

**PORT SECURITY: PROTECTING FLORIDA'S PORTS  
FROM THE THREAT OF DRUG TRAFFICKING**

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**HEARING**

BEFORE THE

SUBCOMMITTEE ON CRIMINAL JUSTICE,  
DRUG POLICY, AND HUMAN RESOURCES

OF THE

COMMITTEE ON  
GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

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**PORT SECURITY: PROTECTING FLORIDA'S  
PORTS FROM THE THREAT OF DRUG TRAF-  
FICKING**

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**TUESDAY, OCTOBER 31, 2000**

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY,  
AND HUMAN RESOURCES,  
COMMITTEE ON GOVERNMENT REFORM,  
*Port Everglades, FL.*

The subcommittee met, pursuant to notice, at 10:30 a.m., in the Chambers, Administration Building, 1850 Eller Drive, Port Everglades, FL, Hon. John L. Mica (chairman of the subcommittee) presiding.

Present: Representative Mica.

Also present: Representative Shaw.

Staff present: Sharon Pinkerton, staff director and chief counsel; Charley Diaz, congressional fellow; Ryan McKee, clerk; and Sarah Despres, minority counsel.

Mr. MICA. Good morning. I'd like to call this hearing of the Criminal Justice, Drug Policy, and Human Resources Subcommittee to order.

I'm pleased this morning to be in Port Everglades and Broward County. I also welcome our colleague from the Ways and Means Committee, Mr. Shaw. Actually, this is your area, and we're so pleased to be here and thank you for being here today, too. I know we've had trouble getting out of Washington, also, a disruptive schedule. But I did want to proceed with a hearing this morning. We've delayed holding this because of some of our requests from Members, but again, thank you for hosting us today here in your city.

I'm kind of glad we don't have too many Members here, most of them stuck in Washington, because this isn't exactly a Chamber of Commerce Fort Lauderdale day.

Mr. SHAW. We do better.

Mr. MICA. The sun isn't shining this morning, but I'm sure it will be back.

I'm pleased to be here. We're here on a very serious issue, and that's port security, protecting Florida's ports from the threat of drug trafficking. The order of business today will be I'll first open with a statement. I'll yield then to Mr. Shaw, if he has a statement. And with agreement from the minority, without objection, we're going to leave the record open for an additional week, for 3 weeks, for members to submit statements to the official record, be-

cause we do have people who have been held in Washington on this occasion. So without objection, so ordered, the record will be open for a period of 3 weeks.

Also, I notify the witnesses today that questions will also be submitted to you from the subcommittee and also committee members who are not with us. So we would like you to respond. And those, without objection, will also be made part of the record of this hearing.

As chairman of the House Subcommittee on Criminal Justice, Drug Policy, and Human Resources, I've had the opportunity to travel across this country examining the problem of illegal—our illegal drug epidemic. Today we'll take a closer look at the growing crisis here at home—namely, the smuggling of illegal narcotics through Florida seaports. This congressional field hearing will focus specifically on criminal activity in and around the ports of Port Everglade and Miami, FL. These two ports account for a large percentage of the vast quantities of drugs being smuggled into the United States each year.

Two years ago, with the start of the 106th Congress, I took over this subcommittee from my good friend, Dennis Hastert, who is now the Speaker of the House. The very first place that I visited as chairman and held a field hearing was in my own district in central Florida near Orlando, to examine the growing heroin epidemic in central Florida. Today, as we approach the close, and we hope it's the close, of the 106th Congress, we're back in Florida, and this time in south Florida, to examine the threat posed by cocaine and other drugs.

U.S. seaports handle 95 percent of our Nation's trade. As a major U.S. import/export trade destination, with some of the largest cargo and passenger ports in the world, Florida is a natural conduit for the free flow of goods, both legally and illegally. We know from history that Florida, with its 1,350 miles of largely uninhabited coastline, has been a haven for smugglers. In the modern era, with its close proximity to drug-producing countries like Colombia, Florida is once again the target of illegal smuggling. However, this time it's with a product of illegal narcotics.

Florida accounted for 65 percent of the total cocaine seizures in the United States in 1998. That represents 150 to 200 metric tons of cocaine. And we may even hear testimony today that says that's even larger.

Over the past 2 years, as subcommittee chairman, I've conducted dozens of more than 40 hearings on the topics of illegal narcotics. Many of those were field hearings like this, because south Florida isn't the sole haven of the problem. During the past year, I've presided over field hearings in Honolulu. While it's a nice location, I might say I flew in there on an evening, Mr. Shaw, a Saturday evening, spent the day in a State prison and drug treatment programs and conducted the hearing, and I flew back to Washington. I did that hearing at the request of our ranking member, Mrs. Mink, who also has some of the same problems at her port facilities.

We also conducted hearings in Sacramento, San Diego, other large port areas, New Orleans, Louisiana. Additionally, Dallas, central Florida and even in the heart of America, in Sioux City, IA.

So we have covered our Nation trying to look at the specific aspects of the problems.

Today we come to Port Everglades because south Florida continues to be plagued by illegal narcotics, much of them arriving through this port facility and through our coastline. Just last week, the U.S. Customs seized nearly \$11 million worth of cocaine and marijuana on the Miami River. In May, Customs officials seized \$6.7 million worth of cocaine aboard a container ship docked here at Port Everglades. In April, Federal agents arrested six dock workers in Port Everglades for illegally smuggling thousands of pounds of cocaine and marijuana.

Concerned with the growing security risk that we face, the Governor of the State commissioned a study to assess Florida's seaport security. This study, which was just released last month, made specific recommendations on how to improve seaport securities across the State of Florida and also specifically here in south Florida. We look forward to hearing from Jim McDonough, who is from our Office of State Drug Control Policy and Florida's drug czar, about the study's findings, recommendations, and hopefully, implementation.

Illegal drug smuggling is a topic that matters to everyday Americans. These days you'd be hard-pressed to find an individual or family whose life has not been affected by illegal narcotics in some way. Drug abuse kills directly—the last statistics we had were 16,926, exceeding for the first time in our records the number of homicides. So drug-related deaths now exceed homicides nationally. According to Barry McCaffrey, our national drug czar, and he took into account all the direct and indirect, it now totals an astonishing 52,000 Americans die per year, equal to any national security or war threat we've ever faced. The scope of illegal drugs trade is almost incomprehensible, with an estimated \$400 billion a year, an equivalent of 8 percent of the world's total international trade. And the estimated cost to U.S. society—this statement they prepared for me says \$100 billion. And it can be as high as a quarter of a trillion if we include everything.

But not all is lost. We continue to make slow but steady progress despite the current administration's inattention, mismanagement, and I believe at the beginning of this administration, a lack of focused policy. We now have 31 federally designated High Intensity Drug Trafficking Areas [HIDTAs]. The HIDTA here in south Florida was, of course, one of the original High Intensity Drug Trafficking Area designations. These entities represent a Federal effort to enhance cooperation, information, and information-sharing among Federal, State, and local law enforcement officials. However, as we'll hear later today, more must be done with regard to HIDTA's role in seaport security.

The National Youth Anti-Drug Media Campaign is now in its third year and hopefully is having some impact—beginning to have an impact on our kids' attitudes about illegal drugs. Our subcommittee has oversight responsibility for the Office of National Drug Control Policy. And we are, in fact, a congressional watchdog over the HIDTA program in this anti-drug media campaign I spoke of.

In July, the House of Representatives passed a \$1.3 billion Colombia aid package that we hope will get to the supply of cocaine

and heroin that we're seeing coming in through this area. Again, the subcommittee has actively and aggressively sought to ensure that this administration is true to its word and gets promised aid and assistance to Colombia, which, again, is a source of so much of the hard drugs that we see coming through here.

The illegal drug trade is clearly global. So this year I hosted, along with the Speaker and Mr. Gelman and others, an international drug control summit in Washington, which brought together representatives of the various donor countries. As a matter of fact, we're going to meet in Bolivia for the first time I believe in February with some of the producing countries and leaders in South America. So we continue to work with those countries, also with the United Nation's Office of Drug Control Policy. Pino Arlacchi is doing an outstanding job to combat the problem of cur-tailing drugs at their source.

Illegal drug smuggling is a problem that concerns all of us and one which will require a great deal of work on the part of many good people if we're to overcome that problem. And that's why we're here today.

I want to thank in advance our witnesses for being with us today and providing the subcommittee with their testimony. I appreciate that these witnesses are willing to come forward and shed light on problems and resources and the constraints that they face to effectively combat drug smuggling in Florida's seaports. I want south Florida to know that I, along with many of my colleagues, are committed to this fight, people like my good colleague Clay Shaw, who has joined us today. And I thank him for joining the subcommittee. We want to hear from these local and State and Federal officials about how we can do our job better, provide the resources and tools and, if necessary, legislation to make positive changes and take appropriate actions.

With those comments, I'm pleased to yield at this time to the gentleman from this district, the gentleman from Florida, Mr. Shaw.

[The prepared statement of Hon. John L. Mica follows:]



**Opening Statement of  
Congressman John L. Mica**

**"Port Security: Securing Florida's Ports from  
The Threat of Drug Trafficking"**

**Hearing before the House Subcommittee on  
Criminal Justice, Drug Policy and Human Resources  
Port Everglades, Florida  
October 31, 2000**

As Chairman of the House Subcommittee on Criminal Justice, Drug Policy and Human Resources, I have had the opportunity to travel across this country examining the illegal drug epidemic. Today, we will take a closer look at the growing drug crisis here at home; namely the smuggling of illegal drugs through Florida seaports. This Congressional field hearing will focus specifically on criminal activity in and around the ports of Port Everglades and Miami, Florida. These two ports account for a large percentage of the vast quantities of drugs smuggled into the United States each year.

Two years ago, with the start of the 106<sup>th</sup> Congress, I took over this Subcommittee from my good friend Dennis Hastert (who is now the Speaker of the House). The very first place I visited as Chairman was my home District in Winter Park, near Orlando, to examine the growing heroin epidemic in central Florida. Today as the 106<sup>th</sup> Congress draws to a close, we are back, this time in South Florida, to examine the threat posed by cocaine and other drugs.

U.S. seaports handle 95% of the nation's trade. As a major U.S. import/export trade destination, with some of the largest cargo and passenger ports in the world, Florida is a natural conduit for the free flow of goods (both legal and illegal). We know from history that for centuries Florida, with its 1350 miles of largely uninhabited coastline, has been a haven for smugglers. In the modern era, with its close proximity to drug producing countries like Colombia, Florida is once again the target of illegal smuggling -- this time illegal narcotics.

Florida accounted for 65% of the total cocaine seizures made in the U.S. in 1998, that represents some 150 to 200 metric tons of cocaine.

Over the last two years, as Subcommittee Chairman, has conducted dozens of hearings on the topic of illegal drugs. Many of those were field hearings like this one. During the past year, I have presided over field hearings in Honolulu, Hawaii; Sacramento and San Diego, California; New Orleans, Louisiana; Orlando Florida; Dallas, Texas; Sioux City, Iowa and now here in the greater Miami area.

We come to Port Everglades, because South Florida continues to be plagued by illegal drugs, much of them arriving by sea. Just last week, the U.S. Customs Service seized nearly \$11 million worth of cocaine and marijuana on the Miami River. In May, Customs officials seized \$6.7 million worth of cocaine aboard a container ship docked here at Port Everglades.

And in April, federal agents arrested six dockworkers in Port Everglades for illegally smuggling thousands of pounds of cocaine and marijuana.

Concerned with the growing security risks, the Governor commissioned a study to assess the security of Florida's seaports. The study, which was just released last month, made specific recommendations on how to improve seaport security across the state and here in South Florida. We look forward to hearing from Director Jim McDonough (Florida's Drug Czar) about the study's findings and recommendations.

Illegal drug smuggling is a topic that matters to everyday Americans. These days you would be hard pressed to find an individual whose life has not been effected by illegal drugs in some way. Drug abuse directly kills nearly 17,000 American's every year. According to the Office of the National Drug Control Policy, drug "related" deaths have reached an astonishing 52,000 per year.

The scope of the illegal drug trade is almost incomprehensible, worth an estimated \$400 billion per year and equivalent to 8% of world's total international trade. And, the estimated cost to U.S. society exceeds \$110 billion annually.

But all is not lost. We continue to make slow but steady progress despite the current Administration's inattention and mismanagement. We now have 31 federally designated High Intensity Drug Trafficking Areas (or HIDTA's) across this country. The HIDTA here in South Florida was, of course, one of the original HIDTA's. These entities represent a federal effort to enhance cooperation and information sharing among federal, state, and local law enforcement officials. However, as we will hear later today, more must be done with regard to HIDTA's role in seaport security.

The National Youth Anti-Drug Media Campaign, now in its third year, is beginning to have an impact on our kids' attitudes about illegal drugs.

This Subcommittee, with oversight responsibility for the Office of National Drug Control Policy, has been the Congressional watchdogs over the HIDTA program and the anti-drug media campaign.

In July, the House of Representatives passed a \$1.3 billion Colombia aid package that hopes to get at the source of the cocaine and heroin supply line. Once again, this Subcommittee has actively and aggressively sought to ensure that this Administration is true to its word and gets promised aid down to Colombia in a timely and effective manner.

The illegal drug trade is clearly global. So this year I co-hosted with the United Nations an International Drug Control Summit in Washington, DC which brought together representatives of the various donor countries in Europe, Japan and Canada with the recipient nations in South America. We continue to work with the UNDCP to obtain needed funding for the Colombian people to combat the drug problem at the source.

Illegal drug smuggling is a problem that concerns us all and one which will require a lot of work on the part of a lot of good people to overcome -- many of whom have joined us here today. I want to thank in advance our witnesses for taking the time to testify today. I appreciate that these witnesses are willing to come forward and shed some light on the problems and resources constraints to effectively combating drug smuggling in Florida seaports.

I want South Florida to know that I, along with many of my colleagues, am committed to this fight -- colleagues like my good friend Representative Clay Shaw. Representative Shaw and I have come here to Port Everglades to listen and learn from local officials about local challenges to combating illegal drugs so that we can return to Washington armed with new ideas to forge more effective national drug policy. Thank you all for your attendance.

Mr. SHAW. John, thank you very much for holding this hearing here. I do know that our time is very stressful at this time trying to finish up our business in Washington. And looking at the news, it looks like it might even flow over till after the election. Of course, our objective was to get out about 2 or 3 weeks ago. We've missed that opportunity. So this session seems to be going on and on.

We are indeed blessed here in the 22nd Congressional District with three wonderful seaports—the port of Palm Beach, Port Everglades, which I'm tremendously proud of, as well as the port of Miami. When you think of the tremendous volume of trade that goes on in these three ports, particularly Port Everglades and the port of Miami, you know that it is also seen as ports of opportunity, because of our geographical location. This hasn't only been in the question of drugs.

Just a few yards from where we're seated here, Mr. Chairman, there is a waterway that is appropriately named Whiskey Creek. It got its name during Prohibition. I think anyone here could figure out exactly why it was named Whiskey Creek during Prohibition. That, of course, was because of the smuggling that went on.

I guess it's been about almost 2 years ago that we started looking at—particularly here at Port Everglades we were looking and we found some astounding information. One, we started looking at the criminal background of so many of the people who were on the front line on the docks, working the docks. We saw that they were parking their vehicles almost right alongside the ships they were unloading. We found that an extraordinary number of these dockworkers had vans. So you start putting these things together and you begin to understand what is going on here.

Here in Port Everglades, the way the port is designed—I once heard that the best way to decide where to put the sidewalks around the school is that you let the school open without the sidewalk and see what the traffic pattern is and then put the sidewalk where the children would walk. I think that's the way the roadway was put here in Port Everglades; wherever the dirt roads led, that's where the paved roads were. As a result, we have a tremendously convenient port, but a port that has very, very bad security as far as ingress and egress.

We're working on it. We're doing something about it. The Broward County Commission is concerned about it. We've gotten some graphs that will put in some gates and do some things of altering the roads themselves within the port. Also, the County Commission with our Port Commissioner, Mr. DeMariano, who has actually done, I think, an outstanding job here in Port Everglades, we're doing and making a lot of progress with regard to port security. But we keep working on it. And we know we can continue to do better.

I think that we've closed down a lot and done away with a lot of the problems we had, but I think there's still some problems out there. That should be the focus of this hearing, for which I'm very appreciative that you're taking your time to come down and hold this hearing.

I look forward to the witnesses, most of whom I'm personally acquainted with and have worked with in the past. It's an outstand-



ing panel of witnesses, and I look forward to their testimony. Thank you, Mr. Chairman.

Mr. MICA. Thank the gentleman, and again, I appreciate your working with our subcommittee to make certain that we have the resources and the attention to the problem here in south Florida and also across the country.

At this time, I'd like to introduce our panel today. We have a witness list that consists of the following individuals: First, we're pleased that Jim McDonough, who is the Director of the Florida Drug Control Policy Office, which is part of the executive office of the Governor for the State of Florida, is with us. We have Paul DeMariano, who is the Port Director of Port Everglades here. We have Chuck Towsley, who is the Port Director of the Miami port. We have Bob McNamara, who is Field Operations Director for south Florida, the U.S. Customs Office. We have Art Coffey, who is vice president for Florida's International Longshoremen's Association [ILA]. I'd like to welcome the individuals who are on our panel today.

First of all, this is an investigation and oversight subcommittee of Congress. We're part of the Government Reform Committee. In that regard, we do swear in all of our witnesses, which I'll do in just a moment.

Also, if you have any lengthy statements or documentation that you'd like to be made an official part of this record, if you'd submit them through the chair, and upon unanimous request, they will be made part of the official record, again, of these proceedings.

We are not going to run the clock this morning, since we have the one panel and we don't have other Members right now to ask questions. As I said, you will have some submitted to you for the record. We will ask your cooperation in responding to those.

At this time, if you'll please stand to be sworn.

[Witnesses sworn.]

Mr. MICA. Witnesses answered in the affirmative. We'll let the record reflect that.

Mr. SHAW. Mr. Chairman, before the testimony begins, if I could just add one comment.

Mr. MICA. Mr. Shaw, you're recognized.

Mr. SHAW. And that is recognize that both these Directors, Mr. Towsley as well as Paul DeMariano, have been very aggressive in putting in security, x-ray equipment, state-of-the-art equipment. We worked very hard in Congress to get these moneys appropriated. And I think that both these gentlemen certainly deserve much credit for the good work that they've done in order to increase security at Port of Miami, as well as at Port Everglades.

Mr. MICA. Thank you, Mr. Shaw.

At this time, I'm pleased to recognize as our first witness, Mr. Jim McDonough, who, again, is the Director of Florida's Office of Drug Control Policy. Welcome, sir, and you're recognized.

**STATEMENTS OF JAMES R. McDONOUGH, DIRECTOR, FLORIDA OFFICE OF DRUG CONTROL; PAUL DeMARIANO, PORT DIRECTOR, PORT EVERGLADES, FL; CHARLES TOWSLEY, SEAPORT DIRECTOR, DANTE B. FASCELL PORT OF MIAMI-DADE, FL; ROBERT McNAMARA, DIRECTOR OF FIELD OPERATIONS, U.S. CUSTOMS SERVICE; AND ARTHUR COFFEY, PRESIDENT, INTERNATIONAL LONGSHOREMEN'S ASSOCIATION**

Mr. McDONOUGH. Good morning. Thank you very much for the honor of appearing before the subcommittee.

Mr. MICA. Are we picking him up adequately?

Mr. McDONOUGH. Hear me all right?

Mr. MICA. That's better. Thank you.

Mr. McDONOUGH. Mr. Chair, if I could, I would like to submit my statement for the record.

Mr. MICA. Without objection, your entire prepared statement will be made part of the record.

Please proceed.

Mr. McDONOUGH. Thank you, sir. I would like to give a short statement just to overview the state of our efforts to counter drug problems here in the State of Florida. Let me say at the outset how much I appreciate the support that has come from you personally, as well as you, Mr. Shaw, from the subcommittee as a whole in supporting us.

As you know, we do have a problem here in Florida. We have a problem on the demand side. We have a problem on the supply side. And we have, with your leadership and assistance, taken steps to counter both. I'm happy to say we've seen some dramatic progress on the demand side. We'll continue to work that. We're a long way from bringing it down to the level that we want to bring it down to, but we have seen some progress. And I can go into that, if you'd like.

On the supply side, we have also taken a number of steps, one of which is our efforts at the seaports. Of course, I will focus for the most part on the seaports. There are some parallel things that we're doing that should reinforce virtually every effort that we take here.

Our goal in Florida, simply put, is to bring down the supply of drugs coming into our State and moving then some for local consumption, some for transport elsewhere, down by one-third. To do that we had to establish a base line of where we were. So some time ago in late summer, early fall of 1999, we undertook, with the cooperation of Federal agencies, to establish a base line on the amount of supplies coming in, a macro view of where they were coming.

Simultaneously, the Florida legislature in the spring of 1999 directed that my office would undertake a study specifically of the seaports. We executed the beginning of that study to contract for that study in December 1999. Therefore, occurring at the same time along two lines merging was an intelligence assessment of where we were and a specific study of access through our ports.

On the intelligence front first, we concluded through interagency assessment that we could, in fact, affix the amount of drugs coming into Florida as between 150 to 200 metric tons of cocaine every year, as mentioned in your statement, sir. We also did our best to

affix amounts for other drugs. Heroin, we affixed at three metric tons. We were unable to come up with an accurate assessment on the marijuana coming in or the club drugs and other drugs, but cocaine certainly was stark at 150 to 200 metric tons.

At that time, we assessed that what is intercepted on the way to our borders and at our borders something like 50 percent roughly of the take throughout the entire Nation. And I have taken a close look. I tend to stay up with the intelligence estimates, which most recently were putting the targeting for the United States for cocaine as 512 tons, of which we are picking off about 112 at the borders. Bottom line on that one, Florida is taking an appreciable share of the amount of cocaine entering into the country.

As we looked further, as we merged this with the security studies and took a look at our own information sources, local sources from law enforcement, State, and Federal, two things fell out of that. No. 1, that the majority of the drugs that I've mentioned were coming into our seaports, not all of them, but perhaps as high as 70 percent or more were coming in from seaports. That we were being fairly successful in picking off some of that, but certainly not to the levels that would deter the smugglers from bringing it in here. It varies year by year. Sometimes we're able to seize as much as 25, 30 tons, sometimes less. It goes up and down.

What did fall out of both the seaport assessment and intelligence study is that we did not have good systemic approaches to interdicting those drugs once they entered into our sovereign waters and certainly as they went beyond that to the transportation nets. Having recognized that problem and seeing how the study was going, we worked very closely with the Florida Ports Council with those elements of the council that deal with the security at the ports and certainly with the gentlemen at this table as we have tried to affix the extent of the problem we can do about it. I will go further into that issue bringing me out on questions.

Let me just tell you that we recognize clearly that we have a problem and we determined just as clearly that we would do something about this as a State and as a partnership with local leadership matching out the ports and law enforcement to do something something about it. We also looked to the Federal Government's support on this.

In the summer of this year, the Governor of this State, Jeb Bush, and myself went to meet with General McCaffrey to engage his assistance on partnering at our ports to better secure them. As you well know, at the same time we were taking our study down here, a commission at the Federal level was taking a look across the Nation at our ports. We published our findings in a report this September of this year.

Although, the two reports were done separately, in September, the Grand Commission Report, as it's referred to, came out and the findings were very close in terms of access control was something that needed to be addressed. We needed to take a look at who was working at the ports. We need to take a look at the things that either allow fast movement of illegal drugs or would deter fast movement of illegal drugs, things such as where you park your vehicle, what sort of processing the cargo goes through as it moves out, access roads, identification checks and so on.

The partnership that we appealed for we hope will be honored. I'm very encouraged by signs that I've seen. In essence, it amounts to an intelligence effort that better identifies with a great deal of accuracy where the drugs are coming in or where they're likely to come in, the inspections systems that deal with the humans in the net, the incorporation of the intelligence picture and the technology available on the ports to better screen that which is coming in and then reinforcement through the entire transportation net. This boils down to things like what can the Feds do for us. It gets into some of the non-intrusive inspection technology coming in here.

U.S. Customs has been very helpful there. We're anticipating over the next 5 years some \$30 million worth of equipment there. It also has to deal with the intelligence efforts, the HIDTA efforts that you mentioned a short while ago. One of the things we had specifically asked for in partnership is the formation of a third HIDTA in Florida in the Jacksonville area, which we do feel is a vulnerable port, then an interconnection of those HIDTA's. We would then have three in Florida with the Jacksonville area, the Orlando area and the Miami area.

In connection with those three with Puerto Rico, which marks an entry into the domestic sovereign boundaries of the United States, so that when they were transshipped further from Puerto Rico into the United States or into our ports, we would have a very clear intelligence picture of what's coming in. We are looking forward to progress on all of those.

In the meantime, Florida has moved forward. With the findings on the study, we plan, in fact, to implement a set of minimum standards. We have costed it out to the State of Florida at approximately \$28 to \$29 million that we will spend in the next 24 months. That will be again in partnership with the ports.

And we have put in place throughout the State other law enforcement agencies and efforts that will not only interdict the drugs at the port, but those that do get through that we'll have other chances to catch the drugs as they move in Florida and further to catch the moneys as it moves back out, ie., we are following, in fact, the leadership that you have shown us on this and the strategy that you have helped to develop at the national level to better cut the drug supply. If we do all that, our anticipation is over the next 5 years we can, in fact, reach our goal of cutting the supply of drugs in Florida by 33 percent.

On that note, I'd like to close.

[The prepared statement of Mr. McDonough follows:]

**TESTIMONY OF JAMES R. McDONOUGH  
BEFORE THE GOVERNMENT REFORM COMMITTEE  
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY, AND HUMAN RESOURCES**

**JAMES R. McDONOUGH**  
Director, Florida Office of Drug Control  
Executive Office of the Governor  
Tuesday, October 31, 2000  
Miami, Florida

Good Morning. It is a great pleasure and an honor to testify today before Chairman John Mica and the honored members of the Government Reform Committee, Subcommittee on Criminal Justice, Drug Policy and Human Resources. On behalf of Florida Governor Jeb Bush and state and community leaders involved in the our combined efforts to bring down both the abuse and supply of drugs in Florida, I am most appreciative of the national leadership Congressman Mica and the members of the Subcommittee have given to the issue before us today, the security of our seaports. I thank you for your time and attention to this most important issue and for the opportunity to meet with you today.

Specifically, today I will address, per Chairman Mica's request, the state of security in the public and private seaports of Florida and the threats to the seaports in terms of illegal drug trafficking as well as other criminal threats. I will further address the steps Florida has taken to recognize and counter these threats and to encourage federal, state, and local partnership in addressing the issue.

**Background:**

In terms of both geography and demography, Florida has a number of features which make it exceptionally attractive to drug trafficking organizations. These include approximately 1,350 miles of largely unprotected continental coastline and the Florida Keys archipelago (that lie astride some of the major drug-trafficking routes into the United States) geographical proximity to source countries, a well-developed transportation infrastructure and a diverse ethnic population that has economic and cultural ties to countries in the region. Florida's international ports of entry must, therefore, be considered key in the national as well as the regional counter-drug effort.

The issue of seaport security is of daunting complexity. This assessment would no doubt hold true for any coastline state having deepwater seaports. Most have only one or two or possibly three. Florida, however, has fourteen public deepwater seaports. In addition, our coastline is dotted with hundreds of smaller, privately owned commercial marinas and ports engaged in intra-state, as well as interstate and international business enterprise. Florida is home to four of the twenty busiest container ports in the nation, and the top three cruise ports in the world. These ports operate within an exceptionally complex inter-modal transport system that must be fully taken into account when addressing the issue of the illegal drug trade. Florida enjoys a vibrant and growing economic benefit from these ports of entry. Ensuring the continued commercial growth and prosperity of our

maritime ports even as we better secure them from drug smuggling and other illegal activity is of primary concern to the citizens of Florida.

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

**The Scope of the Problem:**

Beginning in the last calendar and continuing through the first half of the year, the State of Florida hosted several interagency meetings to determine the international supply of cocaine and heroin coming into Florida. This initiative by the State of Florida brought together members of federal, state, and local agencies involved in the interdiction of illegal drugs in Florida. These agencies, in particular the federal agencies involved in determining the amounts and destinations of illegal drugs from international sources, determined that the best estimate for the current amount of cocaine coming into Florida is between 150 and 200 metric tons. There are some indications that this figure may be even higher. These enormous numbers put into perspective the scope of the problem faced by our seaports and the federal, state, and local law enforcement agencies tasked to protect the citizens of Florida. Indeed, this problem extends well beyond the borders of Florida. Florida's location and geography create a lucrative target for smuggling illegal drugs through our ports. These illegal drugs can then be re-packaged and moved throughout the nation. Ours then is both a local and a national problem. The interagency meetings chaired by the Florida Office of Drug Control repeatedly emphasized the importance of Florida's ports to the smuggling of drugs like cocaine through our state and into the nation at large. The solution to Florida's vulnerability as a lucrative entry site for enormous quantities of illegal drugs lies not just with the state, but also through a partnership with the federal government. Florida seeks a synergistic approach to a solution for the threat facing our seaports. That solution can only come from a national effort that takes into account not only our seaports, but also the entire inter-modal transportation system of seaports, airports, railways, highways, and remote entry points.

In 1996, more than 32 tons of cocaine was seized in Florida, 79 percent of which was aboard ships. In 1998, according to U. S. Customs data, approximately 65 percent of the total national cocaine seizures by weight were in Florida. In 1999, approximately 86 percent of the total maritime seizures by U. S. Customs occurred in Florida. Given the large tonnage of cocaine coming into Florida, we believe the U. S. Customs Service should re-evaluate the relatively limited share of personnel and imaging equipment made available here in Florida's seaports. I ask the committee to consider the impact if the numbers of Customs Inspectors in Florida were to rise to a figure more closely approximating the threat to Florida and the percentage of drugs seized by this group of dedicated public servants.

In May of 2000, Governor Jeb Bush and I traveled to Washington to meet with General (Ret) Barry McCaffrey, the Director of the Office of National Drug Control Policy. The purpose of our visit was to discuss the need for a partnership with the federal government to address the threat of illegal drugs at Florida's seaports. We are looking forward to the outcome of that meeting, and have, in the meantime, taken a number of steps within Florida to interdict drugs along the entire inter-modal system. These steps include continued development of integrated law enforcement counter-drug operations, stronger laws to deal with those who traffic in illegal drugs, fielding of highway drug interdiction teams from Florida's Highway Patrol and Department of Transportation, anti-money-laundering operations, improvements in securing remote access routes across our beaches and on air-strips, and commercial airport security measures. Since so much of the international drug trade is aimed at our seaports, however, we have undertaken specific measures to better secure them.

The following chart breaks down Customs' maritime drug seizure statistics from commercial vessels for the current year to date. Let me stress, once again, as a state-wide aggregate, Florida accounts for 86.2% of national maritime cocaine seizures, as indicated in this data set.

LOCALE	Drug <sup>1</sup> - Weight	Seizure Weight as % of FL / % of U.S.	Number of Customs Seizures	Number of Seizures as % of FL / % of U.S.
Miami	Cocaine – 8,705 lbs.	41.0% / 35.4%	29	64.4% / 43.9%
	Marijuana – 22,388 lbs.	93.6% / 36.8%	7	77.7% / 41.2%
	Total – 31,093 lbs.	68.9% / 36.4%	36	66.7% / 42.4%
Everglades	Cocaine – 1,808 lbs.	8.5% / 7.3%	11	24.4% / 16.7%
	Marijuana – 1,330 lbs.	5.6% / 2.2%	1	11.1% / 5.9%
	Total – 3,138 lbs.	7.0% / 3.7%	12	22.2% / 14.1%
Tampa	Cocaine – 10,682 lbs.	50.3% / 43.4%	3	6.7% / 4.5%
	Marijuana – 194 lbs.	0.8% / 0.3%	1	11.1% / 5.9%
	Total – 10,876 lbs.	24.1% / 12.7%	4	7.4% / 4.7%
West Palm	Cocaine – 35 lbs.	0.2% / <0.01%	2	4.4% / 3.0%
	Total – 35 lbs.	<0.01% / <0.01%	2	3.7% / 2.4%
Florida	Cocaine – 21,230 lbs.	100% / 86.2%	45	100% / 68.1%
	Marijuana – 23,912 lbs.	100% / 39.4%	9	100% / 52.9%
	Total – 45,142 lbs.	100% / 52.9%	54	100% / 63.5%

<sup>1</sup> Data from USCS Intelligence Division, Trends Analysis Group, TAG Report # 43-00, presented at the Maritime Security Council's annual meeting, Washington, DC (Sept. 2000).

<sup>2</sup> Marijuana category includes hashish and hashish oil.

U.S.	Cocaine – 24,611 lbs.	N/A / 100%	66	N/A / 100%
	Marijuana – 60,760 lbs.	N/A / 100%	17	N/A / 100%
	Total <sup>3</sup> – 85,379 lbs.	N/A / 100%	85	N/A / 100%

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<sup>3</sup> Includes 2 out-of-state heroin seizures of 8 lbs.



What this chart tells us is that not only in terms of weight of cocaine maritime seizures but also in the number of seizures (68.1 percent of the national total), Florida far outstrips all other national seaports combined. This is truly remarkable, not only as an indicator of the strength of effort and dedication of the Customs Service in Florida's seaports, but also the enormous magnitude of the threat to Florida's seaports in the form of narcotics trafficking. We in Florida are determined to lead the effort to address this threat head-on, both as a state and in partnership with the federal government.

#### **Florida's Response at the Seaports**

During the 1999 Florida Legislative Session, the Legislature appropriated money to be used to fund a Seaport Security Assessment of the 14 public Florida seaports. In December of 1999, in response to growing concern about the disturbing volume of drugs entering the United States through Florida's seaports, the Florida Office of Drug Control selected Camber Corporation to conduct a comprehensive assessment of security relating to trafficking in illegal drugs at Florida's fourteen (14) deepwater seaports. The primary tasks of the resultant Florida Seaport Security Study (FSSS) included development of a threat assessment, site visit assessments of each port, and the development of recommended minimum security standards for all 14 public seaports in Florida. Assessment activities at each port consisted of detailed observation of port operations and extensive interviews with port managers, tenant activity, and labor union representatives, law enforcement personnel, and federal agencies. Post-assessment analysis of data gathered during the site visits included identification of shortcomings, performance of a gap analysis (comparing the "as-is" status of each port with the desired status relative to security preparedness), development of minimum security standards, and formulation of recommended action steps to comprise a statewide plan for significantly enhancing the security posture of Florida seaports against criminal activity, in general, and against drug trafficking, in particular. The results of this study are summarized in the pages that follow.

A parallel effort at the national level, the Interagency Commission on Crime and Security at U.S. Seaports (Graham Commission), was also underway contemporaneously, and noted many similar observations independently. This effort concluded in April of 2000 and preliminary findings have been released. Such initiatives, as well as others occurring throughout the maritime and cargo security communities, suggest that governmental and industry leaders are beginning to realize the importance of securing the country's seaports as essential to the continued economic vitality of the nation. In the case of Florida, the legislative mandate to establish minimum seaport security standards formed an integral part of the assessment effort.

#### **Observations:**

Rendering seaports more secure against drug trafficking and the smuggling of contraband requires action in three general domains:

- **Synergistic leadership among all stakeholders, but especially on the part of port management.** The primary focus of this domain is “access control” or measures aimed at ensuring that only authorized personnel can gain entry to cargo yards, docks, and other restricted areas.
- **Information sharing and improved communications among all stakeholders.** The primary focus of this domain is the exchange of meaningful intelligence, which provides the basis for knowing where to allocate or employ available resources (personnel and equipment) to detect the presence of illegal drugs and contraband.
- **Non-intrusive inspection technologies (NIIT).** The primary focus of this domain is the ability to search or inspect cargo / ships for illegal drugs and contraband.

Seaport security has several components, as does the security of any similar type entity (e.g., airports, train stations, government complexes, etc.). It entails physical security, personnel security, operational or procedural security, and information security. The following elements are derived from these components and are deemed the areas where port management has the greatest opportunity to positively impact the security of their respective facilities.

- Leadership (The single most important element.)
- Access Control
- Photo ID Cards
- Fingerprint Based Criminal History Background Checks
- Law Enforcement Presence
- Standing Port Security Committee or Council
- Port Security Planning
- High-mast lighting
- Segregated Parking to Prohibit POV Access
- Information Security Awareness
- Countering Corruption

Specific observations regarding the current security posture of Florida’s seaports include:

- No single state agency or organization is charged with either the statutory authority or responsibility to regulate seaport operations. Several organizations in Florida have varying degrees of involvement in seaport operations. None, however, has the specific charter to oversee seaport operations and/or seaport security.
- Most Florida seaports (12 of 14) do not have sworn law enforcement personnel permanently assigned to the port. Of the twelve that do not, only two have contracted with local law enforcement for regularly scheduled or dedicated police patrols of port grounds.

- Most Florida seaports (11 of 14) do not employ photo ID cards to identify personnel or full-time employees authorized access to restricted areas within the port.
- Most Florida seaports (12 of 14) do not employ successful completion of a fingerprint based criminal history background check as a condition of employment.
- Most Florida seaports (9 of 14) do not sponsor a regularly scheduled Standing Security Committee or Council at which stakeholders can meet to discuss security-related issues and coordination and integration of security initiatives.

While Florida's seaports are each unique, the one characteristic that is common to all, however, is adherence to what is loosely referred to as the "landlord" model or philosophy of port management. According to this approach, port management exists solely to promote trade, an effort pursued by attracting tenant activities to lease land and/or facilities. A corollary of this management philosophy is that tenant activities are responsible for security of their own operations and facilities.

One conclusion of the FSSS is that the landlord mind-set has provided a convenient excuse for some managers to abrogate their responsibility for providing for their tenants' basic need for a safe and secure environment in which to conduct business operations. The notion that management cannot or should not be integrally involved in providing for the security of port property leased to tenant activities must be rejected in favor of a more proactive approach to security on the part of all stakeholders.

Four of Florida's ports are regarded as high-risk facilities based on perceived threat requiring maximum-security preparedness. Four other ports, by virtue of the relative paucity of their current and/or projected commercial activity, are regarded as relatively low-risk facilities. The remaining six ports are regarded as medium-risk facilities warranting a moderate security posture.

Maximum Security (high-risk):

Miami / Port Everglades / Jacksonville / Tampa

Moderate Security (medium risk):

Palm Beach / Canaveral / Manatee / Fernandina / Pensacola / Panama City

Minimum Security (low risk):

Ft. Pierce / Key West / Port St. Joe / St. Petersburg

Several Florida seaports are heavily engaged in cruise line operations, notably Miami, Everglades, Canaveral, Tampa, Manatee, Palm Beach and Key West. All cruise lines essentially follow the same model with regard to security. Security is contracted out to private firms by the cruise line. At present, it appears that that cargo trade, in general, and container traffic, in particular, easily represents the area of greatest threat and vulnerability to criminal activity and drug smuggling. Accordingly, it is felt that current cruise line security precautions, though not ideal, are adequate in light of current resource

constraints and existing priorities. Clearly, however, the cruise lines are vulnerable to illegal drug trafficking.

Private seaport operations must not be overlooked. There is significant cargo activity occurring throughout Tampa Bay, along the St. Johns River in Jacksonville, and along the Miami River. This activity is entirely separate from the activity of the public ports specified for consideration by this study. The threat posed by the Miami River is particularly troublesome, with fourteen documented seizures of over 6,000 lbs. of cocaine in the period from November '99 to June '00.

The situation on the Miami River warrants special attention and consideration. First, however, it must be acknowledged that there is indeed legitimate, legal commerce occurring on the river. In fact, it constitutes a significant portion of the State's shallow-draft maritime trade with the Caribbean. Much of the rest of the activity occurring on the river, however, is cause for concern. Most of it is conducted by ships that arrive "in ballast," virtually if not actually empty of legitimate cargo.

Throughout the state, U.S. Customs staffing is not sufficient to provide adequate coverage of imports or exports. At Tampa, Jacksonville, and Palm Beach, Customs reports being able to inspect less than 5 percent for imports and less than 1 or 2 percent for exports. Miami achieves about 12 percent for imports, while Port Everglades achieves about 7.5 percent (based on their figures). The statewide average for imports appears to be around 2 percent. Coverage of exports is even less.

Throughout the state, Customs personnel do not have adequate NIIT equipment in light of the perceived threat and the amount of cargo that passes through Florida's seaports. Life-cycle support of new systems, to include training, maintenance and personnel requirements, is similarly lacking. Finally, treatment of cargo shipped from Puerto Rico as domestic in the resource algorithm used to determine staffing requirements further contributes to the resource deficit.

Seaport security is influenced by the actions of numerous federal, state, and local agencies (e.g., Customs, INS, USCG, DOT, Florida Department of Law Enforcement, state and local law enforcement, city/county commissions, etc.) over which ports have virtually no control. Effective coordination among the numerous federal and state law enforcement agencies with an interest in seaport security does not yet occur on a routine, day-to-day basis. There are certainly various special initiatives, such as task forces and joint operations, which are exceptions to this observation. Integration and synchronization of activity among these various agencies is disturbingly inadequate.

Overall, good data on the extent of seaport crime is very difficult to obtain. Many ports and tenant agencies simply do not maintain such data as a matter of routine. Law enforcement agencies do collect crime data, but only that which is reported to them. Furthermore, much of the crime occurring at seaports is under-reported. The FSSS study team conducted an exhaustive review of past seaport security studies and literature

germane to the topic. Notwithstanding the level and quality of the effort, however, the results were disappointing. There simply have been relatively few efforts to assess security at individual ports or within a state system of ports and document findings in the published literature.

In a related vein, it should be noted that seaport management is not well apprised of nor informed about the threats faced by their ports relative to cargo theft, drug smuggling, or terrorism. The Graham Commission observations echo this concern in noting the lack of vulnerability assessments for seaports, the need for more intelligence for use by port management, and the paucity of meaningful and accurate information for early threat assessment decisions.

**Florida's Strategy:**

In November of 1999, the Florida Legislative Task Force on Illicit Money Laundering rendered its final report. Contained therein were thirty-six recommendations for dealing with a wide range of money laundering issues. Several pertained specifically to Florida seaports and called for the following:

- Exempt seaport security plans to receive public records exemption status
- Undertake efforts to increase the number of Customs agents and canine units at seaports
- Undertake efforts to increase National Guard presence at seaports
- Designate a state agency to be responsible for seaport security
- Establish minimum security standards to be established for seaports

Of these, the most salient with respect to the FSSS is the establishment of minimum seaport security standards. This task was complicated by the fact that security standards are not consistently recognized and are not codified at either the federal or state level. Several federal agencies, in fact, have made attempts to delineate standards for various aspects of seaport operations (e.g., the Department of Transportation, the U.S. Coast Guard, U.S. Customs, etc.). The problem, however is that in many cases those standards articulated are not enforced and, consequently, constitute little more than guidelines.

This situation is exacerbated by the fact that there is no single federal agency charged with overall responsibility for regulation of seaport operations. Several agencies have statutory responsibility for various aspects of seaport operations, but there is nothing at the federal level analogous to the FAA (for aviation), the FHA (for highways), or the FRA (for railroads). Several agencies in Florida have varying degrees of responsibility for specific aspects of seaport operations, yet none is explicitly charged with broad oversight and/or coordination of such operations. Seen in this light, the state of Florida's initiative to both articulate and enforce a statewide plan to bolster seaport security constitutes a highly proactive step.

Thus, the heart and soul of the statewide plan is adoption of uniform minimum standards for security at all Florida seaports. These standards will be assessed annually under the auspices of the Florida Department of Law Enforcement (FDLE) and in conjunction with the Florida Office of Drug Control. While security is a resource-intensive endeavor, it must be maximized in an environment that is severely resource constrained.

A primary goal of the ongoing effort to secure Florida's seaports will be to facilitate collaborative action on the part of all stakeholders. Compliance with many of the recommended minimum standards can be achieved at little or no cost, simply by fiat or through the exercise of determined leadership with regard to port policies and procedures. Other recommendations, however, will require funding for construction of facilities and/or acquisition of equipment. These minimum security standards include:

- Access Control (Gated & Guarded Entry); includes fencing to industry standards
- Picture ID cards; Issuance based on successful completion of criminal background check (no felony convictions or "adjudication withheld" for previous 5 years)
- Dedicated, full-time police presence (augmented by non-sworn, well-trained security personnel on an "as-required" basis)
- Standing Port Security Committee or Council which meets on a regular basis (not less than once per quarter); comprised of all stakeholders
- On-going port security planning by all stakeholders with the aim of producing a port security master plan
- NIIT systems commensurate with the threat level and the predominant cargo types handled at the port
- Segregated parking (for port employees and visitors) and measures to prohibit POV access to restricted areas (docks, ship berths, container/cargo yards, etc.)
- High-mast lighting for all container/cargo yards and areas where lading & unloading operations occur
- The effectiveness of these fundamental elements can be greatly enhanced by the use of CCTV systems and intrusion detection devices to monitor activity in restricted areas.
- Improved information security awareness (INFOSEC) among all port activities (management and tenants) as port operations become increasingly automated and reliant on electronic communications & commerce

It should be added that the state is well served by the Florida Ports Council, the Florida Seaport Transportation Economic Development (FSTED) Council, and top management at each of Florida's deepwater seaports. For the most part, they comprise a community of highly skilled, dedicated and professional public servants. This bodes well for the state's strategic approach to seaport security, since leadership is perhaps the most important factor in determining the success of this effort.

The importance of meaningful intelligence and coordination of inter-agency efforts to combat drug trafficking were recurring themes encountered at every port visited by the assessment team. These ends can be effectively pursued through leveraging federal and

State resources available through nationally designated High Intensity Drug Trafficking Areas (HIDTAs). Accordingly, it is recommended that:

- Concerted efforts be made to more fully bring the diverse resources of Florida's current HIDTAs to bear in the enhancement of security operations, especially the sharing of intelligence at seaports in each respective area. Formation of a HIDTA centered in Jacksonville is imperative along with integration of information and intelligence efforts between the three Florida HIDTA (Miami, Orlando, and Jacksonville) and the Puerto Rico HIDTA.
- The Florida Office of Drug Control's efforts to bring together federal and state agencies involved in the development and dissemination of drug trafficking intelligence be fully supported by the State through specific legislative funding.

Finally, a large amount of the Florida's maritime commerce enters the State through private terminal operations in Tampa Bay, on the St. John's River in Jacksonville, on the Miami River, and at other locations. The issue of security at private terminal operations must receive closer scrutiny. The threat posed by the Miami River relative to drug trafficking is especially significant and worthy of further study. Discussions with law enforcement personnel familiar with the situation on the river identified several possible alternatives for consideration by such an effort. We in Florida plan to undertake a study effort toward this end, in conjunction with the Florida Department of Law Enforcement, the Florida Office of Drug Control, the U.S. Customs Service, and the Miami River Commission.

### **Conclusion**

Florida has taken a serious and balanced approach to its illegal drug challenge, not only in the seaports, but also throughout the entire spectrum of the problem of illegal drugs. Our approach has been to take on the challenge of reducing both the demand for drugs and the supply. Our focus is on demand reduction efforts in prevention and treatment. We believe that prevention is the key to success, and that treatment cannot only break the cycle between drugs and crime, but also bring thousands upon thousands of our citizens to greater potential as healthy, productive, and contributing Floridians. But we must just as vigorously and with equal resolve bring down the supply of drugs. We believe such a balanced strategy to be the only long-term solution to reducing the terrible effects of illegal drug abuse on our society.

Governor Bush's strategy is predicated on a synergy of action essential not only to protecting the futures of our children, but also to reducing the current impact on our society from the deadly nature of illegal drugs and the crime that accompanies their importation and use. Florida may very well be the leading state in the nation in the effort to secure public seaports from illegal drug trafficking and other criminal activity. Florida is willing to make a substantial financial commitment to that end. We seek a similar commitment from the federal government in a partnership with Florida that recognizes the impact of the illegal smuggling of drugs like cocaine, not only on Florida but also on

the nation at large. Ours is not a problem that can be solved in isolation. We believe that a partnership has the best prospect for achieving both short and long-term success in stemming the tide of smuggling and other crime in our seaports. We thank the Subcommittee for its interest and urge you to join us in taking on the challenge and assist Florida in its efforts to create conditions for a major reduction in the supply of illegal drugs flooding our ports, transportation nets and, ultimately our neighborhoods.



Mr. MICA. Thank you. And we'll withhold questions until we've heard from all of the witnesses.

I'll recognize next Paul DeMariano, Port Director of Port Everglades.

I'm lucky I can say anything today. I think we're all getting a little weary from flying back and forth from Washington and meeting late into the night.

Thank you. You're recognized.

Mr. DEMARIANO. No problem at all, Congressman. I've been through a lot of that with my name.

Congressman Mica and Congressman Shaw, thank you for contacting us and inviting our testimony at this important hearing on port security as a function of the Subcommittee on Criminal Justice, Drug Policy, and Human Resources.

I would also like to submit my prepared remarks, but I will make an introductory remark, if I may.

Mr. MICA. Without objection, your entire statement will be made part of the record.

Please proceed.

Mr. DEMARIANO. Thank you.

Not long ago, I attended a fly in at the invitation of Congressman Shaw, including 2 days of very interesting meetings in Washington hosted by the Congressman, which included input and interviews with various key legislative leaders. At one session, both Senator Graham and Congressman Shaw spoke at length and with great sincerity to all of us about the high priority that has been given to drug interdiction and a greater emphasis on illegal traffic in contraband, as well as the need for much sharper security within the operating seaports of Florida.

Most, if not all, professional Port Directors which I know, including my friend and colleague Chuck Towsley, who's with us here today, as well as all Florida Port Directors, without question, have embraced and are dedicated to the concept that we must acknowledge the popularity of Florida as a gateway, as I think you said, Congressman, not just for legitimate cargo and crews unfortunately, but for the movement of drugs which we all know has a severely damaging effect on every aspect of American life.

The Florida Seaport Transportation and Economic Development [FSTED] Council has impaneled a security committee, which is chaired by our director of public safety here at Port Everglades, Mr. Jeff Brown, to address the issues of seaport crime. The efforts of the Florida Ports Council and the FSTED Security Committee are supporting the mission of Jim McDonough. We have, of course, heard from Jim. And we continue to hear from our Governor Bush. And we are well aware of your congressional emphasis on port security.

I can tell you that at Port Everglades, we are singularly dedicated to the development of this booming seaport within our very, very vibrant Florida economy and we intend to go about this work with port security right on the front burner. We intend to partner with Jim McDonough in the weeks and months ahead, in fact, to pursue opportunities within the Transportation Outreach Program being offered by the Florida Department of Transportation as a specific means of providing security improvements throughout the

State. I trust that what Jim has said and my comments on this, you will be convinced that we are absolutely deadly serious about the matter of security.

At Port Everglades, in order to provide effective security to counter drug smuggling and criminal issues generally associated with seaports, we've developed a number of mechanisms to ensure the best security practices are utilized. We believe that providing a crime-free work environment to our clients is of the utmost importance. Our commitment to this belief is evidenced in the testimony that I've prepared.

With that, I'll conclude, Congressman. We do have prepared remarks, and I'll be glad to take questions.

[The prepared statement of Mr. DeMariano follows:]

**STATEMENT BY PAUL DEMARIANO  
PORT DIRECTOR, PORT EVERGLADES**

**CONGRESSIONAL FIELD HEARING ON  
SEAPORT SECURITY  
OCTOBER 31, 2000  
PORT EVERGLADES, FLORIDA**

Port Everglades serves many diverse shipping interests within our jurisdictional boundaries. In order to provide effective security measures to counter the drug smuggling and criminal issues generally associated with seaports, we have developed a number of mechanisms to ensure the best security practices are utilized. We believe that providing a crime free work environment to our clients is of the utmost importance. Our commitment to this belief is evidenced in the testimony provided in this letter.

While seeking to cooperate with U.S. Customs on the control of contraband and export of stolen goods, Port staff has been sensitive to maintaining the commercial viability of Port Everglades. To that end, a Task Force consisting of federal law enforcement agencies, United States Coast Guard, Port Public Safety personnel, other senior Port staff and representatives of the Port business community was put in place to examine the concerns raised by the U.S. Customs Service and provide recommendations to enhance the current port security program. Port Public Safety staff has worked very closely with the Broward Sheriff's Office who provided additional expertise to the process. The Task Force provided the Port's senior staff with recommendations to be considered for inclusion into the Port's current security program.

As a result of the Task Forces' work, security recommendations were provided to the port to include; criminal background checks for individuals working in the restricted areas of the port; electronic access control gates for vehicles and personnel; and camera surveillance on sensitive cargo and passenger terminals.

Port staff is currently working with the firm of Bermello - Ajamil Partners Inc. to further evaluate our security needs and provide design documents for the construction of our enhanced security infrastructure as recommended by the Task Force. This plan includes camera monitoring of all County owned facilities within the Port, electronic access control of vehicles and personnel to high value cargo areas and the Restricted Use Zone. All access control, closed circuit television, and intrusion alarms systems installed in County owned facilities shall be monitored at the Port's Public Safety Complex by staff. A redundant closed circuit television monitoring system shall also be located at the U.S. Customs offices. The Port is currently purchasing "Star System" Gamma X-Ray equipment designed to enhance the law enforcement officials effort to stop the exportation of stolen automobiles and heavy construction equipment from this country.

A background check policy for the issuance of Restricted Use Zone Permits (I.D. cards) has been implemented as a result of County Commission action taken on July 14, 1998. To date, 8,000 Restricted Use Zone Permits have been processed and issued to individuals working within the Port. As a result of the enhanced Restricted Use Zone policy that identifies exclusionary felonies, over 120 individuals have been denied access to sensitive cargo areas. The establishment of long shore worker offsite and secured on sight parking have been created in eight locations to limit employees access from cargo areas. Port staff continues to enhance its security and law enforcement components to meet the needs of both the United States Customs Service and client alike.

This year the Executive Office of the Governor for the State of Florida, Office of Drug Control conducted a study of seaport security issues. The study was performed by the Camber Corporation, of Hampton, Va.. After examining the fourteen deepwater ports of Florida, Port Everglades has been identified as taking the leadership role in port security within the state. Many of our best practices have been included as the recommended statewide minimum standards. Partnerships with clients and regulatory agencies have ensured that effective security measures are in place, and security at this port is second to none. Members of many other local, state, and federal agencies and port security industry are following the lead of Port Everglades with security efforts.

In June of last year, the Presidential Commission on Seaport Crime and Security visited Port Everglades. Port Everglades was the first stop of a nation wide, twelve port tour examining the security infrastructure, procedures, and law enforcement services of these ports. The Commission spent a week in the Port meeting with staff, clients, and labor organizations. Port Everglades' commitment to providing superior security and law enforcement services to reduce illegal activity in the port is evidenced by the remarks contained within the Inter-agency Commission's report that states "some ports are making outstanding efforts to improve security. In Port Everglades, for example, the port authority, federal and local law enforcement agencies, and carriers are adopting standards in an effort to restrict access to the port and it's operations." Many statements throughout this report identify Port Everglades as providing "best practices" to the Commission.

Mr. MICA. Thank you.

I'll recognize Chuck Towsley, Port Director for the Miami port.

Mr. TOWSLEY. Good morning, Congressman Mica, Congressman Shaw. It's a pleasure to be here and address you today as to this most important matter before us.

As you know, I am director of the Dante B. Fascell Port of Miami-Dade. The port of Miami is the largest container port in Florida and in the top 10 in the United States. And certainly, as a result, we have security issues that you are tasked with finding solutions or helping us find solutions. We are here to help you do that.

We have more than 40 shipping lines calling on 132 countries and 362 ports around the world. Of these, 26 carriers serve 33 countries and 101 ports in Latin America and the Caribbean alone. So you can appreciate the magnitude in volumes and issues that flow through the Port as relates to security.

In 1999, the volume of cargo moving through the Port was almost 7 million tons. It is estimated the port of Miami's impact on our community is \$8.7 billion and some 45,000 jobs. As you can see, we are a major player in the maritime industry.

Thus, the administration at the Dante B. Fascell Port of Miami-Dade continues working to enhance our security operations. In 1998, administrators of the port of Miami identified areas that could be tightened. As a result of those efforts, we've led to several improvements through amendments to the Port's security legislation, which is county ordinance Chapter 28A of the Miami-Dade Code.

These amendments require that the Miami-Dade police department, on behalf of the seaport, conduct criminal background checks on all persons working in the secure areas of the seaport before they receive seaport identification badges. If they have had a felony within 10 years, they do not qualify for an ID.

These amendments to Chapter 28A allow the port of Miami to work at a local level to make the port a catalyst in the port security field. Increased port security practices make traveling for the cruise passengers a safer experience and helps ensure that cargo reaches its destination safely while assisting and reducing smuggling.

Drug and smuggling interdiction has and will continue to receive the highest priority at the port of Miami. The port of Miami continues to be proactive in addressing all issues pertaining to security. In addition to working at the local level to tighten security, the Port is also working closely with State of Florida officials to identify funding for other security enhancements such as high mast lighting, additional fencing, camera surveillance, inspection equipment and others. These enhancements that we have now are estimated to be an additional \$8 million required to increase our security.

While the port of Miami is making an investment in equipment, we're also investing in our security personnel. Each security officer has an additional orientation at the Port by our senior training coordinator and from law enforcement agencies involved in port operations. The training includes cruise and cargo procedures, tariff, safety operations, and how to report to HazMat and terrorism

threats. I think it's important to note that the port of Miami spends some \$4 million in our operating budget currently related to security, which represents more than 5 percent of our annual operating revenues.

The port is cooperating with the security study with Mr. McDonough on the reports of the deep-water ports to ensure that each has a security master plan. We are also active members of the newly formed Port Security Committee comprised of U.S. Customs and U.S. Coast Guard and the Immigration and Naturalization Service. The port of Miami's security staff works hand-in-hand with these agencies to identify and address security issues at all levels.

Enhanced security measures initially implemented at the port of Miami will include a state-of-the-art electronic gate system. We are in the process, as Congressman Shaw mentioned, of installing four gamma ray inspection units, which are scheduled to be under way, completed within a short period of time. We're in the construction and design of those units, currently awaiting their delivery.

Our new gate system is linked to our new ID badge system. Everyone who works in the secured areas of the Port that has gone through the background check gets an ID. Within the ID is a microchip that allows us to then scan proximity scanner and all that individual's information is then available to the people at the gate to see if there's been cancellation of their ID; if there's an alert put on to follow them or any other pertinent information, including who their authorized to haul for with respect to the truck drivers.

We're also going to be cross-referencing our permitting system with our ID system. That is so a trucking company that comes in, we have the stats and that the driver's all cross-referenced so that we can be sure that there is no security violations being attempted through false IDs.

As mentioned, the port, with our Stolen Automobile Recovery System gamma ray technology machines, we've designated to detect contraband vehicles and equipment inside containers illegally moving into the port. As you know, quite often, the vehicles and this other equipment moving out of the port also carries the money that then goes back into the drug trade. We think it's very important not just the specifics on the interdiction on the drugs, but also on the money-laundering aspect also.

Finally, the port has a sophisticated system of surveillance cameras and plans are being developed to substantially enhance the port's security capabilities in this regard.

The port of Miami has continued to work collectively with the U.S. Customs and U.S. Coast Guard, Immigration and Naturalization, U.S.D.A., Florida Department of Law Enforcement, Miami-Dade police and the other law enforcement agencies in our effort. I would like to say personally my policy at the port of Miami is a zero-tolerance policy for any criminal activity. And I can assure you that we will take the necessary actions whenever they are brought to my attention through the authorities.

We have been working with Mr. McDonough in his efforts at the State level for his important work and we look forward to the implementation of his and your recommendations. Thank you.

[The prepared statement of Mr. Towsley follows:]

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**Testimony of  
CHARLES A. TOWSLEY  
Seaport Director  
of the  
Dante B. Fascell Port of Miami-Dade  
on  
Security Measures  
before the  
Government Reform Committee  
Subcommittee on Criminal Justice, Drug Policy, and Human Resources**

**October 31, 2000**

Good morning. I am Charles A. Towsley, director of the Dante B. Fascell Port of Miami-Dade. The Port of Miami is the largest container port in Florida and in the top ten in the United States. We have more than 40 shipping lines calling on 132 countries and 362 ports around the world. Of these, 26 carriers serve 33 countries and 101 ports in Latin America and the Caribbean.

In fiscal year 1999, the volume of cargo moving through the Port of Miami was 6.9 million tons. It is estimated that the Port of Miami's impact on the community is \$8.7 billion and 45,000 jobs.

As you can see, we are a major player in the maritime industry. Thus, the administrators at the Dante B. Fascell Port of Miami-Dade continue working to enhance our security operation. In 1998, administrators at the Port of Miami identified security areas that could be tightened. The result of those efforts led to several security improvements through amendments to the Port's security legislation, Chapter 28A of the Miami-Dade County Code.

These amendments require that the Miami-Dade Police Department conduct criminal background checks on all persons working in secure areas of the seaport before they receive a required seaport identification badge.

The amendments to Chapter 28A allow the Port of Miami to work at the local level to make the Port a catalyst in the port security field. Increased security

practices make traveling for cruise passengers a safer experience and help ensure that cargo reaches its destination safely.

Drug and smuggling interdiction has and will continue to receive the highest priority at the Port of Miami. The Port of Miami continues to be proactive in addressing all issues pertaining to security. In addition to working at the local level to tighten security, the Port is also working closely with State of Florida officials to identify funding for other security enhancements such as high mast lighting, additional fencing, camera surveillance, inspection equipment, and others. These enhancements are estimated to cost more than \$8 million.

While the Port of Miami is making an investment in equipment, we are also investing in our security personnel. Each security officer receives two weeks of training from our senior training coordinator and from law enforcement agencies involved in port operations. The training includes cruise and cargo procedures, tariff, safety operations, and how to respond to HazMat and terrorism incidents. I think that it is important to note that we spend \$4 million in security, which represents more than five percent of the Port's annual operating budget.

The Port is cooperating with a security study conducted on Florida's deepwater ports to ensure each port has a security master plan. We are also active members of the Port Security Committee comprised of U.S. Customs, U.S. Coast Guard and the Immigration and Naturalization Service. The Port of Miami's security staff works hand-in-hand with these agencies to identify and address security issues at all levels.

Enhanced security measures recently implemented at the Port of Miami include:

- **Gate Security System**
- **ID Badge System**
- **Permitting**

As mentioned, the Port is installing four Stolen Automobile Recovery System gamma ray technology machines, designed to detect contraband vehicles or equipment inside cargo containers illegally moving into the Port. This equipment is anticipated to be operational in the near future.

Finally, the Port has a sophisticated system of surveillance cameras and plans are being developed to substantially enhance the port's security capabilities in this regard.

The Port of Miami is committed to continue working collectively with U.S. Customs, U.S. Coast Guard, Immigration and Naturalization Service, U.S.D.A., Florida Department of Law Enforcement, Miami-Dade Police and other law enforcement agencies in this effort.



Mr. MICA. Thank you for your testimony.

And we'll now turn to Bob McNamara, who is Director of Field Operations for south Florida for the U.S. Customs Service. You're recognized, sir.

Mr. MCNAMARA. Mr. Chairman, I would like to submit my statement for the record.

Mr. MICA. Without objection, your entire statement will be made part of the record.

Please proceed, and can you pull the mic up a little bit closer. Thanks.

Mr. MCNAMARA. Mr. Chairman, Representative Shaw, thank you for this opportunity to testify on criminal activity at the seaports in south Florida.

My name is Robert McNamara. I am the Director of field operations for south Florida. In my capacity as Director, I am responsible for oversight of the inspection and control of international passengers, conveyances and cargo arriving and departing through the seaports and airports in south Florida. I have oversight responsibility for Miami, Port Everglades, West Palm Beach, Fort Pierce, and Key West.

Before I begin, let me express U.S. Customs' gratitude to Congressman Mica for holding this hearing and for Representative Clay Shaw's leadership in this area. In addition, I know Congressman Shaw partnered with Senator Bob Graham in his support and participation on the Presidential Commission on Crime and Security in U.S. Seaports and the success of its year-long study, in which U.S. Customs played a large role.

Mr. Chairman, there is a great deal to be concerned about at our Nation's major seaports, including security lapses that jeopardize our fight against drug smuggling, exposure to internal conspiracies, trade fraud, cargo theft, stolen vehicles, and other serious crimes.

The good news is that there is a partnership between the Federal and private sectors at many of our major seaports. In addition, coordination among law enforcement agencies is strong. Clearly, the basis for cooperation exists to improve conditions in our seaport environment. Our challenge now is to focus cooperation and provide the proper resources to make it effective.

Booming activity at our Nation's seaports is yet another welcome sign to our prosperous times, but it also presents unique challenges to our agencies. We must process all of that added commerce with an eye toward protecting America from crime.

Florida, with over 1,350 miles of coastline, 14 major seaports, and 8 major international airports, is a major gateway for legitimate international cargo, passengers, and conveyances and offers a complex environment in which to deal with the threat of crime. Balancing the facilitation of legitimate commerce with interdicting contraband and arresting those responsible for smuggling through Florida's ports is a considerable challenge.

The fact is every ship, every additional container, presents added opportunities for drug smugglers. For example, the 12 seaports in the United States that the Federal commission surveyed accounted for 69 percent of all cocaine by weight seized from cargo shipments and vessels, over half of all marijuana, and 12 percent of all heroin.

Clearly, there is a serious threat out there, and we must do a better job of addressing that threat.

Drug smuggling is a prevalent crime in the port of Miami and Port Everglades. By pounds of cocaine seized from 1996 through 1998, the port of Miami ranked No. 1 and Port Everglades ranked No. 2 in the Nation. During those years, 63,662 pounds of cocaine were seized at the port of Miami and 30,283 pounds at Port Everglades. Most of this cocaine was detected concealed in containerized cargo shipments and commercial vessels, including vessels on the Miami River.

However, our seizure statistics vary from year to year. For example, in fiscal year 1999, 27,126 pounds of cocaine were seized in Miami and Port Everglades compared to 15,410 pounds in fiscal year 2000. For marijuana seizures, it is the opposite. In fiscal year 1999, for the port of Miami and Port Everglades, Customs seized 10,798 pounds compared to 34,041 pounds for the two ports in fiscal year 2000.

Two weeks ago, Customs found 1,235 pounds of cocaine and 3,283 pounds of marijuana concealed within cargo containers, which had arrived at Port Everglades. Also, within the last 2 weeks, Customs seized 375 pounds of cocaine and 5.5 pounds of heroin in cargo containers arriving at the Miami seaport.

Many of the narcotic seizures at our ports indicate the involvement of internal conspirators. Two significant internal conspiracy examiner investigations recently conducted by Customs and DEA at Port Everglades subsequently resulted in arrest of 45 individuals, including 35 dockworkers and contract security personnel, on drug smuggling and related offenses.

Customs applauds the port of Miami's positive steps toward securing its seaport. A significant weakness, however, is that dockworkers are permitted to park their personally owned vehicles at dockside or near vessels that are lading or unlading. As internal conspirators frequently use their personally owned vehicles to remove drug shipments from the port, this weakness is a serious challenge to the integrity of the security system.

On the other hand, Port Everglades requires dockworkers to park their personally owned vehicles in a segregated, fenced area, away from the docks.

Customs has also taken a proactive lead in implementing two pilot programs in the port of Miami and Port Everglades. The first project is an interdisciplinary tactical team of special agents and Customs inspectors designed to enhance the Customs presence at the port of Miami and Port Everglades. This uniformed tactical team conducts patrols in marked units, providing a highly visible and unpredictable Federal law enforcement presence. This unit also provides immediate response to criminal and civil violations of Federal laws occurring in the ports 24 hours per day.

The second project is a crime data collection project at the port of Miami and Port Everglades. This project is designed to improve intelligence gathering and analysis of criminal entities and activities and to share that intelligence with other interested Federal and State and local agencies.

While the intelligence initiative is still in the collection stage, the tactical team has already produced results. The tactical team has

made two drug seizures on the Miami River. The first seizure involved 165 pounds of cocaine. The second seizure involved 119 pounds of cocaine concealed in a cook's cabin of a cargo vessel on the Miami River.

Other positive initiatives should include actions that will directly impact Customs' ability in targeting contraband, such as enhancing the quality of manifest information, the shipper's documentation we use to select high-risk goods. We need to explore options that would standardize manifest information and require its advance delivery to Customs in electronic form.

We must also develop and implement Customs new automated system for processing goods, the Automated Commercial Environment [ACE]. ACE, as the members know, represents one of Customs' most critical infrastructure needs. Among its many features is an enhanced ability to use information for selecting suspect cargo for examination.

Of course, the best targeting plans can be laid to waste by internal conspiracies. That's why we need to implement better controls at seaport facilities. In order to achieve this, we need to strengthen physical security, tighten controls on the movement of goods and limit who has access to sensitive areas.

Customs can also stand to benefit from acquiring better technology. We must devise common systems for sharing information about the movement of vessels, passengers and goods through our seaports. There should be a coordinated effort by the principal Federal agencies involved in national security to achieve this goal.

Finally, I would highlight the need for additional training to implement these changes. There is a direct link between training and operational success. The fact remains that despite the gains technology and improved information offer us, we must have technically proficient personnel to contend with our spiraling workload and security issues and added manpower to implement these changes.

Mr. Chairman, this is by no means an exhaustive list. It forms an effective start in addressing the problems we face at our major seaports.

I hope that with the help of this subcommittee, we can take the next important step and confront the critical resource challenges we face in strengthening seaport security.

Thank you for the opportunity to testify.

[The prepared statement of Mr. McNamara follows:]

**STATEMENT OF ROBERT MCNAMARA  
U.S. HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON CRIMINAL JUSTICE,  
DRUG POLICY AND HUMAN RESOURCES  
HEARING ON CRIMINAL ACTIVITY AT US SEAPORTS  
October 31, 2000**

**MR. CHAIRMAN, MEMBERS OF THE COMMITTEE...**

**THANK YOU FOR THIS OPPORTUNITY TO TESTIFY ON CRIMINAL  
ACTIVITY AT THE SEAPORTS IN SOUTH FLORIDA.**

**MY NAME IS ROBERT MCNAMARA. I AM THE DIRECTOR, FIELD  
OPERATIONS, FOR SOUTH FLORIDA. IN MY CAPACITY AS DIRECTOR, I AM  
RESPONSIBLE FOR OVERSIGHT OF THE INSPECTION AND CONTROL OF  
INTERNATIONAL PASSENGERS, CONVEYANCES AND CARGO ARRIVING AND  
DEPARTING THROUGH THE SEAPORTS AND AIRPORTS IN SOUTH FLORIDA. I  
HAVE OVERSIGHT RESPONSIBILITY FOR MIAMI, PORT EVERGLADES, WEST  
PALM BEACH, FORT PIERCE AND KEY WEST.**

**BEFORE I BEGIN, LET ME EXPRESS U.S. CUSTOMS GRATITUDE TO  
CONGRESSMAN MICA FOR HOLDING THIS HEARING AND TO  
REPRESENTATIVE CLAY SHAW AND ROS-LEHTINEN FOR THEIR LEADERSHIP  
IN THIS AREA. IN ADDITION, I KNOW THAT CONGRESSMAN SHAW PARTNERED  
WITH SENATOR BOB GRAHAM IN HIS SUPPORT AND PARTICIPATION ON THE  
PRESIDENTIAL COMMISSION ON CRIME AND SECURITY IN US SEAPORTS AND  
THE SUCCESS OF ITS YEAR-LONG STUDY, OF WHICH US CUSTOMS PLAYED A  
LARGE ROLE.**

**MR. CHAIRMAN, THERE IS A GREAT DEAL TO BE CONCERNED ABOUT AT  
OUR NATION'S MAJOR SEAPORTS, INCLUDING: SECURITY LAPSES THAT**

JEOPARDIZE OUR FIGHT AGAINST DRUG SMUGGLING; EXPOSURE TO INTERNAL CONSPIRACIES; TRADE FRAUD; CARGO THEFT; STOLEN VEHICLES; AND OTHER SERIOUS CRIME.

THE GOOD NEWS IS THAT THERE IS A PARTNERSHIP BETWEEN THE FEDERAL AND PRIVATE SECTORS AT MANY OF OUR MAJOR SEAPORTS. IN ADDITION, COORDINATION AMONG LAW ENFORCEMENT AGENCIES IS STRONG.

CLEARLY, THE BASIS FOR COOPERATION EXISTS TO IMPROVE CONDITIONS IN OUR SEAPORT ENVIRONMENT. OUR CHALLENGE NOW IS TO FOCUS THAT COOPERATION, AND PROVIDE THE PROPER RESOURCES TO MAKE IT EFFECTIVE.

BOOMING ACTIVITY AT OUR NATION'S SEAPORTS IS YET ANOTHER WELCOME SIGN OF OUR PROSPEROUS TIMES. BUT IT ALSO PRESENTS UNIQUE CHALLENGES FOR OUR AGENCY. WE MUST PROCESS ALL OF THAT ADDED COMMERCE WITH AN EYE TOWARDS PROTECTING AMERICA FROM CRIME.

FLORIDA, WITH OVER 1350 MILES OF COASTLINE, 14 MAJOR SEAPORTS AND 8 MAJOR INTERNATIONAL AIRPORTS IS A MAJOR GATEWAY FOR LEGITIMATE INTERNATIONAL CARGO, PASSENGERS AND CONVEYANCES AND OFFERS A COMPLEX ENVIRONMENT IN WHICH TO DEAL WITH THE THREAT OF CRIME. BALANCING THE FACILITATION OF LEGITIMATE COMMERCE WITH INTERDICTING CONTRABAND AND ARRESTING THOSE RESPONSIBLE FOR SMUGGLING THROUGH FLORIDA'S PORTS IS A CONSIDERABLE CHALLENGE.

THE FACT IS EVERY SHIP, EVERY ADDITIONAL CONTAINER, PRESENTS ADDED OPPORTUNITIES FOR DRUG SMUGGLERS. FOR EXAMPLE, THE TWELVE SEAPORTS IN THE UNITED STATES THAT THE FEDERAL COMMISSION

**SURVEYED ACCOUNTED FOR 69 PERCENT OF ALL COCAINE BY WEIGHT SEIZED FROM CARGO SHIPMENTS AND VESSELS, OVER HALF OF ALL MARIJUANA, AND TWELVE PERCENT OF ALL HEROIN. CLEARLY, THERE IS A SERIOUS THREAT OUT THERE AND WE MUST DO A BETTER JOB OF ADDRESSING THAT THREAT.**

**DRUG SMUGGLING IS A PREVALENT CRIME IN THE PORTS OF MIAMI AND PORT EVERGLADES. BY POUNDS OF COCAINE SEIZED FROM FY 96 THROUGH 98, THE PORT OF MIAMI RANKED NUMBER ONE, AND PORT EVERGLADES RANKED NUMBER TWO IN THE NATION. DURING THOSE YEARS, 63,662 POUNDS OF COCAINE WERE SEIZED AT THE PORT OF MIAMI AND 30,283 POUNDS AT PORT EVERGLADES. MOST OF THIS COCAINE WAS DETECTED CONCEALED IN CONTAINERIZED CARGO SHIPMENTS AND COMMERCIAL VESSELS, INCLUDING VESSELS ON THE MIAMI RIVER.**

**HOWEVER, OUR SEIZURE STATISTICS VARY FROM YEAR-TO-YEAR. FOR EXAMPLE, THERE HAS BEEN A MARKED DECREASE ANNUALLY IN COCAINE SEIZURES AND A DRAMATIC RISE IN MARIJUANA SEIZURES. FOR EXAMPLE, IN FY 99, 27,126 POUNDS OF COCAINE WAS SEIZED IN MIAMI AND PORT EVERGLADES COMPARED TO 15,410 POUNDS IN FY 2000. FOR MARIJUANA SEIZURES, IT IS THE OPPOSITE. IN FY 99, FOR THE PORTS OF MIAMI AND PORT EVERGLADES, CUSTOMS SEIZED 10,798 POUNDS COMPARED TO 34,041 POUNDS FOR THE TWO PORTS IN FY 2000.**

**TWO WEEKS AGO, CUSTOMS FOUND 1,235 POUNDS OF COCAINE AND 3,283 POUNDS OF MARIJUANA CONCEALED WITHIN CARGO CONTAINERS, WHICH HAD ARRIVED AT PORT EVERGLADES. ALSO, WITHIN THE LAST TWO WEEKS, CUSTOMS SEIZED 375 POUNDS OF COCAINE AND 5.5 POUNDS OF HEROIN IN CARGO CONTAINERS ARRIVING AT THE MIAMI SEAPORT.**

MANY OF THE NARCOTICS SEIZURES AT OUR PORTS INDICATE THE INVOLVMENT OF INTERNAL CONSPIRATORS. TWO SIGNIFICANT INTERNAL CONSPIRACY INVESTIGATIONS RECENTLY CONDUCTED BY CUSTOMS AND DEA AT PORT EVERGLADES SUBSEQUENTLY RESULTED IN THE ARREST OF 45 INDIVIDUALS, INCLUDING 35 DOCKWORKERS AND CONTRACT SECURITY PERSONNEL, ON DRUG SMUGGLING AND RELATED OFFENSES.

CUSTOMS APPLAUDS THE PORT OF MIAMI'S POSITIVE STEPS TOWARD SECURING ITS SEAPORT. A SIGNIFICANT WEAKNESS, HOWEVER, IS THAT DOCKWORKERS ARE PERMITTED TO PARK THEIR PERSONALLY OWNED VEHICLES AT DOCKSIDE OR NEAR VESSELS THAT ARE LADING OR UNLADING. AS INTERNAL CONSPIRATORS FREQUENTLY USE THEIR PERSONALLY OWNED VEHICLES TO REMOVE DRUG SHIPMENTS FROM THE PORT THIS WEAKNESS IS A SERIOUS CHALLENGE TO THE INTEGRITY OF THE SECURITY SYSTEM.

ON THE OTHER HAND, PORT EVERGLADES REQUIRES DOCKWORKERS TO PARK THEIR PERSONALLY OWNED VEHICLES IN A SEGREGATED, FENCED AREA AWAY FROM THE DOCKS.

HALF THE BATTLE COMES IN KNOWING EXACTLY WHAT WE'RE UP AGAINST. ONE SOLUTION MAY BE AN ANNUAL THREAT ASSESSMENT FOR SEAPORTS HANDLING MAJOR VOLUMES OF INTERNATIONAL TRADE. THIS INFORMATION WILL LAY THE GROUNDWORK FOR A COORDINATED, FEDERAL RESPONSE TO THE PROBLEM OF DRUG SMUGGLING AND OTHER SERIOUS SEAPORT CRIME

CUSTOMS HAS ALSO TAKEN A PROACTIVE LEAD IN IMPLEMENTING TWO PILOT PROGRAMS IN THE PORT OF MIAMI AND AT PORT EVERGLADES.

THE FIRST PROJECT IS AN INTERDISCIPLINARY TACTICAL TEAM OF SPECIAL AGENTS AND CUSTOMS INSPECTORS DESIGNED TO ENHANCE THE CUSTOMS PRESENCE AT THE PORT OF MIAMI AND PORT EVERGLADES. THIS UNIFORMED TACTICAL TEAM CONDUCTS PATROLS IN MARKED UNITS, PROVIDING A HIGHLY VISIBLE AND UNPREDICTABLE FEDERAL LAW ENFORCEMENT PRESENCE. THIS UNIT ALSO PROVIDES IMMEDIATE RESPONSE TO CRIMINAL AND CIVIL VIOLATIONS OF FEDERAL LAWS OCCURRING IN THE PORTS 24 HOURS PER DAY.

THE SECOND PROJECT IS A CRIME DATA COLLECTION PROJECT AT THE PORT OF MIAMI AND PORT EVERGLADES. THIS PROJECT IS DESIGNED TO IMPROVE INTELLIGENCE GATHERING AND ANALYSIS OF CRIMINAL ENTITIES AND ACTIVITIES AND TO SHARE THAT INTELLIGENCE WITH OTHER INTERESTED FEDERAL AND STATE AND LOCAL AGENCIES.

WHILE THE INTELLIGENCE INITIATIVE IS STILL IN THE COLLECTION STAGE, THE TACTICAL TEAM HAS ALREADY PRODUCED RESULTS. THE TACTICAL TEAM HAS MADE TWO DRUG SEIZURES ON THE MIAMI RIVER. THE FIRST SEIZURE INVOLVED 165 POUNDS OF COCAINE DISCOVERED AT A MIAMI RIVER SHIP TERMINAL. THE SECOND SEIZURE INVOLVED 119 POUNDS OF COCAINE CONCEALED IN THE COOK'S CABIN OF A CARGO VESSEL ON THE MIAMI RIVER.

OTHER POSITIVE INITIATIVES SHOULD INCLUDE ACTIONS THAT WILL DIRECTLY IMPACT CUSTOMS' ABILITY IN TARGETING CONTRABAND, SUCH AS ENHANCING THE QUALITY OF MANIFEST INFORMATION, THE SHIPPER'S DOCUMENTATION WE USE TO SELECT HIGH-RISK GOODS. WE NEED TO EXPLORE OPTIONS THAT WOULD STANDARDIZE MANIFEST INFORMATION, AND REQUIRE ITS ADVANCE DELIVERY TO CUSTOMS IN AN ELECTRONIC FORM.



WE MUST ALSO DEVELOP AND IMPLEMENT CUSTOMS NEW AUTOMATED SYSTEM FOR PROCESSING GOODS, THE AUTOMATED COMMERCIAL ENVIRONMENT, OR ACE. ACE, AS THE MEMBERS KNOW, REPRESENTS ONE OF CUSTOMS' MOST CRITICAL INFRASTRUCTURE NEEDS. AMONG ITS MANY FEATURES IS AN ENHANCED ABILITY TO USE MANIFEST INFORMATION FOR SELECTING SUSPECT CARGO FOR EXAMINATION.

OF COURSE, THE BEST TARGETING PLANS CAN BE LAID TO WASTE BY INTERNAL CONSPIRACIES. THAT'S WHY WE NEED TO IMPLEMENT BETTER CONTROLS AT SEAPORT FACILITIES. IN ORDER TO ACHIEVE THIS, WE NEED TO STRENGTHEN PHYSICAL SECURITY; TIGHTEN CONTROLS ON THE MOVEMENT OF GOODS; AND LIMIT WHO HAS ACCESS TO SENSITIVE AREAS.

CUSTOMS CAN ALSO STAND TO BENEFIT FROM ACQUIRING BETTER TECHNOLOGY. WE MUST DEVISE COMMON SYSTEMS FOR SHARING INFORMATION ABOUT THE MOVEMENT OF VESSELS, PASSENGERS, AND GOODS THROUGH OUR SEAPORTS. THERE SHOULD BE A COORDINATED EFFORT BY THE PRINCIPAL FEDERAL AGENCIES INVOLVED IN NATIONAL SECURITY TO ACHIEVE THIS GOAL.

FINALLY, I WOULD HIGHLIGHT THE NEED FOR ADDITIONAL TRAINING TO IMPLEMENT THESE CHANGES. THERE IS A DIRECT LINK BETWEEN TRAINING AND OPERATIONAL SUCCESS. THE FACT REMAINS THAT DESPITE THE GAINS TECHNOLOGY AND IMPROVED INFORMATION OFFER US; WE MUST HAVE TECHNICALLY PROFICIENT PERSONNEL TO CONTEND WITH OUR SPIRALING WORKLOAD AND SECURITY ISSUES, AND ADDED MANPOWER TO IMPLEMENT THESE CHANGES.

MR. CHAIRMAN, THIS IS BY NO MEANS AN EXHAUSTIVE LIST. IT FORMS AN EFFECTIVE START IN ADDRESSING THE PROBLEMS WE FACE AT OUR MAJOR SEAPORTS.

**I HOPE THAT WITH THE HELP OF THIS SUBCOMMITTEE, WE CAN TAKE THE NEXT IMPORTANT STEP, AND CONFRONT THE CRITICAL RESOURCE CHALLENGES WE FACE IN STRENGTHENING SEAPORT SECURITY.**

**THANK YOU FOR THIS OPPORTUNITY TO TESTIFY. I'D BE HAPPY TO TAKE YOUR QUESTIONS NOW.**

Mr. MICA. Thank you, Mr. McNamara.

I'll now recognize Mr. Art Coffey, who is the vice president of the International Longshoremen's Association. Welcome, sir, and you're recognized.

Mr. Coffey, if you'll proceed. Thank you.

Mr. COFFEY. Yes, Chairman Mica and Mr. Shaw, thank you very much. We're happy to be here today.

Just as a brief statement, hopefully it'll be part of the record. I have a written statement that I have—

Mr. MICA. Without objection, your entire statement will be made part of the record.

Please proceed.

Mr. COFFEY. The ILA is in full agreement with the objectives of the Interagency Commission on Crime and Security in U.S. Seaports "the Commission" to deter and counter the threats of terrorism, smuggling, and other criminal activities in the maritime environment in and around the Nation's seaports and to provide a reasonable and necessary security needed to safeguard passengers and cargo transporting our ports.

In sum, the ILA has been and remains committed to the objectives of the commission and to the concerns expressed by member of this committee and to cooperating with government agencies to achieve the desired ends. However, it is with regard to the means and methods of achieving these objectives that we must except, more particularly with respect to the treatment of shore-side handlers in these ports.

The ILA members, no less than working men and women in every other sector of our country's commerce and economy, are solid, patriotic, hard-working mainstays of their families. The members of this union have very special attachments to their local communities and to their country, which are second to none. They are not a bit less concerned than fathers, mothers, brothers, sisters of families of their counterparts in inland industries and occupations to the effects of drugs and terrorism acts that imperil their and their loved ones' lives and well-being. To even suggest that they, as a work force, would be any more trustworthy and cooperative is demeaning.

Thus, the members of the committee may be aware that the ILA already has in place a program to assure a drug-and-alcohol-free workplace for its members, which is conscientiously administered and enforced. The ILA strongly recommends a committee system to strike a balance between preventing criminal activity and eliminating from the ports those individuals who have paid their debt to society.

The rank-and-file longshoreman has every motive to keep drugs away from his children and guns from those who can threaten his family and quality of life as any other American working person.

The ILA will continue to respond to the calls to cooperate with the government agencies at all levels to make our seaports not only crime-free but crime integrity free as well. All that we ask is that the means and methods to accomplish these objectives be reasonable, rational, realistic and evenhanded, so that those whom it represents will not labor under undeserved onuses or handicap for no

better reason than the places of their employment happen to be along the country's coastlines.

Respectfully, Art Coffey.

Mr. MICA. Thank you for your testimony. I thank each of the witnesses this morning for being part of this hearing.

I'll start with some questions. We have a couple of problems here. First of all, we've got the problem of making certain that those that are working at the ports and administering the ports have proper credentials and clean records, first of all, to handle the work and administration of those ports. Then we have a government responsibility to make sure that we've got both proper equipment, resources, personnel to deal with any of the problems we have with illegal narcotics or commerce coming through those facilities.

Let me first focus on the question of sort of cleaning up the work force. Mr. Coffey just testified that longshoremen are committed to having the highest standards and employment credentials. Some time ago there was a report that a significant portion of some of the dockworkers and those actually handling the cargo had criminal background records. Maybe we can start here in Fort Lauderdale and tell me what your current situation is with background checks on those actually dealing with the cargo at both Fort Lauderdale and Miami.

Mr. DeMariano.

Mr. DEMARIANO. I think we should draw some attention to the fact that not all dockworkers are longshoremen belonging to the ILA. Many dockworkers, of course, belong to other labor unions or are unaffiliated.

Mr. MICA. Are you doing checks on all of these folks that have access?

Mr. DEMARIANO. Yes, sir, anyone that has access to our waterfront, regardless if it's union affiliation or non-affiliation.

Mr. MICA. What's the record? I mean, you're finding that would clean up some of the problems that were identified previously?

Mr. DEMARIANO. Yes. I think that there is ample evidence, and particularly we've heard about it this morning, that there is indeed a network and an entrapment so to speak we're catching of a number of people who have explicitly difficult or felonious backgrounds. Those people are not permitted access to the waterfront, nor to cargo proximity. As I said earlier, they are not all longshoremen. I speak of the generic member of the ILA.

Mr. MICA. You have in place then adequate checks on these people and ways to make certain that they're not accessing either the cargo or the port facility?

Mr. DEMARIANO. Yes, sir, indeed we do.

Mr. MICA. What about Miami?

Mr. TOWSLEY. With respect to the Dante B. Fascell Port of Miami-Dade, as I had mentioned in my testimony, we were, I believe, the first port in Florida to initiate the requirement of the criminal background check. We have that system in place. And I do believe it is acting as a deterrent from individuals that know they wouldn't qualify.

Mr. MICA. That is both active longshoremen and others who—

Mr. TOWSLEY. Yes, absolutely, including our own employees who have access to the waterfront area are required by that ordinance to go through the full process which includes a criminal background check.

Mr. MICA. Do you have any percentage of people who have problem backgrounds that are working now? Before I thought we heard some 30 percent or plus had backgrounds with either felonies or some criminal record.

Mr. TOWSLEY. The way our ordinance works, when it came in 2 years ago, effectively was that if an individual had been working at the port, criminal background check went 5 years. If they had a felony conviction within the 5-years, they didn't qualify, even if they were working at the Port at the time. New employees, it goes back 10 years. So there is a provision under our ordinance that allows for an appeal before a committee. And the committee will review the extenuating circumstances that may be—

Mr. MICA. You're telling me you have sort of a zero now, folks that are working, that you're checking either through longshoremen or at the Port that now have some type of problems with their background?

Mr. TOWSLEY. There are individuals who have had problems in their background who are—

Mr. MICA. Who are still there?

Mr. TOWSLEY [continuing]. Who are still there, that's correct.

Mr. MICA. And you're also—

Mr. DEMARIANO. I think that's an accurate statement. While we are taking a somewhat harder line on the appeal process, we are attempting to make it very, very matter of fact that any difficulty with background checks will deny waterfront access.

Mr. MICA. I'm told that at the Miami-Dade Port, the appeal process is not handled in the same manner; there's less of a standard, lesser standard for appealing and staying.

Mr. TOWSLEY. Mr. Chair, two things: One is the statistics that were given by Customs earlier were stated that it also includes the Miami River. There is no one here who represents the Miami River Commission. But I would like to state that when you talk about the port of Miami, when you include the river, the river does not and we do not control jurisdictional issues over working at—

Mr. MICA. So there are no controls in the Miami River?

Mr. SHAW. None.

Mr. TOWSLEY. Not as far as I'm aware for security ID, background checks.

Mr. MICA. That's one of the areas where we're finding more and more problems?

Mr. TOWSLEY. That's correct.

Mr. MICA. Did you have something you wanted to add briefly?

Mr. TOWSLEY. I was just going to say that there is a difference between the appeals process. We have an independent committee that is made up of representatives of law enforcement, court administration and the union that do hear the individuals. To me, I don't know if it's a lesser standard. I think it may be viewed as a more fair standard.

As I understand it—I can't speak for Port Everglades' process—but the appeals that they do have only relates to procedurally if ev-

everything has been done in accordance to procedure and they do still have an issue, then the permit is denied. There's a philosophical difference in allowing someone to have due process with respect to appeal.

Mr. MICA. Well, one of the recommendations of the State review that was released last month recommended minimum standards—security standards; is that correct, Mr. McDonough?

Mr. MCDONOUGH. Yes, Mr. Chairman, it is.

Mr. MICA. Have any of those been adopted statewide?

Mr. MCDONOUGH. We are going to adopt them. We are now going through a planning process so that each port can put into effect this plan which I will look at to approve or disapprove.

Mr. MICA. One of the elements appears to be some difference in again looking at the employment criteria and standards for people who are employed in and around directly at the ports. Is this something that should be a consideration? It's a general recommendation that we have minimum statewide security standards.

What do you think?

Mr. MCDONOUGH. We have a number of strong views on that. The bottom line is yes, we need to have standards. We need to have background checks.

I'd like to take you very briefly through the system.

Mr. MICA. Do you think the State—now the legislature has taken some action. Is this something the legislature should handle or should we look at it federally as far as some type of legislation?

Mr. MCDONOUGH. I think all of the above. We are only able to do background checks as pertains to convictions in this State. The way in which we do that, we will run a check up to the Florida Department of Law Enforcement, which will then give feedback to those that have asked and will tell you whether or not there's been a conviction for whatever cause in this State. It doesn't extend to the Federal system.

Now the outcome of that, we have indications that at the port of Miami upwards of 17 percent of the current members of the longshoremen's union indeed have a felonious conviction on their record. Now that, however, just reflects those that have such a conviction on State records.

Mr. MICA. That's longshoremen, 17 percent of longshoremen. It doesn't include the other workers in the peripheral area. Then we take out the Miami River operations. It doesn't appear that there's anything in place there. This report also says that there are 14 ports I believe and 2 of them have some things in place, most of them have basically nothing or very little.

Mr. MCDONOUGH. That's correct. At the time of the study, although at this time, there are various plans falling into place where others will now do the same thing. A standard we wish to go to is that every port will indeed have a background check. We also in our study and in our plan have taken into account the non-port areas which are historically vulnerable to smuggling. The Miami River is one. We need to develop systems to control access to those ports, check manifest, limit birthing time, etc., so that we can bring down smuggling there.

Mr. MICA. Mr. McNamara, you said one of the problems is dealing with internal conspiracies. Let me first hear your opinion about

what's going on. We've heard the two port directors. We've heard Mr. Coffey. We heard a little bit from the drug czar. Tell me what you see from the Customs enforcement standpoint both about who's working there, have they cleaned up the act, and then where the gaps are and how we need to approach this whole problem.

Mr. MCNAMARA. As my statement indicated, Mr. Chairman, I think there are steps that are being taken both at Port Everglades and Miami to improve the security. However, the access is still there. The control is not effected. We've seen a drastic increase in percentage of internal conspiracies versus what we consider—

Mr. MICA. Did you say a drastic increase?

Mr. MCNAMARA. Internal conspiracies in Miami, for instance.

Mr. MICA. What about Fort Lauderdale?

Mr. MCNAMARA. We've actually seen it go down, the number.

Mr. MICA. And the increase in Miami, is that related to the sheer volume? Miami has a much greater volume, doesn't it?

Mr. MCNAMARA. Yes, it does. The issue with us in Customs is that we cannot be there 7 by 24. We cannot be there all the time. There is not a presence on the seaport. So if the container ships arrive in the middle of the night and off-load, people on the dock, whether they are longshoremen or people that work on the dock that have access to that container, can rip it off.

Mr. MICA. One of the things Mr. Shaw and I hear when we get back is that we've added so many personnel that south Florida is going to sink from Customs officials and others down here.

You're telling me you still we don't have adequate personnel to deal with this situation on a need basis?

Mr. MCNAMARA. Yes, sir. Because of the limited number of personnel, we cannot cover it round the clock, we cannot look at the shipments as the ships arrive.

Mr. MICA. Have you submitted or can you submit to the subcommittee what manpower you think it would take. The other thing too is also enforcement, going after these folks. Are you working with the DEA, FBI, whoever and FDLE, the other enforcement agencies local and State say for sting operations or coordinated efforts with the NIDTA? I mean, if you go in and, so to speak, clean house a few times, you certainly will get their attention.

Has that taken place? What's the problem? Don't we have the people to even do that?

Mr. MCNAMARA. The investigation that took place here in Port Everglades was a joint—it was led by Customs but with DEA and resulted over the last couple years in 45 arrests. Thirty-five of the people that were arrested were dock and ILA members that worked at the docks and had access to the docks. We're working with the other agencies.

We get information from both DEA and the Coast Guard. We now have the Florida Department of Law Enforcement working with us on the Miami River. They've augmented our staff of agents down there so they can participate in what's going on, on the Miami River.

Mr. MICA. Is the Miami appeal process for people working there with the shady background, is this also a problem in cleaning house from your standpoint? Be candid with us.

Mr. MCNAMARA. I will, sir.

Mr. MICA. I know you have to go back and work with these people but.

Mr. MCNAMARA. The issue to Customs is that if we arrest people while they're under appeal, they're still working. The issue is if you're doing the check, do they have a right to come back to work or are you going to let them to continue to have access to the secured areas?

Our concern is not that they are continuing to work somewhere on the port, it is that they're having access to the containers on the ports where we want to keep them out of. We want to control where we have to do our work. If they are going to be allowed back in there all hours of the night, even after we know that they're convicted felons or they have records, then that defeats the whole purpose of doing the check.

Mr. MICA. There are 35 people you said that were arrested. Are some of these folks still working?

Mr. MCNAMARA. I don't believe so. No.

Mr. MICA. They're all out of service?

Mr. MCNAMARA. In jail.

Mr. MICA. To deal with this problem, Congress also appropriated, Mr. Shaw helped, on this issue of getting you not only the personnel but also the equipment, surveillance equipment, detection equipment. I thought we had on order ion scanners, the whole range of equipment to deal with the cargo and passengers, the massive amount that you have to pass through the ports.

What's the status of that?

Mr. MCNAMARA. In 1999 Congress appropriated approximately \$34 million for what we considered non-intrusive inspection technology. There is a 5-year plan. That was based off a 5-year plan that we submitted. A number of pieces of this equipment were on the drawing table and they have been tested. Some of them have been tested right here down in Miami. As a result of that testing, either they went back for additional enhancement or improvement or the additional x rays were ordered. That money was for the whole southern tier, for the southwest border across the Gulf here to Florida and Puerto Rico. So we've spent over half of that money so far. And we are purchasing additional equipment. Miami is scheduled to get a \$7 million piece of equipment in January.

What our concern is with this equipment, a lot of it is new. It's innovative. We want to make sure it works. We don't want to go out and spend the money and put it out there if it doesn't meet our needs.

What happens with it is some of it is low density where when you're doing a container, what happens, you don't see the whole container or if it contains certain type of merchandise. And the conspirators know this that after awhile we use and find it. The next time they bring in a shipment what they'll do is they'll hide it behind something or secrete it in something that we cannot x ray easily. What x rays basically do is either show us something that is in the container or give us an anomaly that causes us to do a full examination.

They are on order. There is a schedule for deployment over the next couple of years that started in 1999 when we got the money.



I would say that probably more than half of that money has been spent to date.

Mr. MICA. Mr. Shaw and I are most interested in some of that equipment coming into south Florida and particular other ports in Florida. One of the reasons we appropriated it is we wanted you to have the technical equipment to detect this stuff, not only stuff coming. We understand that it will also detect stolen cars and other goods, even money going out.

If you could supply the subcommittee too with—and maybe the Commissioner could do that—with a list of what's obligated.

You don't know what's obligated specifically?

Mr. MCNAMARA. I don't have that with me today.

Mr. MICA. If you could do that for the record, I'd like that to be part of the record. We want to keep an eye on that, because it's nice for us to appropriate that, but not to have the equipment delivered is something else. We need to look at what hasn't been delivered. If there's any problems and also if we have any research technical problems that need to be addressed, we want to see that gets attention.

Has Commissioner Kelly met with officials or anyone from Department of Justice or DEA folks in sort of a summit on the Graham Commission report, now the State report, that you know of to address some of the recommendations?

Mr. MCNAMARA. I know that he has had briefings with the Attorney General and, you know, the Department of Justice, as well as other areas of government. And I know—I believe he testified on October 4th on the Hill. But I do not know what further recommendations came out of that.

Mr. MICA. Mr. McDonough, I like to have these hearings, but I like to see something productive come out of them. I would think that maybe you could help us take a lead and see if we couldn't get ONDCP, our DEA folks, Customs, everybody who is involved in this, maybe the south Florida HIDTA people—if these recommendations sit on a shelf, it's sort of useless and a shame. Maybe we can from the Federal level—and I know there are some specific recommendations in here, increasing a National Guard recommendations at the seaport. But if we could get all of the folks together maybe sometime in November or December and see what we can pick off.

There are some specific recommendations, Clay, for Congress in here and the congressional delegation. Again, it's nice to have these hearings, but if nothing comes of them, we're all sort of spinning our wheels.

I'd like to see if you can't help convene that, Jim.

Mr. MCDONOUGH. Sir, if I may.

Mr. MICA. Yes. Would you?

Mr. MCDONOUGH. I'd be happy to and I will. We have put some plans in motion. I can give you a very brief rendition.

Mr. MICA. Go right ahead.

Mr. MCDONOUGH. I'm meeting with General McCaffrey in Orlando on November 29th, I think it is. I've been in correspondence with his office and with him as well in the intervening months since, first of all the meeting between Governor Bush, he and I, in the White House and subsequently the publication of our plan. I

cannot speak for him. I don't know how it will work its way out. But I actually am optimistic that he will review the studies, both this study and the Graham Commission study, and then will, if he has not already, be meeting with the chief of Customs, with the administration of DEA, the leadership of the FBI.

What I'm anticipating is a favorable response that will put in place, in fact, an information and intelligence effort, as well as a number of systems to include an enhancement of the NII, the Non-Intrusive Inspection package, which will include as part of it not just the equipment but the training of the handlers, the maintenance system to keep them in operation to include the repair parts, and perhaps an adjustment to the fielding plan.

But I will take as further guidance your direction to me, sir, and encourage them. Of course, I am a State agency and I have to—

Mr. MICA. Right. We'll be glad too work with you in our subcommittee. We'll be glad to call the Federal folks together, but I think it would be good to have something concrete come from these recommendations.

Finally, Mr. McNamara, some of the equipment, etc., that has been installed, I have reports that we still have problems with the subversion of the technical equipment. Can you describe what's going on, surveillance equipment and so forth?

Mr. MCNAMARA. A couple of times we've had incidents where the cameras, for instance, that we've installed have been knocked down or blocked. So that if we have a camera on a pole to watch the area, the stacking of the containers is put right in front of cameras so the camera is useless. You cannot see anything.

We've had accidents where cameras were knocked down or where our x-ray system was put out of commission for a short period of time because of another accident. There are things like that that have happened on the port. The equipment is sometimes out there in the elements. If it's outside the building where we normally do the cargo examination, it's subject to the mishaps that happen on the seaport.

Mr. MICA. Purposeful mishaps sometimes.

Mr. Shaw.

Mr. SHAW. Mr. McNamara, who mans these scanners? Who is looking at the TV screen to see if these containers are piled up in such a way that it obscures the visibility of another container?

Mr. MCNAMARA. Customs inspectors.

Mr. SHAW. If vision is obscured, wouldn't that be an automatic warning to the inspector that something is going on? I mean, this problem has been there ever since I've been working with it. These guys will pile the stuff up. You can't see them, and somebody makes a grab.

Mr. MCNAMARA. Yes, sir. As a matter of fact, one time they were watching and they saw this car go in behind it. They couldn't see what was going on behind the container. So they responded. They went out there and they checked it. It happened to be an elderly couple that got on the port by mistake where they weren't supposed to be. They were looking for a cruise ship. So they guided them back out.

That's the kind of thing that would happen. We monitor the screen. And if they see something or we think that there's something maybe going on, we respond.

Mr. SHAW. Are we still seeing the situation where the cargo will come in and they could be open. They're under seal. They're opened and, of course, there's a new seal inside with the tools and everything together with the contraband. The contraband is grabbed and the thing is resealed.

Are we still seeing that going on?

Mr. MCNAMARA. To the extent that it used to happen, I don't think it's happening as much, but yes, there is tampering with the containers. The removal of the whole container door, taking the contraband, putting the container door back together.

Mr. SHAW. That takes awhile, doesn't it?

Mr. MCNAMARA. They're very quick at it. It's just pins on the outside of the door that you can pop out and pull out. They do have duplicate seals, multiple seals that go on there.

Mr. SHAW. Is it a huge problem with the pins being pulled out and doors being pulled off? If it is, we can certainly require that some alteration of these containers be made so that wouldn't be done so readily without some destruction to the pin anyway.

Mr. MCNAMARA. I wouldn't say that it's a major problem. It's just one of the ways that they're able to gain access and make it look like nobody was there. There are various things that they do with the container that we have to learn—catch them and then learn that this is something to look out for, whether it's the seal, whether it's the pins, whether it's the locking mechanism, different things like that that we have to become familiar with. Then we train our inspectors constantly, updating that information so that they know what to look for when they're out looking at the containers before they even open it.

Mr. SHAW. I believe it was you that testified with regard to back in 1998 where the port of Miami was No. 1 and Port Everglades was No. 2 with regard to internal conspiracies.

Do you have an update up on that?

Mr. MCNAMARA. In 1999, we were one and two again. In 2000, we were three and four.

Mr. SHAW. But three and four, I assume Miami was three and Port Everglades was four; is that correct?

Mr. MCNAMARA. Yes.

Mr. SHAW. That tells me something else, because you also said that it's getting worse in Miami.

Mr. MCNAMARA. See what happens is that this is based on the number of narcotics that was seized. What happens is that when we do our job real well, they ship to some other place. In this particular case, the No. 1 and No. 2 was Puerto Rico and Tampa. That's because of large loads that were found in those locations.

Mr. SHAW. When Customs first brought the problem to me with regard to the criminal background of so many of the dockworkers and I brought it to the attention of Miami-Dade's County Commission, they did move very quickly. Mr. Towsley is absolutely right that they were the first, I think, in the country. Then we brought it up to Port Everglades. The County Commission up here passed it. It took them a little while to do it, but they got it done.

Of course, you're talking about this whole thing, you don't really solve the problem, you just probably move it. Recognizing that, I went up and told the folks up at the port of Palm Beach to watch out. It was coming their way. I imagine that's probably happened.

What is the port of Palm Beach doing? I don't know if you're prepared to even answer that question.

Mr. MCNAMARA. In terms of some seizures, we've had some up there. We recently had—Fort Pierce actually, we had a small boat. We haven't seen a lot of small boats bringing it in. We found a 2,000-pound load a couple of months ago coming into Fort Pierce.

It is our concern that the movement up, just like some of the Haitian vessels moved up to Port Everglades, we're concerned what's going to move up to West Palm. The cruise ship is another issue. And West Palm hasn't gotten any staff increases over the last couple of years. So the chairman asked me about staffing. That's one of the concerns we have. If we do a real job and staff up Miami, it pushes it to the next port that could push it to next port. Then you go to a port like Fort Pierce, basically I have five or six inspectors up there, which just cannot cover it.

Mr. SHAW. Part of the problem I know is a budgetary problem and one of the problems that is connected with that is the tariff goes into the general fund rather than staying with the Customs. We've had that problem with trying to get a larger Customs presence at the Fort Lauderdale/Hollywood International Airport, as well as other things. I think perhaps next year, we should start to look at that and work with that somewhat.

Now, Mr. Towsley has testified that they're getting hit with also the Miami River. If we were to pull the Miami River statistics out of the port of Miami, how would that affect their standing?

Mr. MCNAMARA. Miami would have dropped down drastically, OK, the port of Miami as opposed to—We include the Miami River as part of Miami Seaport. It's covered by the same people. It's the same Port Authority. In the fiscal year 2000, cocaine, for example, 8,211 pounds, of which 7,115 pounds was on the River.

Mr. SHAW. So the port of Miami, I guess, would really drop off?

Mr. MCNAMARA. Yeah.

Mr. SHAW. That's an important statistic because I want to know what's working. Obviously, we don't have the surveillance on the Miami River that we have—

Do you have any suggestions as to how we could attack that problem on the River?

Mr. MCNAMARA. It's going to have to be multi-agency with the private sector, because every time we're on the River and we're doing something, you have the Miami Commission that is concerned about the business on the River and try and facilitate the business and the businesses that are on there and the shipping companies with our problem of enforcement. The type of trade and the location from where that trade comes from lends itself to smuggling, conspiracy. And it's a difficult problem, a very difficult problem to try to address.

Obviously, intelligence, obviously people to gather that intelligence. Our Customs agents working on the River, they're assigned a group to work the River to try to pinpoint where some of this

may be happening, to help us out with the targeting of the vessels, where they're hiding these vessels.

Again, they go down to Haiti, for instance. They sit down there for a long period of time. What ends up happening is they secrete it down in the bowels of the vessel down below the sea level, under cement floors. Trying to get at it is what the problem is.

Mr. SHAW. A ship coming into the port—coming into the Miami River, they're supposed to check in at some point with Customs.

Are they doing that? Are they not doing that? What happens when a ship comes in and reports that it's going up the Miami River, what do you do and how long does it take you to do it?

Mr. MCNAMARA. We make a determination on whether we want to examine; how we want to examine; what we want to put there; do we have intelligence on that ship that would want us to put dogs on it; run a dog across it.

What happens is that, again, they know our staffing. They know how many people we have there. Not too long ago, a couple months ago my person that runs the oversight of the Miami River for me in terms of inspection—contraband inspection told me that about 10 ships came in all at the same time. Once you have that many ships coming in to come up the River, it's very hard to do them all.

Mr. SHAW. At what point do they radio you, after they dock or when they're still out at sea?

Mr. MCNAMARA. They normally tell us that they arrived. The agent normally comes in and says I have a ship arriving. That could be right before it comes in or after it docks they let us know, they'll advise us that the ship is there for clearance.

Mr. SHAW. So they could have already cleaned it out before they even call you?

Mr. MCNAMARA. Could.

Mr. SHAW. Aren't you given some type of intelligence as to what's coming in, either by the Coast Guard or other means? Maybe that's the problem. We ought to make sure so that they don't have an hour to unload before you know they're there.

Mr. MCNAMARA. Sir, the intelligence usually is on something on a given ship or something that they have information.

Mr. SHAW. Not on the arrival?

Mr. MCNAMARA. No. That happens. If the ship is coming in and the Coast Guard knows that this particular ship might be loaded with something, they'll give us that information through our agents.

Mr. SHAW. Is the Coast Guard aware of the ships that are coming in? Do they have some way of monitoring what's coming in and particularly what's headed up the Miami River? It seems that's where the big problem is. Obviously, statistically that's exactly where the problem is.

Mr. MCNAMARA. Sir, I don't know if they know of every ship coming in.

Mr. SHAW. The statistics we have on Port Everglades, does that include the Dania Cutoff Canal or other ports of entry?

Mr. MCNAMARA. Yes, sir.

Mr. SHAW. What problems do we have at the other ports of entry in Broward County?

Mr. MCNAMARA. The only one I'm familiar with, we have some airport, some internal carriers at the airport, as well as the cruise ships, as well as the cargo. I'm not aware of any problem—

Mr. SHAW. The port at the La Dania Canal, that's not a problem? You don't see any problems?

Mr. MCNAMARA. I haven't gotten anything that tells me that is a problem.

Mr. SHAW. Could I make a suggestion from a statistical standpoint that you might want to put a subcategory for the port of Miami so that they can be rewarded rather than embarrassed by these statistics. Because it does sound like they're doing a pretty good job down there. And we continue to work to get the latest technology installed. I think I've seen all of it at one time or another. It's really quite amazing.

I'd like to just turn our attention just a moment to—well, before I do that, let me get back to Paul DeMariano.

Where are we as far as increasing the security, the ingress and egress from the outside along the roadways? I know I've brought home a lot of money and appropriated for some improvements, but I really haven't seen it coming out of the ground.

Mr. DEMARIANO. We've commissioned that work, Congressman Shaw, in a firm having been selected, Bermello-Ajamil Associates, who are specifically charged with the roadway control points and physical constraints within our road system. As you correctly pointed out, like Boston, which is a city full of cow pastures converted into streets, this port has such a history.

We do have a number of shortcuts, as you know, to get from the airport, for example, to the 17th Street Causeway. This will all be the subject of pretty intense, in fact, five physical checkpoints which are going to be done and confirmed in terms of design for construction within 9 months. That work is underway. I would say the first 20 percent of that work has been completed.

Mr. SHAW. I would guess that this is being done with cooperation of Customs, as well as the Sheriff's Office?

Mr. DEMARIANO. Yes, sir, it is, that is for certain. And indeed, the Sheriff's Office is taking a more active role with us on police activity per se within the seaport. We will very shortly recommend a larger jurisdiction for the Sheriff and BSO here at the Port with the sense in mind, the philosophy that professional police departments should be providing more hands-on professional police activity, rather than us attempting to grow expertise in that area. We will commission that contract through the Broward Sheriff's Office.

Mr. SHAW. Very good. I'd like to go back, if I could, just a moment to Puerto Rico. Obviously, they're part of our country and once someone breaches security there, they're in.

What is happening over there, Mr. McNamara?

Mr. MCNAMARA. I am not familiar with Puerto Rico in the last couple of years. I used to have oversight back in 1995 over Puerto Rico. I could find out and submit that to the record, if you would like.

Basically, I can tell you that dropping the air drops, what was happening back in 1995 was the dropping of narcotics off the shore of Puerto Rico or the Dominican Republic. Then they were then transiting here to the United States from Puerto Rico.

What's exactly happening right now I am not familiar with, I'm not responsible for.

Mr. SHAW. Does either the port of Miami or Port Everglades have heavy volume of shipping coming from Puerto Rico?

Mr. DEMARIANO. We have a limited volume as compared to Jacksonville, which is a very, very heavy gateway to Puerto Rico. We do have a degree of Puerto Rican cargo and a dedicated service which calls here at our mid-port area. I have no reason to think that is receiving any more or less scrutiny than our other port areas.

Mr. TOWSLEY. We have a similar situation in Miami. We do see most of the Puerto Rican cargo coming in through Jacksonville.

Mr. SHAW. Mr. Coffey, I want to get a little bit of a clarification of your testimony. As a longshoreman, do they support background checks as they're presently being done or do you all still have objections to that?

Mr. COFFEY. No, we don't have any objections to that.

Mr. SHAW. I wanted to clarify that, because in listening to your testimony, that was a little bit of a gray area.

Mr. COFFEY. What the longshoremen—really it's happened, I suppose, over the years of just getting painted with a broad brush and Miami as the Miami River and so on and so forth. In my 30 years in Miami and Fort Lauderdale on the docks, I've seen an awful lot in the growing ports in both ports. Some of the other ports are mature ports and they're diminishing in size. The ILA itself nationally is 14,000 strong. It used to be over 100,000 at one time. There's quite a bit of a difference. I'm so glad listening to Mr. McNamara, there is a no ILA Palm Beach, Fort Pierce or the Miami River so they can paint that brush again.

One of the things we have discussed quite a bit—We're part of committees from time to time on the port with Customs and with the local police and the Port Director's office—is that because of the Miami River something would have to be done. There seems to be a project going on to dredge this river to make it deeper so that there will be more traffic there.

The only thing that we really realize is that the things that probably are—and again, it's a guess on my part. I don't have any information other than what I can suspect and take as a prudent man to look at—is that what a man takes off in his pocket off the pier if there's any type of drugs in that is really not corrupting our Nation. What goes off in containers is probably the thing that's doing it because there's that much more that can be done.

A few years back the shipping industry had changed the way they ship cargo. Where you had all sorts of different bills of lading in order to get a shipper's cost, now they have one. So nobody really knows who touched the cargo. And they have what they call inter-modalism where there is a price from say Taiwan to Hialeah. That's the one cost. And those containers come into the port and then they leave the port and they're off the port.

Prior to that time, we used to strip and stuff the containers on the port ourselves. I know that at that time we had Customs' agents in all the sheds that we had on Dodge Island and in Port Everglades. And I guess through attrition, manpower losses, they had to centralize. And those people are not in those port areas any

longer. Basically, what we've looked at is watched containerized cargo make it more efficient for the shipping industry, but it probably has given an awful lot of difficulty to this country and to Customs as far as moving these things.

As far as the Miami River is concerned, my only suggestion, if anything, is that the containerized cargo just shouldn't be allowed on the River. I don't see Delta Airlines going to North Perry Airport. I don't see American Airlines going to these other airports. They have them centralized. I'm sure that would be more of a restrictive job if they were on all of these little places. If American Airlines took that little plane that they have, the Eagle, and said we're going to do the Eagle service out of North Perry, that would be a problem, I think.

My only suggestion to this whole matter is that if it's in containers and we believe it's in containers, and we have technology for it and we can do something about it, we put the containers in one spot where, according to the stats, it's less vulnerable in the port of Miami than the Miami River. I don't know why anybody would want to dredge the River and continue to increase the tonnage. It does a million-and-a-half tons a year right now.

Mr. SHAW. The dredging of the river is an environmental project also. There's some stuff down there that's pretty bad.

Mr. McNamara, what do you think of that suggestion?

Mr. MCNAMARA. In terms of shutting down the Miami River?

Mr. SHAW. No, no, no. I'm talking about requiring that the container ships all go into a designated port.

Mr. MCNAMARA. The containers, to this point, are not our problem. It's the boats themselves.

Mr. SHAW. You were saying that they were actually in the infrastructure?

Mr. MCNAMARA. In the infrastructure of the boats. A lot of these boats come in and park for weeks. I don't know that they would be allowed to do that at Dodge Island or—

Mr. SHAW. They'd have to pay a lot more.

Mr. MCNAMARA. There's commerce along the River, shipyards or container yards that operate along the River that accommodate these particular boats and their cargo.

Mr. SHAW. Mr. Towsley, do you have any suggestion on that?

Mr. TOWSLEY. I agree with Mr. McNamara's comment that part of the problem with the River is the types of vessels. However, the containers, we certainly would welcome the additional traffic, but I'm not so sure that the type of vessel we could not—don't have the space or the luxury to be able to have the vessels sit there for weeks for loading and unloading, the system that they use at the River. It is a niche market that we don't adequately service.

Mr. SHAW. Thank you, Mr. Chairman.

Mr. MICA. Thank you.

Mr. McNamara, can you tell me what kind of traffic pattern we're seeing, where the drugs coming from, as far as country of origin or transit coming into south Florida, what are you seeing lately?

Mr. MCNAMARA. Basically, the Colombian cocaine and heroin are coming through the Caribbean corridor. The ones that come to



south Florida through Haiti would be one of the main points of transshipments. Marijuana is coming from Jamaica.

Mr. MICA. Directly?

Mr. MCNAMARA. Directly.

Mr. MICA. Haiti is still the big transshipment point?

Mr. MCNAMARA. Yes.

Mr. MICA. Through the Dominican Republic and over to Puerto Rico and then up?

Mr. MCNAMARA. The other areas, obviously any country, whether it be Venezuela, Ecuador that the ships call on, received the Colombian cocaine and boarded on those vessels that's headed for south Florida. We see it coming out of those countries, also.

Mr. MICA. Venezuela, you're seeing an increase?

Mr. MCNAMARA. I don't know if it's an increase. I'm just saying that there have been incidences where ships that called on these other ports within these countries. Where it got loaded on, where the container got loaded on, when we look into that after we investigate it, we try to find out whether that was something that the cocaine got loaded on in Ecuador or Venezuela or whether it was transhipped from Colombia—got loaded in Colombia and the ship just stopped there.

Mr. MICA. One of the recommendations of the report was that Customs change the manner in which it calculates staffing because Puerto Rico is considered, I guess, a domestic shipment point.

Did you want to respond to that? Is that something that we need to look at because, again, it's not counted in the equation for staffing.

Mr. MCNAMARA. In terms of working out how many people you should get and Commissioner Kelly has contracted out and developed what we call a resource allocation model that is currently tied up in OMB and Treasury. But that model is supposed to take into account various types of work load to determine where resources, if we get any resources, are to be distributed to.

So the question comes down to what are we going to be doing with the domestic cargo, because it is domestic at that point, from Puerto Rico? If there was a reason to believe that it should be reexamined because there might be drugs and they were put on subsequent to examination in Puerto Rico, we will do that. The issue, of course, in the trade is that it's already been examined in Puerto Rico. It's domestic. You shouldn't be examining it.

Our counsel feels that it is still coming from international waters and therefore, it might be subject to some sort of narcotics onboard or put onboard and therefore, we do have a right to examine that particular cargo.

So the question comes down to what is it that we are going to be wanting to do with this cargo. Quite frankly, Mr. Chairman, we have so much work right now that, again, it's a resource issue as to how much we can look at. For instance, right now in Miami, we're looking at about 25 percent of empty containers, mainly because of the fact that we know that empty containers are used as a source of concealing narcotics and there's no cargo in that container. It's just a container.

Mr. MICA. I also want to ask our staff if they can come and look at the equipment. I don't know if I'll get a chance to do that. I want

to see what's in place, the big order that we put in, Mr. Shaw. We need to do a little check and see what is in place and if there are problems with this equipment, we've got to get that on line.

In 1993/94 up to 1995, the Coast Guard's budgets were pretty dramatically slashed and it was a big impact particularly on Florida. Mr. Shaw and I have worked to try to get the Coast Guard back up to speed, so to speak, and back in this activity since they're so essentially, not only for the safety of the waterways, but also sort of our first line of defense.

Mr. McNamara, what's your opinion of the resources? You have to do this non-prejudicially. As far as Customs' resources, tell me if your observations of Coast Guard getting back up to snuff is adequate.

Mr. McNAMARA. I truly am not familiar with the issue.

Mr. MICA. The two port directors?

Mr. DEMARIANO. I will offer this comment, Congressman. We're generally aware that under the Federal assessment of seaport problem, which was alluded to by Jim McDonough, there will be a heightened responsibility offered to the U.S. Coast Guard. It's my sense in talking to the captain of the port, who I'm sure will speak for himself, there has not been a corresponding assist to him in capability, manning or funding. And obviously, we have all in our careers known that the Coast Guard has had a high degree of national security—port security responsibilities. Here we're talking I take it more about contraband—

Mr. MICA. Right.

Mr. DEMARIANO [continuing]. Pilferage, drug smuggling. I think clearly that represents a new area and one that's going to require great resources.

Mr. MICA. Mr. Towsley.

Mr. TOWSLEY. As we increase our security at the ports and as we develop and improve our security master plans, the role for Coast Guard, in terms of review of those plans and working with us, is going to increase their workloads. I, likewise, don't believe that their manpower and their budget have correspondingly increased. I certainly don't have firsthand knowledge to suggest that.

Mr. MICA. What is their presence here that you feel is still inadequate—resources inadequate to deal with the problem?

Mr. TOWSLEY. I really can't address that specifically. I know certainly that the issues that we have had at the port since I've been there in terms of emergencies and so on, the Coast Guard has always been there and provided a tremendous level of service to us.

Mr. MICA. Clay, one of the things that we observed when we went down to Puerto Rico, the Coast Guard and some of the others, the bump up that they got—we got a significant supplemental was in place and then deflated afterward. So they started on sort of ramping up. It's all sort of fallen apart, again, which is a problem. Puerto Rico, in particular, has a lot of it coming in through—transiting through there and ends up here.

Mr. SHAW. If I can take a crack at answering your question, as a non-sworn witness, I can say that in the 20 years that I've been in Congress, I do not think that we've adequately funded the Coast Guard in any one of those years. It's not under the Department of

Defense. It's under the Department of Transportation. They do not get the attention that the others armed services get.

I think that should be something that the next Congress should really take a close look at, because of the dual mission of the Coast Guard, being one of defense in time of need and being one of law enforcement on a full-time basis that makes it a wonderful service that we need really to look at. In increasing the funding for the Coast Guard, we could certainly recognize their reserve military capabilities.

Mr. MICA. Thank you. One last question to Mr. McDonough. We seemed to identify today one of the gaps, which is the Miami River.

Is there any strategy from your standpoint to deal with the Miami River on a specific basis, given the fact that you have to work with all the local, State and Federal agencies?

Mr. McDONOUGH. Yes, sir, there is. Many of them are mentioned. So I'll just tick off the generic list of things that need to be done.

First of all, we need a better intelligence system so we can anticipate what is coming in.

Mr. MICA. Let me interrupt you, because you said the legislature is giving \$28 million additional dollars. Is that at the port area?

Mr. McDONOUGH. What I said was the seaport study called for physical structures that would total \$28 million.

Mr. MICA. Is that into the Miami River?

Mr. McDONOUGH. No, sir. It's for the 14 ports. Separately, however, we are planning to work on the Miami River.

Mr. MICA. But there's not anything specific as far as finances—finance program to deal with that?

Mr. McDONOUGH. There is, in fact. What we have done is we reinforced the Federal agents at the Miami River with Florida Department of Law Enforcement agents and local law enforcement, but the State has paid for the more manpower from the Florida Department of Law Enforcement.

Mr. MICA. Maybe to abbreviate this, could you provide the subcommittee with a one-pager and give us an outline of what the State is doing locally and if there are any Federal elements that need to be included, something that needs to be a component, whatever it may be—

Mr. McDONOUGH. Yes, sir.

Mr. MICA [continuing]. That we can provide so that we sort of put the pieces to the puzzle together.

Mr. McDONOUGH. I shall.

Mr. MICA. I think that will be helpful in dealing with that area and also timely as we start this next cycle.

One of the other issues I think that was raised in here was money laundering. I'm not sure if anyone wants to talk about that.

Mr. McNamara. Illicit money laundering. Maybe you know something about this, Mr. McDonough.

Mr. McDONOUGH. Sir, I'll address that.

Mr. MICA. If you would, go ahead.

Mr. McDONOUGH. I have been directed by the Governor of this State and by the legislature of this State to incorporate a number of steps to intercept the money on the way out. We, of course,

worked through a variety of law enforcement agencies, to begin with the Federal assistance, but also State and local.

Recently, the legislature has recommended 36 specific steps to do our best to intercept the money. We're doing that. For example, this morning I was met at the airport by a local law enforcement agent and she, in fact, works the money laundering. I asked her how they were doing here in Fort Lauderdale. She reported that they recently picked up \$8 million. That's a pretty good take in a short period of time.

The Miami HIDTA works with it extensively. They have an office called Impact. The last time I checked, they had 17 Florida agencies involved with them, and they take in a significant amount.

We have changed reporting procedures from banks within our State so that when you hit specific limits, the transaction is reported, etc. We do not have a good base for how much money is laundered either electronically or physically through State. We have to guess at that. My only guess it's in the order of billions. I would put it in the low single digit billions, but beyond that, I'm not really sure.

I do believe that we're only taking, at the moment, a minor percentage of the money. By minor percentage I would say less than 5 percent. I don't think that's enough to impact.

I do believe on the interdiction front, on the seizure of the drugs themselves, talking specifically of cocaine, I think we may be pushing up now beyond 15 percent maybe 20 percent. That's a significant take.

My own measure, if we begin to hit seizures of drugs at 30 percent or so, it drives the traffickers elsewhere or deters them completely. If we begin to hit the money at the rate of 10 percent or so, I think it will really break it back. So far we are not there.

Mr. MICA. Mr. McNamara.

Mr. McNAMARA. Mr. Chairman, with regard to the money going out as a result of the proceeds of drug interdiction, first of all, we have inspectors that as part of the our outbound program are looking to uncover, find money. We have done that. I'm seeing, if I have the exact number of how much money, total outbound currency reporting south Florida CMC, this is just for south Florida, the entire CMC, in 1998 was \$9 million. In 1999 it was \$9,184,000 and in 2000 year to date in June was \$9.6. We're getting some of the money going out, by no means all of it.

On the same token, our agents are investigating and participating in these HIDTA groups, as Mr. McDonough that talked about, that are looking at doing the intelligence and analysis of the organizations that are laundering money. So it's a two-prong approach, trying to catch what's going out in cash and people that are taking it out. Sometimes they're taking it out in their luggage. Sometimes it's in shipments. And also trying to unearth the smuggling organizations and how they're transferring that money.

Mr. SHAW. Are there reporting requirements on electronic transfers?

Mr. McDONOUGH. There are.

Mr. McNAMARA. Same thing, \$10,000.

Mr. MICA. Mr. Towsley.

Mr. TOWSLEY. Mr. Chairman, we've heard testimony this morning I think from all the agencies in terms of resources and needs and improvements that we need. I have a question. Is there some way that some of the dollars that are being laundered that are being captured at the ports could be dedicated to come back to the seaports and our enforcement agencies?

Mr. SHAW. Good try.

Mr. MICA. We're trying to work on a percentage basis, too.

Mr. SHAW. No, no, no.

Mr. MICA. It hasn't worked out too well.

Mr. SHAW. There are laws that do a certain amount of that. I don't know what law. Of course, it would go back to local law enforcement for the money it seized. You are supposed to get a certain portion of it.

Mr. MICA. But not the ports.

Mr. MCNAMARA. But the seaports could, if they provided information that lent itself to the seizure of drug smuggling or drug information or money, that they could share in some of that.

Mr. SHAW. Mr. Towsley, make a deal with the gentleman to your left.

Mr. MCNAMARA. Can I clarify?

Mr. MICA. Yes.

Mr. MCNAMARA. Mr. Shaw, you asked me about La Dania. There was one seizure. It was a Haitian vessel that went up there. I guess it got kicked off the river. A wooden vessel that had 300 pounds of coke during 2000.

Mr. MICA. Any further questions, Mr. Shaw?

Mr. SHAW. No. I just want to thank all these witnesses for their time and being with us, their candidness and bringing us up to date on what's going on.

One real quick question. Does Tampa do any background checks and things of this nature? Why did they jump up above the other ports?

Mr. MCNAMARA. I don't know, but I could find out for you.

Mr. SHAW. Thank you, Mr. Chairman, and thank you for coming down here, Mr. Chairman. I very much appreciate it.

Mr. MICA. I expected us to be well into the congressional recess at this point. I thank you for being with us today. I've got to scoot back to Washington. I thank each of the witnesses for their help and the State of Florida. I didn't mention, the Governor, Jeb Bush, I've never seen anyone more committed to an issue than our Governor. I'd thank you, Mr. McDonough, to convey our appreciation. He hasn't let up on this for a second.

I'd like to thank the two south Florida port directors for their cooperation; Customs, for your assistance; and also, the International Longshoremen representative. I know that just by working with us and also ensuring that we have the very highest standards of everybody's boat here, particularly at our ports, and we appreciate your cooperation.

There being no further business to come before the subcommittee this afternoon, this hearing is adjourned.

[Whereupon, at 12:38 p.m., the subcommittee was adjourned.]