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Homeland Security

United States
Coast Guard



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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

ADMIRAL THOMAS H. COLLINS

ON

TRANSPORTATION SECURITY

BEFORE THE

**COMMITTEE ON COMMERCE, SCIENCE, AND
TRANSPORTATION**

U. S. SENATE

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Good morning Mr. Chairman and distinguished Members of the Committee. It is my pleasure to be here today to discuss the Coast Guard's accomplishments in improving maritime transportation security since the terrorist attacks of September 11, 2001, the impact of those accomplishments on maritime commerce, and the additional measures that may be needed to further promote maritime transportation security.

The attacks of September 11, 2001, have required the United States and the world to recognize how vulnerable our international systems of transportation and trade are to those who intend to do us harm. A terrorist incident against our marine transportation system would have a serious and long-lasting negative impact on global shipping, international trade, and the world economy. Our ports and waterways also have significant strategic military value. Valuable and vulnerable...these factors make protection of our marine transportation system a high priority in the U.S. Maritime Homeland Security Strategy.

Accomplishments

Working in concert with the Department of Homeland Security and its agencies, we developed a strategic approach to maritime security that places a premium on identifying and intercepting threats well before they reach U.S. shores. We will do this by conducting layered, multi-agency, maritime security operations; strengthening the port security posture of our strategic economic and military ports; building on current international cooperative security efforts; and making risk-based decisions. These key elements form the basis of the Maritime Homeland Security Strategy, closely aligning with the President's National Strategy for Homeland Security. This is a sound strategy that reduces maritime security risks through: (1) increasing our maritime domain awareness; (2) implementing preventative measures to detect and deter; (3) securing our borders and protecting vital infrastructure; and (4) preparing to respond quickly if necessary.

Since the attacks of September 11, 2001, the Coast Guard has instituted measures to increase maritime domain awareness – a combination of intelligence, surveillance, and operational information to build as complete a picture as possible to the threats and vulnerabilities in the maritime realm. Within 30 days of the attacks, we amended our regulations to require ocean-going vessels approaching U.S. to provide advance notice 96 hours prior to arrival at U.S. ports. We also centralized reporting from individual Captains of the Port to a single location to enable better coordination and analysis of information and more rapid dissemination to other agencies. The Coast Guard

Intelligence Coordination Center, co-located with the Office of Naval Intelligence at the National Maritime Intelligence Center in Suitland, Maryland, established COASTWATCH, a process that analyzes these notice of arrival reports using law enforcement and intelligence information and reporting vessels of interest so that Coast Guard and other agencies could appropriately respond to board those vessels before they reached port, if necessary. The Coast Guard continues this practice today and has improved electronic sharing of notice of arrival reports and accompanying intelligence information with Bureau of Customs and Border Protection (CBP), Transportation Security Administration (TSA), Information Analysis and Infrastructure Protections (IAIP) Directorate, Department of Defense, and other components of the Intelligence Community.

Recognizing the criticality of intelligence in achieving maritime domain awareness, we have taken several key steps to grow our intelligence program. Last year we elevated the Director of Intelligence to an Assistant Commandant level to align with the importance I place on intelligence to support Coast Guard operations. Additionally, we are in the process of completing the measures required to fully implement the December 2001 legislation adding the intelligence element of the Coast Guard to the U.S. Intelligence Community. Our primary focus on this point has been to meet the stringent legal and oversight requirements that accompany Intelligence Community membership as we begin to build better collection and analytical capabilities. We are able to provide more information on this initiative in a classified briefing. Within the last 6 months, the Coast Guard has transformed the existing Atlantic and Pacific Area intelligence staffs into Maritime Intelligence Fusion Centers Atlantic and Pacific. This change increased collection and analytical capabilities to enhance all-source fusion of intelligence and information and to improve the timeliness and quality of theater level intelligence support to Coast Guard operational forces. The new Maritime Intelligence Fusion Centers also ensure rapid reporting of information gathered by Coast Guard forces into the IAIP Directorate and Intelligence Community at the national level. We have established Field Intelligence Support Teams, consisting of Coast Guard intelligence analysts and Coast Guard special agents, to provide tactical intelligence support to Coast Guard Captains of the Port through collection and reporting of suspicious or criminal activity in the port areas, to share information with other agencies at the local level, and to rapidly disseminate intelligence to the Captain of the Port and other local commanders.

The regulations which implement the Maritime Transportation Security Act of 2002 (MTSA) require certain vessels to install an Automatic Identification System (AIS) by the end of 2004, and the Coast Guard will install AIS capabilities at each Vessel Traffic Service location nationwide with the long-term goal of National AIS coverage. Additionally, the Coast Guard has completed port security assessments at 13 of the 55 most significant military and economic ports in the United States and will complete the assessments of all 55 ports by the end of calendar year 2004. These assessments are unique because they capture information from local law enforcement sources not previously shared with intelligence, thus making them more comprehensive. Finally, the Coast Guard continues to coordinate maritime security information sharing, consistent with the MTSA requirements, at the national level with other agencies, and at the local level with federal, state and local entities and with industry. Because the maritime industry has not organized itself to receive and send information regarding threats and vulnerabilities to maritime critical infrastructure as discussed in PDD 63, the Coast Guard

formed a maritime information sharing process to share threat information with the maritime industry and to receive reports of suspicious activities from them.

Terrorist activities and threats, coupled with our own acknowledged vulnerabilities, prompted unprecedented multi-lateral security activities over the past two years. The United States, working in concert with our trading partners, adopted a landmark international maritime security regime through the International Maritime Organization. This approach minimized the potential for a proliferation of national, unilateral security requirements that could impair maritime commerce, while at the same time ensured that meaningful security measures will be consistently implemented on a global scale. More specifically, on December 13, 2002, over 100 nations at IMO adopted amendments to the International Convention for the Safety of Life at Sea (SOLAS) and an International Ship and Port Facility Security (ISPS) Code. On November 25, 2002, President Bush signed the MTSA. In passing the MTSA, Congress expressly found that it is in the best interest of the United States to implement the security system developed by IMO because it contains the essential elements for enhancing maritime security. Both of these important instruments — the SOLAS security amendments and the MTSA — are major steps in addressing maritime security, and together they form the cornerstone of the nation's maritime homeland security strategy.

In coordination with the Transportation Security Administration, Maritime Administration, and Bureau of Customs and Border Protection, the Coast Guard, as the lead Federal Agency for maritime security, published regulations on July 1, 2003 to implement the core security requirements of the MTSA consistent with the SOLAS amendments and the ISPS Code. And these regulations are essential to promote our national strategy of preventing terrorist attacks in the United States, to reduce our vulnerability to terrorism, and to minimize the damage and permit quick recovery from any attacks that might occur. The regulatory impact on the maritime industry will be significant — affecting over 10,000 domestic vessels, 20,000 foreign vessels, 5,000 marine transportation related facilities and 40 critical offshore platforms — and the timeline for implementing the new robust maritime security requirements is exceptionally short — the regulations will be fully implemented by July 1, 2004.

Among other requirements, the regulations compel regulated vessels and facilities to conduct security assessments and to develop detailed security plans that address vulnerabilities revealed by those assessments. The regulations contain requirements for the designation and competency of security personnel, including standards for training, drills, and exercises. The regulations further delegate authority to Captains of the Port to conduct Area Maritime Security Assessments and to develop Area Maritime Security Plans for their respective port areas. This “family of plans” approach establishes a layered system of protection that involves all maritime stakeholders and will be consistent with National Maritime Transportation Security Plan being developed in cooperation with the Transportation Security Administration, the Bureau of Customs and Border Protection, and other agencies.

For vessels subject to the SOLAS amendments and the ISPS Code, the Coast Guard is implementing strong Port State Control measures to aggressively ensure foreign vessels have approved plans and have implemented adequate security standards. The measures include tracking performance of all owners, operators, flag administrations, recognized

security organizations, charterers, and port facilities. Noncompliance will subject the vessel to a range of control measures, which could include denial of entry into port or significant delay. This aggressive Port State Control regime will be coupled with the Coast Guard's Foreign Country Security Audit program that will assess both the effectiveness of anti-terrorism measures in foreign ports and the foreign flag administration's implementation of the SOLAS amendments and the ISPS Code.

In addition to adopting the landmark SOLAS amendments and publishing comprehensive regulations implementing MTSA, the Coast Guard has successfully implemented other measures to increase maritime homeland security. The Coast Guard has increased port security in the nation's most important economic and military ports through the use of:

- more patrols by aircraft, ships, and boats;
- more escorts of passenger ships;
- armed security boardings;
- and on-board escort of high interest vessels (vessels with cargoes, crewmembers or other characteristics that warrant closer examination, arriving at or departing from U.S. ports)
- the creation and enforcement of hundreds of security zones in and around critical infrastructure;
- and the establishment of six Marine Safety and Security Teams (MSSTs) (a highly specialized quick response force capable of rapid, nationwide deployment via air, ground or sea transportation in response to changing conditions and evolving Maritime Homeland Security mission requirements).

Additionally, our Strike Teams, which were instrumental in response to the Anthrax attacks at the Hart Senate Office building, are being trained to respond to a CBR attack. We have also begun recapitalization of our Deepwater assets. Homeland Security necessitates pushing America's maritime borders outward, away from the ports and waterways, so integrated, maritime operations can be implemented. Deepwater provides this capability while developing a far more robust and effective MDA system.

We also have not acted alone. At the field level, Coast Guard Investigative Service agents and Field Intelligence Support Teams directly liaise with their TSA, CBP, and ICE peers to collect and share operational intelligence. Coast Guard and TSA personnel are working together with the Port of Miami to facilitate cruise ship passenger and baggage screening. At the policy development level, an Underwater Port Security Working Group comprising representatives of the Coast Guard, TSA and the U.S. Navy has been established to implement promising technologies to mitigate underwater homeland security threats. Additionally, a Radiological Dispersal Device/Improvised Nuclear Device Working Group, consisting of representatives from 16 government agencies and departments, has been established for deterrence and detection of nuclear smuggling into or within the United States. These are just a few examples of how we have actively sought out and leveraged inter-agency partnership to provide a defense in depth.

Effect on Commerce

The Coast Guard is sensitive to the impact that increased security may have on commerce. The wide variety of security measures implemented to date has had no significant adverse impacts on the flow of maritime commerce. That said, we note that

the cost to industry of the MTSA implementing regulations is estimated to be \$1.5 billion in the first year and \$7.3 billion over the next 10 years. While we clearly understand that the cost of these security regulations to the maritime industry is not insignificant, a terrorist incident against our marine transportation system would have a devastating and long-lasting impact on global shipping, international trade, and the world economy. As part of a recent port security training exercise, a maritime terrorist act was estimated to cost up to \$58 billion in economic loss to the United States. Thus, the cost is outweighed by the mitigation of risk to the industry. We have, however, developed the security regulations to be performance-based, providing the majority of owners and operators with the ability to implement the most cost-effective operational controls, rather than more costly physical improvement alternatives. The Coast Guard will be vigilant in its Maritime Homeland Security mission and will remain sensitive to the impact of security measures on maritime commerce.

Additional Measures

We do note that, since September 11, 2001, we have increased our uniformed presence ashore at waterfront facilities and critical infrastructure adjacent to the marine environment. Immediately after September 11, 2001, however, we identified a gap in our authority ashore and developed a proposal to close that gap. Although, the Coast Guard is at all times an armed force and has broad authority to protect waterfront facilities and other shore installations under a number of statutes, such as the Maritime Transportation Security Act, the Ports and Waterways Safety Act, and the Espionage/Magnuson Act, we lack express authority to arrest a person who commits a Federal offense on shore and to carry a firearm ashore in the performance of official law enforcement duties. Clarifying this authority remains a top legislative priority for the Coast Guard, and we greatly appreciate the inclusion of legislation addressing this matter in the pending Coast Guard Authorization bill, S. 733. This authority is not included in the House version of the bill and HR 2443, and we appreciate the Senate's support in including this provision at conference.

The United States Coast Guard has and will continue to take a leadership role in coordinating the multi-agency, public, and private, national and international maritime security effort as part of the Department of Homeland Security's larger national Transportation System Security Plan. The men and women of the Coast Guard are committed to the continuing protection of our nations. Thank you for the opportunity to testify before you today. I will be happy to answer any questions you may have.