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United States General Accounting Office  
Washington, DC 20548

December 12, 2003

The Honorable Ernest F. Hollings  
Ranking Member  
Committee on Commerce, Science, and Transportation  
United States Senate

Subject: *Posthearing Questions Related to Aviation and Port Security*

Dear Senator Hollings:

This letter responds to your November 17, 2003, request that we provide answers to questions relating to our September 9, 2003, testimony on transportation security.<sup>1</sup> The questions posed by Senator Frank Lautenberg to GAO, along with our responses, follow.

- 1. I am concerned that the Department of Homeland Security (DHS) and the Transportation Security Administration (TSA) are dealing with our nation's pressing life and death security needs by playing shell games with critical resources. Last week, Secretary Ridge announced that 5,000 new air marshals would be trained, but that these individuals would come from the existing ranks of custom and immigration agents. During high-threat periods, this cross-training plan might enhance air security but will come at the expense of border and ground security. Under the Administration's plan to utilize current immigration and customs employees to double as air marshals, how will DHS ensure that, during high-threat periods, there are adequate personnel both in air marshal roles and at the border as customs/immigration agents?**

DHS's plan does not explicitly address the adequacy of the current immigration, customs, and air marshal workforces to address concurrent high threats to border, ground, and aviation security. Rather, the plan provides for temporarily enhancing the air marshal workforce to respond to high threats to aviation. Specifically, according to Secretary Ridge, cross-training immigration and customs officers in air

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<sup>1</sup>U.S. General Accounting Office, *Aviation Security: Progress Since September 11, 2001, and the Challenges Ahead*, [GAO-03-1150T](#) (Washington, D.C.: Sept. 9, 2003) and U.S. General Accounting Office, *Maritime Security: Progress Made in Implementing Maritime Transportation Security Act, but Concerns Remain*, [GAO-03-1155T](#) (Washington, D.C.: Sept. 9, 2003).

marshal tactics would give DHS greater flexibility to adjust its law enforcement resources according to varying threats and provide a surge capacity during periods of high threats to aviation. The immigration and customs officers would not be used as air marshals during every high-threat period; they would be used as such only when there was a high risk to aviation.

DHS's cross-training plan could have some benefits; but, as we recently reported, it also poses training and administrative challenges.<sup>2</sup> According to the Secretary, the cross-training for immigration and customs agents and federal air marshals will be centralized. Centralization could eventually produce some cost efficiencies. However, cross-training will expand the roles and responsibilities of all three law-enforcement workforces; and a needs assessment will have to be conducted to identify each workforce's additional training requirements. Cross-training requirements and curriculums also will have to be established and approved. In addition, each affected workforce's organization will have to coordinate the new training requirements with its other mission requirements, as it schedules its officers for cross-training. Finally, planned changes in the roles and responsibilities of the federal law enforcement officers could have implications for their performance evaluations and compensation. Currently, the three law enforcement workforces are under different pay systems and are compensated at different rates. DHS has efforts under way to deal with these issues.

## **2. Are any new air marshals currently being trained?**

New air marshals are currently being hired and provided basic training at the rate of about one class per month, a rate sufficient to offset attrition and maintain the current number of air marshals. According to the Federal Air Marshals Service, there is no surge in hiring or training forecasted because the goal for hiring air marshals set by the Secretary of Transportation after September 11, 2001, was met in July 2002, as planned.

In addition to the required basic training, the Service instituted a 4-week advanced training course for air marshals in October 2002. All air marshals hired from October 2001 through July 2002 were required to complete the course by January 2004. Air marshals hired after August 2002 attend this advanced training course after completing their basic training. In August 2003, the Service reported that proposed cutbacks in its training funds would require it to extend the January 2004 date to mid-2004. According to DHS, the Service's transfer to Immigration and Customs Enforcement (ICE) will not adversely affect either the funding for air marshals' training or the schedule for newly hired air marshals to complete the 4-week training course, since a total of \$626.4 million is being transferred from TSA to ICE. However, it is not clear how much of the funding will be allocated for training. Given the importance of training to ensure that air marshals are prepared to carry out their

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<sup>2</sup>U.S. General Accounting Office, *Aviation Security: Federal Air Marshal Service Is Addressing Challenges of Its Expanded Mission and Workforce, but Additional Actions Needed*, [GAO-04-242](#) (Washington, D.C.: Nov. 19, 2003).

mission, we believe that maintaining adequate funding for training should remain a priority.

**3. DHS has recently tried to divert \$30 million from the Operation Safe Commerce pilot program intended to identify and implement the systemic port security initiation in order to cover a budget shortfall in airport security. Do you believe federal port security programs are adequately funded?**

Effective maritime security requires the ability to put preventive systems, controls, and infrastructure in place. According to transportation security experts and state and local government and industry representatives we contacted, funding is the most pressing challenge to accomplishing this task. While some security improvements are inexpensive, most require substantial funding. Additionally, given the large number of assets to protect, the sum of even relatively less expensive investments can be cost prohibitive. According to Coast Guard estimates, the cost of implementing the new International Maritime Organization security code and the security provisions in the Maritime Transportation Security Act (MTSA) of 2002 will be approximately \$1.5 billion for the first year and \$7.4 billion over the succeeding decade. These costs are substantial sums, but it is not clear at this point how the costs will be paid, as the following examples illustrate.

Funding difficulties can be seen in the implementation of TSA's Transportation Worker Identification Card (TWIC). Although no national estimates of the cost are currently available, they are likely to be substantial. According to a TSA official, nationwide the agency expects to issue five to six million identification cards a year from mid-2004 to the end of 2007. In our work at Los Angeles, port authority officials expressed concern about how much it may cost to implement this card and all the steps and equipment associated with it, such as the installation of card readers throughout the port, the issuance of cards to port personnel, and adding staff to operate and maintain the system. A study for the ports of Los Angeles and Long Beach estimates that it will cost at least \$45 million to perform the necessary start-up tasks. Because of these significant costs, maritime stakeholders are concerned about who will ultimately pay for the TWIC. One port authority official indicated that the cost may be passed on to workers as a cost of their employment.

Another example of funding difficulties can be seen at the federal level, where an MTSA requirement for a vessel identification system is being phased in over time, partly because of funding limitations. This identification system, called the Automated Identification System (AIS), uses a device aboard a vessel to transmit a unique identifying signal to a receiver located at the port and to other ships in the area. This information gives port officials and other vessels nearly instantaneous information about a vessel's identity, position, speed, and course. Such a system

would provide an “early warning” of an unidentified vessel or a vessel that was in a location where it should not be. MTSA requires that vessels in certain categories<sup>3</sup> install tracking equipment between January 1, 2003, and December 31, 2004, with the specific date dependent on the type of vessel and when it was built. Effectively implementing the system requires considerable land-based equipment and other infrastructure that is not currently available in many ports. As a result, for the foreseeable future, the system will be available in less than half of the 25 busiest U.S. ports.<sup>4</sup>

Installing AIS at the remaining ports depends in part on when funding will be available. The only ports with the necessary infrastructure to use AIS are those that have waterways controlled by Vessel Traffic Service (VTS) systems.<sup>5</sup> Expanding coverage will require substantial additional investment, both public and private. The Coast Guard’s budget request for fiscal year 2004 includes \$40 million for shore-based AIS equipment and related infrastructure—an amount that covers only current VTS areas. According to a Coast Guard official, wider-reaching national implementation of AIS would involve installation and training costs ranging from \$62 million to \$120 million. Also, the cost of installing AIS equipment aboard individual ships averages about \$10,000 per vessel, which is to be borne by the vessel owner or operator. Some owners and operators, particularly of domestic vessels, have complained about the cost of equipping their vessels.

As we suggested in our testimony,<sup>6</sup> where the money will come from to meet these funding needs is not clear. One theme we have heard from maritime stakeholders is that the current economic environment makes this a difficult time for the private industry or state and local governments to make security investments. According to industry representatives and experts we contacted, most of the transportation industry operates on a very thin profit margin, making it difficult to pay for additional security measures. In addition, nearly every state and local government is facing a large budget deficit for fiscal year 2004. For example, the National Governors Association estimates that states are facing a total budget shortfall of \$80 billion this upcoming year. Given the tight budget environment, state and local governments and transportation operators must make difficult trade-offs between transportation security investments and other needs, such as service expansion and equipment upgrades. According to the National Association of Counties, many local governments are planning to defer some maintenance of their transportation infrastructure to pay for some security enhancements. At the same time however, the

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<sup>3</sup>All vessels of certain specifications on international voyages; self-propelled commercial vessels 65 feet or more in length; towing vessels 26 feet or more in length and more than 600 horsepower; vessels of 100 gross tons or more carrying one or more passengers for hire; and passenger vessels certificated to carry 50 or more passengers for hire.

<sup>4</sup>In addition to Los Angeles/Long Beach, the other ports currently scheduled to have this system are New York/New Jersey; the mouth of the Mississippi River; New Orleans; Houston/Galveston; Port Arthur, Texas; San Francisco; Seattle/Tacoma; Alaska’s Prince William Sound; and Sault Ste. Marie, Michigan.

<sup>5</sup>Similar to air traffic control systems, VTS uses radar, closed circuit television, radiophones, and other technology to allow monitoring and management of vessel traffic from a central shore-based location.

<sup>6</sup>GAO-03-1155T.

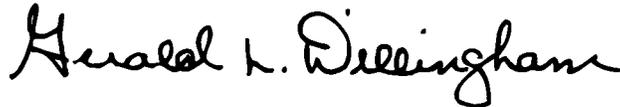
federal government faces its own challenges in finding considerable additional funding. Due to the costs of security enhancements and the transportation industries' and state and local governments' tight budget environments, the federal government is likely to be viewed as a source of funding for at least some of these enhancements. While federal moneys have been made available, requests for federal funding for transportation security enhancements will likely continue to exceed available resources, given the constraints on the federal budget as well as competing claims for federal assistance.

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In responding to these questions, we relied primarily on our past work. We reviewed and analyzed data provided by the Federal Air Marshal Service and interviewed DHS officials. In addition, we visited the ports of Los Angeles and Long Beach to obtain the views of port officials.

Should you or your office have any questions on aviation matters discussed in this report, please contact Gerald Dillingham at (202) 512-2834. For questions on maritime issues, please contact Margaret Wrightson at (415) 904-2200. Key contributors to this report include Steve Calvo, John W. Shumann, and Teresa Spisak.

Sincerely yours,



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