which I think are as weighty when you are talking about what the threat is of bioterrorism. Because when you talk about a port, my experience from combat is you never see or hear the bullet that kills you. So what comes in on a ship, by a person, by grain, by livestock, our agricultural connections or people connections and our health could be what is actually transported instead of us perhaps looking for some terrorist that fits a physical description.

So you have asked a good and tough question. We are simply answering that within our ability at every opportunity right now.

Mr. DAVIS OF FLORIDA. Thank you, and thank you for your work.

Mr. PUTNAM. Thank you, Congressman Davis.

You're basically ahead of your time with the Governor's Office of Drug Control preparing the statewide security assessment of Florida. That was under your direction, correct?

Mr. LAUER. Yes, sir.

Mr. PUTNAM. The key finding and observations with regard to the Port of Tampa were that it was, among other things, wide open with no access control, no picture IDs, no background checks, no police presence, inadequate fencing. Nonintrusive INS technology with U.S. Customs was virtually nonexistent. Public roads ran through the port. Little evidence of security initiatives integrated into the port master plan, and the shrimp docks are isolated and highly vulnerable to smuggling activity.

That was in September 2000. Obviously the world has changed since then. So beginning with you, Commissioner Frank, where would we be today based on these findings? How have we handled many of these deficiencies?

Ms. FRANK. Well, many of those have been taken care of. The fences have been raised, the security identification passes, all of those have been accommodated. But they were really designed more for the pre-September 11th precautions. And this is a different situation.

Unfortunately, I think we have spent some money that we shouldn't have spent if we had to look at the way we should do it now. I think some of these things, and I agree with some of the comments that were made by the users of the port that they may not be as productive.

I recently had a talk with one of the generals out at MacDill Air Force Base several days ago. He was indicating to me the very sophisticated perimeter surveillance that they have instituted out at MacDill. I would like to know what that is. I hope that the committee will look at that because he was quite impressed with it. And probably far more effective than just raising a couple of feet of fencing.

So I think there are new techniques out there that are being addressed for specifically the terrorism security situation that we should look at. We have many, many things to do.

Mr. PUTNAM. Commissioner Hart.

Mr. HART. Representative Putnam, I don't think there is much I can add to that. I think that the dilemma is at the local, State and Federal level we have got historic stovepipes. We have got to figure out how to better communicate, how interoperability procedures would be routine and not something of just a special act so that in fact during our charge for day-to-day living we are improving our ability to have a society here that better serves and not just focuses on this.

And yet we don't want to scare the public, but we have got to be vigilant on this issue and somehow keep it before us, and a public that is very easy to now turn to the fall football schedule as their highest priority.

Mr. PUTNAM. Mr. Lauer and Chief Deputy Gee, do you believe that you are appropriately kept in the loop and informed with regard to intelligence sharing and threat and risk analysis from the appropriate intelligence agencies in Washington? Has that improved?

Mr. GEE. From my agency standpoint, yes. I know there were problems across the country. I can tell you locally with this office, and we primarily deal with the FBI on that aspect, we did not have those issues here. And since then they have taken steps to issue these clearances to those people to keep them in the loop. Certainly it is always a need-to-know basis, but we have not experienced what maybe other agencies across the country have.

Mr. PUTNAM. Mr. Lauer.

Mr. LAUER. I think that I would concur with that at a local level across the State. Everywhere that there is one of our regional domestic security task forces, its Federal partners are members. The FBI is a member of our task force and we are a member of their task forces. I think the key issue for access has been security clearances and the difficulty in getting security clearances to all of those individuals that may need them. I think if we can clear the backlog of security clearances, I think we could greatly improve where we are today. But in no way should we leave with you the impression that at the level where the rubber meets the road down here at the local level, that all of these agencies are cooperating well and we are getting information that is meaningful.

Mr. PUTNAM. Has the State of Florida, under your office, conducted an internal study, an internal risk analysis of Florida's 14 ports, in terms of ranking them by vulnerability or risk?

Mr. LAUER. It is possible of the 12 active ports. Two of the 14 are not active public seaports today. I did not rank them 1 through 12, And I deliberately chose not to do so. Part of that is for competitive purposes. We changed—in fact, you will see in the 2000 we changed our assessment of the ports into high risk and low risk, medium risk to Tier 1 and Tier 2, to take out the stigma that your port is greatly at risk versus another port. We wanted to make the distinction that our Tier 1 ports are our largest economic engines in the State and therefore needed to be protected accordingly.

Our Tier 2 ports were those which had less economic activity, but had no less need to be protected. And so the issue of a ranking, 1 through 12, seemed to us to be counterproductive in the sense that all of our ports needed to be equally protected or have access to equal protection.

I will say that in the order of things that were needed on the seaports that our first priority has been those things that address access control. And so, for example, when the current list of priorities went forward for Federal funding, for the $93 million that was just released, from the State of Florida's perspective the access control at gates here at the Port of Tampa and the gate system at Port Everglades were the top two considered for the State to be a requirement.

What ultimately happened in that process was Tampa received $2 million on their $8 million request, and Port Everglades did not receive any based on other factors that occurred at the Federal level.

But I think that what we have done is try to assess what each port needs in particular, and to try address, in priority, those ports in term of our largest economic engines and then move them down from Tier 1 and then our Tier 2 smaller ports.

Mr. PUTNAM. So there is some prioritization of need?

Mr. LAUER. Absolutely.

Mr. PUTNAM. The industry panel pointed out that they desperately needed some standardization, some standard protocol and even internationally. But what I believe I heard from this panel, perhaps from you, Mr. Lauer, was that we can't even get Florida's active seaports to standardize background checks, treatment of felons, access control, etc.; is that correct?

Mr. LAUER. No, I think we have a standard. The problem is getting the standards met. There is a standard for all of those things. There is a standard for getting a badge on a seaport. All of those standards are in effect. There is a standard for a fence. I think the key is that in the particular issue of whether or not all 12 ports can have the same badge, all of our ports are absolutely independent agencies, there is no central agency that controls the seaports.

Mr. PUTNAM. There is no standard?

Mr. LAUER. There is a State standard.

Mr. PUTNAM. But there is no standardization, they are not all up to standard?

Mr. LAUER. That is correct.

Mr. PUTNAM. So while the industry, very rightfully I think, would like to see us have an international protocol, the highlight of how difficult that is is that Florida can't even do it, correct?

Mr. LAUER. Well——

Mr. PUTNAM. How difficult——

Mr. LAUER. The difficulty is making—getting the standards in effect. But I think the key is that Florida has created the standards that the ports are being assessed against. I think that is really a key feature that we don't want to have missed, is that we have a set of standards and the ports are being assessed against those every year to bring them up to that standard of effectiveness.

Mr. PUTNAM. Commissioner Hart, you mentioned something I think is very important, the need for an intermodal approach. You know, all of our ports are obviously connected to major interstates, they have rail lines, generally have—are in close proximity to airports. Is there a functioning body currently that brings together the expertise from air, rail, land, and sea to help you and your fellow commissioners create an emergency response plan?

Mr. HART. I specifically focused on transportation. At the Federal level, though, working with Governor Ridge, he has accepted recommendations we have made by the National Association of Counties to form that type of group so that all of those organizations and interests are talking to each other and coming up with a national approach for the very reasons we were discussing earlier.

We don't believe you can have one approach, but therein is the issue. Every State has got—just like we have a Constitution, every State has a Constitution that is different. In Connecticut they don't have counties. Until today, I didn't know so many people had ever been to Connecticut.

Mr. SHAYS. Would the gentleman yield?

Mr. PUTNAM. Yes.

Mr. SHAYS. I have been thinking about this. When Florida wants the best and the brightest, they call on Connecticut.

Mr. HART. Mr. Chairman, I think we also found that very few people are born here.

But on a serious note, what we have said is we ought to have, you know, guidelines and approach, and there in each State, and there in—because each community has got to respond, and it has a different capability, it will respond to its threat or perceived threat based on its ability and capability.

But we can't narrow ourselves to just thinking about a port, because it is going to connect to roads and rail, and trucks, and then other places you are going to see other different robust passenger service. Who is checking Amtrak going under Grand Central Station? We are doing a great job of looking at air, but these are all connected because people and goods and services are connected by transportation systems, and that is why we must have an intermodal approach to what we do for—at least some consistency or threat of continuity that we can get buy-in from all of the parties.

Mr. PUTNAM. Thank you, Commissioner. Congressman Davis, any further thoughts for this panel?

Mr. Chairman.

Mr. SHAYS. No question, but just to thank our State folk and our county folk and our law enforcement people. I know that you all have a very difficult task, and 5 years ago homeland security was something that happened in Great Britain and not the United States.

So it is interesting how we adapt, and I think the State of Florida is very fortunate to have all four of you.

Mr. PUTNAM. With that, we will excuse the second panel and take a 5-minute——

Mr. SHAYS. One last comment. The chairperson usually get an opportunity.

Ms. FRANK. Mr. Chairman, I do not want to stretch your time, but I think there is one point that I would want to make that I find extremely important, and it is piggybacked on what Colonel Gee said. Communications is the answer, and I think we have great gaps in communications. We don't have systems that are able to talk with one other. That is why you can't coordinate a lot of things. Much of it is the communications system itself, and if there were any need in terms of improving that, it would be very helpful, because you have one police department that may not be able to get messages from another police department. That has happened here.

Now it is not that way right now, but we do have gaps, as you will see from our booklet.

Mr. SHAYS. Thank you.

Mr. PUTNAM. Thank you very much, Commissioner. We will excuse the second panel, take a 5-minute break, and the committee will stand in recess until 3:40.

[Recess.]

Mr. PUTNAM. The subcommittee will reconvene. We have a large third panel. We want to give everyone plenty of opportunity to be heard. I would ask that anyone who is accompanying someone who is testifying to please sit in the front row, and if you are in the front row if you could please make room for accompanying witnesses, and when we swear in the panel I would ask all of those who are accompanying a witness stand and be sworn as well if you intend to give testimony or assist in answering a question.

Very well. As with the first two panels, we will swear in this third panel. So if the witnesses and those accompanying the witnesses will please rise.

[Witnesses sworn.]

Mr. PUTNAM. Note for the record the witnesses and those accompanying the witnesses responded in the affirmative.

It is a pleasure to welcome to the subcommittee a very distinguished panel. Ms. JayEtta Hecker, Director of the Physical Infrastructure Team from the General Accounting Office; Mr. Jack Bulger, Acting District Director of Immigration and Naturalization Service, who is accompanied by Mr. Ronald Johnson, Port Director for Tampa INS; Mr. James Baldwin, director of North Florida Customs, accompanied by Ms. Denise Crawford, area port director for Tampa, welcome. Captain Allen Thompson, former Captain of the Port Marine Safety Office, U.S. Coast Guard; Mr. James Jarboe, Special Agent in Charge, Federal Bureau of Investigation, Tampa office; Dr. James G. Butler, Deputy Under Secretary of the Marketing and Regulatory Programs for APHIS, USDA, who is accompanied by Ms. Mary Neal, Assistant Deputy Administrator Ag Quarantine INS, APHIS; and Mr. Carl Davis, Director of Operations for USDA in Tampa; Mr. Gary Dykstra, Southeastern Regional Food and Drug Director for Food and Drug, who is accompanied by Mr. Leon Law, supervisor for the Tampa Resident Post, FDA.

With that we would recognize Ms. Hecker for 5 minutes. You have a 1-minute rollover, and hopefully we can keep our opening statements tight so we have time for questions.

STATEMENTS OF JAYETTA Z. HECKER, DIRECTOR, PHYSICAL INFRASTRUCTURE TEAM, GENERAL ACCOUNTING OFFICE; JACK BULGER, ACTING DISTRICT DIRECTOR, ACCOMPANIED BY DENISE CRAWFORD, AREA PORT DIRECTOR, TAMPA, U.S. CUSTOMS SERVICE; AND RONALD JOHNSON, PORT DIRECTOR, TAMPA, IMMIGRATION AND NATURALIZATION SERVICE; JAMES BALDWIN, DIRECTOR, NORTH FLORIDA CUSTOMS MANAGEMENT CENTER, U.S. CUSTOMS SERVICE; CAPTAIN ALAN THOMPSON, FORMER CAPTAIN OF THE PORT MARINE SAFETY OFFICE, TAMPA, U.S. COAST GUARD, ACCOMPANIED BY CAPTAIN JAMES FARLEY, CAPTAIN, PORT OF TAMPA; JAMES F. JARBOE, SPECIAL AGENT IN CHARGE, TAMPA, FEDERAL BUREAU OF INVESTIGATION; JAMES G. BUTLER, DEPUTY UNDER SECRETARY, MARKETING AND REGULATORY PROGRAMS, ACCOMPANIED BY MARY NEAL, ASSISTANT DEPUTY ADMINISTRATOR FOR AGRICULTURAL QUARANTINE INSPECTION, ANIMAL AND PLANT HEALTH INSPECTION SERVICE; AND CARL DAVIS, DIRECTOR OF OPERATIONS, TAMPA, U.S. DEPARTMENT OF AGRICULTURE; AND GARY DYKSTRA, SOUTHEASTERN REGIONAL FOOD AND DRUG DIRECTOR

Ms. HECKER. Thank you very much, Mr. Chairman. Very pleased to be here today. And I will provide a report, really, on the outstanding work that GAO has been doing on port security. We have been doing this on our own initiative. So this is really the first time that we are reporting that.

The work that we have done involves looking at eight major ports, including three here in Florida, because of the leadership activity on the part of Florida. We also have talked to and looked at records and programs of all of the major Federal agencies and looked at State and local government activities in those eight ports. So we really have a broad base of knowledge to really comment on the three issues that we are focusing on today.

One is the vulnerabilities of ports. This is nationally. Second, what kind of initiatives have been taken at the Federal, State and local level? And, finally, what are some of the key challenges that remain?

Now, what I will do is just give you the answer to those. You kind of have the answer in the summary of my statement, but I will highlight that quickly and then try to weave together some of the comments we have heard today and how that connects to some of the challenges that we outlined in our statement.

Basically the answer to the issue of vulnerability is that ports are very vulnerable, they are inherently vulnerable. Some are more vulnerable than others. I think we have heard that Tampa is among the more vulnerable. The very nature of it, the expansive nature, how open it is, how hard it is to secure, the volume of goods and people going through the port. There are fundamental challenges not only for things coming through the port, but of course the port as a target itself. There are a lot of attractive targets at this port and, unfortunately, many others.

So the vulnerabilities are pretty consistent across the board. All of the ports that we visited had significant vulnerabilities. We went to two of the ports that had received the Defense Threat Assessment review of their status, and all of those had serious problems, and, unfortunately, they weren't being actively corrected. So the vulnerabilities are there.

The second issue then we had was what is being done about it? Clearly post-September 11th there has been an enormous up-tick in activity at all of the Federal agencies, at all of the local agencies. You have heard it all today. There is clearly an awareness that this is a very significant threat and that people need to work together, resources are needed, substantial change in the attitude that everything is just to facilitate free-flow, that there has to be some balance now with the security issues.

So the initiatives are many. We number them throughout. Go through the range of initiatives. Florida, as you heard today, really is one of the lead States. It is really, as we understand it, the only State that is really ahead of the game in having State standards, trying to implement them, trying to enforce them. So the Federal Government has a lot to learn from Florida.

There are also very different local initiatives. Again, you have heard some of that today. So the issue of initiatives is people got the message. This is a very serious situation. And there are very few people who are not aware of it and not taking some steps.

The concern, though, is that these initiatives don't amount to anywhere near addressing the magnitude of the problem or really moving us toward secure ports. They are in the right direction. They are the right kind of initiatives. But the challenges that we

see remaining are substantial to really implement and make effective those kind of improvements to the security of the port.

The challenges that we outlined, and it is interesting, you have heard them all today, they are not really a surprise. The issue of standards. How to define them, how to apply them, how to enforce them. Very complicated issues there. And this is everything from the access rules and the height of the fence and where the fence has to be, waterside protection, as well as landside, airside. We heard a question—that was your question—about the planes going over. So what are the standards? How well will they be enforced? How consistently?

The second challenge is resources. Almost universally we heard concerns about where the resources is going to come. I think Representative Davis asked a lot of important questions about the State role, the local role, the private role. That really is an important issue of how the costs get shared, not just what are they. And, frankly, we don't know. We have no idea what the total cost will be. But the issue of the cost sharing and the appropriate cost sharing is an interesting one.

And the final concern is getting all of these partners working together. I think you have heard the challenges to make that work here. There are local partnerships. There are of course all of the Federal partnerships which are anything but resolved by the creation of the Department of Homeland Security. They still have to figure out how to work together in the department, and they still have more parties outside the department than in. So the Federal house is not in order instantaneously by establishment of the Department of Homeland Security.

And then we also heard another whole dimension of cooperation and partnerships internationally, really building effective agreements with trading partners and commercial firms to really find and explore an efficient way to bring about the kind of security that we need in our Nation's ports.

[The prepared statement of Ms. Hecker follows:]

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PORT SECURITY

Nation Faces Formidable Challenges in Making New Initiatives Successful

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GAO-02-993T

Mr. Chairman and Members of the Subcommittee:

I appreciate the opportunity to be here in Tampa to discuss issues critical to successful enhancement of seaport security. While most of the early attention following the September 11 terrorist attacks focused on airport security, an increasing emphasis has since been placed on ports. Much of the attention, at least in the media, focuses on the possibility of introducing weapons of mass destruction or other hazardous cargoes into ship cargoes and from there onto America's docks and into its other transportation systems. However, the vast nature and scope of ports like Tampa pose many other kinds of security concerns as well, such as attacks on cruise ships or petrochemical facilities at or near the port. Addressing such concerns is complicated by the sometimes conflicting views of the many stakeholders that are involved in port decisions, including government agencies at the federal, state, and local levels, and thousands of private sector companies.

As you requested, my testimony today focuses on (1) the vulnerabilities of commercial ports, including Tampa; (2) the initiatives taken by federal agencies and other key stakeholders to enhance seaport security; and (3) challenges faced in implementing security-enhancing initiatives. My comments are based on a body of our work undertaken since September 11, 2001,[1] on homeland security and combating terrorism. Our recently completed work on seaport security is based on detailed site reviews of security issues with officials from the Coast Guard, port authorities, and other public and private stakeholder groups. We visited three Florida seaports—including Tampa—and the ports of Charleston, South Carolina, Oakland, California, Honolulu, Hawaii, Boston, Massachusetts, and Tacoma, Washington, selected to reflect geographic dispersion, and risk characteristics. We obtained information on initiatives from officials from Coast Guard headquarters, the Defense Threat Reduction Agency (DTRA),[2] and the Maritime Administration, as well as the American Association of Port Authorities and the private contractor recently hired by the Coast Guard to perform comprehensive port vulnerability assessments. See the appendix for a more detailed explanation of our scope and methodology.

[1] See "Related GAO Products" at the end of this testimony.

[2] DTRA was designated to assist the Chairman of the Joint Chiefs of Staff in fulfilling his responsibilities for force protection by performing vulnerability assessments at Department of Defense installations worldwide. DTRA conducted five assessments at the ports of Baltimore, Honolulu, Guam, Charleston, and Savannah.

In summary:

- Ports are inherently vulnerable to terrorist attacks because of their size, generally open accessibility by water and land, location in metropolitan areas, the amount of material being transported through ports, and the ready transportation links to many locations within our borders. The nation faces a difficult task in providing effective security across the nation's port system, and while progress is being made, an effective port security environment may be many years away. Although some ports have developed in such a way that security can be tightened relatively easily, many ports are extensive in size and have dispersed enterprises intertwined with such security concerns as public roadways and bridges, large petrochemical storage facilities, unguarded access points, and a need for ready access on the part of thousands of workers and customers. The Port of Tampa illustrates many of these same kinds of vulnerabilities, and its proximity to downtown and to other sensitive installations is another reason for concern. While broad popular support exists for greater safety, this task is a difficult one because the nation relies heavily on a free and expeditious flow of goods. To the extent that better security impinges on this economic vitality, it represents a real cost to the system.
- Since September 11, federal agencies, state and local authorities, and private sector stakeholders have done much to address vulnerabilities in the security of the nations ports. The Coast Guard, in particular, has acted as a focal point for assessing and addressing security concerns, anticipating many of the requirements that the Congress and the administration either are contemplating or have already put in place. Two other key federal agencies—the Customs Service and the Immigration and Naturalization Service (INS)—also have actions under way to begin to address such issues as container security and screening of persons seeking entry into the United States. At the state level, Florida has enacted a set of security standards in advance of September 11 and has taken a number of actions to implement these standards at the ports. At other ports across the nation, actions have varied considerably, particularly among private sector stakeholders.
- While the proposal to consolidate federal agencies responsible for border security may offer some long-term benefits, three challenges are central to successful implementation of security enhancing initiatives at the nations ports—standards, funding, and collaboration. The first challenge involves implementing a set of standards that defines what safeguards a port should have in place. Under the Coast Guard's direction, a set of standards is being developed for all U.S. ports to use in conducting port vulnerability assessments. However, many questions remain about whether the thousands of people who have grown accustomed to working in certain

ways at the nation's ports will agree to, and implement, the kinds of changes that a substantially changed environment will require. The second challenge involves determining the amounts needed and sources of funding for the kinds of security improvements that are likely to be required to meet the standards. Florida's experience indicates that security measures are likely to be more expensive than many anticipate, and determining how to pay these costs and how the federal government should participate will present a challenge. The third challenge is ensuring that there is sufficient cooperation and coordination among the many stakeholders to make the security measures actually work. The experience to date indicates that this coordination is more difficult than many stakeholders anticipate and that continued practice and testing will be key in making it work.

Background

Seaports are critical gateways for the movement of international commerce. More than 95 percent of our non-North American foreign trade (and 100 percent of certain commodities, such as foreign oil, on which we are heavily dependent) arrives by ship. In 2001, approximately 5,400 ships carrying multinational crews and cargoes from around the globe made more than 60,000 U.S. port calls each year. More than 6 million containers (suitable for truck-trailers) enter the country annually. Particularly with "just-in-time" deliveries of goods, the expeditious flow of commerce through these ports is so essential that the Coast Guard Commandant stated after September 11, "even slowing the flow long enough to inspect either all or a statistically significant random selection of imports would be economically intolerable."[3]

This tremendous flow of goods creates many kinds of vulnerability. Drugs and illegal aliens are routinely smuggled into this country, not only in small boats but also hidden among otherwise legitimate cargoes on large commercial ships. These same pathways are available for exploitation by a terrorist organization or any nation or person wishing to attack us surreptitiously. Protecting against these vulnerabilities is made more difficult by the tremendous variety of U.S. ports. Some are multibillion-dollar enterprises, while others have very limited facilities and very little traffic. Cargo operations are similarly varied, including containers, liquid bulk (such as petroleum), dry bulk (such as grain), and iron ore or steel.

[3] *Meeting the Homeland Security Challenge: A Principled Strategy for a Balanced and Practical Response* (September 2001); and *Global Trade: America's Achilles' Heel* (February 2002) by Admiral James M. Loy and Captain Robert G. Ross, U.S. Coast Guard.

Amidst this variety is one relatively consistent complication: most seaports are located in or near major metropolitan areas, where attacks or incidents make more people vulnerable.

The federal government has jurisdiction over harbors and interstate and foreign commerce, but state and local governments are the main port regulators. The entities that coordinate port operations, generally called port authorities, differ considerably from each other in their structure. Some are integral administrative arms of state or local governments; others are autonomous or semi-autonomous self-sustaining public corporations. At least two—The Port Authority of New York and New Jersey and the Delaware River Port Authority—involve two states each. Port authorities also have varying funding mechanisms. Some have the ability to levy taxes, with voter approval required. At other port authorities, voter approval is not required. Some have the ability to issue general obligation bonds, and some can issue revenue bonds. Some ports receive funding directly from the general funds of the governments they are a part of, and some receive state funding support through trust funds or loan guarantees.

A terrorist act involving chemical, biological, radiological, or nuclear weapons at one of these seaports could result in extensive loss of lives, property, and business; affect the operations of harbors and the transportation infrastructure (bridges, railroads, and highways) within the port limits; cause extensive environmental damage; and disrupt the free flow of trade. Port security measures are aimed at minimizing the exploitation or disruption of maritime trade and the underlying infrastructure and processes that support it. The Brookings Institution reported in 2002 that a weapon of mass destruction shipped by container or mail could cause damage and disruption costing the economy as much as $1 trillion.[4] Port vulnerabilities stem from inadequate security measures as well as from the challenge of monitoring the vast and rapidly increasing volume of cargo, persons, and vessels passing through the ports.

Port security is a complex issue that involves numerous key actors including federal, state, and local law enforcement and inspection agencies; port authorities; private sector businesses; and organized labor and other port employees. The routine border control activities of certain

[4] *Protecting the American Homeland: A Preliminary Analysis* by Michael E. O'Hanlon et al., Washington, D.C: Brookings Institution Press, 2002.

federal agencies, most notably the Coast Guard, Customs Service, and INS, seek to ensure that the flow of cargo, vessels, and persons through seaports complies with all applicable U.S. criminal and civil laws. Also, the Coast Guard, the Federal Bureau of Investigation, the Transportation Security Administration (TSA), and the Department of Defense (DOD) seek to ensure that critical seaport infrastructure is safeguarded from major terrorist attack.

Characteristics of Many U.S. Ports Leave Them Vulnerable to Terrorist Attacks

While no two ports in the United States are exactly alike, many share certain characteristics that make them vulnerable to terrorist attacks or for use as shipping conduits by terrorists. These characteristics pertain to both their physical layout and their function. For example:

- Many ports are extensive in size and accessible by water and land. Their accessibility makes it difficult to apply the kinds of security measures that, for example, can be more readily applied at airports.
- Most ports are located in or near major metropolitan areas; their activities, functions, and facilities, such as petroleum tank farms and other potentially hazardous material storage facilities, are often intertwined with the infrastructure of urban life, such as roads, bridges, and factories.
- The sheer amount of material being transported through ports provides a ready avenue for the introduction of many different types of threats.
- The combination of many different transportation modes (e.g., rail and roads) and the concentration of passengers, high-value cargo, and hazardous materials make ports potential targets.

The Port of Tampa illustrates many of these vulnerability characteristics. The port is large and sprawling, with port-owned facilities interspersed among private facilities along the waterfront, increasing the difficulty of access control. It is Florida's busiest port in terms of raw tonnage of cargo, and the cargoes themselves include about half of Florida's volume of hazardous materials, such as anhydrous ammonia, liquid petroleum gas, and sulfur. The port's varied business—bulk freighters and tankers, container ships, cruise ships, fishing vessels, and ship repair and servicing—brings many people onto the port to work daily. For example, in orange juice traffic alone, as many as 2,000 truck drivers might be involved in off loading ships.

The Tampa port's proximity to substantial numbers of people and facilities is another reason for concern. It is located close to downtown Tampa's economic core, making attacks on hazardous materials facilities potentially of greater consequence than for more isolated ports. A number

of busy public roads pass through the port. In addition, located nearby are facilities such as McDill Air Force Base[5] (the location of the U.S. Central Command, which is leading the fighting in Afghanistan) and the Crystal River nuclear power plant, both of which could draw the attention of terrorists.

Extensive Initiatives Taken by Stakeholders to Address Port Security Since September 11

Since September 11, the various stakeholders involved in ports have undertaken extensive initiatives to begin strengthening their security against potential terrorist threats. As might be expected given the national security aspects of the September 11 attacks, these activities have been most extensive at the federal level. However, states, port authorities, local agencies, and private companies have also been involved. The efforts extend across a broad spectrum of ports and port activities, but the levels of effort vary from location to location.

Key Federal Agencies Have Taken Important Steps

While many federal agencies are involved in aspects of port security, three play roles that are particularly key—the Coast Guard, Customs Service, and INS.[6] The Coast Guard, which has overall federal responsibility for many aspects of port security, has been particularly active. After September 11, the Coast Guard responded by refocusing its efforts and repositioning vessels, aircraft, and personnel not only to provide security, but also to increase visibility in key maritime locations. Some of its important actions included the following:

- **Conducting initial risk assessments of ports.** These limited risk assessments, done by Coast Guard marine safety personnel at individual ports, identified high-risk infrastructure and facilities within specific areas

[5] We recently reviewed DOD's security programs designed to protect service members and facilities. The review concentrated mostly on the physical security and related aspects of force protection that include measures to protect personnel and property. See General Accounting Office, *Combating Terrorism: Preliminary Observations on Weaknesses in Force Protection for DOD Deployments Through Domestic Seaports*, GAO-02-955T (Washington, D.C.: July 23, 2002).

[6] The federal role extends beyond these three agencies to include agencies and offices in 10 departments (Transportation, Treasury, Justice, Defense, Agriculture, Health and Human Services, Interior, Commerce, Labor, and State), as well as 6 other agencies (Federal Maritime Commission, National Security Council, Central Intelligence Agency, Office of National Drug Control Policy, Environmental Protection Agency, and the Office of the U.S. Trade Representative).

of operation.[7] The assessments helped determine how the Coast Guard's small boats would be used for harbor security patrols. The Port of Tampa received one of these assessments, and the Coast Guard increased the frequency of harbor patrols in Tampa.

- **Redeploying assets**. The Coast Guard recalled all cutters that were conducting offshore law enforcement patrols for drug, immigration, and fisheries enforcement and repositioned them at entrances to such ports as Boston, Los Angeles, Miami, New York, and San Francisco. Many of these cutters are now being returned to other missions, although some continue to be involved in security-related activities.
- **Strengthening surveillance of passenger-related operations and other high-interest vessels.** The Coast Guard established new guidelines[8] for developing security plans and implementing security measures for passenger vessels and passenger terminals, including access controls to passenger terminals and security zones around passenger ships. In Tampa and elsewhere, the Coast Guard established security zones around moored cruise ships and other high-interest vessels, such as naval vessels and tank ships carrying liquefied petroleum gas. The Coast Guard also boarded or escorted many of those vessels to ensure their safe entry into the ports. In some areas, such as San Francisco Bay, the Coast Guard also established waterside security zones adjacent to large airports located near the water.
- **Laying the groundwork for more comprehensive security planning**. The Coast Guard began a process for comprehensively assessing the security conditions of 55 U.S. ports over a 3-year period. The agency has a contract with a private firm, TRW Systems, to conduct detailed vulnerability assessments of these ports. The first four assessments are expected to begin in mid-August 2002, following initial work to develop a methodology and identify security standards and best practices that can be used for evaluating the security environment of ports. Tampa is expected to be among the first eight ports assessed under this process.
- **Driving Maritime Security Worldwide**. The Coast Guard is working through the International Maritime Organization to improve maritime security worldwide. It has proposed accelerated implementation of

[7] Examples of high-risk infrastructure include fossil fuel processing and storage facilities, nuclear power plants, liquid natural gas transfer facilities, naval ships and facilities, and cruise ships and terminal facilities.

[8] The guidelines were contained in a *Navigation and Vessel Inspection Circular*, an approach the Coast Guard uses to provide detailed guidance about enforcement or compliance with certain federal marine safety regulations and Coast Guard marine safety programs.

electronic ship identification systems, ship and port facility security plans, and the undertaking of port security assessments. The proposals have been approved in a security-working group and will be before the entire organization in December 2002.

According to the U.S. Customs Service, it has several initiatives under way in the United States and elsewhere to help ensure the security of cargo entering through U.S. ports. These initiatives include the following:

- **Inspecting containers and other cargoes**. Beginning in the summer of 2002, Customs plans to deploy 20 new mobile gamma ray imaging devices at U.S. ports to help inspectors examine the contents of cargo containers and vehicles. Customs is also adapting its computer-based system for targeting containers for inspection. The system, originally designed for the agency's counter-narcotics efforts, flags suspect shipments for inspection on the basis of an analysis of shipping, intelligence, and law enforcement data, which are also checked against criteria derived from inspectors expertise. These new efforts would adjust the system to better target terrorist threats as well.
- **Prescreening cargo**. In its efforts to increase security, Customs has entered into an agreement to station inspectors at three Canadian ports to prescreen cargo bound for the United States. The agency has since reached similar agreements with the Netherlands, Belgium, and France to place U.S. inspectors at key ports and initiated similar negotiations with other foreign governments in Europe and Asia.
- **Working with the global trade community**. Customs is also engaging the trade community in a partnership program to protect U.S. borders and international commerce from acts of terrorism. In this recent initiative, U.S. importers—and ultimately carriers and other businesses—enter into voluntary agreements with Customs to enhance the security of their global supply chains and those of their business partners. In return, Customs will agree to expedite the clearance of the members' cargo at U.S. ports of entry.

INS is also working on a number of efforts to increase border security to prevent terrorists or other undesirable aliens from entering the United States. INS proposes to spend nearly $3 billion on border enforcement in fiscal year 2003—about 75 percent of its total enforcement budget of $4.1 billion. A substantial number of INS's actions relate to creating an entry and exit system to identify persons posing security threats. INS is working on a system to create records for aliens arriving in the United States and match them with those aliens' departure records. The Immigration and Naturalization Service Data Management Improvement Act of 2000

requires the U.S. Attorney General to implement such a system at airports and seaports by the end of 2003, at the 50 land border ports with the greatest numbers of arriving and departing aliens by the end of 2004, and at all ports by the end of 2005. The USA Patriot Act,[9] passed in October 2001, further instructs the U.S. Attorney General and the Secretary of State to focus on two new elements in designing this system—tamper-resistant documents that are machine-readable at ports of entry and the use of biometric technology, such as fingerprint and retinal scanning. Another Act[10] passed by Congress goes further by making the use of biometrics a requirement in the new entry and exit system.

A potentially more active agency in the future is the new TSA, which has been directed to protect all transportation systems and establish needed standards.[11] To date, however, TSA has had limited involvement in certain aspects of improving port security. TSA officials report that they are working with the Coast Guard, Customs, and other public and private stakeholders to enhance all aspects of maritime security, such as developing security standards, developing and promulgating regulations to implement the standards, and monitoring the execution of the regulations. TSA, along with the Maritime Administration and the Coast Guard is administering the federal grant program to enhance port security. TSA officials also report that they plan to establish a credentialing system for transportation workers.

[9] The USA Patriot Act (P.L. 107-56), signed by the President on October 26, 2001, has various provisions requiring development of technology standards to confirm identity. Under the Act, the Department of Commerce's National Institute of Standards and Technology is to develop and certify accuracy standards for biometric technologies.

[10] The Enhanced Border Security and Visa Entry Reform Act of 2002 (P.L. 107-173), signed by the President on May 14, 2002, requires that all travel and entry documents (including visas) issued by the United States to aliens be machine-readable and tamper-resistant and include standard biometric identifiers by October 26, 2004.

[11] The Aviation and Transportation Security Act of 2001 (P.L. 107-71) established the TSA under the Secretary of Transportation. The mission of TSA is to protect the nation's transportation systems to ensure freedom of movement for people and commerce by establishing standards for transportation security in collaboration with other federal agencies.

President and the Congress Have Taken Many Actions and Are Considering Others

The Congress is currently considering additional legislation to further enhance seaport security. Federal port security legislation is expected to emerge from conference committee as members reconcile S. 1214[12] and H.R. 3983.[13] Key provisions of these two bills include requiring vulnerability assessments at major U.S. seaports and developing comprehensive security plans for all waterfront facilities. Other provisions in one or both bills include establishing local port security committees, assessing antiterrorism measures at foreign ports, conducting antiterrorism drills, improving training for maritime security professionals, making federal grants for security infrastructure improvements, preparing a national maritime transportation security plan, credentialing transportation workers, and controlling access to sensitive areas at ports. The Coast Guard and other agencies have already started work on some of the provisions of the bills in anticipation of possible enactment.

Some funding has already been made available for enhanced port security. As part of an earlier DOD supplemental budget appropriation for fiscal year 2002,[14] the Congress appropriated $93.3 million to TSA for port security grants. Three DOT agencies—the Maritime Administration, the Coast Guard, and TSA— screened grant applications and recently awarded grants to 51 U.S. ports for security enhancements and assessments. Tampa received $3.5 million to (1) improve access control, which Tampa Port Authority officials believe will substantially eliminate access to the port by unauthorized persons or criminal elements and (2) install camera surveillance to enforce security measures and to detect intrusions. More recently, Congress passed legislation authorizing an additional $125 million for port security grants, including $20 million for port incident training and exercises.

[12] S. 1214, a bill introduced by Senator Ernest F. Hollings aimed at amending the Merchant Marine Act of 1936 to establish a program to ensure greater security for U.S. seaports, passed in the Senate on December 20, 2001.

[13] H.R. 3983, a bill introduced by Representative Don Young to ensure the security of maritime transportation in the United States against acts of terrorism, passed in the House of Representatives on June 4, 2002.

[14] Department of Defense and Emergency Appropriations for Recovery from and Response to Terrorist Attacks on the United States Act 2002 (Public Law 107-117, H.R. Conference Report 107-350).

State, Local, and Private Actions Have Varied

The federal government has jurisdiction over navigable waters (including harbors) and interstate and foreign commerce and is leading the way for the nation's ongoing response to terrorism; however, state and local governments are the main regulators of seaports. Private sector terminal operators, shipping companies, labor unions, and other commercial maritime interests all have a stake in port security. Our discussions with public and private sector officials in several ports indicates that although many actions have been taken to enhance security, there is little uniformity in actions taken thus far.

Florida has been a leader in state initiated actions to enhance port security. In 2001—and prior to September 11—Florida became the first state to establish security standards for ports under its jurisdiction and to require these ports to maintain approved security plans that comply with these standards. According to Florida state officials, other states have considered similar legislation. However, according to an American Association of Port Authorities official, Florida is the only state thus far to enact such standards.

Although other states have not created formal requirements as Florida has done, there is evidence that many ports have taken various actions on their own to address security concerns in the wake of September 11. State and local port administrators we spoke with at such locations as the South Carolina State Ports Authority and the Port Authority of New York and New Jersey, for example, said they had conducted security assessments of their ports and made some improvements to their perimeter security and access control. At the eight ports where our work has been concentrated thus far, officials reported expending a total of more than $20 million to enhance security since September 11. Likewise, private companies said they have taken some actions, although they have varied from location to location. For example, one shipping company official said that it had performed a security assessment of its own facility; another facility operator indicated that it had assessed its own security needs and added access controls and perimeter security. In addition, private sector officials at the port of Charleston, South Carolina, told us that some facility operators had done more than others to improve their security. The Coast Guard's Captain of the Port in Charleston agreed with their assessment. He said that one petroleum company has tight security, including access control with a sign-in at the gate and visitor's badge and identification checks for everyone entering the facility. Another petroleum facility requires all visitors to watch a safety and security video, while a third petroleum facility had done so little that the Captain characterized security there as inadequate.

Challenges Remain in Implementing Standards, Securing Resources, and Building Effective Partnerships

Several challenges need to be addressed to translate the above initiatives into the kind of enhanced security system that the Congress and other policymakers have envisioned. A significant organizational change appears likely to occur with congressional action to establish a new Department of Homeland Security (DHS), which will integrate many of the federal entities involved in protecting the nation's borders and ports. The Comptroller General has recently testified[15] that we believe there is likely to be considerable benefit over time from restructuring some of the homeland security functions, including reducing risk and improving the economy, efficiency, and effectiveness of these consolidated agencies and programs. Despite the hopeful promise of this significant initiative, the underlying challenges of successfully implementing measures to improve the security of the nation's ports remain. These challenges include implementation of a set of standards that define what safeguards a port should have in place, uncertainty about the amount and sources of funds needed to adequately address identified needs, and difficulties in establishing effective coordination among the many public and private entities that have a stake in port security.[16]

Implementing National Security Standards Could Prove Difficult

One major challenge involves developing a complete set of standards for the level of security that needs to be present in the nation's ports. Adequate standards, consistently applied, are important because lax security at even a handful of ports could make them attractive targets for terrorists interested in smuggling dangerous cargo, damaging port infrastructure, or otherwise disrupting the flow of goods.

In the past, the level of security has largely been a local issue, and practices have varied greatly. For example, at one port we visited most port facilities were completely open, with few fences and many open gates. In contrast, another port had completely sealed all entrances to the

[15] U.S. General Accounting Office, *Homeland Security: Critical Design and Implementation Issues*, GAO-02-957T (Washington, D.C.: July 17, 2002).

[16] Furthermore, GAO is separately conducting reviews related to Customs' processing of sea borne containerized and bulk cargo bound for the United States, focusing on targeting and the use of screening technology. On the basis of our preliminary work at two major U.S. seaports, GAO has identified a number of challenges related to the implementation and effectiveness of Customs' initiatives to ensure the security of cargo entering U.S. seaports. We are unable to further discuss these observations today during this open hearing because of the law-enforcement-sensitive nature of the information. In addition, GAO has ongoing evaluations of INS's efforts to control entry of terrorists into the U.S.

port, and everyone attempting to gain access to port property had to show identification and state their port business before access to the port was granted. Practices also vary greatly among facilities at a single port. At Tampa, for example, a set of state standards applies to petroleum and anhydrous ammonia tanks on port property; but security levels at similar facilities on private land are left to the discretion of private companies.

Development of a set of national standards that would apply to all ports and all public and private facilities is well under way. In preparing to assess security conditions at 55 U.S. ports, the Coast Guard's contractor has been developing a set of standards since May 2002. The Coast Guard standards being developed cover such things as preventing unauthorized persons from accessing sensitive areas, detecting and intercepting intrusions, checking backgrounds of those whose jobs require access to port facilities, and screening travelers and other visitors to port facilities. These standards are performance-based, in that they describe the desired outcome and leave the ports considerable discretion about how to accomplish the task. For example, the standards call for all employees and passengers to be screened for dangerous items or contraband but do not specify the method that must be used for these screenings. The Coast Guard believes that using performance standards will provide ports with the needed flexibility to deal with varying conditions and situations in each location rather than requiring a "cookie-cutter" approach that may not be as effective in some locations as it would be in others.

Developing and gaining overall acceptance of these standards is difficult enough, but implementing them seems likely to be far tougher. Implementation includes resolving thorny situations in which security concerns may collide with economic or other goals. Again, Tampa offers a good example. Some of the port's major employers consist of ship repair companies that hire hundreds of workers for short-term projects as the need arises. Historically, according to port authority officials, these workers have included persons with criminal records. However, new state requirements for background checks, as part of issuing credentials, could deny such persons needed access to restricted areas of the port. From a security standpoint, excluding such persons may be advisable; but from an economic standpoint, a company may have difficulty filling jobs if it cannot include such persons in the labor pool. Around the country, ports will face many such issues, ranging from these credentialing questions to deciding where employees and visitors can park their cars. To the degree that some stakeholders believe that the security actions are unnecessary or conflict with other goals and interests, achieving consensus about what to do will be difficult.

Another reason that implementation poses a challenge is that there is little precedent for how to enforce the standards. The Coast Guard believes it has authority under current law and regulations[17] to require security upgrades, at both public and private facilities. Coast Guard officials have also told us that they may write regulations to address the weaknesses found during the ongoing vulnerability assessment process. However, the size, complexity, and diversity of port operations do not lend themselves to an enforcement approach such as the one the United States adopted for airports in the wake of September 11, when airports were shut down temporarily until they could demonstrate compliance with a new set of security procedures. In the case of ports, compliance could take much longer, require greater compromises on the part of stakeholders, and raise immediate issues about how compliance will be paid for—and who will bear the costs.

Funding Issues Are Pivotal

Many of the planned security improvements at seaports will require costly outlays for infrastructure, technology, and personnel. Even before September 11, the Interagency Commission on Crime and Security in U.S. Seaports[18] estimated the costs for upgrading security infrastructure at U.S. ports ranging from $10 million to $50 million per port.[19] Officials at the Port of Tampa estimated their cost for bringing the port's security into compliance with state standards at $17 million—with an additional $5 million each year for security personnel and other recurring costs.

Deciding how to pay for these additional outlays carries its own set of challenges. Because security at the ports is a concern shared among federal, state, and local governments, as well as among private commercial interests, the issue of who should pay to finance antiterrorism activities may be difficult to resolve. Given the importance of seaports to our nation's economic infrastructure and the importance of preventing dangerous persons or goods from entering our borders, it has been argued by some that protective measures for ports should be financed at the

[17] Ports and Waterways Safety Act, 33 U.S.C. section 1226; and Title 33 (Navigation and Navigable Waters) Code of Federal Regulations, part 6 (Protection and Security of Vessels, Harbors, and Waterfront Facilities).

[18] On April 27, 1999, the President established the Interagency Commission on Crime and Security in U.S. Seaports. The Commission issued its report on August 28, 2000.

[19] Estimated range varies on the basis of port size and cost of the technology component of the security upgrade.

federal level. Port and private sector officials we spoke with said that federal crime, including terrorism, is the federal government's responsibility, and if security is needed, the federal government should provide it. On the other hand, many of the economic development benefits that ports bring, such as employment and tax revenue, remain within the state or the local area. In addition, commercial interests and other private users of ports could directly benefit from security measures because steps designed to thwart terrorists could also prevent others from stealing goods or causing other kinds of economic damage.

The federal government has already stepped in with additional funding, but demand has far outstripped the additional amounts made available. For example, when the Congress appropriated $93.3 million to help ports with their security needs, the grant applications received by TSA totaled $697 million—many multiples of the amount available (even including the additional $125 million just appropriated for port security needs). However, it is not clear that $697 million is an accurate estimate of the need because, according to the Coast Guard and Maritime Administration officials, applications from private industry may have been limited because of the brief application period. In Tampa, while officials believe that they need $17 million for security upgrades, they submitted an application for about $8 million in federal funds and received $3.5 million.

In the current environment, ports may have to try to tap multiple sources of funding. Tampa officials told us that they plan to use funds from a variety of state, local, and federal sources to finance their required security improvements. These include such sources as federal grants, state transportation funds, local tax and bond revenues, and operating revenues from port tenants. In Florida, one major source for security money has been the diversion of state funds formerly earmarked for economic development projects. According to Florida officials, in 2002, for example, Florida ports have spent virtually all of the $30 million provided by the state for economic development on security-related projects. Ports throughout the nation may have varying abilities to tap similar sources of funding. In South Carolina, for example, where port officials identified $12.2 million in needed enhancements and received $1.9 million in TSA

grants, officials said no state funding was available.[20] By contrast, nearby ports in North Carolina, Georgia, and Virginia do have access to at least some state-subsidized funding. South Carolina port officials also reported that they had financed $755,000 in security upgrades with operating revenue, such as earnings from shippers' rental of port-owned equipment, but they said operating revenues were insufficient to pay for much of the needed improvements.

These budget demands place pressure on the federal government to make the best decisions about how to use the funding it makes available. Governments also have a variety of policy tools, including grants, regulations, tax incentives, and information-sharing mechanisms to motivate or mandate other lower levels of government or the private sector to help address security concerns, each with different advantages or drawbacks, for example, in achieving results or promoting accountability. Security legislation currently under consideration by the Congress includes, for example, federal loan guarantees as another funding approach in addition to direct grants.

Shared Responsibilities Place a Premium on Effective Communication and Coordination

Finally, once adequate security measures are in place, there are still formidable challenges to making them work. As we have reported, one challenge to achieving national preparedness and response goals hinges on the federal government's ability to form effective partnerships among many entities.[21] If such partnerships are not in place—and equally important, if they do not work effectively—those who are ultimately in charge cannot gain the resources, expertise, and cooperation of the people who must implement security measures. One purpose in creating the proposed DHS is to enhance such partnerships at the federal level.

[20] According to a port authority official, by their charter, South Carolina's ports are structured for self-sufficient operation and do not receive any state funds. Other fiscal constraints identified by South Carolina port officials include their inability to divert funds to security needs from nonsecurity-related improvement projects, because those projects are included in contracts with the ports' customers. Also, state law allows the State Ports Authority to borrow money, but only if it is for a revenue-generating project, such as a container crane. Furthermore, State Ports Authority officials have considered levying a security surcharge from their customers. However, they concluded that it would place their ports at a competitive disadvantage unless other ports also instituted a surcharge.

[21] U.S. General Accounting Office, *Homeland Security: Intergovernmental Coordination and Partnership Will Be Critical to Success*, GAO-02-899T (Washington D.C.: July 1, 2002), GAO-02-900T (Washington, D.C.: July 2, 2002), and GAO-02-901T (Washington, D.C.: July 3, 2002).

Part of this challenge involves making certain that all the right people are involved. At the ports we reviewed, the extent to which this had been done varied. The primary means of coordination at many ports are port security committees, which are led by the Coast Guard; the committees offer a promising forum for federal, state, and local government and private stakeholders to share information and make decisions collaboratively. For example, a Captain of the Port told us that coordination and cooperation among port stakeholders at a port in his area of responsibility are excellent and that monthly meetings are held with representation from law enforcement, the port authority, shipping lines, shipping agents, and the maritime business community. However, in another port, officials told us that their port security committees did not always include representatives from port stakeholders who were able to speak for and make decisions on behalf of their organization.

An incident that occurred shortly before our review at the Port of Honolulu illustrates the importance of ensuring that security measures are carried out and that they produce the desired results. The Port had a security plan that called for notifying the Coast Guard and local law enforcement authorities about serious incidents. One such incident took place in April 2002, when, as cargo was being loaded onto a cruise ship, specially trained dogs reacted to possible explosives in one of the loads, and the identified pallet was set aside. Despite the notification policy, personnel working for the shipping agent and the private company providing security at the dock failed to notify either local law enforcement officials or the Coast Guard about the incident. A few hours after the incident took place, Coast Guard personnel conducting a foot patrol found the pallet and inquired about it, and, when told about the dogs' reaction, they immediately notified local emergency response agencies. Once again, however, the procedure was less than successful because the various organizations were all using radios that operated on different frequencies, making coordination between agencies much more difficult.

Fortunately, the Honolulu incident did not result in any injuries or loss, and Coast Guard officials said that it illustrates the importance of practice and testing of security measures. They also said that for procedures to be effective when needed they must be practiced and the exercises critiqued so the procedures become refined and second nature to all parties. According to a Coast Guard official, since the April incident, another incident occurred where another possible explosive was detected. This time all the proper procedures were followed and all the necessary parties were contacted.

One aspect of coordination and cooperation that was lacking in the standard security measures we observed is the sharing of key intelligence about such issues as threats and law enforcement actions. No standard protocol exists for such an information exchange between the federal government and the state and local agencies that need to react to it. In addition, no formal mechanism exists at the ports we visited for the coordination of threat information. State and local officials told us that for their governments to act as partners with the federal government in homeland security, of which port security is a critical part, they need better access to threat information.

We identified a broad range of barriers that must be overcome to meet this challenge. For example, one barrier involves security clearances. Officials at the National Emergency Management Association (NEMA), the organization that represents state and local emergency management personnel, told us that personnel in the agencies they represent have difficulty in obtaining critical intelligence information. Although state or local officials may hold security clearances issued by the Federal Emergency Management Agency, other federal agencies, such as the Federal Bureau of Investigation, do not generally recognize these security clearances. Similarly, officials from the National Governors Association told us that because most state governors do not have a security clearance, they cannot receive any classified threat information. This could affect their ability to effectively use the National Guard or state police to prevent and respond to a terrorist attack, as well as hamper their emergency preparedness capability.[22]

The importance of information-sharing on an ongoing basis can be seen in an example of how discussions among three agencies, each with its own piece of the puzzle, first failed but then uncovered a scheme under which port operations were being used to illegally obtain visas to enter the United States. The scheme, which was conducted in Haiti, was discovered only after a number of persons entered the United States illegally. Under this scheme, people would apply at the U.S. Consulate in Haiti for entrance visas on the pretext that they had been hired to work on ships that were about to call at the Port of Miami. However, the ships were no longer in service. The Coast Guard knew that these ships were no longer in service, but this information was not known by the State Department (which

[22] U.S. General Accounting Office, *Homeland Security: Progress Made; More Direction and Partnership Sought*, GAO-02-490T (Washington, D.C.: March 12, 2002).

issued the visas) or INS (which admitted the people into the United States). A Coast Guard official at the Miami Marine Safety Office estimated that hundreds of people entered the country illegally in 2002.[23] Once this was discovered by Coast Guard personnel, they contacted certain American embassies to inform them of the vessels that have been taken out of active service or have been lost at sea and instituted procedures to ensure that the potential crew member was joining a legitimate vessel.

The breadth of the challenge of improved coordination and collaboration is evident in the sheer magnitude of the players, even if the proposed DHS is enacted. Coordination challenges will remain among the 22 federal entities that would be brought together in the proposed DHS; between these diverse elements of DHS and the many entities with homeland security functions still outside DHS; and between the full range of federal entities and the myriad of state, local, and private stakeholders.

In summary, Mr. Chairman, making America's ports more secure is not a short-term or easy project. There are many challenges that must be overcome. The ports we visited and the responsible federal, state, and local entities have made a good start, but they have a long way to go. While there is widespread support for making the nation safe from terrorism, ports are likely to epitomize a continuing tension between the desire for safety and security and the need for expeditious, open flow of goods both into and out of the country.

This completes my prepared statement. I would be pleased to respond to any questions you or other Members of the Subcommittee may have.

Contacts and Acknowledgments

For information about this testimony, please contact JayEtta Z. Hecker, Director, Physical Infrastructure Issues, on (202) 512-2834. Individuals making key contributions to this testimony included Randy Williamson, Steven Calvo, Jonathan Bachman, Jeff Rueckhaus, and Stan Stenersen.

[23] The Coast Guard official developed the estimate after one of the leaders who was selling the fraudulent documents was arrested in Miami.

Appendix: Scope and Methodology

To learn of the vulnerabilities present at ports, the initiatives undertaken since September 11 to mitigate them and the challenges that could impede further progress, we judgmentally selected 10 ports—8 of which we visited—to provide a geographically diverse sample and, in many cases, include ports where special attention had been devoted to security issues. For example, we visited the ports in Tampa, Miami, and Ft. Lauderdale (Port Everglades) because they—like all of Florida's deepwater ports—are required to implement state-mandated security standards, and because they handle large numbers of cruise passengers or large quantities of containerized or bulk cargoes. While in Florida, we also met with state officials from the Office of Drug Control, which developed the port security standards and the legislation codifying them, and from the Department of Law Enforcement, charged with overseeing the implementation of the state standards. In addition, we visited ports in Charleston, South Carolina, and Honolulu, Hawaii, which had been the subject of detailed vulnerability studies by the Defense Threat Reduction Agency (DTRA), in order to determine their progress in implementing the security enhancements recommended by DTRA. For further geographical representation we visited the ports in Oakland, California; Tacoma, Washington; and Boston, Massachusetts, and held telephone discussions with officials from the Port Authority of New York and New Jersey and with the Coast Guard in Guam. At each port visit, we toured the port on land and from the water in order to view the enhancements made since September 11 and the outstanding security needs. We also interviewed officials from the Coast Guard and other public and private sector port stakeholders, such as port authorities, state transportation departments, marine shipping companies, shipping agents, marine pilots, and private terminal operators.

To determine federal, state, local, and private initiatives to enhance port security and the implementation challenges, we had several conversations with officials from the Coast Guard headquarters, DTRA, the Maritime Administration, the American Association of Port Authorities, and the private contractor recently hired by the Coast Guard to conduct comprehensive vulnerability assessments at 55 U.S. ports. These discussions included issues related to port security assessments—both completed and planned—communication and coordination with port stakeholders, federal funding of port security enhancements, and other issues. In addition, we analyzed administrative data from the federally funded TSA Port Security Grant Program for additional information on the security needs of ports and the ports' progress since September 11 in enhancing their security.

Related GAO Products

Homeland Security

Homeland Security: Critical Design and Implementation Issues (GAO-02-957T, July 17, 2002)

Homeland Security: Title III of the Homeland Security Act of 2002 (GAO-02-927T, July 9, 2002)

Homeland Security: Intergovernmental Coordination and Partnerships Will Be Critical to Success (GAO-02-899T, July 1, 2002).

Homeland Security: New Department Could Improve Coordination but May Complicate Priority Setting (GAO-02-893T, June 28, 2002).

Homeland Security: Proposal for Cabinet Agency Has Merit, But Implementation Will be Pivotal to Success (GAO-02-886T, June 25, 2002).

Homeland Security: Key Elements to Unify Efforts Are Underway but Uncertainty Remains (GAO-02-610, June 7, 2002).

National Preparedness: Integrating New and Existing Technology and Information Sharing into an Effective Homeland Security Strategy (GAO-02-811T, June 7, 2002).

Homeland Security: Responsibility And Accountability For Achieving National Goals (GAO-02-627T, April 11, 2002).

National Preparedness: Integration of Federal, State, Local, and Private Sector Efforts Is Critical to an Effective National Strategy for Homeland Security (GAO-02-621T, April 11, 2002).

Homeland Security: Progress Made; More Direction and Partnership Sought (GAO-02-490T, March 12, 2002).

Homeland Security: Challenges and Strategies in Addressing Short- and Long-Term National Needs (GAO-02-160T, November 7, 2001).

Homeland Security: A Risk Management Approach Can Guide Preparedness Efforts (GAO-02-208T, October 31, 2001).

Homeland Security: Key Elements of a Risk Management Approach (GAO-02-150T, October 12, 2001).

Homeland Security: A Framework for Addressing the Nation's Issues (GAO-01-1158T, September 21, 2001).

Combating Terrorism	*Combating Terrorism: Preliminary Observations on Weaknesses in Force Protection for DOD Deployments Through Domestic Seaports* (GAO-02-955T, July 23, 2002).
	Combating Terrorism: Intergovernmental Cooperation in the Development of a National Strategy to Enhance State and Local Preparedness (GAO-02-550T, April 2, 2002).
	Combating Terrorism: Enhancing Partnerships Through a National Preparedness Strategy (GAO-02-549T, March 28, 2002).
	Combating Terrorism: Critical Components of a National Strategy to Enhance State and Local Preparedness (GAO-02-548T, March 25, 2002).
	Combating Terrorism: Intergovernmental Partnership in a National Strategy to Enhance State and Local Preparedness (GAO-02-547T, March 22, 2002).
	Combating Terrorism: Key Aspects of a National Strategy to Enhance State and Local Preparedness (GAO-02-473T, March 1, 2002).
	Combating Terrorism: Considerations For Investing Resources in Chemical and Biological Preparedness (GAO-01-162T, October 17, 2001).
	Combating Terrorism: Selected Challenges and Related Recommendations (GAO-01-822, September 20, 2001).
	Combating Terrorism: Actions Needed to Improve DOD's Antiterrorism Program Implementation and Management (GAO-01-909, September 19, 2001).

Mr. PUTNAM. Thank you very much.

Mr. Bulger, you are recognized. Welcome to the subcommittee.

Mr. BULGER. Mr. Chairman, thank you for inviting me here today to address you on behalf of the U.S. Immigration and Naturalization Service. I am pleased to appear before you today along with so many of our Federal agencies, as well as various State and local agencies, Tampa Port Authority, local industry representatives and other stakeholders to discuss seaport security.

The Florida District of INS has developed and maintained several aggressive enforcement operations aimed at preventing the smuggling of aliens, terrorists, criminals and contraband into the United States at our ports of entry. One of the most significant actions to date has been the establishment of the first terminal inspection operations for cruise ships at our Florida seaport locations, including here at the Port of Tampa.

Developed with cooperation between the industry and INS, these new facilities are designed to resemble international airport style inspection areas. This new approach has allowed us to facilitate travel, while we also increase our enforcement efforts as arriving cruise ship passengers are now more quickly, but also more thoroughly inspected by INS personnel.

INS has also taken measures to enhance security regarding the inspection of crew members on cruise ships. We have strengthened our policies to limit more strictly any waivers of documentary requirements to better track deserters and absconding crewmen, and to require security guards to ensure that any nonadmissible crew do not disembark. These policies and our cruise ship facility enhancements create a more secure seaport while at the same time facilitating travel.

In addition, we are very pleased with the partnership we have developed with the State of Florida under the auspices of the domestic security task forces that we have heard spoken about earlier today. This is an opportunity, unique in INS, and the first in the country, in which State and local law enforcement officers will be designated as Immigration and Naturalization Service officers.

There are now 35 local and State law enforcement personnel who are undergoing a 6-week training program at the FDLE in Orlando. Now, the training is being conducted by INS personnel from the Federal Law Enforcement Training Center. At the conclusion of that training next week, these 35 officers will be designated as U.S. Immigration and Naturalization Service officers. They will work under the supervision of INS personnel, and we feel that the effective force multiplier that they will provide will allow for greater coordination and cooperation as these domestic security task force operations attempt to make our ports more secure.

This is an opportunity for us that we see—we are seeing a great deal of interest around the country as other States discuss the possibility of emulating this very important initiative.

And with that, Mr. Chairman, I will conclude my remarks in the interest of brevity.

[The prepared statement of Mr. Bulger follows:]

STATEMENT

OF

JOHN M. BULGER

ACTING DIRECTOR

IMMIGRATION AND NATURALIZATION SERVICE

MIAMI DISTRICT

BEFORE THE

HOUSE COMMITTEE ON GOVERNMENT REFORM

SUBCOMMITEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS

REGARDING

FACILITATING TRADE AND SECURING SEAPORTS

FIELD HEARING

AUGUST 5, 2002 - TAMPA, FL

MR. CHAIRMAN, thank you for inviting me here today to address you on behalf of the United States Immigration and Naturalization Service (INS). I am pleased to appear before you today along with so many other of our sister Federal agencies, as well as the various State and Local agencies, the Tampa Port Authority, local Industry representatives, and other stakeholders to discuss seaport security issues.

FACILITATING TRADE AND SECURING SEAPORTS

The Miami District Office of INS has developed and maintained several aggressive enforcement operations aimed at preventing the smuggling of aliens, terrorists, criminals, and contraband into the United States at our ports-of-entry. One of our most significant actions to date has been the establishment of the first terminal inspection operations for cruise ships at our Florida seaport locations, including here at the Port of Tampa. Developed with cooperation between industry and the INS, these new facilities are designed to resemble international airport-style inspection areas. This new approach has allowed us to facilitate travel, while we also increase our enforcement efforts, as arriving cruise ship passengers are now more quickly – but also more thoroughly inspected by INS personnel.

The INS has also taken measures to enhance security regarding inspection of crewmembers on cargo ships. We have issued or strengthened policies to limit more strictly any waivers of documentary requirements, better track deserters and absconding crew, and require security guards to ensure that any non-admissible crew do not disembark. These policies and our cruise ship facility enhancements create a more secure seaport while at the same time facilitating travel.

CRUISE SHIP INSPECTIONS

A significant aspect of our mission, and one that is certainly evident within the Miami District Office, is that of screening and processing applicants for admission to this country. The Inspections Division of the District is responsible for 16 international ports-of-entry throughout the state of Florida and the Bahamas, including the largest cruiseship terminal operations in the world, those being the Ports of Miami and Ft. Lauderdale. The Cruise Line Industry has shown continuous and steady growth over the past several years, right here in Tampa, in addition to Port Manatee, Port Canaveral and Jacksonville. The total international passenger counts have increased by approximately four percent in each of the last four fiscal

years. In fiscal year 2001, District staff inspected 5,442,668 passengers that arrived on 13,455 passenger ships and cargo vessels at Florida District seaports. Tampa is one of the fastest growing cruise ship ports in the United States. The Port of Tampa is projecting 600,000 passengers this year and 750,000 passengers next year.

As I mentioned at the beginning of my remarks, the Miami Seaport became the first in the United States to begin processing cruise vessels at a specifically designated terminal-based Federal Inspection Site. Just down the street from this Port Authority Building on Channelside Drive, where we have all assembled today, construction is nearly complete on Tampa's new Cruise Terminal Three. I would like now to discuss in greater detail our view of the passenger processing environments at Florida seaports and how it relates to Homeland Security and facilitating trade as well as securing our seaports.

The Ports of Miami, Port Everglades, Tampa, and Port Canaveral are home to some of the largest cruiseship operations in the world. As you are well aware, the impact of the cruiseship industry on the economy of this state is tremendous, accounting for billions of dollars of revenue each year. That impact is also directed towards the INS in Florida, as each year we inspect, on average, more than five million cruiseship passengers at our Florida seaports. We are very much aware of

how vitally important it is to the travelling public and the industry itself that the INS accomplish its Inspections mission in a timely and thorough manner. With the number of travelers increasing each year, and the threats to this nation's security that are a vivid reality, the INS is modifying the inspections process to ensure that we are doing everything possible to maintain the safety of the public and of our Nation's borders while working to ensure that unnecessary disruption does not occur.

Through the efforts of this District, our Eastern Regional Office, and INS Headquarters, and certainly with the cooperation and energy of the cruiseship companies themselves, we have implemented at Miami, Port Everglades, and Tampa, the same inspection process the INS uses at commercial air ports-of-entry in the United States. We expect that the new facility here in Tampa will be fully operational within three months as cruise ships are scheduled to berth at the new Cruise Terminal Three in October, 2002. In addition, construction of terminal-style facilities is underway at West Palm Beach. While the advantages of such a system are many, I would like to focus on two in particular: The capability to immediately access real-time data to enhance the INS' ability to better protect our borders; and the ability to facilitate procedures for the traveling public.

As with airport inspection processes, our terminal-style inspection process facilitates the inspection of cruiseship passengers. I cannot overemphasize the significance of this process. In other words, every person leaving a cruiseship and entering the United States is personally inspected by an Immigration Inspector who has access to the same law enforcement and security databases found at our established facilities at air ports-of-entry. This occurs at what we refer to as "primary inspection." It is at this stage where an Immigration Inspector has the first true opportunity to identify or to detect known or suspected immigration law violators, criminals, and certainly, those who could present a threat to this country's national security. In those instances where we do encounter passengers who require more in-depth processing, a referral is made to what is called "secondary inspection." At this stage of inspection, an Immigration Inspector can take the needed time to conduct a more thorough investigation into a person's status, identity, intended travel plans, and ultimately, the individual's admissibility to the United States. These terminal-style inspections now occurring at the Port of Miami, Port Everglades, and soon here in Tampa and other ports, provide us with the greatest opportunity to detect and interdict persons who pose a threat to this country.

Regrettably, for cruise ships not arriving at a terminal-ready facility, INS must board the cruise ship and inspect onboard. This is still the most common form of inspection, but the least desirable. As no live data hook-ups for INS exists on these ships, no live queries are possible. Rather, laptop computers with downloaded data serve as the primary source of information. Because of the inadequacies associated with this procedure, INS is implementing measures to enhance seaport inspections.

One such measure is the use of the Automated Passenger Information System, or APIS as it is known. Within the Miami District, I am pleased to tell you that all cruise lines are now fully participating with us in the advance presentation of APIS data. The availability of advance passenger information enables the INS to conduct database checks of passengers prior to the arrival of a cruise ship at a port-of-entry.

The more efficient processing of passengers with terminal style cruiseship inspections has resulted in an overwhelmingly positive response from our customers, the passengers and crew of these ships. Disembarkation commences immediately upon docking as opposed to passengers remaining onboard for 3 to 4 hours while inspections are completed. This moves passengers off vessels faster,

and provides for more efficient movement of ships' goods and services, all while ensuring that appropriate security measures are undertaken.

INS has been and continues to be a partner with the various other Federal, State, and local Agencies in making our Florida seaports more secure. For example, I can cite with great pride our local office's active participation in the Tampa Bay Harbor Safety Committee. This committee is composed of board members from Tampa Port Authority, including the Tampa Port Director and CEO, and the Director of Operations, as well as the U.S. Coast Guard Commanding Officer and Captain of the Port. The Board is also comprised of members from the Port of St. Petersburg and Manatee Port Authority, as well as the Tampa Bay Pilots Association, Carnival Cruise Lines, the Propeller Club, and a number of other key industry and government representatives.

The Tampa office of INS, headed by Officer-In-Charge James J. Minton and Tampa Port Director Ronald T. Johnson, meets regularly with other law enforcement agencies as part of the Tampa Bay Port Security Committee. Intelligence is regularly shared concerning terrorism and threats, drug interdiction and cargo theft,

stowaways and alien smuggling, other criminal activity, and issues related to physical access to the Ports of Tampa, Manatee and St. Petersburg. Other INS offices across the State of Florida work closely with their counterparts on a variety of security issues that have not only local impact, but national implications.

CARGO SHIP INSPECTIONS

I have touched on the tremendous growth in the cruise ship industry throughout Florida, and especially here in Tampa. What makes Tampa the largest port in the State and one of the largest in the country, however, is not the cruise industry, but rather the cargo industry. Inspectors at Tampa are called upon to inspect more than 100 ships arriving from foreign locations every month.

One example of the actions we have taken to enhance seaport security in this area is our partnership with the Port Security Committee and the Harbor Safety Committee here in Tampa. This partnership has resulted in the adoption of uniform standards for security guards when vessels with possible security risks are in the port. After September 11, all vessels entering U.S. ports have been required to provide 96-hour advance notice of arrival for the normal screening process of passenger and crew information. As a result of such prescreening, individuals and

vessels are frequently identified by the INS prior to arrival as having insufficiently documented crewmembers or unauthorized persons on board the ship not meeting entrance requirements for the United States and thereby posing security concerns. Within the port of Tampa, INS has ordered that all crewmembers not in possession of a valid travel document and visa, unless exempt by regulation, as well as any crewmembers not meeting any other entrance requirements for the United States, will be detained on board the vessel.

In a highly cooperative process, Marine Safety Office Tampa, the Tampa Sub Office of INS, and staff at other seaports helped to develop protocols and procedures that have been adopted for inclusion into a draft national memorandum of understanding between the U.S. Coast Guard and the Immigration and Naturalization Service to prevent persons from entering the United States through our seaports without proper credentials. With INS' recommendation, Tampa Captain of the Port (COTP) can require an approved security plan, requiring all personnel to stay on board the vessel during its stay in Tampa Bay. This is extremely important when vessels have a history of allowing jumpers to depart the vessel, leaving the security of our nation at risk. Also, with INS recommendation, COTP can require an acceptable security plan if a ship has stowaways on board. Since September 11, the

INS has worked closely with the Coast Guard, checking crew lists, clearing vessels, conferring on a daily basis, and working out details for enforcement in the Port Security Committee to minimize impact on legitimate commerce.

Since September 11, the INS has addressed port security by issuing guidance to all ports-of-entry stating that aliens shall not be paroled or granted a waiver of any documentary requirement without the express approval of the District level management. This requirement also applies to crewmembers. This policy also requires that INS officers must immediately relay deserter and absconder information to the appropriate local law enforcement personnel (including local police, harbor police and state police), the appropriate INS office responsible for recovering the crewman (Border Patrol and Investigations), and the Federal Bureau of Investigation (FBI).

INS has also issued specific guidance to be followed by all sea ports-of-entry in reporting information on crew that absconds or deserts. This included the immediate entry of that information into the appropriate lookout databases. We are also coordinating with the U.S. Coast Guard, through local COTP and INS Port Directors, to insure that both agencies are aware that crew have been detained on board a vessel. INS and the Coast Guard are currently working on Standard

Operating Procedures to formalize joint law enforcement activity in the seaport environment.

In closing, let me say that with the appropriate staffing and proper facilities and technology in the seaport inspections environment, passenger and cargo facilitation, thorough law enforcement, and safe, secure ports-of-entry are fully attainable goals.

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

# # #

Mr. PUTNAM. Thank you very much.

Mr. Baldwin, welcome to the subcommittee.

Mr. BALDWIN. Thank you vice-chairman Putnam, Representative Davis. Thank you for this opportunity to testify here today. A formal statement is a matter of the record, so I will summarize what I have here today.

Since September 11th, Commissioner Bonner's top priority for the Customs Service has been responding to the continuing threat at our seaports, our airports and our land borders. Our highest priority is doing everything that we reasonably and responsibly can to keep terrorist and terrorist weapons from entering the United States.

Coupled with this priority are our efforts to ensure that legitimate trade and commerce carries on with as minimal amount of impact as possible. Today I would like to describe some of the steps Customs has taken to secure our Nation's seaports while balancing the flow of legitimate commerce.

Since the attack, Customs has operated a Level 1 alert across the country, including at the seaports. Level 1 requires a sustained, intensive antiterrorist-related inspection of travelers and goods at every port of entry. Because of this continuing threat, we remain at Level 1 this day, and will continue to do so in the foreseeable future.

To help ensure that Customs develops a coordinated, integrated counterterrorism strategy, Commissioner Bonner established a new Office of Antiterrorism in the Customs Service. In addition, the Office of Border Security has been established to provided real-time tactical information on targeting techniques for travelers and cargo. This office serves as a single point of contact for events that take place in the field.

Our efforts to security American seaports from the threat of terrorism must go beyond fortifying our own ports. From every perspective, all nations must realize how global trade will be impacted should a catastrophic event occur.

As mentioned earlier by this committee, the vast majority of world trade, about 90 percent, moves in containers, much of it being carried by ocean-going vessels. Nearly half of all incoming trade to the United States, about 46 percent, arrives by ship, and most of that in containers.

In an effort to ensure that legitimate trade is not compromised, Customs has established the Customs Trade Partnership Against Terrorism, which we call CTPAT. This program builds on our past success in security models with Customs and the trade industry that were designed to prevent legitimate cargo shipments from being used to smuggle illegal drugs.

Members of the trade community are now working to tighten up security throughout their supply chains to prevent the exploitation by terrorists. Since September 11th staffing here in Tampa has increased and increased throughout the Nation. We have augmented Tampa with approximately six inspectors whose positions have been given under the auspices of seaport security alone.

The ability to target effectively is paramount to our ability to be able to intercede, interdict weapons of mass destruction. Timely, accurate and complete information is vital to homeland security,

and it should be mandated to be provided in advance of all cargo importations and in-bond shipments. There is current legislation now, such as S. 1214, which takes a major step to where we ultimately need to be.

Customs believes that it must do everything possible to push our line of defense outwards. Thus, we employ what we call defense-in-depth strategy; essentially our perimeters of security are at the point of origin. Pushing our security outwards will allow Customs to be more proactive to potential threats, to stop them before they reach us, and to expedite the flow of low-risk commerce across our borders.

A critical element of Customs' overall defense-in-depth strategy is the Container Security Initiative, which we call CSI. The CSI places U.S. Customs personnel in the world's major shipping ports to identify, prescreen those containers that post the highest risk of containing terrorists and terrorist weapons before they are shipped to the United States.

The core elements of CSI are, first, establishing international security criteria for identifying containers that pose high risk for terrorist or terrorist weapons; second, maximizing the detection technology that we use to prescreen containers, and the third, developing and deploying smart boxes. Those are boxes of secure containers which have electronic seals which will indicate to Customs and the carriers or the importers that the container has been tampered with.

CSI is well underway. Through agreements with the governments of Canada, we have started the process of screening 500,000 containers that are destined to the United States each year from Montreal, Vancouver and Halifax.

We also have agreements in place now with the Netherlands, France, Belgium, and Singapore. Customs is actively working to pursue with other nations, at least the 20 top ports in the world in terms of volume of cargo and tonnage. Targeting is one form of our technology used by Customs, but we also have a number of technologies that we use here in Tampa. For example, we have the vehicle and cargo X-ray inspection system which is called VACIS, which allows us to x-ray a container to determine if there is any anomalies in those containers prior to opening the containers. The VACIS not only allows us to expeditiously examine the container, but also provides a greater level of security for the inspectors involved in the examination.

There is also two mobile x-ray vans here in the area Port of Tampa for use in the seaport environment in the tri-port area. In addition, all of our uniformed personnel in this area have been assigned radiation detection pagers that they wear.

As you can see, current technology available is of utmost importance to the Customs Service. We look forward to the Automated Commercial Environment, which we call ACE.

Terrorists have already exploited one key component of our transportation system. It is not unthinkable that they will seek to target others. I will conclude my remarks with that.

[The prepared statement of Mr. Baldwin follows:]

STATEMENT OF JEFFREY BALDWIN

DIRECTOR, NORTH FLORIDA CUSTOMS MANAGEMENT CENTER

UNITED STATES CUSTOMS SERVICE

BEFORE

THE HOUSE SUBCOMMITTEE ON NATIONAL SECURITY,

VETERANS AFFAIRS AND INTERNATIONAL RELATIONS

AUGUST 5, 2002

TAMPA, FLORIDA

Mr. Chairman, Members of the Committee, thank you for the opportunity to testify here today.

Since September 11, 2001, Commissioner Bonner's top priority for the Customs Service has been responding to the continuing threat at our seaports, airports and land borders. Our highest priority is doing everything we reasonably and responsibly can to keep terrorists and terrorist weapons from entering the United States. Coupled with this priority are our efforts to ensure that legitimate trade and commerce carry on with as minimal an impact as possible while identifying and curtailing the movement of illegal goods. Today, I would like to describe for you the steps Customs has taken to secure our nation's seaports while balancing the flow of legitimate commerce.

Since the attacks last September, Customs has operated on a Level One Alert across the country, including all seaports. Level One requires sustained, intensive anti-terrorist related inspections of travelers and goods at every port of entry. Because of the continuing threat that terrorists will attack again, we remain at Level One Alert to this day and will continue to do so for the foreseeable future.

To help ensure that Customs develops a coordinated and integrated counter-terrorism strategy, Commissioner Bonner established a new Office of Anti-Terrorism. In addition, the Office of Border Security has been established to provide real time operational assistance

to the field, including developing more sophisticated anti-terrorism targeting techniques for travelers and cargo. This office also serves as the single point of contact for events taking place in the field.

Our efforts to secure America's seaports from the threat of terrorism must go beyond fortifying our own ports. From every perspective, all nations must realize how global trade would be impacted should a catastrophic event occur. The vast majority of world trade - about 90% - moves in containers, with much of it being carried on oceangoing container ships. Nearly half of all incoming trade to the United States - about 46% - arrives by ship and most of that is in containers. Here in the tri-port area of Tampa, Port Manatee and St. Petersburg, Customs cleared 4,888 containers in FY 01 and 3,940 to date in FY 02.

Unfortunately, sea containers are susceptible to threat of terrorism. The devastation that could occur if terrorists were successful in concealing a weapon of mass destruction – even a crude nuclear device – among the tens of thousands of containers that arrive daily at seaports within the United States is unthinkable. Coupled with the devastation would be an overall effect on our economy that could amount to billions in losses. Commerce throughout the world would be effected by a single incident, no matter where it occurs.

In an effort to ensure that legitimate trade is not compromised, Customs has established the Customs-Trade Partnership Against Terrorism (C-TPAT). This program builds on past, successful security models between Customs and the trade that were designed to prevent legitimate commercial cargo shipments from being used to smuggle illegal drugs. Members of the trade community are now working to tighten up the security throughout their supply chains to prevent exploitation by terrorists.

Due to the events of September 11th, staffing has been increased throughout the nation. Tampa staffing has been augmented by six inspectors whose positions - as well as those nationwide - were made available specifically under the auspices of seaport security. These positions are being used to better ensure the security of the port in a variety of ways.

With these positions, we were able to increase the staffing dedicated to the review of sea manifests, allowing us to better target suspect cargo shipments. The ability to target effectively is paramount to our identifying those cargo shipments that may pose a threat to our national security. Timely, accurate and complete information is vital to homeland security and it should be mandated that it is provided in advance for all cargo importations and in-bond shipments. Current legislation, such as S.1214, takes us a major step closer

to where we ultimately need to be.

Customs believes it must also do everything possible to push our line of defense outward. Thus, we employ a "Defense in Depth" strategy that essentially expands our perimeter of security to the point of origin. Pushing our security outward will allow Customs to be more pro-active to potential threats - - to stop them before they reach us - - and to expedite the flow of low-risk commerce across our borders.

A critical element of the Customs overall "Defense in Depth" strategy is the Container Security Initiative, or CSI. The CSI places United States Customs personnel in the world's major shipping ports to identify and pre-screen those containers that pose a high-risk of containing terrorists or terrorist weapons before they are shipped to the United States.

The core elements of CSI are the following:

- First, establish international security criteria for identifying containers that pose a high-risk for containing terrorists or terrorist weapons.

- Second, maximize the use of detection technology to pre-screen high-risk containers.

- Third, develop and broadly deploy "smart" boxes – smart and secure containers with electronic seals that will indicate to Customs, carriers and importers if a container has been tampered with.

CSI is well underway. Through agreement with the Government of Canada, we have started the process of screening the 500,000 containers that are destined for the United States each year from Montreal, Vancouver and Halifax. In addition, Customs has secured agreements with other nations that will allow us to place personnel in the Netherlands (Port of Rotterdam), France (Port of LeHavre), Belgium (Port of Antwerp) and Singapore (Port of Singapore). Customs is actively pursuing agreements with other nations that have ports considered to be in the top 20 in the world (in terms of volume of cargo containers shipped

from or transshipped through the ports).

Targeting is just one form of technology used by Customs. We have a variety of technology available nationwide, including here in Tampa, that is used on a daily basis in the examination of cargo. This includes the Vehicle and Cargo Inspection System (VACIS), which allows us to x-ray containers to determine if there are anomalies of any kind prior to opening the container.

The VACIS not only allows for the expeditious examination of containers but also provides for a greater level of security for the inspectors involved in the examination. There are also two mobile x-ray vans assigned to the Area Port of Tampa for use in the seaport environment in the tri-port area. In addition, all uniformed personnel have been assigned radiation detection pagers.

As you can see, having current technology available is of the utmost importance. Customs looks forward to the completion of the Automated Commercial Environment, or ACE, which offers major advances in both the collection and sorting of border transaction data.

The terrorists have already exploited one key component of our transportation system. It is not unthinkable that they will seek to target others, including maritime trade. We believe our seaports and the global trade they support are vulnerable and we believe that the United States, the Customs Service and those involved in the maritime industry must act now, in unison, to address this threat.

Cooperation and coordination among the federal, state and local law enforcement agencies and various port authorities in the tri-port area has always been good and was only further enhanced by the events of September 11th. The Tampa Port Authority has been working towards necessary security enhancements stemming from pre-September 11th port security reviews and continues to make progress.

For example, we continue to have a close working relationship with the Department of Agriculture's Quarantine and Inspection (AQI) Program. AQI is responsible for the inspection of people and cargo to prevent the entry of animal and plant pests and diseases. The fact that both the Customs Service and the AQI program are components of the Administration's proposed Department of Homeland Security will only enhance this ongoing partnership.

The Harbor Safety Committee structure and process that exists here in Tampa furthers those efforts and provides a forum for all affected and responsible officials within the maritime industry. The mandate of this committee is to discuss and prescribe action to continually improve the security of the ports in the tri-port area and eliminate any vulnerabilities that could exist for terrorists to "test" this area.

Customs in Tampa is an active member of the Port Security Committee, which meets monthly (and on an as needed basis) to address current and potential security issues and reports to the Harbor Safety Committee.

The Customs Service is committed to deterring terrorists from using our seaports to inflict harm to the citizens of the United States. We remain vigilant and relentless here in Tampa, as well as nationwide, in our pursuit to ensure overall port security.

Thank you again for the opportunity to testify here today.

Mr. PUTNAM. Thank you very much, Mr. Baldwin.

Captain Thompson, welcome.

Captain THOMPSON. Good afternoon, Mr. Chairman, Mr. Putnam, Mr. Davis and distinguished members of the committee. It is a pleasure to appear before you today to discuss Coast Guard homeland security and securing seaports.

I am Captain Allen Thompson, Chief, Marine Safety Division, 7th Coast Guard District, and past Captain of the Port, and Commanding Officer, Marine Safety Office, Tampa. With me today is Captain James Farley. He is the current Captain of the Port in Tampa and responsible for Coast Guard Marine Safety Division on the West Coast of Florida.

On behalf of the Commandant, Admiral Thomas Collins, I thank you for this opportunity to speak to you today. Let me begin by echoing and reinforcing the Commandant's support for inclusion of the Coast Guard in President Bush's proposed Department of Homeland Security. My experience on the front lines of our homeland security efforts have convinced me that we must take this important step to improve coordination between the various agencies that secure our borders and transportation systems.

Closer quarters with the our colleagues at Customs, INS, Animal and Plant Health Services and Transportation Security Administration will help the Coast Guard improve its performance as the lead Federal agency for our maritime homeland security. In the Tampa Bay region, and on the West Coast of Florida, three major Coast Guard commands, Marine Safety Office Tampa, Group St. Petersburg, and Air Station Clearwater are responsible for maritime law enforcement and other Coast Guard missions.

The Captain of the Port responsibilities include maintaining the safety and security of nearly 380 miles of coastline contained in three of Florida's 14 deepwater ports, Tampa, Manatee, and St. Petersburg, and many more port-related facilities. In this region, our Nation's 10th largest port and Florida's largest deepwater port, 50 percent of all of the hazardous material and half of Florida's fuel enter through Tampa Bay. More than 4,000 commercial ships call on this port and this region every year, and over 650,000 passengers embark from the Port of Tampa.

Following the attacks of September 11th, we took several steps to enhance the safety of marine transportation systems and security at our ports. First and foremost, we started controlling the movement of all traffic in our ports and waterways. We focused on high-risk vessels, including tankers carrying gas, oil and chemicals. We also focused on vessels of high interest, with a concentration of passengers. These are high capacity passenger vessels, cruise ships and ferries.

Furthermore, we identified and developed security schemes for significant physical security infrastructure such as bridges, power plants, MacDill Air Force Base and the nuclear power plant in Crystal River. To more effectively utilize available resources and carry out the port security mandates, the Coast Guard commands established a Unified Marine Safety and Security Task Force, Western Florida.

This structure gave us the opportunity for seamless coordination and execution for all of our port security operations and traditional

missions. These efforts provided long-term stability, sustainability and enabled the Coast Guard and other agencies to perform the traditional missions.

As we look forward and since the attacks, we have strengthened the relationship with Federal, State and local law enforcement agencies. We engage all regional intelligence networks and are actively involved in the U.S. Attorney's Joint Antiterrorist Task Force as well as the three Florida Department of Law Enforcement Regional Domestic Security Task Forces on the West Coast of Florida.

I would be remiss if I did not note that the government agencies' efforts to improve maritime security in the region received outstanding support and cooperation from the maritime community and was enhanced by the superb forum provided by the Tampa Bay Harbor Safety Committee. I firmly believe that a viable Harbor Safety Committee or similar type organization will be paramount in facilitating trade and securing our seaports in the future.

We do face significant challenges in the future. All ports in this region are projecting significant growth and are involved in numerous projects of expansion. With this increased growth comes increased vulnerability.

Our port security efforts have relied heavily on the use of over 100 select reservists recalled to support maritime homeland security. Over the past month, we have been forced to reduce those numbers and allow them to return to their families and their jobs. Nearly 2,300 Coast Guard Auxiliary in the region have also answered the call and a surge of activity has provided even greater support than the normal support we have come to rely on daily.

We could not have provided or maintained this high level of support without the support of our reserve and auxiliary forces. This brings into sharp focus our current need for more full-time active duty personnel.

Also, we have experienced a tremendous surge in the use of our small boats, cutters and aircraft. Current port security operations, combined with our traditional missions, have pushed the resources nearly to the breaking point. Additional funding to maintain and repair these existing resources is greatly needed as funding is to acquire new equipment.

The Coast Guard is committed to continuing the protection of our Nation against terrorist threats as well as maintaining our maritime law enforcement mission.

Thank you for the opportunity to testify before you and for your continued support of the Coast Guard, and I will be available and pleased to answer any questions.

[The prepared statement of Mr. Thompson follows:]

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DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

STATEMENT OF

CAPTAIN ALLEN L. THOMPSON, JR.

ON

HOMELAND SECURITY: FACILITATING TRADE AND SECURING SEAPORTS

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS

COMMITTEE ON GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

TAMPA, FLORIDA

AUGUST 5, 2002

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD
STATEMENT OF CAPTAIN ALLEN L. THOMPSON, JR.
ON
HOMELAND SECURITY: FACILITATING TRADE AND SECURING SEAPORTS
BEFORE THE
SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS,
AND INTERNATIONAL RELATIONS
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES
TAMPA, FLORIDA
AUGUST 5, 2002

Good afternoon Mr. Chairman and distinguished members of the Committee. It is a pleasure to appear before you today to discuss Coast Guard Homeland Security: Facilitating Trade and Securing Seaports. I am Captain Allen Thompson, Chief of the Marine Safety Division, Seventh Coast Guard District and Past Captain of the Port (COTP) and Commanding Officer of Marine Safety Office Tampa, Florida. With me today is Captain James Farley. He is the current Captain of the Port and is responsible for the Coast Guard's marine safety mission on the west coast of Florida. On behalf of the Commandant, Admiral Thomas Collins, I thank you for the opportunity to speak to you today about the challenges we face in the Tampa Bay region with respect to our role in law enforcement and maritime homeland security.

Let me begin by echoing and reinforcing the Commandant's strong support for inclusion of the Coast Guard in President Bush's proposed Department of Homeland Security. My experience on the frontlines of our homeland security efforts have convinced me that we must take this important step to improve coordination between the various agencies that secure our borders and transportation systems. Closer quarters with our colleagues at U. S. Customs, Immigration Naturalization Service, Animal and Plant Health Inspection Service, and the Transportation Security Administration will help the Coast Guard improve its performance as the lead federal agency for maritime homeland security. It will not negatively impact our execution of the full range of Coast Guard missions.

Unique Challenges of Tampa Bay Region Concerning Port Security

Three Coast Guard Commands are responsible for maritime law enforcement and other Coast Guard missions in the Tampa Bay region. These commands are Marine Safety Office Tampa, Group St. Petersburg and Air Station Clearwater. As past COTP my responsibilities included maintaining the safety and security of nearly 380 miles of shoreline containing three dynamic, deep water ports and many more port facilities that provide opportunity for illegal entry and exploitation. The physical makeup of the region presents certain vulnerabilities to the seaports in the Tampa Bay (Tampa, Manatee, St Petersburg). These include an open 42-mile transit from sea buoy to berth and a narrow channel (<500 yards) with extreme shallows just outside the channel. Numerous choke points throughout the transit mean the sinking or scuttling of a vessel within the channel could effectively shut down the Marine Transportation System. 50 percent of Florida's hazardous materials come through Tampa Bay, 50 percent of all Florida's fuel comes through Tampa, and the Port of Tampa holds only a 5-7 day supply of fuel for the region's power and transportation uses. Numerous vessels carrying Liquefied Petroleum Gas (LPG), Anhydrous Ammonia (NH3) and petroleum products move through the region, and are subject to the physical layout of the regions waterways. Additionally, critical infrastructure such as the Sunshine Skyway Bridge and, approximately 70 miles north of Tampa Bay, the Crystal River

Nuclear Power Plant serve as landmarks and if attacked would create large regional disruptions to shipping, traffic, and power. Prior to September 11th, the Coast Guard did not typically board commercial shipping at sea prior to entering Tampa Bay. We did conduct Port State Control boardings of these vessels dockside to ensure compliance with safety and environmental regulations. Now we board at sea at least one commercial ship each and every day into Tampa Bay to its berth.

As the region continues to grow, it does so with the understanding that the bigger it becomes, the more vulnerable it is. Over the next few years the container industry plans to go from just a few thousand containers a year to 400,000. Cruise ships will continue to get bigger in number and in size, estimates call for the region's current number of passengers to jump to over 1 million over he next few years. Our waterfront facilities also have plans for growth with a new Liquefied Natural Gas facility currently in the planning stages. Growth and expansion impacts the Marine Transportation System and changes the way we manage our waterways and consequently how we conduct the Maritime Homeland Security missions. The Coast Guard is embarked on a multi-year plan to ensure we have the capabilities and competencies required to meet the challenges of this growth in the maritime community and the responsibilities of all of our missions. We realize that in order to be successful we had to work together as a service, as a region, and as Americans to face this common threat.

Power of Partnerships in Maritime Security

The Coast Guard fully acknowledges the power and importance of partnerships in defending against the threat of terrorism. Locally, working with Group St. Petersburg and Air Station Clearwater the Maritime Safety and Security Task Force-Western Florida was formed and led to the immediate establishment of an inter-agency task force for mobilizing and coordinating all law enforcement and private sector resources to enhance safety and security of the Marine Transportation System and counter the threat of terrorism to the western coast of Florida. The Task Force broadened the participation of federal, state and local agencies through cooperative partnerships, promoting the effective and efficient use of available resources, sharing of intelligence, joint training, and implementation of common operational security procedures. This structure, composed of more than 90 members from the represented commands, allows for seamless coordination and execution of all Port Security operations and traditional missions.

Since the attack we have strengthened relationships with federal, state and local law enforcement agencies including the Federal Bureau of Investigation, U. S. Customs Service, Immigration and Naturalization Service, Secret Service, Hillsborough, Pinellas, and Manatee County Sheriff's Offices, Tampa Police Department, the Florida Highway Patrol, and the Florida Fish and Wildlife Conservation Commission. We have engaged all regional intelligence networks and are actively involved in the US Attorney's Joint Anti-Terrorism Task Force as well as the Florida Department of Law Enforcement Regional Domestic Security Task Forces (3 on the west coast of Florida in Tallahassee, Tampa and Fort Myers). And it's not only been agencies of the government that have served to improve the security of the region. Members of the maritime community and industry have put forth a tremendous effort to improve the security of their facilities and vessel operations, and serve as critical elements in all port security and Maritime Homeland Security activities through their participation on the Tampa Bay Harbor Safety Committee and Port Security Sub-Committee. We continue to actively search for ways to improve our security posture through increased coordination and partnership with these key committee members as well as with other members of the maritime community.

These efforts provided for long-term sustainability and eliminated costly redundancies by maximizing efficiencies and enabled Coast Guard and other agencies to continue to perform normal missions without any loss of security posture. This organization was crucial in allowing a timely and effective response when a threat of a weapon of mass destruction attack on the port of Tampa was received. Key tenets of the security strategy are:

- Patrol and response activity is jointly coordinated by all agencies with jurisdiction including CG (from shore, water, and air), police/sheriff patrol, fire marshal visits, emergency manager planning, and related awareness and preparedness of other agencies.
- Personal relations were cultivated between key facilities/activities and the various law enforcement, patrolling, and response management organizations (jointly facilitated by oversight and LE agencies);
- Security staffs have improved recognition and support from management and employees (facilitated by management);
- The maritime community owners/operators assert affirmative leadership and emphasis on security matters (facilitated by COTP, state/local law enforcement, fire marshals);
- Physical and procedural security measures are commensurate with risk and consequences (facilitated by the owner/operator);
- Security audits are conducted (Facilitated individually & jointly by CG, and local fire and police).

Such a network takes effort to develop and cultivate. However, the cumulative result is powerful. The result is a very strong local and regional security and response management network comprised of thousands of eyes and ears, over-laid by the agencies of government.

Operational Overview

Following the attacks our direction had been to ensure the safety and security of the MTS, we continue to do this today. The Commandant directed the Captain of the Port to control movement of traffic in the ports and waterways, focus on high risk vessels including tankers carrying gas, oil, chemicals; focus on high risk vessels with concentration of passengers (cruise ships/ferries); ID and develop security schemes for significant physical security infrastructure (e.g. bridges, power plants, etc.) and reach out to others who can help us: Office of Homeland Security, Joint Forces Command, US Navy, state and local governments, the private sector, and the international maritime players. With the synergistic relationships of newly formed task forces, agency partnerships, and utilization of our available forces we are able to:

- Board or escort High Interest Vessels (HIV) including ships carrying LPG and NH3.
- Board or escort High Capacity Passenger Vessels (HCPV).
- Conduct waterside/shoreside patrols of passenger terminals & hazardous facilities.
- Conduct waterside/shoreside patrols of key power facilities including the Crystal River Nuclear Power Plant.
- Conduct regular HH-60 Jayhawk helicopter overflights of all ports, ship channels, anchorages, and approaches.
- Maintain security zones around moored cruise ships, the Crystal River Nuclear Power Plant, passenger terminals, hazardous material facilities, the Sunshine Skyway Bridge and monitor the US Army Corp of Engineer's "Restricted Area" around MacDill AFB enforced by DOD assets.

To cope with this increased workload we have relied heavily on our citizen sailors, recalling over 100 selected reservists to support maritime homeland security operations in the region. The over 2,300 Coast Guard Auxiliary in the region have also answered the call and have surged their activities to provide even greater support than the normal exceptional support we have come to rely on daily. We could not have provided or maintained this high level of service without the support of our reserve and auxiliary forces.

Conclusion

In conclusion, the United States Coast Guard is an integral component of our nation's homeland security efforts and the lead agency for maritime homeland security. We maintain the viability and integrity of the Marine Transportation System by working with other public, private, domestic and international partners so people and goods move safely and efficiently. The Coast Guard is committed to the continuing protection of our nation against terrorist threats, as well as maintaining our maritime law enforcement missions. Thank you for the opportunity to testify before you and share the unique challenges that the Coast Guard in the Tampa Bay area faces today and for your continuing support of the Coast Guard. I will be pleased to answer any questions you may have.

Mr. PUTNAM. Thank you very much, Captain. And for the chairman's benefit, I note in your resume that you are a graduate of the Coast Guard Academy in New London, CT.

Captain THOMPSON. I will say that I had an excellent opportunity of living in Connecticut on two occasions, in my time at the Academy and also when I went back to be a member of the staff of the Academy. And being a Southern lad, I find that Connecticut brings some great things to fruition. But I do like Florida.

Mr. PUTNAM. Thank you very much.

Special Agent Jarboe.

Mr. JARBOE. Thank you, Mr. Chairman, Chairman Shays, Representative Davis. I would like to briefly go over the written statement that I previously submitted to the committee.

As we have all seen and we all know, there are numerous threats that are out there on the horizon for us. The domestic and foreign intelligence services are working jointly to track those threats, report the threats and make sure that information is disseminated appropriately.

Intelligence bulletins have been disseminated when warranted, giving our law enforcement comrades specific information, at least as specific as we had it, about what threats might be out there, what they should watch out for.

I think we are all aware in this current world that the weapons of mass destruction represents a real threat to ports and all of our society.

We have approximately 16 million visitors to the Tampa area, with approximately 40 million visitors to the Orlando area. Large number of visitors allows for folks to blend in that might want to do something of harm to us.

As we have all been told from numerous panel members before, the Port of Tampa holds approximately 50 percent of all of Florida's hazardous materials. It is an extremely large port, it is adjacent to populated areas and is accessible by land, sea and air.

The anhydrous ammonia plants that are near the port and in the port have an excellent safety record, but that does not say that they are not vulnerable to attacks by terrorists. High volume traffic in the port can provide a cover of movement for illicit goods. We have bulk and containerized cargo freighters, fishing vessels, recreational boats, tugs, cruise ships, all of which can be exploited by would-be terrorists.

To address these concerns and vulnerabilities, law enforcement community, State, local, Federal, together with the private sector, the Fire, Rescue, HAZMAT, Florida Emergency Management, have all combined prior to September 11th and certainly more intensely after September 11th to work together to address these issues.

The FBI's Joint Terrorism Task Force, which is here in Tampa, also has a branch in Orlando and in Brevard County, where Port Canaveral is, has an outreach program comprised of contingency plan development, training seminars, table top and field exercises and threat assessments. Over the last 4 years, there have been over 60 weapons of mass destruction terrorism presentations presented, with 17 table top and full field exercises.

In June 1999, Florida Emergency Management hosted a statewide WMD terrorism summit under a grant from FEMA. This was

used to connect Federal, State, and local counterparts from both the crisis and consequence management areas. It is important to note that both crisis and consequence management folks have to work hand in glove when we have a crisis to make sure of a smooth functioning and quick resolution.

In March 2000, there were 17 agency, countywide field training exercises regarding terrorism, takeover of an anhydrous ammonia facility here in the Port of Tampa. The results of that and lessons learned were distributed to all agencies to better bolster their abilities. There was an exercise planned in November 2001 for the Tampa area; however, that was the canceled due to the events of September 11th.

The FBI regularly participates in numerous task forces, working groups to ensure that information and knowledge is shared. The FBI heads the Terrorism Subcommittee of the Port Security Working Group, which is headed by the U.S. Coast Guard as the overall leader.

I think the key to future success and prevention of terrorists attacks in the Port of Tampa and anywhere in this country lies in three areas. One, we must obtain correct and good intelligence. We must analyze that intelligence and, most critically, we must share that intelligence, both horizontally within the Federal Government and vertically down to the State and local governments, to make sure that everyone knows what is and what is not a threat.

With that, Mr. Chairman, I conclude my remarks and would be happy to answer any questions.

[The prepared statement of Mr. Jarboe follows:]

STATEMENT OF JAMES F. JARBOE

SPECIAL AGENT IN CHARGE

TAMPA FIELD OFFICE

FEDERAL BUREAU OF INVESTIGATION

BEFORE THE U.S. HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON

NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS

TESTIMONY ON "HOMELAND SECURITY: FACILITATING TRADE AND SECURING SEAPORTS"

AUGUST 5, 2002

Good afternoon Chairman Shays, and members of the subcommittee. I am pleased to have the opportunity to appear before you to discuss seaport security. Ever present in everyone's mind are the threats of terrorist violence against U.S. interests "anywhere in the world" that have been issued by international terrorist Usama bin Laden, his organization Al-Qaeda, and sympathetic groups. The FBI and other components of the U.S. Intelligence Community, as well as foreign intelligence services, are currently tracking a large volume of threats emanating from these sources. The Al-Qaeda network continually refines its operational capabilities by experimenting with variations on suicide bombing techniques to inflict mass casualties, including vehicle bombings against embassies, maritime attacks against naval vessels, and hijacking of commercial airliners. These attacks and capabilities illustrate the range of threats posed by extremists affiliated with international terrorist organizations like Al-Qaeda.

Intelligence bulletins have been issued in relation to the potential of a broad range of attack scenarios including acts involving weapons of mass destruction, plots to attack bridges and financial institutions and fuel refineries, plots to use small aircraft for suicide attacks, and possible

interest in crop dusting capabilities, commercial drivers licenses with hazardous material endorsements, and an offensive SCUBA diver capability.

Domestic extremist groups continue to pose a threat. In fact, domestic terrorists have committed the majority of terrorist attacks in the United States. Between 1980 and 2000, the FBI recorded 335 incidents or suspected incidents of terrorism in this country. Of these, 247 were attributed to domestic terrorists, while 88 were determined to be international in nature. The domestic terrorist threat is divided into three general categories--left-wing, right-wing, and special interest (or single issue). Right-wing terrorism activity in Central Florida is diffuse and uncoordinated, thanks in part to the arrest of Donald Beauregard, the leader of the Southeastern States Alliance, by the FBI Joint Terrorism Task Force. Beauregard was involved in a conspiracy to commit acts of terror that included raids of National Guard Armories for the purpose of stealing weapons to further use in attempts to disable energy facilities, communication centers and law enforcement offices. Environmental extremists and anarchists could pose a threat to port security.

Further, terrorists have an increasingly sophisticated array of weapons and capabilities available to them. Weapons of mass destruction (WMD)-- explosive, chemical, biological, or radiological in nature--represent a real-world threat to ports. Information regarding these types of weapons is disseminated through such means as the World Wide Web.

The Tampa Division of the FBI encompasses 18 central Florida counties from the Gulf of Mexico to the Atlantic coast. Central Florida is a focal point for travelers and tourists within the State of Florida offering a complete range of transportation systems including major seaports. Central Florida encompasses several theme parks and beaches along Florida's central coast on both the Atlantic and Gulf coasts. Since Walt Disney World in Orlando is the number one tourist destination in the country, it impacts the total population of the entire region. Additionally, there were more than 40 million visitors in Orange County in 2000 and more than 15.7 million in the Tampa Bay area. The Tampa Bay area is a secondary focal point for travelers within the State of Florida offering a wide variety of tourist attractions and numerous large-capacity venues hosting

international, professional, and collegiate sporting events. In addition, the associated supporting transportation systems have their own set of particular security concerns.

There are six commercial international airports within Central Florida located in Melbourne, Orlando, Tampa, St. Petersburg, Sarasota and Fort Myers. There is one non-international commercial airport in Naples. There are six major railway stations located in Orlando, Tampa, St. Petersburg, Sarasota, Fort Myers and Naples. The numerous rail lines traversing Central Florida predominantly carry freight versus passengers. The four seaports include the facilities at Tampa, Manatee, and Saint Petersburg on the Gulf and Port Canaveral on the Atlantic seaboard. The Port of Tampa is the largest seaport in Florida and the tenth largest in the nation. The consequence of the varied transportation networks within Florida is high volume truck, rail, and maritime traffic, an increased mobility of transient population, the flow of international commodities, and a parallel increase in being susceptible to criminal enterprise.

The Port of Tampa is centrally located in downtown Tampa within 10 miles of MacDill Air Force Base. The Port of Tampa is the busiest port in Florida in terms of raw tonnage and stores approximately 50% of the extremely hazardous chemicals in the State of Florida. Of major significance is that the Port of Tampa is non-contiguous property, encompassing more than 2,500 acres of land. Generally, the port represents an appealing target of opportunity for would be terrorists. The port is immense, accessible from land, sea and air. The port is adjacent to a large population of civilians and vital regional and national infrastructure, including power facilities, water facilities, and Headquarters of United States Central Command and United States Special Operations Command at MacDill Air Force Base. The port contains such hazards as liquid propane gas, anhydrous ammonia, and chloride.

Central Florida also has some of the richest phosphate deposits in the world. The western counties are dependent on this phosphate-based industry. Fifty percent of the Florida's hazardous materials are stored within Hillsborough County and 25% within Polk County. Major storage of extremely hazardous substances (EHSs) and other chemicals are located in this industrialized area

and are vulnerable to accidental, malicious, and acts-of-nature releases. In 1993, the United States EPA conducted chemical audits of the three anhydrous ammonia terminals located on Tampa Bay - CF Industries, located on Hooker's Point, Farmland Hydro, L.P. and IMC-Agrico, both located on Port Sutton Road on Port Sutton Channel. The audit revealed that the three terminals represent nearly 92.5 percent of Hillsborough County's total amount of anhydrous ammonia (NH3) inventories.

Individually, each of the three ammonia terminals pose a risk to the surrounding community and the effect of three facilities, in close proximity with such massive quantities, pose even greater risk. A 1998 survey showed that these three facilities had outstanding safety records. Safety standards have undergone continual improvement with each passing year.

In addition, many hazardous materials shipments originate in the Port of Tampa and move through Hillsborough County and beyond. A large volume of hazardous material travels through the area via railroads, highways, waterways, and pipelines on a daily basis. In particular, ammonia is transported by tank truck, rail car, and pipeline to fertilizer plants in Polk County. Chlorine is primarily transported by tank trucks and barges to waste water treatment plants. Residents throughout the county are vulnerable to the release- intentional or accidental, of transported hazardous materials.

South Florida, in particular, is ideally located to serve as the U.S. gateway to and from the Americas. The nearness of the U.S. Gulf Coast to Latin America makes it an obvious entry point for maritime traffic. Most of the cargo headed to ports in the Gulf originates from source and transit nations in Latin America, especially Mexico, Venezuela and Colombia. In addition, an extensive network of rail and truck lines allow for fast and efficient delivery of all types of goods, both legitimate and illegitimate, to markets throughout the U.S. and Canada.

The coast of the Gulf of Mexico has hundreds of miles of relatively open shoreline that separate the major ports -- Houston, Texas; New Orleans, Louisiana; and Tampa, Florida. While these major

ports have a major presence of law enforcement and security, the open shoreline and smaller ports leaves the Florida coast open to a variety of criminal activity.

The high volume of maritime traffic in the large ports, both commercial and noncommercial, provide ample cover for the movement of illicit goods. Eleven of the top 15 ports in trade volume in the United States and 6 of the top 10 ports in volume of foreign trade are located on the Gulf of Mexico. It is a concern that terrorist organizations could take advantage of well-established, well-known criminal patterns to further their own objectives, such as concealing money laundering operations, transport and distribution of explosives and/or hazardous materials, or illegal entry into the United States. Specifically, bulk and containerized cargo freighters, fishing vessels, recreational boats and tugs, and cruise ships, all of which operate from Florida coasts, each provide unique potential for exploitation by terrorists as well as other criminal organizations.

Large bulk and containerized cargo pose a smuggling risk in the major ports of the Eastern and Gulf coasts. Most container traffic along the Gulf Coast consists of perishable goods like fruits and vegetables. Although Tampa and Port Manatee's container traffic is considerably less than the ports of Houston, New Orleans and Gulfport, Mississippi, Tampa is ranked fifth among Gulf ports receiving significant quantities of non-liquid bulk imports. Non-liquid bulk imports into the Port of Tampa are led by shipments of sand and gravel from Mexico, Canada and the Bahamas; sulfur from Mexico and Chile; and cement and concrete from Colombia, Venezuela and Europe.

The fishing industry represents a major presence along Florida's coastline. Fishing vessels at the numerous fishing ports of all sizes constitute a secondary risk in the region. The Gulf of Mexico is home to one of the largest fishing fleets in the United States. Moreover, the region contains 5 of the top 10 U. S. fishing ports in terms of total catch. More than 18,000 commercially documented fishing vessels operate from numerous bayous inlets, rivers and bays along the Gulf Coast. Many of these vessels travel back and forth throughout the Gulf between fishing ports, large and small, following the seasonal migrations of fish as permitted by fishing

regulations. The transient nature of the industry and the abundance of vessels provide ample occasion for boats engaged in smuggling activity to blend in, either transporting drugs (or explosives), directly from overseas or participating in transfers offshore.

Recreational boating and tugs and barges operating near the border are additional risks. Although there are over 750,000 private vessels registered in the state of Florida, these small private vessels generally receive less law enforcement attention. The numerous recreational vessels and sailboats travel freely along the southern Gulf Coast of Florida. Foreign tugs usually transfer barges to local tugs, giving the impression that a barge entering a Gulf port is local.

The primary home of the cruise ship industry in the United States is South Florida. Port Canaveral is among the nation's top five cruise ports in terms of revenue and on the Gulf Coast. Vessels depart from Port Canaveral and the Port of Tampa for destinations throughout the Caribbean and Central and South America.

To address the concerns expressed above, the law enforcement community together with private industry and multi-disciplinary agencies such as fire/rescue, HAZMAT operations, and Florida Emergency Management has made concerted efforts in educating, training, practicing, and preparing for contingency scenarios. Through combined actions of a host of agencies preventive measures have been carefully considered and implemented. Not the least of these has been the development of several anti-terrorism task forces and specifically focused working groups and intelligence exchange forums. Participants in the working groups have been carefully selected by each represented agency for their subject matter knowledge and experience, and jurisdictional roles.

The Tampa FBI Joint Terrorism Task Force is not a recent development but was formed in the mid-90s. Over the past several years, they have developed an aggressive outreach program comprised of four distinctive components of the terrorism preparedness program. It is important to note that the FBI Joint Terrorism Task Force and Special Agent/WMD coordinators in the Tampa

Division are experienced and knowledgeable focal points for all terrorism and WMD investigative matters. In addition to contingency plan development (1), the program includes training seminars (2). tabletop and field exercises (3), and threat assessments (4). From January 1999 through September 2000, Tampa Division has provided terrorism training for many first responders from all safety and law enforcement disciplines. Agents have conducted approximately 60 WMD and terrorism presentations and participated in 17 tabletop and full-field exercises. Furthermore, threat assessments have been researched and prepared for 12 special counter-terrorism preparedness events, such as the NHL Hockey All-Star Game at the Tampa Ice Palace (near the Port); Super Bowl XXXV including the Gasparilla Pirate's Parade/Super Bowl Sunday pre-game events along Bayshore Boulevard; the USS LASSEN ship commissioning ceremony, and US Central Command and US Special Operations Command change of command ceremonies at the Marriott Waterside.

Specifically, in June 99, the State of Florida Division of Emergency Management hosted a statewide WMD Terrorism Summit through a grant from the Federal Emergency Management Agency (FEMA) at which FBI Special Agents gave presentations on the threat potential to Central Florida. The purpose of this Summit was to solicit input from first responders prior to drafting a statewide terrorism response strategy. This forum was an excellent opportunity to connect with Federal agency counterparts on both crisis management and consequence management. Since attending the Summit, FBI Special Agents have assisted in writing and reviewing WMD Incident Response Plans for numerous agencies and large capacity entertainment complexes, ensuring consistent response and coordination with the FBIHQ WMD Incident Contingency Plan. Furthermore, the FBI Special Agent/WMD Coordinators have made specific efforts to establish productive liaison with the emergency management community at the state and county level by visiting county Emergency Operations Centers (EOC) and including the Directors of each in working groups and training programs. Florida EOCs are pro-active in planning for response to incidents of the use of WMD by preparing annexes to their frequently implemented hurricane response plans.

Of particular note in the exercise arena, in March 2000, the FBI Joint Terrorism Task Force coordinated a major 17-agency countywide field exercise involving a terrorist takeover of an anhydrous ammonia industrial facility at the Port of Tampa. This scenario was chosen to incorporate a response from sea and air assets as well as traditional law enforcement and fire rescue/emergency teams. The exercise was preceded by a one-day seminar for mid-level crisis managers and supervisors. Evaluations of the exercise were incorporated in later threat assessments, contingency plans, and grant requests.

Law enforcement personnel from throughout the greater Tampa Bay area participate in several formal terrorism working groups that address both domestic and international terrorism matters and WMD response issues. The FBI regularly participates in the State of Florida Regional Domestic Security Task Force (RDSTF), the Central Florida Statewide Terrorism Intelligence Networking Group (STING), the Florida Intelligence Unit (FIU), the Tampa Bay Area Intelligence Unit (TBAIU), the MacDill Air Force Base Counter Intelligence/Counter Terrorism Working Group, the Tampa Bay Harbor Safety Committee, the Tampa Bay Metropolitan Medical Response System Steering Committee and the Port Security Working Group. These forums are composed of a broad spectrum of law enforcement investigators and intelligence analysts, military intelligence and command personnel, and also include professionals from the security departments of major private enterprises such as electric power companies, railways, and industry representatives when appropriate. The joint approach to intelligence sharing, investigation and crisis management has served Central Florida extremely well. Thanks to recent efforts undertaken by the Florida Department of Law Enforcement, FBI intelligence analysts now have access to a statewide terrorism database called THREATNET. The establishment of this database will be key to coordinating pertinent elements of pending investigations, for example patterns of activity, vehicle tags, subject names and aliases, as well as common meeting areas.

The Tampa Bay Port Security Working Group, led by the US Coast Guard, was established in April 2000 as a result of the Interagency Commission on Crime in U.S. Seaports and has five

sub-committees that report on a bi-monthly basis. The FBI regularly participates in the Port Security Working Group meetings and heads the Terrorism Sub-Committee. The FBI's role in these committees is to provide threat analyses and to disseminate intelligence that affects safe operation of the port facilities. Somewhat unique to this forum is the integration of private industry and Fire/Hazmat chiefs of both City of Tampa and Hillsborough County as members of the FBI JTTF. Input provided by the emergency management and fire/safety sectors of our community is essential to successful preparedness.

The FBI has encouraged state, county, and local response community leaders to conduct an appropriate needs and vulnerability self-assessment to determine which federal domestic training courses and programs would be of value. The State of Florida conducted a statewide vulnerability assessment of seaports. Although this assessment was funded by the State Office of Drug Control and primarily focused on drug countermeasures, it also assessed port access, credentialing, and security. Issues raised through this assessment are being addressed through the Port Security Working Group. The interagency cooperation is evident in the daily coordination between management staff, investigators, and intelligence personnel of each agency on issues where we have common interests.

Mr. PUTNAM. Thank you very much.

Dr. Butler, welcome.

Mr. BUTLER. Thank you, Mr. Chairman, members of the subcommittee, for the opportunity to be here today to discuss the Department of Agriculture's role in seaport security and trade facilitation.

As you know, the USDA's Animal Plant Health Inspection Service safeguards agricultural and natural resources of the U.S. from foreign animal/plant pests and diseases. As part of this mission, APHIS stations plant protection quarantine officers at U.S. ports of entry. PPQ officers have the authority to inspect all agricultural products.

At animal import centers, APHIS veterinarians check animals in quarantine to make sure that they are not infected with any foreign pests or diseases before allowing them to enter the country.

At seaports as well as airport terminals and border inspection stations, PPQ officers inspect internal conveyances and baggage of passengers for plant and animal practices that could harbor pest or disease organisms. PPQ officers inspect ship and air cargo, truck freight, packaged mail and foreign mail from foreign countries. APHIS enforces strict import regulations designed to prevent introduction of potentially devastating pests and diseases into this country.

All agricultural products brought into the U.S. must be declared without exception. Travelers are given the opportunity to declare their items both orally and in writing. When PPQ officers discover any agricultural product that is not declared, they can assess penalties. All confiscated products are examined by our officers and destroyed.

The events of September 11th forever changed the context in which we do our work. In the past the focus of most of our efforts have been to prevent and deter unintentional introduction of pests and diseases into our country. But the very real potential of intentional threats of agriculture production, our food supply, have required us to do much more. We have been working closely with our Federal agencies, State agriculture departments, academia, and the agricultural sector on many fronts to secure and strengthen planning and preparedness.

Since the outbreak of foot and mouth disease in the United Kingdom and the events of September 11th, USDA has significantly augmented efforts to prevent both the accidental and potential introduction of foreign agricultural pests and diseases. APHIS has hired and is continuing to hire additional inspection veterinary personnel at U.S. ports of entries. Additional detector dog teams, consisting of beagles and their handlers, also play an important role in this activity. One of these detector dog teams is here in Tampa checking passengers and airline and maritime cargo.

Our PPQ officers at the borders have remained on heightened alert. Through the present fiscal year 2003 budget proposal and supplemental appropriations by the Congress, we continue our border protection efforts well beyond today. Our border protection personnel will be at their highest alerts ever, and investments in areas of research, laboratory upgrades and security will enhance

our ability to prepare and respond to potential threats on American agriculture.

Beyond our internal efforts, we have expedited our work with U.S. Customs Service to implement and automate INS targeting systems. We have collaborated with research universities, State agriculture departments, stepped up development of rapid detection systems, expanded our network of diagnostic laboratories, strengthened pest and disease surveillance, better secure and strengthen our laboratories and improve our emergency preparedness.

Nevertheless, we continuously improve to strengthen our protection of U.S. agriculture and our food supply. On July 26th, the House of Representatives passed H.R. 5005, which would create the new Department of Homeland Security. That includes APHIS inspectors and a unified border inspection force. This move, which we fully support, affirms the critical role of inspections of agricultural cargo and advances in international passengers. With one unified border inspection force, we hope to see a multiplier effect on our ability to exclude threats to the United States, whether that threat is FMD or weapons of mass destruction.

I would note that agriculture import regulations would continue to be set by our APHIS inspectors based on sound science as they always have been. Thank you for this opportunity.

[The prepared statement of Mr. Butler follows:]

Testimony of

Dr. Jim Butler

Deputy Under Secretary

Marketing and Regulatory Programs

United States Department of Agriculture

Before the Subcommittee on National Security,

Veterans Affairs and International Relations

Committee on Government Reform

United States House of Representatives

Monday, August 5, 2002

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to be here today to discuss the U.S. Department of Agriculture's (USDA) role in seaport security and trade facilitation.

As you know, USDA's Animal and Plant Health Inspection Service safeguards the agricultural and natural resources of the United States from foreign animal and plant pests and diseases. As part of this mission, APHIS stations Plant Protection and Quarantine (PPQ) officers at U.S. ports of entry. PPQ officers have the authority to inspect all agricultural products. At animal import centers, APHIS veterinarians check animals in quarantine to make sure they are not infected with any foreign pests or diseases before allowing them into the country. At seaports, as well as airport terminals and border inspection stations, PPQ officers inspect international conveyances and the baggage of passengers for plant and animal products that could harbor pests or disease organisms. PPQ officers inspect ship and air cargoes, rail and truck freight, and package mail from foreign countries.

APHIS enforces strict import regulations designed to prevent the introduction of potentially devastating pests and diseases into this country. All agricultural products brought into the United States must be declared without exception. Travelers are given the opportunity to declare their items both orally and in writing. When PPQ officers discover any agricultural

product that is not declared, they can assess penalties. All confiscated products are subsequently examined by our officers and destroyed.

The events of September 11 forever changed the context in which we do our work. In the past, the focus of most of our efforts has been to prevent and deter the unintentional introduction of pests and diseases into our country. But the very real potential of *intentional* threats to agricultural production and our food supply have required us to do much more. We have been working closely with other Federal agencies, State agriculture departments, academia, and the agriculture sector on many fronts to secure and strengthen planning and preparedness.

Since the outbreak of foot-and-mouth disease (FMD) in the United Kingdom and the events of September 11, USDA has significantly augmented efforts to prevent both the accidental and intentional introduction of foreign agricultural pests and diseases. APHIS has hired and is continuing to hire additional inspection and veterinary personnel at major U.S. ports of entry. Additional detector dog teams, consisting of beagles and their handlers, are also being put into place. One of these detector dog teams is here in Tampa, checking passengers and airline and maritime cargo. Our PPQ officers at the borders have remained on heightened alert. Through the President's fiscal year 2003 budget proposal and supplemental appropriations by the Congress, we continue our border protection efforts well beyond today. Our border protection personnel levels will be at their highest levels ever, and investments in the areas of research, laboratory upgrades, and security have enhanced our ability to prepare and respond to potential threats to American agriculture.

Beyond our internal efforts, we have expedited work with the U.S. Customs Service to implement an automated inspection targeting system. We have collaborated with research universities and State agriculture departments to step up the development of rapid detection systems, expand our network of diagnostic laboratories, strengthen pest and disease surveillance, better secure and strengthen laboratories, and improve emergency preparedness capabilities.

Nevertheless, we must continuously improve and strengthen our protection of U.S. agriculture and our food supply. On July 26, the House of Representatives passed H.R 5005, which would create a new Department of Homeland Security that includes APHIS inspectors in a unified border inspection force. This move, which we fully support, affirms the critical role of inspections of agricultural cargo, conveyances, and international passengers. With one unified border inspection force, we hope to see a multiplier effect upon our ability to exclude threats to the United States, whether the threat is FMD or a weapon of mass destruction. I would note that agriculture import regulations would continue to be set by APHIS, based on sound science, as they always have.

Mr. Chairman, again, I thank you for this opportunity to appear before you today. I will now answer any questions you may have.

Mr. PUTNAM. Thank you, Dr. Butler.

Mr. Dykstra, welcome to the subcommittee.

Mr. DYKSTRA. Thank you, Mr. Chairman, Representative Putnam and Representative Davis. Delighted to be here this afternoon to represent FDA.

Just for the record, though, I wanted to inform you that I have never lived in Connecticut. I do have a brother that lives in Manchester, CT, if that gets me any points.

Mr. SHAYS. It does.

Mr. DYKSTRA. I am Gary Dykstra. I am FDA's Regional Director here in the Southeastern United States. I welcome the opportunity to inform the subcommittee of FDA's efforts to help ensure that FDA-regulated products coming through the Port of Tampa are safe and not used as potential vehicles for terrorist acts while minimizing the impact on the free flow of trade through this port.

Let me briefly describe FDA's general procedures for handling imports in the Port of Tampa. Every FDA office that has responsibilities for reviewing import entries or conducting investigations related to imported articles works through the local Customs office, which has the primary responsibility for border security.

FDA is very pleased with the level of cooperation that we have been able to achieve with Customs here in Tampa. Our FDA Tampa Resident Post enjoys a good working relationship with the U.S. Customs Service representatives here in Tampa. Since September 11th and subsequent events there is even closer communications with Customs, especially to target suspect terrorist activities, particularly using imported products.

There is a greater sensitivity and review of potential terror vehicles or contaminated products by FDA. Following September 11th, FDA's port security concerns have also been focused on the deliberate contamination of FDA products, either at the port, en route to, or at the importer's premises.

FDA is responsible for all foods, drugs, cosmetics, medical devices and radiological products with the exception of meat and poultry, which is the responsibility of USDA.

Medical devices and radiological products and pharmaceuticals predominately enter through Tampa, while foods predominately enter through other Florida ports. The entries coming through Tampa tend to be more technologically complex and generally require more time to review than do foods.

As you know, FDA's import computer system, known as OASIS, screens most of the FDA-regulated products within minutes so products can move into domestic commerce with little delay.

OASIS is an automated system for processing and making admissibility determinations to ensure the safety, efficacy and quality of foreign origin products for which FDA has regulatory responsibility. Systems security controls protect the confidentiality of the proprietary trade information involved in these government industry electronic transactions. OASIS is complimentary to FDA's regulatory system of approvals and domestic and foreign inspections, which all protect American consumers in relation to imported goods.

Also, FDA evaluates 100 percent of the import filers annually to ensure that they are all properly reporting the Customs codes for

the products they are importing and the integrity of the reporting system.

The Port of Tampa receives approximately 25 to 30 FDA-related entries per day. Most of these are medical devices or drugs. These types of entries are more complicated than food entries, and they require more review and data checking.

To further enhance the efficiency of FDA import operations in the Port of Tampa and in our Florida district, beginning this October the Florida district will reorganize its investigations branch. Currently the Tampa-based consumer safety officers working in imports routinely travel to Orlando and Port Canaveral. After the reorganization, they will cover only Tampa. This will result in these consumer safety officers having additional time to examine more incoming products and collect more samples.

As I indicated, FDA is in a supporting role to Customs and other Federal agencies in ensuring seaport security. Our focus is on FDA-regulated products that enter through those ports. While our public health mission has not changed since September 11th, it has certainly been redirected and heightened with respect to imported products.

The fiscal year 2002 counterterrorism budget supplemental authorized 655 new hires for FDA's field offices. When all of those new hires are on board, FDA anticipates that approximately 420 will be either stationed at border locations or will be working specifically on imports. Regardless of their specific physical locations, FDA anticipates that all new hires will be trained in both import and domestic operations.

There are many other provisions of the new legislation passed by Congress under the new Bioterrorism Act of 2002 which FDA will be enforcing right now.

Of these many other provisions of the legislation that will help ensure the safety of imported products, many provisions require regulations, and FDA is conducting a transparent implementation process for this new legislation. Meetings with stakeholders already have taken place, and dockets for public comment already have been established.

FDA's mission is to protect the public health and ensure the safety and effectiveness of FDA-regulated products entering this country. We will continue to work with Customs and the other agencies in striving to ensure that FDA-regulated products move through the import system in an expeditious manner.

I would be pleased to answer any questions you may have with regard to FDA's operations here in Tampa.

[The prepared statement of Mr. Dykstra follows:]

Testimony
Before the Committee on Government Reform
Subcommittee on National Security, Veterans Affairs and International Relations
United States House of Representatives

FDA Food Safety Efforts at the Port of Tampa, Florida

Statement of
Gary J. Dykstra
Regional Food and Drug Director,
Southeast Regional Office,
Office of Regulatory Affairs,
Food and Drug Administration,
U.S. Department of Health and Human Services

For Release on Delivery
Expected at 1:00 PM
on Monday August, 5, 2002

Tampa Port Authority International Headquarters
1101 Channelside Drive
Tampa, Florida

Good morning Mr. Chairman and members of the Subcommittee, I am Gary Dykstra, Director of the Food and Drug Administration's Southeast Region, which includes Louisiana and the states east of the Mississippi and south of Tennessee and North Carolina. I welcome the opportunity to inform the Subcommittee of FDA's efforts to help ensure that FDA-regulated products coming through the port of Tampa are safe and not used as potential vehicles for terrorist acts while minimizing the impact on the free flow of trade.

Before I address your specific questions, let me briefly describe FDA's general procedures for handling imports at the Port of Tampa.

Every FDA office that has responsibilities for reviewing import entries or conducting investigations related to imported articles works through the local Customs office which has the primary responsibility for border security. FDA is very pleased with the level of cooperation we have been able to achieve with Customs. FDA continues to attempt, whenever feasible, to physically co-locate import personnel with Customs. Our FDA Tampa resident post enjoys a good working relationship with the US Customs Service representatives at the port of Tampa.

Since September 11th and subsequent events, there is even closer communication with Customs, especially to target suspect terrorist activities particularly using imported products. There is a greater sensitivity and review of potential terror vehicles or contaminated products by FDA. Following September 11th, FDA's port security concerns also have been focused on the

deliberate contamination of FDA products –either at the port, enroute to, or at, the importer's premises.

FDA's Responsibility Concerning Economic Activity at the Seaport.

FDA is responsible for all foods, drugs, cosmetics, medical devices and radiological products with the exception of meat, poultry and processed egg products, which are the responsibility of the Department of Agriculture. FDA monitors the production and, in some cases, the development, import, transport, and storage of more than one trillion dollars' worth of consumer goods each year. This amounts to more than 20 percent of the total dollars spent by U.S. consumers. In general, we believe that the value of imported products coming through the port of Tampa is consistent with these nationwide figures. Medical devices and radiological products and pharmaceuticals predominately enter through Tampa, while foods predominately enter through other Florida ports. The entries coming through Tampa tend to be more technologically complex, and generally require more time to review than do foods.

As you may know, FDA's import computer system, the Operational and Administrative System for Import Support (OASIS), helps screen most of FDA-regulated products within minutes so products can move into domestic commerce with little delay.

OASIS is an automated system for processing and making admissibility determinations to ensure the safety, efficacy and quality of the foreign-origin products for which FDA has regulatory

responsibility under the Federal Food, Drug and Cosmetic Act (FD &C Act). OASIS enables FDA to handle more efficiently and effectively the burgeoning volume of shipments (now over 8 million entries per year -- up by 50% in the last four years) of imported products.

OASIS brings consistency to FDA enforcement decisions at the 350 U.S. ports of entry nationwide, where FDA-regulated products arrive, to an extent that was not possible with the manual system. System security controls protect the confidentiality of the proprietary trade information involved in these government-industry electronic transactions.

OASIS is complementary to the FDA's regulatory system of approvals, and domestic and foreign inspections which all protect American consumers in relation to imported goods. FDA evaluates 100% of the import filers annually to ensure that they are properly reporting the Customs codes for the products they are importing, to ensure the integrity of the reporting system.

The Port of Tampa receives approximately 25-30 FDA-related entries per day. Most of these entries are medical devices or drugs. These types of entries are more complicated than food entries, and they require more review and data checking. To further enhance the efficiency of FDA import operations in the Port of Tampa and in our Florida District, beginning this October, the Florida District will reorganize its investigations branch. Currently, the Tampa-based consumer safety officers working in imports routinely travel to Orlando and Port Canaveral. After the reorganization, they will cover the port of Tampa exclusively. This will result in these

consumer safety officers having additional time to examine more incoming products and collect additional samples.

Challenges FDA Faces in Planning for and Implementing Seaport Security Enhancement Measures.

As noted, FDA is in a supporting role to Customs and other federal agencies in ensuring seaport security. Our focus is on FDA-regulated products that enter through these ports. While our public health mission has not changed since September 11, it has certainly been redirected and heightened with respect to imported products. FDA is hiring additional personnel to carry out its responsibilities. Also, FDA will implement new authorities provided to facilitate monitoring and control the entry of suspect products into the United States. New authories include the registration and listing of firms exporting products to this country and requiring additional information from importers.

The FY 2002 counter-terrorism budget supplemental authorized 655 new hires for the FDA Office of Regulatory Affairs (ORA). Of these, 600 were authorized for the food program, 35 for the animal drug and feed program and the remaining 20 were authorized for the drug, biologic and device programs. When all these new hires are on board, ORA anticipates that approximately 420 will either be stationed at border locations, or will be working specifically on imports. Regardless of their physical location, ORA anticipates that all new hires will be trained in both import and domestic operations.

As you know, on June 12 of this year the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (P.L. 107-188) was signed into law. This new law provides authority and requirements that will enhance FDA's ability to ensure the safety of FDA-regulated products entering the country.

Some of the law's provisions took effect upon enactment. Others will require regulations and other implementation activity. Let me briefly highlight some of the law's provisions. To help prevent "port shopping," a process unscrupulous importers use to attempt to get refused goods into the country through another port when refused entry at one port, the law authorizes FDA to require the marking of refused food with the statement "UNITED STATES: REFUSED ENTRY." The law also provides penalties for "port shopping" by deeming food adulterated if offered for import after having previously refused admission.

The law also will give FDA new administrative authority to detain food if there is credible evidence that it presents a threat of serious adverse health consequences to humans or animals. This enables FDA to take immediate control of a possibly hazardous food without having to go to court first, a process that can take several days.

Under this new law, both domestic and foreign food manufacturing facilities will be required to register with FDA. Foods offered for import from unregistered foreign facilities will be held at the port of entry until the facility complies with the registration requirement. The registration requirement will provide FDA a more complete inventory of the firms involved in food

production. It will also enable FDA to quickly notify the appropriate firms when FDA has information about a potentially hazardous food or ingredient of a food.

Foreign manufacturers of drugs and medical devices will be required to register with FDA. This would include supplying their name and place of business, name of their US agent, the name of each importer of a drug or device that is known to the establishment, and the name of each person who imports or offers a drug or device for import. This new requirement will supply FDA with more information on foreign manufacturers and aid in keeping unapproved drugs and devices from entering through US ports of entry. In addition, this legislation requires that importers supply pertinent information regarding import components intended for use in export products. This information will assist the Agency in deterring the entry of components not intended for further processing for products solely manufactured for export.

There are many other provisions in this legislation that will help ensure the safety of imported products. The Agency has established working groups for all the FDA-related provisions and is in the process of implementing the law. Many provisions require regulations, and FDA is conducting a transparent implementation process. Meetings with stakeholders already have taken place, and dockets for public comment already have been established for various provisions.

FDA 's mission is to protect the public health and to ensure the safety and effectiveness of the FDA-regulated products entering the country. We will work to ensure that FDA assists in expediting the flow of imported goods into the country. FDA is striving to ensure that FDA-

regulated goods move through the import system in an expeditious manner without compromising the safety of these products.

I would be pleased to answer any questions the committee may have.

Mr. PUTNAM. Thank you very much, Mr. Dykstra. I want to thank everyone on the panel for being so wonderful about adhering to our 5-minute limit. It is not always an easy thing to do. We will begin with questions from our host Congressman, Mr. Davis.

Mr. DAVIS OF FLORIDA. Thank you, Mr. Chairman. Mr. Baldwin, you mentioned that you had recently added six new inspectors, if I heard you correctly. How is your workload right now? How well are you doing in keeping up, given the tools you have to work with?

Mr. BALDWIN. Right now here in the Port of Tampa, these six positions were specifically designated for seaport security. We have about 80 inspectors or 80 Customs personnel in the tri-port area. We are trying to work smarter. We are utilizing the nonintrusive technology that we have. We are also trying to examine things as the Customs Service at the points of origin. So we are just trying to work smarter.

Mr. DAVIS OF FLORIDA. By that you mean new forms of technology?

Mr. BALDWIN. We had some outside in terms of the VACIS machine. I think the lightning may have shut that down. Because of lightning, we have x-ray vans that are in place, working toward possibly getting those smart boxes with the container and the seal. But the whole key to all of this for us is having the quality and the quantity of manifest information available so that we can do our targeting without impeding the flow of legitimate commerce.

Mr. DAVIS OF FLORIDA. By that you are referring to cooperation from incoming vessels, as far as giving them—giving you their manifests sufficiently in advance so that you can review the contents?

Mr. BALDWIN. Correct.

Mr. DAVIS OF FLORIDA. How is that going?

Mr. BALDWIN. So far we are doing good. We are probably in the high 80's or so in terms of automated manifest system. But all of our manifests are screened by Customs inspectors and are put through our targeting systems.

Mr. DAVIS OF FLORIDA. Captain Thompson, same question to you in terms of workload, level of service, in terms of balancing security, and also limited interference in terms of the flow or timing of commerce.

Captain THOMPSON. In response to the question, it has really been a challenge because we have been operating at surge capacity since September 11th. This has only been possible because of our auxiliary support, our reserve support and outstanding support from the various counties and local law enforcement agencies, Hillsborough County, Manatee County as well.

Looking out at the budget years, we are looking to receive in this greater Tampa Bay area for the three major Coast Guard commands eight new billets this fiscal year and 10 next fiscal year. But it will still be a challenge because homeland security is a significant issue when you look at the characteristics of the Ports of Tampa, Manatee and St. Petersburg.

Mr. DAVIS OF FLORIDA. Can you give us a sense of proportion as to what you believe to be the extent of your needs in relation to the 8 or 10 you just mentioned?

Captain THOMPSON. I think when we look at billets and assignments, I think we need to look at the characteristics from the port assessment. Once we finish the port assessment that the Coast Guard has undertaken, where we do the first 55 strategic and military ports, and of those, and Tampa will be in that first 12, I think that we will have a very, a more realistic approach as to what will be the force package that we need to bring for port security in our region.

Mr. DAVIS OF FLORIDA. I have a comment and perhaps some of you all may want to comment as well. Tomorrow the President is going to sign the fast track bill, or trade promotion bill, which I strongly supported and I believe we all supported. One of the reasons I was such a strong supporter is because it is going to break down barriers and open markets into Central and South America for imports and to some extent exports. It is also going to make the job of each of you more challenging in terms of the quantity of workload and the types of issues you are going to have to deal with.

Have you given any thought yet as to how that is going to affect your job? These trade agreements are not going to be negotiated any time soon, but things are going to start moving. What should we at least be thinking about with you as to how we adequately prepare to use that as an opportunity and not another set of problems?

Mr. BALDWIN. I guess I go back, not to sound like a broken record, but I kind of go back to our defense-in-depth strategy and the fact that we need automated information to be able to target, considering whatever the volume of it may be. Adding more resources is always welcome and we are appreciative of the resources that we have already received from Congress this year and for next year.

But working smarter at it, using our intelligence, using our nonintrusive technology is really the key for us in doing some of those exams at the point of origin and working with the trade, as we mentioned in the CTPAT. This is getting them to strengthen their supply chain. We have had a number of them who have signed up and coming on board. If we can strengthen those links, we think collectively that will help us.

Mr. DAVIS OF FLORIDA. You would add to that, as you mentioned earlier, to make sure that we use these trade agreements to assure that people that are importing into our country are following standards and using systems that aren't compatible with yours?

Mr. BALDWIN. Correct.

Mr. DYKSTRA. FDA would echo that as well. We feel that the information that is crucial, getting early information from these countries, from the exporters in these countries, again that the new bioterrorism legislation will allow us to get a lot of that kind of information so that we can both protect the public health and also move the freight.

Mr. DAVIS OF FLORIDA. Mr. Butler.

Mr. BUTLER. The Department of Agriculture certainly sees this as a keen opportunity. As our Secretary reminds us frequently, 96 percent of the world's consumers live outside of our borders. That is why it is important that APHIS has maintained personnel world-

wide to be sure that our sanitary and phytosanitary conditions are met as we import products and we deal with challenges, diseases such as foot and mouth disease, all around the world. So we have our personnel all over the world, preclearance opportunities for these countries wanting to export to us, and for opportunities for us to export our products in other parts of the world.

Ms. HECKER. I might just add, obviously I am not an agency that has direct response the way that these agencies do. But the challenge of the relationship between the negotiations in the WTO and the kinds of negotiations and agreements that are needed in the World Customs Organization and the International Maritime Organization are interesting parallels to the overlapping jurisdictions we have at our national level, that we have international diversity of negotiating bodies. And while there is an effort underway of both Customs and the Coast Guard to work collaboratively with the Customs Organization and the IMO, whether at the end of the day some challenges impede that progress in pushing out the border will ultimately be an international negotiating challenge.

So it is another dimension of that international arena and how hard it really will be for the ideal to push those borders out and have those kinds of agreements, because lots of countries are going to feel very differently about that. We hear there is already some pushback for Customs placing agents over in European countries. They are not so pleased about it. So there is challenges there.

Mr. DAVIS OF FLORIDA. Thank you very much. Thank you, Mr. Chairman.

Mr. PUTNAM. Thank you, Mr. Davis. Chairman Shays.

Mr. SHAYS. Thank you. How do you react when you hear that another country isn't so pleased with having us inspect at the port of exit? Maybe I can ask Customs that.

Mr. BALDWIN. I wasn't aware of that. I know that we are in negotiations with a number of countries. As I mentioned, the Netherlands, Singapore, Canada have all signed up to date, France. I wasn't aware of any——

Mr. SHAYS. But if a country was reluctant, what would your reaction be?

Mr. BALDWIN. I kind of leave it to the negotiators. I don't have a fast answer for you.

Mr. SHAYS. Any other reaction from anyone on this panel? What should our position be?

Ms. HECKER. In the long run the position is to try to do this multilaterally. Doing this bilaterally is not going to work. So to understand the different views of different countries, I mean just like in trade agreements, bilateral agreements buy you a little. But it is the multilateral agreements that really get the free flow of trade.

Mr. SHAYS. Is it unreasonable for a country to want to make sure, particularly those that are in a container, to want to have some sense of what is going in that container before it really arrives in our port? Does that strike any of you as unreasonable?

Just note for the record shaking heads. No one has spoken.

I want to be clear, because I am not. Who is most capable here? I don't mean most capable, but who could help me understood potentially how many Federal agencies have a legal right to board a ship?

Captain THOMPSON. Everyone at this table. From the standpoint of Coast Guard, Customs, INS, and probably FBI, DEA. And so I would probably say minimum 15 to 20. Agriculture.

Mr. SHAYS. So why couldn't we make sure that we—if for instance, I will just take the two. Let me just take three. INS basically is looking for potentially illegal aliens. What else would INS be looking for?

Mr. BULGER. That is essentially it.

Mr. SHAYS. Customs is looking for illegal products, contraband, so on. What else?

Mr. BALDWIN. Illegal aliens.

Mr. SHAYS. But INS wouldn't be looking for potential drugs or so on?

Mr. BULGER. Well, our primary responsibility is the people. If in the course of inspecting them we encounter some contraband, we certainly refer it then to Customs or Agriculture if it is an agricultural product.

Mr. SHAYS. Does INS have the ability to make arrests on the spot and to seize whatever is there that is illegal?

Mr. BULGER. Only in those locations where our inspectors are cross designated as Customs officers. Those locations are primarily on the land border.

Mr. SHAYS. Walk me through that. Why wouldn't that be the case? That seems pretty stupid, frankly. But, you know what, I say that with some conviction and then I find there is logic to it.

Mr. BULGER. Historically, the boardings, and we are talking about ship inspections here, the boardings have been done in a team environment where there are both INS and Customs officers as part of that boarding team.

Mr. SHAYS. So in that case you just notify the Customs person and they would come by. But in the case where you might be on the ship, do you go on the ships uniformly together or do you sometimes go separately?

Mr. BULGER. No, it is a boarding team generally that goes.

Mr. SHAYS. Tell me who is part of the team.

Mr. BULGER. INS, Customs, often Agriculture is part of that team, and in some instances the Coast Guard.

Mr. SHAYS. What is the Coast Guard's responsibility?

Captain THOMPSON. Coast Guard's responsibility falls in several areas: Ships, people as well as cargo, looking at a navigation standpoint. We go on board to make sure that they meet the various international standards for licensing of the crew, making sure that they are in accordance with the various international standards. We look at the integrity of the ship from the standpoint of its operating systems, firefighting systems, life saving systems. We move forward, including the integrity of the vessel.

Finally, we also look at cargo from the standpoint of storage patterns of cargo, illegal drugs, illegal aliens. So we look at a very broad range of activities on board the vessel.

Mr. SHAYS. Are INS, Customs, Agriculture, Coast Guard cross-trained so that they can do the work of the others?

Mr. BALDWIN. Not to my knowledge totally as a whole force. But there are areas where we work vice versa with Agriculture and with Immigration.

Mr. SHAYS. When you board a ship, how often do you—is there a key number of folks per each government agency?

Mr. BALDWIN. No.

Mr. SHAYS. How do you decide what ships to board?

Mr. BALDWIN. For Customs purposes it is based on targeting, where the ship is coming from, where it has loaded cargo——

Mr. SHAYS. So some ships you may not board?

Mr. BALDWIN. Right.

Mr. SHAYS. If they figured out your profile, isn't it possible that they would be able to use your profile against you?

Mr. BALDWIN. Well, we also do compliance boardings where we randomly board vessels.

Mr. SHAYS. So you have a profile, which makes sense. If you can't board every one you need that profile. Is that profile generally known?

Mr. BALDWIN. No, because it is—it can change based on targets. Some of the vessels that we board are for narcotics, not the same vessels we board for terrorism risk.

Mr. SHAYS. Does DEA board? Are they part of the team?

Mr. BALDWIN. Negative.

Mr. SHAYS. Who is responsible for looking for narcotics?

Mr. BALDWIN. Customs is.

Mr. SHAYS. I tend to think that I might be guilty of making an assumption that there is a lot of turf when it comes to the different agencies. In other words, we have this responsibility, you don't threaten this. To what extent is there turf and when is the worst example of it?

Captain THOMPSON. I will jump in on that one.

Mr. SHAYS. Let me just say, candidness is required. I mean, because this is—what is at stake here is something so serious that we can't—we can be polite with each other, but we need to have an honest dialog or you waste our time down here, frankly.

Captain THOMPSON. When you look at turf, I think because of limited resources, you are not allowed to really look at turf very long. I mean, if I can save a boarding by sharing or using some information that Customs or someone else can provide me, then I can take that resource and place it somewhere else. I mean, one of the things that has taken place in this particular area that we have looked at are the various boarding documents, the various information that we collect as agencies, and what is the common thread of that information that can be shared among those agencies that will minimize the amount of time, 1 hour, an hour and a half, to have a Coast Guard inspector on board. Trying to reduce redundancies throughout the agencies is really a reasonable approach, and I think, at least in the greater Tampa Bay area, that approach has paid some dividends.

Mr. SHAYS. Anybody else?

Mr. BULGER. Yes, Congressman. I spent the first 20 years of my career on the Northern border. And I will admit that on occasions, particularly in the dead of winter, you know, there were some turf battles that went on because there wasn't much to do in some circumstances.

When I came to Florida 6 years ago, I realized that there the turf was growing so fast, and there was so much of it, that we, all of law enforcement all together had a hard time keeping it mowed.

Mr. SHAYS. Anybody else?

Mr. JARBOE. In 23 years of doing this business, it is quite, from my perspective, it is not so much an agency turf issue, it is a personality issue. I have dealt with agencies where the personalities were such that would not allow for a close, cohesive working relationship. I have dealt with those same agencies with different personalities, and it has been a very good, beneficial working relationship.

So I don't think it is the agencies per se that is the problem. I think it is some of the personalities within the agencies that cause the problem.

Mr. SHAYS. But right now no one has the ability to be first among equals and say let's flock it off, we will do the following, correct?

Mr. JARBOE. Each agency head is responsible.

Mr. SHAYS. They are autonomous. So technically if they don't want to cooperate, that is it, there is no cooperation.

Mr. JARBOE. If they absolutely refuse to cooperate, that is a major problem.

Mr. SHAYS. Your testimony is that is infrequent, but when it happens it is more based on personality rather than the culture of the organization?

Mr. JARBOE. That is correct. Yes, sir.

Mr. SHAYS. Go ahead.

Mr. BULGER. I would say that it would be the U.S. Attorney who would assume that role in the event that there were some disputes between agencies about whose turf was who, that ultimately these things are directed toward criminal prosecution, and that is——

Mr. SHAYS. Well, I think that is true in a case where you have something to prosecute. But if you don't have someone looking or finding something to prosecute, then I don't see how the Attorney would come into play. Do you want to argue that point or not?

Mr. BULGER. Well, I don't know if I want to argue it. But what I would say is that the role that the U.S. Attorney plays in coordinating among the agencies, the special agents in charge, and ensuring that we don't have overlapping investigations, that we cooperate, and in many instances operate in a task force environment, I think fosters, you know, that sense of cooperation. And I think the U.S. Attorney, in my experience here, has played a key role in establishing that atmosphere.

Mr. SHAYS. May I proceed a little bit longer, Mr. Chairman?

Mr. PUTNAM. You may.

Mr. SHAYS. If in my office three people are in charge, my theory is no one is in charge. So ultimately I have one person in charge. And I say if there is a screw-up, it is your fault ultimately. So—and my logic wants to apply that to five different people from five different agencies boarding. I want to know ultimately who is in charge of that boarding party. Who would be?

Mr. BALDWIN. Right now, I guess, Mr. Chairman, it would be determined by the issue. If it was illegal aliens, we would, as he men-

tioned before, and vice versa, if Customs went on board and found illegal aliens, we would notify INS.

If we went on board that vessel and we noticed that there was some safety issues during our boarding process, we would contact the Coast Guard. If we noticed that there was some plants or quarantine type issues that might be on this vessel, we would notify the Agriculture Department.

So depending on which issue, and I may not have answered your question.

Mr. SHAYS. You did. Do all of you have arrest powers? Anybody here not have arrest powers, your people? All your people have arrest powers? Correct? Of those accompanying our witnesses up front, who would like to take the podium and just make a comment to any of the questions I have asked? Anybody?

Let me just conclude. GAO, how do you react to what you have just heard?

Ms. HECKER. It has been our experience in just this review that there is ambiguity existing right now about who is in charge of port security. We have most people, including the Coast Guard, saying they are defining the standards, they may write regulations, they are conducting the port security assessments, they are the leader there.

But you have got TSA which was established, the Transportation Security Administration was established, and they were given a very broad role to manage all transportation security. Their comments when we shared our draft statement was we are the ones who are writing the regulations, they are not Coast Guard regulations.

The issue of the standards, the move toward national standards on the security of containers, there is a joint task force, it is co-chaired, not your model, by Transportation and Customs. How well they are working together, you know, one is working with the IMO, the other is working with the World Customs Organization. It is ambiguous.

And I am not sure, I think in my remarks, I think you weren't here, that it is resolved by the creation of the Department of Homeland Security that we have someone who is ultimately in charge. I think issues remain even with that reorganization.

Mr. SHAYS. Thank you, Mr. Chairman. Thank you for your leeway.

Mr. PUTNAM. If we do have time after the questions for this, we would like to take public comment or questions depending on the level of interest. So we want to let people who are still with us know that, so that you can be thinking about whatever questions you may want to present.

Mr. SHAYS. Could I ask in that regard, how many people would seek to make a question or make a point, or ask a question in the audience? Could they raise their hand? How many would like that? We have one, two. So there may be one or two more. So that we would—that works.

Mr. PUTNAM. Was there anyone accompanying the witnesses—there was a little bit of fidgeting. Does anybody want to add anything to the chairman's questions?

Mr. SHAYS. I certainly would not be—you wouldn't be disagreeing with your superior. But may I also say it is a pleasure to have young people in this hearing, and I just—I welcome our two young friends to my left who is close to this dais here and appreciate both of you being here. Thank you, Mr. Chairman.

Mr. PUTNAM. Thank you, Mr. Shays.

Let me begin with APHIS. According to a USDA Inspector General report from 2000 regarding vulnerabilities and weaknesses which increased the risk of prohibited ag products in the United States, the report found that inspectors did not inspect cargo ships timely upon arrival and inspected the baggage of only 25 percent of internal passengers arriving by air, and only 1 percent of passengers arriving on cruise ships. Inspectors also did not assess fines as a deterrent against airline and cruise ship passengers found to have prohibited items found in their possession, select samples of perishable cargo for inspection, but instead allow the brokers to select the samples.

Now, keeping in mind that in Florida, according to a University of Florida study, over the last 20 years there has been one inspection per month that has been established in this State, we have spent since 1995 half a billion dollars fighting citrus canker, are we any better at detecting plant pest and diseases than we were?

Mr. BUTLER. I hope so, Mr. Chairman. We are making an improvement. Obviously the Congress is providing us additional resources for that. We are looking at all types of technology, including some of our most dependent technology; that is, detector dogs. We know that we have an opportunity for improvement.

Mr. PUTNAM. Are we catching more than 1 percent of the passengers coming off those beautiful cruise ships out here?

Mr. BUTLER. I do believe we are.

Mr. PUTNAM. Do you know what percentage we are getting?

Mr. BUTLER. I do not.

Mr. PUTNAM. How many dog teams are here now?

Mr. BUTLER. One.

Mr. PUTNAM. How many at the airport?

Mr. BUTLER. One for Tampa.

Mr. PUTNAM. One in the whole city of Tampa?

Mr. BUTLER. Yes, sir.

Mr. PUTNAM. Does he work some days here and some days there?

Mr. BUTLER. Yes, sir.

Mr. PUTNAM. So how many in the State, which has one of the highest volumes of international travel?

Mr. BUTLER. I would refer to the folks here locally to answer that question.

Mr. PUTNAM. Anyone know how many beagle brigades that we have in the State?

Mr. DAVIS. My name is Carl Davis. I am the Director of Operations here at USDA.

Mr. PUTNAM. Did we swear you in earlier?

Mr. DAVIS. No, I am sorry. I thought maybe—no, you did not.

Mr. PUTNAM. Why don't we get you when we do public comment? We will come back to APHIS. Customs.

I want to followup on what Chairman Shays said. You have select criteria for determining which ships to board with the interagency team?

Mr. BALDWIN. Correct.

Mr. PUTNAM. How frequently does this interagency team board ships?

Mr. BALDWIN. This is for Customs boarding of ships. I mean, whether or not Agriculture or Immigration chooses to select a ship, we may not choose the same ships.

Mr. PUTNAM. Now, you told Chairman Shays that on occasion you all have an interagency team made up of INS, Customs, and Agriculture and sometimes Coast Guard that boards vessels. How frequently do you do that?

Mr. BALDWIN. I do not have an answer for you.

Mr. PUTNAM. Does someone with you have the answer to that?

Ms. CRAWFORD. Denise Crawford, the Area Port Director for Tampa. More times than not. Certainly we can provide specific detailed information for you how often we do this together. But typically we do have, when we say it is a boarding team, it is not the same four people show up. The assignment of Immigration's responsibilities, of Custom's responsibilities, the ships that we are going to board for our purposes we will be there. Agriculture, Immigration would go through their same process. And generally, we are all there together when we do have a ship boarding that is of interest.

Mr. PUTNAM. How often is there a ship boarding of interest?

Ms. CRAWFORD. I would say several times a week certainly, sometimes more. Again, I can provide you information on our ship arrivals, the boarding officers from the various agencies at a later date.

Mr. PUTNAM. Do you know when the last time an interagency team, Coast Guard, INS, Customs boarded a ship to inspect it?

Ms. CRAWFORD. I can't tell you right now. This morning we had the Jubilee in. That was a cruise ship. Immigration is there, Customs. So we have a normal pattern to a lot of the——

Mr. PUTNAM. Not that often, though, if we don't know when, though, right?

Ms. CRAWFORD. You asked for the last time. I certainly can tell you several times a week. I can provide you specific information if that is what you would like.

Mr. SHAYS. Inspecting the cruise ship is not a team all of the time, correct?

Ms. CRAWFORD. No.

Mr. SHAYS. Is that being responsive to his question?

Ms. CRAWFORD. I was trying to give an example of the last ships that I know that was in today, it was a passenger ship.

Mr. SHAYS. But the question he asked is when did the whole team come together and board a ship? If you don't know, does anyone here know?

Captain THOMPSON. One that came to mind, I have been in the Port of Tampa since the 12th of July. We have other vessels that arrive. Depending on the issues that come forward, then either the Coast Guard, Customs, INS or an Agriculture team will go out. That is coordinated between our various units and operations offi-

cers. So at least I would say from the Coast Guard perspective, we probably do that a couple, maybe three or four times a month, where we will board with another agency on a particular problem.

Mr. SHAYS. This is testimony that you are giving under oath here, and we have indication that may not happen often, and that it is not all that coordinated. So I would like to know if that information is accurate or not. So I was kind of, you know, feeling pretty calm until I heard the answer to the question.

Captain THOMPSON. I will provide more detailed information on that. But I will say generally during my tenure as Captain of the Port that during the month or during a quarter, there will be several boardings with either a member of Customs or INS regarding a particular vessel that may be arriving in the port.

Mr. SHAYS. Three or four times a month. How many ships come in here?

Captain THOMPSON. 4,500 visits a year, 350 vessels per month, thereabouts.

Mr. SHAYS. So basically 1 percent.

Captain THOMPSON. Roughly.

Mr. PUTNAM. Reclaiming my time, is it several—is it 3 or 4 times a month or is it several times a week?

Captain THOMPSON. A lot depends—I don't have that specific information with me. Depending on the issue from the standpoint of whether it is a navigation problem or drug problem, etc. But I do know that there are times when we are coordinating between the units where a team from one, maybe not all four or five will go out, but one or two of the agencies will be together to go out for a particular team.

I think it has happened more than we realize from the standpoint of that assignment.

Mr. PUTNAM. Let's take it one agency at a time. How frequently does INS board a ship?

Mr. BULGER. Every foreign arrival and every coastwise vessel that has aliens detained onboard.

Mr. PUTNAM. Say that again.

Mr. BULGER. Every arrival from foreign——

Mr. PUTNAM. Any foreign flag ship, which is 50 percent.

Mr. BULGER. Every vessel coming from overseas is inspected in person by INS officers. In addition to that, we board every vessel that is sailing coastwise that happens to have aliens detained on board.

Mr. PUTNAM. OK. When you inspect every vessel that is sailing from a foreign port, that can be an American or a foreign flag vessel if they left a foreign port.

Mr. BULGER. If they left a foreign port and arrived in Tampa.

Mr. PUTNAM. How frequently does Customs board a ship to inspect it?

Mr. BALDWIN. I do not have an answer, but I can provide an answer.

Mr. PUTNAM. What percentage of the cargo is inspected at the Port of Tampa by the Customs Service?

Mr. BALDWIN. I do not have an answer. But I can get an answer and provide it to the committee. I did not come with those statistics.

Mr. PUTNAM. Do you have—well, do you have a ballpark?

Ms. CRAWFORD. About 20 percent of the containers are examined here.

Mr. SHAYS. I am just wondering, should I be concerned that you don't know the answer to that question? In other words, you have got so many ships coming in in a month, I would like to think that it would be something that you would have a pretty good idea because you know how you use your resources. How would you know what your needs are if you couldn't tell us? I mean, maybe it is an unfair question, but it doesn't strike me as an unfair question.

Tell me if it—why it would be an unfair question not to know that, because my mind would say it would be kind of like I know how often, how many hearings I have a week or a month. You know, I can give you an estimate.

Mr. BALDWIN. Mr. Chairman, it is not that I don't know the answer. I don't have the answer available to me. I did not bring it with me. I do not have it committed to memory. But I can get the information.

Mr. JOHNSON. I am Ron Johnson, local Port Director for INS. During fiscal year 2001, INS boarded 1,030 vessels. That is how many our inspectors boarded. So far this year, which is not counting July statistics, just through June, we boarded 841 vessels. That is projected over the enter fiscal year to be about 1,121, which would be up 8 percent over last year.

Mr. PUTNAM. How long does it take to inspect a vessel?

Mr. JOHNSON. It varies anywhere from half an hour to 2 hours. I would say the norm would probably be about 45 minutes.

Mr. PUTNAM. But you are only doing three a day?

Mr. JOHNSON. We are doing three a day that are arriving from foreign. OK? In the past 10 months we have also boarded numerous vessels coming from coastwise locations where there have been crew detained on board.

Mr. PUTNAM. Let me get back to Customs. You put an awful lot of faith in your manifests. According to the report of the Interagency Commission on Crime and Security in the U.S. seaports, which did an audit of the manifest compliance, 53 percent of the manifests reviewed either reported an undercount or an overcount of containers on board that ship.

That is a fairly disturbing discrepancy, considering it only takes one weapon of mass destruction in one container in one ship, and over half of the ship's manifests were inaccurate of those audited. What are we doing to improve our manifest technology?

And, second, what backup does Customs have, if you base all of your criteria or a substantial portion of your criteria on which ships to board, if that is based on manifests that is not accurate, what other criteria do you have that would be a little bit more solid footing?

Mr. BALDWIN. Well, it is also based on where the vessel is coming from, what cargos are on board. We also do compliance exams. We do what we call landed quantity verifications, call them LQVs, in which we send teams of people to the vessel, and we will do everything on the vessel with our nonintrusive technologies, the gamma rays, inspectors with the pagers, based on our targeting of these vessels.

So it is not just relying on the manifest, but also going out and relying on the inspector's expertise looking at boxes, because if it has been painted, the doors have been tampered with, that will not show up on the manifest.

So we are also out on the piers examining these containers as they come off of the vessels.

Mr. PUTNAM. For every ship?

Mr. BALDWIN. Not for every ship.

Mr. PUTNAM. For what percentage of the ships?

Mr. BALDWIN. I do not have the number. I can provide it to the committee.

Mr. PUTNAM. Is your point of origin for the ship, is that information, does that information derive from the manifest?

Mr. BALDWIN. Yes, it does.

Mr. PUTNAM. So if 53 percent of the manifests are inaccurate on what is in the ship, why wouldn't you make—why couldn't someone reasonably assume that someone attempting to conceal the point of origin would not also lie about its point of origin?

Mr. BALDWIN. It is not just the shipping documents. We also get the information from the shipping agents. These are the representatives here who represent the shipping company. They provide us with this information. And, again, as a multilayer approach, we are also doing examinations in compliance with those, and have people out there doing landing quantity verifications to ensure what is coming off is coming off.

We don't do every vessel. There is no—I don't know if we have enough resources to do every vessel and still continue to maintain a flow of legitimate trade.

Mr. PUTNAM. Most studies show it is about 1 to 2 percent is what is physically inspected. Is that still the case?

Mr. BALDWIN. I do not have that number. We have increased the number of exams based on terrorist threats, but I do not know the percentage. Because it is really based on risk. We are really trying to focus based on targeting and risk.

Mr. PUTNAM. Are you familiar with the situation that occurred in Miami earlier this year where a Venezuelan naval vessel was being used for commercial purposes and was able to come into the channel, be docked at the Port of Miami, and it was a foreign nation's naval vessel with deck mounted weapons?

Mr. BALDWIN. No, I am not.

Mr. PUTNAM. That was reported in the media and by National Guard when they were doing port security.

There has been a—Mr. Bulger, one of the members of the Port Security Committee indicated that earlier this year there was a—in reviewing the assets for this port, it was revealed that INS had more boats than people to man them, and the Coast Guard found themselves in a situation with more people than boats, but there was an INS regulation that prevented Coast Guard personnel from operating INS equipment. Is that—are you familiar with that? Is that something that Congress needs to change or is it administrative? Are you familiar with that situation at all?

Mr. BULGER. No, we don't have any boats.

Mr. JOHNSON. I think you are confusing INS with Customs. INS does not have any boats.

Mr. BULGER. INS doesn't have any boats here in Tampa.

Mr. PUTNAM. Does Customs? Could I have mistaken it for Customs?

Mr. BALDWIN. Customs does have boats. But I am not aware of any incident.

Mr. PUTNAM. Do you have a regulation that would prevent, if you had a shortage of personnel but equipment, do you have a regulation that would prevent interagency coordination where the Coast Guard could use your equipment?

Mr. BALDWIN. I do not know. I am not aware.

Mr. PUTNAM. OK.

Ms. HECKER. We have done some review of the various forms of the Department of Homeland Security legislation. In one of the versions in an attempt to preserve the nonsecurity functions of the Coast Guard, it has specific language that they will not be allowed to share anything with anyone. So the whole point of putting these agencies together is potentially undermined by language that says they can't share assets or equipment or people.

Mr. PUTNAM. The Coast Guard is who you are referring to?

Ms. HECKER. That is correct.

Mr. SHAYS. But that didn't make it to the floor of the House.

Ms. HECKER. That is in the Senate version.

Mr. SHAYS. Well, that is the Senate.

Mr. PUTNAM. Special Agent in Charge Jarboe, threats to shipping, threats to ports have been around for sometime. In 1985, Palestinian terrorists hijacked the Achille Lauro after smuggling weapons aboard. In 2000 the USS Cole was attacked in port. Acting on information obtained from al Qaeda suspects, the FBI began a nationwide canvas of U.S. scuba diving shops. The search was based on intelligence reports that al Qaeda operatives were taking scuba training in order to launch bombing against ships, power plants, bridges and other shoreline targets.

Despite that, according to the Interagency Commission on Crime and Security in U.S. seaports, the Federal Bureau of Investigation's investigation, "considers the present threat of terrorism directed at any U.S. seaport to be low, even though their vulnerability to attack is high."

Is that still the position of the FBI?

Mr. JARBOE. I would have to check with our headquarters folks who put out those threat assessments on what is high and medium and low. We have looked at how we assess, the verbiage that we use, low, medium and high, so it is not misconstrued. There is a specific unit back at headquarters that puts those out. Since leaving there several months ago, I am not privy to what their current status is. So I can't answer that. But we can get that answer for you.

Mr. PUTNAM. Please do. And Mr. Dykstra, you mentioned that Tampa is not really, in terms of FDA jurisdiction over foods, Tampa is not a major port for those types of imports, but for medical devices it is, particularly radiological devices?

In light of the new threat from radiological weapons, dirty bombs, certainly there are a number of medical devices, machinery, radiological devices that contain radiological components that could be used for making a dirty bomb. Are those devices tracked and

monitored as first world medical practices upgrade and their old equipment, old MRI machines and old x-ray machines are sent somewhere else? Is that tracked by some agency of government, is it the FDA?

Mr. DYKSTRA. Generally it is not the FDA. It is the atomic energy people, NRC, that tracks a lot of that stuff. We simply monitor the import of these kinds of devices. They have to comply with our laws as well as the NRC requirements if they have radioactive materials in them.

Mr. PUTNAM. Presumably you are the agent for the NRC at the ports, or do they use someone else?

Mr. DYKSTRA. We are not their agent at the ports, and how they track that material, particularly if it is surplused in some way, I have no idea how they do it.

Mr. PUTNAM. Thank you. Any followup questions?

Mr. SHAYS. Thank you. What I am—in listening to the questions that the chairman asked you, I have a little uneasiness, and the uneasiness is that the system doesn't quite work the way it is being described to us, though you want it to work that way. Because I don't see logically how this works if there is not a criteria.

So I would like to know from each of you, one, if there is a criteria for deciding what ships, and if I asked you what it was, if you would be able to tell me. And so if we can just go down the list. Is there a criteria? If I asked you what it is to decide what ships, would you be able to tell me what the criteria is?

Mr. BULGER. Yes, Congressman. Every ship arriving from a foreign port of entry is inspected, is boarded by INS officers.

Mr. SHAYS. So every ship is boarded by INS?

Mr. BULGER. Yes. That is correct. In addition to that, every ship that is coming coastwise where there has been an alien crewman detained on board or alien stowaway detained on board, we board that vessel as well.

Mr. SHAYS. Mr. Baldwin.

Mr. BALDWIN. Yes, sir. It is based on risk, the likelihood that vessel could be carrying contraband, terrorism or weapons of mass destruction.

Mr. SHAYS. How would you define risk? That is the criteria. Is there a criteria that describes risk?

Mr. BALDWIN. There is no specific criteria. There is just a number of different factors that we use to determine it.

Mr. SHAYS. And are those in writing? If I asked you later on to supply that, would that be in writing?

Mr. BALDWIN. Some is and some are not, because of the law enforcement sensitivity of the issue.

Mr. SHAYS. OK. Captain.

Captain THOMPSON. Yes, sir. First and foremost, there are port safety controls which is targeted by country. There is compliance inspection boardings as well as safety boardings and port security boardings. And one of the main criterias of a vessel, particular of a first port of call, depending on what the cargo on the vessel is carrying, as well as the various international and documents, is there compliance with the timeframe of those certificates of issuance. So there are about four or five criterias that we go through and we make a determination to board.

Also, depending on which particular port the vessel arrives at. Through our marine information system, did the vessel arrive at Charleston or some other port and that boarding has been conducted, we will see that information and then we still have to make a determination whether to board or not, sir.

Mr. SHAYS. Mr. Jarboe, do you board ships? Not as a general rule?

Mr. JARBOE. We do, but not as a general rule. If we had specific investigative or intelligence information that there was something on a ship, then we would board. And usually, well, almost——

Mr. SHAYS. You are not looking. It is when you have a lead or a suspicion?

Mr. JARBOE. No. When we board ships there is specific information that we are looking for. It is in conjunction with either Coast Guard, Customs, or INS, one of the other agencies here.

Mr. BUTLER. We do. What I would really like to do is have our local representative answer the detailed question on that. I personally do not know.

Mr. SHAYS. Fair enough. Would you answer that question, ma'am? Thank you.

Ms. Neal.. Mary Neal, Department of Agriculture. It is our policy to board foreign arrival vessels upon arrival.

Back to the question on teams, each agency does receive individual time of arrival information, and it does happen that we arrive at the vessel at the same time and generally there is a general boarding party.

But the concept of team is not one that is exercised.

Mr. SHAYS. What does that mean?

Ms. NEAL. I mean that there is—in other words, that one group doesn't always go on board a ship together. That is what I mean by team.

Mr. SHAYS. Thank you.

Mr. PUTNAM. Ms. Neal, you are the head of the Tampa port?

Ms. NEAL. No. I am the Assistant Deputy Administrator for Agricultural Quarantine Inspection at the national level.

Mr. PUTNAM. Based out of Washington?

Ms. NEAL. Yes.

Mr. PUTNAM. OK. I will save my question for the local person.

Mr. SHAYS. Mr. Dykstra.

Mr. DYKSTRA. Generally, FDA does not board ships. However, if a ship, such as a large fishing trawler is doing some sort of manufacturing on that ship, canning of tuna or salmon, we generally go aboard those ships using the Coast Guard authorities.

We do a lot of this up in the Alaskan waters.

Mr. SHAYS. OK. Now, tell me then, you all have your criteria. You have all said that you follow the criteria. You all have said basically you board every ship, which is confusing to me. Maybe I misunderstood.

Captain THOMPSON. No, sir. I do not board every ship.

Mr. SHAYS. The Coast Guard does not?

Mr. BALDWIN. No.

Mr. SHAYS. Just every ship——

Mr. BULGER. Every ship arriving from foreign.

Mr. SHAYS. OK. Mr. Bulger, are you confident that every ship that arrives from overseas is inspected by INS?

Mr. BULGER. Yes, I am.

Mr. SHAYS. OK. Now, just help me sort out. What is unique then about—tell me what the criteria is, and it should be the same for all of you. If I asked you to write it down on a piece of paper, I should be able to have everyone say the same answer. What is the criteria when it is a team effort?

Mr. BALDWIN. Mr. Chairman, are you asking what would be the criteria?

Mr. SHAYS. What is the basis for deciding which vessels to board with the team?

Captain THOMPSON. Mr. Chairman, from the Coast Guard perspective, I need a clearer definition of a team because, in essence, when I look at a boarding; i.e., a team boarding, if I have a compliance issue that requires Customs or someone else to come out, that my inspector and one of Customs' inspectors are going out as a team, depending on that particular issue was compliance, safety, port security, port safety control.

So that would be the guidelines. I am not sure that we do get together—we do not get together as a team of agencies and say we will set this criteria to go out and board these particular vessels from a port security standpoint. I think we use your guidelines and our regulations based on the various requirements and then if by chance it crosses two jurisdictions, then that——

Mr. SHAYS. Let me just tell you what I am hearing you say. What I thought—that there were certain ships that all—that collectively all of you made sure you all boarded and you boarded as a team. And, what I asked Ms. Crawford—when Ms. Crawford made a comment to boarding a cruise ship, she described one or two do it together, therefore it is a team.

When I was just asking to understand that, she wasn't claiming that was then, as I heard her, this so-called team effort. So I am beginning to wonder if there is this team of more than three or four or five, and I am beginning to think that there isn't, and that is—you know, maybe I am just talking about something that is totally insignificant, maybe I am, you know, going nowhere, headed in no direction and don't realize it.

But in my own mind it struck me that sometimes you would want to collectively work as a team to have it be intense and in the process of doing that you all would be cross-trained so that you can share different parts of the ship and be sensitive as to what to look for, and then you would have a pretty comprehensive look at the ship, and those would be a few, but ones that would be triggered by something. But now I realize that there is no team in that sense. So I just invented something that doesn't exist.

Captain THOMPSON. I am not sure you invented something that doesn't exist, Mr. Chairman. I think when it comes to a particular issue on a particular vessel, if we receive some information that would require the various agencies to go out, we would go out as a team. But I think we still fall on our own jurisdiction. There is not a coordinating effort, you might say, where we will look at so many vessels per month and all of the various agencies will descend on that particular vessel, sir.

Mr. PUTNAM. Will the gentleman yield?

Let me see if I can understand what you are saying. If more than one agency boards the same vessel for each of their own individual reasons, it would only be by coincidence, not because the local agency heads got together and decided that they needed to coordinate an inspection effort; is that accurate?

There is a lot of nodding heads in the back, but nothing up front.

Captain THOMPSON. Unless there was some driving issue or circumstances that says we need to have, i.e., Coast Guard, Customs to focus on this particular vessel.

Mr. BALDWIN. Or through some of the committees that we have there was a special operation that was put in place.

Mr. PUTNAM. Absent a special unique circumstance that no one can remember the last time that occurred, the only time that more than one agency would board the same vessel would be by pure coincidence; is that accurate?

Mr. BALDWIN. Yes.

Mr. PUTNAM. Thank you.

Ms. Crawford.

Ms. CRAWFORD. Well, I just want to make sure that I did not leave any confusing statements from what I had said earlier.

Mr. SHAYS. Let me just say, we are not in a rush just because you are standing up, take your time. And I am going to say something else. I know we are all, you know, coming from the same basis. You all are professionals. You all work hard to do a good job. So these questions aren't intended to suggest something other than our trying to understand how a system works. Some of it can be that we haven't given the right training, some of it can be that we haven't given the right resources. There are a whole host of things. We are not lobbing rocks across this table to that table. Just want that understood. Thank you.

Ms. CRAWFORD. Well, while I can't, unfortunately, provide you with how many ships and the number of times that Customs has boarded those ships, I can tell you that the cooperation we have here on the local level is a great one. As Captain Thompson said and others, if we were to have specific targeted information, and we wanted to make sure that we have every agency covered or we needed force multipliers, we certainly pick up the phone, we coordinate and say, hey, this is one that we need to address.

On a normal occurrence, Customs has its requirements that it would meet, Immigration its own, Agriculture, and any other Federal agency that has an interest in a particular ship. Yes, in fact, and I think I said earlier and I will clarify now, we may not ever have a boarding team that consists of the same individuals at the same time who have met, got in cars together and shown up.

But boardings occur on a cooperative basis based on the needs of the agencies. And it is—yes, maybe "by happenstance" was the best word that I heard from Congressman Putnam.

Mr. PUTNAM. How is that, therefore—if it is by happenstance, how is that therefore cooperative?

Ms. CRAWFORD. We know when we have an issue. We are looking out for Customs issues. If when we are looking at that we see something that maybe Agriculture is interested in, we want to make sure that they are aware of some item that they want to clar-

ify, Immigration the same thing, we would reach out and make sure the others were aware of that. They do the same for us.

But on a normal day, taking care of your own organization's responsibilities, we do board the vessels we board, as Mr. Baldwin says, for Customs. While every foreign vessel is subject to boardings, inspections, etc., we choose based on a variety of factors which ones meet a high risk or happen to be a random type of boarding to do those cross-checks.

Mr. PUTNAM. You are the Port of Tampa for Customs. How often do you meet with your equivalent at INS, USDA, Coast Guard, and FDA?

Ms. CRAWFORD. We have monthly FIS meetings. They have been in existence—I have been here 2 years. They started shortly after that. We meet, Agriculture, Immigration, Customs, Border Patrol on occasion, when we have a special interest, and we had a meeting with Coast Guard when they were assisting Immigration in enacting their new policy to help—when we were going to have detained crew on board and they were working with INS a little closer, we called Coast Guard into those meetings. But we have monthly FIS meetings.

Mr. PUTNAM. What does that mean, FIS?

Ms. CRAWFORD. Federal Inspection Service.

Mr. PUTNAM. Mr. Davis.

Mr. DAVIS OF FLORIDA. I just want to make a point. I haven't heard anything that causes me any problems here. I know, I want to say to Chris and to you, I know from talking to a lot of these folks, people who work with them, there is a very good working relationship here.

I just wanted to say I think this has been a very productive hearing. What I am hearing reminds me of the analogy of police, fire and rescue showing up at the scene of an accident. These are professionals. They are sometimes working side by side and sometimes they are not. They are just doing it, and it is not terribly formal. But it doesn't need to be, and that is consistent with my understanding of how these agencies work together.

It is only as good as the tone that is set by the leaders here. And so that is what I am hearing, Mr. Chairman. I am not hearing a problem. I am hearing a system that may not work in every community but I think has served this community well. And another example of that you heard earlier was that Tampa Bay Harbor Safety Committee, which I really think, Mr. Chairman, is a model, that got together with the plan that was adopted. So that is just my 2 cents.

Mr. PUTNAM. Thank you, Mr Davis.

Mr. SHAYS. I know that we have some folks from the audience, I think four of them want to testify. I think what I am hearing is that we don't have a model to deal with terrorism, that we have a model that we have worked to deal with maybe drug inspection, and that we have a model that says two can communicate, and we have a model that says we periodically get together, a monthly get-together. And all of those things are encouraging. But it strikes me that we don't have a model for a comprehensive look at a ship at the same time with every one involved, focused primarily on the concern of terrorism.

That is kind of what I am hearing, and while I wouldn't debate whether it is—I would suggest that it is a vulnerability.

Mr. PUTNAM. Thank you, Mr. Shays. Any member of the public wishing to speak, please line up at this microphone here. I want to thank our third panel. I would ask you to stay, because there is a pretty good chance that you may be needed to answer any questions or deal with any issues raised. So any member of the public who wishes to speak, please line up at the podium and we will give each person 2 minutes.

Please open by introducing yourself, and if you are representing an organization or an association or business, please state that for the record as well.

Mr. RUBIN. Thank you, Mr. Chairman. My name is Mike Rubin. I am the Vice President of the Florida Ports Council. I just wanted to followup on two questions that you both asked Steve Lauer, one of them being the credentialing issue and the other on funding.

With respect to the credentialing issue, we have reached a standardizaqtion in the State. Our next step issue is really on a technology level. As you may know, TSA right now is currently trying to develop some can kind of nationwide credentialing from a transportation standpoint, and they are looking at the type of cards to use, a smart card, whether it be prox readers, whether it be mag stripe, that kind of thing. That is really our next step from a statewide level.

The gentleman showed you a plastic card, which as you may know is not very good because you can't use it for access control type gates, you can't use it for information storage, you can't use it for a whole host of things.

From a State of Florida standpoint, our State legislature 2 years ago passed a requirement for individuals working in restricted access areas on seaports, that they receive a background check, and if they pass that background check they can receive an ID card. We have done that. It has been a difficult process, because we do have a number of truckers that go from one port to another port. We are trying to accommodate those. We are using a Memorandum of Understanding between the seaports. So if you receive an ID card at Port of Tampa, you then go to the Port of Manatee and say I have been background checked, I need to get an ID card.

Now, you will still have to get a printed ID card at that port, because we haven't reached the stage where we have one ID card yet. We certainly want to work cooperatively with TSA, because we don't want to have a system that you are going to adopt federally that doesn't work on a statewide system.

With respect to funding, we had two issues. We had a statewide mandatory type issue. It was a mandate issue which certain of the legislature didn't put into place, but we also had issues after September 11th for augmentation of Federal type forces. As you may know, the security industry is huge in this State. Coast Guard had to take a number of their resources, move it up to New York or other areas. And as augmentation from our local seaports, we would have difficulty bringing in the cruise ships here.

Looking at the numbers, we had a whole host of questions. But looking at the cost factors, including referring law enforcement type costs on the water, which is something local government sea-

ports have never done, on the water type law enforcement, we ran about a $100 million stage, with $20 of that being a recurring cost. That number continues to grow as the consultants and everybody starts to look at it and everybody starts dealing with it.

And I would be happy to answer any questions.

Mr. PUTNAM. Thank you very much.

Ms. SANSOM. I would like to just mainly say thank you. Dixie Sansom, Canaveral Port Authority over on the East Coast at Port Canaveral. And I would like to say mainly from our standpoint of seaports throughout Florida, that we appreciate you all taking the time to be here. As Mike pointed out, the Florida seaports did not sit on our hands after the legislature passed it, and say aw, a song we have all heard, it is an unfunded mandate. We took the legislation, we went forward with it and did the best that we could with the resources that we had. We are very proud of that effort.

Speaking of being proud, we are very proud, we are proud that we have five members of the Florida delegation on the House Government Reform Committee. I think that is a tribute to Florida and also the fact that our delegation, regardless of where they live or what party they are in, they work together, they listen, they are very accessible, and you all have super staff as well that worked with us.

One thing that I would just like to point out, Port Canaveral has over 1.5 million passengers going through our port alone. We are a very compact port. Our main cargo is people, and we move—70 percent of our revenue is passengers. 30 percent is cargo. And most of that cargo, a great deal of that cargo are agriculture, citrus-related products.

I would just like to say that we have at Canaveral an outstanding team that includes Agriculture, Customs, INS, as well as the U.S. Air Force and Navy, because we have the 45th Space Wing right next to us and a naval Trident base, not to mention the Kennedy Space Center. We look forward to helping you all from the standpoint of any of our Florida seaports, or any of the other seaports in whatever we can do to help you in the efforts that you are making to help us.

Thank you again for coming down.

Mr. PUTNAM. Thank you very much.

Ms. Kovack, welcome back.

Mr. KOVACK. Thank you. I really appreciate this permission to speak freely. I really think that to be diplomatic and politically correct sometimes you just need to say what the issues are. And I just wanted to specify some of my comments.

One of the things that I think is a problem is the security personnel on dock unloading. When we talk about, you know, terrorism, if you were going to, say, take an 83-year-old woman, you take her aside, you are missing the terrorist. I think the same is true with the seaside as well. We are doing a good job on the landside, but for instance it is now up to the private individuals to hire security guards.

Now, how trained they are is—you know, you get them from a security company. They come on. There are multiple personnel on the dock. So say if you have two ships unloading an anhydrous am-

monia and a petroleum ship, you just tell the security guard I am with the petroleum ship, or I am with the anhydrous ship.

From my understanding, it is a U.S. Coast Guard regulation, and so the Port Authority says that it is, you know, the responsibility of the private industries. We are all trying to work through this together. But at one time you can have as many as four security guards out there, and the reality is that you need some coordination there.

Also, as far as the boom side, in Miami the Coast Guard has provided booms that go behind these vessels. Well, I think that is important because if a cigarette boat or something is trying to attack from the sea, you have to have a point where they cross that and then it becomes an issue. I don't know if that is going to happen here in Tampa as well.

But if it were a Coast Guard unloading requirement for private industries, literally we would only have to provide security guards while offloading. So the reality is that ship would have no security guard in the interim. But, again, private companies are trying to work together. But it seems like it would be better to have highly trained, concentrated security personnel.

And finally, I guess my other comment is what is reasonable? And there was a bill by EPA, 1602, that was just in front of Congress, or is coming in front of Congress. It actually talked about corporate liability. The reality is if anybody wants to get in an airplane and fly into any structure, they can do that. And the reality is everyone is doing the best that they can, government and industry together.

Thank you.

Mr. PUTNAM. Thank you very much. Our last speaker to bring us in for a landing. Sorry, two more.

Mr. DAVIS. My name is Carl Davis. I am the local USDA Director of Operations here. I just wanted to say that we have had a dog detector team here in Tampa since last August. So we are going on a year now. This team consists of one trainer, one handler and one beagle. And we attempt to make that team available for every single foreign arriving aircraft at the Tampa International and St. Petersburg International.

In addition to that, the team works cruise ship passengers as well. So we have one team here—to try to answer your questions about the rest of the teams in the State, as I understand, there are 16 allotted positions in Miami, beagle teams in Miami. I don't think they are all filled right now. I think there is approximately 10. Right now I don't know exactly how many are in Orlando because that is not my area of responsibility, but I think there is at least one there.

Mr. PUTNAM. To clarify, the beagle team in Tampa inspects every international flight that lands at Tampa International and every foreign flag ship that comes into the Port of Tampa Seaport?

Mr. DAVIS. No. It is available for every single foreign-arriving aircraft at Tampa International Airport.

Mr. PUTNAM. Is present?

Mr. DAVIS. The dog also works passengers on foreign arriving cruise ships. The dog is not trained to work cargo. It is a passenger dog that detects agriculture contraband in passenger luggage. This

is what this dog is trained for, primarily for work in an airport environment, in a maritime cruise ship environment, and it is very effective, very effective.

Mr. DAVIS OF FLORIDA. Is one dog enough to handle the workload you just described?

Mr. DAVIS. For here in Tampa, yes; that is, one dog is sufficient for what we see here in Tampa.

Mr. PUTNAM. Measured against what?

Mr. DAVIS. Measured against the passenger loads that you see in Orlando or Miami or LAX or JFK.

Mr. PUTNAM. But what percentage of—it doesn't inspect every plane. I think—so if 100 percent is too much——

Mr. DAVIS. Let me try to explain our situation here in Tampa. Normally we have approximately—we never have more than two or three foreign arriving flights a day, and normally they are not in the clearance room at the same time. So the dog has the opportunity as the passengers are picking up the luggage to sniff almost every bag, 100 percent of the bags. That may not be the case in other airports, but we have that luxury here in Tampa.

Mr. PUTNAM. Thank you very much.

Mr. LEMON. My name is Nolan Lemon. I am Public Affairs Specialist with the U.S. Department of Agriculture, and I will try to attempt to answer a couple of questions from earlier.

From an agency standpoint, we approach it from a degree of risk, and our resources are managed in those regards in terms of high degree of risk. So say, for example, when the different agencies arrive at a vessel, we may not have the same risk factors on an arriving vessel. Agriculture may—from our standpoint, we may have a vessel arriving from an area that we consider high risk to agriculture, based on the incidence of pests and diseases, agriculture pests and diseases that occur in that country. However, it may not be a country of high risk to Immigration or Customs and vice versa. So you are not—you may not necessarily have a high degree of presence for every single vessel arriving, every single foreign arrival.

And to match the concerns of the different agencies, we do work cooperatively. If the U.S. Customs Service finds something that is agriculturally related they will contact us. And we have had situations in the past, particularly in Miami, which is a high-risk area for us because of its proximity to high risk areas, as well as the amount of traffic that is coming into Mimai, so we have had situations where we have been alerted by U.S. Customs Service about mismanifested cargo that was being smuggled in. And just as here in Tampa, they do meet on a monthly basis to voice their concerns.

For us in particular, one of the things that is very difficult for us is managing the resources, because as you said, sir, having a—if you have 100 percent degree of risk, how can we take the biggest chunk out of that 100 percent? We can never approach zero. But we want to manage our resources in such a way that we can get the biggest bite out of that 100 percent as possible.

For us, we have passenger clearance at the international airports. And when we weigh this in conjunction, in relationship rather, to passengers on international cruise vessels, most of the ship stores are U.S. stores. So in terms of risk, it is a lower risk for us,

because those ship stores are originated from the U.S. and not from a foreign country.

Mr. PUTNAM. Thank you very much. Parting thoughts, Mr. Chairman.

Mr. SHAYS. I would like to thank some people. I would like to thank the Tampa Port Authority, and I would like to ask forgiveness when I read your names. John, I won't read titles since there are a number, but John Thorington, Bruce Hoffman, Luis Viamonte, Denise Mackey, Ken Washington, Barbara Heisserer, Richard Dixon, George Gorsuch, Linda Lutes, Steve Fidler, Captain Jimmy Griffin. From the Coast Guard, Dennis Tea, Robert Wyatt, Scott Ferguson, James Rarley and Brenda Trumbull.

This has been a fascinating hearing, and I know my committee has had a tremendous amount of cooperation. I am a little suspect that they did choose to come a few days early to this hearing, but then, again, Florida is a nice place to live and work. I admit that.

Mr. PUTNAM. I am very sorry. We had one more person. Please come back.

Ms. NEWCOMBE. I am Roberta Newcombe with a commercial company that is selling software to some of the Florida ports, looking to solve landside and waterside surveillance. And one of the concepts that I just want to leave the committee with is the Department of Defense has a wonderful saying, situational awareness, and that the security being controlled around the ports also has to be mitigated up toward first and local responders.

And if you look to the Department of Defense, in their command and control centers they have a proven philosophy about how to make the agencies work to solve the event. And the software that—I don't want to talk much about our software, but the concept is very important that you look to the Department of Defense for situational awareness and how an enterprise-wide solution is a better concept.

For example, Port of Tampa has private tenants. They have local law enforcement, and they have all of those agencies. And you need to make sure that infrastructure filters up; so as the event occurs and becomes more and more of a challenge, that it goes right up the chain of command. I will use that situation with the Port of Miami.

The response from someone very high up in Florida was they were on a cell phone trying to figure out what was going on. And I really don't think that long term is the type of infrastructure for a long-term solution for security to really address things.

Mr. PUTNAM. Thank you very much.

Mr. Davis.

Mr. DAVIS. Mr. Chairman, we always say here in Florida, Damn Yankees, anybody that came to Florida after you do. That is one of the reasons why so many of your constituents are here. So we are ready for you to move down here, but you need to help make our port a little more secure first.

Mr. PUTNAM. We certainly want to recognize our official reporter, Mark Stuart, who has been working very hard for us. We appreciate the Port of Tampa's hospitality, and the hospitality for the morning boat tour. I want to thank the committee staff and my

staff and particularly our chairman, who made this subcommittee hearing possible.

It is always refreshing to get out of Washington and have some hearings. It is even more refreshing when you can breath the purified air of Florida sunshine and the wonderful environment that we have down here. I want to thank all of our witnesses, particularly Panel III.

We want to thank Christian Spinosa and Courtney Putnam for joining us up here, and with that, the subcommittee stands adjourned.

[Whereupon, at 5:40 p.m., the subcommittee was adjourned.]

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