

# PORT SECURITY

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**HEARING**  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE  
ONE HUNDRED SEVENTH CONGRESS  
SECOND SESSION

**SPECIAL HEARING**  
APRIL 4, 2002—SEATTLE, WA

Printed for the use of the Committees on Appropriations



Available via the World Wide Web: <http://www.access.gpo.gov/congress/senate>

U.S. GOVERNMENT PRINTING OFFICE

81-047 PDF

WASHINGTON : 2002

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## PORT SECURITY

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THURSDAY, APRIL 4, 2002

U.S. SENATE,  
SUBCOMMITTEE ON TRANSPORTATION,  
COMMITTEE ON APPROPRIATIONS,  
*Seattle, Washington.*

The subcommittee met at 2 p.m., in the Commission Chambers, Port of Seattle, Pier 69, Hon. Patty Murray (chairman) presiding. Present: Senator Murray.

### OPENING STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Good afternoon. This subcommittee will come to order, and I appreciate everybody being here today, and I apologize. Although I thank the port for allowing us to use the facility, I apologize that there is not a window view and that we are all inside today, but do not blame me. We will thank the port for allowing us to be here, but we wish we had a window for such a gorgeous day.

The tragic events of September 11 have taught us a lot about what we need to do to make our country safer and to protect our lives and liberties. At the Federal level we have been working every day to find our vulnerabilities and to eliminate them.

Today we are going to explore the unique security concerns facing our ports. I am pleased that we have many distinguished experts from the port community and government agencies to share their insights with us today. I have been working on port security for several months now, and last year I worked with the Navy and the Coast Guard to obtain additional ships, boats and people to patrol and protect Puget Sound.

As part of last year's defense supplemental appropriations bill, I added funds to locate a new marine safety and security team here in Puget Sound. I am pleased to report to you today that that unit will be commissioned this summer here. I also wrote to Admiral Fargo, Commander-in-Chief of the Pacific Fleet, and got him to agree to provide additional boats to protect our naval facilities. In addition, I have used my position as chair of this subcommittee to review our government's security efforts. I have held hearings to examine the proposed budgets for the Coast Guard and for the new Transportation Security Administration. Two weeks ago in the Senate, I held a hearing on cargo security.

Today's hearing will examine the unique challenges we face in improving port security in our region. What we learn here today will help inform the debate that is taking place in Washington, D.C. and will help me in my oversight responsibilities.

As I begin this hearing, I want to emphasize the critical role that our ports play. Simply put, they are the life blood of our region's economy. Our ports move billions of dollars of goods each day and generate tens of thousands of good-paying jobs that help support families throughout our State. Their economic impact affects virtually every interest in our State from mom-and-pop businesses like restaurants and gas stations to our major manufacturing firms like Boeing.

Our ports have remained competitive because of the hard work of the entire port community, the shipping industry, their workers and the Federal and State agencies that oversee port activities. Together they have ensured that goods move rapidly to meet the ever-increasing demands of customers both in the United States and in Asia.

In the wake of the events of September 11, our port community and government agencies must now rise to yet another challenge, the challenge of eliminating security vulnerabilities in our ports. Our response must be comprehensive, and it must not endanger the progress we have made in improving productivity and efficiency. All partners in the port community will have to step up and take responsibility if we are to eliminate the weaknesses and links in our security regimen without pushing cargo and jobs to other ports and originations.

In the Puget Sound area we have to tackle some unique security challenges. 1.8 million containers pass through this region each year. We have important Department of Defense installations that share our waterfront, and we have the largest ferry system in the United States. Our solutions will have to take those unique factors into account.

We know a great deal about the number of containers that enter Puget Sound, and we know a great deal about how to move these containers efficiently, but what we do not know as much about is who packed those containers, and we do not know as much about what is inside them. Some of the things that we do know are disturbing. We know that a certain number of containers that pass through our ports each year originate in countries that have known terrorist activity, and we know that more than 90 percent of the containers that enter our ports are never inspected.

At same time, we know that subjecting a much higher percentage of containers to physical inspection could seriously hamper the efficiency of the port.

So it is both urgent and essential that we address new solutions to improving the security of our ports. Those solutions will require new burdens that will have to be shared by all partners in the port community, Federal Government, State Government, shippers, operators, shipping companies, and all the people that work in and around the port community each day. We need to remember that intelligence and communication are critical to any effort to improve security. Intelligence and communication must flow from the bottom up, not just from the top down. The longshore workers, the operator engineers, the electrical workers and all the other members of the marine labor community are the eyes and ears that monitor what moves into our ports everyday. At the same time leadership must come from our Federal intelligence agencies and the Coast

Guard in determining which ships and which containers require added scrutiny.

Just as our partners will have to share the burden of improving security, I am sure that all partners will also have to share the costs. How we split the costs is a critical issue that the Bush Administration and this Subcommittee will have to address.

In this regard, I am very concerned about the Administration's budget for the upcoming fiscal year, for the Coast Guard. I am happy to say the Administration has requested a significant increase in funding to address enhanced readiness to tackle the port readiness challenge. Unfortunately, as we uncovered in a hearing earlier this year, the Administration's budget assumes that the Coast Guard's increased work on port security will come at the expense of other critically important missions such as Marine Environmental Protection and Fisheries Enforcement.

I am also disturbed by how the Administration's budget handles direct grants for port security. The Administration's budget zeros out funding for direct security grants to our Nation's ports.

Last year we provided almost \$100 million to help ports meet those security needs, and at the time, we envisioned it as a down payment, an initial down payment. Now the Administration is asking us to abandon that program.

So I hope our Subcommittee can engage this Administration in a more productive dialogue on how we should allocate, not just the responsibilities, but the resources that will be necessary to improve the security of our ports, both here in Puget Sound and across the Nation.

It is clear that we have some critical issues to discuss today. So I again want to thank all of our witnesses and everyone else who has come here today to help improve our security and maintain the critical economic benefits that our ports provide.

We have many witnesses who we are going to be hearing from today, so I want to ask all of the witnesses to limit their statements to 5 minutes, so that we can get through all of them, and I want all of the witnesses to know that their full written statements will be included in the record for the Senate, and I want the public to know that we will leave the record open for any individual who would like to submit written testimony on this topic.

Senator MURRAY. With that, we will begin, and I would like to first recognize Rear Admiral Erroll Brown, who is our Coast Guard District Commander for the Pacific Northwest.

**STATEMENT OF REAR ADMIRAL ERROLL BROWN, COMMANDER, 13TH  
COAST GUARD DISTRICT, U.S. COAST GUARD, DEPARTMENT OF  
TRANSPORTATION**

**ACCOMPANIED BY CAPTAIN MICHAEL MOORE, PORT OF PUGET  
SOUND, WASHINGTON, U.S. COAST GUARD, DEPARTMENT OF  
TRANSPORTATION**

Admiral BROWN. Good afternoon, Madame Chairman. As Commander of the 13th Coast Guard District, I am pleased to discuss the Coast Guard's efforts to improve port security here in the Pacific Northwest.

Thank you for your support of last year's and last fall's supplemental. It provided operational capability to carry out our current

homeland security activity and continue our most important and traditional missions. I also ask for your continued support for passage of the Administration's second supplemental request and your leadership in approving the fiscal year 2003 budget request.

In my written statement and in my statements today, you will hear two recurrent themes, one is based upon the ubiquitous threat we face. It requires an unprecedented cooperation among all elements. As stated otherwise, it is an all-hands war. The dual drivers of global competitiveness and of global commerce and economic competitiveness demand that we implement uniform security standards, while the uniqueness of our ports argues for tailorable applications. So we have a uniform over-structure for our unique ports mean that we have to do things differently in different ports.

The Pacific Northwest waterways are critical gateways to the global economy. The Marine Transportation System in this region contributes substantially to the Nation's economic growth, stability security and our citizens' quality of life. Our vast geography and proximity to Canada presents unique challenges for this region. From the open ocean, it is 123 miles to Seattle and 147 miles to Tacoma, which requires significantly longer transit times than most other ports. Additionally, Washington State and Canada share a 150-mile international maritime border.

Following the September 11 attacks, we took immediate steps to build upon an existing robust safety regime. Advance vessel arrival notices were extended to 96 hours and included crew and passenger lists to help us identify and screen high risk vessels. We significantly increased safety and security boarding of vessels. Higher risk vessels have either been sea marshalled through United States waters, boarded and inspected at sea or provided United States Coast Guard vessel escorts. Around-the-clock vessel harbor patrols were conducted, while vehicular patrols of waterfront facilities were also conducted.

Jointly, with Customs, we have inspected over 7,000 containers, which represents a quadrupling of the number of containers typically inspected each year. To meet our security oversight responsibilities, we conducted vulnerability assessments to best focus our limited responses. Equally important was our vigorous outreach at multiple levels to improve our intelligence, information and field operational effectiveness.

The greatest challenges we face are the potential threats posed by vessel crews, passengers and dangerous cargo. Containerization poses a major threat for smuggling drugs, terrorists and potentially weapons of mass destruction. I believe it is therefore important and more effective that vessels be screened at their point of origin prior to departure en route to the United States ports. In the interim, we must rely upon our existing screening capabilities via the advance notice of arrival requirement, our information networks, and to jointly operate a United States/Canadian cooperative Vessel Traffic System. All these are critical parts of our maritime domain awareness capability.

We continue to work closely with port authorities, shipping companies, terminal operators, the Washington State ferries as well as trade and labor associations to enhance security. Currently, using a vulnerability matrix, we independently assessed facility security,



and then conducted surveys with terminal operators to identify and alleviate shore-side security faults. Captain Mike Moore, the Coast Guard Captain of the Port, Puget Sound, has in, collaboration with port authorities, law enforcement and other stakeholders, established 11 separate Port Security Committees in addition to the existing Harbor Safety Committee.

Even before the 9/11 attacks, we were a partner with the Navy to bolster the protection of strategic assets in this region. We have now incorporated liaison personnel into our command center operations to ensure appropriate coordination and, of course, as you recall from your recent visit and joint agency briefs, we continue to work closely with Customs and INS to better target vessels and containers for inspection.

In conclusion, the Coast Guard of the Pacific Northwest is an integral component of our Nation's homeland security efforts, and we are a principal enforcement agency for our maritime borders. We must nurture existing relationships with all of our stakeholders including each of the agencies represented on your panels today. The security of the multiple ports of Puget Sound, particularly the ports of Seattle and Tacoma has improved in the months following 9/11, but there remains much to be done. In the maritime arena, we must set standards and provide the oversight necessary to elevate the security regimes of our ports and those who move people, ships and cargo. Through our very effective and cooperative local efforts, we will continue to make maritime security improvements. These must be tailored to address our unique port environment and remain consistent where appropriate with other ports as the border, international and national security policies are formulated and implemented.

Thank you for your continuing support of our Coast Guard.  
[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL ERROLL M. BROWN

Good afternoon Madam Chairman and distinguished members. My name is Rear Admiral Erroll M. Brown and I am Commander of the Thirteenth Coast Guard District headquartered in Seattle, Washington. It is my pleasure to appear before you today to discuss the Coast Guard's role in cargo and port security. I'd like to take this opportunity to thank you for your support of last fall's supplemental—it restored operational capability that enabled us to carry out Homeland Security activities and allowed us to return to traditional missions. I'd like to also ask your full support and quick passage of the Administration's second supplemental request and fiscal year 2003 budget request.

Protecting America from terrorist threats requires constant vigilance across every mode of transportation: air, land, and sea. The agencies within the Department of Transportation, including the U.S. Coast Guard, Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, Transportation Security Administration, and the Maritime Administration (MARAD), touch all three modes of transportation and are cooperatively linked. This is especially true of the maritime mode. Ensuring robust ports, waterways, and coastal security is a national priority and an intermodal challenge, with impacts in America's heartland communities just as directly as the U.S. seaport cities where cargo and passenger vessels arrive and depart daily. The United States has more than 1,000 harbor channels, 25,000 miles of inland, intracoastal and coastal waterways, serving 361 ports containing more than 3,700 passenger and cargo terminals. This maritime commerce infrastructure, known as the U.S. Marine Transportation System, or MTS, has long been a Department of Transportation priority. The U.S. MTS handles more than two billion tons of freight, three billion tons of oil, transports more than 134 million passengers by ferry, and entertains more than seven million cruise ship passengers each year. The vast majority of the cargo handled by this system is im-

mediately loaded onto or has just been unloaded from railcars and truckbeds, making the borders of the U.S. seaport network especially abstract and vulnerable, with strong, numerous and varied linkages direct to our nation's rail and highway systems.

*Unique Challenges of Pacific Northwest Port Security*

The waterways of the Pacific Northwest are critically important gateways to the global economy, yet they are among the most vulnerable. The marine transportation system in this region contributes substantially to the economic growth and stability of our nation, the quality of life of our citizens and our nation's security. The Pacific Northwest is a gateway to Asia. Over 1.8 million containers move through the combined ports of Seattle-Tacoma each year making it the third largest container cargo complex in the United States. Annually, over 12 billion gallons of oil move through the Strait of Juan de Fuca to four major refineries that provide most of the petroleum products used in the Pacific Northwest. Over 600,000 recreational boaters with 250,000 registered recreational boats enjoy the waters in and around Washington State. The Washington State Ferry System transports over 25 million passengers and 11 million vehicles on about 150,000 transits a year and is the largest ferry system in the U.S. Our growing cruise industry, with over 230,000 passengers last year, is forecast to triple in volume over the next few years. In addition, the Puget Sound is home to one of the largest concentrations of U.S. Naval Forces in the country. By all forecasts, use of these waterways for national defense, commerce, fishers, commuters, travelers, and recreation will continue to grow. Protecting our marine transportation system and critical infrastructure including our ports and the cargo they convey from terrorist activities is one of our highest priorities.

Compared to other U.S. ports, the distances and geography of this region are significant. From the open ocean, it is 123 miles to Seattle and 147 miles to Tacoma each direction, which equates to one-way transit times of six to ten hours. Washington State and Canada share approximately 150 nautical miles of maritime border accessible to anyone with a waterborne craft ranging from a jet ski to a commercial ship, complicating monitoring and enforcement of maritime laws. With distances of 12 to less than three miles between Canada and the United States, the San Juan Islands present a major challenge for law enforcement officials providing an area where smugglers can quickly cross the maritime border with illegal currency, drugs, weapons, and migrants.

Significant smuggling potential also exists in the Puget Sound area in the form of containerized shipments. The volume of all types of shipments in our ports is expected to increase 50 percent by 2010. Criminal exploitation of containerized shipments of goods poses a major threat for importation of Southeast Asian heroin and marijuana and South American drugs into the U.S. Seventy percent of all containers arriving at ports on the Puget Sound are destined for transshipment to destinations other than Washington. These containers are not inspected by any U.S. authority at their origin and it is not unusual for many of them to be bonded and not subject to customs inspections. Marine containerization offers traffickers a nearly unhindered, unmonitored mode for importation of illicit cargo. While the Coast Guard, Customs and other federal agencies have engaged in numerous container inspection task force operations, collectively we have inspected fewer than two percent of the containers moving through Puget Sound ports. Since 9/11, jointly we have inspected over 7,000 containers in the Ports of Seattle and Tacoma, which represents a quadrupling of the number of containers typically inspected annually. While point of entry inspections will remain an important tool, point of origin inspections and enhanced cargo information can be expected to increase the effectiveness of container inspections.

Applied technology and information sharing can provide significant improvements in how we optimally screen containerized cargo. But how all the pieces come together is critically important. The U.S. Department of Transportation is the lead Federal department for Intelligent Transportation Systems (ITS). Since mid-2000 the Federal Highway Administration, in cooperation with the Secretary's Office of Intermodalism, has supported funding for an intermodal ITS Field Operational Test led by Washington State's Department of Transportation. The primary focus of this intermodal test was to demonstrate the use of electronic container seals on containers, combined with automatic vehicle identification transponders attached to the truck tractors, to track movements and monitor the security of containerized freight. This technology can potentially provide the information necessary for US Customs, US Coast Guard and other federal agencies and state governments to automate the clearance and credentialing of commercial vehicles through ports and terminals, across international borders, and through weigh stations. Additionally these technologies can potentially lead to substantial increases in the efficiencies involved in

the movement of goods by the intermodal freight industry, as well as supporting greater visibility throughout the supply chain to improve security from point of origin to point of destination. The Department hopes to build on the success of this very important project.

Prior to 9/11, routine waterborne security patrols were conducted, active control of vessels was exercised via the joint Canada/U.S. Cooperative Vessel Traffic Service, and shoreside security was monitored through facility inspections and roving vehicle patrols. A limited number of container inspections was coordinated with U.S. Customs with emphasis on hazardous material violations. Due to a largely foreign vessel customer base, a robust Port State Control boarding program was in place that screened each vessel arriving in the Strait of Juan de Fuca and Puget Sound using a security-targeting matrix. Following the September 11 attacks, immediate actions were taken by the Coast Guard to mitigate the threat posed by vessels entering port areas. Arrival notices were extended to 96 hours and crew lists are now required to help us identify and screen high-risk vessels. Additional Coast Guard, Coast Guard Auxiliary, and state and local law enforcement personnel and watercraft were deployed. Around-the-clock vessel and vehicular harbor patrols were conducted. To mitigate the shoreside threat to facilities, terminal managers were directed to upgrade security and additional federal, state, and local agency patrols were conducted. We increased safety and security boardings conducting over 200 since September 11. A small number of vessels considered to represent higher risk have either been Sea Marshaled through U.S. waters or provided Coast Guard vessel escort. Long transits in both Washington and Oregon require significantly greater resources for the Sea Marshal or vessel escort than most other U.S. ports. Additional resources for these programs are contained within the President's recent Emergency Supplemental request and the fiscal year 2003 budget request.

One of the greatest challenges we face is the threat posed by crews and passengers of vessels. It is imperative that all vessels receive a thorough screening prior to entry. To this end, it is essential we identify every incoming vessel, exert control over its actions, and conduct boardings to screen the vessel, passengers and crew. Fortunately, the existing Cooperative Vessel Traffic Service (CVTS) provides excellent vessel location information, a critical piece of Maritime Domain Awareness—the overall knowledge of vessels, cargoes, and people using the MTS.

Water and shoreside vessel, vehicle, and aircraft patrols continue around the clock with procedures being refined daily. We are working with ports and private terminal operators to enhance security. Using a vulnerability matrix, we conduct facility security surveys in conjunction with port authorities to identify and alleviate shoreside security shortfalls. Risk management procedures have been used to better identify critical operations and focus resources. The Coast Guard Captain of the Port has established 11 separate Port Security Committees in collaboration with port authorities and other stakeholders. These committees have assumed a crucial role in all port security efforts, with an increased emphasis on those facilities or activities that pose the highest risks. We have recently completed security guidelines for terminals and facilities focusing on such issues as perimeter security, vehicle and personnel access, and control of visiting vessels. These guidelines were developed in conjunction with Pacific Area port users. They incorporate national and international best practices and will be implemented this month.

We are also partnering with the U.S. Customs Service to better target containers for inspection including better intelligence and specialized screening equipment. We have a strong joint working relationship and will continue to work together in conducting container inspections. In the immediate future, the development of a port-wide identification system and enhancing container security are areas of focus. In these areas, the ports of Seattle and Tacoma intend to use the Department of Transportation's work on credentialing and container security as a springboard for their efforts.

#### CONCLUSION

In conclusion, the United States Coast Guard in the Pacific Northwest is an integral component of our nation's homeland security efforts and we are a principal enforcement agency for our maritime border. The security of the eight ports within Puget Sound and particularly the ports of Seattle and Tacoma has improved significantly in the months following the 9/11 attacks but we are not at the level needed. I am confident our success is due in large part to outstanding interagency cooperation and increased sharing of information and intelligence. We will make the best use of our existing resources and resources requested by the President to meet the demand for increased security. I can assure you that we will maintain the viability and integrity of the marine transportation system by working with other public, pri-

vate, domestic, and international partners so that people and goods move safely, securely, and economically. The Department of Transportation is committed to the continuing protection of our nation's ports and cargo against terrorist threats. Thank you for your continuing support of our Coast Guard. I will be happy to answer any questions you may have.

Senator MURRAY. Thank you, Admiral Brown. We will now hear from Rear Admiral Vinson Smith, Commander, Navy Region Northwest.

**STATEMENT OF REAR ADMIRAL VINSON E. SMITH, COMMANDER,  
NAVY REGION NORTHWEST**

Admiral SMITH. Good afternoon, Madame Chairman and distinguished members. My name is Rear Admiral Vinson Smith, and I am the Commander, Naval Region Northwest, headquartered at Naval Submarine Base, Bangor, Washington.

I appreciate this opportunity to address you to discuss the United States Navy's role in port security and harbor defense.

Homeland security and homeland defense are all but evolving roles for the Navy. Our mission has traditionally been port presence, power projection, and when necessary engaging in warfare across the full spectrum of conflict on the enemies' turf rather than American soil.

Our world changed on 9/11. Traditionally, the defense of the United States coastal waters, ports and harbors were the mission of the United States Coast Guard. The Navy is now forging new paths to expand homeland security working closely with the United States Coast Guard, our sister services and other Federal agencies to address homeland security and homeland defense.

The Pacific Northwest is home to some unique strategic assets and facilities. This includes Trident submarines, aircraft carriers, fast attack submarines, Submarine Base Bangor, Puget Sound Naval Shipyard, Naval Magazine Indian Island and a major fuel depot at Manchester.

Immediately following the events of 11 September, the Navy and the Coast Guard took the following actions to enhance the security posture of the region: Third Fleet deployed an Air Defense picket ship off the coast of Washington and aircraft in support of NORAD; Naval Surface Group Pacific Northwest deployed three combatants in Puget Sound until all commercial aircraft were on the ground across the United States; Naval Region Northwest established Temporary Flight Restriction zones with the FAA, added additional security boat patrols, and increased perimeter security at all base facilities. In addition to increased land and waterborne security, the region deployed barriers to mitigate the air threat to Sub Base Bangor, sonar swimmer detection system, log booms around capital ships. Navy Region Northwest also activated a Regional Operations Center manned on a 24/7 basis to respond to regional security issues.

The Coast Guard provided 24/7 harbor defense patrols at three major naval facilities, Bangor, Bremerton and Everett. Continuous Coast Guard patrols were also provided at Naval Magazine Indian Island during ammunition loading operations. In addition to these security patrols, the Coast Guard provided escort vessels for ballistic missile submarines, fast attack submarines, and aircraft carriers in transit in and out of Puget Sound.

Shortly after the President signed Executive Order 13223, reserve components were activated for duty. This included 200 security personnel to sustain the New Force Protection requirements for the Northwest. The Navy Coastal Warfare unit provided specialists trained in Harbor Defense, and personnel to augment the Regional Operations Center. The availability of these units facilitated the reduction of Coast Guard presence in support Navy venues. The coastal warfare forces were able to provide a waterside radar picture of the waters around naval installations not covered by the Coast Guard Vessel Traffic System. This improved our ability to identify and track waterborne contacts in the vicinity of naval installations. The Navy deployed coastal defense ships from San Diego to augment Coast Guard harbor defense and escort missions.

Once log booms were in place at Bremerton and Everett, the region was able to eliminate daily Coast Guard patrols in the vicinity of naval installations.

The United States Navy and United States Coast Guard collaboration is occurring at all levels. The CNO and the Commandant of the Coast Guard established a NABGAR board of senior flag officers from both services in 1980, and they meet every 6 months. The next meeting is on 10 April. In the Pacific, collaboration at the Fleet Commander level of both services is working to provide synchronization of terms, standards, base land, and aligning normal course protection requirements, identification of resource shortfalls, establishment of joint command and control, and developing pre-planned responses, and establishing a long-term plan for employment of reserve Naval Coastal Warfare and coastal patrol ships.

Since January of 2002, Coast Guard District 13 and Navy Region Northwest provides an Executive Steering Committee composed of Naval Coastal Warfare, FAA, Navy Criminal Investigative Service, and Western Air Defense sector. This Committee has been working to enhance communication between various agencies and formulate Regional Force Protection policies and procedures. This Committee also works to achieve collaborative solutions on issues of mutual concern of member agencies such as the Use of Force Doctrine. This forum has also been instrumental in improving command and control prognosis and in the near term, the coastal patrol ships have proven to be ideally suited for the Puget Sound homeland security mission. Commander, Naval Surface Force Pacific is actively pursuing a more permanent arrangement for a coastal patrol ship—to support the Pacific Northwest.

Similar to flight restrictions, the restriction of water traffic at installations and in the immediate vicinity of ships is critical for both security and the safety of the boating public. Navy Region Northwest is working with the Army Corps of Engineers to establish restricted areas around other facilities similar to the ones already in place at Submarine Base Bangor. We are discussing the establishment of Joint Command and Control Centers with the Coast Guard district to handle waterborne security. In addition the regional operations center will be equipped and operate with the joint Center. This will have an added benefit of improving our ability to provide military assistance to civil authorities in the event of major disaster.

In the long term fleet level discussions envision a joint, inter-agency organization in the United States Coast Guard Pacific Area and Navy number fleets that will handle offshore security and homeland defense issues. This agency will be closely linked to Region and District Joint Command and Control Centers, who are focused on near and in shore security.

In conclusion, the United States Navy in the Pacific Northwest is comprised of assets vital to our national security posture. A critical part of readiness is acting in cooperation with other agencies with complimentary missions, thus our early and close collaboration with the United States Coast Guard for Harbor Defense and Homeland Security. Our ongoing commitment to homeland security will ensure interagency alignment and maximize our collective capabilities to safeguard the Puget Sound region from asymmetrical threats.

Thank you very much for your support of the United States Navy, and I welcome questions.

[The statement follows:]

PREPARED STATEMENT OF REAR ADMIRAL VINSON E. SMITH

Good afternoon, Madam Chairman and distinguished members. My name is Rear Admiral Vinson Smith and I am Commander, Navy Region Northwest, headquartered at Naval Submarine Base Bangor, Washington. I appreciate this opportunity to address you to discuss the U.S. Navy's role in Port Security and Harbor Defense.

Homeland Security and Homeland Defense are old but evolving roles for the Navy. Our mission has traditionally been one of forward presence, Power Projection and when necessary, engaging in warfare across the full spectrum of conflict on the enemy's turf rather than on American soil. Consequently, manning profiles, ship designs, and weapon systems are all designed to engage the enemy while forward deployed. Our world changed on 9/11. Traditionally, defense of U.S. coastal waters, ports, and harbors were the mission of the U.S. Coast Guard. The Navy is now forging new paths to expand homeland security working closely with U.S. Coast Guard, our sister services, and other federal agencies to address Homeland Security and Homeland Defense.

I echo ADM Brown's assessment of the force protection challenges posed by the complex geography of the Puget Sound area. The transit times from the mouth of the Strait of Juan de Fuca to our three major homeports are between 8 and 9 hours. Even within the Sound, it routinely takes 4 hours to transit one-way between homeports. Coupled with the narrowness of the passages, rough seas, weather, floating debris, vessel transit restrictions, limitations on radar use near populated areas, and the lack of air defense systems produces an environment that favors potential attacks.

The Pacific Northwest is home to some unique strategic assets and facilities. Damage or destruction to any of these assets would fit the terrorist profile for a major "CNN event" and significantly degrade DOD's ability to perform some of its missions. This includes SUBASE Bangor, Trident submarines, aircraft carriers, fast attack submarines, a nuclear-capable ship repair facility at Puget Sound Naval Shipyard, a deep-water ammunition loading facility at Naval Magazine Indian Island, and a major fuel depot at Manchester.

The U.S. Navy and U.S. Coast Guard in Puget Sound have had an active working relationship for many years. Since 1995, we have conducted Harbor Defense exercises annually at various venues throughout the Sound. These exercises facilitated command and control and allowed U.S. Coast Guard, U.S. Navy Coastal Warfare, and U.S. Army Logistics assets to defend shipping, installations, and harbor operations. These exercises facilitated the deployment of Navy and Coast Guard Forces subsequent to 9/11.

After the attack on USS COLE in October 2000, Navy Region Northwest began intensive collaboration with U.S. Coast Guard District 13 to establish a synergistic anti-terrorism/force protection strategy to protect homeported ships. By June 2001, the Captain of the Port accelerated the process to expand the existing Security Zone at Naval Submarine Base Bangor and a moving security zone around all U.S. Navy submarines transiting on the surface in the Puget Sound.

## NAVY REGIONAL SECURITY ACTIONS FOLLOWING 11 SEPTEMBER

Immediately following the events of 11 September, the Navy and the Coast Guard took the following actions to enhance the security posture of the region. Third Fleet deployed an Air Defense picket ship off the Washington coast. Naval Surface Group Pacific Northwest deployed three combatants in Puget Sound until all commercial aircraft were on the ground throughout the U.S. Navy Region Northwest established Temporary Flight Restriction zones with the FAA, added additional security boat patrols, and increased perimeter security at base facilities. In addition to increased land and waterborne security, the Region deployed air threat barriers at SUBASE Bangor, sonar swimmer detection systems, and log booms around capital ships. Navy Region Northwest also activated a Regional Operations Center manned on a 24/7 basis to respond to Regional security issues. The Coast Guard provided 24/7 harbor defense patrols at three major Naval Facilities—Bangor, Bremerton, and Everett. Continuous Coast Guard patrols were also provided at Naval Magazine Indian Island during ammunition loading operations. In addition to these security patrols, the Coast Guard was tasked to provide escort vessels for all Class A and B naval vessels during transits in and out of Puget Sound.

Shortly after President Bush signed Executive Order 13223, reserve components were activated for duty. This included over 200 security personnel to sustain new Force Protection requirements, Navy Coastal Warfare units to provide specialists trained in Harbor Defense, and personnel to man the Regional Operations Center. The availability of these units facilitated the further reduction of Coast Guard presence at Navy venues. The Coast Guard's Port Security Unit 313, which had been providing both land and waterborne security at Naval Magazine Indian Island, was relieved by the Navy's Inshore Boat Unit THIRTEEN. Naval Coastal Warfare forces were able to provide a waterside radar picture of the waters around Naval installations not covered by the Coast Guard Vessel Traffic System (VTS). This improved our ability to identify and track waterborne contacts in the vicinity of Naval installations. The Navy deployed Coastal Defense Ships (PCs) from San Diego to augment Coast Guard harbor defense and escort missions. Two PCs were deployed to the Northwest in October. Once log booms were in place at Bremerton and Everett, the Region was able to eliminate daily Coast Guard patrols in the vicinity of Navy installations.

U.S. Navy and U.S. Coast Guard collaboration is occurring at all levels. In the Pacific, collaboration at the Fleet Commander level of both Services is working to provide synchronization of terms and standards, reestablishing the normal Force Protection Conditions to threat-based standards, identification of shortfalls, establishment of joint command and control, developing pre-planned responses, and establishing a long-term plan for employment of reserve NCW forces and PCs. Since January 2002, Coast Guard District 13 and Navy Region Northwest have co-chaired a Regional Force Protection Executive Steering Committee composed of Naval Coastal Warfare, FAA, Navy Criminal Investigative Service, and Western Air Defense Sector. This Committee has been working to enhance communication between various agencies and formulate Regional Force Protection policies and procedures. This Committee also works to achieve collaborative solutions on issues of mutual concern of member agencies, such as Use of Force Doctrine. This forum has been instrumental in improving Command and Control issues.

## PROGRESS ON NEAR TERM ISSUES

For the most effective use of all of our assets, our Regional Operations Center needs the ability to assemble real-time information and communicate immediately with Navy and Coast Guard forces throughout the Region. Accordingly, we are well along on the design for modifications to the existing Operations Center to accomplish that mission and consolidate improved communication for Region Public Safety agencies. This will have the additional benefit of improving our capability for Military Support to Civil Authorities in the event of major disasters.

The Coastal Patrol Ship (PC) has proven to be ideally suited for the Puget Sound Homeland Security Mission. Commander, Naval Surface Force Pacific is actively pursuing permanently homeporting PCs to the Pacific Northwest.

Similar to flight restrictions, the restriction of water traffic at installations and in the immediate vicinity of ships is critical for both security and the safety of the boating public. The Coast Guard has assisted by designating a Security Zone at Submarine Base Bangor and a moving Security Zone around submarines transiting on the surface in the Puget Sound. Additionally, in September 2001, the Coast Guard established Naval Vessel Protection Zones around all Naval vessels which are enforced by ships' personnel and escorts. Navy Region Northwest is working

with the Army Corps of Engineers' to establish restricted areas at our other facilities similar to the one already in place at Submarine Base Bangor.

IN THE LONG TERM

The threat posed by an airborne terrorist is still a valid concern. The limited regulation of general aviation and accessibility of small aircraft allows a potential adversary to easily circumvent most Homeland Security measures currently in place. The incomplete low-level radar coverage in the Northwest exacerbates these vulnerabilities.

In conclusion, the United States Navy in the Pacific Northwest is comprised of assets vital to our nation's strategic posture. A critical part of readiness is acting in cooperation with other agencies with complimentary missions, thus, our early and close collaboration with the U.S. Coast Guard for Harbor Defense and Homeland Security. Because of our outstanding relationship, we have attained and sustained a level of security and readiness appropriate to the importance of the assets in the Region. Concurrently, Navy Region Northwest has aggressively pursued the hardening of our facilities and assumed the force protection mission in a seamless and timely manner. Our ongoing commitment to Homeland Security will ensure inter-agency alignment and maximize our collective capabilities to safeguard the Puget Sound region from asymmetrical threats. Thank you for your support of the United States Navy. I welcome your questions.

Senator MURRAY. Thank you, Admiral Smith. We will now turn to Mr. Robert Coleman, Jr., Seattle District Director, Immigration and Naturalization Service.

**STATEMENT OF ROBERT S. COLEMAN, JR., SEATTLE DISTRICT DIRECTOR, IMMIGRATION AND NATURALIZATION SERVICE, DEPARTMENT OF JUSTICE**

Mr. COLEMAN. Senator Murray, good afternoon. Thank you for inviting me here today to testify on behalf of the United States Immigration and Naturalization Service regarding seaport security. America's seaports are an important link between the United States and the rest of the world. The increasing flow of people and goods through our ports help drive our economy, but can also serve as a conduit for terrorists, weapons of mass destruction, illegal migrants, contraband and other unlawful commodities. This is especially true in Seattle with an increase in cruise line traffic, freight movement as well as the increased tourism to the northwest, we may be vulnerable. At our Nation's seaports, INS uses both officers and support personnel to enforce our immigration laws and facilitate the flow of commerce and passenger traffic while interdicting and deterring those who would take advantage of our openness.

SEATTLE DISTRICT OVERVIEW

By the way of background, the Seattle District comprises the State of Washington and 10 northern counties and Idaho and four pre-inspection sites in Canada. We cover over 70,000 square miles and geographically represent one of the largest districts in the Nation. Our personnel operate out of over 30 locations. We have inspections staff at four preinspection stations in British Columbia, six international airports in Washington State, 14 landborder ports of entry located in the States of Washington and Idaho, and five seaports of entry located along Puget Sound.

The Seattle District also provides technical immigration advice to United States Customs Officers at 10 additional international ports-of-entry where INS does not have a presence. With only 310 authorized inspectors and only 216 on duty we are responsible for inspecting over 20 million visitors to the United States each year.



As I mentioned, the Seattle District includes five seaports. They are located in Tacoma, Seattle, Anacortes, Bellingham and Olympia. In addition, the seaport operations are both in Victoria and Vancouver, British Columbia.

In fiscal year 2001, the Seattle seaport unit inspected 56 cruise ships carrying over 120,000 passengers in Seattle. The Port of Seattle has scheduled 78 cruise ship sailings for the 2002 season, and it is estimated that the number of cruise ships and passengers will grow significantly in the coming years.

I believe INS staff does an excellent job in inspecting arriving ships and passengers. We owe much of that success to the excellent working relationship we have with the U.S. Coast Guard, U.S. Customs Service, FBI, U.S. Attorney's Office and very importantly the Port of Seattle and Washington State ferries.

The INS and the Seattle District have a long history of sharing intelligence cooperation. These efforts facilitate the interception of smuggling organizations transporting migrants to the United States. One example of this cooperation was Operation Cape May. During Operation Cape May, which began in December of 1999, we discovered a container with 18 males between the ages of 18 to 30 contained in a container from the People's Republic of China. Four aliens died as a result of the container's inhumane conditions. Three of the traffickers involved in that case have pled guilty to human trafficking charges, and five other persons involved have pled guilty to charges of transportation of illegal aliens, or conspiracy to transport illegal aliens. The standard sentences for these crimes range from 30 to 78 months.

#### SEPTEMBER 11, 2001, THE INS ROLE

At 10:05 a.m., September 11, 2001, the INS along with Customs imposed the highest level of security alert at the Nation's borders. Six and a half months later, we continue to maintain that alert level. The district has established and maintained a 24-hour command element staffed by senior district personnel. When operating at threat level one, the INS responsibilities entail much more intense inspections, closer scrutiny of individuals, their documentation, and inspections of vessels and crew.

All adult passengers and crew are asked to produce government issued photo identification. Ferry crews are required to submit manifests for our inspections, and areas that conceal illegal entrants are inspected consistent with threat level one guidelines. In order to maintain our heightened level of operations, we have required our inspectors to work many hours on overtime, in addition to rearranging tour assignments to better fulfill waterway traffic needs.

#### COOPERATING WITH OTHER AGENCIES

The Seattle District works with Federal, State and local agencies such as U.S. Customs Service, the Coast Guard, Department of Agriculture, Washington State Patrol, city police, the Port of Seattle, FBI, United States Attorneys Office to foster better communication and improve security along the waterways and ports. Private sector relations are also very important to the Port of Seattle. All Federal, State and local agencies are working to focus their resources on the

new mission at hand since September 11. Working groups in these agencies have already been formed that can work to eliminate the interagency differences and encourage the sharing of intelligence, resources and responsibilities. These efforts can result in creating stronger law enforcement in our Nation's seaports.

The United States and Canada enjoy an outstanding working relationship. Representatives of the INS, U.S. Customs, Canada Customs and Revenue Agency and Citizenship and Immigration Canada meet regularly to discuss facility and operational issues in general. Through diverse partnership and an already existing collaboration, we can continue to work to improve security at our Nations' seaports. Some of these partnerships include: U.S. Attorney's Anti-Terrorism Task Force; the Border Vision and Cross-Border Crime Forum of the Shared Border Accord, the Joint Terrorism Task Force; Integrated Border Enforcement Teams; Integrated Marine Enforcement Teams, the Joint Terrorist Tracking Task Force.

As we have already witnessed, acts of terrorism can come from any direction. At the national level, the Coast Guard, Customs Service, INS, the Department of Defense and others are working on improving container inspection and tracking. Here in the northwest, INS can be a conduit for communication within the now robust informal cooperative mechanisms. Given the degree of importance to our safety and our economy, formalizing interagency relationships to protect critical infrastructure is worth our collective effort.

The current atmosphere in the United States with the ongoing war on terrorism, the formulation of the foreign Terrorist Tracking Task Force and the Attorney General's Anti-Terrorism Task Force present us with a situation where we can only gain from sharing. Stronger law enforcement along the land and air borders have pushed the drug runners, terrorists, human traffickers to the waterways. The potential that our waterways will be used to bring about the next wave of terror is real.

In conclusion, the Immigration and Naturalization Service in the Seattle District is committed to securing our borders. I want to commend the men and women of this district for their outstanding commitment to the INS mission and the protection of our country.

Thank you, Senator, and I am glad to take questions.

[The statement follows:]

PREPARED STATEMENT OF ROBERT S. COLEMAN, JR.

Chairwoman Murray and Members of the Subcommittee, thank you for inviting me here today to testify on behalf of the United States Immigration and Naturalization Service (INS) regarding seaport security in the Seattle District.

America's seaports are an important link between the United States and the rest of the world. The increasing flow of people and goods through our ports helps drive our economy, but it can also serve as a conduit for terrorists, weapons of mass destruction, illegal migrants, contraband, and other unlawful commodities. This is especially true in Seattle, with an increase in Cruise Line traffic, freight movement, as well as the increased tourism to the beautiful Northwest. At our nation's seaports, INS uses both officers and support personnel to enforce our immigration laws and facilitate the flow of commerce and passenger traffic, while interdicting and deterring those who would take advantage of our openness. It takes dedicated people to keep legitimate cargo and entertainment based waterway traffic moving, while interdicting those who do not have the legal right to enter our country, and those that may possess the capacity to do the United States harm.

I know that you are familiar with the INS and our inspection processes from previous field hearings. Today I will focus on the Seattle District and various issues related to port security and waterway protection.

#### SEATTLE DISTRICT OVERVIEW

The INS Seattle District Office is located in downtown Seattle, with sub-offices located in Yakima and Spokane. The Seattle District is composed of five branches: Management, Adjudications, Inspections, Investigations, and Detention and Removal. These branches each play a vital role when it comes to enforcing the Immigration and Nationality Act.

The Seattle District comprises the State of Washington, the ten northern counties in Idaho and two pre-inspection sites in Canada. The District covers over 70,000 square miles and geographically represents one of the largest districts in the nation. Our personnel operate out of 29 office locations. We have staff located at two pre-inspection stations in British Columbia, three international airports in Washington State, fourteen land border ports-of-entry located in the States of Washington and Idaho, and five sea ports-of-entry located along Puget Sound. The Seattle District also provides technical immigration advice to United States Customs Officers at ten additional International ports-of-entry where INS does not have a presence. With only 310 authorized inspectors, we are responsible for inspecting over 20,000,000 visitors to the United States each year.

As I mentioned, the Seattle District includes five seaports. They are located in Tacoma, Seattle, Anacortes, Bellingham and Olympia. In addition, the District has seaport operations in both Victoria and Vancouver, British Columbia, which process cruise ship and ferry traffic. In fiscal year 2001, the Seattle Seaport unit alone inspected 56 cruise ship arrivals carrying over 120,000 passengers. The Port of Seattle has already scheduled 78 cruise ship sailings for the 2002 season, and it is estimated that the number of cruise ships and the passengers they carry will grow significantly in the coming years. District-wide, we inspected 83,461 crewmen, 1,002,202 passengers, 2,554 ferry sailings, 2,230 cargo vessels and 131 private vessels. Faced with the challenge of the continued increase in traffic, I believe that INS staff does an excellent job in inspecting arriving ships and passengers. We owe much of that success to the excellent working relationship we have with the U.S. Coast Guard, the U.S. Customs Service, Federal Bureau of Investigation, U.S. Attorney's Office, and the U.S. Department of Agriculture.

The INS and the Seattle District also has a long history of shared intelligence with Canadian law enforcement officials. These efforts facilitate the interception of smuggling organizations transporting migrants to the United States via Canada. One example of this is Operation Cape May during the year 2000. During the Cape May operation, we discovered a container with eighteen males between the ages of eighteen to thirty contained therein from the Fujian province in the People's Republic of China. Four aliens died as a result of the container's inhumane and unsanitary conditions. Three of the traffickers involved have pled guilty to human trafficking charges, while five other persons involved have pled guilty to charges of transportation of illegal aliens or conspiracy to transport illegal aliens. The standard sentences for these crimes range from 30 to 78 months.

#### SEPTEMBER 11, 2001, THE INS ROLE

At 10:05 AM, on September 11, 2001, the Immigration and Naturalization Service imposed the highest level of security alert at the nation's borders. Six-and-a-half months later we continue to maintain that alert level. The District has established and maintains a 24-hour command element staffed by Senior District personnel. When operating at threat level 1, the INS responsibilities entail much more intense inspections: closer scrutiny of individuals, their documentation, and inspection of vessels and crew. All adult passengers and crew are asked to produce government-issued photo identification. Ferry crews are required to submit manifests for our inspection and areas that may conceal illegal entrants are inspected consistent with threat level 1 guidelines. In order to maintain our heightened level of operations, we have required our inspectors to work many hours on overtime in addition to re-arranging port assignments to better fulfill waterway traffic needs.

#### COOPERATION WITH OTHER AGENCIES

The Seattle District Office works with Federal, State, and Local Agencies such as the Customs Service, the Coast Guard, the Department of Agriculture, the Washington State Patrol, Seattle City Police, the Seattle Port Authority, the FBI, and the U.S. Attorney's Office, to foster better communication and improve security along the waterways and at the ports.

For example, the Coast Guard sends us the advance passenger and crew lists they receive and we query the individuals listed against the Interagency Border Inspection System (IBIS), the joint lookout database that all the border inspection agencies use. We notify all the federal seaport enforcement agencies if there is any indication that a passenger or crewman should be questioned further. We have used our canine enforcement team in support of Customs to search for smuggled contraband.

All Federal, State and Local Agencies are working feverishly to focus their resources to the new mission at hand since September 11. Working groups in these agencies have already been formed that can work to eliminate the inter-agency mission differences and encourage a sharing of intelligence, resources, and responsibilities. These efforts can result in creating stronger law enforcement at our nation's seaports.

The United States and Canada enjoy an outstanding working relationship. Representatives of the INS, U.S. Customs, the Canada Customs and Revenue Agency, and Citizenship and Immigration Canada meet regularly to discuss facility and operational issues in general.

Through diverse memberships of partnership and already existent collaborations, we can continue to collectively tap or activate the already existent sources. Some of these partnerships include:

- Border Vision,
- Cross Border Crime Forum,
- Joint Terrorism Task Force,
- Integrated Border Enforcement Teams,
- Integrated Marine Enforcement Teams.

As we have already witnessed, acts of terrorism can come from any direction. At the national level, the Coast Guard, Customs Service, the INS, the Department of Defense and others are working on improving container inspection and tracking. Here in the Northwest, we can be a conduit for communication and coordination with the Maritime Anti-Terrorism Team being implemented within the Region.

All agencies involved in homeland defense and law enforcement need to be proactive in the fight against terrorism. Inter-agency cooperation and sharing of information is a necessity. We must come together to share, learn, respond and identify that which could destroy our physical or economic security. The INS supports the Administration efforts to deter and interrupt any threat from abroad.

The current atmosphere in the United States, with the ongoing war on terrorism, the formulation of the Foreign Terrorist Tracking Task Force, and the Attorney General's Anti-terrorism Task Force, presents us with a situation where we can only gain from sharing. Stronger law enforcement along the land and air borders have pushed the drug runners, terrorists, and human traffickers to the waterways. The potential that our waterways will be used to bring about the next wave of terror is real. This would impact us economically, environmentally, and undermine the public's belief in their personal and national security. We should use the systems already in place, develop new relationships and ways of thinking, to interdict and disrupt the next possible assault on America.

#### CONCLUSION

The Immigration and Naturalization Service, and the Seattle District is committed to securing the borders and waterways of this country against those who wish it harm while facilitating legitimate commerce and travel. I want to commend the men and women in this District for their outstanding commitment to the INS mission, as well as to commend our counterparts in other law enforcement agencies in assisting the INS with its post-September 11, mission.

Thank you Madam Chairwoman for allowing me to present my testimony regarding the INS Seattle District Office and port security. I will be happy to take any questions you may have at this time.

Senator MURRAY. Thank you, Mr. Coleman. We will move to Mr. Thomas Hardy, who is the Director of the Northwest Great Plains U.S. Customs Service.

#### STATEMENT OF THOMAS HARDY, DIRECTOR, NORTHWEST GREAT PLAINS, U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

Mr. HARDY. Good afternoon. By way of orientation, my jurisdiction runs from Aberdeen, Tacoma-Seattle, out to Duluth, sort of the

flat part of the border, as you know it. So I have major land, major sea and major air components.

Senator Murray, thank you for your invitation to testify before the Subcommittee today.

Since September 11, Commissioner Bonner's top priority has been responding to the terrorist threat on our seaports, land borders and airports. His highest priority is doing everything we reasonably and responsibly can do to keep terrorists and terrorist weapons from entering the United States. Through our Customs Inspectors, Canine Enforcement Officers and Special Agents, we are doing just that, protecting and defending our country against the terrorist threat at all of our ports of entry including our seaports.

In approaching our primary priority, we believe that Customs must do everything possible to push the border outward. We must expand our perimeter of security away from our national boundaries and towards foreign points of departure. Any effort to push the border outward must include the direct involvement of the trade community.

The Customs Trade Partnership Against Terrorism, or C-TPAT builds on past successful security models built between Customs and the trade. These were designed to prevent legitimate commercial shipments from being used to smuggle illegal drugs and taking the turn to apply this to the anti-terrorism syndrome.

Another core area in these efforts is the implementation of the Container Security Initiative or CSI. As you know, one of our stated goals in current terrorist organization has been not to only target American lives, but also to target the American economy. The vast majority of world trade, about 90 percent, moves in containers. Much of it is carried on ocean-going container ships. Of the top 20 U.S. ports, Seattle, Tacoma combined, container cargo accounts for 8.2 percent market share and ranks third behind Los Angeles, Long Beach, and New York, New Jersey. If terrorists were to succeed in concealing a weapon of mass destruction, even a crude nuclear device among thousands of containers that enter Seattle every day, the devastation would be horrible to contemplate.

As a primary agency for cargo security, U.S. Customs should know everything there is to know about a container headed for this country before it leaves a foreign port such as Rotterdam or Singapore or an American port, and Customs wants that container prescreened there, not here. The effective use of technology depends largely on good targeting, for which we require advanced information. Prior to September 11, Customs examined about 2 percent of the incoming cargo to the United States. Since then we have refocused resources and technology to increase the number and the type of exams.

Currently the submission of advanced shipping manifests to Customs is voluntary. We cannot rest our Nation's homeland security on the vagaries and haphazard advance information that is often incomplete and sometimes inaccurate. Current legislation takes us a major step closer to where we ultimately need to be, particularly for the container security issue, and that is to have full information of incoming cargo before it even leaves the foreign port, beginning with the mega ports that export to the United States. We should

establish a new international security standard for containers in order to protect this vital system of the global trade.

There are four core elements of the container security issue. First, we must establish international security criteria for identifying high risk cargo containers that potentially pose a risk of containing terrorists or terrorist weapons.

Second, we must prescreen the high risk containers at their port of shipment, in other words, before they are shipped to the United States. As a component of the Ridge-Manley Smart Border Action Plan on March 25, a week ago, a Canadian Customs Inspector was assigned to the Port of Seattle and in collaboration with U.S. Customs commenced a program which identifies and targets high risk sea containers destined in transit to Canada. This is a reciprocal of a program we established in February in Vancouver where we have a U.S. inspector.

Third, we must maximize the use of detection technology to prescreen high risk containers. Much of this technology already exists and is currently being used by the Customs Service.

In March 2002, the Port of Seattle received a Mobile Vehicle and Cargo Inspection System, the VACIS. This nonintrusive gamma-ray inspection system will be used to provide images of containers, vehicles, trucks, and their contents. The Port of Tacoma will receive a VACIS in May of 2002. The fourth part of the container security initiative is that we must develop and broadly deploy smart boxes. These are secured containers with electronic seals and sensors that indicate to Customs and to private importers and carriers if particular containers have been tampered with, particularly after they have been prescreened.

Technology and information are essential to a successful container security strategy, and to our counter-terrorism mission in general. Customs looks forward to the completion of the Automated Commercial Environment or ACE, which as you know is an extremely important project for the Customs Service. ACE, our new system for trade automation, offers major advances in both the collection and sorting of trade data.

The terrorists have already exploited one key component of our transportation system, the commercial aviation segment. It is not at all unthinkable that they will seek to target others including maritime trade. We believe our seaports and the system of global trade they support are vulnerable, and we believe that the United States and the United States Customs Service must act now to address this threat. Thank you.

[The statement follows:]

PREPARED STATEMENT OF THOMAS W. HARDY

Senator Murray thank you for your invitation to testify before this Subcommittee today. Since September 11, Commissioner Bonner's top priority for the Customs Service has been responding to the terrorist threat at our seaports, land borders, and airports. His highest priority is doing everything we reasonably and responsibly can to keep terrorists and terrorist weapons from entering the United States.

Through our Customs Inspectors, Canine Enforcement Officers, and Special Agents we are doing just that: protecting and defending our country against the terrorist threat at all our ports of entry, including our seaports.

Since September 11, Customs has been at a Level One alert across the country—at all border entry points. Level 1 requires sustained, intensive anti-terrorist questioning, and includes increased inspections of travelers and goods at every port of

entry. Because there is a continued threat that international terrorists will attack again, we remain at Level 1 alert to this day and will be at Level 1 for the foreseeable future.

As part of Commissioner Bonner's response, Customs has implemented round-the-clock coverage by at least two armed Customs officers at every Customs location, even at low volume crossings along our northern border. To this day, Customs inspectors are, in many places, working 12 to 16 hours a day, six and seven days a week.

To help ensure that Customs develops a coordinated, integrated counter-terrorism strategy for border security, Commissioner Bonner established a new Office of Anti-Terrorism.

In an operational context and to support our Customs officers in the field, we have also established the Office of Border Security. The mission of that office is to develop more sophisticated anti-terrorism targeting techniques for passengers and cargo in each border environment and provide a single point of contact for events taking place in our field.

In approaching our primary priority to prevent terrorists and terrorist weapons from transiting our borders, we believe that Customs must also do everything possible to "push the border outwards." We must expand our perimeter of security away from our national boundaries and towards foreign points of departure.

Any effort to "push the border outwards" must include the direct involvement of the trade community. The Customs-Trade Partnership Against Terrorism, or "CTPAT," builds on past, successful security models between Customs and the trade that were designed to prevent legitimate commercial shipments from being used to smuggle illegal drugs.

Another core area in these efforts is implementation of the Container Security Initiative, or CSI. As you know, one of the stated goals of current terrorist organizations has been not only to target American lives, but also to target the American economy.

The vast majority of world trade—about 90 percent—moves in containers, much of it carried on oceangoing container ships. Nearly half of all incoming trade to the United States by value—about 46 percent—arrives by ship, and most of that is in containers. Of the top 20 U.S. Ports, Seattle-Tacoma combined container cargo accounts for 8.2 percent market share and ranks third behind Los Angeles-Long Beach and New York-New Jersey.

If terrorists were to succeed in concealing a weapon of mass destruction, even a crude nuclear device, among the tens of thousands of containers that enter U.S. ports every day, the devastation would be horrible to contemplate. And the impact on our global economy would be severe. As the primary agency for cargo security, U.S. Customs should know everything there is to know about a container headed for this country before it leaves a foreign port, such as Rotterdam or Singapore, for an American port. Customs wants that container pre-screened there, not here.

The effective use of technology depends largely on good targeting, for which we require advance information. Prior to September 11, Customs examined about 2 percent of incoming cargo to the U.S. Since then, we have refocused resources and technology to increase the number and the type of exams. However, to some the overall number of examinations may still seem surprisingly low in proportion to the vast amount of trade we process. Yet it is important to note that the cargo Customs selects for intensive inspection is not chosen randomly. It is the result of a careful screening process, a process that uses information culled from a vast database on shipping and trading activities known as the Automated Manifest System. Using targeting systems that operate within AMS, we are able to sort through the cargo manifests provided to Customs by shippers and carriers, and chose those shipments that appear unusual, suspect, or high-risk. It is a system that has served us well, but one that can and must serve us much better in light of September 11.

Currently the submission of advanced shipping manifests to Customs is voluntary. We cannot rest our Nation's homeland security on the vagaries of haphazard advance information that is often incomplete and sometimes inaccurate. Timely, accurate, and complete information is vital to homeland security and we should mandate it is provided in advance. Current legislation, such as S.1214 takes us a major step closer to where we ultimately need to be, particularly for the CSI—and that is to have full information on incoming cargo before it even leaves the foreign port.

As part of our immediate response to September 11, Customs promptly sought, and the Congress promptly enacted, legislation that made the submission of data on incoming passengers to Customs' Advance Passenger Information System mandatory for all airlines. That law was passed last November as part of the Aviation Security Bill. Initially, the Commissioner ordered all international airlines flying into the U.S. from abroad to submit advance passenger information to Customs, or face

100 percent inspection of people and goods departing their flights. This enabled Customs to better secure advance passenger information on all incoming international flights before the new law took effect.

Beginning with the mega-ports that export to the U.S., we should establish a new international security standard for containers in order to protect this vital system of global trade. The core elements of the CSI are the following:

- First, we must establish international security criteria for identifying high-risk cargo containers that potentially pose a risk of containing terrorists or terrorist weapons.
- Second, we must pre-screen the high-risk containers at their port of shipment—in other words before they are shipped to the U.S. As a component of the Ridge/Manley Smart Border Action Plan, on March 25, 2002, a Canada Customs Inspector was assigned to the Port of Seattle and in collaboration with U.S. Customs commenced a program which identifies and targets high risk sea containers destined in-transit through the United States to Canada. A reciprocal program was implemented in Vancouver, British Columbia, Canada in February 2002. Effective March 25, 2002, Customs Inspectors were also placed at the Canadian ports of Montreal, Quebec and Halifax, Nova Scotia to conduct the same kind of container targeting.
- Third, we must maximize the use of detection technology to pre-screen high-risk containers. Much of this technology already exists and is currently being used by the U.S. Customs Service. In March 2002, the Port of Seattle received a Mobile Vehicle and Cargo Inspection System (VACIS). This non-intrusive gamma-ray inspection system will be used to provide images of containers, vehicles, and trucks with their contents. The Port of Tacoma will receive a VACIS in May 2002. Both machines will not only be used for inspection of U.S. Customs targeted cargo but also for cargo identified by other federal agencies such as the U.S. Coast Guard, Immigration and Naturalization Service, Food and Drug Administration and the Department of Agriculture.
- Fourth, we must develop and broadly deploy “smart” boxes—smart and secure containers with electronic seals and sensors that will indicate to Customs and to the private importers or carriers if particular containers have been tampered with, particularly after they have been pre-screened.

As you can glean from this list, technology and information are essential to a successful container security strategy, and to our counter-terrorist mission in general. And to put it simply, the more technology and information we have, and the earlier in the supply chain we have them, the better.

Customs also looks forward to the completion of the Automated Commercial Environment, or ACE, which as you know is an extremely important project for the Customs Service. ACE, our new system of trade automation, offers major advances in both the collection and sorting of trade data.

We are also working with the Canadian and Mexican governments to improve information exchange and adopt benchmarked security measures that will expand our mutual borders and reduce the terrorist threat to most of the North American continent.

The terrorists have already exploited one key component of our transportation system: commercial aviation. It is not at all unthinkable that they will seek to target others, including maritime trade. We believe our seaports and the system of global trade they support are vulnerable, and we believe that the U.S. and the Customs Service must act now to address this threat. Thank you.

Senator MURRAY. Thank you very much, Mr. Hardy. We will now turn to Mr. Michael Thorne, CEO of the Washington State Ferry Service.

**STATEMENT OF MICHAEL THORNE, CEO, WASHINGTON STATE FERRY SERVICE**

Mr. THORNE. Thank you, Madame Chair. Good afternoon. I am, as you indicated, Mike Thorne, for the record, the Chief Executive Officer of the Washington State Ferry System, and welcome an opportunity to be with you this afternoon. I have provided written comments.

Senator MURRAY. Do you have your mike on?

Mr. THORNE. Maybe I do not, does that help you? I will not go back and start over. Let me just say that as I was saying, I pro-



vided written comments, and I will summarize those very briefly for you. Since September 11 as has been the case for all of us, the security for the Ferry System, the security interests for the crew and the passengers has been of extreme importance, while the ultimate cost in terms of dollars pales against our concern and interest in making sure that we continue to provide the security necessary to satisfy all of us that those measures are being appropriately addressed.

In order to do that, it seems to me that the proper approach is to set the proper expectations. In other words, what we need from the ferry system perspective and other users of maritime commerce, I think, is a set of expectations or a structure to the security plan, so that, in fact, we can go forward in concert to maximize the benefits that we see potentially from the resources that are available from Federal and local and State efforts.

To date we have assigned specifically a Security Officer who is in charge of not only the security but the safety systems. In addition to that we have formed and established a Security Committee that is chaired by the Coast Guard, and the persons on that Committee include the Washington State Patrol as well as representatives of the Ferry System. In addition, we've reconstituted the importance of the vessel internal security program that we presently have administered by the Washington State Patrol. In addition to that we've put forth and developed various, as you would expect, various training and patrol security issues both for the vessels as well as around the terminals.

To date we have spent an additional approximate \$2 million with the Washington State Patrol in terms of trying to enhance our security system. The question is can more be done, and it has to be done. The question is how do we go forward to develop that, and my suggestions, Madame Chair, include essentially this:

First and foremost, we need to establish the clear expectations of what our security system needs to be. That needs to take advantage of the sensitive intelligence information that is held in the hands of many Federal and State and local agencies, and then we need to take that information to set the standards on which we are going to build our security plan. Specifically, then we need to draw on the knowledge and the experience of the Federal agencies—Many of them are represented here. As we have been working with these well as other agencies not at the table but who have an ability to provide us with information that will guide our system, we need to set up the process with Federal guidance and direction from our perspective to allows us to take advantage of putting forth a security plan that then ultimately we will then understand how to implement it, what the cost will be, and how to go forward.

Let me just conclude by saying, I cannot underscore enough the importance of defining the plan which all of us can then work toward in concert with which will then guide the resource allocation. It is our observation that the cooperation I am suggesting has been good, very good, in fact, and we look forward to working with those agencies and with you and with the direction that the Federal Government can provide in terms of setting forth the national security plan that is being discussed here today.

Thank you very much. I look forward to responding to any questions that you might have.  
[The statement follows:]

PREPARED STATEMENT OF MICHAEL THORNE

My name is Mike Thorne. I am the Chief Executive Officer of the Washington State Ferry System. Thank you for this opportunity to testify on Maritime Security issues.

Since the attacks of September 11, the country and Washington State Ferries have been faced with a new reality regarding security response and readiness. We recognize that ensuring the security of ferry system passengers and crew is of extreme importance. While we are concerned with the ultimate cost of security measures, we are more concerned with developing the proper expectations and structure of our security plan.

Let me share with you several new initiatives underway since September 11, including:

- A Safety Systems Manager assigned responsibility for the coordination of security efforts.
- A newly created Washington State Ferries Security Committee that is chaired by the Coast Guard and includes ferry representatives and the Washington State Patrol. As a side note, the Washington State Patrol serves as the security agency for the ferry system assisting us with a variety of law enforcement needs.
- Heightened security awareness and procedures at terminals and onboard vessels.
- Basic planning for stepping up physical security resources on our vessels and at our terminals.

To date the ferry system and the Washington State Patrol have dedicated approximately \$2 million to meet interim security needs brought on by the September 11 attacks. Can more be done? Absolutely. In order to do so, we would prefer not to 'reinvent the wheel' and instead suggest the following:

- A process of drawing on the knowledge and experience of Federal agencies including the Coast Guard, the FBI, the Department of Transportation, Federal Highway Administration, Federal Transit Authority and FEMA.
- A Federal/State/ferry system process for being informed of known threats to our operations.
- The financial resources needed to implement the appropriate security program.

I cannot underscore enough that we will need assistance in defining expectations and in funding any new security initiatives from the Federal Government. The cooperation we have received to this point is encouraging and we look forward to working with all State and Federal jurisdictions on this matter of critical importance.

Thank you for your interest and time devoted to this critical issue. We look forward to working with you and your staff on this issue.

Senator MURRAY. Thank you very much, Mr. Thorne.

COAST GUARD'S TRADITIONAL MISSIONS

Admiral Brown, I am going to start with you. During a Subcommittee earlier this year, the Coast Guard Commandant, Admiral Loy testified that one of the Coast Guard's greatest strengths was its ability to shift gears when necessary, and I could not agree more, but one concern I have is that when the Coast Guard boosts its effort in one mission, its other critical missions pay a price.

During our hearing with Admiral Loy last month, it became clear that under his budget for 2003, missions like Fisheries Enforcement and Marine Environmental Protection will have to de-emphasize on a Nation-wide basis. Do you expect the activity here in the Pacific Northwest to mirror that national trend?

Admiral BROWN. Madame Chairman, in response to your question, as you know we did surge, specifically here in the Pacific Northwest, in response to the threat. We have now substantially

returned many of those assets we brought in from the coast, and, as a result of your support working with the Navy, we've been able to return substantially to all of our mission areas, with the top two being Search and Rescue and Homeland Security—Maritime Security.

In terms of the assets we have, we apply them based upon the information and knowledge and the threats that we have that are known and available to us in terms of information. Our assets that we have applied to those areas you talked about, fisheries, maritime pollution and those other assets, we have returned substantially to those. I suspect that in this area we will apply them first and foremost to Search and Rescue, Homeland Security and to the extent we have the resources available, we will pursue the other missions.

Senator MURRAY. So I can assume from what you just said that you have de-emphasized Fisheries Enforcement and Marine Environmental Protection at this time because of Search and Rescue and Homeland Security?

Admiral BROWN. No, ma'am. We have returned substantially, not 100 percent, but we've returned substantially to those as a result of, your efforts in terms of budget, in terms of resources we got, and of course, supplemental and resources we are looking for in the second supplemental, and the resources that we have coming in the 2003 budget.

#### CONTAINER SECURITY

Senator MURRAY. Captain Moore, I have a question for you. Traditionally the Coast Guard focus when inspecting containers has been on safety. The focus has been on whether hazardous materials containers are properly manifested and whether the container is properly placarded. Today, of course, the new national concern is whether the container poses any kind of security risk. Have you shifted your focus to deal with the issue of container security here in Seattle?

Captain MOORE. Well, Senator, we worked very closely with Customs and, in fact, INS, to take our resources that were allocated towards looking at containers, for as you say hazardous materials and safety to leverage that into target inspections, any containers that had the security concerns as well. Because of our Reserve call-up, we've been able to increase the number of containers we've looked at in conjunction with Customs, with Customs taking the lead on targeting for security concerns.

Certainly, we are concerned if there is a container on an inbound vessel since we are the lead agency for vessel movement in entering the port and tying in very rapidly into any concerns that might come our way, so we can take appropriate actions with respect to the vessel, but in terms of our container inspection program, it has increased because of the Reserve call-up, and so we've been able to sustain, actually quadruple our effort there, but it has been in a lot closer coordination with Customs than we ever had before.

Senator MURRAY. Even if we were realistically successful in getting more of the best new x-ray technology here in Seattle, what percentage of the container traffic can we expect to be inspected?

Captain MOORE. The Coast Guard inspection program for containers is really a relatively small percentage of overall containers coming through the ports. Approximately 10 percent are estimated to have hazardous materials, and we have traditionally hit just a small percentage of those containers even with our program since 1994. I think the real key here is going back to what was already alluded to and articulated and that is the point of origin control and better advance information on what is in the containers before they get here, and we all know that is a much better answer than trying to increase the container inspections once the Trojan horse is in town, so to speak.

#### SCREENING SHIP'S CREW MEMBERS

Senator MURRAY. Admiral Brown, even though you now require ships to submit the names of their crew members 96 hours before they arrive, the Coast Guard cannot actually check all of those names against the necessary watch lists and clear each crew member before the ship arrives in port. Has this generally been the case in the Puget Sound as well?

Admiral BROWN. I would like to defer that to Captain Moore who works more specifically, but we have set up a national, centralized region where we collect all of the information, and what it does for us is it gives us patterns that we can look at and see what the anomalies are. As to specifics, I would have to defer to Captain Moore.

Senator MURRAY. Captain Moore.

Captain MOORE. Certainly when we kicked off the 96 hours and received all those names, particularly of cruise ships where you have a large number of crew, processing that data was quite problematic. We put a lot of folks in place here locally, to share locally with INS and Customs alone with a national effort that was under way, and I know that they are checking an increasing number and an increasing percentage of those names, because of repeat crew names and so forth, and they are getting a lot more efficient at the national level. We have decided here locally to continue our local efforts on full sharing of lists in advance of arrival of a vessel in as a check and balance of the national system as it gets more completely up and running and more efficient.

Senator MURRAY. But we do not check every name?

Captain MOORE. We check every name here locally. The challenge is when you have cruises that are under 96 hours back and forth, ferry operations or cruise ship operations that are to and from Canada. However, I cannot say from the 96 hours out before they come into our waters, that we've had a hundred percent sharing of information locally with INS and Customs while the national system has done what it has done.

#### INTERNATIONAL COOPERATION

Senator MURRAY. As I mentioned in my opening statement, we receive cargo in Puget Sound from Nations that do have known terrorist activity, Nations like Indonesia, Malaysia, Philippines. Many individuals who are concerned with port security have said that we need to extend our borders to foreign Nations. I've heard that here today as well, and by that they mean that we must take measures

to ensure that ships and cruise and cargo are safe when they leave their ports of origin, not when they come into the United States waters.

Admiral Brown, I guess I want to ask you and Mr. Hardy how we can realistically depend on all the Nations that send us cargo here to protect our securities to our standards.

Admiral BROWN. Madame Chairman, I would answer by saying we have established an international relationship, and we have an international maritime history through our International Maritime Organization, (IMO) and that issue has already been raised in terms of trusted partners in validating the integrity of the cargo that is being forwarded. So that would be my response in terms of how we would go about it. That would be through our IMO association where the Coast Guard has—

Senator MURRAY. Does that include Indonesia and the Philippines as well?

Admiral BROWN. I do not know. I would have to get back to you for the record. I do not know.

Senator MURRAY. Mr. Hardy, do you want to comment on this?

Mr. HARDY. Specifically involving those countries, we have no plans right now for interchange of Customs Officers or information. We are testing our systems with Canada. We are seeking, we are talking to Rotterdam and Singapore, because those are major transit ports from shipments from those countries, and that is our first cut is to take the bigger locations.

Now, on the other side, I am sure there is diplomatic work being done, and we are trying to deploy attaches to get a better understanding how they do business in those countries. The important point for us is we are not abandoning the traditional methods that we have here, the tiered approach, the databases that we have, the canine deployment and the detection, but yes, we are.

Senator MURRAY. You are talking about in addition to what we already do?

Mr. HARDY. Right.

Senator MURRAY. But are you talking about having your Customs Officers at those ports, yourselves, or you are using people from their ports to do this?

Mr. HARDY. Well, what we are testing now working with the Canadians is having a U.S. Officer in Canada. We are also going to take that out, we have them at Vancouver and Halifax and Montreal. We are seeing what kind of information the Canadians have to share with us, so that we can possibly do a better job. We are going on an outreach to Rotterdam and Singapore to do the same things, and those are the major transit ports for containers through those two major ports.

Senator MURRAY. And you are talking about having United States Customs Services at those points?

Mr. HARDY. Yes.

Senator MURRAY. Captain Moore, the Coast Guard has been very successful with its Port State Control Program in holding Nations accountable who do not comply with our safety requirements. We do this by scrutinizing ships from questionable Flag States with extra inspections before they are allowed to enter the port or transfer cargo.

Do you see any potential for using similar methods to force countries to implement stronger security measures and controls at the point of origin so that ships can be precleared before they enter United States waters?

Captain MOORE. Absolutely, Senator, I think that falls into the concept of fast track, slow track. You will get less inspections if you have a safe record. I do not think we will ever guarantee that we are not going to board somebody, but certainly those that have a good track record know that they can probably come in and have less chance of being delayed.

Here, we put a security matrix in place in the aftermath of 9/11, and we have continued to use it, and that is in addition to what we are directed to do by Washington, D.C., and it is essentially the same kind of port. It is really Port State Control plus, the plus part being the security part, screening vessels for the areas of risk and deciding to board vessels.

We have essentially doubled our numbers of boardings since 9/11. I suspect that exact same evolution is going to play out in terms of those that are going to have problems are going to recognize that they are going to get boarded by either the cargo they carry or where they are coming from or some of the crew that are, because I think they figured out why some of those crew are being targeted. I think that same thing is playing out.

#### NAVAL FORCE PROTECTION

Senator MURRAY. Very good. Admiral Smith, providing force protection for our naval assets in Puget Sound is a critical priority, but I am equally concerned about the burden that is being placed on the Coast Guard to protect our Navy assets at the same time as they are being required to address many of our other security needs. The Commander in Chief of the Pacific Fleet, Admiral Fargo, echoed my concern in response to a letter that I wrote him several months ago, and he responds to my letter by assigning five force protection units to the region including 200 personnel and four vessels. Have these units been permanently assigned to Puget Sound and how have they helped you to maintain that level of force protection that you need?

Admiral SMITH. Madame Chairman, thank you for the question and thank you for your support in other areas as well. Throughout the region, in supporting naval facilities and other security issues, those forces have been deployed for the region, and by those forces being deployed to the region, they have relieved the pressure on the Coast Guard so that the Coast Guard could go back and do those other missions that are so critical to this area. What the Coast Guard is providing today compared to what they were providing on 9/11 is almost nothing more than our coordination that we do each day.

Now, the Coastal Warfare Unit with their 251 people, their headquarters element is right here in the Coast Guard building here at pier 36, and they are deployed throughout the Puget Sound region, primarily in Navy venues, but that has relieved the Coast Guard from providing the waterside security in those areas. So those assets are now returned back to the Coast Guard to go back out to the other ports to do other things.

Senator MURRAY. Part of that assignment included the two Cyclone Class Patrol ships that were placed around the Tacoma-California command of the Coast Guard, I believe. Has this arrangement worked out to the satisfaction of everybody and will we continue to see that kind of cooperation?

Admiral SMITH. Currently there is one Cyclone Patrol Craft that is here in the Pacific Northwest. Commander Naval Surface Forces Pacific Fleet is looking at an alternative as to how we can get more assets to the Pacific Northwest when it comes to Coastal Patrol Craft. They are ideally suited for this mission, the escort mission that the Coast Guard has now picked up by those assets, and those assets are also supporting the Coast Guard with some of their border patrols, and because of inclement weather and other things, those craft are also picking up that role, but yes, ma'am, those assets are tacked onto the Coast Guard. There are 13 of those assets in the United States Navy, and all 13 are tacked onto the Coast Guard.

Senator MURRAY. Is there any chance that those assets are going to be moved out of Puget Sound?

Admiral SMITH. There is a current effort to move some of them to the Puget Sound.

Senator MURRAY. Currently here, and not away?

Admiral SMITH. Yes.

Senator MURRAY. Okay, Mr. Coleman, let me turn to you. Ship crew lists are now transmitted to INS 96 hours in advance of ship arrivals. What is your agency doing with that information?

Mr. COLEMAN. We run the names through our databases. We have increased requirements given the visa waiver part of that process. The Coast Guard is doing more than just giving us the lists now. They are helping us. They put out internal guidance in their maritime law enforcement handbook. We run as many people through those lists as we can so we have as much advance information on the travelers as we can. You alluded to what is going on in the Puget Sound with the ferries. We are getting more cooperation from Victoria Clipper, Coho, are working more with them because of the short time frames involved. There are increased requirements, and they understand that. I believe they are trying to work with us more, but there are some hurdles that we have to get through.

Senator MURRAY. Last week in Virginia, I understand that some Pakistani crew members were allowed to disembark their ship and promptly disappeared and did not return. Some of the names of those individuals were later found to be suspects by other Federal agencies. What is the likelihood that a similar situation could occur here in Puget Sound?

Mr. COLEMAN. The Seattle District enjoys a very robust system for distributing policy, and our communications within the district are very strong. They are very tight. When that episode happened, we went so far as to try to find an inspector in our ranks that did not know that policy, that did not understand the rules that we are operating on, and we found ourselves to be in really good shape. We have strong communication, lines of communication in the District, and we have very effective command controls.

Senator MURRAY. What rules are you referring to?

Mr. COLEMAN. The policies that INS have regarding visa waiver and those things that are very much aware to us and our staff. We use them very effectively, and I am just reporting that the Seattle District was in good shape regarding that policy.

Senator MURRAY. Let me ask you as well, passenger lists are handled differently. They are not required to be transmitted, as you just referred to a second ago, for cruise ships but lists are voluntarily transmitted to INS. Are you or any other agency currently prescreening passengers that arrive on cruise ships?

Mr. COLEMAN. We prescreen the large crew ships that come to us. We get some of that information.

Senator MURRAY. Some of that information.

Mr. COLEMAN. Well, it is, the cruise ship industry exploded in Seattle really just last year, and it is increasing even this year, but the Coast Guard provides us information, and we run it the best we can through our data bases in advance.

Senator MURRAY. Right now, for all airplane passengers, all passengers are screened. Why are we not doing the same thing for cruise ships?

Mr. COLEMAN. The Customs Service issues that directive, and I believe they have the primary jurisdiction on the issuing the requirements to the traveling industry. I would defer to Tom on that.

Senator MURRAY. He is delighted that you referred that to him.

Mr. HARDY. I have not boned up on that too much, other than the fact that we are moving to the cruise ship venue, and other forms of transportation in terms of the advanced passenger information system, but we will get you that information for the record.

Senator MURRAY. I would appreciate that, as soon as you can do that. As we sort through this transportation security maze, one of my biggest concerns has been and will continue to be the easy target presented by our public mass transportation system. Our ferry system here in Washington State carries over 11 million vehicles and 26 million people annually, and improving security on our ferries presents many of the same challenges as improving security on our commercial ships. We want tighter security, but we do not want to slow that traffic down.

So Mr. Thorne, you mentioned that you heightened your security procedures at your terminals and on board your vessels as well. Can you tell us what specific measures you have implemented that you can talk about in this setting today?

Mr. THORNE. Yes, Madame Chair. Specifically we have established with the Coast Guard and with the Washington State Patrol the security system that we are using which includes, for an example, I've mentioned since September 11, there had been an additional \$2 million committed where State patrol members are present on the terminals and on the vessels. In addition to that, we have been trying to develop a system taking advantage of what Federal and other agency information we can get to help us target our security efforts, and in my comments I try to refer to the fact, if there is a need, the need is taking advantage of the information that rests in various agencies, but getting that consolidated so that we know how to target our security plan, and I would tell you that that in my mind is where some of the additional needs are. If there



is a hole in the plan, the plan is how do we take advantage of the information that may rest in other agencies to make sure that we—

Senator MURRAY. Are the other agencies talking to you at the current time?

Mr. THORNE. Yes, we are working with the agencies; as I said, the Coast Guard, the Washington State Patrol and the ferries have a Security Committee now. In addition to that we are talking advantage of other information. I am simply suggesting that as we go forward the flow of information from, whether it is the FBI or wherever, and the ability to be able to be aware of where the security breaches may potentially come is where I think the real focus needs to be.

Senator MURRAY. Admiral Brown, do you have any suggestions on how we can achieve better security on ferries, and/or what the Washington State ferries should be doing?

Admiral BROWN. I would like to make some general comments and ask Captain Moore to provide some more specific comments based on his local experience working here with Washington State ferries. This goes back to my opening comments about our need to have tailored uniformity. We talk about uniqueness. We have standards in place for our passenger vessels, cruise liners, and we have right here in the State of Washington the largest ferry system in the United States, but the requirements are different though the threats and the consequences are no different. So that is one of those examples that I've talked about. Progress has been made. Things have been done, and I would like to ask Mike Moore if he could speak to those.

Captain MOORE. Yes, Senator, I have a couple of suggestions. Certainly, early on our working relationship with WSF was very dramatic and quick in terms of getting word out to their crews, awareness is up, look for anomalous behavior, where to report that, on-board procedures that are not suitable to us to talk about in this open forum that were developed and put in place on Washington State Ferries, certainly the Washington State Patrol presence on board the vessels, the level that that ought to happen in terms of on the terminals and the vessels. Obviously it is hard to come up with an exact right answer without specific threat information.

Likewise, the screening of folks coming on board or trucks or autos, random, what percentage, how often, those kind of questions remain to be fully answered. Certainly, some of those screening, some of the screening activity took place, and I think what Mr. Thorne is referring to is what are the specific standards going to be along those lines. If we had just established them early on 9/11, we likely would have shut down the Washington State Ferries in terms of how fast can you come up to screening 10 percent or 20 percent or 30 percent.

In fact, we took a target and an informed approach to using the Washington State Patrol presence to do such a thing, and now we have to move onto the next phase, which is establish more consistent expectations and guidelines so they can plan by budget and procedure to implement.

Senator MURRAY. Mr. Hardy, let me turn back to you. Earlier this year, the Under Secretary of Transportation for Security testified about the administration's new smart border declaration. This

initiative is designed to expedite the travel of cargo across the U.S./Canadian border. I am concerned about cargo that is intended for the United States that will be sent to Canadian ports instead of U.S. ports because the security requirements in Canada will be more lax. How can you assure this Subcommittee that containers coming into the United States and into Canada and containers entering U.S. ports will be subject to the exact same security requirements.

Mr. HARDY. Well, myself and others from our Headquarters Office have been in fact been at all the key port cities. Our commissioners had at least two meetings with his counterparts on the shared border accord, and we are in lockstep in terms of joint commitment to doing this. If all the perimeter approach is accepted by both Nations, at least the Manley-Ridge agreements indicate that, and our tests of putting a chief inspector in Vancouver along with two other targeters from Newark and Los Angeles, has been very successful, and personally was looking at the different databases each has to offer, both sets of officers are sharing that information, looking at the same information that is coming in, bills of lading. That type of information, the same thing is occurring as of last week here in Seattle.

We have parallel ports out in Newark and Halifax and Montreal doing similar work. We all think it is the same threat. We are all looking at different information that each country has. There are some sensitivities of, Canadians have some databases that are sensitive in terms of their law and they are trying to harmonize those laws through legislation, so that they will be available to us for enforcement purposes.

Senator MURRAY. You talked earlier about this as well, part of that Smart Border Declaration was placing U.S. Customs officials in Canadian ports. Will containers that are entering U.S. ports be more likely to be inspected by Customs and Coast Guard than containers that have entered through Canada?

Mr. HARDY. I think the likelihood of examination is not going to be prejudiced by who is asking for the exam. If the Canadian officer wants to look at something, we will look at it. If the U.S. officer wants to look at it, we will look at it. That is another reason we are deploying more VACUS machines even on the railheads coming in from Canada out in the midwest. We will have an opportunity for a second chance at some x-rays on rail if the shipments are moving quickly, and we still identify something that has already left the port, we will have another chance to get it when—

Senator MURRAY. When will those be in place?

Mr. HARDY. They will be in place beginning this summer, they will deploy approximately eight of them over the next year, 2003.

Senator MURRAY. Will the Custom's clearance process for containers entering into Canada be just as long as the process here in the United States?

Mr. HARDY. Long did you say?

Senator MURRAY. Time, in terms of time, will it take as long?

Mr. HARDY. It should be similar, yes.

Senator MURRAY. Can we be assured of that?

Mr. HARDY. We are trying not to give one advantage to another port, one port over another port.

Senator MURRAY. Will the ratio of U.S. Customs officers to containers be the same for U.S. ports and Canadian ports?

Mr. HARDY. I do not have that information.

Senator MURRAY. I would actually like an answer to that question, if you could get that back to me.

Mr. HARDY. I do have some information in the briefing book coming back to the advanced information on cruise ships. It is a volunteer program right now, and we are seeking legislation for that. We have got the statement in here that indicates 70 percent compliance by the cruise ship industry in terms of supplying information on their passengers.

Senator MURRAY. Very good. Let me go back to you again. One of the great challenges in improving port security is enhancing the quality and reliability of information about shippers and cargo. I am especially concerned about the amount of cargo that enters our ports with manifests that read "Freight of all kinds." Why are shippers allowed to be so vague in disclosing what they are shipping?

Mr. HARDY. They are allowed to be vague, because there is no criteria, there is no requirement for them to be more specific. We have some requirements to, Customs does, to be specific about this. There are several types of information that is currently being allowed in terms of freight of all kinds, general merchandise, and the U.S. Customs Service is seeking some legislation to change that.

The difficulty lies in the proprietary. Some manifests are subject to publicity. The newspapers can pick up that information and send it and make it public, and that, of course, exposes customers, buyers and sellers, and people, you know, peruse those looking for business opportunities, and so the shippers try to be as vague as they possibly can in order to keep other businesses from taking their business.

The other part of this is the segment of the business known as the NVOCCs which are non-vessel owned common carriers, are allowed to manifest with less specific information, and that is where we typically see that type of information, and we need to tighten that up with some legislation.

Senator MURRAY. You do not have statutory authority to do this?

Mr. HARDY. We do not believe that we have enough statutory authority to do this. We have some information, or we have some requirements on the carriers themselves, the ship owning carriers to provide us proper manifest information and even that is not specific enough for us, but the non-vessel owning common carriers have less of a requirement.

Senator MURRAY. Captain Moore, let me turn back to you again. Two weeks ago Admiral Pluta of the Coast Guard testified that he is seeking international cooperation through the IMO for new security issues. One issue that has received positive support is the requirement to move up the deadline for the slips to have automated information systems to 2004. This relatively inexpensive technology allows ships to be identified electronically by use of a transponder. Is your VTS ready to handle this electronic information at this time, or by 2004?

Captain MOORE. Senator, from a technology standpoint, some adjustments would have to be made, but, of course, the unique situation we have here is we do have some transponders from the inter-

national tug system, Washington State ferries and some tankers are already being received, as well as our radar data, and I think the difference between this port and a few others, and most other ports is that we do have a robust Vessel Traffic Service with surveillance along with our Canadian counterparts, and so when you look at the AIS system, and it is based on radio transmission versus satellite, how far out can you reach and obtain the data.

So I think that AIS will have great benefit where you do not have Vessel Traffic Service. It will have some augmentation benefit here, certainly, but less benefit here in that we already have fully developed Vessel Traffic Service. I think down the road, you will see more maritime domain awareness able to reach out further than VHF or radio frequency transmissions can take it.

Senator MURRAY. Admiral Brown?

Admiral BROWN. Madame Chair, if I could add just one small bit of information, in the President's request for the 2003 budget if approved as submitted, there is an opportunity for our VTS to benefit in that regard, which would enhance the AIS receptive capability.

Senator MURRAY. Some other ports have instituted cooperative vessel information tracking systems that are, that are already using the AIS. In fact, I know that Tampa, Florida has cooperatively purchased transponders that all pilots hand-carry onto the ships. Home ported ships have voluntarily purchased AIS equipment. Is this something that would benefit our existing VTS?

Captain MOORE. Again, I think any time you can help track where vessels are and help mariners make more informed decisions about their vessel movements, it is an added value. The robust VTS, again we know where the vessel you are talking about the pilot vessel entered and participating in Vessel Traffic Service. You go to say, the Columbia River, where you do not have a Vessel Traffic Service, and you have AIS, or transponders, they can see each other and the Coast Guard can know where the vessels are. So you have to say that the benefit in an area like that would be far greater than the added benefit here, but it would not be as great where you do not have that in place.

Senator MURRAY. Admiral Smith, would this capability be something that would assist the Navy?

Admiral SMITH. There is a very good system here except for the Hood Canal. That is the only area we really do not have covered.

Senator MURRAY. I believe you have stated that there are areas around Navy installations that are not covered by AIS.

Admiral SMITH. Yes, the Hood Canal and Indian Island are not covered, but the primary approaches are covered. AIS would be of benefit, but it would be limited benefit, but because it is just a small, a couple of small areas that are not covered.

Senator MURRAY. Would the Navy be willing to invest in expanded VTS coverage around those areas?

Admiral SMITH. Ma'am, I cannot say on that one. I will take that one back.

Senator MURRAY. I would appreciate that very much.

Captain MOORE. Senator, could I add, where they share information between ships, where you do not have a Vessel Traffic Service, for instance offshore, up in some of our northern areas near the San Juan Islands, our southern part of the Puget Sound, we do not

have a Vessel Tracking Service, certainly AIS on vessels that would not otherwise be tracked will add to the pretty comprehensive system, and certainly will be a big benefit in other areas as well, both safety and for tracking vessels for security concerns.

Senator MURRAY. Thank you very much, and thank you to all of our panelists. I appreciate your input on this.

We are now going to move to our second panel. So if you would like to take a second to stand up and trade places, we will move on.

We have a very distinguished second panel here. We want to make sure that we have enough time for them to give their statements, but before I do that, I just want to welcome Lawrence Molloy, Port Commissioner. Welcome. It is good to have you here, as well.

We will begin the second panel with Miss Andrea Riniker who is the Executive Director of the Port of Tacoma. Andrea?

**STATEMENT OF ANDREA RINIKER, EXECUTIVE DIRECTOR, PORT OF TACOMA, WASHINGTON**

Ms. RINIKER. Thank you so much. I think I have this system down pat by now. Good afternoon, Senator Murray, and thank you so very much for taking time to have a field hearing on this important issue. My name is Andrea Riniker. I am here today representing the Port of Tacoma.

As the port's executive director, balancing security with the efficient flow of cargo across our docks is one of my paramount concerns. Though ports have always devoted resources to safety and protection of cargo, the industry now shares an especially keen sense of responsibility with you, Congress and other governmental entities in these challenging days since September 11.

Before I begin my formal remarks, let me first put my comments into some context by describing some of the port's key attributes. The Port of Tacoma moved more than 1.3 million containers across its docks in 2001, 70 percent of these international containers holding products ranging from shoes to machinery and lots of other things that we just heard about. Our transfers from ships to trains are headed for markets in the midwest and the east coast. Additionally, the Port of Tacoma serves as the gateway to Alaska since over 75 percent of the consumer goods that are bound for Alaska are transported on the CFS and tote ships that call on Tacoma.

Another important distinction for our port is the fact that it serves as one of the MARAD's 13 national strategic ports, a designation that is really based on the load-out capabilities the Port of Tacoma provides for facilities at Fort Lewis.

With nearly 102,000 jobs in Washington State related to activities at the Port and with the Port of Seattle and the Port of Tacoma working together, we clearly are major economic drivers here in the Pacific Northwest. The Port of Tacoma appreciates the opportunity today to share our perspective on securing our Nation's seaports. It is certainly getting to be a daunting challenge.

In my short time before you today, I would like to leave you with essentially three key messages. One, that to us the coordination between Federal agencies and with all aspects of the transportation system as we work on these issues is absolutely imperative.

Two, that the efficient movement of freight is essential to our economy, not just here in the region, but of course, in the Nation and the world, so that safety measures must be integrated into our port operations.

And third, that the ultimate responsibility, of course, for safeguarding our Nation's transportation system of which ports represent a small, but economically crucial segment must lie with the Federal Government.

Now, let me expand for a moment on those three. First, I want to recognize the tremendous progress that has already occurred in the enormous task in coordinating the myriad of agencies, governments, ports, transportation interests at the national level, and at the local levels. I would like to acknowledge the leadership, particularly of the U.S. Coast Guard that they have displayed, and our appreciation for the other agencies that have also worked hand-in-hand with the ports.

However, despite the positive interactions between the port and the individual agencies and among the ports, some fundamental questions exist about how the lines of responsibility are actually meshing at the national level. Congress can really assist these important coordination efforts by further clarifying agencies' responsibilities and roles, and alleviating any potential for obstructive turf wars.

It is also very important, I think, for Congress to make sure that these agencies with their newly enhanced responsibilities are sufficiently funded. Coordination within the port industry is also critical. The ports of Seattle, Everett and Tacoma have just submitted a joint grant proposal seeking funds to better protect our ports, and to improve the flow of information between the ports and the Coast Guard.

The \$93.3 million in grants that Congress approved last year is certainly a good start toward enabling ports to meet the Coast Guard's interim regulations. As Congress considers comprehensive port security legislation later this year, we urge you to continue making general treasury funds available to ports for these purposes.

Congress will hopefully avoid the temptation of attaching fees to the movement of containers in order to fund security improvements. Such approaches unfairly penalize steamship lines and other businesses when in reality, the end user who benefits from the movement of containers is ultimately each and every one of us who is purchasing these products when they arrive on the shelf.

Additionally, we must take care to avoid the creation of competitive advantages, the ones that you were discussing previously for our neighbor ports in Canada. We are happy to compete on a level playing field, but let us not try to tilt it through regulation.

Before I close, I want to comment on the unique nature of the intermodal cargo that is the real niche for the ports of Tacoma and Seattle. As I noted earlier, the Port of Tacoma moved more than 1.3 million containers in 2001, and the Port of Seattle moved a similar amount. Market trends indicate that these volumes will double in the next 20 years. Establishing technologies and processes that can efficiently confirm the contents of containers is crucial to this mission.

We recognize the ultimate solutions lie in standardized international port-of-origin controls. In the long-term, technology will inform us of what is in a container at the time the container is loaded and will allow us to track its movements over the ocean or across town. We will have the capability of knowing through electronic seals and other devices whether tampering has occurred en route, and final destination ports will be equipped with sensors to detect any abnormalities before a container is ever brought on land. Some of these technologies exist today and others are being developed. It will be essential for Congress, ports and the entire international transportation system to focus together in addressing this significant challenge.

The events of September 11 have certainly put us all in a pretty steep learning curve. We have reached a better understanding of which safety improvements can occur quickly and which ones will require worldwide cooperation. We know more needs to be done to identify the contents of containers and to ensure safety controls are in place at the port—point of origin. As a Nation we have come to better understand the complexities of the international transportation web and our economy's absolute dependence on this seamless flow of commerce.

The Port of Tacoma deeply appreciates your leadership in this important arena and for convening the hearing today. I am certainly looking forward to working with you as we continue to address these important issues.

Senator MURRAY. Thank you, Ms. Riniker. I will introduce Mr. Steve Sewell, Managing Director and Executive Director of the Port of Seattle.

**STATEMENT OF STEVE SEWELL, DEPUTY CHIEF EXECUTIVE OFFICER,  
PORT OF SEATTLE, WASHINGTON**

Mr. SEWELL. Thank you, Madame Chair, and we do appreciate your willingness to take the time to meet with us this afternoon and listen to us this afternoon, and especially appreciate your leadership over the past few months on this issue.

As you know, the Port of Seattle is one of the major container ports in the United States. We handled over \$32 billion in foreign trade last year, which is the fifth largest amount in the United States, and together with the Port of Tacoma, we formed the third largest load center for containerized cargo in the United States.

In addition, as several people in the previous panel mentioned, we have a fast growing cruise industry, and expect that to expand exponentially in the next few years, and we have a downtown area which is somewhat unique to ports in the United States, where we have 180,000 people working within close proximity to our terminals on a daily basis, and as Mr. Thorne mentioned, 11 million passengers annually through Elliot Bay on ferries. So all these things mean that we, I think, here, need to pay special attention to the issues of seaport security.

I want to talk briefly on four points. First, the distinction, I guess, between cargo security and seaports or port security, which I think you are well aware of. Secondly and briefly, because you and Mr. Hardy I think had a good exchange on the issues of Canada and equal enforcement in Canada and the United States, so I

will touch on that very briefly. Third, one item on cruise ships that I think needs to be addressed and probably is maybe not as visible as some others, and finally a couple of comments on potential legislation coming out of Congress.

First, seaport security versus cargo security. We are initially as you know and in part of our grant application that we made jointly with the Port of Tacoma and the Port of Everett, looking at some of the, I guess, one would say easier things to do, that is sort of the perimeter security and hardening of security within the port area, whether that be security cameras or access controls or additional police presence.

The real issue as many have said today though is the security of the cargo, itself, which is only touched by the port at one point in that change of distribution, and many have talked about the need to deal with that issue, and I think that certainly this should be the primary focus for the Federal Government, and it is something that is going to require Federal oversight and Federal intervention, and I think as Andrea has said, certainly requires clarity as to the agency that is going to be ultimately accountable and responsibility for making that origin to destination security logistics chain secure. It can be done. It is a long process, and I think that some of your questions were very good.

I think it is going to require some new and creative thinking I think in the areas of technology, and what information can and should be shared, both the commercial side and the intelligence side, and then I think a real major effort in terms of international diplomacy and international negotiation is going to be required by the U.S. government.

Briefly on the Canadian issue which I think you are well aware of based on your questions and Mr. Hardy's responses, I think it is very, it is encouraging that there is this reciprocal deployment of Customs agents in Seattle and in Vancouver and also the east coast, but I think you are right to ask the questions, and we certainly will be looking to make sure that the Customs clearance procedures are the same in both places. I think it is important to say that yes, we are concerned about competition, but in a way that is almost a secondary concern, because if we do not have the same kind of security in Canada that we have in the United States, it will be an incentive, not just for legal commerce, but for illegal activities to go across those borders and into the United States, and that is the reason why I think we need to be continuing to work with our bordering countries, particularly Canada, to make sure that that does not happen.

Cruise ships as is mentioned, we are seeing a tremendous growth, and we have worked very closely with Customs and INS, and they've done a good job in dealing with what was really unexpected. It is exciting to us, but unexpected growth in that business. One of the things that has been most troublesome for all of us to deal with is on-the-water presence at a Level III Security.

We do need to have presence on the water, law enforcement presence, and although we were able to handle that via a number of different local law enforcement agencies last year and will be able to do that next year, in the end we see that as a Federal responsibility. The Coast Guard clearly does not have the resources at this



time to do that, although they do provide that kind of on-water presence in other parts of the country. They are underfunded in that area as they are in other areas, and we think in the long-term that should be based on the intelligence and training required for that mission should be a Coast Guard function.

Finally, with regard to legislation, we are pleased to see that legislation is moving through both the Senate and the House, and I think that the common thing in both of those pieces of legislation that we like to see is something that Admiral Brown mentioned and that is that there is a clear standard be set up but with some flexibility locally to implement that standard based on the conditions in a particular port. That is important.

I think another thing that is important is that we act carefully, but also act quickly, particularly because we need to make sure that our ports are secure, but also many of us are beginning to make substantial investments, and we do not want to make investments that will become obsolete or not useful once Federal legislation is in place, so the sooner the better on that, and finally as my colleague from Tacoma said, we really do need to make sure that if it can be done at the administration level that Congress weighs in very heavily on who is ultimately accountable for making sure that our ports are secure.

Finally, a couple of comments. One, were I not leaving the port, I would be the chair of the American Association of Port Authorities next year. We are fortunate that John Moore of the Port of Everett will be taking that position, and I urge you to work closely with that association. They are very closely in tune with the comments that Miss Riniker and I have said today, and we are fortunate to have someone locally to be heading up that association next year.

And I would just concur, we did coordinate as we coordinated our application, we coordinated our comments so as to not hit the same points, but we concur completely with what Tacoma has said, particularly on the issues as I mentioned of the clarity of Federal responsibility.

And also just touching on funding very briefly, it is important that we, that this be funded. It is also important that a single industry not bear the burden for what is in essence similar to national defense, or how we fund the armed forces. With that, thank you, and I would be happy to answer any questions later.

Senator MURRAY. Thank you very much, Mr. Sewell. We will move to Mr. Charles Wellins, Director, Pacific Northwest Region, Maersk, Incorporated.

**STATEMENT OF CHARLES WELLINS, DIRECTOR, PACIFIC NORTHWEST REGION, MAERSK, INC.**

Mr. WELLINS. Good afternoon, Senator Murray. My name is Charles Wellins. I am a director of Northwest Activities for Maersk, Inc. I appreciate the opportunity to appear before all of you today.

As you may know, Maersk Sea-Land has a significant global, national and regional presence. In 2001 our fleet of 250 plus ships made approximately 20,000 port calls throughout the world. We have a presence in more than 100 countries. A Maersk Sea-Land

vessel is in and out of a U.S. harbor every day of the week. On a global basis we make approximately 55 individual port calls per day. The public generally recognizes us as a global carrier. We also have a number of highly successful companies involved in transportation of containers including trucking companies, terminal operations and logistics.

Last year Maersk Sea-Land moved approximately 144,000 containers through the Port of Tacoma, while our terminal company in Tacoma handled approximately 270,000 containers. We have more than 130 offices and a terminal presence in every major U.S. port, and we have invested hundreds of millions of dollars in the United States infrastructure.

I would like to offer some brief general comments on port security today. Port security is a complex and enormously challenging issue. We appreciate, as do other carriers in our industry, that enhanced port security is a permanent part of our business process. As a company, Maersk Sea-Land made substantial security investments prior to 9/11 primarily for drug interdiction and theft protection purposes, but not to prevent acts of terrorism. To respond as best we can, we have recently initiated comprehensive security guidelines for our fleet of ships and are currently in the process of addressing this matter with other business units. We are not anti-terrorist experts, however, given the existing pool of security knowledge and our means, we are taking every available initiative to voluntarily do what we can to enhance security for our personnel, our ships, terminals and trucks, and to protect the integrity of our customers' cargo.

Congress will inevitably enact legislation before adjourning this year, and regulatory authorities feel the need to take unilateral action to protect America's ports and infrastructure. We share your goal to protect our ports. Our industry, however, requires an international solution so that the same security processes used in the United States are also used in other countries where containers originate. By international agreement, legislation or regulation, port security requires, one, a process that allows government authorities to detect and intercept security risks from a container's port of origin through its final destination, and two, a process to ensure the efficient route of that container under all security conditions.

I would like to offer eight specific viewpoints. One, security must facilitate the movement of trade. We must develop and protect the system that facilitates international trade even in the event of a terrorist incident. This is not a maritime security issue, per se, but a matter of affecting global commerce and the world economy. We ask Congress to make certain the Federal Government has a strategy and a capability to ensure that the container trade continues to be expedited through U.S. ports should a terrorist incident occur. Terrorists reach their ultimate objective by freezing the U.S. economy.

Point two, mandatory security requirements. Explicit mandatory rules are needed so that each entity in the supply chain understands their obligations to preserve the integrity of the container. We strongly support voluntary programs such as those being pursued by Customs. In some cases, however, mandatory requirements

are necessary so that the security and integrity of the container is not dictated by the marketplace.

Point three, container information. Government officials view timely receipt of information as being the first layer of defense against terrorism, so that they can detect an anomaly and respond accordingly, and we agree. Congress needs to appropriate sufficient revenue to data systems that accomplish this objective. Congress also needs to specify which Federal agency will be responsible for this function, and identify a date when such a system must be fully functional. It is important to note that carriers do not generate container information. It is provided to them by the cargo interest.

In the future, we believe all information must be transmitted electronically. It must be transmitted wherever the container is stuffed, its doors are closed and sealed. Such information must be transmitted before containers are loaded on ships. The government should specify the type of security sensitive information it needs in addition to the manifest, and complete information must be supplied to the carrier for documentation purposes.

Point four, port security grants. The fiscal year 2002 Department of Defense Appropriations Act included \$93.3 million for the newly established Transportation Security Administration, aka TSA, to award grants for financing the cost of enhancing the facility and operating security. This level of funding appears insufficient for industry needs today. Perhaps the single most important step that the committee could undertake after this hearing is to appropriate more funding for this important endeavor. Recent grant applications should provide the committee an appropriate benchmark of necessary appropriations for the future.

Point five, protecting the supply chain. Protecting the supply chain is another important and challenging part of port security. It starts by information being transmitted at the factory, point of origin or consolidation and continues to the destination. All entities must assume responsibility for the security and integrity of the container: vendors, third-party logistics providers and consolidators, truckers, rail, terminal operators and carrier links. The integrity of the container must be maintained.

Point six, container tracking. Container seals should be subject to an internationally tested and acceptable standard. We support a legal requirement that the cargo of interest seal a container after it is loaded, and the seal number be recorded on the relevant shipping documents; that seals need to be checked at the various interchange points to ensure integrity; and that procedures be established for when a loaded container is received with no seal or a broken seal. We do not believe that empty containers should be sealed.

Point seven, container inspection. It is not feasible or even necessary to inspect every container entering or leaving from a U.S. port. The use of nonintrusive inspection equipment is increasing; however, comprehensive information about the contents of the container will allow the government to target which containers warrant such inspection. Advanced security information is the first layer of defense and is the best way to detect an anomaly before the container is loaded on the ship.

Point eight, personnel port security. To the extent background checks are required by law, one, the government should assume

this responsibility, not the employer, and two, one security card should be issued by the government so that appropriate truck terminal and ship personnel have access to security sensitive areas.

In summary, port security grants are enormously important and to make the most notable near-term impact by enhancing on Tacoma, other ports in the States, and ports nationwide, we encourage the subcommittee to give this matter further consideration.

You have been very generous with your time. Thank you for the opportunity to appear today.

Senator MURRAY. Thank you very much, Mr. Wellins. We will move to Mr. Richard Softye, Vice President of Compliance Programs, Holland America Line.

**STATEMENT OF RICHARD SOFTYE, VICE PRESIDENT, COMPLIANCE PROGRAMS, HOLLAND AMERICA LINE**

Mr. SOFTYE. Good afternoon, Senator. For the record, my name is Rich Softye. I am the Vice President, Compliance Programs, for Holland America Line, and will be testifying on behalf of Holland America and the International Council of Cruise Lines. I have written testimony that I have submitted for the record and will summarize in this oral statement.

Holland America Line is a member of the International Council of Cruise Lines which is a North American industry trade organization representing 16 of the world's largest cruise vessel operators. Last year, ICCL members carried over 7 million passengers on over 90 ships calling at ports around the world. The majority of these passengers were carried out of U.S. ports, and a majority of those from the ports of Miami and Fort Lauderdale. This coming year, I am pleased to say that the departures will increase over previous years, as Steve has already pointed out.

From previous testimony by Admiral Brown, you already know that passenger ships and terminals are required to have comprehensive security plans that are acceptable to the United States Coast Guard. Holland America Line and the other ICCL members worked closely with the Coast Guard a number of years ago to provide a security plan template for use by our members to assure that each of these plans contain the required information in similar format to ensure consistency and thoroughness. Because of these plans and the industry's existing security posture on September 11, this industry was able to immediately increase its security measures to the highest level. In addition, ICCL initiated daily telephone conference calls between cruise companies, security and operations managers and government agencies. Participants included Coast Guard Atlantic Area Command, Coast Guard Pacific Area Command, Coast Guard headquarters, Coast Guard marine safety offices, the Department of Transportation S-60 unit, United States Immigration and Naturalization Service and other agencies and port representatives as needed. Again, the purpose was to modernize actions around the country, facilitate ship relocations when the Port of New York was closed to cruise ships, identify best practices for use for everyone, to share information and control rumors and to standardize requirements and procedures.

I was personally one of those representatives at the front line of those conference calls and our front line facilitator responsible for

stepping up responsibility, relocating ships to alternative ports and ensuring the consistent safety and security of our passengers, not only here, but around the world.

I have mentioned modernization and consistency. These elements are absolutely critical to the success of all efforts addressing terminal, ship, passenger and crew security. We are currently working with the Coast Guard at several levels to identify and implement a long-term security posture, that is not only high, but is also sustainable, one that is flexible enough to meet the demands of each of the unique ports that we visit, either as a turn-around port, Seattle being an example, or as a port of call. Because Holland America Line and the other members of ICCL will travel worldwide, it is important to assure that appropriate and adequate security is provided at each port of call in whichever country we visit.

To assist in obtaining a consistency around the world, ICCL has recently sent a letter to all Caribbean States and other regions urging a review and timely upgrade of security at these ports. We have and will continue to participate fully in the U.S. Coast Guard initiative at the International Maritime Organization to develop worldwide security regulations and guidelines.

All ICCL members continue to operate at the highest level of security. The visible measures a passenger will see in arriving for a cruise ship actually in some ports exceed those of airports. Not only are passengers and hand-held items screened by metal detectors, all baggage, 100 percent is screened by X-ray, hand searched, explosive sniffing dogs or other methods. All stores coming on board are screened, and all personnel, passengers, crew, and visitors are thoroughly identified and vetted before boarding. Passenger lists with pertinent information are provided to the Coast Guard, Customs and INS at least 96 hours in advance for their screening. Wayside, terminal and border side security where necessary is coordinated with the Coast Guard and other Federal, State and local authorities.

A lot has been done since September 11 and a lot remains to be done. Let me assure you that Holland America Line and the other ICCL cruise line members will be at the forefront of these activities, in the development and implementation of technologies and striving in partnership with responsible agencies to assure that cruising remains a safe and secure vacation option. I will be pleased to answer any questions you may have.

[The statement follows:]

PREPARED STATEMENT OF RICHARD SOFTYE

Mr./Ms. Chairman, my name is Richard Softye. I am the Vice President Compliance Programs for Holland America Line. I am pleased to appear before you today regarding security at our Nations seaports. I am here not only to testify on behalf of Holland America Line but also the industry and its trade association the International Council of Cruise Lines.

The cruise industry was shocked and deeply saddened by the attack on America and the tremendous loss of life that resulted from this national tragedy. In light of these recent events, we are continuing operations at a very high level of security and ICCL, together with our cruise lines member operators, are working with all appropriate Federal, State, and local agencies to ensure that traveling Americans are protected to the maximum extent possible.

ICCL is a non-profit trade association that represents the interests of 16 of the largest cruise lines operating in the North American cruise market and over 73 Associate Member companies that are cruise industry business partners and suppliers.

ICCL member cruise lines serve major ports in the United States and call on more than 400 ports around the world. Last year, ICCL's member lines carried more than 7 million passengers on 95 vessels.

I welcome the opportunity to appear before the Subcommittee today to review and discuss our industry's efforts to ensure the safety and security of all of our passengers and crew. The cruise industry's highest priority is to ensure the safety and security of its passengers. A cruise ship is unique in that it is inherently secure because it is a controlled environment with limited access. In order to maintain this secure environment, cruise lines have established strict and highly confidential ship security procedures that meet or exceed strict ship and passenger terminal security procedures that are set forth by the International Maritime Organization (IMO) and by the comprehensive regulations established by the U.S. Coast Guard (USCG). In the United States, the USCG oversees the enforcement of these security measures. Regulations address both passenger ship and passenger terminal security and outline methods to deter unlawful activities onboard passenger vessels.

The 1986 IMO Measures to Prevent Unlawful Acts Against Passengers and Crew address concepts such as: restricting entry to sensitive locations including the ship's navigation bridge and the terminal's security control center for example; monitoring the flow of materials and consumable supplies brought onboard a ship; and providing perimeter security around the terminal and ship. Security procedures within these measures include the use of metal detectors, x-ray machines and other screening techniques to prevent unauthorized entry or carriage of weapons onboard.

In 1996, the USCG implemented an Interim Final Rule on Security for Passenger Vessels and Passenger Terminals, which was finalized in October of 1999. These regulations require ship and passenger terminal operators to submit comprehensive security plans to the USCG for review and acceptance. In this regard, the plans for all ICCL member lines have been submitted and accepted by the USCG. The security plans, which are sensitive law enforcement documents and therefore not available to the public, include the following major components:

- Identification of three levels of security and specific procedures to implement and follow at each level
- Procedures to prevent or deter unlawful acts onboard
- Procedures to prevent or deter introduction onboard of weapons and other unauthorized items
- Procedures to prevent and or deter unauthorized access to vessels and restricted areas
- Designation of an onboard Security Officer
- Security training for all crew members
- Procedures for coordinating the ship security plan with the terminal security plan
- Directions and procedures for reporting of violations and unlawful acts
- Annual security audits for each ship
- Review of security plan amendments and security plan implementation by the USCG

Passenger vessel security plans and their amendments are reviewed by USCG Headquarters and examinations are conducted by the local Captain of the Port to verify that all security practices and procedures are effective, up-to-date, and are being followed.

As a result of this extensive security planning, the cruise industry was one segment of the transportation industry that was able to immediately move to a heightened security posture as a result of the attacks on September 11, 2001. While implementation of Level III security, the highest level of security, was directed by the U.S. Coast Guard at U.S. ports, ICCL member operators reported that they implemented security measures consistent with this declaration even before it was ordered.

Security measures at U.S. cruise terminals, and onboard ICCL member cruise ships remain at Level III—the highest possible. Passenger vessel security measures include passenger-screening procedures which are similar to but actually exceed those found at airports. This includes 100 percent screening of all passenger baggage, carry-on luggage, ship stores and cargo, and also includes higher levels of screening of passenger identification. Official passenger lists are carefully reviewed and proper identification is ensured before anyone is allowed to board the vessel. Even before the attacks of September 11, and as a result of long standing memorandums of understanding, all passenger lists were made available to the INS and Customs for screening. Passenger identification is now subject to even stricter scrutiny and the industry is working closely with the INS and other Federal agencies to ensure that any passenger suspected of being on any agency's lookout list are reported to the Federal authorities for further action.

Another component of Level III Security requires ship operators to restrict access to authorized personnel and to identify restricted areas on the vessel that require positive access control such as intrusion alarms, guards, or other measures to prevent unauthorized entry. Restricted areas on a vessel will include the bridge, the engine room, and other areas throughout the ship where operations are conducted. Other onboard security measures, not generally discussed for obvious reasons, are employed to maximize shipboard security and to deter unauthorized entry and illegal activity. Every vessel has a trained security staff responsible for monitoring activities and responding to any suspicious activity that may jeopardize the safety of the passengers and crew.

For many years, the cruise industry has been pro-active in developing effective security measures and has looked for ways to increase passenger safety. In fact, most ICCL member lines now utilize advanced technologies to control access to our vessels. The Passenger Access Control System, that has been installed on many of our members' vessels, utilizes a passenger identification card that incorporates a picture of the passenger that is taken at the time of boarding. This picture and other passenger identification information and cruise information is placed into an onboard computer system. During the course of a cruise, the identification card is presented each time a passenger departs or boards the vessel. The picture appears on a computer screen that is matched against the person's face for identification purposes before they are allowed to board the ship. The card can also be used for room access and for onboard purchases. This new technology is only part of an overall onboard security system that further enhances the proper identification of all passengers and crew boarding the vessel.

Since 1998, ICCL and its member operators have been members of the U.S. Inter-agency Task Force on Passenger Vessel Security. This group, which includes representatives from the Departments of Transportation, Defense, State, and the U.S. Coast Guard and others, meets every 60 days to discuss emerging security issues, receive updated threat information, and address specific security concerns. Starting on September 12, the ICCL Security Directors and Operations Managers teleconferenced on a daily basis with this group and other Federal agencies such as the INS, USCG Atlantic and Pacific Area Commands, major USCG Marine Safety Offices and port authorities to efficiently communicate, resolve problems and control rumors. These daily conference calls lasted for almost six weeks before being scaled back to twice a week and finally eliminated, as the issues were resolved. That information exchange was proven to be valuable both to our member lines and the Federal agencies involved. As the need arises, we continue to jointly address matters impacting both ship operations and security. We are committed to providing the highest levels of security for our passengers and to working with appropriate Federal agencies to address additional security measures that may become necessary.

Mr. Chairman, we in the cruise industry, believe that our security plans and working relationships with regulatory agencies are accomplishing many of the goals of the Port and Maritime Security Act of 2001. The collaboration and cooperation of all agencies and industry exhibited since the events of September 11 are also accomplishing many of the goals of this legislation. Of course all of the additional security measures that we have put in place are consuming resources and money at a rapid pace. We would urge you to ensure that there is adequate funding that comes with any additional mandates that are placed on agencies, ports or industry through the legislative process.

While we as an industry together with our Coast Guard partners seek to identify a long-term sustainable security posture, we believe that new technologies must be developed and brought on line in the security battle. These technologies may include detection of exotic explosives, plastic weapons, and biological and chemical agents. In the wake of the Anthrax attack, there were many hoaxes, and instances of spilled powders, sugar and coffee creamers that caused concern. This industry, as with other segments of the travel industry, went to great lengths to minimize the impact of these incidents. But, from an abundance of caution approach, all had to be treated with the utmost seriousness. Methods need to be developed, tested and certified to rapidly identify and/or rule out agents such as Anthrax so as to give decision makers the necessary tools to make well-reasoned and scientifically supported decisions.

Neither the Coast Guard nor the ports currently have the resources necessary to provide continuous effective waterside security patrols in those ports where this may be necessary. In some ports, the cruise ships themselves have been asked or directed by the Coast Guard Captain of the Port, to lower lifeboats or rescue-boats to assist in the waterside security equation. While this has been possible in the short term, we do not believe that the ships themselves, whether they be cruise ships or cargo ships, should be placed in a position of utilizing lifesaving appliances

for purposes other than lifesaving. It is our belief that waterside security zone enforcement and other waterside patrols, if not conducted by Federal or State agency assets, should be the responsibility of the local port authority.

Mr. Chairman, these are challenging times—not only from a security standpoint but also from a business point of view. But as I stated before, the highest priority of the cruise industry is, and will always be, to provide a safe and secure vacation experience for our passengers. Our industry pledges its cooperation working in partnership to sustain the level of security necessary to maintain the outstanding safety record of the cruise industry.

This country can and will unite to exercise one of our most cherished freedoms, the freedom to travel. It is up to us to ensure that we protect not only the freedom, but to ensure that those whose goal it is to disrupt our way of life are not successful. We, in the cruise industry, will do everything possible to protect those who choose this outstanding and safe vacation option.

Thank you for the opportunity to appear before you today.

Senator MURRAY. Thank you very much, Mr. Softye. We will move to Mr. Del Bates, Vice-president, ILW Union, Number 19.

**STATEMENT OF DEL BATES, PRESIDENT, INTERNATIONAL LONGSHORE AND WAREHOUSE UNION, LOCAL 19**

Mr. BATES. Good afternoon, Senator Murray, and thank you for giving us a voice at this forum.

As a vice-president of the International Longshore and Warehouse Union Local 19, representing working men and women in the Port of Seattle, I am pleased to submit my comments regarding the security of our ports. The members of the ILW are committed to making our ports and surrounding areas safe and secure and free of criminal or terrorist activities. Just as important, we are absolutely committed to insuring the security of our work force, as well as the surrounding communities where we all live and interact. This is essential since ILW members face direct risk to their personal safety and livelihood from such criminal and terrorist acts simply by virtue of where we work.

Following the horrendous acts of September 11, ports throughout the country went on immediate security alert. In most ports, most major ports, meetings were held between the Coast Guard, maritime employers and longshore labor to discuss the threats we now face and the actions we must take. The Port Maritime Security Act initially focused on criminal activities rather than national security and terrorism. The present need to secure our ports from the threats of international terrorism now overrides all other issues.

There are substantial areas of omission in Senate Bill 1214 that need to be rectified to truly enhance our Nation's seaports' security. The U.S. Coast Guard has basically been the water side enforcement agency within the Federal Government. For purposes of clarity, I understand that the land side enforcement is a different matter altogether. Land side security enforcement has been the function of the local ports' board authorities and internal operators.

It is absolutely contrary to the facts and to the goal of maintaining secure seaports to treat longshore workers as security risks. Longshore workers are not the problem, but rather we are a critical part of the solution for keeping our ports safe and secure from crime and terrorism. It is the ILWU members who are best able to detect and report suspicious and unusual activity in the ports. We should be partners rather than suspects in the efforts to secure our Nation's ports.



As a general matter of policy, the ILWU opposes background checks on any of our dock workers. During the investigation of the Graham Commission, the ILWU challenged the Commission to prove their assertion that internal conspiracies are a problem at many of our Nation's ports. We asked them for an example of an internal conspiracy to commit crimes involving ILWU workers. They could not produce one example of ILWU workers at our Nation's ports involved in criminal conspiracies, not one. In fact, the only involvement our members have with serious criminal activity is reporting to authorities suspicious activities and cargo.

In previous testimony before the Senate Commerce, Science and Transportation Committee, we pointed out that the actions of one longshore worker in the Port of Tacoma led to the largest cocaine seizure in the port's history. Also, in times of war, the ILWU members have delivered on their promise to load military cargo in the safest and most efficient way possible, and many of us are veterans.

It is equally critical that the government not respond to the new terrorism against our country in ways that harm the productivity of our commercial seaports. Excessive or imprudent regulations that fail to account for the true realities of port operations will only result in further damage to the national and world economies at a time when we are in perilous circumstances. We must not through rash government regulations accomplish the very result our enemies seek and we are trying to avoid—the disabling of waterfront commerce.

I appreciate the opportunity to submit comments on the behalf of the ILWU. Accompanying the statement is a detailed proposal designed to pinpoint critical security sensitive areas with specific delineations between land-side and water-side operations. The proposals are designed to increase and improve port security protection in an economically feasible way. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF DEL BATES

As Vice President of the International Longshore and Warehouse Union, Local #19, representing working men and women in the Port of Seattle, I am please to submit my comments regarding the security of our Ports. The members of the ILWU are committed to making our ports and surrounding areas safe, secure and free of criminal or terrorist activities. Just as important, we are absolutely committed to insulating the security of our workforce as well as the surrounding communities where we all live and interact. This is especially so since ILWU members face direct risk to their personal safety and livelihood from such criminal and terrorist acts simply by virtue of the jobs we do and the areas where we work.

Following the horrendous terrorist attacks of September 11, ports throughout the country went on immediate security alert. In most major ports, meetings were held between the Coast Guard, maritime employers and longshore labor to discuss the threats we now face and the actions we must take. The Port and Maritime Security Act (S.1214) initially focused on criminal activities rather than national security and terrorism. The present need to secure our ports from the threats of international terrorism now overrides all other issues. There are substantial areas of omission in S.1214 that need to be rectified to truly enhance our National's seaport security. The U.S. Coast Guard has basically been a waterslide enforcement agency within the Federal Government. For purposes of clarity, understand that landside enforcement is a different matter altogether. In major American ports, including areas ILWU jurisdiction, landside security enforcement has been a function of the local port and terminal operators.

It is absolutely contrary to the facts and to the goal of maintaining secure seaports to treat longshore workers as security risks. Longshore workers are not the

problem but rather are a critical part of the solution for keeping our ports safe and secure from crime and terrorism. It is the well-established longshore workforce that knows how things work best in the ports and, perhaps most importantly, knows who belongs where in the marine terminals. It is ILWU members who are best able to detect and report suspicious and unusual activity in the ports. The government should, therefore, enlist these dedicated workers as partners rather than as suspects in the effort to secure our National's ports.

As a general matter of policy, the ILWU opposes background checks on any of our workers. During the investigation of the Interagency Commission on Seaport Security (the Graham Commission) the ILWU challenged the Commission to prove their assertion that internal conspiracies are a problem at many of our National's ports. We asked them for an example of an internal conspiracy to commit crimes involving ILWU longshore workers. They could not produce one example of ILWU workers at our National's ports involved in criminal conspiracies. Not one. In fact, the only involvement our members have with serious criminal activity is reporting to authorities suspicious activities and cargo. In previous testimony before the Senate Commerce, Science and Transportation Committee, we pointed out that the actions of one longshore worker at the Port of Tacoma led to the largest cocaine seizure in the Port's history. In times of war, the ILWU members have delivered on their promise to load military cargo in the safest, most efficient way possible.

It is equally critical that the government not respond to the new terrorism against our country in ways that harm the productivity of our commercial seaports. Excessive or imprudent regulations that fail to account for the true realities of port operations will only result in further damage to the national and world economies, at a time when they are in perilous circumstances. We must not, through rash government regulation, accomplish the very result our enemies seek and we are trying to avoid—the disabling of waterfront commerce.

Accompanying this statement is a detailed proposal designed to pinpoint critical security—sensitive areas with specific delineations between landslide and waterside operations. The proposals are designed to increase and improve port security protections in an economically feasible way.

#### *Waterside Security Issues*

*Match Personnel With Provided Documents.*—Legislation should require crew and passenger lists including names, addresses, passports, and mariner documents be matched up in person with the documents submitted. When the Immigration Naturalization Service (INS) is given the documentation, they merely go through the documents without requiring the individual's presence to insure he or she is who the documents say they are.

*Implementation of Integrated Systems.*—Implementation of integrated systems allowing Customs to inspect and/or review manifests containing identification of shipper, port of origin, and cargo shipped prior to vessel entering American waters.

*Advance Security Clearances of Vessels.*—The legislation should require advance security clearance requirements for all vessels, their owners, operators and crew before entering a U.S. port. Presently, these vessels operate under secrecy and without regulations by the scheme of flying the flag of a country (flag of convenience) that lacks any meaningful regulations and scrutiny. The London Times reported that the terrorist group Al Queda operates flags of convenience vessels.

#### *Landside Security Issues*

*Container Security Seals.*—Like luggage on airplanes, the containers on vessels and in port facilities need to be subjected to security screening to protect U.S. seaports and international maritime commerce. Obviously, it is both impractical and cost prohibitive to inspect every one of tens of thousands of containers that flow in and out of our ports each day. Proposed legislation should at least mandate that port workers who receive containers inspect the integrity of the outside seal on each container. Seal inspection must be done to insure that the seal number matches up with the consignee who was the last person who sealed that container up and is responsible for the cargo therein. To insure port security, this is one the "primary" actions that must be undertaken. This act must mandate that the integrity of the seals be checked and rechecked against terminal documentation to insure the origins of that cargo. A broken seal would alert the port facility that the container has been tampered with and that it needs to be carefully inspected before entering a facility or being placed on a vessel, and should be immediately earmarked to Customs for inspection. A systematic check of container seals provides authorities with a record as to the parties responsible for placing the seal on any container that may be the means of terrorist act.

*Empty Containers.*—One of the most overlooked of potential security risks to terminals, ships, and port infrastructure is the proper handling of empty containers. On any given day as much as forty percent of cargo delivered into any facility is comprised of empty containers. A physical inspection of these containers is vital for a number of reasons; (1) Terminal safety—knowing that in almost all port facilities empty containers are very rarely inspected, the potential for placement for some kind of explosive device is something that must be considered and planned for, (2) Vessel Safety or remote site endangerment—the concept where an uninspected empty container containing an explosive device would be loaded onto a vessel for detonation. In many ports throughout the world the inspection of empty containers is a requirement, for exactly many of reasons that were outlined! What would happen if a terrorist cell in a foreign country for example were to take an empty container, place an explosive device inside, then load it up and ship it for detonation elsewhere? For years, inspection of empty containers was regularly done in America's largest seaports; however this procedure was abandoned some years ago. Once again, if we truly are desirous of creating safe and secure seaports then the return to these inspections is a must.

*Non Inspection of Truckers.*—The primary threat to American seaports is the ability to truckers gain access to dockside marine containers terminals with "carte blanche" accessibility. The majority of all truckers entering marine facilities in America's largest ports do so without having to exhibit any kind of identification whatsoever. Prior to the terrorist attacks in New York and Washington D.C., there was no requirement for truckers to produce any identification upon entrance to marine terminal facilities. However, even following the attack, only two marine container facilities now demand I.D. upon entrance through marine terminal gates, but there is still no match-up of photo I.D. with the truckers themselves because they only have to produce the drivers license number for entrance. The truckers entering these marine facilities have virtually unobstructed access to the entire facility, enabling them to place anything, anywhere, at anytime.

*The Failure to Provide Secure Cargo Handling Areas.*—In many ports throughout the world, the local workforces take the cargo (now in steel cargo shipping containers almost all the time) and place them in secured "holding" areas, many times located next to marine facility entrance gates, awaiting truckers who are allowed only in these secured areas to pick upon containers, usually on an appointment basis. This is an excellent concept that has resulted from years of experience realizing that the best way to secure your facility is only allow those on the terminal that have immediate business needs. They then realized that to allow trucker's unlimited "carte blanche" access to all areas of the facilities was a dramatic error as it compounded the problems of security and congestion. What followed was the establishment of secure "holding" for cargo retrieval.

*Utilization of Existing Security Personnel.*—Minimum manning standards and uniform training procedures must be adopted for the existing professional security personnel to meet the growing security needs of our ports.

The above outlined points are a collection of the most critical procedures that must take place if we are to safeguard our American seaports. We have worked within these ports every day for many years and our experience enables us the opportunity to share with you, the Committee, some of the protocols and procedures in a marine environment.

I appreciate the opportunity to submit comments for the record on behalf of the International Longshore and Warehouse Union and I am prepared to answer any questions from Committee members. I look forward to the opportunity to work with you as we solve the problems of reviewing security issues so that commerce within our National's seaports may continue uninterrupted in a manner prosperous, safe and secure for many years to come.

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## POSITION PAPER ON SEAPORT SECURITY FOR CONTAINER TERMINAL FACILITIES

### PREAMBLE

Container terminals are unique waterfront operations that present their own security challenges. Accordingly, this paper proposes a security system to meet these challenges while at the same time permitting the efficient and effective movement of cargo containers. However, the principles introduced here will have application to other marine cargo handling facilities as well other modes of transportation and their facilities.

Moreover, some of the concepts discussed here are intended to clarify elements of the Port and Maritime Security Act of 2001 (the Hollings Bill or S. 1214) passed

by the Senate and information provided by the Port Security Direct Action Groups under the auspices of the Office of Homeland Security and Department of Transportation.

The paper is organized into key areas that need to be addressed in order to ensure that a seaport security regime is workable in the context of the business of container terminal operations.

#### DEFINITIONS

*Clear Definitions.*—House bill needs to clearly define key terms. We suggest the following definitions:

- Secure Perimeter.*—Are the elements designed or utilized to prevent unauthorized access to a facility from the landside.
- Positive Access Controls.*—The points in the secure perimeter where entry and exit gates are placed, where credentials and authorization for entry are validated and recorded, and where delivery, cargo, cargo documentation and interchange information are checked.
- Controlled Access Area.*—As applied to container terminals, a controlled access area encompasses the entire terminal inside a secure perimeter without requiring further segregation or positive access controls.
- Security Sensitive Information.*—Information concerning the contents of intermodal containers.
- Credential.*—A national transportation worker credential applying to truckers, railroad workers, maritime terminal employees, etc. which positively verifies a person's identity and suitability to access a transportation facility or security sensitive information, issued on a uniform national basis by the United States Government or an approved agent of the United States Government after it has conducted the requisite employment investigations and criminal history record checks. Appropriate national security databases should be checked as part of the criminal history record check.
- Credentialing System.*—A security system that processes the credential in order to determine if facility access is authorized by validating and recording an individual's identity, business purpose for access and records arrival and departure. This should involve an interoperable electronic system that includes biometric identifying information, and networks positive access controls with controlling databases.

#### CONTAINER TERMINAL FACILITY ACCESS

Each terminal or port area would establish a secure perimeter for the purpose of establishing positive access and exit controls for people and containerized cargo.

*No Double Security Zones.*—Each container terminal will create a single secure perimeter encompassing the entire terminal facility. There cannot be a general requirement for double security zones within a facility. Employees daily work duties require them to move about the entire terminal. A separate security zone or zones required within the secure perimeter would require another secure access point which would be extremely costly, unproductive and of no additional security benefit.

Terminal watchmen are expected to do many things, but law enforcement and physical searches are not among them. Law enforcement agencies should not expect industry watchmen to become surrogate policemen. If a beefed up police presence at any container terminal is deemed necessary, this should be the sole function of Federal, State or local law enforcement agencies, including port authority police. A House bill should clarify that terminal employees are not to become law enforcement officers or conduct physical searches.

#### CREDENTIALING STANDARDS

The Federal Government must create uniform Federal standards for credentialing individuals who seek entry or have access to a container terminal and/or security sensitive information wherever in the intermodal transportation chain they are located.

The credential itself should be consistent with the uniform national transportation worker credential being developed by the Department of Transportation and Office of Homeland Security and should supercede redundant credentials issued by other entities.

Credentials should be issued by the Federal Government or appropriately delegated issuing authority according to Federal standards. There should not be different authorities in different geographic locations or States issuing credentials under different standards. It is imperative that there be one standard and one credential because, several States are enacting seaport security legislation requiring

such credentials based upon different standards than proposed Federal legislation. Federal preemption is necessary.

Drug and alcohol screenings should reflect current statutory standards for transportation workers and be required as part of the credentialing process.

The credential adopted should have a period of validity for a duly issued credential. The one-year renewal provision adopted by the State of Florida is unreasonable; a longer period perhaps five-year period would be better. However, there must be an automatic mechanism that can invalidate a credential for subsequent disqualifying acts that might occur during the credential's period of validity.

#### CREDENTIALING SYSTEM REQUIREMENTS

The credentialing system must (1) authenticate the identity of all individuals seeking access to the terminal or facility, (2) validate the business purpose for such access and (3) record arrivals and departures. The terminal or facility should be able to control access even for credentialed individuals.

The credential system should employ appropriate technology to process and validate credentials at a positive access control without impeding terminal operations. This should involve an interoperable electronic system that includes biometric identifying information.

The credentialing system should detect invalid credentials, unauthorized users, inappropriate access to security sensitive information and inappropriate use of credentials.

There must be a staggered phase-in period for requiring credentials and background checks to ensure the availability of the workforce.

#### OBTAINING CREDENTIALS

Individuals required to have credentials must be responsible for obtaining their own credentials and ensuring that their employment screening and criminal history record check is accurate.

Individuals should pay a Federal fee for their own credentials and required employment investigations and criminal history records checks as an individual would pay for his or her own driver's license.

A meaningful appeals process for individuals who might face adverse employment actions as a result of the credentialing process should be instituted.

Employers should not have access to the information generated by an individual's government sponsored employment investigation and criminal history check, or information on any appeal that may result.

Employers and employer associations would only provide the credentialing entity with authorization that certain individuals are entitled to apply for such credentials.

Employers and employer associations must be held harmless in any seaport security legislation for adverse employment actions taken as a result of statutorily required credentialing.

A credentialing system is necessary for seafarers. U.S. Merchant Mariners should be covered by the Federal transportation worker credentialing system. However, foreign seafarers present challenges that require international cooperation and agreement. The U.S. Government must define the appropriate credential that would be required for foreign seafarers that would permit them to disembark a vessel, leave the terminal and gain re-entry to the terminal if authorized to do so by the vessel. Container terminal operators should be able to rely on the Federal immigration clearance procedures to allow seafarers into the secure perimeter of a facility without the need for further credentialing checks. Container terminal operators cannot perform the functions of Federal authorities and police vessels or their personnel.

#### CONTAINERIZED CARGO SECURITY

There must be security and reporting procedures for U.S. and overseas personnel, entities and facilities that stuff cargo containers.

The entity that stuffs cargo containers must be required to certify the contents of and seal the container.

Individuals who perform the function of stuffing containers should be subject to the same credentialing standards as container terminal personnel.

Carriers and marine terminal operators must not be subject to civil penalties for a shipper's failure to provide accurate and timely information about the contents of a cargo container.

Electronic cargo data should be transmitted by a secure means throughout the intermodal chain to ensure data integrity and prevent tampering. Cargo data systems must employ appropriate technology to process transactions without impeding commerce.

## LOCAL SECURITY PLANS

Federal legislation should adopt the family of plans concept of the Oil Pollution Act of 1990 (OPA 90). The family of plans concept refers to tiered levels of security plans ranging from national to individual terminal plans.

A local port security plan should be required that is all encompassing for the port area. Because each port is different, local port security plan should be prepared by the Local Port Security Committee in conjunction with the Coast Guard.

A container terminal security plan should be required to address internal security at the container facility and should be prepared by the terminal operator for approval by the Coast Guard.

A vessel security plan should be required to address vessel security and should be prepared by the vessel operator for approval by the Coast Guard.

The Port Security Plan should address Federal, State and local law enforcement function, utilization and deployment.

## FUNDING

Federal funds must pay for the port security mandates designed to protect the general public.

Instead of relying on annual appropriations from the general fund, a dedicated intermodal security fund should be created to assure that a long term source of funding is available to port authorities and waterfront facility operators.

This dedicated fund should be funded by an appropriate fee charged to the end users of the intermodal cargo chain, i.e., the initial shipper placing the container into interstate or foreign commerce, or, in the case of import containers, the receiving agent for the container. This places the cost of security on the general public, as does the airport recently federally enacted security fee.

Federal grants and loans should be provided until this dedicated intermodal security fund is brought on line. Expenditures from the fund should be retrospective allowing port authorities and terminal operators to recover for mandated expenditures made pursuant to regulation or statute.

Absent a dedicated fund, dollar for dollar tax credits should be made available to the private sector to encourage fast compliance and allow recovery for mandated security expenditures.

## GOVERNMENT EFFICIENCY

The government entities with overlapping authority must communicate effectively and cooperate in streamlining the regulatory burden on the industry.

## LIMITATIONS ON LIABILITY

Marine terminal operators should have limitations on liability provisions similar to those in the Aviation Security Act.

Facilities and ocean carriers should be insulated from potentially devastating terrorist attacks. The Federal Government must make available property and casualty insurance to cargo container terminal operators. Presently, the private insurance market is not offering sufficient coverage of losses due to a terrorist act.

Senator MURRAY. Thank you very much, Mr. Bates, and we will move to Mr. Jon Hemingway, CEO, Stevedoring Services of America.

**STATEMENT OF JON HEMINGWAY, CHIEF EXECUTIVE OFFICER, STEVEDORING SERVICES OF AMERICA**

Mr. HEMINGWAY. Thank you, Chair and Senator, for the opportunity to be here today. I am going to throw out a lot of my prepared remarks, because a lot of it has already been said today, but I did want to drill down on a couple of things that have been raised here for the benefit of the subcommittee.

I think we all understand that there is a consensus developing that we need to push our borders outward, and that secure and efficient trade is a function of control at the point where the container is loaded and a secure chain of custody until the container is unloaded. Simply put, in the container business, our jobs changed from protecting cargo from people, to protecting people

from cargo. I have to agree with Mr. Bates that I do not think the problem is the longshore work force, or that there is a conspiracy there. I do differ with our longshore brethren in that I think that to the extent there is a credentialing system, that it be a national system that apply equally to all members of the chain, so any kind of screening that takes place with our workers should apply to management, the trucking community and others involved in commerce.

That being said, I want to offer comments specific to some of the great points that Director Hardy made with respect to Customs activities. We were fortunate to grow up here in the Northwest and Tacoma and Seattle, and with Local 19, and we have been able to grow a bit with their support. We now operate 9 out of the top 10 container ports, 46 out of the top 50 ports, and we are the largest employer of waterfront labor in the United States. We handle more cargo than anyone else, we load more trains than anyone else, and partly it is because of the lessons we have learned here working with some of the people here at this table.

A lot has been said, and we all watch "60 Minutes", about the inspections that need to take place and need to be stepped up from where they are. We cannot push our borders out tomorrow, but I think everybody feels the need to do more and the pressure is no greater than on Customs today. The temptation is to do highly visible inspections on our docks. The problem is that the container facilities were not designed for this mission. The solution in some cases, less intrusive X-ray devices, are scarce, and there is only a few available. I mean, all of the Port of Seattle is getting one. Tacoma is getting one next year.

So our modest suggestion is that we look to leverage the resources we have in the most effective way. Customs administers Central Examinations throughout the container ports in the United States. Those Central Examination Stations are a remarkable platform for getting inspections done. The thing that I want to strongly encourage is that we use those Central Examination Stations to step up our inspections.

Now, traditionally they've been used for unloading containers, going in in a very cumbersome and expensive way, searching the entire contents, but there is no reason that we cannot add this non-intrusive technology, X-rays, particularly ones with fast scanning technology that allows us to detect explosives, for example, in these examination stations. It does not make a lot of sense to us to see scarce Customs personnel moving scarce equipment between seven container terminals in Seattle and Tacoma when we only have one machine.

Customs has control over every cargo in international trade that crosses our docks. They tell us when we can release that container and they can dictate where it goes. It is easy for them to specify that a load goes to a Customs Examination Station, and when they do that the cost of that extra move and the cost of the inspection is borne by the end user.

As people do better jobs than others, and I will take Maersk as a high quality carrier, they will get a lower sampling rate and have lowest extra costs over time. That is a great economic incentive, and guess what, the whole process is self-funding. So why cannot

we locate these X-ray machines at Central Examination Stations and give them the tool to charge for that facility? We have the legal and commercial framework in place now to do it. We have a set-up in our industry that understands the use of that tool.

In some cases, we do not have the legal authority to add this tool to the Customs arsenal, but I respectfully submit to the Senator and the Chair that this is something that we can entertain immediately, and get a lot more out of what is a very precious resource right now, Customs people that are trained to do this as well as the equipment necessary to do that mission.

That is my two bits. I have a lot more, but I will wait until question time. Thank you very much.

[The statement follows:]

PREPARED STATEMENT OF JON HEMINGWAY

Senator and Chairwoman Murray, ladies and gentlemen, thank you for the opportunity to participate today. My name is Jon Hemingway. I'm President of Stevedoring Services of America and several affiliated companies, which together comprise the largest stevedoring and terminal operating company in the United States and Western Hemisphere. Collectively, we are the largest employer of the ILWU and the ILA and the largest leaseholder and owner of waterfront facilities engaged in international and domestic seaborne trade in the United States. Obviously, port security is an issue of paramount concern to our company and its employees.

Permit me to preface my remarks with a bit of history. Before September 11, I think it's fair to say that containerization and its related elements in the intermodal chain were focused on a fairly simple mission, delivering the most efficient transport of cargo within a standardized system. The underlying foundation of this focus is the container revolution, which has allowed us to dramatically increase productivity and trade through our Nation's ports.

The events of September 11 brought into perspective a need for a shift in focus. Before September 11, intermodal transport security was focused primarily on protecting cargo from people and unfortunate accidents in transit. Today, however, we understand that we need to consider how to better protect people from what might be inside containers. It is this shift and distinction, which I believe should drive our government's policy toward improving port security.

In the wake of September 11 there has been a sincere, if uncoordinated effort to improve the security of our Nation's seaports. Unfortunately, companies engaged in international trade, and their employees, have not yet been provided with a uniform policy or direction as to how we improve port security.

I think it's fair to say that every constituent in the transport chain has something to gain and lose from changes we need to make to improve port security. Each principal agency touching international trade, be it Customs, Immigration, the Coast Guard, the Transportation Department and others, is trying to establish its role and funding for whatever their new mandates may be. Each employer group is trying to understand the legal requirements to be imposed as well as pursuing more accountability from its workforce. Unions and employees alike are concerned about improving security while mitigating invasion of their privacy and avoiding changes, which could result in the disqualification of some of their members from earning a livelihood.

So it's clear to this observer that, in this uncoordinated effort of trying to achieve something positive, a common Federal policy is required. The continued functioning of the Nation's transport chain and hence our economic recovery, hangs in the balance.

While we need to establish Federal legislation to address the problem with uniform solutions, the stakes require a careful and practical implementation of changes. We strongly believe that any suggestions to improve port security should be evaluated both for its benefit in terms of improved security as well as its cost to the transport chain and the Nation's economy.

As mentioned earlier, the benefits should focus on how we better protect our people from what harmful agents might be in containers. We feel this is a much more important focus than the secondary goal of securing our perimeter and protecting our terminals and cargo from people who shouldn't be around them.

Further, in the evaluation of proposals, we must carefully evaluate potential for any step to become a bottleneck and create a traffic jam at our Nation's ports.



Therefore, before approval, any national or regulatory standards should be supported by an impacts analysis. The reason for this step is clear, given the limited space in container port facilities, any step which adds even a few minutes to the transit of a typical container bears the potential of creating a traffic jam and a UP style meltdown which could bring our ports, and hence our commerce, to a grinding halt.

With these objectives in mind, permit us to offer a few suggestions based on our experience as terminal operators.

The focus of our efforts should be on better understanding what is in a container, improving the intelligence of our customs service to identify those containers which present risk to the American public and enhancing the tools available to our various government agencies in that mission. Awaiting Congressional direction, a number of agencies have focused on stepping up their visibility and activity in the container terminals. There has also been much discussion about increasing the percentage of containers actually inspected by Customs as well as improving the selection of which containers to inspect. In this regard, we feel that the government would be best served by at expanding its current infrastructure of Customs Examination Stations (CES). The current CES system is already in place with a recognized commercial and legal framework supporting it. To get the most bang for the buck, beefing up the CES system with additional sites and to allow for implementation of non-intrusive inspections using x-ray type devices leverages existing assets to the most benefit and creates a sound platform for improvement.

Enhancing our CES network makes sense for three additional reasons. First, container terminals are designed to allow for the flow of cargo without the violation or opening of the container itself. Everything in the terminal is geared to maintaining the integrity and sealed nature of the container. This improves the accountability of the transport chain and certainly supports the government's overall policy of wanting to improve the accountability for what's in the container. Secondly, any inspection program must be complimented by a contingency plan for what to do in the event that contents of that container may pose a significant threat to people and property. For this reason, CES stations would pose a better opportunity for a focused effort to develop and execute those contingency plans for containers targeted as presenting higher risk to the American public. The bottom line is that Customs Examination Stations present the best opportunity for effective implementation and enhancement of container screening and inspection. Third, there is no space set aside or designed in container terminals to facilitate safe, dry and secure inspection. CES stations are typically located in areas near the harbor on less valuable land. As such, accommodating increased inspections by expanding CES stations will be more cost effective. It will also keep the inspection operations together rather than splitting the inspections and associated specialized non-intrusive screening equipment and limited customs and other government personnel, over CES locations and the multitude of container terminals.

Of course, effective intelligence and screening of containers is also supported by better accountability in the intermodal transport chain. To that end, we support the investigation and implementation of electronic cargo seals that will help maintain the security and reporting by proving that the contents of the container have not been tampered with since the seal was put in place. We think the electronic seal will be a key element in the effort to definitively establish the contents of every container at the point of origin. I think, quite correctly, our government leaders are focused on confirming what's in the container by better establishing inspection and confirmation of contents at the point the container is loaded. However, we then need to make sure that that accountability remains intact by the use of effective electronic seals and secure facilities.

Finally, a lot of effort and comment has been directed toward securing the perimeter of our terminals and the accountability of workers. To that end, we would like to offer the following suggestions with the goal that the waterfront employers and their unions should be working together to improve security with the least impact to people's privacy and livelihoods.

From our perspective, the Nation's transport chain requires some sort of national transport identification card. Today, it is too easy to improperly obtain a driver's license. Any credentialing system should involve some use of biometrics so that positive ID is confirmed by means other than just a photograph. Further, drivers' licenses don't provide all the necessary data to achieve the mission of establishing who someone is and their purpose for being permitted access to a facility. That being said, we think that the function of issuing ID's, and any background checks or other standards applied in their issuance, should be a government function. Similar to our Nation's experience at its airports, our guards are merely watchmen without much training or authority in the screening of people. Given the desire of our

Nation's agencies to integrate their threat assessment and intelligence-gathering activities, we think it's important that this security function be performed by a police force, not night watchmen. We also feel that checking ID's and restricting access to facilities should also be a government function. As an employer, we have no desire to play big brother and be privy to backgrounds or deciding whether someone presents a security risk. That is properly the province of government.

Our concern is that qualified people are on the job and that these people are the only ones admitted to the facility. We strive to keep the amount of people on container terminals to a minimum, both for efficiency and for safety. We do agree that we need to establish more control over the perimeter of all port facilities engaged in international trade. We think it's important that any designated facility have a single perimeter to simplify administration and execution of the security plan.

We have a variety of people visiting the terminals, not just employees but also truckers hired by steamship line and cargo interests over whom we have little control as well as ship's personnel employed by carriers and, of course, port authority employees and vendors. Whatever the standard that is applied to the identification and screening of workers should also apply to these other groups. Of course, when it comes to screening truckers and verifying their credentials, we need to be very careful. Today in North America, we handle over 30 million containers a year, when you include empties. Each of these containers must pass through gates at our Nation's ports, at least once and often several times. As a result, any additional step, which involves as little as 30 seconds, has the potential to overwhelm our port complexes and create a traffic jam. Accordingly, any credentialing system must allow for the efficient capture and verification of this authorization data. Failure to do so could bring our ports to a halt. It will also hurt the environment by increasing diesel emissions as trucks spend more time idling at our port complex gates.

The final point I want to make today addresses the question of funding. Obviously, a national credential, credentialing system, increased inspections and electronic seals will cost money. In evaluating who should pay, Congress should consider the following. First, ultimately, the American public will pay for the cost of enhanced security at our Nation's seaports whether it is in taxes and government payments or in user fees. To the extent that the government decides to pursue user fees as the means to fund enhanced security requirements and procedures, it should consider using agencies and institutions that are already well established. In this regard, Customs is well suited to levy and collect fees for containers carrying international trade. We feel that such fees levied on import containers should be deposited into a trust fund and used to pay for enhancement of the existing Customs Examination Stations system, the investigation and promulgation of standards relating to electronic seals, the cost of a credential and credentialing system and the cost of local government providing security screening at our Nation's seaports.

In closing, I'd like to add that as our Nation's largest private port operator, we want to do our part to enhance our Nation's security. To that end, we are more than willing to participate in any pilot projects and evaluation of proposals for improving port security. We have a lot of practical experience about what works as well as a keen desire to work with our labor force to get it done. I think it's very encouraging for all of us to see our Senator and the Chair of the Subcommittee, so personally engaged and informed on this issue.

That concludes my remarks. However, for the record, I would like to submit the position paper on seaport security that has been agreed to by employer groups that collectively handle 97 percent of containers in U.S. Maritime Commerce. I would be pleased to address any questions from the Chair and staff. Thank you for the opportunity to be here today.

Senator MURRAY. Thank you very much, Mr. Hemingway, and I will direct my questions to individuals, but if you feel from your perspective you have something to add, please feel free to let me know.

Mr. Bates, I am going to start with you. You testified today on some commonsense requirements with the potential for meaningful impacts on cargo security. One item that you identified as critical is the requirement to check the integrity of the seals on the outside of containers as they are loaded and unloaded. Why is that not happening today?

Mr. BATES. There is some seal inspection done today, but we must do more to ensure that the seal number matches up with the

consignee who was the last person to seal the container, match up with the responsible cargo with them to ensure port security. This is one of the primary acts that must be undertaken. That act must mandate that the integrity of the seals be checked, rechecked against the terminal documentation to ensure the origins of that cargo. Then a broken seal would alert us to the fact that there had been some tampering with that, and we could divert that container to Customs.

Senator MURRAY. Mr. Hemingway, do you think this is an onerous requirement?

Mr. HEMINGWAY. As a matter of fact, today we have clerks stationed on the docks, and if we are doing our job and the clerks are doing their job, and they should, because they work for us, they are checking whether those seals are intact, and we should be generating an exception report when they are not intact. So I am sure there are cases where it is not being done, but, you know, that is one of the missions of the terminal operators to report exceptions like that, and I am sure that Mr. Wellins would reflect the same comments.

Senator MURRAY. Mr. Wellins, are your crews checking for the integrity of the seal?

Mr. WELLINS. It would not be our crew, as such, but I would have to come back to you for the record on that. I will check.

Senator MURRAY. All right. I will appreciate knowing that. In Mr. Bates' testimony, he indicated that the majority of all truckers that enter marine facilities in America's largest ports do so without having to exhibit any kind of identification whatsoever. Miss Riniker and Mr. Sewell, if you could comment, is this the case in Puget Sound, and if so, how are you dealing with this issue?

Ms. RINIKER. As of April 15th in the Port of Tacoma, you do have to show photo I.D. to be able to have access to our terminals.

Senator MURRAY. Including truckers?

Ms. RINIKER. Yes.

Senator MURRAY. Is that the same with you, Mr. Sewell?

Mr. SEWELL. It varies by terminal, and I would probably defer to Jon as to how they are handling it, but we, the port has not imposed a requirement, ourselves, but I do think it is something that needs to be done. It relates to my earlier comment that putting things that are in place that have to be undone, and I completely concur with Jon's comments about having a card and a system, which is one of the things that is in the legislation pending before Congress now.

Senator MURRAY. Mr. Hemingway.

Mr. HEMINGWAY. Every trucker that calls at the terminals we are responsible for is required to present transaction numbers that identify him, similar to a PIN at a cash machine. So for example, there is no transaction that does not happen that is not already preauthorized. Where there is a gap is whether terminals check to see if that particular driver is authorized to drive for that company, so if there is some kind of conspiracy, and some driver was unauthorized to have that load, then we would be, we would need to check photo I.D. That capability does not currently exist.

Senator MURRAY. Does not currently exist?

Mr. HEMINGWAY. No, there is now a database on the West Coast of the United States for checking whether a given driver and that particular driver's license number is authorized to drive for that company. There is not currently a picture I.D. that goes with it, but that technology is under development.

Senator MURRAY. Mr. Sewell, but the issue of which agency should secure those ships and who should pay for that security has been a subject of a lot of debate lately. Everybody else has been conducting in-water coverage at a projected cost of 500,000 annually. I understand you suggested that this should be a Federal or a State law enforcement function. Why are you unable to obtain the law enforcement necessary to conduct this mission?

Mr. SEWELL. Part of it is I think just because we are the Port of Seattle, but I think other ports have similar issues, and for us we have the airport, and our police cover both the airport and the seaports. And as you know, right after September 11, the primary area of concern, although we are talking about seaports now, it was not seaports then, it was airports. For a long time thereafter, which just happened to be during the end of our cruise season, our port police were working 12 hours a day, 7 days a week, just trying to deal with the additional requirements at Sea-Tac. You know, we were able to pry loose some folks from various other local agencies, the Seattle Police Department, the Bainbridge Police Department, King County Sheriff, and finally as things calmed down a little bit at the airport, get our own police on the water. And we have been working with these other agencies to make sure we have coverage this year.

But I think that points out the fact that, you know, these are not people that are trained in security. They are not trained for this kind of a—they are completely trained law enforcement officers, but they do not have the kind of intelligence or information that would be necessary to really prevent any kind of incident at a cruise ship. That is why we think it ultimately, because that information, intelligence is going to be likely be with the Coast Guard or with the U.S. Government, and because that is being done at other ports, that is, Coast Guard is providing that kind of patrol, that the same thing ought to be done in Seattle.

Senator MURRAY. Mr. Softye, you operate cruise ships. How can your trained crew members assist us with port security, and can you share with us what some of the other ports are doing both nationally and internationally?

Mr. SOFTYE. Yes, ma'am. As I stated before, we have worked very closely with the United States Coast Guard, and the position that they put forward at the International Maritime Organization was a collaborative effort that we put together regarding how we can raise our Level III requirements that were already requirements in the last 5 years. And as a matter of fact, 5 minutes before I left the office, I just received the latest directive from the Coast Guard, 402, which explains in detail some of the additional measures that we will jointly be providing.

Some other ports, to answer your question, some other ports required vessels to be put in the water, some of our small boats, and ICCL is on the record saying that we are opposed to this. Obviously if you are going to be using life saving equipment in routine uses

where we do not have any authority to exercise any type of law enforcement, and we should be involved in an altercation, what are the liabilities associated with it? So it becomes very awkward. So our answer to that is to provide ship-side security to all openings on the ship, and of course the outer periphery of the ship, you have lookouts reporting back to a central command on board the ship to report to the locals if we, in fact, see something that is out of the normal. There are many measures that are being taken in various ports.

Senator MURRAY. Very good. Mr. Wellins, one item that has received absolutely no international support is the United States proposal at the IMO for ship crews to be credentialed, including background checks. Can you tell us what your company does to ensure the integrity of the foreign crews that enter the United States on your ships?

Mr. WELLINS. Well, again, I would have to come back to you on the record. I mean it is a vast operation. Crews do not necessarily come from one country versus various countries. So to be particular about it, I would like to comment for the record on it.

Senator MURRAY. Anybody else want to contribute? I would appreciate your getting back to me on that. A second issue that was addressed by Mr. Bates is whether or not we should require empty containers to be sealed.

Mr. Bates, in your testimony, you indicated that there is an inherent risk of wrongdoing when empty containers are shipped unsealed as they are today. Mr. Wellins in his testimony indicated that sealing empty containers was not necessary and was potentially burdensome. Will both of you comment on how we should weigh the burden of industry against the risk that someone may use an empty container for terrorist activity?

Mr. BATES. Well, I think there is a great risk from the containers coming in and not being sealed, not being inspected was the biggest thing with the empty container. Somebody has to look to see what is inside that. Potentially a driver from the off-road would have something done to that container, some explosive device put in that, and that could be shipped onto the ship, and nobody would have inspected that container at all, and that could have been detonated later when that ship was at sea. I do not see a great deal of cost in something like this, for somebody to open up a door of a container and see what it is, what is inside of it. I do not think that cost is insurmountable to outweigh the safety of our ships.

Senator MURRAY. Mr. Wellins, from your perspective?

Mr. WELLINS. Basically, from an empty equipment point of view, we often times do not really know where that empty equipment is going until it is loaded on the ship, and in specific bays. It is just going to replenish deficit areas around the world or wherever the next port of call might be.

So I guess we should weigh what the risk is of possible terrorism acts with an empty container if they really do not know where it is going. I guess the biggest risk would be to the vessel itself.

Senator MURRAY. Because the empty containers do not have a port of designation, you think it would be less likely that they would be used?

Mr. WELLINS. Yes. I mean, we deplete—surplus equipment that is empty might load on a vessel from Tacoma and be discharged in Japan, Hong Kong, South China, Singapore, so you know, and it is not decided until very close to the time that the container is actually loaded onto the ship as to what is going where, and it is not done by container numbers. It is just done by size of equipment and type. So if you need refrigerated equipment in Singapore, then, you know, they would just take those  $x$  units and load that for Singapore. So I guess you have got to weigh the risk and cost of that.

Senator MURRAY. Anybody else want to comment on this issue?

Mr. HEMINGWAY. Certainly, in a lot of cases, we are already inspecting containers for cleanliness, if we are dispatching empty to pick up a load. In most cases we are handling empty containers with very light duty side-pick equipment, which has cutoff switches if there is material in the container. So it is not an issue that is high on our radar screen, Senator.

Senator MURRAY. Let me go back to Mr. Sewell and Ms. Riniker. Many port authorities have questioned the emphasis that some in Washington, D.C. are placing on increasing the physical security of our seaports. They argue that the use of surveillance equipment, decreasing the access to the ports and increasing the law enforcement presence will not address the threat to the same degree as greater information sharing. Miss Riniker, as you point out in your testimony, there are technologies that could help us identify what is in a container and would help us determine whether it has been tampered with while in transit. Have you had an opportunity to use any of these technologies, and if so could you share it with us?

Ms. RINIKER. A number of years ago, the Port of Tacoma had an opportunity to experiment with some technology that looked inside the container. We found it to be very cumbersome and very slow. Technology has improved, as you heard in the testimony today. We have not yet received one of the newer devices that has been deployed in Seattle, and I think that part of the reason that we have applied for the grant together is that we can experiment with some of the additions that we can make to our own ability to control our facilities as well as experiment with information sharing and what additional information will be able to find out about both the people and the containers and the equipment being used on our facilities.

So our experience with that kind of equipment has not been positive to date, not to say that there are not improvements that might be worthwhile.

Senator MURRAY. Mr. Sewell, you talked in your testimony about the same port. Can you talk about that?

Mr. SEWELL. Right. I think first, to comment on your first comment, I think we would not say that the things that we can do locally is not important locally. I think that it does not address the bigger issue. I think we need to do both, partly because that is what we can do now. I think the technology has not developed yet that really can do what all of us have been talking about. It can be, and I think in a relatively short time, I am not the right person to talk about how long that is, but to do the kind of origin to destination tracking, have electronic seals that Andrea talked about.

We have been working with the Port of Singapore in trying to get a program in place, and a system in place that would provide that kind of origin to destination tracking. We will be working on that in the next several months and will obviously keep you informed of that. It does have the potential to provide that kind of security function as well.

Senator MURRAY. Are there any ports that are using that kind of system?

Mr. SEWELL. The Port of Singapore is using it within their own port, but it does not provide an origin to destination tracking. Carriers, shippers, a lot of people in the supply chain have their own proprietary systems for various pieces of the transportation chain, but there is not a system in place that is providing that kind of, you know, point to point throughout the whole chain at this point. But I think many people have been trying to develop it for commercial purposes, because of the value of selling that to a customer, so it is fairly well along in the development, but I think the key will be getting international agreement and getting some standards that are acceptable to all of the players in the chain.

Senator MURRAY. Making sure that the information is trustworthy.

Mr. SEWELL. Yes, and that the right people have access to the right information.

Ms. RINIKER. I would just like to add one thing to that. I mean the fundamental question there, is what is the role of the port? Is it the role of ports to develop the system, I mean other than as an entrepreneurial undertaking? Is it the role of ports to do this point-to-point system, or is it something that we buy off the shelf, or is our real job to make sure that our systems will be able to integrate with those point-to-point systems so that we can assure our customer and the public and everybody else that we are doing our part to fit into whatever comprehensive international system is developed?

Senator MURRAY. Ms. Riniker, in your testimony earlier you mentioned the potential for obstructive turf wars between agencies, which I think we are all concerned about. Have you already seen evidence of turf wars?

Ms. RINIKER. Well, I think everybody has sort of tiptoed around that in there, because several folks have mentioned it. I think the issue is that we have picked up signs of who is in charge being a question that is being asked, actually more in Washington, D.C. than out here in the Pacific Northwest, and so I think reinforcing who is in the lead, and I think funding that—

Senator MURRAY. Do you think that is the responsibility of the Administration to do that?

Ms. RINIKER. Yes, I do.

Senator MURRAY. I mean, we have got the Coast Guard, Customs, Maritime Administration, local law enforcement, INS, Transportation Security—

Ms. RINIKER. Security Administration. Again, which on the face of it, what one would have thought, homeland security, we are seeing these agencies created, but we are not really seeing the funding shift, and I am not sure that we should. I think that it is vigilance

that we are looking for here, and we have seen some tripping over one another back in D.C.

Senator MURRAY. So do you want clarification?

Ms. RINIKER. We do.

Senator MURRAY. Both of you have talked about the ports of Tacoma, Seattle and Everett submitting a joint application to TSA for a grant to help pay for the costs associated with new security measures, and I do want to commend you for working together on that, and I think that is really progress for all of us. But can you share with us how you envision all the ports coordinating their efforts to improve security under this grant?

Ms. RINIKER. Well, there are a couple, actually, we all have got pieces in the grant where we are looking at addressing the issues that you have raised about our own facilities, so I think we are all committed to wanting to improve our own ability to ensure the security of port facilities in each location.

One of the more interesting things that is coming up in this grant is something called a regional access control system, where we are looking at how much of the information that we all collect about both individuals using our port, information about the boxes and the ships that are coming in, how much of that can we form kind of a regional network to share that is made available to the Federal agencies, to Customs, to the Coast Guard, to INS, if that is what is required.

So we have as a part of this grant request a desire to see if we can do a better job of sharing the information that each the ports has, not only among each other but with the Federal agencies.

Mr. SEWELL. Yes, that is correct, and I think the next step there in one of the parts of our grant is to look at designing potentially the feasibility, I guess, of us taking that information as Andrea said and designing a central command center, we have been talking with the Coast Guard about that. Which presumably could be fed into any kind of national or international system as well, but I think that the other part of this is, I think although all of us have done vulnerability assessments already, we are going back and doing a more intensive vulnerability assessment regionally so that we are making sure that we are putting all our resources in the region in the right places. So I think that is the value of having all three ports working together.

Ms. RINIKER. And we are hoping that this regional system might be a pilot. If we are going to have something like a national identification system, or some national system of sharing information, we are hoping that our regional effort might be a pilot for that kind of program.

Senator MURRAY. As both of you know, your ports and all the rest of the ports in the Nation pay into the Harbor Maintenance Trust Fund. We do not get much back in this State. We are facing a lot of daunting new requirements under security. Do you think Congress should consider tapping that fund for the security? This is for the record. I just thought I'd ask.

Mr. SEWELL. For the record, I would say only as a second option from getting rid of it. If we cannot get rid of it, and I have only got a few more weeks here, but if somebody else will pick up the weight and try to do that—



Senator MURRAY. We have not been successful in getting rid of it. I just wonder what you thought about making it useful.

Mr. SEWELL. Yes, we have always said then we ought to be able to use it for things that of value in this region, and security is certainly one that is of high value to us in this region, but that would be our view on it.

Ms. RINIKER. I was hoping before Steve moved on that he would be successful in getting rid of it, but our view is exactly the same.

#### ADDITIONAL SUBMITTED STATEMENTS

Senator MURRAY. Before we wrap up, does anybody have any additional comments that they would like to give? If not, I really appreciate all of our witnesses who are here today for their testimony, and we will again take written testimony from the public or individuals as part of the record of this committee.

[The information follows:]

#### PREPARED STATEMENT OF CHIEF GIL KERLIKOWSKE, SEATTLE POLICE DEPARTMENT, CITY OF SEATTLE

Chairwoman Murray and members of the Subcommittee, my name is Gil Kerlikowske, and I am the Chief of Police for the Seattle Police Department, City of Seattle. On behalf of Mayor Nickels, I appreciate the opportunity to testify today about the role the Seattle Police Department plays in protecting the security of citizens, commerce and facilities in Elliott Bay and adjacent waters.

The Seattle Police Department has played a vital role in protecting transportation traversing the inland waters of Puget Sound within our jurisdiction and nearby areas. We recognize many Northwest workers are dependent on the Puget Sound for employment and the viability of Puget Sound is very important to the local economy and to the people who live in the Northwest.

#### SCOPE OF PROBLEM

The City of Seattle is essentially an island that is geographically situated between freshwater lakes and saltwater fairways, with 155 miles of shoreline.

The Puget Sound, bordering the west side of the city, teems with activity and, aside from the 12 hour per day patrol of the Seattle Police Harbor Unit (hereinafter Harbor Unit), has no specifically dedicated security. On the Coleman Docks alone, thousands of people embark or disembark hourly from the Washington State Ferries, a vital economic link to the West Puget Sound. There is no directed routine waterside night patrol of the ferry terminal, no way to respond (or more importantly, deter) any act of aggression directed at this potential target.

Flight paths into and out of our major airports are directly over Elliott Bay and across major highways in the region. Twenty-four hours a day, container ships loaded with sensitive commerce come well within one mile of our downtown. Harbor Island houses a variety of fuels for regional distribution for the Pacific Northwest. The prevailing winds and currents also create a potential hazard to the city. The positioning of our sports stadiums along the shores of Elliott Bay place them in close proximity to many of the hazards I have discussed. Additionally our local threat assessment includes several biotech companies and critical public utility plants located near the water.

The Harbor Unit provides patrol in Elliott Bay during daylight hours only. In partnership with the United States Coast Guard we monitor the shipping lanes for vessels that may obstruct or do harm to our commercial vessels as they arrive or depart our port authority. We assist in providing unobstructed transit of all vessels and assure safe passage in the Puget Sound traffic lanes.

Todd Shipyard provides routine scheduled maintenance, emergency repairs, and overhauls on a wide range of U.S. Navy ships.

#### SERVICES PROVIDED

The September 11 terrorist attacks gave the issue of homeland security a renewed national scope, and provided the Seattle Police Department with unique challenges.

The Harbor Unit is providing primary waterborne security for the U.S. Navy ships that are at berth or in dry dock at Todd Pacific Shipyard in Elliott Bay. This

includes a 24/7 official patrol staffed with experienced Harbor and Special Weapons and Tactics Officers. The Harbor Unit provides protection of a 100-yard Naval Vessel Protection Zone established by the United States Coast Guard. This responsibility includes early detection and formal interdiction of all immediate threats to our U.S. Navy ships. The Police Dive Team partnering with Navy EOD Divers participates in dive operations to sanitize and make safe piers used in the docking of navy ships. Recently a restored Boeing 307 Stratoliner was forced to ditch in Seattle's Elliott Bay close to the Navy ships dry docked at Todd Shipyards. The plane went down 45 minutes after takeoff from a local airfield. The initial response of the Harbor Unit included the determination of a continuing threat to navy ships and emergency rescue. The Harbor Unit provided salvage service and dive operations to ensure the evidence of the National Transportation Safety Board investigation was preserved.

The Harbor Unit is the primary agency providing marine security of bridges and strategic sites following the February 2001 earthquake and September 11 attacks. A recent threat made to bridges in Portland OR has prompted continued monitoring.

The Harbor Unit continues to provide marine security for the Lake Washington Ship Canal and Hiram M. Chittenden Locks. The locks are crucial to the economic and ecological viability of our region. The locks and ship canal provide a transportation route for tens of thousands of vessels annually. Since September 11, the Harbor Unit provides increased patrols around the Locks and carefully monitors any suspicious activity observed.

The Seattle Police Department is the primary agency to all search and rescue incidents in the waterways surrounding the City of Seattle. Since September 11, we have responded to many surface water incidents that range from capsized and sinking boats with people in the water, boat fires, and the identification of ships with activated distress beacons.

The Harbor Unit lends assistance to the Department of Ecology and the Environmental Protection Agency in providing a boat platform for aquatic science experimentation that measures the quality of our waters and the impact on our salmon population. The Harbor Unit has ongoing involvement with the State of Washington Fish and Game, providing the use of our facility for continued monitoring of salmon populations in our freshwater fisheries.

The Harbor Unit continues to monitor water pollution spills for the United States Coast Guard. Harbor officers assist in the initiation of vessel emergency spill plans and when request will dispatch petroleum based spill absorbent into the water. We continue to provide this type of service daily for the United States Coast Guard.

To facilitate the commercial viability of the City of Seattle and at the request of the United States Coast Guard the Harbor Unit maintained a 100-yard exclusionary zone for all vessels transiting in the immediate area of the International cruise ships. We maintain a presence around the ships from passenger load time until departure when notified by the USCG to terminate the escort. It is anticipated this program will be renewed during the cruise season May through September.

The Harbor Unit participated in the Seattle Anti-Smuggling Team a program established by U.S. Customs. We have participated in regional task force operations of freighter containers to identify contraband. Harbor Officers also participated in the hull search of foreign vessel requested by U.S. Customs to identify general descriptive anomalies. We continue working with U.S. Customs and I.N.S. providing an immediate vessel platform for tactical operations.

The Harbor Unit continues to work with the U.S. Army Corp of Engineers to provide clean up of all navigable hazards in the Lake Washington Ship Canal (Federal waters) and in the area around the spillway to the Hiram M. Chittenden Locks. We claim all hazards and place them in scrap booms at the Harbor Patrol Station or west of Webster Point in Union Bay. We handle all requests for deadheads, commercial waste drums, and man made piers and floats adrift due to storm or environmental damage.

The Harbor Unit responds to incidents initiated by activities of environmental/eco organizations. We provide patrol security to potential targets to include NOAA research vessels, navy ships, fishing boats, and university scientific vessels. The Harbor Unit provides marine security for protective details to include visiting dignitaries and elected officials.

#### CONCLUSION

We are being tasked with increased frequency to participate in activities that require partnership with local, state and numerous federal agencies. In order to keep up with the increasing demands for marine services in this region we must have additional resources. These additional requests for security enhancements have been

numerous and unique and requires the need to add patrol boats to our inventory. These boats will enable us to augment our aging and thinly stretched vessel resources in order to provide the security demanded by our seaport constituency. This request is being made at a time when local and state resources are not available. Additional resources such as fuel, equipment, maintenance, and communications equipment would also be of great assistance to the Harbor Unit.

The Harbor Unit is the best resource on Puget Sound equipped, trained, and ready to expand to meet the needs of our regional port security requirements.

Thank you for this opportunity to present our request for additional funding and we very much appreciate your consideration of this matter.

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LETTER FROM FRED FELLEMAN, MSC., NW DIRECTOR, OCEAN ADVOCATES

OCEAN ADVOCATES,  
Seattle, Washington, April 5, 2002.

Hon. PATTY MURRAY,  
*Senate Subcommittee on Transportation, Committee on Appropriations, U.S. Senate, Washington, DC.*

DEAR CHAIRWOMAN MURRAY AND MEMBERS OF THE COMMITTEE: I would like to thank you for holding this field hearing at the Port of Seattle today. The attention to the vulnerabilities of our Maritime Transportation System to terrorism is greatly appreciated here in one of the nation's busiest trading centers.

Trade statistics are often tabulated by individual Ports, which are then used to compare trade volumes around the Country. While the Port of Seattle generates a significant amount of trade to the region, it is but one of a number of ports located along the inland waterways of Washington State and British Columbia, Canada. The vast majority of traffic calls on the region through the Strait of Juan de Fuca which is exposed to the risk of over 15 billion gallons of oil being transported as cargo and fuel by 10,000 ships which enter and leave the Strait each year.

The strategic nature of this waterway is further defined by the type of traffic utilizing the glacially carved Strait of Juan de Fuca. Washington's waters serve as the homeport to 8 of the world's 18 Trident Submarines along with four other major Naval facilities. Military maneuvers are regularly conducted within the Strait and off the Coast. Washington State is also home to the nation's largest passenger ferry system and boasts one of the highest per capita private boat ownership. It also serves as a major source of refined oil, being the West Coast's largest producer of jet fuel. Container traffic, with its particularly hard to inspect cargo, has steadily increased over the years as ships have gotten larger and ports have significantly expanded their container yards on both sides of the boarder.

Senator Murray pointed out in her opening remarks at the hearing held on Cargo Security in Washington, DC on March 21st, "Our government policies and regulations have largely been designed to prevent an accidental release of hazardous materials. They have not been designed to protect against a deliberate release." As you know the State and federal governments have funded a rescue tug at the entrance to the Strait over the past 4 winters to be available to respond to shipping accidents. During that time the tug has been called out 18 times (see <http://www.ecy.wa.gov/biblio/0208001.html>).

A Federal Port Security Grant Application was submitted by a partnership of the Port of Port Angeles, Makah Indian Tribe's Port of Neah Bay, and the Washington State Department of Ecology entitled, "Improving the Security of Puget Sound Ports by Strengthening Port Security Measures in the Strait of Juan De Fuca." Those parties are seeking just over \$1 million to match the State's commitment of \$1.4 million to provide safety and security escorts for ships deemed to be high risk by the Coast Guard. In addition, those monies would be used to enhance the infrastructure of the Ports of Port Angeles and Neah Bay in order to facilitate the tug's operation and inspection of vessels. There is broad public support for this effort as evidenced by the April 4, 2002 cover story in the Peninsula Daily News and from the comments made at the public meeting the Chair held that day in Port Angeles.

Unfortunately, due to nobody's fault, the computer system crashed while the State was submitting its application. The State got confirmation from MARAD acknowledging the problem. The State was initially told that the grant would not be considered because of the missed deadline, now they are told it will be considered. I bring this to your attention because the safety and security of this strategic waterway should not be held hostage to a computer malfunction and we urge your oversight so that this application is given a fair review.

Governor Locke wrote a letter to the Chair on 23 October 2001 requesting her help to secure federal funds for the Neah Bay rescue tug. In that letter he stated,

“The Coast Guard has had to redeploy some of their coastal personnel and vessels to augment the security of major Puget Sound ports, even while they have determined that the risk of major oil spills continues to increased. In, addition to its primary mission of assisting disabled vessels, the tug is available to monitor or escort vessels that pose security or safety risks, provide initial containment during spill events, conduct search and rescue operations, and potentially assist the Coast Guard in any terrorist-initiated chain of events.” It is my understanding that the Washington State Department of Ecology will be submitting copies of the Governor’s letter and the narrative portion of the grant to be made part of the hearing record.

The need to enhance our nation’s salvage capacity has been known for many years, but has taken on particular urgency since September 11. In 1994 the Marine Board’s Committee on Marine Salvage Issues of the National Research Council wrote, “Congress should update the national salvage policy to ensure that an adequate level of salvage capacity is present in U.S. waters. The policy should clearly delineate the following goals: to protect national security, to minimize or prevent environmental impacts due to pollution from marine casualties, to protect public safety, and to ensure minimal disruption to the U.S. economy resulting from marine casualties in the nation’s port and waterways (p. 4).”

While the 1989 Exxon Valdez disaster will be forever remembered by the general public for 11 million gallons of oil spilled, among salvors it will be remembered for the vast majority of oil that was safely transferred to another ship. In contrast, the relatively small, New Carissa, which grounded off the Oregon Coast in 1999 is the poster child for what happens when adequate salvage capacity is not readily available. The costs of the incident exceed \$60 million, not counting the U.S. Navy’s contribution, and half the ship is still grounded on Oregon’s coast.

The Federal On Scene Coordinator (FOSC) in the New Carissa, Captain Mike Hall, stated, “. . . [W]e are essentially an island nation with over 47,000 miles of shorelines . . . approximately 85 percent of all Americans live within 100 miles of these shorelines . . . 90 percent of all international commerce enters the United States by vessel. One can see from these facts that our nation’s ports and waterways are the backbone of the U.S. intermodal transportation system. This system must include a national salvage plan. We need a salvage plan more capable than that demonstrated during the initial stages of the NEW CARISSA casualty. It was my belief on 4 February 1999 and it remains my belief today, that adequate and timely salvage capability would have significantly mitigated this crisis on the coast.’ There are currently only two salvage vessels on the Pacific coast capable of refloating a large grounded ship, and neither was readily available to respond in this case.”

In January 2002, the U.S. Coast Guard and Navy hosted the National Maritime Salvage Conference in Seattle. The Admiralty Counsel to the U.S Navy Supervisor of Salvage and Diving, Richard Buckingham presented a paper entitled, “Toward a National Salvage Policy.” The abstract to his paper states:

The problem of inadequate domestic marine salvage capacity is well documented and recognized by both the government and commercial sectors; furthermore, the situation is not getting any better. Because of the nation’s overriding interest in the protecting the environment/economy/marine transportation system (MTS), as well as meeting homeland security needs, we need a cohesive federal national salvage policy. The first step, however, will be identifying a federal agency to take the lead in forging such a policy. Should it be the Coast Guard, the Navy, or perhaps some other agency? Who appears best suited for the role? Once the appropriate agency assumes (or is tasked with) this leadership responsibility, what are some of the likely issues to be initially confronted? Also, this pressing need for a national salvage policy should really be a high profile issue on the agenda of the newly created U.S. Commission on Ocean Policy, as well as a specific focus of the Department of Transportation’s MTS policy and SEA-21 maritime infrastructure funding initiatives.

The complete proceeding of the conference are available on CD Rom and the March 2002 issue of the Marine Digest provides a summary of the conference highlights (attached). Richard Buckingham is quoted as saying, “This is no longer just a matter of transportation, economic and environmental concerns. It is also an issue of homeland security.” However, the Coast Guard has yet to implement the salvage and fire fighting rules mandated by Congress in OPA’90. Arnold Witte, head of the American Salvage Association and president of Donjon Marine Co. is quoted in Marine Digest as saying, “The latest word is that federal regulations will not be in place until 2004 . . . In today’s world, that is unacceptable. We’re still waiting for salvage regulations that are absolutely essential.”

While the Coast Guard and Navy try to resolve this longstanding problem, I urge you to see that the port security grant that was filed by the State of Washington, in cooperation with the Ports of Port Angeles and Neah Bay, is looked on favorably by the reviewers at MARAD and the Coast Guard. I urge you to pay particular at-

tention to the request of the Makah Tribe to have the U.S. Navy provide one of their uniquely qualified T-ATF tugs for this service. The National Research Council found in their 1994 report on Salvage, "Surplus assets, particularly the T-ATF class of ships, if operated by the private sector and strategically deployed, could go a long way to restoring the traditional salvage capacity of the United States, particularly in rescue towing. The operation of these vessels by the private sector would require substantial subsidy, as it has been demonstrated in the United States and elsewhere that salvage revenues cannot cover the costs of operating and maintaining the vessels and their crews. The excess costs could be covered, as they were in the past, through the Salvage Facilities Act, and the plan could be implemented through the arrangements in place for Navy contracting for commercial salvage services." (p. 55-56).

Thank you once again for seeking the input of local citizens as you embark on this important effort to protect our Nation's ports and waterways. Please do not hesitate to contact me for any of the supporting documents or if there is anything else I can do to assist you in your deliberations.

Sincerely,

FRED FELLEMAN, MSC.,  
*NW Director, Ocean Advocates.*

Ocean Advocates works with policy makers in government, industry and the academic community throughout the world to provide information needed to form sound global ocean policies. Our approach is objective and open minded, but not neutral—we have a bias for the oceans.

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STATE OF WASHINGTON,  
 OFFICE OF THE GOVERNOR,  
*Olympia, Washington, October 23, 2001.*

Hon. PATTY MURRAY,  
*United States Senate, 173 Russell Senate Office Building, Washington, DC.*

Hon. NORM DICKS,  
*United States House of Representatives, 2467 Rayburn House Office Building, Washington, DC.*

Hon. MARIA CANTWELL,  
*United States Senate, 717 Hart Senate Office Building, Washington, DC.*

Hon. RICK LARSEN,  
*United States House of Representatives, 1529 Longworth House Office Building, Washington, DC.*

DEAR SENATORS MURRAY AND CANTWELL AND CONGRESSMEN DICKS AND LARSEN:  
 I am writing to request your help in securing Federal funding for the Neah Bay rescue tug. This vessel is invaluable in protecting our State's shoreline and marine waters from oil spills.

As background, a majority of the bipartisan North Puget Sound Oil Spill Risk-Management Panel voted in favor of establishing a permanent, government-funded rescue tug at Neah Bay. Our state committed \$1.5 million for emergency tug services last winter, and another \$1.7 million for the coming season, but I am concerned that the current economic downturn may jeopardize State funding for 2002-2003.

The Coast Guard has had to redeploy some of their coastal personnel and vessels to augment the security of major Puget Sound ports (news article enclosed), even while they have determined that the risk of major oil spills continues to increase. This redeployment reduces our coastal search and rescue, security and small-vessel towing capabilities. The multi-purpose rescue tug Barbara Foss (which arrived at Neah Bay on September 15) is even more indispensable given the reduced Coast Guard presence. In addition to its primary mission of assisting disabled vessels, the tug is available to monitor or escort vessels that pose security or safety risks, provide initial containment during spill events, conduct search and rescue operations, and potentially assist the Coast Guard in any terrorist-initiated chain of events.

I urge you to support dedicated Federal funding for the rescue tug during the ongoing Congressional budget discussions related to homeland security. Such funding should be an addition to the Coast Guard's operating budget, as we do not want to detract in any way from the Coast Guard's ability to complete its many important missions.

I appreciate any assistance you can provide. If you have questions, please call me or Tom Fitzsimmons, Department of Ecology Director, at (360) 407-7001.

Sincerely,

GARY LOCKE,  
*Governor.*

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LETTER FROM DALE JENSEN, PROGRAM MANAGER, SPILL PREVENTION, PREPAREDNESS, AND RESPONSE PROGRAM, DEPARTMENT OF ECOLOGY, STATE OF WASHINGTON

STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY,  
*Seattle, Washington, April 4, 2002.*

Hon. PATTY MURRAY,  
*Senate Subcommittee on Transportation, Committee on Appropriations, U.S. Senate, Washington, DC.*

DEAR SENATOR MURRAY: Thank you for your leadership in marine transportation safety and security. I appreciate the opportunity to provide input during today's Port Security field hearing in Seattle. While the Department of Ecology is not an expert in port security, we believe that the multi-mission Neah Bay rescue tug could play an important role in protecting this vital waterway from potential threat of terrorist attack. It can also improve the security of Puget Sound ports by strengthening infrastructure in the Strait of Juan De Fuca as our first line of defense before high risk vessels reach their port of final destination.

The 2002 Washington State Legislature has provided another \$1.4 million in funding to provide 200 days of rescue tug service at Neah Bay during the period July 1, 2002 to June 30, 2003. We are offering the Federal Government an opportunity to leverage any additional funding it provides with the State monies.

The Department of Ecology is working in partnership with the Port of Port Angeles and the Makah Indian Tribe's Port of Neah Bay to complete a port security grant application to MARAD that requests a portion of the \$93 million available. In addition to the rescue tug, our partnership proposes important improvements for the ports of Port Angeles and Neah Bay. Among other improvements the proposal would enhance the ability of these ports to accommodate vessels that are detained by Federal authorities, improve security from unauthorized access, and at the same time improve berthing for large vessels. A summary of our partnership proposal is attached for your consideration.

The State remains committed to maintaining the rescue tug at Neah Bay. Evidence of that commitment is provided by Governor Locke's attached letter to you, and the State Legislature's Senate Joint Memorial to Congress (SJM 8004) which is also attached.

The Department of Ecology urges you to provide Federal funding to increase forward-deployed security assets in the Strait of Juan De Fuca to enhance the ability of Federal agencies to intervene in potential terrorist threats prior to those threats entering Puget Sound proper. The multi-mission Neah Bay Rescue Tug could play an important role in this effort.

If you have any questions, please call me at (360) 407-7450.

Sincerely,

DALE JENSEN,  
*Program Manager, Spill Prevention, Preparedness, and Response Program.*

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FEDERAL PORT SECURITY GRANT APPLICATION, APRIL 2002

IMPROVING THE SECURITY OF PUGET SOUND PORTS BY STRENGTHENING PORT SECURITY MEASURES IN THE STRAIT OF JUAN DE FUCA

*Background*

The Strait of Juan De Fuca is the entry point for all vessels bound for Puget Sound ports, refineries, Department of Defense facilities, and population centers. It is also the primary route for vessel traffic inbound to British Columbia ports through vessel traffic separation lanes in waters of the United States and State of Washington. The Port of Port Angeles is the first United States harbor in the Straits that can and routinely does accommodate deep draft vessels. Port Angeles is also the U.S. terminus for vehicle and passenger ferries from Victoria, British Columbia. The Port of Neah Bay, owned by the Makah Tribe is located near Cape Flattery at the entrance to the Strait of Juan De Fuca.

In 2001, nearly 10,000 deep draft vessel transits carried over 15 billion gallons of oil as cargo and fuel through the Strait of Juan De Fuca from ports from all over the world. Additionally, there were 1,814 vehicle and passenger ferry transits occurred between Port Angeles, Washington and Victoria, British Columbia, Canada.

The Straits are a point of entry to a number of critical national seaports including:

- 5 major crude oil petroleum refineries;
- U.S. Naval facilities at Bangor, Everett, Bremerton, and the Oak Harbor Naval Air Station;
- The commercial ports of Seattle, Tacoma, Everett, Port Angeles, Bellingham, Olympia, and others. These ports move: containerized, bulk, break-bulk and ro-ro cargos; and are the terminus for international vehicle and passenger ferries, and cruise ships.

Both Puget Sound and British Columbia sea ports handle a wide range and enormous volume of commodities.

Given the need to ensure protection of this vital waterway from potential terrorist attack threat an up grading of our security network is required. This grant application is submitted as a partnership among the Port of Port Angeles, the Makah Tribe, and the Washington State Department of Ecology requesting a total of \$1,095,000.

There is a critical need to advance the security of Puget Sound. This proposal improves the ability of Federal security and defense jurisdictions to intervene in potential terrorist threats before they approach the major Puget Sound facilities. The Strait of Juan De Fuca should be the region's first line of defense, not a simple conveyance of vessels posing a potential threat. Early identification of risks and immediate intervention is the key. This local/tribal/State partnership improves the Federal Government's ability to intervene in potential threats prior to the threat entering Puget Sound proper.

The Federal Government should not use the city and port of Port Angeles, Washington to detain and secure vessels that pose a terrorist threat without appropriate federally funded improvements.

The Port of Neah Bay proposed dock improvements to enhance its ability to support port security operations including the Neah Bay Rescue Tug.

The multi-mission Neah Bay Rescue Tug is an existing forward deployed 126 foot ocean tug whose current mission can easily accommodate port security applications. It also provides an opportunity for the Federal Government to leverage \$1.4 million in money available from the State of Washington that will be used to deploy the tug for at least 200 days during the winter of 2002–2003.

#### *Grant Application*

This Port Security Grants Program application is based on the security needs of Puget Sound seaports. This application is for a grant to finance the cost of enhancing facility security at the Port of Port Angeles and improve operational security in the Strait of Juan De Fuca through the Neah Bay Rescue Tug.

The Port of Port Angeles proposes that grant monies be used to enhance "Facility and Operational Security—including facility access control, physical security, and cargo security and passenger security". The Port of Port Angeles' project should be considered as a demonstration project on how an international port can protect the nation by improving the management of passenger ferry traffic, as it did when the terrorist Amad Ressay entered Port Angeles via a ferry from Victoria, British Columbia. The Port would also provide a secure location for boarding and detaining vessels that pose a potential terrorist threats before they enter the highest threat portion of the waterway (in this case Puget Sound).

The Department of Ecology has produced 2 reports on the Neah Bay Rescue Tug can be found at <http://www.ecy.wa.gov/biblio/0208001.html> and <http://www.ecy.wa.gov/biblio/0008023.html>. The reports evaluate and discuss the value of the tug in marine safety and security applications. The Neah Bay Rescue Tug should be used as a port security asset in addition to preventing vessel grounding due to propulsion and steering failures.

The application partnership believe this proposal meets the attributes of protecting:

- A "strategic port";
- A nationally important economic port (in this case all Puget Sound ports) responsible for a large volume of cargo movement or for movement of products that are vital to U.S. economic interests as required for national security; and
- Ports and terminals responsible for movement of high volume of passengers.

*Proposal*

Specifically, the partners propose that grant monies would be used to improve the security of Puget Sound and its ports by strengthening security measures in "gateway" Strait of Juan De Fuca. This application proposes 2 sets of improvements:

Obtain \$500,000 in Federal port security grant monies to improve the Port of Port Angeles' ability to secure vessels diverted to Port Angeles harbor for inspection, and improve shore-side port property including improvements to facilities related to international ferry passenger/vehicle debarkation. The port proposes the following specific improvements inclusive of labor, equipment, and material:

- Dock improvements including installation of mooring dolphins—\$250,000;
- Security fencing and lighting—\$150,000; and
- Gates, security cameras and other improvements—\$100,000.

Obtain \$95,000 in Federal port security grant monies to improve the Makah Indian Tribe's Port of Neah Bay's ability to support larger vessels including the Neah Bay Rescue Tug.

- Installation of mooring dolphins—\$60,000; and
- Electrical upgrades to 208V/3 Phase—\$35,000.

Obtain \$500,000 in Federal port security grant monies to leverage the \$1.4 million in State money that was provided by the Washington State legislature to station a rescue tug at Neah Bay, Washington for at least 200 days during the time period of July 1, 2002 through June 30, 2003. The Federal grant monies would be used to extend the period the rescue tug is available and expand the contractor's (Foss Maritime, at this time) responsibilities to provide for its use by personnel from Coast Guard Station Neah Bay and other Federal law enforcement personnel. The State of Washington agrees to negotiate the contract for tug operation consistent with reasonable Federal security needs. All costs associated with managing tug's operation (excepting Federal security operations and personnel), including contract management, will be provided at no additional cost to the grantor. The bottom-line is that 100 percent of grant funds would be used to expand the mission and extend term of operation of the tug (including labor, equipment, and material) to:

- Support the Sea Marshal boarding program allowing U.S. Coast Guard Station Neah Bay personnel (and other law enforcement personnel) to board vessels (considered by Federal authorities to be high risk) at the entrance to the Strait of Juan De Fuca. The tug is a large platform with good sea-keeping ability, "lots of steel", heavy fendering, good maneuverability, and the capability of closely approaching vessel in open water for the boarding vessels.
- Prior to entering Puget Sound waters, initiate the escort of vessels that pose a potential security threat. Example of such vessels could include those failing to make their 96 hour advanced notice of arrival, or otherwise rank highly on the threat matrix.
- Reconnaissance of suspicious vessels in the vicinity of the entrance to the Strait of Juan De Fuca, approximately 100 miles west of Puget Sound proper.

The applicants do not believe that further security assessments are needed in relation to these proposals. Further assessment would only delay implementation of the needed improvements and put Puget Sound Ports at additional risk. However, the applicants would involve all appropriate Federal, State, and local officials in the detailed design and implementation of the proposals. Vital to successful implementation will be input from the Immigration and Naturalization Service, and Customs in the Port of Port Angeles portion of the proposal and the Coast Guard and Navy in the Washington Department of Ecology portion of the proposal.

The Coast Guard and Navy have implemented a number of measures on the outer coast and in Puget Sound since September 11, 2001. We understand that relatively little has been done to improve security in the Strait, in fact significant U.S. Coast Guard resources have been moved from Washington's coast into Puget Sound to enhance the port security mission. This has the potential effect of increasing the terrorist threat in the Strait. These are measures that have not been made public.

The proposals set forth by the application partnership addresses three critical security vulnerabilities:

1. Ability to isolate trucks and cars of potential international terrorists who have arrived in Port Angeles via the passenger and vehicle ferry from Victoria, British Columbia.
2. Ability to secure high risk vessels at the Port of Port Angeles which have been detained as a posing a possible international terrorist threat.
3. Improve the ability to observe, escort, and board suspicious vessels that may pose a threat of international terrorism by expanding the mission of the existing rescue tug stationed at the far Western entrance to the Strait of Juan De Fuca-Neah Bay.

The benefits of the proposals include:



- The applicants anticipate that there will be a considerable outcomes of reduction in the of vulnerability of Puget Sound ports by intervening in potential terrorist threats in the Strait of Juan De Fuca. This allows for a proactive approach to managing risks at the point of entry into waters of the United States and the point of international ferry passenger debarkation.
- The entire Puget Sound basin first line of defense will not be enhanced if the proposed measures are not implemented.
- The Neah Bay Rescue tug has been in place during the last 4 winters. However, the contract for the tug does not currently identify a port security mission. Should this application be funded, the contract would be expanded to include the port security mission.
- The Port of Port Angeles has not had adequate funding to make critically needed improvements since 9/11/01. The Port of Port Angeles needs to improve a range of existing security measures, including, but not limited to personnel access identification procedures, access control, internal security, perimeter security, security alarms/video surveillance/communication systems, training and security awareness, and security plans, if it is expected to play a significant role in being at the front lines of protecting Puget Sound from the threat of terrorist actions.

*Expected outcome, and how the proposed methodology would improve/enhance national security*

Port security improvements at the Port of Port Angeles and improving the ability of Federal law enforcement agencies to interdict high risk vessels in the Strait of Juan De Fuca have obvious advantages to enhancing national security as discuss above.

*Cost-sharing arrangements*

Grant monies for rescue tug would leverage the \$1.4 million in State money that was provided by the Washington State legislature to station the tug at Neah Bay, Washington for at least 200 days during the time period of July 1, 2002 through June 30, 2003. The Federal grant monies would be used to extend the period the rescue tug is available and expand the contractor's (Foss Maritime, at this time) responsibilities to provide for its use by personnel from Coast Guard Station Neah Bay and other Federal law enforcement personnel. The grant monies could be provided directly to the Department of Ecology or through the Port of Port Angeles or possibly managed by the 13th District, U.S. Coast Guard.

*Partnership and Qualifications*

The partnership consists of:

- Port of Port Angeles—Contacts: Port of Port Angeles Executive Director Clyde Boddy, and Deputy Executive Director David Hagiwara.
- The Makah Indian Tribes Port of Neah Bay—Contact: Bob Buckingham, Port Manager, and the Honorable Gordon Smith, Tribal Council Chairman.
- Department of Ecology—Contacts: Program Manger Dale Jensen, and Jon Neel.

The Port of Port Angeles and Department of Ecology management teams have many years of experience in managing multi-faceted projects and would be happy to supply additional information upon request.

*Project Timing*

All projects are anticipated to be completed within 12 months of receipt of funding with the exception of mooring dolphin construction which will be completed within 18 months of funding receipt.

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PREPARED STATEMENT OF THE MARITIME TRADES DEPARTMENT, AFL-CIO, PUGET SOUND PORTS COUNCIL

Maritime workers will be the "first responders" and bear the greatest casualties in the event of a calamity on the Puget Sound waterfront. Maritime trades workers include Longshoremen, Mechanics, Boilermakers, Marine Engineers, Electricians, Tugboatmen, Pile Drivers, Harbor Pilots, Port Police, Truck Drivers, Ship's Officers, Restaurant & Hotel Workers, Machinists, Plumbers and Pipe-fitters and Merchant Seamen of all ranks and ratings. Our personal safety and livelihoods will be directly affected by your decisions. It is appropriate that our voices are heard during the course of your deliberations.

During the subcommittee hearings held in Seattle on April 4, 2002, Senator Murray urged all partners to "step up" and play their part in maintaining port security. Maritime workers have always been and will continue "stepping up" to the plate.

However, if the problems ahead are to be adequately addressed workers must have input into the process.

Specifically, maritime workers are concerned about the focus of the current deliberations. We believe that the focus should be where the threat is greatest. Our ports are at the very end of a complex transportation chain that originates overseas. Vast amounts of money are made transporting goods in and out of the United States. The demands for the ever more efficient flow of commerce should not inhibit changes that are necessary to protect U.S. ports and citizens.

The focus for change should start at foreign points of origin, with international shippers who are shipping goods to U.S. ports and with ocean carriers that transport our trade. American seafarers have known for many years that adequate control and inspection of containerized cargo is virtually impossible under current practices.

A typical large container ship may carry as many as 6,000 TEU's ("twenty-foot equivalent units"—the industry standard for containers). This size container vessel generates some 40,000 documents pertaining to the cargo. Although containers vary in size from the "twenty foot" industry standard to other larger lengths including, forty and forty-five foot units, even small container vessels carry upwards of five-hundred to seven hundred containers or "boxes." Except as limited by the size of a container and absent adequate scrutiny of information at the point of origin, anything can be shipped into United States ports.

At present, shipboard and port safety is dependent on the honesty of shippers and carriers. It is estimated that in 2001 some 9 million TEU's arrived in U.S. ports by sea. That works out to 17,000 actual boxes per day. More arrive every day by truck or train from Canada. Maintaining this tremendous flow of cargo could hardly be accomplished if every container and manifest was inspected.

However, scrutiny of shippers and carriers is absolutely necessary. Data banks on shippers and carriers need to be developed. Cargo profiles must be established to identify suspicious shipments. This must be done at the point of origin rather than at the destination in a U.S. port. Shippers and their agents and consignees, freight forwarders, logistics suppliers and transportation intermediaries must be held legally responsible to provide accurate cargo data. Ocean carriers need to be examined to ascertain responsible parties. All could be gradually certified as a prerequisite to continued business operations in this country. Entry into our commercial markets is a tremendous opportunity. The privilege should entail responsibility from shippers and ocean carriers alike.

A recent New York Times article (October 8, 2001) noted that the Al-Qaeda owned a fleet of merchant vessels hidden under various flags of convenience. Every day, vessels enter our ports whose owners are virtually anonymous. Anything from illegal immigrants, contraband or explosive devices can be carried aboard these vessels. Much has been said since September 11 regarding background checks for U.S. citizen workers who make their living in the maritime industry. We are calling for background checks and certification for the shippers and ocean carriers who choose to bring their business into our ports.

Fly-by-night ship owners, operators and shippers are endemic in the international maritime industry. The focus should start on these entities if we are serious about port security.

Regarding container shipments, it is obvious to anyone who has worked aboard ship or at a marine terminal that empty, unsealed containers represent a potential security hazard. No container should be loaded aboard ship unless it is sealed and certified by a responsible party as empty. Loaded, sealed containers must have accurate descriptions of their contents in appropriate manifests. The data must be certified by responsible parties in the transportation chain.

The United States Coast Guard has regulated most of the vessel-operating personnel represented by our organization for many years. Our members are among the most highly regulated workers in America. Background checks and stringent training requirements for U.S. Coast Guard documented personnel are not new. What is disturbing is that (i) there is an irrational and unwarranted urgency to extend this condition to American citizen shore-side workers, and (ii) there is no apparent urgency to extend equivalent requirements to the hundreds of foreign seafarers who every day bring dozens of foreign-flag vessels in and out of United States ports.

We are concerned that American maritime workers and United States flag employers will be burdened with more regulations, while the rest of the industry carries on with business as usual. Recent events bear this out.

In February of this year the U.S. Coast Guard created a double standard by delaying the enforcement of internationally agreed training standards for foreign seafarers working in U.S. waters. These standards established by the International Maritime Organization ("IMO") are known as Standards of Training, Certification

and Watchkeeping for Seafarers, 1995 (known as "STCW95"). After intense pressure from the international maritime community, foreign seafarers in U.S. ports were exempted from these regulations for at least 6 months. At the same time the U.S. Coast Guard is enforcing these requirements for American seafarers. Although this is a training issue as opposed to a security issue, there is little doubt among mariners that American seafarers will continue to be given the highest degree of regulation and scrutiny, be it training or security, while our foreign competitors will continue on unhindered.

Shore-side workers should not be subject to onerous background checks and security regulations at this point of time when just about any foreign interest can ship unspecified goods into or operate anonymously owned vessels in U.S. waters. This contradiction has been not been addressed in any of the discussions that this organization has heard, much less participated in.

If the question of why there is a double standard has become moot by the course of events, then at least American standards of due process must be maintained. Logically, waterfront workers are part of the solution rather than part of the problem. Our workers are better placed than most to determine who does not belong in, around and aboard our workplaces. Instead, we are the first to be considered potential suspects. We are deeply concerned that the new regulatory scheme will have the potential to deny many of our workers their livelihoods without due process and without contributing one iota to increased port security.

Any background checks of maritime workers should be carefully tailored to promote port security against terrorism and crime. Incumbent workers with several years of service should be exempted from new requirements. In all cases in which background checks lead to questions of disqualification from employment the right to a hearing with due process protections including the right to a hearing, representation, a presentation of the facts upon which the disqualification is based and an appeal process must be included. If maritime workers are to be investigated in this manner then all others who have free access to cargo and ship manifests should be similarly scrutinized. Anything less would make a mockery of the legislative intent regarding port security.

In the greater picture, true port security, would mean national maritime security. We are the world's greatest trading nation, yet we carry less than three percent of our ocean-going foreign trade aboard American-flag vessels. No great trading nation in history has allowed itself to be as dependent on foreign shipping interests as the United States currently is. Our economic and military security, let alone our port security are primarily dependent on foreign ocean carriers, foreign seafarers and foreign shipping interests. It is strange that the focus of the "port security" discussions seems to on criminal background checks for a relative handful of U.S. citizen long-shoremen when any one of hundreds of thousands of international shippers can load just about anything into a container bound for a United States port.

Our Federal Government should be focusing on a comprehensive maritime policy that promotes the U.S. flag shipping and an even playing field for all players in the transportation chain. Bona fide foreign carriers and shippers should be certified and held to the same standards of responsibility as their American counterparts. This should be a condition of having access to our ports. Ultimately, United States flag, citizen-crewed ships, which carry a reasonable proportion of U.S. foreign trade, is the best protection of our maritime as well as our port security. Security is dependent on self-reliance. Port security is an extension of maritime security. We cannot reasonably expect to have either if our foreign trade is for all practical purposes carried and controlled by foreign interests.

Thank you for considering these thoughts.

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PREPARED STATEMENT OF THE NATIONAL BUREAU OF ASIAN RESEARCH (NBR)

Like the majority of States around the country, Washington faces the tremendous challenge of implementing new security measures that respond to homeland defense issues since September 11 while struggling with budget shortfalls. (The National Governors Association has estimated a fiscal year 2002 State budget shortfall of between \$40 billion and \$50 billion.) Unlike many States, Washington has an extremely high need for vigilant homeland protection due to:

- Crucial seaports, which ensure the economic lifeblood of the State but also serve as the point of entry for potential threats to the United States from the Asia Pacific region;
- Already identified threats, such as the attempt of a documented terrorist to enter the State with a carload of explosives intended for a terrorist act at the L.A. International Airport;

- Exposed territorial borders with Canada;
- Strategic U.S. military bases, including a strategic naval submarine base;
- Critical private sector assets, including Boeing and Microsoft;
- Nuclear power plant and storage facilities;
- Populations centers with globally recognized urban architecture;
- Vulnerability to ballistic missiles from Northeast Asia; and
- Important dams and bridges essential for our energy, agricultural, and transportation needs.

The State's public and private leaders now must determine how best to protect their citizens and these assets against possible future terrorist attacks. Through the allocation of assistance funds, the Federal Government is beginning to help the States to ease the budget shortfalls that might impede effective solutions. Starting in October, the Federal Government will allocate \$3.5 billion to enable the States to effectively manage homeland defense efforts, most notably through the allocation of funds from the Federal Emergency Management Agency and Department of Justice grants. Given the vital strategic assets in Washington State, a large constituency of public and private interests must be part of the debate on how this Federal assistance is used. In preparation to receive these Federal allocations, Washington State must develop a concerted plan to determine how these disparate groups can all contribute to the homeland security debate to ensure that the Federal funds are used effectively, flexibly, and accountably.

Although it is human nature to look for one easy solution, no such solution exists for a national strategy toward homeland security. While measures such as electronic seals to prevent tampering with containers, gamma-ray inspection systems to examine containers, vehicles, and trucks, and passenger background checks for aircraft and cruise ships, are integral to a comprehensive and effective security program, there is no single technology—no “silver bullet” solution—to ensure security. An integrated effort among Federal, State, local, and private sector interests is critical.

This integrated approach should provide a forum for and coordination of interests from public and private sector constituents to address how the Washington State can:

- Understand, track, and monitor security threats to the State and region, many of which are likely to originate in the Asia Pacific;
- Explore options for protecting the State's interests against those threats;
- Examine the perceptions of our major trading partners toward the State's security measures;
- Analyze the potential impact to the State's economy of adopting new port security measures;
- Provide a forum for public and private sector officials to think through the strategic consequences of new policies being implemented locally by U.S. Customs, U.S. Coast Guard, FBI, INS, and the Transportation Security Agency;
- Develop innovative approaches for the State Executive and Legislative branches to share security-related information with Federal agencies as required;
- Establish a “community of interest” for networked access to independent and government analyses, roundtable discussions, and coordinated posting of critical State policies and decisions to all State web pages (as directed);
- Host seminars, discussion groups, and roundtables to facilitate timely communication among diverse State and local constituents on emerging issues of interest; and
- Work with State officials to develop an approach to “Threat Forecasting” for use within the State—to communicate risks to citizens, to respond to alerts from the U.S. Homeland Security Office, and to establish a database permitting longer-term pattern analysis of what kinds of threats the State and Pacific Northwest are facing.

The National Bureau of Asian Research (NBR) has identified three approaches the State might take to accomplish these goals.

#### *(1) The Homeland Security Model*

Using this model, all coordination is accomplished from the top down, whereby the Federal Office of Homeland Security transmits goals and activities to Washington State's homeland defense representative, Adjutant General Timothy Lowenberg. This is the model that has been in use in the seven and a half months since the terrorist attacks, and, while it has been an invaluable first response, the wide range of specific vulnerabilities of Washington State dictate that security solutions must originate from the bottom up. In recent testimony before Congress and in press releases, Washington's Governor Gary Locke and governors from around the country have expressed concern that the top-down method leaves State and local leaders without the necessary access to Federal intelligence and understanding of real

threats. Federal coordination of homeland security is a necessity, but, in order to effectively respond to the specific needs of Washington, solutions must be indigenous to the State.

*(2) The 1962 Federal-Aid Highway Act Model*

In testimony before the House Subcommittee on Economic Development, Public Buildings, and Emergency Management of the Committee on Transportation and Infrastructure, Randall Yim, director of National Preparedness, proposed the need for regional agreements whereby a “State shares services, personnel, supplies, and equipment with counties, towns, and municipalities within the State, with neighboring States, or, in the case of States bordering Canada, with jurisdictions in another country” (GAO-02-62IT). In support of this testimony, Mr. Yim identified the 1962 Federal-Aid Highway Act as a model that might aid regional cooperative planning and coordination of security. Yim emphasized the importance the Federal program gives to the role of State and local officials in developing a plan to meet regional transportation needs. The model continues to be in use in the Transportation Equity Act for the 21st Century (TEA-21) program. This model could be applied to Washington State’s homeland defense efforts by involving the relevant public and private organizations and interests groups (i.e., the Ports, the U.S. military services, the Coast Guard, INS, Customs, British Columbia/Canadian officials, etc.) in cooperatively planning and coordinating regional security.

*(3) Northwest Security Studies Institute Model*

NBR proposes that the State of Washington and its private sector create a Northwest Security Studies Institute (NSSI). NSSI will be the State’s think tank, where the strategic implications of public and economic security policies may be analyzed, debated, and communicated among the State’s public and private sector constituents. NSSI will leverage the well-established expertise of the Seattle-based National Bureau of Asian Research, whose analyses of Asian economies, politics, and political-military capabilities have been instrumental to investment planning of the State’s private sector and strategic planning of the U.S. Pacific Command in addition to policy planning within the executive branch and Congress. NBR also has extensive experience in balancing security concerns with the need to encourage trade. The NSSI concept would create an independent forum to enable Federal, State, and local officials and private sector representatives to jointly define a common strategic approach to public and economic security planning. By establishing a non-profit think tank through NBR, State and local government authorities and private sector officials will have access to scholars and analysts with proven track records in strategic threat assessments, national security policy perspectives, and Asian regional studies.

Regardless of the ultimate model, or hybrid, employed, the State of Washington does not need to create a new public agency to implement security efforts. All the capabilities and personnel are already here. Strong and effective local and State leaders want to make a difference and are working effectively to coordinate with Federal administrators. The State is the home to a robust community of nonprofit organizations, and the local private sector is eager to assist in efforts to ensure the security of the State’s citizens and trade infrastructure. As Washington State’s public and private leaders develop indigenous and sustainable homeland security measures they must discourage the replacement of State funds with Federal monies and they must understand that security solutions will unavoidably entail the intersection of concerns from the local, State, regional, and national levels.

Above all, the crucial balance will be in ensuring that these security measures are not implemented in a vacuum. The State of Washington faces a real need to protect its citizens and borders in a way that also protects the sustainability and profitability of the economy. Foreign trade is a fundamental lifeline of the economy, and understanding the threats from and the perspectives and sensitivities of the State’s commercial trading partners is a top priority.

CONCLUSION OF HEARING

Senator MURRAY. This subcommittee now stands in recess until Tuesday, April 16th, when we will hear testimony from the Federal Aviation Administration.

[Whereupon, at 4:20 p.m., Thursday, April 4, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]

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