SECURING AMERICA: THE FEDERAL GOVERNMENT'S RESPONSE TO NUCLEAR TERRORISM AT OUR NATION'S PORTS AND BORDERS

HEARING

BEFORE THE

SUBCOMMITTEE ON
OVERSIGHT AND INVESTIGATIONS

OF THE

COMMITTEE ON ENERGY AND
COMMERCE

HOUSE OF REPRESENTATIVES

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SECURING AMERICA: THE FEDERAL GOVERNMENT'S RESPONSE TO NUCLEAR TERRORISM AT OUR NATION'S PORTS AND BORDERS

THURSDAY, OCTOBER 17, 2002

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 9:14 a.m., in room 2123, Rayburn House Office Building, Hon. James C. Greenwood (chairman) presiding.

Members present: Representatives Greenwood, Bilirakis, Stearns, Gillmor, Whitfield, Deutsch, Stupak, and Strickland.

Also present: Representative Walden.

Staff Present: Ray Shepherd, majority counsel; Mark Paoletta, majority counsel; Tom DiLenge, majority counsel; Brendan Williams, legislative clerk; and Chris Knauer, minority investigator.

Mr. GREENWOOD. Good morning. The committee will come to order. The Chair recognizes himself for the purpose of an opening statement.

The 18th Century British writer and statesman Edmund Burke once said that early and provident fear is the mother of safety. Our hearing today will explore how we can and must utilize the unfortunately rational fear of nuclear terrorism to promote the safety of our Nation.

The government's most fundamental responsibility is to protect its citizenry, and given the grave consequences, there is no task more urgent than that of preventing nuclear terrorism. Yet, it has been 401 days since our Nation was attacked by terrorists, and despite reassurances from the administration, the security of our Nation's ports and borders remains insufficient to protect us from nuclear-smuggling.

Given the findings of this committee's year-long review of port and border security, I believe it is imperative that the Senate act immediately to join the House in creating a Department of Homeland Security which will have as a primary mission the securing of our borders from terrorist threats and will serve as a focal point of the currently dispersed and diffused Federal efforts and programs aimed at preventing nuclear smuggling.

Experts have coldly calculated the potential casualties from the detonation of a 12-kiloton nuclear bomb in a major U.S. metropolitan center. The blast and thermal effects of such an explosion

would kill 52,000 people immediately, and direct radiation would cause 44,000 cases of radiation sickness of which 10,000 would be fatal. Radiation from fallout would kill an additional 200,000 people and cause several hundred thousand additional cases of radiation sickness. Unfortunately, the threat of nuclear terrorism is real, whether it is a nuclear device or a dirty bomb.

As of December 31, 2001, the International Atomic Energy Agency has confirmed 17 incidents of illicit trafficking of highly enriched uranium or plutonium. According to the Department of Energy, the Russian weapons arsenal includes thousands of tactical nuclear warheads, many without mechanisms to prevent their unauthorized use, and over 200 tons of weapons-grade nuclear material stored at 53 different sites.

Al Qaeda agents have tried to buy uranium from South Africa and have made repeated trips to three Central Asian countries to buy weapons-grade material or complete nuclear weapons. In addition, President Bush has warned that if Iraq were able to procure enough highly enriched uranium, it could manufacture a nuclear bomb within a year. And yesterday, we learned that North Korea, in violation of a mutually agreed framework, has continued its nuclear weapons program.

This year alone we will spend $8.3 billion for the missile defense shield. A war with Iraq will also cost billions and put the lives of our military personnel at risk. Given these stark facts, there is simply no explanation for the Federal Government's diffuse, ineffective, and plodding effort to secure this Nation's ports and borders from nuclear terrorism.

The Customs Service currently has primary responsibility for this issue. But while Customs agents put their lives on the line every day and are experts in the interdiction of guns, drugs, and money, they are not experts in the interdiction of nuclear devices or in the assessment, procurement, or deployment of systems designed to detect nuclear devices. Customs simply does not possess the technical expertise or coherent strategic plan for prioritizing, selecting, and installing radiation detection equipment at our 301 ports of entry.

There is, however, great expertise elsewhere in the Federal Government. The Department of Energy's Second Line of Defense Program, which assists in preventing the export of fissile material from the former Soviet Union and its nuclear weapons labs, as well as the Defense Threat Reduction Agency, all employ this country's world-renowned leaders in the field of radiological and nuclear detection. These scientists possess real-world experience in not only the detection of nuclear sources, but in the assessment and the installation of the necessary equipment.

But as our investigation discovered several months ago, Customs is not utilizing our country's best and brightest to protect us from the threat of nuclear terrorism at our Nation's ports and borders. Scientists like Rob York, of Second Line of Defense, have installed hundreds of sophisticated portal monitoring systems. Lawrence Livermore National Laboratory has the test beds to assess radiation detection equipment. Sandia National Laboratory has scientists with 50 years of experience working on nuclear detection capabilities.

The Defense Threat Reduction Agency, in conjunction with DOE's National Nuclear Security Administration, has field-tested much of the currently available detection technology. Why then are these experts not formally involved in this important endeavor? This is a critical time. It requires our Federal leaders to act cogently, decisively, and swiftly. This is not a time for Band-Aid solutions and half-hearted measures.

Unfortunately, we are holding this second hearing today because of the lack of progress in this area since July. Although the administration has acknowledged the deficiencies uncovered by this committee, little concrete progress has been made in eliminating these holes in our system, despite the intervention of the White House Office of Homeland Security.

This committee's responsibility is to ensure that the administration is taking all steps necessary to protect our Nation from such an unthinkable act. And, simply put, more needs to be done. We cannot let 401 more days go by before we significantly reduce the threat of nuclear terrorism.

We thank our witnesses for their testimony today, and I now recognize the ranking member for his opening statement.

[The prepared statement of Hon. James Greenwood follows:]

PREPARED STATEMENT OF HON. JAMES GREENWOOD, CHAIRMAN, SUBCOMMITTE ON OVERSIGHT AND INVESTIGATIONS

The eighteenth-century British writer and statesman Edmund Burke once said that, "Early and provident fear is the mother of safety." Our hearing today will explore how we can and must utilize the unfortunately rational fear of nuclear terrorism to promote the safety of our nation.

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This is a critical time that requires our Federal leaders to act cogently, decisively, and swiftly. This is not a time for band-aid solutions and half-hearted measures. Unfortunately, we are holding this second hearing today because of the lack of progress in this area since July. Although the Administration has acknowledged the deficiencies uncovered by this Committee, little concrete progress has been made in eliminating these holes in our system—despite the intervention of the White House Office of Homeland Security. This Committee's responsibility is to ensure that the Administration is taking all steps necessary to protect our nation from such an unthinkable act. And, simply put, more needs to be done. We cannot let 401 more days go by before we significantly reduce the threat of nuclear terrorism.

I thank our witnesses for their testimony today, and I now recognize the Ranking Member for an opening statement.

Mr. DEUTSCH. Thank you, Mr. Chairman.

I want to thank you for holding this important hearing on today's topic. What actions the Federal Government has taken to prevent the smuggling of nuclear material, or even a nuclear device, into the U.S. could be the most important matter we have ever examined.

As a committee, we have invested considerable resources into this investigation. Staff have visited northern and southern border crossings, seaports, foreign and domestic mail processing facilities, and have conducted hundreds of hours of interviews in order to assess this threat. We have met regularly with officials from a multitude of U.S. Agencies and departments and have made requests of the Treasury and Transportation Inspectors General and to the General Accounting Office for assistance in this investigation, and our efforts continue.

Mr. Chairman, I will avoid a description of the horrors and economic costs of a nuclear detonation, but suffice it to say it would be incalculable. What is particularly disturbing is that several experts think that the possibility of this happening 1 day in the United States is a real possibility. I will not attempt to predict the odds, but will say that we need to do more to protect ourselves from this threat.

I agree with the comments made by Secretary Rumsfeld before a Senate committee that if a terrorist can get weapons of mass de-

struction, including nuclear ones, they will not hesitate for a second to use them. As we know, terrorists are trying. We have seen sobering evidence that the number of fissile material smuggling instances over the past 5 years has increased. We know also that the former Soviet Union's nuclear storage and reduction facilities, which include hundreds of tons of fissile material, perhaps even assembled weapons, are still in need of serious attention.

On this last subject, I would like to digress briefly to acknowledge the excellent progress and efforts made by the Department of Energy's First Line and Second Line of Defense programs, and the Defense Threat Reduction Agency, for all their outstanding efforts to improve Russian site security. As a Nation, we owe a great deal of gratitude to these efforts. Without question, these programs represent some of the best money we could be spending to address this threat, and I would welcome additional hearings to examine if more resources are needed in these important programs.

But it is against the backdrop of securing our own backyard ports of entry that we find ourselves still struggling to assess the progress we are making to counter this.

For the record, I would like to be very clear in praising the U.S. Customs for the excellent daily service they provide to the Nation. It is not lost on this committee that much of what this agency's many field staff do regularly to protect this Nation from the range of threats is heroic. Much of the agency's work is done under extremely harsh conditions and accomplished 24 hours a day, 7 days a week, and across the globe. The committee thanks Customs for their outstanding work and dedication.

Commissioner Bonner, on behalf of this committee, I hope you will convey our appreciation for the work of your employees regularly to protect this Nation.

That being said, Mr. Commissioner, we do have several concerns about how the issue of selecting and installing fixed radiation detectors at our ports and borders has proceeded over the past 14 months. You know of our concerns, because we have sent you plenty of letters outlining that.

Commissioner Bonner, I believe that the efforts of your agency, for whatever reason, have lacked a cohesive strategy to accomplish this goal, and that this effort needs to be better organized. I believe that your agency has also proceeded too slowly.

While I grant that some progress has recently been made, and this is not the only form of protection you are providing at the ports, the past year has nevertheless been marked with confusion and delay. One may quibble with this position, but in closed session I will be more than happy to review where we believe you have been successful and where you have failed. As a threatened Nation, we cannot afford delay, but we can also not afford disorder.

Mr. Commissioner, when the President says time is not on our side, I agree with him. But I really wonder if he has been briefed on the ways that this project has been coordinated over the past 14 months. Perhaps it is to Customs' credit that it claims it is now in charge. But to illustrate an example of our confusion, it was only a few months ago that officials from the Transportation Security Administration told committee staff that they were in charge. This lack of coordination must be addressed.

As we have pointed out repeatedly in numerous letters to Customs, most of which are regularly copied to the Office of Homeland Security, it remains unclear to us who at times is running the show. For example, as we move forward, who will formally determine what roles the Departments of Energy and Defense and their various agencies will play on this project? What about the General Services Administration? What about the national labs? Who will be responsible for bringing all of this together? And when will this be formally put on paper?

Commissioner Bonner, as of just yesterday, the GAO told our staff that they still have not seen your comprehensive strategic plan.

I am also quite confused about what role the Office of Homeland Security has played or is supposed to play in this endeavor. Until only recently, this office has remained absent from the stage. Why? Isn't this a key matter of homeland security? Wasn't this office created to help organize efforts such as this?

Mr. Chairman, it should be a key question of this committee to examine why this office has not engaged more thoroughly on this important effort. While I agree that we need a Department of Homeland Security, I do not believe that in the meantime this project should receive short shrift or be policy—or not be policy coordinated.

Mr. Chairman, let me conclude by saying that each day the President hints of a possible war with Iraq as a reason for this possible intervention, the President tells us that a rogue state like Iraq could develop such weapons and hand them off to terrorists. I agree with this logic. Where I depart is, I think we should be far more aggressive in our efforts to protect and secure our own backyard from this threat. I am confounded to see such confusion, and—I am comforted, though, to see some movement, but I believe that as we move forward, this effort needs to be far more coordinated and that resources, more than currently available, must be used.

Mr. Chairman, I thank you for having this hearing. I want to thank you and your staff for the outstanding bipartisan work over the past 14 months that has truly been a commendable effort.

Mr. GREENWOOD. The Chair thanks the gentleman, and recognizes the gentleman from Ohio, Mr. Gillmor, for an opening statement.

Mr. GILLMOR. Thank you, Mr. Chairman. I will be brief.

I think one of the biggest threats to our Nation's security is the porousness of our borders, porous both in terms of people and the number of terrorists or potential terrorists that come in, and also porousness in regard to goods and potential weapons.

We all know we have had a great proliferation of nuclear weapons around the world, with as many as 15 countries now possessing them. And, unfortunately, some of those countries do have ties to terrorist groups. It is vital that we have a rational and effective way to stop nuclear weapons from coming into the country; and I hope that the information gleaned from this hearing will help us in achieving that goal.

And I thank you.

Mr. GREENWOOD. The Chair thanks the gentleman, and recognizes for an opening statement the gentleman from Michigan, Mr. Stupak.

Mr. STUPAK. Thank you, Mr. Chairman. And thank you for holding this hearing on what I believe is one of the most significant national security issues this committee has considered this session.

As you stated, Mr. Chairman, it is now 401 days since September 11. While there has been much discussion about the best method to deal with the threats against our country, there is no question that those threats do exist. The potential threat of biological, chemical, or nuclear materials smuggled across this country's borders is one of the threats that should be receiving the attention of the best scientific and defense minds in our country.

There is no question in my mind about how seriously the members of this subcommittee on both sides of the aisle view this issue and this threat. There is no question about how strongly the members of this subcommittee question the effectiveness and timeliness of the efforts to protect our borders against this threat to date. And it is not a partisan issue, as this committee's work and this hearing shows. There is no question in my mind about the seriousness of this threat.

I am also worried about the potential ease with which it might be accomplished. Therefore, I have many questions about the actions of those people and agencies charged with protecting our country's borders over the past 11 months, which I intend to explore during our closed session.

I am not here to bash the Customs Service. As a Member of Congress from a district that has a Canadian point of entry at Sault Sainte Marie, Michigan, I know how much the Customs Service accomplishes with limited resources. The Service works 24 hours a day, 7 days a week, often under trying conditions. I join Mr. Deutsch in conveying this subcommittee's appreciation and my appreciation on behalf of Michigan's First District for the work Custom employees do.

In these new times, it is not realistic to expect the U.S. Customs Service to meet new threats and implement new technology without coherent direction and without the full support and authority of the President and the White House Office of Homeland Security. They must be more active on this matter. I do believe, however, that the Customs Service needs a better strategy to coordinate in our own country what the United States has done admirably overseas, like in the former Soviet Union, selecting and installing fixed radiation detectors at our ports and borders.

The efforts of the Service over the past year have at times been slow and confusing. We have heard much from the President lately about the imminent threat of terrorist attacks. Why then is there not more being done from this administration for this critical border protection issue? Why do we hear 1 month that the Transportation Security Administration is in charge, and in another month that Customs is the lead agency? Why is there not more input, support and muscle devoted by the White House Office of Homeland Security to preventing smuggling of nuclear, chemical, and biological weapons and materials?

I look forward to some clear answers from these witnesses today and to faster and better action on a problem that we may be facing in the future. The American people and the members of this subcommittee need our answers now. Mr. Chairman and Ranking Member Deutsch, thank you for your efforts and those of the staff in trying to study these critical issues and having this hearing. I look forward to the closed session later today.

Mr. GREENWOOD. The Chair thanks the gentleman, and recognizes the gentleman from Florida, Mr. Stearns, for an opening statement.

Mr. STEARNS. Good morning and thank you, Mr. Chairman.

I think all of us know that the breakup of the Soviet Union has led to inadequate security at many nuclear weapons facilities and fissile material stockyards. Despite U.S. efforts to guard Russian nuclear weapons material, experts from the Los Alamos National Laboratory estimated that, "More than 200 tons of fissile material remain largely unsecured." In addition to loose Russian material, the location of some U.S. sources lent to foreign countries is also uncertain. A March 2002 Department of Energy Inspector General report concluded that the Department of Energy could not fully account for the sealed sources of nuclear material lent to foreign countries.

And that leads me, Mr. Chairman, to go to the GAO report that was just released this morning where they talk about, to combat nuclear smuggling, the U.S. efforts are divided among six Federal agencies: DOE, the Department of State and Defense, Customs, the Federal Bureau of Investigation, the FBI, and the U.S. Coast Guard. So that, Mr. Chairman, shows you that we really don't have one central agency to do this. And that is in light of the fact from the GAO that the DOE installed 70 portal monitors at eight border crossings in Russia, an airport in Moscow, six seaports, and one railroad crossing, at a cost of $11.2 million. And—but the money is very small when you realize that the DOE officials, the portal monitors we have provided detected more than 275 cases involving radioactive material, including contaminated scrap metal, irradiated cargo, and other radioactive materials that could pose a proliferation concern.

So think about that. These portals actually detected more than 275 cases. So these are real numbers, and it shows that we need in this country to consolidate and to continue to detect.

Russian Customs officials told us that radiation detection equipment funded by DOE's Second Line of Defense has helped accelerate Russia itself in its program to improve border security. According to these officials, as of October 2001, the DOE has financed and purchased about 15 percent of Russia's 300 portal monitors. The U.S.-funded equipment is manufactured in Russia to, among other things, facilitate maintenance, and DOE national laboratory personnel tests of portal monitors, to ensure that they are placed in optimal configurations.

So we have something in place, as detecting 275 cases, that we have got to continue. And so I think, Mr. Chairman, the more that we can bring to light on this, the better.

I yield back.

Mr. GREENWOOD. The Chair thanks the gentleman, and recognizes the other gentleman from Florida, Mr. Bilirakis, for an opening statement.

Mr. BILIRAKIS. Thank you very much, Mr. Chairman. And I definitely will be brief. This is certainly an important issue that deserves our attention, and we are all grateful to you for bringing it to our attention.

After reviewing materials for today's hearing, I was very concerned to learn that none of the U.S. ports or border crossings with Mexico or Canada has the ability to detect the importation of nuclear materials or weapons. And since the U.S. Customs Service only inspects, as I understand it, approximately 2 percent of all cargo containers, our ports and border crossings are particularly vulnerable to terrorist activities.

It bothers me, Mr. Chairman, that in our opening statements we are telling the terrorists or potential terrorists that we are vulnerable and the reason why we are vulnerable. That certainly bothers me; there is no question about that. Maybe there isn't any other way to go about it.

We are anxious to learn what is being done to try to protect our ports and borders. And even more importantly, Mr. Chairman, I like to think that the witnesses who are before us, and the people who are in the field, know the issue so much better than we do. And I hope that you will take the opportunity here to not only tell us what you are doing, or trying to do or whatever, but also what you maybe can't do, and where legislation on our part will be helpful. In other words, I hope that you will basically tell us how we can help you do your job as well as I know you want to do it.

Having said that, Mr. Chairman, I yield back.

Mr. GREENWOOD. The Chair thanks the gentleman, and recognizes for an opening statement the gentleman from Kentucky, Mr. Whitfield.

Mr. WHITFIELD. Mr. Chairman, thank you very much. And all of us are quite anxious to hear the testimony this morning.

I don't think that there is any question but that the committee has expressed concern over the progress that is being made by the U.S. Customs office in taking the necessary steps to detect weapons coming into the U.S. or that may come in the U.S. And I know that there is also concern about the seeming reliance of the Customs agency on radiation pagers.

And then when you think about the efforts that the National Nuclear Security Administration at DOE and the work that they are doing in Russia and the Second Line of Defense in which we are financing portal monitors at many sites in Russia, I think it is important that we take those same types of steps in the U.S.

And so I do look forward to the testimony; it is certainly timely, and I appreciate the chairman holding this hearing.

Mr. GREENWOOD. The Chair thanks the gentleman. And the Chair thanks all of the members who are here this morning. We recessed for 4 weeks, or at least to the call of the Chair, last night; and so this is not a session day, and many members had the opportunity to go home last night or this morning. And some had obligations that they had to attend. But we do thank those members who are here.

[Additional statement submitted for the record follows:]

PREPARED STATEMENT OF HON. W.J. "BILLY" TAUZIN, CHAIRMAN, COMMITTEE ON ENERGY AND COMMERCE

Thank you, Mr. Chairman, for holding this Subcommittee's second hearing on the threats posed to our fellow citizens from the all-to-easy ability of terrorists to smuggle nuclear weapons or dirty bombs into this country. To many, the specter of a nuclear attack is the ultimate terror. While the Cold War has ended and the threat of large-scale nuclear war has greatly diminished, the stakes are still frighteningly high. Vast amounts of unsecured nuclear weapons and other fissile materials are spread across the former Soviet Union. A recent GAO report on non-proliferation estimates that the former Soviet Union had about 30,000 nuclear weapons and over 600 metric tons of weapons-usable material when it collapsed 10 years ago, with poor accountability mechanisms in place.

Even more frightening than unsecured fissile material is the thought of terrorists obtaining a small, tactical nuclear weapon. It is estimated that close to 30% of the Russian arsenals consist of such weapons. Since no formal treaty governs these devices, accounting for them has proven difficult. Experts estimate that even one of "moderate size" could destroy a city. If terrorists obtain these weapons or even nuclear material, they could become capable of massive devastation on an unprecedented scale.

We know terrorists are trying to get their hands on weapons of mass destruction. GAO has identified 20 instances of smuggling of weapons-usable nuclear material since 1992. Weapons themselves also may be on terrorist radar screens. Former Russian National Security Advisor Aleksander Lebed claims that "the Russian military had lost track of more than 100 suitcase-sized nuclear bombs, any one of which could kill up to 100,000 people."

Given such threats, the United States is faced with a tremendous challenge. However, the Committee's 14-month investigation into this issue has raised disconcerting questions about the way the Customs Service is proceeding in this serious undertaking. 401 days have passed since the attacks on 9/11, yet our ports and borders are NOT significantly more secure against nuclear smuggling than before the attacks.

Experts working with the National Nuclear Security Administration have been installing nuclear detection equipment in Russia and the countries of the former Soviet Union for over a decade. Yet to date, there is not sufficient evidence that Customs is utilizing this expertise here at home, despite offers of assistance from Ambassador Brooks of the NNSA at our last hearing on this subject in July.

It is for this very reason we all are here today. Are the true experts in nuclear detection equipment working with Customs to help safeguard our nation against nuclear terrorism? Why has Customs created an exclusive partnership with DOE's Pacific Northwest National Laboratories to the exclusion of the NNSA labs with more expertise? While this lab houses excellent minds, it is not one of the NNSA labs specializing in addressing the nuclear threat. And does Customs have a credible and comprehensive plan for expeditiously improving the situation at our ports and borders?

It is imperative that the Congress receive a complete and accurate accounting of how Customs is addressing the threat of nuclear terrorism. It also is imperative for the Senate to follow the lead of this House in passing the President's plan for a new Homeland Security Department. The stakes are too high to allow bureaucratic infighting and turf wars to impede our ability to prevent nuclear terrorism.

And that brings us to our witnesses. And again, we thank all of you for being with us. Let me introduce our panel.

We are delighted to have the Honorable Robert Bonner, Commissioner, the United States Customs Service.

Good morning, sir. Good to have you with us.

We also have Ambassador Linton Brooks, Acting Administrator of the National Nuclear Security Administration.

Good morning, Ambassador.

And Dr. Stephen Younger, who is the Director of the Defense Threat Reduction Agency, good morning to you.

We have Gary Jones, who is from the General Accounting Office. She is the Director of Natural Resources and Environment. She will be testifying at the open portion of this hearing.

And also we are delighted to have Dr. Laurie Ekstrand, who is the Director for Tax Administration and Justice Issues at the USGAO, and she will be testifying, as I understand it, in the closed portion of our hearing.

Good morning to both of you.

And we are also delighted to have the Honorable Jeffrey Rush, Jr., Inspector General from the United States Department of Treasury.

Thank you again.

I should inform you that this is an investigative hearing. It is our practice to take testimony under oath during an investigative hearing. And I would ask if any of you have any objections to offering your testimony under oath this morning.

Seeing no such objection, the Chair would then advise you that, pursuant to the rules of this committee and pursuant to the Rules of the House, you are each entitled to be represented by counsel if you choose this morning. Do any of you choose to be represented by counsel?

Seeing no such desire, I would ask you to please stand and raise your right hand, and I will swear you in.

[Witnesses sworn.]

Mr. GREENWOOD. Okay. You are under oath.

And before I ask you to begin your opening statement, Commissioner Bonner, let me give you some praise, because you probably have noticed we are going to be offering some criticism as well. But we do—we are aware of the Container Security Initiative and the Customs Trade Partnership Against Terrorism as long-term solutions in the threat of nuclear terrorism. We commend you for those efforts and thank you for those efforts, and recognize you for your opening statement, sir.

TESTIMONY OF HON. ROBERT C. BONNER, COMMISSIONER, UNITED STATES CUSTOMS SERVICE; LINTON BROOKS, ACTING ADMINISTRATOR, NATIONAL NUCLEAR SECURITY ADMINISTRATION; STEPHEN M. YOUNGER, DIRECTOR, DEFENSE THREAT REDUCTION AGENCY; GARY L. JONES, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT, ACCOMPANIED BY LAURIE E. EKSTRAND, DIRECTOR, TAX ADMINISTRATION AND JUSTICE ISSUES, U.S. GENERAL ACCOUNTING OFFICE; AND JEFFREY RUSH, JR., INSPECTOR GENERAL, U.S. DEPARTMENT OF THE TREASURY

Mr. BONNER. Thank you, Mr. Chairman, and Congressman Deutsch and members of the subcommittee. And I want to thank you for this opportunity.

Mr. GREENWOOD. I think you have got to push the button on your microphone there, sir.

Mr. BONNER. Let's try that. Does that help?

Anyway, thank you, Mr. Chairman, and Congressman Deutsch, members of the committee. I appreciate the opportunity to have—to come before this subcommittee to advise you in terms of the

steps that Customs has taken and is taking to combat nuclear terrorism.

I should begin by telling you that the highest priority of the United States Customs Service is combating terrorism, and within that, that would include preventing nuclear and radiological weapons from entering the United States. That is our highest priority.

I believe that Customs does have a strategic plan for dealing with the nuclear—the threat of nuclear terrorism. As set forth in my September 18, 2002, letter to the full Committee on Energy and Commerce, Customs has developed and is implementing a multilayered, multitechnology defense in-depth strategy in order to prevent terrorist weapons, and particularly including nuclear and radiological weapons, from entering our country. Mr. Chairman, I would ask that my letter of September 18 be made part of the record of this hearing.

Mr. GREENWOOD. Without objection, it will be.

Mr. BONNER. I understand that this subcommittee, listening to the statements, has a very understandable interest and concern with respect to what Customs is doing at the U.S. ports of entry; however, as I have outlined in my September 18 letter, an important part of our strategy to address the nuclear threat is pushing our zone of security outwards, it is pushing our borders outward, so that our borders, our ports of entry in the United States are the last line of defense, not the first line of defense, against this threat—particularly this threat.

As you mentioned, Mr. Chairman, I thank you for mentioning it, two Customs-led initiatives. The Container Security Initiative and the Customs Trade Partnership Against Terrorism are major parts of this strategy, as well as, by the way, U.S. Customs participation with the Department of Energy and the Export Control and Border Security Program in Central Asia and in Eastern European countries, countries—some of the countries of the former Soviet Union, as well as Project Shield America. But I am not going to go into detail on any of those programs or in my prepared statement and also my September 18 letter.

Let me talk about the U.S. ports of entry. Customs currently uses several technologies in combination to detect or to assist in detecting nuclear and radiological weapons. Because there is a risk that international terrorists can defeat any single censor or detection device, Customs does not rely on any one detection technology. Rather, Customs uses several technologies in order to increase its ability to detect nuclear material.

I don't agree with the statement that is made that Customs lacks—hasn't made any progress on this, or that Customs has taken no action since September 11 of last year. Let me, first of all, say that—outline quickly what Customs has done at our ports of entry.

First, the process begins with targeting. U.S. Customs automated targeting system assists U.S. Customs personnel in identifying cargo shipments that pose a potential threat for terrorist weapons. Cargo identified as posing a potential threat is then screened for security purposes.

Second, Customs has already deployed detection technology. In fact, we have deployed so far to our seaports and land borders 96

large-scale X-ray and gamma ray imaging systems that assist U.S. Customs inspectors in screening cargo containers and commercial vehicles for potential terrorist weapons, including nuclear weapons and radiological materials. These systems can detect differences and do detect differences in density, and are capable of detecting even lead-shielded materials.

Second, in addition, Customs has already deployed over 5,000 personal radiation detectors that provide radiation detection coverage. In closed hearing, we can go into the details of the pros and cons of this. But we have deployed over 5,000 radiation detection devices that provide coverage at every single port of entry into the United States, all 301 of them.

Moreover, U.S. Customs has deployed over 200 X-ray van-mounted radiation detection units, which can detect radiation in small packages passed through the X-ray van. Customs has ordered approximately 400 isotope identifiers, at least one that we deem to be deployed to each of the ports of entry into this country.

So, there is some capability to detect nuclear materials at U.S. ports of entry, but to further augment our nuclear detection capabilities, adding an additional layer to our existing capabilities we are—as you know, Mr. Chairman, we are also acquiring and deploying portal radiation detectors.

In January 2002, I identified and set aside funding from the emergency supplemental to purchase 172 portal radiation detector systems. That funding was not released, as I think you know, until March of this year. I expect that we will—well, first of all, we have, as I believe this committee—subcommittee knows, we have recently ordered and are awaiting delivery of 40 portal radiation detector devices, and I expect that we will proceed to acquire additional portal radiation detectors within the next several weeks. These systems are being and will be deployed as rapidly as the manufacturer can build them.

I should also note that in late January 2002, Customs contracted with one of the national laboratories, Pacific Northwest National Laboratory, to help us identify equipment, conduct a market survey, conduct site surveys, and physically deploy portal radiation detectors. It was following PNNL's market survey and recommendations and assistance from the Department of Energy, with whom we are working closely, that Customs purchased the 40 commercial off-the-shelf portal radiation detection systems for our ports of entry.

Our close cooperation with the Department of Energy includes working in conjunction with the National Nuclear Security Administration. Ambassador Brooks and his staff—let me just say this—at NNSA have been particularly helpful in enabling us to fuse together the combined nuclear expertise of the Department of Energy as well as several of the other national laboratories.

We have also worked closely with the Office of Homeland Security and in particular General Bruce Lawler of OHS, who has been of immense assistance to me and the U.S. Customs Service in respect to this issue.

We have completed site surveys at all international mail and express consignment courier facilities, and we will complete site surveys at all major northern border and ports of entry and seaport

locations over the next 2 months, and I can assure this committee we are moving forward with the deployment of portal systems at key ports of entry, particularly at the northern border and at our seaports.

Thank you, Chairman Greenwood and members of the subcommittee. I would be happy to answer any questions at the appropriate time.

[The prepared statment of Hon. Robert C. Bonner follows:]

PREPARED STATEMENT OF HON. ROBERT C. BONNER, COMMISSIONER, U.S. CUSTOMS SERVICE

Good morning Chairman Greenwood, members of the Subcommittee. Thank you for this opportunity to testify, and to update you on steps the U.S. Customs Service is taking to address the threat of nuclear terrorism.

First of all, let me assure you that preventing the smuggling of nuclear weapons and radiological materials is the highest priority of the U.S. Customs Service. As set forth in my September 18 letter to the Committee on Energy and Commerce, we have developed and are implementing a multi-layered, defense in depth strategy designed to prevent nuclear weapons and radiological materials from entering the United States.

I understand that the Subcommittee has great interest in what the U.S. Customs Service is doing at our ports of entry into the United States; however, an important part of our strategy to address the nuclear and radiological threat is pushing our zone of security outward so that American borders are the last line of defense, *not* the first line of defense against such a threat. Two U.S. Customs initiatives that help extend our zone of security against the threat of nuclear terrorism are the Container Security Initiative (CSI) and the Customs-Trade Partnership Against Terrorism (C-TPAT).

The specific purpose of CSI is to prevent terrorists from using cargo containers to conceal nuclear weapons or radiological materials. With CSI, we are partnering with foreign governments to target and screen high-risk containers for nuclear and radiological materials using technology *before* the cargo is shipped to U.S. ports. The targeting aspect of CSI involves using sophisticated automated targeting technology to identify high-risk containers, those that may contain terrorist weapons or even terrorists. U.S. Customs' Automated Targeting System (ATS) processes manifest information regarding the containers, the information is scored, and a risk assessment is made in a very short time frame—just a few seconds. The screening aspect of CSI involves using radiation detectors and large-scale x-ray and gamma ray machines to examine containers designated as high risk. In combination, these technologies are capable of detecting nuclear or radiological materials.

Since I announced CSI last January, CSI has generated exceptional participation and support. The initiative has become an important part of President Bush's National Strategy for Homeland Security, and 7 countries, representing 11 of the top 20 ports that ship to the U.S., have already agreed to implement CSI with us. I expect additional countries to join CSI shortly.

I should note that because CSI involves getting and using information about containers *before* the containers leave the foreign port, the advance transmission of complete, accurate vessel cargo manifest information to Customs is essential to the success of CSI. Advance transmission of such accurate and complete information is also essential to overall successful targeting of high-risk cargo containers from any port, because the better the information and the sooner we have it, the more effective and efficient U.S. Customs can be in identifying high-risk cargo and screening those shipments for nuclear and radiological material. Therefore, Customs proposed a regulation requiring the presentation of accurate, complete manifest information 24 hours prior to lading at the foreign port, and eliminating vague descriptions of cargo, such as FAK (Freight of All Kinds). We have received comments on the regulation, which we are carefully considering, and we look forward to issuing a final regulation shortly.

Our Customs-Trade Partnership Against Terrorism is another initiative designed to further reduce the risk that terrorist weapons, including nuclear or radiological materials, could be concealed in cargo shipped to the United States. The idea behind C-TPAT is that by partnering with the trade community—U.S. importers, customs brokers, carriers, and others—we can better protect the *entire supply chain* against potential exploitation by terrorists or terrorist weapons, by providing increased secu-

rity from foreign loading docks all the way to the U.S. border and seaports. To date, over 850 companies have agreed to participate in C-TPAT.

Customs' efforts to push the zone of security outward also involve working in conjunction with other U.S. and international agencies to prevent adversaries from illegally acquiring sensitive technology and components needed to assemble a nuclear or radiological weapon. One aspect of our efforts on this front is Project Shield America, under which Customs agents are working diligently to monitor exports of strategic weapons components and sensitive materials from the U.S.

Another example of our efforts to deny access to nuclear weapons or materials is the Customs Export Control and Border Security Program (EXBS), which provides equipment, training, and advisors to assist foreign governments' border and customs agencies in detecting, identifying, interdicting, and investigating any nuclear weapons and weapons grade materials at their own borders, before such materials fall into hostile hands or arrive in America.

I have outlined some of the key layers within our strategy for nuclear and radiological threat detection that are designed to make our borders the last line of defense, not the first line of defense. Now, let me tell you what we are doing at the physical borders.

At our borders, we currently deploy multiple technologies to support our layered detection process. Because of the risk that an adversary can defeat any single sensor or device, Customs does not rely on any single detection technology. Instead, Customs uses various technologies in different combinations in order to substantially increase the likelihood that nuclear or radiological material will be detected.

The process begins with targeting. As I mentioned earlier, U.S. Customs' Automated Targeting System assists Customs in identifying cargo that poses a potential threat for terrorist weapons, including nuclear or radiological material. Cargo identified as high risk is then screened for security purposes. Customs has deployed to seaports and land border ports of entry, 96 large-scale x-ray and gamma ray systems that assist inspectors in screening cargo containers and conveyances for potential terrorist weapons, including nuclear weapons and radiological materials. We are continuing to acquire and deploy more of these systems to additional strategic locations. In addition, Customs also has deployed over 5,000 personal radiation detectors to provide coverage at every port of entry into the U.S. Moreover, Customs has deployed over 200 x-ray van mounted radiation detection units, which can detect radiation in small packages passed through the x-ray van. We are also in the process of obtaining over 4,000 additional personal radiation detectors to equip every Customs inspector and Canine Enforcement Officer with one. Customs also has ordered approximately 400 isotope identifiers.

To further augment our nuclear and radiological detection capabilities, adding an additional layer to the screening process, we are also deploying portal radiation detectors. In January 2002, I identified funding from the Emergency Supplemental to purchase 172 portal radiation detectors. We are currently awaiting delivery of 40 portal radiation detectors. This month, we will put out another RFP for numerous additional portal radiation detectors. These systems are being and will be deployed as rapidly as the manufacturers build them.

In January 2002, Customs contracted with Pacific Northwest National Laboratory (PNNL) to help us identify equipment, conduct a market survey, conduct site surveys, and physically deploy portal radiation detectors. Following PNNL's market survey, and recommendations from the Department of Energy (DOE), with whom we are working closely to further enhance the security of our country, Customs purchased commercial off the shelf (COTS) portal radiation detection systems for our ports of entry.

In May 2002, working with manufacturers of portal radiation detectors, we implemented a portal radiation detection pilot program to provide operational experience on portal radiation detector equipment requirements and logistics, as well as to develop operational procedures and response protocols.

Our close cooperation with DOE includes working in conjunction with the National Nuclear Security Administration (NNSA). Ambassador Brooks and his staff at NNSA have been particularly helpful in enabling us to fuse together the combined nuclear expertise from several other national laboratories.

We have completed site surveys at all international mail and express consignment courier facilities and we will complete site surveys at all major northern border and seaport locations by December 20, 2002. Isotope identifier training for our officers and radiation training for our forensic scientists is also underway. As we continue to move forward with our deployment and training, we are completing, in coordination with the Office of Homeland Security, national standard operating procedures and response protocols.

Thank you again, Chairman Greenwood, and the members of the Subcommittee, for this opportunity to testify. I would be happy to answer any questions you may have.

Mr. GREENWOOD. Thank you, Mr. Commissioner.

Ambassador Brooks, you are recognized for your testimony and opening statement.

TESTIMONY OF LINTON BROOKS

Mr. BROOKS. Thank you, Mr. Chairman——

Mr. GREENWOOD. You are going to have to get a microphone in front of you.

Mr. BROOKS. My colleagues will tell you, I so seldom need amplification.

Mr. Chairman, members of the subcommittee, I appreciate the opportunity to discuss the important topic of protecting the homeland and the borders. As you know, and as you alluded to in your opening statement, the administration believes that it is precisely for this reason that the prompt passage of the Homeland Security Act is so important. The President's proposal when enacted will help us draw together disparate elements of the government.

Until that time all elements of the government in the aftermath of September 11 have been seeking to improve their coordination with one another. In particular, since my last appearance before this subcommittee, the National Nuclear Security Administration has accelerated its efforts to join with others to help shield the United States from weapons of mass destruction. I need to point out that that is not our primary mission. Our—we have a number of missions. We seek to maintain the safety and reliability of the nuclear weapons stockpile. We seek to meet national security requirements through nonproliferation abroad. We seek to preserve the naval nuclear propulsion capability of the United States. We seek to support U.S. leadership in science and technology.

So we don't have any specific responsibilities for border security, but we have experience and expertise that we believe is useful, and we have sought to make it available. What I would like to do is update you on what we have done recently since my last appearance before you.

We have a long tradition of providing technical expertise to other U.S. agencies that don't have it organically. It is a technology push approach that is not codified in our mission or in law, but has proven to be useful over the years.

To give you some example of the breadth, let me point out several things that we have been doing recently relevant to homeland security, and then I will speak more specifically about what we have been doing to try to help Customs.

We recently completed a deployment of our prototype basis biological agent detection system to support Secret Service activities surrounding the United Nations in August. We are assisting the Coast Guard in developing a program to train and equip boarding parties with radiation detection. We are working with Coast Guard strike teams to develop postevent response plans. We support the FBI in its role as lead Federal agency in responding to a possible nuclear terrorist incident. We have trained about 100 FBI special agent bomb technicians in radiation detection and identification in

the process to tap the expertise of the national laboratories. And within a very short time after this training, the agents were able to use their new skills in real-world incidents—fortunately, none of them actual nuclear threats—involving suspicious vehicles and packages.

As part of our Radiological Assistance Program, personnel from Brookhaven National Laboratory have been in essentially continuous liaison with the New York City Office of Emergency Management, with the police, and with the Joint Terrorism Task Force, and we have had some part-time detailees advising the Office of Emergency Management in New York on management of radiological events.

Now, I make those points because they are illustrative of the fact that we are trying to spread our technical knowledge where it will be useful. Let me turn directly to what we have been doing to support Customs.

Broadly speaking, we have tried to be of assistance in two areas: First, our Office of International Material Protection and Cooperation, which runs the programs in Russia that several of the members alluded to in their opening statement, has been working to share the lessons that it has learned to—in protecting borders with the Customs Service. We have developed and are implementing a series of training courses for Customs officials that draw on the operational insights gleaned from working at monitoring sites abroad. I need to remind you a little bit about what that overseas program is.

We have merged our so-called Second Line of Defense border monitoring efforts with our First Line of Defense, which is protection of nuclear materials. We have done that so that we make sure we have an integrated approach in Russia. I tend to think that protecting the homeland is best done as far away from the homeland as possible, and so we have deployed a number of portal monitors, as many of the committee have referred to, and we backed up those with training for our colleagues in the Russian Customs Service.

Now, it is important to understand that we have been at that for 5 years. It takes time to develop an operational concept. It takes time to develop procedures. And so it isn't simply a question of how fast can you install a particular piece of equipment. It is how fast can you put in place a system into which that piece of equipment supports. We are continuing to work in this area, and we are trying to feed back the lessons that we have learned into our work with Customs.

The second area that we have been trying to help is more recent and, of course, involves technology. As the Commissioner mentioned, the Customs Service identified several technical areas where expertise would be useful. We have joined in discussions between the FederalExpress and UPS on what appropriate technology should be used for monitoring. We have provided technical advice on portal monitoring equipment. Our nuclear emergency support team has worked with Customs laboratory support services in technical assessments of maritime operations. We have tested some commercial off-the-shelf technologies at the cargo container test facility at Lawrence Livermore National Laboratory, I believe also referred to in one of the opening statements. And the Customs

Service has hosted multilaboratory teams at several border sites so that we understand the complex procedures of Customs' daily operations so that our recommendations will fit technology into the operations.

I think all of us at this table, and certainly all of us at NNSA, recognize that securing the borders is a daunting task. We have some assets and capability, and we are very proud to be working with the Customs and are committed to continue to provide the technological support wherever we can.

Thank you very much, and I look forward to your questions.

[The prepared statement of Linton Brooks follows:]

PREPARED STATEMENT OF LINTON F. BROOKS, ACTING UNDER SECRETARY FOR NUCLEAR SECURITY, ACTING ADMINISTRATOR, NATIONAL NUCLEAR SECURITY ADMINISTRATION, U. S. DEPARTMENT OF ENERGY

Mr. Chairman, members of the Committee. Thank you for the opportunity to discuss the important topic of protecting our homeland—and especially our borders—from weapons of mass destruction. As you know, the Administration believes that the ultimate solution to the problem is the prompt passage of the Homeland Security Act. The President's proposal will draw together the many disparate elements of our government to ensure an integrated approach to this new mission.

Pending the formation of the new Department of Homeland Security, all agencies of the U.S. government have been seeking to improve their cooperation with one another. In particular, since my last appearance before this committee, the National Nuclear Security Administration (NNSA) has accelerated its efforts to join with others to shield the United States from the threat of weapons of mass destruction (WMD). The NNSA mission is several-fold. We seek to maintain and enhance the safety, reliability, and performance of our nuclear weapons stockpile, in order to meet national security requirements; to promote international nuclear nonproliferation while reducing the global danger from weapons of mass destruction; and to support U.S. leadership in science and technology. Thus we have no specific responsibilities for border security. We do, however, have experience and expertise that we believe is relevant and we have sought to make it available. I want to take this opportunity to update you on recent events since my last appearance before this committee.

GENERAL SUPPORT

The NNSA has a long tradition of providing technical expertise in our field to other U.S. agencies that do not organically possess it. This "technology push" is not specifically part of our mission, but we believe it serves the best national security interest of the United States. To illustrate the breadth of these efforts, let me first provide some examples that do not directly relate to border security:

- Our Office of Nonproliferation Research and Engineering has recently completed a short deployment involving our prototype BASIS biological agent monitoring systems to support the Secret Service's activities surrounding the United Nations' meetings in August.
- Additionally, the NNSA is assisting the U. S. Coast Guard in developing a program to train and equip boarding parties with radiation detection equipment and response procedures. We are also working with their Strike Teams to develop post-event response plans.
- We support the FBI in its role as Lead Federal Agency in responding to a potential nuclear terrorist incident within the United States. The NNSA Office of Emergency Response trained approximately 100 FBI Special Agent Bomb Technicians, in radiation detection, identification and the process to tap the expertise of the national laboratories. Within one week of this training, these agents successfully applied their new skills in several real world incidents involving suspicious vehicles and packages.
- As part of the NNSA's Radiological Assistance Program, personnel from the Brookhaven National Laboratory have maintained nearly continuous liaisons with the New York City Offices of Emergency Management, Police, and the Joint Terrorism Task Force. In addition, part-time detailees advise New York Office of Emergency Management regarding the development of new policy and procedures for managing a potential radiological event.

SUPPORT TO CUSTOMS

Let me turn to our direct support of Customs. This has come in two forms. First, our Office of International Material Protection and Cooperation has worked to share its lessons learned from its international work with those charged with protecting and monitoring our borders. Our experts have developed and are implementing a series of training courses for Customs officials in Washington state that draw upon the operational insights gleaned from working at dozens of monitoring sites abroad.

To understand what we have to offer, let me briefly review our international efforts to prevent weapons of mass destruction—or the materials to create them—from coming into our country. Our Second Line of Defense (SLD) Program is responsible for this effort. We have integrated this program into our overall Material Protection, Control, and Accounting (MPC&A) program to more closely align our work at Russian nuclear sites—our first line of defense—with SLD's border monitoring work at Russian borders, airports and seaports. This organizational arrangement represents NNSA's strategy to build a layered defense against the theft or diversion of nuclear or radiological materials. I would maintain that the protection of U.S. borders really begins thousands of miles from our shores.

Our Second Line of Defense Program has been highly successful, deploying roughly 250 portal monitors in Russia capable of detecting even small amounts of nuclear or radioactive materials. We back up those deployments with an extensive training program to ensure that our partners in the Russian Customs Service understand how to operate the equipment as well as how to respond to alarms triggered by smuggling attempts. This strong cooperative relationship with the Russian Customs officials also provides us valuable insights into the location, scope and nature of smuggling attempts.

As is the case with many of our programs, I would underscore that the progress I have just described did not materialize overnight. The SLD program was created five years ago in response to our concerns about the enormous amount of nuclear materials in Russia, the vulnerability of those materials to diversion, and the demonstrated interest of terrorist organizations and rogue nations in acquiring those materials. With the support of President Bush, Secretary of Energy Abraham and the Congress, we plan to expand this program into Kazakhstan and Ukraine over the next twelve months. We plan to embark on a joint DOE-Customs-Transportation project to monitor the shipments from international ports that ship goods directly to the United States. I expect this work to begin within the next several months, which will represent a major interagency effort to enhance our border security. As we work to establish more robust programs in the United States, an important lesson is that a successful program represents a sustained effort.

A second area in which NNSA has sought to assist customs is in the field of technology. In the past few months, the Customs Service has identified several technical areas where NNSA expertise would be useful. For example, we joined in discussions between Customs and the Overnight Express and Consignment Carriers (Federal Express and UPS). We have provided technical advice on portal monitoring performance to support their proactive efforts to install radiation detection systems at their foreign operations. Also the NNSA Nuclear Emergency Support Team joined Customs' Laboratory Support Services program in tactical assessments of maritime operations under Operation Guardian.

We have tested commercial off-the-shelf technologies (COTS) currently used by Customs against nuclear targets at our Cargo Container Test Facility at the Lawrence Livermore National Laboratory. The Customs Service recently hosted multi-laboratory teams at several border sites in an effort to broaden our awareness of Customs' complex daily operations. With this increased understanding, we are better able to provide recommendations on how to integrate radiation systems into their daily operations

CONCLUSION

We all recognize that securing U.S. borders is a daunting task. NNSA has unique assets and capabilities that have developed primarily from our work with nuclear weapons and in nonproliferation activities. Defending the homeland has always been part of our mission. We are proud to be working along side of those agencies whose missions stand forever changed by September 11th. All of us at the NNSA are committed to continuing to provide enabling science and technology in support of homeland security and counter-terrorism mission needs.

Thank you, and I look forward to your questions.

Mr. GREENWOOD. Thank you, Ambassador.

Dr. Younger.

TESTIMONY OF STEPHEN M. YOUNGER

Mr. YOUNGER. Mr. Chairman and members of the committee, thanks for the opportunity to be with you today. I ask that my written statement be included in the record.

I am the Director of the Defense Threat Reduction Agency. We are a combat support agency in the Department of Defense, and our job is to reduce the threat of weapons of mass destruction, nuclear, chemical, biological, radiological, and also large quantities of high explosives.

The detection of nuclear material is a difficult challenge, and success will depend on the quantity and the type of material that you are looking for, the degree of shielding that is used by the adversary, the quality of the detection apparatus, and also the search methods that are used.

I should say at the outset that we need to be realistic about our prospects. Today we don't have the methods that are adequate to address many realistic scenarios for nuclear material smuggling. It is also not clear to me that we will ever have a foolproof or a leakproof shield for the United States. We can do better than we are doing today, but we have to be realistic about our prospects.

Also, as Ambassador Brooks indicated, I think we need a comprehensive system, it's not just detectors. And the system starts at the source. We need to control the material at the source, be it in another country or in the United States. There are systems which I will talk about in a minute that have already been used in Russia.

I think we also need to have means to control the search for the material during all phases of transport, including loading of shipping containers in ships; transport, that is while it is being transported so something is not inserted at that point; and also when it arrives, in case we miss it in the previous two stages.

We need to have a search and a neutralization capability so that if it does come into the country, we can find it; and, if we do find it, we know what are we going to do with it. And then finally, if we don't find it in time, we need to have a consequence management capability. That is a defense-in-depth or a system-of-systems approach.

Now, the Defense Threat Reduction Agency is involved in many of these areas. We start by doing arms control inspections to make sure that other countries are abiding by the treaties that they signed, and we, too, help Customs Services and border guards of countries in the former Soviet Union to help them install technology to detect the smuggling of nuclear materials.

We execute the Cooperative Threat Reduction Program, also called the Nunn-Lugar Program, to help build more secure storage for former Soviet materials.

We have an "uncooperative" threat reduction program; that is, the development of new weapons to destroy weapons of mass destruction should we encounter them on the battlefield. In case they get through, we have a Chemical-Biological Defense Program to develop new technologies to protect our forces in the field. And then, finally, we provide a wide range of services to the combatant commands, including vulnerability assessments of facilities around the world, including, I might add, this building. And we work with the

U.S. Coast Guard, the National Guard, and participate in various programs with the Customs Service.

There are various technologies for detecting nuclear materials. All of them could stand improvement. Pagers can detect weapons quantities of materials at a range of yards. Hand-held devices can work at ranges up to tens of yards. And large fixed-installation detectors can be used to screen automobiles and trucks, and they can work up to hundreds of yards in some cases.

But these are figures for unshielded material. The problem occurs when shielding is used, things like lead for X-rays and gamma rays, and even plastic for neutrons. When the material is shielded, then the detection ranges drop dramatically to the point where even large detectors may have a problem in picking up the telltale radiation of nuclear materials. And the reason for this is simple. If you are using passive sensors, the material has to emit something, and that something has to get to your detector in order for the detector to register something. It is like listening for a very quiet submarine. The quieter the submarine is, the harder it is to find it. So finding shielded material is a real challenge.

We do not have in-house laboratories of our own, so our approach is to go to industry, to national laboratories, to academia and find the best technology that we can, to evaluate that technology in practical testbeds, and then to pick the best of it for our applications.

In addition to the type of detectors that I have mentioned so far, we are also looking at active interrogation methods, that is, sending out a small pulse of radiation to stimulate the nuclear material to emit something and to improve your chances of detection, and we are also looking at X-ray methods. But neither of those are foolproof, and they all have their disadvantages.

One thing that we are doing that we found quite effective, in the establishment of a testbed at the Kirtland Air Force Base in New Mexico. We put many of these technologies into actual operation at three of the gates of this large Air Force base. We have a dedicated testbed inside the base, because it is not just the technology. Sometimes things will work well in the laboratory, but then when you get them out into the field, they have problems. So we need to know, does it work in the rain? Does it work when it gets dirty? Does it work when the batteries are low? Can you train a 19-year-old to use this reliably? Where should you place the detectors for best efficiency? What do the inspectors do when they get an alarm? What kind of search procedures should you use if you find a positive signature in a truck or a car? How should a suspicious device be disabled? How do you know if it's booby-trapped? And so on.

So it's the operational issues that are almost as complex as the technical issues associated with the detector. So for that reason I say that the likelihood of developing a foolproof detector any time soon is low. It is a big country, and the detector range is quite limited. I believe that this is a national problem. It demands a national solution. I think it is essential that we involve industry, science, and government in constructing this solution. I personally am encouraged by the discussions that I have had with the Coast Guard and the shipping industry in their dedication in solving this

problem. We have a long way to go, but I think we are making important progress. Thank you.

[The prepared statement of Stephen M. Younger follows:]

PREPARED STATEMENT OF STEPHEN YOUNGER, DIRECTOR, DEFENSE THREAT REDUCTION AGENCY

Mr. Chairman, it is an honor to be here today and to have this opportunity to tell you about the Defense Threat Reduction Agency. I would like to summarize my remarks and request that my full statement be included in the record.

We have a simple yet challenging mission—making the world safer by reducing the threat posed by weapons of mass destruction or "WMD." As a Combat Support Agency within the Department of Defense, DTRA uses a full spectrum of tools to reduce the WMD threat

- arms control;
- cooperative threat reduction;
- technology development (offense and defense);
- defense against chemical, biological, radiological, nuclear, and high explosive weapons; and
- combat support.

DTRA arms control activities tackle the threat at its source. We implement intrusive arms control inspections to fulfill US treaty obligations. Being able to see on the ground what is available to other nations is a valuable defense investment. Additionally, through the International Counterproliferation Program, DTRA has partnered with the FBI and the Customs Service to enhance border security across the former Soviet Union to help prevent WMD and special material smuggling.

We have responsibility for executing the Cooperative Threat Reduction or "Nunn-Lugar" program. Through this program, DTRA enhances Russian nuclear weapon storage and transportation security while eliminating strategic bombers, missiles, and submarines. To date, we have eliminated the delivery platforms of over 5800 Soviet nuclear weapons.

If we cannot verify that WMD do not exist or are being dismantled voluntarily, we need the means to destroy or neutralize them by taking the fight to the enemy. Through its technology development programs, DTRA is the near-term interface between R&D and the warfighter. We integrate technology from all sources—US Government agencies, the DOE National Labs, academia, and the private sector—into products and tools that permit the warfighter to destroy WMD stocks, WMD-related production facilities, and hardened and deeply buried targets. For example, over the past year DTRA rapidly developed thermobaric tunnel-busting weapons and cruise missile penetrator warheads—both in near-record time.

We must assume that, in some situations, an adversary will be successful in delivering a WMD attack against our military forces. DTRA has important roles in nuclear, chemical, and biological defense. For example, we assist the combatant commanders in planning how to successfully operate through contaminated environments. We also are developing an unconventional nuclear warfare protection system and chemical agent detectors.

Through our combat support programs, DTRA improves force protection by developing technology that mitigates the blast effects of high explosives. We accomplish this through modeling and simulation, as well as field testing. Technology that we developed helped to save lives at the Pentagon on September 11, 2001. We perform vulnerability assessments of over 100 military bases and installations every year, as well as leadership sites including Capitol Hill. Our consequence management capabilities are in great demand. We have supported national exercises including TOPOFF 2000, and special national events such as the Presidential Inauguration and the 2002 Olympics.

Finally, we support that ultimate deterrent of large scale aggression—US nuclear forces. DTRA assists the Services with their nuclear missions, provides special nuclear-weapons related support to the Department's leadership, and serves as a DoD interface to the National Nuclear Security Administration. We are the nation's expert on the effects of nuclear weapons.

Mr. Chairman, I would like to now review some of our nuclear and radiological detection programs.

Our most recent effort—the Congressionally directed Unconventional Nuclear Warfare Defense (UNWD) program—has been designed specifically to develop a prescribed list of equipment and procedures for systems that can detect, give early warning, and establish a successful response to an attack upon military installations involving nuclear or radiological weapons. When complete, the program's

equipment list and procedures will be transferable to other interested federal, state, local or private organizations to provide protection to their critical sites. These tools are being developed through a rigorous series of experiments, demonstrations, and critiques at four permanent test-beds that are varied in nature and geography. These test-beds are located at Kirtland Air Force Base, New Mexico; Naval Submarine Base Kings Bay, Georgia; Marine Corps Base Camp Lejeune, North Carolina; and Fort Leonard Wood, Missouri. We conducted a successful demonstration at the first test-bed at Kirtland Air Force Base on August 26, 2002. We intend to have the other test-beds operational by April 2003.

This is not a research and development effort but an operationally focused program to determine what we can do now and in the near future. The UNWD program is designing test-beds to:

- Connect with the existing base emergency response and warning system.
- Use existing laboratory and commercial technologies including radiation detectors, video, motion detectors, and radar.
- Have the capability to incorporate improved sensors and technologies as well as chemical, biological, and explosive sensors.
- Refine the concept of operations for response forces, the FBI, and the DOE Nuclear Emergency Search Team.

There is an urgent need for a real-time operational capability to detect, track, identify, and validate the presence of radiological material or nuclear weapons. This is an extraordinarily challenging problem. The answer is not a single mission-specific sensor or device that alerts only the user. The future lies in the generation of an integrated system of multi-functional sensors. This system must provide comprehensive detection and analysis capability while adjusting to background changes to reduce the frequency of false alarms. Redundancy is required to eliminate the risk of single-point failures within the detection system. The system must automatically transfer data from the actual detector/sensor suites to provide multi-agency networks and emergency responders with the appropriate analyzed data to improve the effectiveness and efficiency of limited specialized personnel assets.

Additionally, I should mention that the Agency is a member of an interagency working group dealing with Radiological Dispersal Devices. We are assisting in the development of doctrine and protocols for the detection of illegal radiological materials that might be transported across the border.

DTRA also serves as the executive agent for the DoD/FBI and DoD/US Customs Service programs designed to deter the proliferation of WMD in the states of the former Soviet Union, the Baltic countries, and Eastern Europe. DTRA, in concert with the FBI and Customs Service, provides equipment and specialized training to border guards, customs officials, and law enforcement agents to help them develop the capability to identify and interdict WMD and WMD-related materials.

Under the Cooperative Threat Reduction program, DTRA is installing pedestrian and vehicle Special Nuclear Material detectors at all Russian nuclear weapons storage sites. A contract has been awarded for the first eight of these sites. The detector chosen was one of three Russian manufactured types that were tested at the joint DoD and Russian Ministry of Defense Security Assessment and Training Center in Sergiev Possad, Russia.

DTRA also is developing sensors in support of its arms control mission. Currently available radiation detectors are capable of satisfying some of our arms control mission needs but have limitations that can restrict their use and impact on mission planning. Our focus is on developing tools for non-technical personnel such as arms control inspectors, special operations forces, and border inspectors. These tools must be rugged, operationally simple, easy to maintain, and provide a straightforward indicator—a red or green light, for example.

For gamma ray detection, the two standard detectors are thallium-doped sodium iodide (Nal(TI)) and high purity germanium (HPGe). The high purity Germanium detector offers great spectral resolution and is capable of identifying most nuclear and radiation sources. Its drawback is that it requires liquid nitrogen cooling and this can be very burdensome for remote or portable operations. Thallium-doped sodium iodide detectors operate at room temperature and eliminate the logistical requirement of liquid nitrogen—but offer much poorer spectral resolution. They can determine if radiation is present and can screen items successfully, but may have difficulty in identifying the precise radiation source because of their poor resolution.

In an effort to replace both types of detectors, DTRA is conducting research and development on several room temperature detectors that offer resolution closer to that of high purity germanium. We are conducting research with detectors based on mercuric iodide (HgI2) and cadmium zinc telluride (CZT) semiconductors, xenon gas, and lanthanum halide scintillators (LaCl3 and LABr3 doped with cesium). We are also experimenting with alternative methods such as electromechanical cooling for

high purity germanium detectors so as to eliminate the logistical requirement for liquid nitrogen.

For neutron detection, the standard detector is a helium-3 ionization tube. This detector is very capable of detecting neutrons but is limited in shape, collection efficiency, and ruggedness. DTRA is experimenting with new materials including boron-doped materials, boron nitride films, lithium-6 doped materials, anthracene-doped plexiglass, and gallium arsinide.

DTRA is also developing detection capabilities to locate and identify radiation sources over a large area using UAVs. We are pursuing other methods to shorten the interrogation time to identify radiological sources.

In conclusion, DTRA is the near-term interface between research and development and the warfighter. We integrate technology from all sources and develop products and tools that enable the combatant commanders to meet WMD challenges.

Mr. Chairman, this concludes my remarks. I would be pleased to respond to your questions.

Mr. GREENWOOD. Thank you, Dr. Younger.

Now we will hear from Gary Jones.

TESTIMONY OF GARY L. JONES

Ms. JONES. Thank you, Mr. Chairman. Good morning.

I appreciate the opportunity to be here today to discuss our work related to Customs' acquisition and deployment of radiation detection equipment, and our report on assistance provided by the United States to foreign countries to combat nuclear smuggling.

As you know, we have also been doing work for this committee, including visits to ports, concerning other aspects of Customs' inspection of cargo at seaports. The Customs Service has deemed the information we are collecting in relation to that work as law-enforcement-sensitive which precludes us from discussing it in an open hearing. As you noted, Mr. Chairman, Ms. Ekstrand will be happy to share information about this law-enforcement-sensitive work in that closed session.

Our observations concerning the acquisition of radiation detection equipment have not changed since we reported to you in August. Customs officials told us that they are currently relying on radiation pagers, personal detectors designed to be worn on a belt, as the primary equipment to detect nuclear material, and plans to make the pagers standard equipment for each of its 7,500 inspectors by 2003. However, the pagers have a limited range and are not designed to detect weapons usable nuclear material. According to U.S. radiation detection vendors and DOE laboratory specialists, pagers are generally used as personal safety devices to protect against radiation exposure, not as search instruments, and are more effectively used in conjunction with other radiation detection equipment such as portal monitors.

In addition to the pagers, as Mr. Bonner noted, Customs has also deployed over 200 radiation detectors on its X-ray systems for screening small packages, and plans to purchase 400 portal monitors for screening pedestrians and entire vehicles by the end of fiscal year 2003. To date, Customs has only deployed portal monitors at one border crossing as a pilot project, and the results of that pilot are not yet available.

To guide its efforts to install radiation detection equipment at all U.S. ports of entry, Customs needs to develop a comprehensive strategic plan, and in the near term, while the plan is being developed, consider immediate steps to deploy currently available radiation detection equipment. A comprehensive plan would, among

other things, assess vulnerabilities and risks; identify the complement of radiation detection equipment that could be used at each type of border crossing, and whether it could be immediately deployed; identify longer-term radiation detection needs; and develop measures to ensure that the equipment is adequately maintained.

However, it is not enough to simply deploy equipment. Customs personnel must be effectively trained in radiation science, the use of the equipment, and to identify and respond to alarms. The plan would need to identify costs, annual budgetary needs, and timeframes for all of these activities. Such a plan would provide for an integrated systematic approach for Customs' efforts and provide the basis for setting priorities and for coordinating efforts with other Federal, State, and local agencies that would be involved with these activities.

Let me turn briefly to the assistance that the U.S. has provided to other countries to combat nuclear smuggling. Six Federal agencies, DOE, and the Departments of State and Defense, Customs, the FBI, and the Coast Guard, spent about $86 million for fiscal year 1992 through 2001 to help about 30 countries, mostly in the former Soviet Union and Central and Eastern Europe. The agencies have provided a range of assistance, including radiation detection portal monitors, mobile vans equipped with radiation detectors, hand-held radiation detectors, and a variety of training and equipment to Customs, border guard, and law enforcement officials.

Through 2001, one program, DOE's Second Line of Defense, had installed 70 portal monitors at 8 border crossings in Russia at a cost of $11.2 million. These 8 are the first of about 60 sites where DOE plans to install portal monitors based on its assessment of over 300 border crossings in Russia. DOE prioritized the border crossings based on factors that might increase the risk that potential smugglers would use particular routes to smuggle nuclear material out of Russia.

As Mr. Stearns noted in his opening remarks, the portal monitors the U.S. has provided to Russia have detected more than 275 instances involving radioactive material.

During our visit to Russia, we observed the technical setup at the Moscow airport. They had portal monitors, closed-circuit cameras to monitor them, and a computerized control room all funded by the Department of Energy. Russian officials tested the equipment we saw at the airport on our behalf. With our knowledge they planted a radioactive source in an attache case that we carried past a pedestrian portal monitor, which activated an alarm. A computer screen in a control room displayed our movements past the portal monitor. This is an example, Mr. Chairman, of the type of technology that we purchased for other countries.

I will be more than happy to respond to questions at the appropriate time.

[The prepared statement of Gary L. Jones follows:]

PREPARED STATEMENT OF GARY L. JONES, DIRECTOR, NATURAL RESOURCES AND ENVIRONMENT, AND LAURIE E. EKSTRAND, DIRECTOR, TAX ADMINISTRATION AND JUSTICE, UNITED STATES GENERAL ACCOUNTING OFFICE

Mr. Chairman and Members of the Subcommittee: We appreciate the opportunity to be here today to discuss our ongoing work related to Customs' acquisition and

deployment of radiation detection equipment, and our report related to assistance provided by the United States to foreign countries to combat nuclear smuggling.[1] As you know, we have also been doing work for the Committee, including visits to ports, concerning other aspects of Customs' inspection of cargo at seaports. The Customs Service has deemed the information we are collecting regarding that work as law enforcement sensitive, which precludes us from discussing it in an open hearing. We understand that a closed session for questions and answers will follow this open session. We will be happy to share information about this law enforcement sensitive work in that setting.

Our testimony focuses on (1) Customs' acquisition and deployment of radiation detection equipment on U.S. borders and ports of entry and (2) U.S. assistance to foreign countries to help them combat nuclear smuggling. We shared our observations from visits to two major ports with this Subcommittee during a closed hearing on July 9, 2002, and our observations on the deployment of radiation detection equipment in a letter to the full Committee on August 15, 2002. Our statement today results from interviews with Customs and DOE officials and draws upon our prior work on U.S. efforts to help other countries combat nuclear smuggling.

Our observations concerning the acquisition of radiation detection equipment have not changed from what we reported to you in August. Specifically, the Customs Service's primary radiation detection equipment—radiation pagers—have certain limitations and may be inappropriate for the task. Further, we remain concerned that no comprehensive plan is in place for installing and using radiation detection equipment at all U.S. border crossings and ports of entry. Regarding U.S. efforts to help other countries combat nuclear smuggling, a number of U.S. agencies, including Customs, have provided assistance to foreign countries—mostly in the former Soviet Union and Central and Eastern Europe. The agencies have provided a range of assistance including radiation detection equipment and training as well as other equipment and training to generally improve countries' ability to interdict nuclear smuggling.

CUSTOMS' ACQUISITION AND DEPLOYMENT OF RADIATION DETECTION EQUIPMENT

Based on our work with Customs and DOE officials and our review of U.S. efforts to help other countries combat nuclear smuggling, we have concerns that Customs has not yet deployed the best available technologies for detecting radioactive and nuclear materials at U.S. border crossings and ports of entry. Customs officials told us that its approximately 7,500 inspectors rely primarily on personal radiation detection pagers, worn on a belt. Since fiscal year 1998, Customs has deployed about 4,200 pagers among its inspectors and expects to purchase over 4,000 additional pagers to complete deployment by September 2003. At that time, every inspector will have his or her own pager.

However, radiation detection pagers have limitations. DOE officials told us that they do not view pagers as search instruments, but rather as personal safety devices to protect against radiation exposure, and that the pagers have a limited range and are not designed to detect weapons-usable nuclear material. According to U.S. radiation detection vendors and DOE laboratory specialists, pagers are more effectively used in conjunction with other radiation detection equipment, such as portal monitors similar to what DOE is providing to Russia for use at its border crossings. Customs has deployed over 200 radiation detectors on its x-ray systems for screening small packages, but it has not deployed the larger portal monitors for screening pedestrians and entire vehicles. Customs plans to install portal monitors at every U.S. border crossing and port of entry, but so far has only deployed them at one border crossing as a pilot project. Customs has told us that a report on the pilot project would be issued by the middle of this month, but according to a Customs official we spoke with the report is not yet available. We will be reviewing, among other things, the results of this pilot project in response to the Committee's recent request to review the Customs Service's efforts to deploy radiation detection equipment on U.S. borders and ports of entry. Customs officials also told us that they plan to purchase up to 400 portal monitors by the end of fiscal year 2003. While these purchases are a step in the right direction, Customs officials told us that equipment evaluation and testing could still take several years, and in the meantime they do not have a time frame or specific plan for actually deploying portal monitors.

We believe that it is important that Customs develop a comprehensive plan for installing radiation detection equipment at all U.S. border crossings and ports of

[1] U.S. General Accounting Office, *Nuclear Nonproliferation: U.S. Efforts to Help Other Countries Combat Nuclear Smuggling Need Strengthened Coordination and Planning,* GAO02426, (Washington, D.C.: May 16, 2002).

entry, and in the near term, while the plan is being developed, consider immediate steps to deploy currently available radiation detection equipment. A comprehensive plan would address, among other things, vulnerabilities and risks; identify the complement of radiation detection equipment that should be used at each type of border entry point—air, rail, land, and sea—and whether equipment could be immediately deployed; identify longer-term radiation detection needs; and develop measures to ensure that the equipment is adequately maintained. However, it is not enough to simply deploy equipment. Customs personnel must be effectively trained in radiation science, the use of the equipment, and identifying and responding to alarms. The plan would need to identify costs, annual budgetary needs, and timeframes for all these activities. The plan would provide for an integrated, systematic approach to Customs antiterrorism efforts and provide the basis for setting priorities and for coordinating efforts with other federal, state, and local agencies that would be involved with these activities. While Customs officials told us that they have developed the elements of a plan, including schedules to purchase equipment and train personnel, these elements have not yet been integrated into a comprehensive plan.

U.S. INTERNATIONAL ASSISTANCE TO COMBAT NUCLEAR SMUGGLING

U.S. assistance efforts to combat nuclear smuggling are divided among six federal agencies—DOE and the Departments of State and Defense; Customs; the Federal Bureau of Investigation (FBI); and the U.S. Coast Guard. From fiscal year 1992 through 2001, the six agencies spent about $86 million to help about 30 countries, mostly in the former Soviet Union and Central and Eastern Europe, combat the threat of smuggling of nuclear and other materials that could be used in weapons of mass destruction. The agencies have provided a range of assistance including radiation detection equipment and training as well as other equipment and training to generally improve countries' ability to interdict nuclear smuggling. DOE has two programs to combat nuclear smuggling, primarily focusing on Russia. The State Department has provided radiation detection portal monitors, mobile vans equipped with radiation detectors, handheld radiation detectors, and other assistance to about 30 countries through two separate programs. The Department of Defense has two programs that have provided radiation detection portal monitors, handheld detectors, and other assistance to about 20 countries. With funding provided by the Departments of State and Defense, Customs, the FBI, and the U.S. Coast Guard have provided a variety of training and equipment to customs, border guard, and law enforcement officials in numerous countries.

As part of U.S. assistance to combat nuclear smuggling, DOE is implementing the Second Line of Defense program to install radiation detection portal monitors at Russian border crossings. From fiscal year 1997 through 2001, DOE installed 70 portal monitors at eight border crossings in Russia—an airport in Moscow, six seaports and one railroad crossing—at a cost of $11.2 million. The eight border crossings are the first of close to 60 sites where DOE plans to install portal monitors based on its assessment of over 300 border crossings in Russia. DOE prioritized the border crossings based on factors that might increase the risk that potential smugglers would use particular routes to smuggle nuclear material out of Russia. According to DOE officials, the portal monitors they provided to Russia have detected more than 275 cases involving radioactive material including contaminated scrap metal, irradiated cargo, and other radioactive materials that could pose a proliferation concern.

Russian customs officials told us that radiation detection equipment funded by DOE's Second Line of Defense program has helped accelerate Russia's plans to improve border security. According to these officials, as of October 2001, DOE had financed the purchase of about 15 percent of Russia's 300 portal monitors. The U.S.-funded equipment is manufactured in Russia to, among other things, facilitate maintenance, and DOE national laboratory personnel test the portal monitors to ensure that they are placed in an optimal configuration (to maximize detection capability) and are being used as intended. According to Russian officials, there is excellent cooperation with DOE on ways to continually improve the performance of the equipment, and DOE makes follow-up visits to inspect the equipment and ensure that it is recalibrated as necessary to meet performance specifications.

During our visit to Russia, we observed several U.S.-funded pedestrian portal monitors that were installed at Moscow's Sheremetyevo Airport as well as a control room that included video equipment and a computerized monitoring system, also funded by DOE, that was connected to the portal monitors. Russian officials tested the equipment we saw at the airport on our behalf. With our knowledge, they "planted" a radioactive source in an attaché case that we carried past a pedestrian

portal monitor, which activated an alarm. A computer screen in the control room displayed our movements past the portal monitor.

Mr. Chairman, this completes my prepared statement. We will be happy to answer any questions you or other Members of the Subcommittee may have at this time.

Mr. GREENWOOD. Thank you very much.

And now we look forward to hearing from the Honorable Jeffrey Rush, Jr., the Inspector General for the U.S. Department of Treasury. Good morning, sir.

TESTIMONY OF JEFFREY RUSH, JR.

Mr. RUSH. Good morning, Mr. Chairman, Mr. Deutsch, members of the committee. I am delighted to be here. As you have already heard from my colleagues at GAO, they have been looking at the nuclear threat at a time when my Office of Audit has been largely looking at the broader issues of contraband intervention at seaports and large containers. Much of what I am going to share with you today I will share in a closed session for the reasons that I hope are clear; that is, that audit work is ongoing and in many instances involves law-enforcement-sensitive information. But I need to update you on my most recent efforts in working with other offices of the inspector general.

As you begin to look at these issues as they relate solely to the Customs Service, right now I am looking at them with my colleagues at the Department of Justice, and in Transportation, and in FEMA, and at G S A and others who are involved in this major challenge to transition from the departments that we now have to audit and investigate to the Department of Homeland Security, and we have been meeting on a regular basis to deal with those issues. I must tell you, they will complicate to some extent the performance of our audit program. Much of what we have been doing in the Department of Treasury with respect to the Customs Service and intervention has been driven by changes that occurred after 9/11 and trying to maintain a useful audit program, a program that actually informs the management on whether a program is working as designed, has been subject to change. Those changes are identified in my written testimony, and I talk about the reprioritizing. Those changes will continue, and they will continue well into 2003.

What I can add, though, is that beyond our limited work looking largely at seaports, we are now looking at rails. We will be looking at international mail in an effort to close the gap of all means and modes of transportation where any instrument might enter this country by terrorists.

I will close my remarks now. I will be pleased to answer any questions you have, and particularly those in closed session.

[The prepared statement of Jeffrey Rush, Jr., follows:]

PREPARED STATEMENT OF JEFFREY RUSH, JR., INSPECTOR GENERAL, DEPARTMENT OF THE TREASURY

Mr. Chairman, Representative Deutsch, members of the Subcommittee, I am pleased to appear before the Subcommittee to discuss our on-going review of the U.S. Customs Service's (Customs) contraband interdiction efforts for vessel containers at major United States seaports.

As a matter of background, my office is responsible for conducting and supervising audits and investigations of the programs and operations of 11 bureaus and other component offices of the Department of Treasury, including Customs. The missions

of these bureaus and offices include law enforcement, banking regulation, production of currency and coins, and management of the public debt and other fiscal services on behalf of the Federal government.

Each year my office produces an annual plan identifying the highest-risk audits and evaluations we intend to undertake as well as those mandated by law. Shortly after developing our plan for Fiscal Year (FY) 2002, we re-prioritized our annual audit plan in light of September 11th. In this regard, our revised FY 2002 Annual Plan, published last January, identified 27 potential audits of Treasury operations related to terrorism. Among the audits that we had underway prior to September 11th was an audit of Customs drug interdiction efforts at Port Everglades, Florida. That audit of narcotics interdiction looked at targeting, inspection, and physical security of vessel containers. After issuing our report on Port Everglades to Customs and this Committee, we re-scoped the remaining seaport work to focus on Customs efforts to target, inspect, and secure containers for not only narcotics and other contraband, but also instruments of terrorism.

We selected four major seaports to review Customs contraband targeting, inspection, and physical security efforts over vessel containers. The seaports selected are Los Angeles/Long Beach, New York/Newark, Charleston, and Philadelphia. Collectively, these four seaports account for 56 percent of the vessel containers entering the United States during the 12-month period ending March 2002. We are in the process of completing our audit fieldwork at Los Angeles/Long Beach and Charleston, and expect to issue our final reports on this work by early December 2002. Our work at New York/Newark and Philadelphia is on-going, we anticipate issuing our reports on these seaports in early 2003.

Other re-prioritized Customs audits include: (1)—counter-terrorism efforts related to international mail to determine whether all international mail is forwarded to Customs for inspection and Customs adequately inspects the mail for illegal and destructive materials; (2)—the use of personal radiation detection devices and itemisers by Customs to determine whether this equipment has been deployed in an effective manner to enhance enforcement efforts; and (3)—similar to our work at the seaports, Customs' targeting, inspection, and security of inbound rail shipments for contraband, including implements of terrorism. All of our work on these re-prioritized audits is on-going and we expect to issue reports in late 2002 and early 2003.

In a letter dated May 1, 2002, the Committee and Subcommittee requested that the Department of Transportation Inspector General and my office conduct comprehensive reviews into the adequacy of the systems used to determine the contents, shipping history, and risk assessment of all containers entering the U.S. by sea. In my response dated May 13, 2002, I advised that my office had work underway and planned that would address many of the issues leading to this request. We have met with Department of Transportation Office of Inspector General staff and the U.S. General Accounting Office several times to coordinate our on-going audit work. Additionally, we plan to review two of Customs new initiatives: (1) the Container Security Initiative (CSI) and (2) the Customs-Trade Partnership Against Terrorism (C-TPAT).

As I informed your staff earlier, it would be inappropriate for me to discuss our on-going audit work so as not to prejudice the audit outcomes or compromise information designated "law enforcement sensitive" by Customs. It is my understanding that you plan to go into executive session. I would be pleased to answer as many of those questions as possible during the executive session.

Mr. GREENWOOD. Thank you, Mr. Rush.

We are now going to view a brief videotape, which will, I think, set some predicate for our further discussion. The witnesses will probably want to turn around.

[Videotape shown.]

Mr. GREENWOOD. As we move into closed session, the question we should all ask is what if this intelligence was correct? What is the government doing to prevent someone from smuggling a nuclear weapon into New York Harbor, and are these efforts sufficient?

We are now going to recess and move to a closed subcommittee. The Chair recognizes himself for a unanimous consent request and to offer a motion. Because of the sensitive nature of this hearing, particularly its implications for national security, and after con-

sultations with the Minority, I will offer a motion that the subcommittee go into executive session. I yield to Mr. Deutsch for any comments on this procedure.

The Chair moves that pursuant to clause 2(g) of rule 11 of the rules of the House, the remainder of this hearing will be conducted in executive session to protect information that might endanger national security.

Is there discussion on the motion? If there is no discussion pursuant to the rule, a recorded vote is ordered. Those opposed, say nay.

Those in favor, say aye.

The ayes appear to have it. The ayes have it, and the motion is agreed to.

We will reconvene in just a few short minutes in room 2322, and that hearing—that portion of our hearing will be closed to the public and open only to our witnesses, to the members, and to those staff who have clearance. Committee will recess.

[Whereupon, at 10:18 a.m., the subcommittee proceeded in Executive Session.]