

**SEAPORT SECURITY, LAW ENFORCEMENT
COORDINATION, AND VESSEL PILOTING**

FIELD HEARING
BEFORE THE
SUBCOMMITTEE ON SURFACE TRANSPORTATION
AND MERCHANT MARINE
OF THE
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE
ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

JANUARY 10, 2002

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ONE HUNDRED SEVENTH CONGRESS

SECOND SESSION

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SEAPORT SECURITY, LAW ENFORCEMENT COORDINATION, AND VESSEL PILOTING

THURSDAY, JANUARY 10, 2002

U.S. SENATE,
SUBCOMMITTEE ON SURFACE TRANSPORTATION AND
MERCHANT MARINE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
New Orleans, LA.

The Committee met, pursuant to notice, at 1:35 p.m., in the Port of New Orleans Auditorium, Hon. John B. Breaux, Chairman of the Subcommittee, presiding.

OPENING STATEMENT OF HON. JOHN B. BREAUX, U.S. SENATOR FROM LOUISIANA

Senator BREAUX. The U.S. Senate Subcommittee on Surface Transportation and Merchant Marine will please come to order.

Good afternoon everyone. I am delighted to be back at home. We are appreciative of all the courtesies that we have been extended by officials here in New Orleans with the Port of New Orleans. We thank them very much.

We had an opportunity this morning to do some actual hands-on inspection of both the port and some of our facilities and also had a most enjoyable opportunity to board one of the ships coming into the Port of New Orleans with the Coast Guard and with the river pilots and some of the sea marshals working with the United States Coast Guard as well. Maybe I should not say this, but they actually let me take control of the ship, which is probably a real hazard, but we did it under the careful watch of the Coast Guard and river pilots who were onboard. It is quite a thrill to have the personal experience of coming up the river in this very busy port.

I am delighted that I am joined by my good friend and colleague Congressman David Vitter, from this area, of course, and also who serves this area very ably in the House of Representatives, and he will have some comments to make on his own. I am delighted he was able to participate with us and ask questions if he would like.

This is the middle part of a 3-day trip in which I as chairman of the Subcommittee on Surface Transportation and Merchant Marine have taken the opportunity to visit some of the biggest and most outstanding ports in America to see how we are doing, particularly after 9/11.

It is very clear that America is a different country since September 11 when we had our terrorist attack. Security in all parts of our lives needs to be looked at and considered. We in the past have paid a great deal of attention to airports and airline security,

but it is certainly equally as important that we pay attention to the security that we have at the ports of our country, not only from the standpoint of criminal activity, but also, obviously since 9/11, from the aspect of ports being a potential target for terrorists. There is no port in America, including this one, that would not be on a list of potential terrorist heartaches if they wanted to do damage to the economic structure of this country.

We had a hearing yesterday in Fort Everglades around Fort Lauderdale in Florida and looked at their operations and what they were doing. Their port is vastly different from the Port of New Orleans in terms of the type of traffic that they have and in terms of access to their ports. It is right on the Atlantic, and it is a very short distance that they have to protect, so it was interesting to see Fort Everglades in comparison to our own port here in Louisiana, the Port of New Orleans.

Tomorrow I will be in Houston looking at the Port of Houston to see what they are doing and to see how we as a Federal Government can be helpful in allowing them to become more secure than they are today. We will probably have additional field hearings on the West Coast looking at the Ports of Long Beach and Los Angeles and Seattle and Portland and also on the East Coast in New York and Boston and possibly Savannah.

This is an important endeavor because, as I said yesterday in Florida, the intent of this Committee and Congress is not to come down from Washington and tell port officials what they ought to be doing. We're not trying to instruct them as much as we are trying to work with them to try and create better cooperation between the federal agencies that are involved in port security and port regulation, including Immigration and Naturalization Service, including Customs, including the Border Patrol officers, the Coast Guard, and everybody else involved.

One of the things that I want to make very certain that we ultimately end up with is some kind of a coordinated effort dealing with port security. If everybody is in charge, then generally no one is in charge. When you have Immigration and Naturalization Service, when you have the FBI, when you have Customs, when you have the Coast Guard, when you have the state officials, and when you have the Sheriff's Department all being concerned about port security at all of our ports around this nation, then again sometimes there is a lot of overlap confusion and there is not a clear line of responsibility. We hopefully want to make sure that is being done properly.

I would just mention for the benefit of all of our guests here in the audience that the U.S. Senate has adopted a bill that I co-authored along with Senator Fritz Hollings and Senator John McCain and Senator Bob Graham of Florida called "The Port and Maritime Security Act." The legislation passed the Senate Commerce Committee, which I serve on, unanimously; and then passed the U.S. Senate unanimously. It is still pending in the House. I am certain that the House will be taking it up in the relatively near future, and in the not-too-distant future we'll have a piece of legislation that the President will be able to sign.

Let me just briefly outline what that legislation does. Number one, it sets up local port security committees to better coordinate

the efforts, like I was talking about, state and federal and local and private law enforcement officials.

It also mandates for the very first time that all ports have a comprehensive security plan in place. It is very important that there is a plan so that people know what to do, when to do it, and how to do it before the inevitable happens and they have to struggle to figure out how to put together a plan. We want it in place early.

It requires ports to limit access to security-sensitive areas, restrict firearms and other weapons, develop an evacuation plan, and conduct background checks on employees working in security-sensitive areas.

No longer will people be able to have free and unfettered access to sensitive areas. Ports are clearly sensitive areas. You no longer are going to be able, in my opinion, to just allow anyone to drive into a port in a vehicle or car or truck without having a specific purpose for being there and to be identified as to what their purpose is in that particular area.

The bill would require ships to electronically send their cargo manifest to a port before gaining clearance to enter and prohibits unloading of improperly documented cargo.

It is very important that we in the Port of New Orleans know what ships are coming into the Mississippi River, to know who is onboard those ships, to know who the crew is onboard those ships, and to know also what cargo is onboard those ships.

Some cargo is much more sensitive than others in the sense of being hazardous material verses soy beans as an example. We need to know what cargo is on those ships before they enter into the Mississippi River Transportation System. It also creates an improved reporting of crew members and passengers and imported cargo to better track suspicious activity.

It is interesting in Fort Everglades yesterday, which was obviously a very large cruise passenger terminal that fights with Miami to be the largest passenger terminal in the country. We also have passenger ships calling on this port, and hopefully many more in the future will also look at the Port of New Orleans as its home—who is onboard those ships and making sure that they leave the port with the same group of people that came to the port on that ship. It is not an easy thing to do.

We saw a wonderful example in Port Everglades yesterday where every person that enters a passenger ship is photographed, given an ID card, automatically thrown into a computer, and then they call another port. They know who is off the ship, and they know when every single passenger is back on. It is a good system.

They also inspect 100 percent of the luggage that is being put on a cargo passenger ship. I don't know whether we have a system like that yet here. Maybe we can hear about that today. Every single piece of luggage is x-rayed. That is more than is being done currently on airlines, which we hope to get to 100 percent, x-raying of the checked luggage, which is now being done on many cargo vessels.

The bill also creates a sea marshal program to more specifically authorize the Coast Guard to board ships entering our ports to make sure that everything on that ship is in order. We had sea marshals with us this morning when we boarded the ship that was

a Chinese registered ship, so the program is already here in New Orleans. We have some sea marshals that, in addition to boarding the ship with a river pilot, we also have sea marshals and the Coast Guard who are on those ships looking around the ship to make sure that nothing suspicious is going on that ship.

It also directly grants in the Senate bill—it authorizes \$703 million to local ports to upgrade security infrastructure and to the U.S. Customs Service for new inspectors, agents, and screening and detection equipment. That's an authorization—Congressman Vitter and Senator Landreau serve Louisiana on the Appropriations Committee and will play major roles in making sure that what we authorize is ultimately, actually appropriated. That's important. Those are direct grants to local ports. The Port of New Orleans obviously can benefit greatly from that type of assistance.

It also, in the Senate bill, guarantees up to \$3.3 billion in loans for ports to upgrade security infrastructure, which would obviously make it much easier for a port to go into the private market to finance infrastructure upgrading.

It also authorizes additional spending for research and development of cargo inspection technology. It is obvious that in the 21st century we can no longer depend on 1960's technology to properly inspect the cargo. We only inspect about 2 percent of the cargo that enters into this country in ships. That means 98 percent is currently not inspected.

Because of the good work of Customs and the INS and the Coast Guard and local officials, we have been able to do an incredibly good job of targeting ships that are suspicious and actually stopping those from bringing in things that should not be coming in. Just yesterday, and I hope they didn't do it because of me, but they busted a large shipment of cocaine, the Coast Guard working with Customs in Florida. That just happened to take place the same day we were there. These are very complicated procedures. I mean this stuff was welded into the anchor room of the stern of the ship. The only way they found it was to get in with cutting torches and cut open the bottom of that ship's well to find out that they had millions and millions of dollars of cocaine that had been welded into the ship's structure. It is hard to find that just with a physical inspection. You have to have information that is obtained in different fashions and know that was being brought in. They're doing a terrific job.

Let me finally mention that as we consider the overall question of seaport security, we must also remember the bravery and courage of all of our individuals, federal, state, and local individuals who place their lives on the line to protect our ports and make them more secure every day.

Just in October, as all of you are probably aware, Senior Customs Inspector Tom Murphy lost his life and paid the ultimate sacrifice while inspecting a vessel full of scrap metal here in Louisiana at the Port of Gramercy. Lack of oxygen in the hole, unbeknownst to the inspectors when they got there, resulted in a very tragic accident by a person who is now survived by his wife and five children. He served the U.S. Customs Service for 26 years and did his job every day and paid an ultimate sacrifice trying to just make sure that our ports are more secure.

Those are the types of people that we have in this business who are trying to increase port security. They are good people. I think that we on the federal level need to make sure that we're doing everything that we can in coordinating these efforts. These hearings that we are having in Florida, New Orleans and Houston and around the country hopefully will give us better and greater information to do a better job with this coming legislation.

With that, I want to recognize my good friend who has joined us from, as we say in the Congress—we don't refer to each other as senators or Congressman officially. In the Senate if you call someone a Member of the House, you can have your words taken down and stricken. We call them "folks from the other body." Like an out-of-body experience (laughter). Having served in the House for 14 years, I think it is a pretty good place to be and I am delighted that David Vitter has joined us.

**STATEMENT OF HON. DAVID VITTER,
U.S. CONGRESSMAN FROM LOUISIANA**

Mr. VITTER. Thank you very much, Senator. I would only say, first, thank you for your courtesies in allowing me to sit with the Committee in hearing and absorbing the testimony, which I very much look forward to.

Second, I wanted to acknowledge and salute your leadership on this issue. The Senate has been active on this issue even before September 11. You have been very involved, and I want to commend you for all of that work.

Third, I want to say that although the House has been lagging on the issue compared to the Senate—I think that is going to change, and I am very hopeful that is going to change.

I am introducing a comprehensive bill that is similar to yours. I've spoken to the Coast Guard Subcommittee chairman, and he is focusing on the issue, and I think we are going to have markups in March and April and move toward a final bill on the President's desk hopefully by mid-2002, if not sooner. I'd like to see it sooner. I'm very hopeful about that, and thank you again for your courtesy.

Senator BREAUX. Thank you very much, David, for being with us.

I'd like to welcome our first panel. We have Rear Admiral Casto, who is obviously our commandant of the Eighth District of the United States Coast Guard. He is accompanied by Captain Stephen Rochon, who is the Captain of the Port, who is soon to be Admiral somewhere.

I wish you could stay with us.

He has been a good friend and is now the Captain of the Port of New Orleans.

Leticia Moran is a Field Operations Director for the Gulf Customs Management Center of the U.S. Customs Service here in New Orleans, which does a terrific job of running the Customs program here. I would add that he has been of great help to me on these incredibly important Louisiana interests in getting a large shipment of Mardi Gras beads through Customs (laughter). Take advantage of something that is very important to Louisiana. Without her help, we wouldn't have been able to work out that little detail.

Chief Johnny Back, who is the Chief Patrol Agent of the New Orleans Sector of the United States Board Patrol.

We are delighted to have all three of you.
Admiral Casto, do you want to start it off?

STATEMENT OF ADMIRAL ROY CASTO, COMMANDER, EIGHTH DISTRICT, U.S. COAST GUARD, ACCOMPANIED BY CAPTAIN STEPHEN ROCHON, CAPTAIN OF THE PORT OF NEW ORLEANS

Admiral CASTO. Yes, sir. I guess I get to go first.

Good afternoon, Mr. Chairman and Congressman Vitter. Let me start by thanking you for your leadership in this very important area.

As Commander of the Coast Guard's Eighth District, I am responsible for the prosecution of all Coast Guard missions along the Gulf Coast—well, along the Gulf Coast from the West Coast of Florida over to the Mexican Border—and across the entire inland rivers system that stretches basically from the Rocky Mountains in the West to the Appalachians in the East. I appreciate the opportunity to highlight some of our efforts in the important area of maritime homeland security in the wake of the tragic attacks on September 11.

While port security and homeland security have long been Coast Guard missions, at no time in my 35 years of service have I seen it elevated to the priority amongst other important Coast Guard missions that we have today, and rightfully so.

In the post-September 11 environment, protecting Americans from terrorist threats requires constant vigilance across every mode of transportation: air, land, and sea. This is especially true of the maritime mode. Ensuring effective port and maritime security is a national priority and a multi-agency responsibility involving all the agencies and organizations represented at these field hearings and many more.

The business of our seaports impact broadly across America's heartland as well as along our coasts. The United States has more than 95,000 miles of coastline, 25,000 miles of inland, intercoastal, and coastal water ways, and 361 ports containing more than 3,700 passenger and cargo terminals. This commercial maritime transportation infrastructure fuels our economy and under the Department of Transportation and Coast Guard leadership has long been identified as a national priority.

I am very proud of the job our Coast Guard men and woman have been doing to deter potential future terrorist attacks in the maritime arena. I'm also encouraged by the very close working relationships that have developed among all of our partners in this endeavor. These include state and local law enforcement agencies, our sister armed services, other federal agencies, the Marine Pilot Association, and various elements of the industry.

These relationships are stronger than at any time that I can recall, and together we are making a difference. But let there be no doubt, securing our borders, our critical infrastructure, and our waterways, and also providing for the safety of our citizens in the maritime environment is an enormous challenge for all of us.

In this Coast Guard district alone, we have over 1,200 miles of coastline and over 10,000 miles of inland navigable rivers. We have 11 of the nation's top 20 ports in terms of tonnage handled, includ-

ing large petrochemical complexes in New Orleans, Baton Rouge, Houston, Texas City, and Freeport to name a few.

The Gulf area also provides 28 percent of all of the nation's domestically produced petroleum and natural gas and 46 percent of the nation's imported petroleum. We have identified nearly 400 pieces of critical infrastructure in this district, nearly 20 percent of which lies between New Orleans and Baton Rouge and Galveston and Houston. These facilities include the petrochemical plants, critical rail and highway bridges, nuclear generating plants, and cruise ship terminals.

A typical day in this district may see the arrival of over 150 major commercial vessels, half a dozen or more would be what we call "high-interest vessels." That would be, for example, large cruise ships, U.S. Navy vessels, and liquid hazardous gas carriers. We also have two strategic psilophyte ports in this district from which critical supplies flow to our forces fighting overseas.

We are using all of the resources and tools at our disposal to provide the maximum possible Coast Guard presence and deterrence on and around our waterways and working closely with all of our partners to maximize all of our combined efforts.

We are also preparing to provide protection and response to specific threats identified by the intelligence community. Our tools include such things as vessel escorts and limited use of sea marshals, as well as random security patrols in many of our ports and around the critical offshore infrastructures, including Louisiana offshore oil ports and oil and gas production platforms that stretch far into the Gulf in the petroleum lighting zones in the Gulf.

We are also working closely with the Coast Guard's Intelligence Coordination Center and our partners maximizing our awareness of what is going on in our waterways. I think you saw some of our new technology demonstrated at the Vessel Traffic Center this morning. This technology will significantly improve our ability to monitor the lower Mississippi River from the mouth up to Baton Rouge.

I hope this statement provides a snapshot of the homeland security challenges in this district and how we are engaged in meeting these challenges. I'll be happy to answer any questions that you may have.

[The prepared statement of Admiral Casto follows:]

PREPARED STATEMENT OF ADMIRAL ROY CASTO, COMMANDER, EIGHTH DISTRICT, U.S. COAST GUARD, ACCOMPANIED BY CAPTAIN STEPHEN ROCHON, CAPTAIN OF THE PORT OF NEW ORLEANS

Good afternoon Mr. Chairman. As Commander of Coast Guard's Eighth District, I am responsible for the prosecution of all Coast Guard missions along the Gulf Coast from Mexico to the West Coast of Florida, and across the entire inland rivers system stretching basically from the Rocky Mountains in the west to the Appalachians in the east.

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, 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 port and maritime 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 2 billion tons of freight, 3 billion tons of oil, transports more than 134 million passengers by ferry, and entertains more than 7 million cruise ship passengers each year. The vast majority of the cargo handled by this system is immediately 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.

I appreciate the opportunity to highlight some of our efforts in the important area of Maritime Homeland Security, in the wake of the tragic attacks on September 11. While Port Security/Homeland Security have long been Coast Guard missions, at no other time in my 35 years of service have I seen them elevated to the priority (amongst other important Coast Guard missions) that we have today. And rightly so.

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We are using all the resources and tools at our disposal to provide the maximum possible Coast Guard presence and deterrence on and around our waterways and working closely with our partners to maximize our combined efforts. We are also preparing to provide protection and response to specific threats identified by the intelligence community. Our tools include vessel escorts and limited use of "Sea Marshals," as well as armed random security patrols in many of our ports and around critical offshore infrastructure (including the Louisiana Offshore Oil Port and petroleum lightering zones). We are also working closely with the Coast Guard's Intelligence Coordination Center and our partners maximizing our awareness of what is going on in our waterways. I think you saw some of our new technology demonstrated at our vessel traffic center this morning; this technology will significantly improve our ability to monitor the Lower Mississippi River from the mouth to Baton Rouge.

Thank you for the opportunity to testify before you today. I will be happy to answer any questions you may have.

Senator BREAU. Thank you very much, Admiral.
Ms. Moran.

**STATEMENT OF LETICIA MORAN, FIELD OPERATIONS
DIRECTOR, GULF CUSTOMS MANAGEMENT CENTER, U.S.
CUSTOMS SERVICE**

Ms. MORAN. Chairman Breau, Congressman Vitter, thank you for the invitation to testify and for providing me the chance to appear before you today to discuss the efforts of the U.S. Customs

Services to address the terrorist threat and the challenges that exist with vessel and cargo inspection at the Port of New Orleans. I'd also like to thank you for recognizing the dedication of our officers, especially Inspector Tom Murray.

I am Leticia Moran, the Director of Field Operations for the Gulf port area. I am responsible for oversight of the inspection and control of international passengers, conveyances, and cargo arriving and departing through the seaports and airports in the Gulf area.

As a major participant in the protection of our nation's ports, Customs has taken a lead role in efforts to deny entry to the implements of terrorism into the United States. The Customs Service enforces over 400 laws and regulations for more than 40 different agencies. Naturally, the ports of entry in the Gulf area are a major focus of these efforts.

While Customs is able to inspect only a relatively small percentage of the massive volume of cargo entering the United States each day, we rely on a careful, multi-layered targeting approach to select goods for intensive examination. Our risk management strategy incorporates the use of intelligence and advance information from shippers, the deployment of sophisticated technologies, and the skill and expertise of Customs personnel to sift out suspicious goods from the vast ocean of legitimate trade before they enter the commerce of the United States.

In addition, under the direction of Commissioner Robert Bonner, the agency is engaging the private sector in a new Customs trade partnership to defend the entire length of the product supply chain from penetration by terrorists or the implements of terrorism. We were undertaking these new initiatives with our international partners in an effort to expand the perimeter of inspection away from the port of entry and toward the point of origin.

The Customs Service also continues to build upon established cooperative relationships with the Immigration and Naturalization Service, Department of Agriculture, Coast Guard, and other federal agencies, state and local authorities, and port authorities within the Gulf area. Using a collaborative approach, these agencies are employing targeting tools and technology and risk management techniques to select people, vessels, and cargo for increased inspection.

Trade and travel into the Gulf area continues to increase. During fiscal year 2001, over 12,000 vessels and 135,000 containers entered through the eight seaports in our Gulf area from Mobile, Alabama, to Lake Charles, Louisiana. Approximately 4,281 thousand containers alone arrive in the Port of New Orleans. These numbers represent an increase of over 8 percent compared to the same period last year.

Sea passenger counts, which include cruise ship passengers and crew members, were over 150,000 in fiscal year 2001. This represented a decrease of 6.9 percent from the previous year mainly due to financial problems with one of our major cruise ship lines. But due to major improvements by the Port at the Julia Street Cruise Ship Terminal, we do expect cruise ship vessel arrivals to increase through the Port of New Orleans within the next 2 years. The Port Authority projections are that cruise ship passengers will increase by 300 percent by fiscal year 2003.

In response to the terrorist attacks of September 11, the United States Customs Service immediately implemented a Level One Alert for all personnel and ports of entry. This is our highest state of alert calling for sustained, intensive anti-terrorist operations. We remain at Level One Alert today.

Prior to September 11, a major threat in our area was narcotics and its proceeds. After September 11, we have refocused our resources to passengers, vessels, and cargo arriving or departing from or to countries identified as high risk for terrorists and the implements of terrorism.

We do not expect our changing priorities to have a negative impact on our traditional law enforcement mission. To the contrary, we expect, and we have seen mounting evidence to the effect, that heightened counter-terrorist measures by the Customs Service are strengthening our overall interdiction efforts and are increasing drug seizures.

Customs in New Orleans immediately increased inspections on all modes of transportation. Because of watch lists issued for suspected terrorists, Customs increased inspections for air and sea passengers both inbound and outbound through the Louis Armstrong Airport and the Julia Street Terminal, and we work in close coordination with both the INS and FBI to identify suspects on the watch list.

We are also targeting and inspecting high-risk shipments that could be used in terrorist attacks against our country. Customs uses intelligence, data systems, and physical inspection with high-tech equipment to identify which vessels and containers to examine.

Along with our Office of Investigations, an intelligence collection and analysis team has been established in New Orleans. This interdisciplinary team's main mission is to target high-risk vessels entering through our various seaports. As a result, we have increased inspections of containers utilizing a vehicle inspection system, which is a mobile container x-ray system.

High-risk vessels and shipments have been inspected using a multi-agency approach. During these inspections, the different entities contribute their expertise and their resources. We are conducting these inspections with Customs agents, K-9 teams, the Louisiana National Guard, and Customs technology to include x-ray equipment and radiation pagers.

The Coast Guard, FBI, Louisiana State Police, the Louisiana Department of Environmental Quality, the Port Harbor Police, and the Jefferson Parish Sheriff's bomb dogs have assisted us in targeting and inspections. These inspections have resulted in a closer working relationship among these different agencies.

Our ports within the five-state area have also responded to the threat on the northern border by sending personnel to assist with inspections at Detroit and Port Huron. The Port of New Orleans Contraband Enforcement Team also supports the inspections of high-risk vessels at the seaports of Morgan City, Baton Rouge, Gramercy, Lake Charles, Gulfport and Pascagoula. Customs personnel will also be lending support at the Super Bowl to be held later this month here in New Orleans.

From an overall perspective, the volume of trade and traffic in our ports of entry have put immense pressure on our ability to enforce the nation's laws while facilitating international trade even before September 11. After September 11, our challenge has risen to a new level. Although we have taken many steps to address these challenges, we still face many more.

It is over 80 miles from the mouth of the Mississippi to the city of New Orleans. On both sides of the river are numerous private and public docks, anchorage locations, grain elevators, and oil refineries. Providing security within this area and up river takes a coordinated effort between the different federal agencies, port authorities, and state and local enforcement entities. Our industry partnerships with the local trade community also play a large role in our enforcement efforts.

We are working with Treasury and the Administration to address the personnel and technology challenges. This technology has to be able to detect the implements of terrorism and has to be mobile to be able to address threats within our geographical area. The technology also has to be the least intrusive to be able to safeguard our employees and to protect the integrity of legitimate shipments.

I want to thank you, Mr. Chairman, for the opportunity to testify. The U.S. Customs Service will continue to make every effort possible, working with our fellow inspection agencies, within the Administration, with Congressional leaders, and the business community to address your concerns and those of the American public. I would be happy to answer any questions you might have.

[The prepared statement of Ms. Moran follows:]

PREPARED STATEMENT OF LETICIA MORAN, FIELD OPERATIONS DIRECTOR, GULF
CUSTOMS MANAGEMENT CENTER, U.S. CUSTOMS SERVICE

Chairman Breaux, thank you for your invitation to testify and for providing me the chance to appear before you today to discuss the efforts of the U.S. Customs Service to address the terrorism threat and the challenges that exists with vessel and cargo inspection at the Port of New Orleans, Louisiana.

My name is Leticia Moran. I am the Director, Field Operations for the Gulf port area. I am responsible for oversight of the inspection and control of international passengers, conveyances and cargo arriving and departing through the seaports and airports in the Gulf port area.

As a major participant in the protection of our nation's ports, Customs has taken a lead role in efforts to deny entry to the implements of terrorism into the United States. The Customs Service enforces over 400 laws and regulations for more than 40 federal agencies. Naturally, the ports of entry in the Gulf area are a major focus of these efforts.

While Customs is able to inspect only a relatively small percentage of the massive volume of cargo entering the United States each day, we rely on a careful, multi-layered targeting approach to select goods for intensive examination. Our risk management strategy incorporates the use of intelligence and advance information from shippers, the deployment of sophisticated technologies, and the skill and expertise of Customs personnel to sift out suspicious goods from the vast ocean of legitimate trade *before* they enter the commerce of the United States.

In addition, under the direction of Commissioner Robert Bonner, the agency is engaging the private sector in a new Customs-trade partnership to defend the entire length of the product supply chain from penetration by terrorists or the implements of terrorism. And we are undertaking new initiatives with our international partners in an ongoing effort to expand the perimeter of inspection away from the port of entry and towards the point of origin.

The Customs Service also continues to build upon established cooperative relationships with the Immigration & Naturalization Service, Department of Agriculture, Coast Guard and other federal agencies, state and local authorities, and Port Authorities within the Gulf area. Using a collaborative approach, these agen-

cies are employing targeting, tools and technology and risk management techniques to select people, vessels, and cargo for increased inspection.

Trade and travel into the Gulf area continues to increase. During FY 2001, over 12,000 vessels and 135,000 containers entered through the 8 seaports in our Gulf area from Mobile, Alabama to Lake Charles, Louisiana. Approximately 4,200 vessels and 81,000 containers alone arrived in the Port of New Orleans. These numbers represent an increase of over 8 percent compared to the same period last year.

Sea passenger counts, which include cruise ship passengers and crewmembers were over 150,000 in FY 2001. This represented a decrease of 6.9 percent from the previous year, mainly due to financial problems with one of our major cruise ship lines. Due to major improvements by the Port at the Julia St. Cruise Ship Terminal, we do expect cruise vessel arrivals to increase through the port of New Orleans within the next two years. Port authority projections are that cruise ship passengers will increase by 300 percent by FY 2003.

In response to the terrorist attacks of September 11, 2001, the U.S. Customs Service immediately implemented a Level One Alert for all personnel and ports of entry. This is our highest state of alert, calling for sustained, intensive anti-terrorist operations. We remain at Level One Alert today.

Prior to September 11, 2001, our major threat in our area was narcotics and its proceeds. After September 11th, we have refocused our resources to passengers, vessels, and cargo arriving or departing from or to countries identified as high risk for terrorists and the implements of terrorism.

We do not expect our changing priorities to have a negative impact on our traditional law enforcement mission. To the contrary, we expect, and we have seen mounting evidence to the effect that heightened counter-terrorist measures by the Customs Service are strengthening our overall interdiction efforts and are increasing drug seizures.

Customs in New Orleans immediately increased inspections on all modes of transportation. Because of watch lists issued for suspected terrorists, Customs increased inspections for air and sea passengers both inbound and outbound through Louis Armstrong Airport and the Julia St. Terminal, and we worked in close coordination with both the INS and FBI to identify suspects on the watch list.

We are also targeting and inspecting high-risk shipments that could be used in terrorist attacks against our country. Customs uses intelligence, data systems and physical inspection with high tech equipment to identify which vessels and containers to examine. Along with the Office of Investigations, an Intelligence Collection and Analysis Team has been established in New Orleans. This interdisciplinary team's main mission is to target high-risk vessels entering through area seaports. As a result, we have increased inspections of containers, utilizing the Vehicle and Cargo Inspection System (VACIS), a mobile container X-ray system.

High-risk vessels and shipments have been inspected using a multi-agency approach. During these inspections the different entities contribute their expertise and resources. We are conducting these inspections with Customs agents, K-9 teams, Louisiana National Guard and Customs technology to include the X-ray equipment and radiation pagers. The Coast Guard, FBI, Louisiana State Police, Louisiana Dept of Environmental Quality, Port Harbor Police and the Jefferson Parish Sheriff bomb dogs have assisted us in targeting and inspections. These inspections have resulted in a closer working relationship among these different agencies.

Our ports within the five-state area have also responded to the threat on the northern border by sending personnel to assist inspections at Detroit and Port Huron. The Port of New Orleans, Contraband Enforcement Team also supports the inspections of high-risk vessels at the seaports of Morgan City, Baton Rouge, Gramercy, Lake Charles, Gulfport and Pascagoula. Customs personnel will also be lending support at the Super Bowl to be held later this month in New Orleans.

From an overall perspective, the volume of trade and traffic in our ports of entry has put immense pressure on our ability to enforce the nation's laws while facilitating international trade, even before September 11. After September 11, our challenge has risen to a new level. Although we have taken many steps to address these challenges, we still face many more.

It is over 80 miles from the mouth of the Mississippi to the City of New Orleans. On both sides of the river are numerous private and public docks, anchorage locations, grain elevators and oil refineries. Providing security within this area and upriver takes a coordinated effort between the different federal agencies, port authorities and state/local law enforcement entities. Our industry partnerships with the local trade community also play a large role in our enforcement efforts.

We are working within Treasury and the Administration to address the personnel and technology challenges. This technology has to be able to detect the implements of terrorism and has to be mobile to be able to address threats within our geo-

graphical area. The technology also has to be the least intrusive to be able to safeguard our employees and to protect the integrity of legitimate shipments.

I want to thank you, Mr. Chairman, for this opportunity to testify. The U.S. Customs Service will continue to make every effort possible, working with our fellow inspection agencies, within the Administration, with Congressional leaders, and the business community to address your concerns and those of the American people. I would be happy to answer any questions you might have.

Senator BREAUX. Thank you, Ms. Moran.
Chief Johnny Back.

**STATEMENT OF CHIEF JOHNNY R. BACK, CHIEF PATROL
AGENT, NEW ORLEANS SECTOR, U.S. BORDER PATROL**

Mr. BACK. Mr. Chairman, my name is Johnny Back. I am the chief patrol agent for the New Orleans Sector of the United States Border Patrol, Immigration and Naturalization Service. Thank you very much for the opportunity to testify here.

Senator BREAUX. Pull that mike a little bit closer to you, please.

Mr. BACK. Is that better, sir?

I would like to take a brief moment to familiarize you with the mission of the United States Border Patrol. The Border Patrol is the uniformed enforcement arm of the Immigration and Naturalization Service. The primary mission of the Border Patrol is the protection and prevention of smuggling and the illegal entry of individuals into the United States between ports of entry. In carrying out our mission, we coordinate our efforts with INS immigration inspectors located at the ports of entry. I am here today to discuss the operations conducted in this Sector, primarily those operations closely related to the September 11 security issues.

A potential threat to the United States is the entry of persons associated with terrorist organizations via maritime transportation. As security procedures at traditional arrival sites in the United States are strengthened, criminals will attempt to utilize alternate methods of entry. Individuals could seek entry aboard a cruise line either as a passenger or as a bonafide crewman onboard a commercial vessel, later to jump ship. Of course, those who wish to do harm could also attempt to make an illegal entry anywhere along the Sector's 800 miles of coastline. The job of the New Orleans Sector is both to try to prevent illegal entries and to ensure that those who do enter as crew are legitimate and depart with their ships.

Our Sector has uniformed enforcement jurisdiction over a seven-state area encompassing 592 counties and parishes and approximately 362,000 square miles, including all of Louisiana, Mississippi, Alabama, Arkansas, Kentucky, Tennessee, and a portion of the Florida panhandle. Along with our Sector's headquarters in New Orleans, we have stations located in Lake Charles, in Baton Rouge, Louisiana; Gulfport, Mississippi; Mobile, Alabama; and Little Rock, Arkansas.

This area has two major seaports in New Orleans and Mobile and 15 smaller seaports along the coast from Lake Charles eastward to Port St. Joe, Florida. In addition, there are numerous other deep and shallow water ports, anchorage locations, and other access points for maritime traffic. At any given time, there can be between several hundred and a few thousand alien crewmen either berthed in or in immediate transit through these ports and inland

waterways. Each year the Port of New Orleans hosts more foreign-flagged vessels than any other U.S. port.

In addition, the Inter-Coastal Waterway traverses the entire area east to west, and the Tennessee-Tombigbee Waterway serves as an alternate shipping route between the Gulf of Mexico and the Great Lakes. Both waterways handle vast amounts of barge and small boat traffic, some of it crewed by foreign nationals.

Many coastal areas in the western part of the Sector are inaccessible by land transportation, and many others are accessible only by a single road. Numerous locations along the coast contain shrimp-drying docks, oil and gas platforms, and sulphur mines that are accessible only by water or air transportation, but which are prime clandestine landing sites.

Eastward from Mobile Bay to Apalachicola, Florida, there are approximately 200 miles of beaches connected to Interstate 10 by modern access roads. In many places, deep water extends to only a few yards offshore, and relatively large boats can land people or contraband with relative ease. From many beach areas, access to interstate bus lines or major airports is less than an hour away.

Traditionally, operational activities conducted throughout this Sector have supported INS's national immigration policies. In our seven-state area, Border Patrol agents continue to conduct immigration checks at public transportation hubs, such as airports and bus stations, perform traffic checks, arrest and prosecute alien smugglers, and respond to the requests for assistance from other law enforcement agencies within the Sector.

More recently, our priority has been focused on the immediate border; that is, coastline integrity and security. The New Orleans Sector is responsible for crewman control operations along the Gulf of Mexico from the Texas state line to Apalachicola, Florida, nearly 800 miles away.

Working hand in hand with the INS inspections offices of the New Orleans and Atlanta district offices, we have realigned our enforcement resources to maximize our deterrence capabilities and manpower utilization. Officers share information and operational developments on a daily basis. We also closely monitor and adjust daily work schedules to provide optimum coverage based on the latest developments.

To the greatest extent possible, all available agents have been deployed to patrol and interdiction duties in close proximity to our ports. This includes anchorages, docks, and areas of shore offering concealment and escape routes for ship jumpers. When possible, Border Patrol agents must review the suspect vehicles prior to their departure. This gives us advanced notification if desertions have, in fact, occurred and holds the shipping agents and owners to a higher accountability.

Recent enhancements to our enforcement arsenal include a patrol helicopter equipped for over-water flights and outfitted with infrared vision optics for night operations. In the coming month, the Sector will also receive two new patrol boats berthed in New Orleans and Mobile. These will dramatically increase our on-water time and provide greater flexibility to our patrol operations.

In addition to our physical efforts on the waterfront, our efforts include cooperation with the United States Coast Guard and the

many harbor police departments, local law enforcement agencies, and transportation companies located throughout the area. This creates significant force multipliers that greatly augment our own resources. The very real contributions these agencies provide to our enforcement efforts are an important component of our effectiveness. Although shipping is up, the desertion rate has been cut in half since this time last year, and the number of landed stowaways has decreased substantially as well. Still, achieving real, meaningful control of this coast remains a problem.

To deter illegal entries along the coast, Border Patrol agents conduct routine marine patrols and work closely with a variety of law enforcement and other agencies. Along the Gulf Coast, there are many entities with law enforcement and regulatory responsibilities to provide security, protection, enforcement, and oversight of many communities located along the Gulf Coast. Since the events of September 11, most, if not all, of these entities have begun to reassess their current operations to identify areas that are potential targets of terrorism and weigh their options for minimizing risk with their available resources.

A natural outgrowth of that process is the development of the many cooperative efforts aimed at mounting a more efficient defense. The New Orleans Border Patrol, along with the district's immigration inspection officers, have made commitments to participate in these endeavors to the maximum amount possible. We are currently involved with multiple interagency port security and anti-terrorism law enforcement efforts in Louisiana, Mississippi, Alabama, and Florida.

Examples include the Port Users Committee in Pensacola, the Port Security Task Force in Mobile, the Maritime Integrated Program Team in Baton Rouge, as well as the Harbor Safety Committee here in the New Orleans area. These groups, including federal, state, county, and local law enforcement agencies, as well as private industry security concerns, are working together to combat the terrorist threat.

The systematic development and sharing of intelligence and other relevant information is critical for successful counter-terrorism measures. We believe that this type of cooperation provides the greatest return on our resource commitments and is vital to the establishment of a viable Gulf Coast security initiative. It is a valuable aid to the Border Patrol's primary mission of preventing the illegal entry of persons into the United States. These efforts also bolster our commitment to the Attorney General's directive to make combating terrorism a priority of the Department of Justice.

Mr. Chairman, the agents of the United States Border Patrol, the New Orleans Sector, are proud that we have been given an opportunity to participate in such an important arena in this nation's efforts to combat terrorism. We are absolutely committed to accomplishing our mission to the best of our ability. We look forward to expanding our already extensive relationships and partnerships with all federal, state, county, and local law enforcement agencies in our area of operations and welcome the interest of the U.S. Congress in this matter. Thank you very much for the opportunity to testify.

[The prepared statement of Mr. Back follows:]

PREPARED STATEMENT OF CHIEF JOHNNY R. BACK, CHIEF PATROL AGENT, NEW ORLEANS SECTOR, U.S. BORDER PATROL

Mr. Chairman, my name is Johnny Back. I am the Chief Patrol Agent for the New Orleans Sector of the United States Border Patrol, Immigration and Naturalization Service (INS). Thank you for the opportunity to testify here today.

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A potential threat to the United States is the entry of persons associated with terrorist organizations via maritime transportation. As security procedures at traditional arrival sites in the United States are strengthened, criminals may attempt to utilize alternate entry methods. Individuals could seek to arrive as a passenger aboard a cruise line or make a legal entry into the U.S. in the guise of a bonafide crewman on a commercial vessel, and later jump ship. Of course, those who wish to do harm could also attempt to make an illegal entry somewhere along the Sector's 800 miles of coastline.

The job of the New Orleans Sector on the coast is both to try to prevent illegal entries, and to insure that those who do enter as crew are legitimate and depart with their ships.

Sector Overview

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In addition, the Inter-Coastal Waterway traverses this entire area east to west, and the Tennessee-Tombigbee Waterway serves as an alternate shipping route between the Gulf of Mexico and the Great Lakes. Both waterways handle vast amounts of barge and small boat traffic, some of it crewed by foreign nationals. Many coastal areas in the western part of the Sector are inaccessible by land transportation and many others are accessible only by a single road. Numerous locations along the coast contain shrimp drying docks, oil and gas platforms and sulphur mines that are accessible only by water or air transportation, and which are prime clandestine landing sites.

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Operations

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Senator BREAUX. Thank you very much, Chief Back, and thank all of the panel witnesses for being with us and for the help and assistance that you have provided.

Let me start with you, Admiral Casto. The legislation that has passed the Senate requires that for the first time ever all of the ports in the United States have a comprehensive security plan in

place. Does the Port of New Orleans have a comprehensive security plan?

Admiral CASTO. I defer that to Captain Rochon being the captain of the port.

Captain ROCHON. Mr. Chairman, we don't have, per se, a comprehensive security plan. There are a lot of plans that are in the port already responsible for both the vessels and facilities that normally were set up to respond to safety related issues.

Senator BREAUX. All of these were pre-9/11?

Admiral CASTO. Pre-9/11, sir.

Senator BREAUX. So if I asked the question, "Who is in charge of security in the Port of New Orleans?" what is your answer?

Captain ROCHON. Well, my answer would be that it is a team effort, sir. We and the Coast Guard have the primary responsibility for port security, but we certainly—

Senator BREAUX. Does that include shore side?

Captain ROCHON. Adjacent to the water, yes, sir, not beyond, adjacent. Beyond that, particularly for facilities like let's say a refinery that's not right on the shore, the refinery itself has security for their own facility. Anything adjacent to the water is—

Senator BREAUX. The point I made in the opening was that if everybody's in charge, then no one's in charge. That is why the legislation really requires a comprehensive plan. We have got the Customs part which does some functions, the Border Patrol does some functions, and I even have to ask you where is INS? Are you part of INS?

Captain ROCHON. Yes, we are.

Senator BREAUX. You are part of INS. You are Border Patrol Immigration and Naturalization Services. I also have the FBI. I have the sheriff's department. I have the Border Patrol. I have all of these institutions that have something to do with security. I'm just concerned. I think that is why Congress has said, "Look, we have got to have a comprehensive plan." We are not talking about everybody having their own little area of responsibility and not coordinating it and not sharing information. A lot of information agencies jealousy guard and others don't get.

You know, like INS has that, but Customs can't have it. The Coast Guard has it, but then the Border Patrol can't get it. It is really very important to develop a comprehensive plan that involves the private sector in the ports as well. I talked to the port people about that. That is one thing that is important.

One of the things that we saw this morning was the VTS system, which I would congratulate really everyone. Congress has been a major player in this, appropriating money for the Vessel Traffic System here in New Orleans. They don't have one of these in Port of New Orleans. I don't think they have one in Houston.

Admiral CASTO. Yes.

Senator BREAUX. Do they have one? Well, it is not as good as ours (laughter). They don't even have one in Port Everglades. It is a terrific system. I'm convinced, just as an amateur if you will, that the greatest threat of security at the ports is not so much from a terrorist taking over a ship, although that is a legitimate threat, but a greater threat is like we had with the U.S.S. Cole where a very small vessel pulled along side a Naval vessel and blew it from

here to kingdom come with loss of life, tragically, and it almost sank a Naval vessel. Therefore, you have to know where these vessels are at all points.

One of the things that we looked at today was that apparently the IMO organization regulating international safety has a phase-in for having transponders on ships that come into this area or any area, but that some of those transponder requirements are not going to be effective until the year 2007. Some of those ships that if you are looking at with the VTS system—I take it that if you do not have a transponder on it, you are not getting back a reliable indication of where they are or how fast they are going or what direction they are going.

Admiral CASTO. Unless they are in an area where it has radar coverage.

Senator BREAUX. That is something that I think we are going to have to address. I think it is absolutely unacceptable in today's modern age—and I'll ask you what you think about this—the United States as a government should say that every ship that calls on an American port should be equipped with a transponder, so that the Vessel Traffic System can know where that ship is, where it is going, what is the name, what is the registration, and what type of cargo that it is carrying. The year 2007 as the end completion date is far too long.

I mean cars have GPS systems on them for Christ's sake. Every plane that lands at the Lakefront or lands at Armstrong Airport has a transponder so they can know where that plane is at all times within this area. There is no reason that we should not have a faster date for requiring the same type of transponder on ships that come into the port. Now, do you think it would be helpful if that date was speeded up?

Admiral CASTO. Yes, sir. I think that is pretty obvious. I can tell you it is being worked on. That timetable that you saw today was put together in the pre-September 11 environment. It was put together in conjunction with the International Maritime Organization, which is an agency under the auspices of the United Nations. The Coast Guard has been working on a proposal that will be presented at the IMO Intercessional Meeting coming up I believe this spring. I may be wrong about that, but sometime soon to accelerate that date to I believe it is going to be 2004.

Senator BREAUX. I tell you what, we are not going to wait that long. There is nothing that will prohibit, I think, Congress from requiring all ships calling on American ports to have transponder equipment onboard. It does not cost that much relatively speaking. The benefits I think greatly outweigh the costs. You could have portable transponders on ships. When the sea marshal or the river pilot boards the ship without a marker and the ship doesn't have a transponder, we can give them one or lease them one.

Admiral CASTO. There is certainly precedent for that. If you recall, being in Congress for quite a while, the Inclusion Act back in 1990 I think it was or 1991 of the United States's Unilateral Action, and I think if you take a look at the history of what has developed since then, I think most of the rest of the world will follow suit as well.

Senator BREAUX. We are going to offer legislation as an amendment which would require a greatly accelerated requirement date for having that on them. Now, I take it that you identified certain ships as—what do you call them, high-interest?

Admiral CASTO. High-interest vessels.

Senator BREAUX. What leads to the decision to say that a particular vessel is a high-interest vessel?

Admiral CASTO. Certain categories. For instance, the Coast Guard put into effect a new rule requiring 96 hours of every vessel entering a U.S. Port that is over 300 gross tons, that you had to report in 96 hours in advance. Cargo information, crew list information, port of origin, as Ms. Moran mentioned, peaks your risk base decision matrix, but typically, here you might have a crew list coming in and a name gets compared on the FBI's list. It may be the same name of somebody who's on that list, and we've had that happen more than once. A name that looks pretty unique to us, in Arabic I found is equivalent to John Smith, so that is the kind of thing we look for. We also look for cargo, in particular, hazardous gases, LNG, LHG, that will automatically put that ship into the high-interest vessel category.

Senator BREAUX. Didn't I hear this morning that there are incidences where the information on a ship is sent to a facility in—West Virginia was it?

Admiral CASTO. Yes, sir.

Senator BREAUX. And that in some cases you do not have information on the actual cargo in the ship coming into New Orleans; isn't that correct?

Admiral CASTO. That could be the case, yes, sir.

Senator BREAUX. How is that possible? Where does that information go?

Admiral CASTO. The West Virginia facility really was schooled up in the wake of September 11. We had found that not all hazardous cargos had been identified through there. But we have, on our own, working with the Customs people, the Port Authority people, identified ships that are coming in with hazardous cargos, and we put those into the HIV category.

Senator BREAUX. Is it not possible, as someone said this morning, that you can have ships coming into this port, and in some cases, you do not know what is in the cargo?

Admiral CASTO. It is possible, yes, sir. One of the things that—

Senator BREAUX. Why is that possible? Who is falling down on that, we in Congress or is it the Coast Guard? Is it Customs? How come somebody in West Virginia can know what the cargo is on a ship on the Mississippi River, but you do not know?

Admiral CASTO. Let me go ahead and—

Captain ROCHON. Mr. Chairman, we do know what comes in because each vessel is required to give us a cargo manifest and a crew list and a passenger list in 96 hours. The National Maritime Center in West Virginia simply prepares that list and shares it with the other agencies to make sure that crew or that cargo matches whatever list that they are comparing to it, the FBI and INS, but we know before that vessel comes in what is in that cargo.

The only thing you may have heard this morning is that how do we know for sure that what they reported is actually in that con-

tainer? That is where we may not know, and that is the thing that we try to do by inspecting, working with Customs, the containers that come in, but we do know, at least before that vessel hits the U.S. territory waters, what they are reporting.

Senator BREAUX. So what you are saying is that before a ship comes into the Port of New Orleans we know what they have told us is in the cargo?

Captain ROCHON. Yes, sir.

Senator BREAUX. But if they say it is general cargo and it happens to be explosive cargo, we do not know that unless we actually did a boarding of the ship and an actual physical inspection of the ship?

Captain ROCHON. That is possible that we do not always know what is inside the container.

Admiral CASTO. We fought that issue with drugs for a large number of years.

Senator BREAUX. I am not being critical. I'm just saying you give me cause for concern that we may have a ship coming up the river and maybe someone in China told us it was general cargo and there may be fireworks on it. It could be something hazardous. Is there any way to correct that?

Admiral CASTO. Yes, there is, Mr. Chairman. Some of the ways to do that are being looked at right now under the auspices of the Secretary of Transportation looking to push our borders out and do things like inspection of cargos and ships where they are loaded in another country and to do things in a risk-based way to identify trusted carriers. Sometimes we call them "frequent flyers." People who continue to make the same trips over and over become trusted and then people that are out of the ordinary. Those things are being looked at. I know there is a study group under way under the Department of Transportation looking for ways that we can make it better.

Senator BREAUX. Congressman Vitter.

Mr. VITTER. I do not have any.

Senator BREAUX. Let me ask just a couple more. Do you have any zone restrictions in the Port of Orleans?

Captain ROCHON. Right after 9/11, Mr. Chairman, we established security zones at various areas up and down the river. I have a major concern about the Naval vessels that we establish Naval protection zones for and working with Navy support activity and the Navy pretty heavily. We have petrochemical plants all the way up—hundreds of them between New Orleans and Baton Rouge, vessels, cruise ships. We also have safety zones which, in effect, helps do the same thing. We enforce those with Coast Guard assets, boats, Navy. Harbor Patrol has been very helpful, Customs. We put Coast Guard uniforms on some of the other platforms. There's been a tremendous amount of interagency cooperation.

Senator BREAUX. Is there a restricted zone around the high-interest vessels?

Captain ROCHON. Not per se, Senator. There is not a restriction zone around the vessel itself.

Senator BREAUX. Let me ask you, if I have a high-interest vessel that is sitting somewhere up the river that is loaded with particularly volatile materials, gasoline, diesel fuel, propane, you name it,

there is nothing that automatically prohibits a small vessel from pulling up along side that vessel and getting as close as they want to take a look at it?

Captain ROCHON. There is no restriction or security zone around that particular vessel, but—

Senator BREAUX. Should there be?

Captain ROCHON. We have 6 to 7 high-interest vessels that come in per week.

Senator BREAUX. How many?

Captain ROCHON. Six to 7, sir, come into the port area, the four major ports between Plaquemines, New Orleans, South Louisiana, and Baton Rouge. That is a large number without the resources to enforce that, which means boats and people. You can set up a security zone, but if you do not have the resources to enforce that security zone, then there is no good in setting it up.

We try to work along with all of the other agencies, including the facilities. The facilities do not have access to do waterside security, so there is a resource issue involved with that many vessels, but there is security. I mean we check. There is no security plan, per se, that's in writing because prior to 9/11 that was not even an issue, but there are armed guards. Facilities have armed guards. We check their fencing, their lighting.

Senator BREAUX. There are no armed guards that are patrolling the ship from the water?

Captain ROCHON. Yes, Mr. Chairman, we do have Coast Guard patrol boats. We have Coast Guard helicopters that fly over, but not 24-hours, 7 days a week. It is more—

Senator BREAUX. There is not a station around a high-interest vessel to prohibit other boats from coming up to it?

Captain ROCHON. No, sir. There are not enough resources in this area to handle that many vessels.

Senator BREAUX. How are we doing on your search and rescue operations? I know you had a lot of manpower diverted, people diverted to the terrorism threat, and yet you still have an obligation for an incredibly important search and rescue mission as well as fishing in the Gulf of Mexico. How are you able to handle any of this?

Admiral CASTO. I can assure you that as homeland security has been elevated, it has been elevated at the same place as our search and rescue. Our search and rescue capabilities have not been impacted by this, but I will tell you, sir, that our law enforcement activities, while not entirely curtailed, are approaching that.

Senator BREAUX. The law enforcement?

Admiral CASTO. Fisheries law enforcement in particular, yes, sir.

Senator BREAUX. Search and rescue has not been adversely impacted, or you just have not had an incident maybe?

Admiral CASTO. Oh, we have search and rescue at the top of our priority list. We think search and rescue defines to a large extent the full yarn of why the American public finds us so valuable, and we have not, and I doubt that we will ever, drop back and make search and rescue a secondary priority.

Senator BREAUX. We have given you an awful lot of assignments nationwide, and we hope that we also follow through with adequate resources. Everything you do is incredibly important. Now your re-

sponsibilities are even greater than they have ever been before, really probably in the history of this country. You are very important. And we want to make sure we give you the adequate resource to get the job done.

Ms. Moran, do you have what you would consider to be adequate physical operations within the port? One of the problems they were telling me in the Everglades was people coming off the ships—a little different here, because you have so many passengers there. There are literally thousands and thousands every day, that Customs did not consider have adequate—along with INS—space within the port to really take a look at all of the people coming off of these ships. Do you have any kind of problems like that?

Ms. MORAN. Well, we have been working very closely in the last 2 years with the Port Authority on some of the improvements that have occurred at the Julia Street Cruise Terminal. As far as for the next couple of years because of the increase, I think the staggering of them will help, because as you know so many come in on Friday, Saturday, and Sunday, those are the busiest times, so we never ran out of space. At least the last 2 years I have been here we never ran out of space.

Senator BREAUX. Are there any other potential problems that Customs faces in the Port of New Orleans that you need us to know about?

Ms. MORAN. Well, I think I discussed most of the issues that we are involved in. I think, as I said, we have been trying to support the northern border. We are supporting some of the special events like the Super Bowl.

Senator BREAUX. We talked at the last hearing, Congressman Shaw and I, we had Immigration and Naturalization in and Customs in, and Immigration is looking at the people coming in, and Customs is looking at what the people coming in are bringing in. So it was kind of like, you know, we suggested why do we not just combine the two, and have one agency do both at the same time? Of course, the two heads of the agency went (indicating a gasp) when we talked about it.

[Laughter].

They did not like that suggestion, but really, you are looking at what people bring in, and you are looking at people who do come in, and she is looking at people, as to what the people who are coming in bring in, and it looks like we could—we have just so got many federal agencies, you know.

But anyhow, I thank the panel, David, if you have no questions, we appreciate and look forward to continuing the work with you. This is an ongoing thing. We are not here, the Congress is not here to lecture or teach. It is more we are here to learn what the problems are and how we can be helpful and hopefully solve them. Thank you very much for your presentations.

I would like to welcome up our second panel, which would be the Port Director of New Orleans. Welcome back home, Gary LaGrange, as Port Director of New Orleans; Chief Robert Hecker, who is the superintendent of the Harbor Police Department; Mr. Ken Kaiser is charge in the New Orleans Field Office of the Federal Bureau of Investigations; Captain Douglas Grubbs of the Crescent

River Pilots Association; and Mr. Channing Hayden is the president of the Steamship Association of Louisiana.

Gentlemen, we welcome you and are pleased that you are here.

Mr. LaGrange, Gary, I am glad to have you before our Committee and I am glad to have you back in New Orleans.

**STATEMENT OF GARY LAGRANGE,
DIRECTOR, PORT OF NEW ORLEANS**

Mr. LAGRANGE. Thank you, sir. The pleasure is all mine. It is indeed a pleasure to be back, particularly among such a distinguished panel, particularly “Fast Break” Bob Hecker, who was on our U.S.L. basketball team when you and I were there.

Senator BREAUX. He is a little heavier than he used to be, huh? [Laughter.]

Mr. LAGRANGE. I think we all are.

Senator BREAUX. That is right.

Mr. LAGRANGE. I am particularly elated how fitting it is to be able to testify. I do not know how many people really realize, but the American Association of Port Authorities last year, the year 2001, which consists of all the ports in the Western Hemisphere, North America and South America, collectively made as their 2001 AAPA Port Person of the Year Senator John BreauX, so I think it is really fitting that you be conducting this here for the state. Thanks for taking care of us.

Here at the Port of the New Orleans—we were talking a little earlier—we are probably, if not the most diversified, probably one of the most diversified ports in the entire world. From a collective standpoint, including the Ports of Baton Rouge, South Louisiana, New Orleans, Sacred Heart, and Plaquemines, from Baton Rouge to the mouth of the river, collectively, we are the largest port in the world, even bigger than Rotterdam and Singapore. We are really proud of that. You witnessed firsthand some of the traffic on the river today.

Mr. Chairman, the Port of New Orleans is pleased to be one of three United States ports selected to host your seaport security hearings. But let me also welcome you to the port, and Congressman Vitter back home as well.

Prior to September 11, 2001, security certainly was not at the top of our list in terms of priorities at any of the ports in the United States, particularly here in New Orleans as well. Needless to say, in less than 1 hour that morning it rose to the top of the list really quickly. Protecting America’s ports is critical to both the nation’s safety and vital to continuing our economic development and growth, as we know.

America’s ports handle more than 95 percent of the nation’s overseas trade by volume. Goods from every state in the nation are transported through the United States ports to international markets. Ports support the mobilization and deployment of the United States Armed Forces and are the departing points for millions of cruise passengers on an annual basis.

From our offices here at the Port of New Orleans, we observe an immense flow of commerce unmatched anywhere else in the world. Each year, more than 427 million tons of foreign and domestic waterborne commerce move through the consolidated deepwater ports

of Louisiana situated on the Lower Mississippi River, as I said, between Baton Rouge and the Gulf of Mexico.

Ninety-one percent of America's foreign merchandise trade by volume, two-thirds by value, and 21 percent of the nation's foreign waterborne commerce pass through Louisiana's ports.

More than 229,000 barges, 2,300 oceangoing vessels operated by more than 80 steamship lines serving U.S. trade from more than 150 different countries call on the Port of New Orleans on an annual basis.

The Port and the Mississippi River serves 42 states, America's heartland, not to mention a good portion of the Northeast as well, from a supply standpoint. The heartland region currently produces 60 percent of the nation's agricultural products. One shipment which you saw just recently went to Cuba as part of a hurricane aid and relief program, first one in 40 years. One-half of all of its manufactured goods is produced and comes through the river, and 90 percent of the machinery and transportation equipment manufactured in the United States comes right through the port. Any disruption of distribution in the Lower Mississippi, no matter how brief, would seriously disrupt the nation's economy, at any point.

In addition to the flow of cargos such as grain, steel, and coffee, nearly half a million cruise line passengers travel through the Port of New Orleans each year. As you heard the predictions a little earlier, we anticipate that is going to grow by 300 percent, having just recently announced one of Carnival's ships, the HOLIDAY, from San Juan is being projected for 150 calls over the next 2 years, and Royal Caribbean just announced 48 calls for two of its new vessels, and Carnival's largest ship, the CONQUEST, will hopefully be here as of November of this year. We face many of the same challenges as the nation's airports and airlines. Working with the Customs Service and Coast Guard, our Harbor Police Department has responsibility to ensure a safe cruise environment.

Since September 11, America's ports have instituted heightened security measures and have invested in increased security measures. Determining the adequacy of these measures and whether they can be sustained over an indefinite time period, and at what cost, are the major issues facing ports, as well as local and Federal Government agencies today.

These hearings on seaport security are being held to help develop a national strategy policy for port security in response to the threat of terrorism. The challenges we face include the development of a port security measure that assures to the greatest extent possible the safety and security of the American people; the protection and the ongoing and efficient operation of the nation's vital maritime transportation assets; and that meets the needs and is sensitive to the unique characteristics of America's ports, which are not all alike. They are unique.

In addressing these issues and challenges, we here at the Port of New Orleans have worked closely with other ports throughout the Western Hemisphere under the auspices of the American Association of Port Authorities.

We have deep security concerns, as well as proposed legislation, and offer the following points with the purpose of fine-tuning seaport security policies and assuring the provision of adequate re-

sources to effectively counter terrorist threats to our nation's ports and waterways.

As noted, protecting America's ports is critical to the nation's economic vitality and continued growth. Point one, ports are a vital part of the nation's transportation infrastructure. Ports handle 95 percent of U.S. overseas trade by volume. International trade accounts for almost one-quarter of the U.S. Gross Domestic Product. The port industry generates more than 13 million jobs nationally. Ports support the mobilization and deployment of U.S. Armed Forces. In the year 2000, more than 6 million North American passengers began and ended their cruise vacations from a United States port. Virtually all imported crude petroleum products arrive by oceangoing vessels in U.S. ports. Ports enhance our quality of life by providing consumers with a variety of product choices and employment for importers and exporters as well.

The United States Coast Guard and Customs must take the lead in protecting America's ports and inspecting vessels and cargo. Ports are located on international borders, and the Federal Government is responsible for approving and inspecting both cargo and passengers moving out of public ports. The Federal Government must provide those resources necessary to assure that these agencies can carry out critical functions in the provision of seaport security.

Meeting enhanced seaport security requirements is a shared responsibility of both the ports and the Federal Government. We accept that. Homeland security is the top priority of our government, and protecting America's transportation system, including public ports, is essential.

At the national level, the Federal Government must make immediate and significant investments in enhanced intelligence information, management, information technology, and domestic and foreign ports assessments. Both the Coast Guard and the Customs Service have indicated that information is required on vessels calling at U.S. ports and cargo shipments.

Individual seaport security involves multiple state, local, and Federal Government jurisdictions, as well as the private sector. Numerous federal agencies share law enforcement responsibilities at all seaports. Clearly, ports will not be able to meet enhanced security requirements on their own, and federal help will be needed to provide ports with the financial assistance required to protect these vital transportation links. We have seen a significant increase in security-related costs here at the Port of New Orleans. These extra costs were not budgeted. We pay for increased security with money that is otherwise earmarked for our operations, construction, maintenance, and marketing.

I would say one of the most salient points of the entire issue, the most important and germane, is that immediate and substantial funding is required for the development of coordinated security and communication plans. In addition, significant security enhancements are called for in the areas of the provision of trained security personnel, controlling access to port facilities and terminals, as well as physical security measures such as perimeter fencing, gates, barriers, identification/credentialing systems, cameras, and, of course, lighting.

What is the cost of enhanced security for seaports, and what is the appropriate federal response? In the Fall 2000 report to Congress, the Interagency Commission on Crime and Security at U.S. Seaports estimated that enhanced security—this is pre-9/11—would cost between \$14 and \$40 million per port. This amount was calculated prior to September 11, as I said, when port security resources were invested primarily in preventing crime and cargo support.

As you probably heard yesterday, Senator, and more recently, the Florida Ports Commission came up with a figure since 9/11 of \$80 to \$100 million in investments. However, at this time is it difficult for ports to provide specific cost estimates for security enhancements because the nature and the scope of these enhancements are still yet unclear, although they are focusing more and more each day.

The Port of New Orleans and the AAPA are generally supportive of current federal legislation to provide much-needed federal financial support for public port authorities. In fact, AAPA recommended many of the provisions included in the Hollings Bill (S. 1214). This legislation provides ports with \$390 million, as you know, in cost-sharing grants and \$166 million in low-interest, long-term loan guarantees for security enhancements. However, we are concerned that security plans included in this legislation advocate a cookie-cutter approach that may not be effective for all ports, since all ports are unique and different.

AAPA's 85 United States Public Port Authority members include a wide variety of operational and organizational structures. They include major container ports and smaller specialty cargo and dry and liquid cargo ports. The Port of New Orleans has an extraordinarily diversified cargo base, including significant quantities of break bulk, containerized, and liquid and dry bulk cargos, as well as the differing types of facilities required to handle these cargos.

The organizational structure of ports vary as well. There are operating ports, and then there are landlord ports. Some ports provide security and others rely on local government or the private sector to provide their security. The point here is that different types of ports have different types of security requirements, and federal legislation must have sufficient flexibility to meet these very diverse needs.

We also strongly support the provision of increased federal resources for port authorities, Customs, and the Coast Guard beyond those authorized in the Hollings bill. Adequate funding is essential to assure that our nation's ports remain open and that commerce moves without interruption.

Our friends at Transport Canada have also undertaken an initiative to enhance seaport security. Their primary objective is to determine what measures ports have already taken to meet security risks and determine what measures can be put in place immediately or in the near term to enhance security. They are also providing the necessary appropriations for those improvements to the ports in Canada. To accomplish this, Transport Canada has developed and distributed a security checklist to Canadian ports to facilitate the risk assessment.

The United States ports are dealing with the financial impact of providing security in this post-September 11 world. The war against terrorism will not be brief, as you well know. Enhanced port security is not an issue of the day. We are all in it for the long haul. Port authorities welcome the benefits provided in the Port and Maritime Security Act and certainly Congressman Vitter is writing legislation which is soon to be submitted and filed. This legislation will help us keep America's ports open, safe, and secure.

Again, I want to thank you for being here today and taking the time and for allowing us this forum.

[The prepared statement of Mr. LaGrange follows:]

PREPARED STATEMENT OF GARY LAGRANGE, DIRECTOR, PORT OF NEW ORLEANS

Mr. Chairman, the Port of New Orleans is pleased to be one of three United States ports selected to host seaport-security hearings. And, also, let me also welcome you to the Port and City of New Orleans.

Prior to September 11, 2001, security was one of the many concerns of this port and ports across the country. On the morning of September 11th, Homeland Security moved to front and center.

Protecting America's ports is critical to both the nation's safety and vital to its continuing economic growth. America's ports handle 95 percent of the nation's overseas trade by volume—goods from every state in the nation are transported through U.S. ports to international markets. Ports support the mobilization and deployment of U.S. Armed Forces; and are the departure points for millions of cruise passengers annually.

From our offices here at the Port of New Orleans we observe an immense flow of commerce, unmatched anywhere else in the world.

- Each year, more than 427 million tons of foreign and domestic waterborne commerce move through the consolidated deepwater ports of Louisiana situated on the lower Mississippi River between Baton Rouge and the Gulf of Mexico.
- Ninety one percent of America's foreign merchandise trade by volume (two-thirds by value), and 21 percent of the nation's foreign waterborne commerce pass through Louisiana's ports.
- More than 229,000 barges and 2,300 oceangoing vessels operated by more than 80 steamship lines serving U.S. trade with more than 150 countries call the Port of New Orleans.
- The Port of New Orleans and the Mississippi River serves 42 states—America's Heartland. This heartland region currently produces 60 percent of the nation's agricultural products, one half of all of its manufactured goods and 90 percent of its machinery and transportation equipment.

Any disruption of commerce on the lower Mississippi, no matter how brief, would seriously disrupt the nation's economy.

In addition to the flow of cargoes such as grain, steel and coffee, nearly a half million cruise line passengers travel through the Port of New Orleans each year. Here we face many of the same challenges as the nation's airports and airlines. Working with the Customs Service and Coast Guard, our Harbor Police department has the responsibility of ensuring a safe cruise environment.

Since September 11, America's ports have instituted heightened security measures and have invested in increased security measures. Determining the adequacy of these measures and whether they can be sustained over an indefinite time period and at what cost, are the major issues facing ports as well as local and federal government agencies today. These hearings on seaport security are being held to help develop a national strategic policy for port security in response to the threat of terrorism. The challenges we face include the development of a port security measures that assure to the greatest extent possible the safety and security of the American people; that protect the ongoing and efficient operation of this nation's vital maritime transportation assets; and that meets the needs and is sensitive to the unique characteristics of each of America's ports.

In addressing these challenges, we at the Port of New Orleans have worked closely with other ports throughout the western hemisphere under the auspices of the American Association of Port Authorities. We have reviewed security concerns as

well as proposed legislation and offer the following points with the purpose of fine-tuning seaport security policies and assuring the provision of adequate resources to effectively counter terrorist threats to our nation's ports and waterways.

- *As noted, Protecting America's ports is critical to the nation's economic vitality and continued growth.*
 - Ports are a vital part of the nation's transportation infrastructure.
 - Ports handle 95 percent of U.S. overseas trade by volume.
 - International trade accounts for almost one quarter of the U.S. Gross Domestic Product.
 - The port industry generates more than 13 million jobs.
 - Ports support the mobilization and deployment of U.S. Armed Forces.
 - In 2000, more than six million North American passengers began and ended their cruise vacations from U.S. port authorities.
 - Virtually all imported crude petroleum products arrive by oceangoing vessels at U.S. ports.
 - Ports enhance our quality of life by providing consumers with a variety of product choice and employment for importers and exporters.
- *The U.S. Coast Guard and Customs must take the lead in protecting America's ports and inspecting vessels and cargo.* Ports are located on international borders and the Federal Government is responsible for approving and inspecting cargo and passengers moving out of public ports. The Federal Government must provide those resources necessary to assure that these agencies can carry out these critical functions in the provision of seaport security.
- *Meeting enhanced seaport security requirements is a shared responsibility of ports and the Federal Government.* Homeland security is the top priority of our government, and protecting America's transportation systems, including public ports, is essential. At the national level, the federal government must make immediate and significant investments in enhanced intelligence and information management; information technology; domestic and foreign ports assessments. Both the Coast Guard and the Customs service have indicated that information is required on vessels calling at U.S. ports and cargo shipments.

Individual Seaport security involves multiple state, local and federal government jurisdictions as well as the private sector. Numerous federal agencies share law enforcement responsibilities at seaports. Clearly, ports will not be able to meet enhanced security requirements on their own and federal help will be needed to provide ports with the financial assistance required to protect these vital transportation assets. We have seen a significant increase in security related costs here at the Port of New Orleans. These extra costs were not budgeted. We pay for increased security with money earmarked for other port operations such as construction, maintenance and marketing.

Most important, immediate and substantial funding is required for the development of coordinated security and communications plans. In addition, significant security enhancements are called for in the areas of the provision of trained security personnel, controlling access to port facilities and terminals as well as physical security measures such as perimeter fencing, gates, barriers, identification/credentialing systems, cameras and lighting.

- *What is the cost of enhanced security for seaports and what is the appropriate federal response?* The fall 2000 report to Congress of the Interagency Commission on Crime and Security at U.S. Seaports estimated that enhanced security could cost between \$14 and \$40 million per port. This amount was calculated prior to September 11th when port security resources were invested primarily in preventing crime and cargo support. However, at this time it is difficult for ports to provide specific cost estimates for security enhancements because the nature and scope of these enhancements are unclear.

The Port of New Orleans and the AAPA are generally supportive of current federal legislation to provide much needed federal financial support for public port authorities. In fact, AAPA recommended many of the provisions included in the Hollings Bill (S.1214). This legislation provides ports with \$390 million in cost-sharing grants and \$166 million in low-interest, long-term loan guarantees for security enhancements. However, we are concerned that security plans included in this legislation advocate a "cookie cutter" approach that may not be effective for all ports.

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The organizational structure of Ports vary as well. There operating ports and landlord ports. Some ports provide security and others rely on local government or the private sector to provide security. The point here is that different types of ports have different types of security requirements and federal legislation must have sufficient flexibility to meet these diverse needs.

We also strongly support the provision of increased federal resources for port authorities, Customs and the Coast Guard beyond those authorized in the Hollings bill. Adequate funding is essential to assure that our nation's Ports remain open and that commerce flows without interruption.

Our friends at Transport Canada have also undertaken an initiative to enhance seaport security. Their objective is to determine what measures ports have already taken to meet security risks and determine what measures can be put in place immediately or in the near-term to enhance security. To accomplish this, Transport Canada has developed and distributed a security checklist to Canadian ports to facilitate risk assessment.

U.S. Ports are dealing with the financial impact of providing security in this post-September 11th world. The war against terrorism will not be brief. Enhanced port security is not an issue dujour. We are all in it for the long haul. Port authorities welcome the benefits provided in the Port and Maritime Security Act. This legislation will help us keep America's ports open, safe and secure.

Senator BREAUX. Thank you very much, Gary.
Chief Robert Hecker.

**STATEMENT OF ROBERT S. HECKER, CHIEF OF POLICE,
HARBOR POLICE DEPARTMENT, PORT OF NEW ORLEANS**

Chief HECKER. Thank you, Mr. Chairman. My name is Robert Hecker. I am the chief of police for the Harbor Police Department for the Port of New Orleans. Before I get started, I want to let you know, Mr. Chairman, we are especially glad to see you here today because we heard that you were going to try to climb a Jacob's Ladder from a port launch booth to the top of your cargo vessel.

Senator BREAUX. I did (laughter).

Chief HECKER. We are relieved to have you here, sir (laughter). That is quite a difficult task.

Chairman Breaux, Congressman Vitter, thank you so much for allowing us to testify here today. As I mentioned, my name is Robert Hecker. I have a total of 34 years in law enforcement, 28 years with the New Orleans Police Department, and the last 6 years as Chief of Police with the Harbor Police Department.

The Port of New Orleans has a distinct advantage over most of the other seaports in the country. Over 100 years ago, our forefathers had the vision to create a police force specifically designated to the port. The number of emergency personnel has changed over the years, but currently our force is comprised of 59 police officers and 11 firefighters.

The Harbor Police Force is a fully trained, commissioned group of officers with arrest powers within the jurisdiction we serve. We maintain our own police academy where our police recruits are trained and post-certified. Our firefighters staff the GENERAL ROY S. KELLY, our 95-foot multi-purpose emergency response vessel, 24 hours a day.

Additionally, we maintain a marine division, which is a group of police officers that staff the Harbor Police patrol boat. Both vessels respond to various types of emergencies on the Mississippi River and the Industrial Canal, usually coordinated with the U.S. Coast Guard. As a result of the police presence at the Port, crime has been minimal throughout its history. However, we realize we have a new challenge before us. We now have to include in our mission the possibility that terrorism may target our port. As a result, we have been working on new strategies to address this potential threat.

We have always enjoyed an outstanding working relationship with the surrounding local law enforcement departments and federal entities, including the FBI, the U.S. Coast Guard, and U.S. Customs. That was never more obvious than on the morning of September 11, 2001. Shortly after the attacks, we all realized the Port of New Orleans may very well be a target. Within hours of the attack, members of the U.S. Customs and U.S. Coast Guard met with me in my office to discuss and implement emergency plans. The local FBI office requested that we send an officer to be a member of their Emergency Command Center, allowing to us share any incoming intelligence.

Since September 11, 2001, we have enhanced security throughout the port utilizing paid overtime and redeployment of some officers. One of the security concerns, of course, was our cruise passenger terminal, which currently accommodates several cruise lines and thousands of passengers per week. One of the measures we implemented was to have a component of Harbor Police officers to do a security sweep of the terminal prior to the ships' arrival. We also utilized the GENERAL KELLEY's emergency response vessel to conduct security sweeps from the river side of the wharf. Our offices will then remain invisible at the terminal throughout the time the cruise ships are at the dock. Effective this past December, uniformed members of the National Guard have been supplementing our officers at the cruise terminal as well.

Immediately after September 11, we began a series of meetings with all of the appropriate agencies to discuss longer term strategies. On November 8th, we called a town hall style meeting for the Port community in response to the inundated number of phone calls that I received in my office.

We invited representatives from all of the Port's tenants and extended the invitation to those who frequent the Port. The focus of the meeting was to provide up-to-date information to the Port community and to solicit their assistance toward the endeavors of the various agencies. The panel was comprised of representatives from the FBI, U.S. Customs, U.S. Coast Guard, Postal Inspector, Public Belt Railroad, INS, and local law enforcement agencies.

Since September 11, we have created an anti-terrorism unit within our department. I must admit that in my 34 years of law enforcement experience, I never dreamed that I would have to create such a unit. The officers assigned to this unit have begun receiving the most up-to-date training on anti-terrorism procedures and technology. They recently attended training at Glencoe, Georgia, pertaining to seaport security. The officers are now conducting threat and risk assessments at various properties and sites

throughout the Port. The documentation will be accessible to all appropriate agencies and may be used to fulfill any requirements of any grant applications as they pertain to current legislation.

We have also assigned one of our detectives to be a member of the FBI's Joint Terrorism Task Force, again an invitation from the FBI. When an emergency situation occurs, our detective will be assigned to the task force until the emergency subsides. We are also in the early planning stages of assembling a committee comprised of local law enforcement, U.S. Coast Guard, and U.S. Customs to further study security measures at the Port.

The Harbor Police Department is primed to take a more active role in the fight against terrorism as it relates to the Port of New Orleans. The obvious advantages in having us do so is that we already have an established department specifically assigned to the Port, we maintain our own training academy, and currently have an established working relationship with the FBI, with U.S. Coast Guard, and with U.S. Customs. We meet with the Port's tenants on a regular basis and can empower them to become partners with law enforcement with the focus on crime prevention and anti-terrorism.

With the constant presence of Harbor Police at the Port, not only do they serve as a deterrent to potential terrorist activity, but will be the first responders to any emergency. Their training and equipment will be vital toward saving lives and reducing chaos. It simply makes good sense to provide these officers with the most advanced anti-terrorism training and supply them with state-of-the-art equipment suitable for our department.

Finally, we hope to be included in any federally sponsored networking programs pertaining to information at the nation's seaports. I believe we all would agree that additional intelligence is one of the most vital components to the success of the war on terrorism.

Mr. Chairman, I thank you very much.

[The prepared statement of Chief Hecker follows:]

PREPARED STATEMENT OF ROBERT S. HECKER, CHIEF OF POLICE, HARBOR POLICE DEPARTMENT, PORT OF NEW ORLEANS

Robert S. Hecker,
Chief of Police,
Harbor Police Department,
Port of New Orleans,
New Orleans, LA.

Committee Members:

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The Port of New Orleans has a distinct advantage over most of the other seaports in the country. Over 100 years ago, our forefathers had the vision to create a police force specifically designated to the Port. The number of emergency personnel has changed over the years, but currently our force is comprised of 59 police officers and 11 firefighters. The Harbor Police Force is a fully-trained, fully-commissioned group of officers with arrest powers within the jurisdiction we serve. We maintain our own Police Academy, where our police recruits are trained and post-certified. We have our own fleet of vehicles and our own radio system. Our firefighters staff the "General Roy S. Kelley," our 95-foot, multi-purpose Emergency Response Vessel, 24 hours a day. Additionally, we maintain a Marine Division, which is a group of police offi-

cers that staff the Harbor Police Patrol Boat. Both vessels respond to various types of emergencies in the Mississippi River and the Industrial Canal.

As a result of the police presence at the Port, crime has been minimal throughout the history of the Port. However, we realize we have a new challenge before us. We now have to include in our mission the possibility that terrorists may target our Port. As a result, we have begun working on new strategies to address this potential threat.

We have always enjoyed an outstanding working relationship with the surrounding local law enforcement departments and federal agencies including the FBI, U. S. Coast Guard and U. S. Customs. That was never more obvious than on the morning of September 11, 2001. Shortly after the attacks, we all realized the Port of New Orleans may be a target. Within an hour of the attack, members of the U.S. Customs and the U. S. Coast Guard met with me in my office to discuss and implement an emergency plan. The local FBI Office requested we send an officer to be a member of their Emergency Command Center, allowing us to share any incoming intelligence.

Since September 11, 2001, we have enhanced security throughout the Port utilizing paid overtime and the redeployment of some officers. One of the security concerns was our cruise passenger terminal, which currently accommodates several cruise lines and thousands of passengers per week. One of the measures we implemented was to have a complement of Harbor Police Officers do a security sweep of the terminal prior to the ship's arrival. We also utilize the "General Kelley" Emergency Response Vessel to conduct security sweeps from the river side of the wharf. Our officers remain visible at the terminal throughout the time cruise ships are at the dock. Effective December 2001, uniformed members of the National Guard have been supplementing our officers at the cruise terminal.

Immediately after September 11, 2001, we began a series of meetings with all of the appropriate agencies to discuss long term strategies. On November 8, 2001, we called a "town hall" style meeting for the Port community. We invited representatives from all of the Port's tenants and extended the invitation to those who frequent the Port. The topic of the meeting was to provide up to date information to the Port community and to solicit their assistance toward the endeavors of the various agencies. The panel was comprised of representatives from the FBI, U.S. Customs, U. S. Coast Guard, Postal Inspector, Public Belt Railroad, INS, and the local law enforcement agencies.

Since September 11, 2001, we created an Anti-Terrorism Unit within our department. The officers assigned to this unit have begun receiving the most up-to-date training on anti-terrorism procedures and technology. They recently attended training at Glynco, Georgia, pertaining to seaport security. The officers are now conducting threat and risk assessments at various properties and sites throughout the Port. The documentation will be accessible to any appropriate agency and may be utilized to determine approval for federal funding as it pertains to the current Legislative action.

We have also assigned one of our detectives to be member of the FBI's Joint Terrorism Task Force. When an emergency situation occurs, our detective will be assigned to the Task Force until the emergency subsides. We are also in the early planning stages of assembling a committee comprised of local law enforcement, U. S. Coast Guard and U. S. Customs to further study security measures at the Port.

The Harbor Police Department is primed to take a more active role in the fight against terrorism as it relates to the Port of New Orleans. The obvious advantages in having us do so are that we already have an established department specifically assigned to the Port, we maintain our own training academy, and currently have an established working relationship with the FBI, U. S. Coast Guard and U. S. Customs. We meet with the Port's tenants on a regular basis and can empower them to become partners with law enforcement with the focus on crime prevention and anti-terrorism. With the constant presence of Harbor Police at the Port, not only do they serve as a deterrent to potential terrorist activity; but, they will be the first responders to any emergency. Their training and equipment will be vital toward saving lives and reducing chaos. It simply makes good sense to provide our officers with the most advanced training in the field of anti-terrorism and supply them with state of the art technological equipment suitable for our department.

Respectfully submitted,

ROBERT S. HECKER,
Chief of Police.

Senator BREAU. Thank you very much, Chief.
Ken Kaiser.

**STATEMENT OF KENNETH KAISER, SPECIAL AGENT IN
CHARGE, NEW ORLEANS FIELD OFFICE, F.B.I.**

Mr. KAISER. Good afternoon, Mr. Chairman and members of the Committee. I am pleased—

Senator BREAUX. Pull that mike closer.

Mr. KAISER. I am pleased to appear before you today to discuss the FBI's role in security at the New Orleans Seaport. The New Orleans Division of the FBI is only one of several different law enforcement and military agencies which has a connection to the New Orleans Seaport. We have an outstanding working relationship with our law enforcement departments, whether it be federal, state, or local agencies. We also have an excellent working relationship with the United States Coast Guard and the Louisiana National Guard. Through this working relationship, all matters of investigative interest are quickly coordinated between the various agencies to ensure the most effective response is provided.

Coordination among the various law enforcement agencies and military units is enhanced by the FBI-sponsored Louisiana Joint Terrorism Task Force, the United States Attorney's Office Task Force on Terrorism, and the New Orleans Harbor Police Anti-Terrorism Unit.

In the near future, the Harbor Police will assign an officer to the Louisiana Joint Terrorism Task Force. All of the members of the Louisiana Joint Terrorism Task Force have work space assigned to them in the FBI office and report to work there every day. They have required background checks and clearances which make them an asset to the fight against terrorism. Through this task force, all terrorism investigations and issues are addressed in a coordinated manner. Nearly all of the members of the Louisiana Joint Terrorism Task Force have received formal terrorism training, either through the FBI or their respected agencies.

To demonstrate the effective coordination between all agencies, I'd like to note that within 2 hours of the September 11 terrorism attack on the United States, a Joint Operations Center was established in the New Orleans FBI office. The Joint Operations Center was staffed by representatives of over 20 agencies which were either part of the Joint Terrorism Task Force or through some working relationship they had with the FBI. The Joint Operations Center coordinated the investigative activities of nearly 1,300 leads over the next 30 days. Many of these leads had some impact on the New Orleans Seaport. Thanks to the effort of all the investigative agencies, these leads were cleared to their logical conclusion.

The FBI is keenly aware of the concerns of law enforcement officers regarding their need for information to help them do their job safely, efficiently, and completely. FBI Director Mueller recently demonstrated his commitment to the effort by establishing a new investigative coordination division within the FBI. The new division includes an Office of Law Enforcement Coordination which will be responsible for improving information sharing with the state and local law enforcement and public safety agencies. This is an area in which the FBI can do and must do a better job. I share Director Mueller's belief that our agency is but one entity and we need good coordination with the other law enforcement entities. We

must all work together. Law enforcement is quite simply only as good as its relationships. This concludes my prepared remarks.

[The prepared statement of Mr. Kaiser follows:]

PREPARED STATEMENT OF KENNETH KAISER, SPECIAL AGENT IN CHARGE, NEW ORLEANS FIELD OFFICE, F.B.I.

Good afternoon Mr. Chairman and Members of the Committee. An very pleased to appear before you today to discuss the FBI's role in the security at the New Orleans seaport. The New Orleans division of the FBI is only one of several different law enforcement and military agencies which has a connection to the New Orleans seaport. We have an outstanding working relationship with our law enforcement partners, whether it be a federal, state, or local agency. We also have an excellent working relationship with the United States Coast Guard and the Louisiana National Guard. Through this working relationship, all matters of investigative interest are quickly coordinated between the various agencies to ensure the most effective response is provided.

The coordination among the various law enforcement agencies and military units is enhanced by the FBI sponsored Louisiana Joint Terrorism Task Force (LAJTTF), the united states attorney's office task force on terrorism, and the New Orleans Harbor Police Anti-terrorism Unit. In the near future, the Harbor Police will assign an officer full time to the LAJTTF. All members of the LAJTTF have work space assigned to them in our FBI office and report to work there everyday. They have the required background checks and clearances which make them an asset in the fight against terrorism. Through this task force effort, all terrorism investigations and issues are addressed in a coordinated manner. Nearly all members of the LAJTTF have received formal terrorism training either through the FBI or their respective agencies.

To demonstrate the effective coordination between all agencies, I would like to note that within two hours of the September 11, 2001 terrorist attack on the united states, a joint operations center (JOC) was established in the New Orleans FBI office. The JOC was staffed by representatives of over twenty agencies which were either part of the LAJTTF, or through some other established working relationship they had with the FBI. The JOC coordinated the investigative activities of nearly 1300 leads over the next thirty days. Many of these leads had some impact on the New Orleans seaport. Thanks to the effort of all the investigative agencies, these leads were cleared to their logical conclusion.

The FBI is keenly aware of the concerns of law enforcement officers regarding their need for information to help them do their jobs safely, efficiently and completely. FBI Director, Robert S. Mueller recently demonstrated his commitment to this effort by establishing a new investigative coordination division within the FBI. This new division includes an office of law enforcement coordination which will be responsible for improving information sharing with state and local law enforcement and public safety agencies. This is an area in which the FBI can and must do a better job. I share Director Mueller's belief that no one agency or entity at any level is strong enough to tackle the myriad challenges that face law enforcement. We must work together. Law enforcement is, quite simply, only as good as its relationships. This concludes my prepared remarks. I would like to respond to any questions you may have.

Senator BREAUX. Mr. Kaiser, I thank you very much.
Captain Grubbs.

**STATEMENT OF CAPTAIN DOUGLAS J. GRUBBS,
CRESCENT RIVER PILOTS ASSOCIATION**

Captain GRUBBS. Senator Breaux, Congressman Vitter—

Senator BREAUX. Captain, just avoid touching the microphone.

Captain GRUBBS. Senator Breaux and Congressman Vitter, good afternoon.

Senator BREAUX. Turn it a little and face it toward you, but just do not hold it.

Captain GRUBBS. Senator Breaux, you were right. New Orleans's VTS is much better.

I am Douglas Grubbs of the Crescent River Port Pilots Association in New Orleans and head of the pilots' Vessel Traffic System program. I also sit on the Lower Mississippi Safety Advisory Committee and serve as the official liaison between the pilots and the U.S. Congress.

Since September the 11, everyone involved in maritime commerce along the Mississippi River has been on a heightened alert, watching for suspicious activity or indeed anything out of the ordinary. This heightened state of watchfulness must translate into what Admiral Loy has termed a "new normalcy." We cannot afford to drift into vulnerable complacency. This means that emergency measures must become standard procedure; that complete, accurate, real-time situational information must be readily available to both operators and law enforcement personnel; and that maritime personnel learn how to identify and respond to that potential threat quickly and efficiently.

My purpose here today is to discuss how the current system of vessel pilotage can be used to enhance our maritime security and how Louisiana state pilots have and will continue to work hand in hand with the Coast Guard and other state and federal law enforcement agencies to safeguard the property, welfare, and the lives of the people of Louisiana.

Effective port security requires a true partnership amongst all entities, both public and private, who utilize and serve this waterway. The Coast Guard and the pilots embarked in this public and private partnership long before September the 11, working together since 1990 to develop an AIS-based VTS system here in New Orleans. Once fully developed, this system will serve as a model for other ports around the nation and, in fact, the world.

The combined ports of the Lower Mississippi River represent the largest port complex in the world. Each year there are about 400,000 total vessel movements along this 264 mile stretch of commercial waterway extending from the Gulf of Mexico to Baton Rouge, Louisiana. Approximately 37,000 of those movements are deep-draft vessels carrying grain, coal, steel, petrochemicals, and a host of other commodities and products vital to both the domestic and international economies.

A terrorist attack along the Mississippi River would not only endanger significant urban population centers and commercial property, but it would also have a far reaching and devastating impact around the world. The region's vulnerability and importance would make it a very attractive target to anyone seeking maximum impact from a single destructive act. Pilots take this threat seriously and personally. We want to do everything we can and cooperate in every way possible to ensure that nothing like September 11 happens here.

A pilot onboard a vessel has immediate, first-hand knowledge of the vessel's situation and is in the best possible position to notice a potential problem while there is still time to avert disaster. The Coast Guard relies upon pilots to provide accurate and timely information about vessels and their immediate surroundings. Today, pilots accomplish this task using visual contact, radar, and VHF radios.

As you know, radar cannot see around points and bends and VHF radios are prone to intermodulation interference. While pilots are currently in the best position to relay this information, they cannot afford to be distracted from their immediate task, which often means navigating a heavily laden vessel carrying hazardous cargo through congested stretches of river with tricky currents and weather conditions. These factors have and will continue to contribute greatly to both pilots' and the Coast Guard's ability to maintain a careful and protective watch over this critical stretch of waterway: additional manpower, education, and enhanced technology.

After September 11, the captain of the Port instituted a sea marshal program in which all arriving vessels are screened through a high-interest vessel matrix. A team of armed sea marshals boards each vessel, which by virtue of its cargo, country of origin, or other factor, is deemed to merit special attention. The sea marshals are specially trained Coast Guard reservists who can respond immediately to potential threats.

During the month of Ramadan, these sea marshals rode high-interest vessels all the way from the sea buoy to Baton Rouge. Since then, the marshals have concentrated on the vessels in the New Orleans Harbor. The pilots have worked closely with the Coast Guard around the clock to facilitate the sea marshal program by providing logistical support, housing, and transportation. The Crescent River Port Pilots have also made their extensive, comprehensive vessel database available to the Vessel Traffic Center to facilitate cross-referencing vessel movements.

River pilots have extensive expertise and experience piloting vessels up and down this river, but we are not terrorism experts, military tacticians, psychologists, or law enforcement officers. In order to truly identify suspicious activity, we need to know what to look for. We also need to have a strategic plan in place that tells us how to respond should a threat arise. Louisiana State pilots are very concerned with education and have implemented one of the most extensive continuing education programs in the country. We are now working with the Louisiana State Police and the Coast Guard to develop a pilot anti-terrorism course which will be incorporated into our already existing continuing education programs.

Education and additional manpower both rely upon human observation and ability. In the best of all possible worlds, critical situational information would be gathered and disseminated automatically in real-time, reducing the possibility of human error and mechanical limitations. That is precisely the purpose of the AIS-based VTS system under development here in New Orleans. This satellite-based technology will be able to see around points and bends in all weather and will use its own private FCC-assigned frequencies, assigned to be far less subject to interference.

With minimal user input, this system will provide real-time, accurate vessel information, including the ship's name, the pilot's name, the ship's location, speed, heading, cargo, etc., in both ship-to-ship and ship-to-shore mode to other vessels, as well as to the Vessel Traffic Center and even Coast Guard headquarters in Washington, D.C. In this way, both operators and law enforcement offi-

cials will have real-time access to all pertinent information regarding hazardous cargo moving along the Lower Mississippi River.

This AIS technology will have an immediate impact on the Coast Guard's ability to identify and track hazardous cargo moving through the ports of the Lower Mississippi River. The infrastructure is in place. The public and private partnership between pilots and the Coast Guard has been tested, and it works. The VTS is operational in its beginning stages, and the AIS technology is ready to go. Once approved and budgeted, the 100 AIS transponders can be providing greater security to the Lower Mississippi River.

I urge you to lend your support to the efforts of the United States Coast Guard and the ports of the Lower Mississippi River to provide the resources and technology to make this river safe and secure.

[The prepared statement of Captain Grubbs follows:]

PREPARED STATEMENT OF CAPTAIN DOUGLAS J. GRUBBS,
CRESCENT RIVER PILOTS ASSOCIATION

Good afternoon Senator Breaux and Members of the Committee. I am Captain Douglas Grubbs of the Crescent River Port Pilots Association in New Orleans and head of the pilots' Vessel Traffic System program. I also sit on the Lower Mississippi Safety Advisory Committee and serve as the official liaison between the Crescent Pilots' Association and the United States Congress.

Since September 11, everyone involved in maritime commerce along the Lower Mississippi River has been on heightened alert—watching for suspicious activity, or indeed anything out of the ordinary. This heightened state of watchfulness must translate into what Admiral Loy has termed a “new normalcy.” We cannot afford to drift again into vulnerable complacency. This means that emergency measures must become standard operating procedure, that complete, accurate, real-time situational information must be readily available to both operators and law enforcement personnel, and that maritime personnel learn how to identify and respond to potential threats quickly and efficiently.

My purpose here today is to discuss how the current system of vessel pilotage can be used to enhance our maritime security and how Louisiana State pilots have and will continue to work hand-in-hand with Coast Guard and other state and federal law enforcement agencies to safeguard the property, welfare and lives of the people of Louisiana. Effective port security requires a true partnership among all the entities, both public and private who utilize and serve this waterway. The Coast Guard and the pilots embarked upon this public/private partnership long before September 11, working together since 1990 to develop an AIS-based VTS system here in New Orleans. Once fully developed, this system will serve as a model for other ports around the nation, and in fact, the world.

The combined ports of the Lower Mississippi River represent the largest port complex in the world. Each year there are about 400,000 total vessel movements along this 264 mile stretch of commercial waterway extending from the Gulf of Mexico to Baton Rouge. Approximately 37,000 of those movements are deep draft vessels carrying grain, coal, steel, petrochemicals and a host of other commodities and products vital to both the domestic and international economies. A terrorist attack along the Lower Mississippi River would not only endanger significant urban population centers and commercial property, it would also have far reaching and devastating impact around the world. The region's vulnerability and importance could make it a very attractive target to anyone seeking maximum impact from a single destructive act.

Pilots take this threat seriously and personally. We want to do everything we can, and cooperate in every way possible to insure that nothing like September 11 happens here.

The pilot aboard a vessel has immediate, first-hand knowledge of the vessel's situation and is in the best possible position to notice a potential problem while there is still time to avert disaster. The Coast Guard relies upon pilots to provide accurate and timely information about vessels and their immediate surroundings. Today, pilots accomplish this task using visual contact, radar and VHF radios. As you know, radar cannot see around points and bends and VHF radios are prone to intermodulation interference. While pilots are currently in the best position to relay this infor-

mation, they cannot afford to be distracted from their immediate task—which often means navigating a heavily laden vessel carrying hazardous cargo through congested stretches of river with tricky currents and weather conditions.

Three factors have and will continue to contribute greatly to both the pilots' and the Coast Guard's ability to maintain a careful and protective watch over this critical stretch of waterway: additional manpower, education and enhanced technology.

After September 11, the Captain of the Port instituted a sea marshal program in which all arriving vessels are screened through a High Interest Vessel matrix. A team of armed sea marshals boards each vessel which, by virtue of its cargo, country of origin or other factor, is deemed to merit special attention. The sea marshals are specially trained Coast Guard reservists who can respond immediately to potential threats. During the month of Ramadan, these sea marshals rode High Interest Vessels all the way from the sea buoy to Baton Rouge. Since then, the marshals have concentrated on vessels in the New Orleans harbor.

The pilots have worked closely with the Coast Guard around-the-clock to facilitate the sea marshal program by providing logistical support, housing and transportation. The Crescent River Port Pilots have also made their extensive and comprehensive vessel database available to the Vessel Traffic Center to facilitate cross referencing vessel movements.

River pilots have extensive expertise and experience piloting vessels up and down this river, but we are not terrorism experts, military tacticians, psychologists or law enforcement officers. In order to identify *truly* suspicious activity, we need to know what to look for. We also need to have a strategic plan in place that tells us how to respond should a threat arise. Louisiana state pilots are very concerned with education and have implemented one of the most extensive continuing education programs in the country. Now we are working with the Louisiana State Police and the Coast Guard to develop a Pilot Anti-Terrorism course which will be incorporated into our already existing continuing education program.

Education and additional manpower both rely upon human observation and ability. In the best of all possible worlds, critical situational information would be gathered and disseminated automatically, in real-time, reducing the possibility of human error and mechanical limitations. That is precisely the purpose of the AIS-based VTS system under development here in New Orleans. This satellite-based technology will be able to see around points and bends in all weather, and will use its own private FCC assigned frequencies thus being subject to far less interference. With minimal user input, this system will provide real-time, accurate vessel information, including the vessel's name, the pilot's name, ship's location, speed, heading, cargo, etc., in both ship-to-ship and ship-to-shore mode to other vessels as well as to the Vessel Traffic Center and even Coast Guard headquarters in Washington, D.C. In this way both operators and law enforcement officials will have real-time access to all pertinent information regarding hazardous cargo moving along the Lower Mississippi River.

This AIS technology will have an immediate impact on the Coast Guard's ability to identify and track hazardous cargo moving throughout the ports of the lower Mississippi River. The infrastructure is in place. The public/private partnership between pilots and the Coast Guard has been tested and it works. The VTC is operational in its beginning stages, and the AIS technology is ready to go. Once approved and budgeted, 100 AIS transponders can be providing greater security to the Lower Mississippi River within 90 days.

I urge you to lend your support to the efforts of the United States Coast Guard and the ports of the Lower Mississippi River to provide the resources and technology to make this River safe and secure.

Senator BREAUX. Captain, thank you very much.
Mr. Channing Hayden.

**STATEMENT OF CHANNING HAYDEN,
PRESIDENT, STEAMSHIP ASSOCIATION OF LOUISIANA**

Mr. HAYDEN. Good afternoon Mr. Chairman, Mr. Vitter. I am Channing Hayden, President of the Steamship Association of Louisiana. Our organization represents steamship agents, owners, and operators in all of Louisiana's major deep-draft ports. We appreciate the opportunity to appear before the Subcommittee and comment on seaport security, an issue of national significance and concern.

My written testimony, which I will summarize this afternoon, covers the following points:

(1) Everybody must talk the same language. For effective coordination, the Federal Government must set standards to ensure seamless communications between law enforcement agencies and between the agencies and their commercial partners. It is vital that law enforcement and commercial equipment, radios, programs, databases, et cetera, talk the same language. Supplies of information—that is, commercial operators—should only be required to submit data once to a central submission site on a standard form, and it should be usable by all agencies for both security and commercial purposes. Whenever possible, current reporting procedures should be used. A good example of this is the Coast Guard changing its 24-hour notice of arrival requirement to 96 hours. The system was in place, and everyone involved knew what to do because they had been doing it for years. With a little tweaking, the new requirement was implemented almost without a hitch.

For effective coordination, we must minimize breakdowns in communications. To do so, there must be a way to prove that the data was timely submitted. We need the equivalent, if you will, of a fax confirmation for all electronic data input. The federal, state, and local law enforcement coordination should aim for a McDonald's-like consistency in interpretation and enforcement throughout the country. The only differences allowed should be those caused by differences in the commercial or physical situation of a given port. This approach allows law enforcement's commercial partners to put company-wide procedures in place and make their internal processes efficient while supporting the security efforts.

(2) Expand the coordination loop. We respectfully suggest that coordination should be expanded to include law enforcement's commercial partners in seaport security. The following groups must definitely be included in the coordination efforts: port authorities; freight forwarders; carriers; steamship agents; terminal operators; pilots; trade associations representing these groups, such as AAPA; other commercial interests, such as trucking, railroad, barges; and other government agencies, such as FMC, MARAD.

These groups will provide some of the basic intelligence on which law enforcement will rely. They will also provide practical answers to seaport security issues and ways of minimally impacting the import and export of cargo. Keeping commercial entities in the loop minimizes the disruption that will be inevitably required if their expertise has not been considered in the initial decisionmaking process.

Because of the important role of the commercial infrastructure in security, it must be kept in place. Legislators and regulators must provide for steamship agents, freight forwarders, port authorities, carriers, and other commercial partners to offset their legitimate increased security costs. There should be no unfunded mandates placed on state, local, or commercial interests. No legislation or regulation should make commercial operators the first line of defense against terrorism. However, legislators and regulators may improve the quality of commercial operators by verifying their credentials and requiring individual licenses, bonds, or both.

(3) Rely on the people, not on paperwork. Increased security will only be achieved through sufficient federal, state, and local government, and commercial personnel, not through information gathering and reporting. In the past, Congress has given law enforcement agents more work to do with less people and resources with which to do it. We must reverse this trend. We must stop dismantling Coast Guard, Customs, and the other law enforcement agencies. The personnel strength of federal, state, and local law enforcement must be increased through increased funding. It is this view that causes members of our industry who have reviewed S. 1214 to believe that it is not adequately funded, and some would say woefully so.

Let me quickly add that the Coast Guard, Customs, and all the other law enforcement agencies are doing their very best with the people and funds that they have available. They could do much more if they were given the resources needed to do the job right. We cannot be halfhearted, uncommitted, or underfunded in seaport security as we have been with drug interdiction. As I understand the statistics, we stop about 5 percent of the illegal drugs entering the United States. We must do a much better job with terrorism.

(4) Focus on imports. Many in our industry believe that our initial focus should be on the coordination of law enforcement's efforts to prevent security threats of import cargo. The confidential specifics in this regard should come from steamship agents, freight forwarders, carriers, and other entities immediately involved with the import/export process.

One of the U.S. drug interdiction effort that has worked well is the super carrier initiative which provides incentives for vessel owners and operators to have active programs that discourage drug smuggling aboard their vessels. Many believe a similar program that discourages the use of vessels or their cargos as terrorist weapons should be put in place. A super port program, similar to the super carrier program, that encourages foreign ports to foster U.S. security interests should also be considered.

I would like to divert from my written comments, Mr. Chairman, just to comment on two things from the last panel. One, I would like to say that to the best of my knowledge the technology is not available to electronically transmit manifests from vessels at this time. Based on some of the discussion we heard, that might not be necessary.

The other comment I would like to make applies to the transponders, the VTS transponders. We believe and have always believed that all vessels in the VTS area all the way down to the smallest recreational vessels should carry a transponder. I think given the current situation that would be even more important. This would become the first cut on looking at what a suspicious small vessel might be, one that doesn't have a transponder.

With those additional remarks, Mr. Chairman, that concludes my testimony, and I will be happy to answer any questions.

[The prepared statement of Mr. Hayden follows:]

PREPARED STATEMENT OF CHANNING HAYDEN, PRESIDENT,
STEAMSHIP ASSOCIATION OF LOUISIANA

Good afternoon, Mr. Chairman.

My name is Channing Hayden. I am president of the Steamship Association of Louisiana. Our organization represents steamship agents, owners and operators in all of Louisiana's major deep-draft ports. We appreciate the opportunity to appear before the Subcommittee on the matter of seaport security, an issue of national significance and concern. As this Hearing focuses on the coordination of federal, state and local law enforcement in providing seaport security, my testimony covers the following points:

- Everyone Must Talk the Same Language
- Expand the Coordination Loop
- Rely on People, Not Paperwork
- Focus on Imports

Everyone Must Talk the Same Language

While this point is elementary, it is too important to overlook. It cannot be stressed enough that effective law enforcement coordination means that all communications equipment, radios and the frequencies on which they operate, computers, programs, databases, etc., both government and commercial, must speak the same language—that is be able to communicate with each other. Many think that in this age of electronic wizardry, we have seamless communications. Usually, that is only true if everyone uses the same equipment, which does not often happen. For effective coordination, the federal government must set standards to insure seamless communications.

This requirement applies to law enforcement's commercial partners as well. Commercial systems and law enforcement systems must be able to communicate with each other. The basic information on which seaport security depends comes from law enforcement's commercial partners. Thus, it is vital that law enforcement and commercial equipment, programs, etc., talk the same language.

Not only must basic communications be possible, it must be efficient. Suppliers of information (commercial operators) should only be required to submit data once, to a central submission site, on a standard submission form, and should be usable for both security and commercial purposes. For example, if steamship agents report vessel arrivals, everyone who needs vessel arrival information, including, for example, port authorities, should have access to the data and should be required to obtain the information from the central source. The same is true with freight forwarders providing information on shippers, receivers and cargo.

Whenever possible, current reporting procedures should be used. These are tested and refined procedures that have been in place, in some cases, for years. A good example is the Coast Guard changing its 24-hour Notice of Arrival requirement to 96 hours. The system was in place; and everyone involved knew what to do because they had been doing it for years. So, with a little tweaking, a new reporting system was implemented almost without a hitch.

For effective coordination, we must insure that breakdowns in communications are held to a minimum. To do so, we must require the electronic submission of data to be verifiable. Why? Because, inevitably, there will be disputes over electronic data submission. Agencies will fine those accused of not submitting timely information. There must be a way to prove that the data was timely submitted. We need the e-equivalent of a fax confirmation for all electronic data input.

Finally, when legislation passes or regulations issue, federal, state and local law enforcement coordination should aim for a McDonald's-like consistency in interpretation and enforcement throughout the country. The only differences allowed should be those that account for differences in the commercial or physical situation of a given port. This approach allows law enforcement's commercial partners, some of whom are regional or national organizations, to put company-wide procedures in place that make their internal processes efficient while supporting the security effort. This does not happen now. As noted above, the change to a 96-hour vessel Notice of Arrival went smoothly. However, I have received reports from members that the procedures and requirements placed on vessels based on this information varies from port to port depending on local interpretation of the national regulations.

Expand the Coordination Loop

We respectfully suggest that coordination should be expanded to include law enforcement's commercial partners in seaport security. The following groups must definitely be included in the coordination effort.

1. Port Authorities
2. Freight Forwarders
3. Carriers

4. Steamship Agents
5. Terminal Operators
6. Pilots
7. Trade Associations representing these groups, such as AAPA, etc.
8. Other commercial interests, such as trucking, railroad, barges, etc.
9. Other government agencies, such as FMC, MARAD, etc.

These groups will provide some of the basic intelligence on which law enforcement will rely. They will also provide practical answers to seaport security issues in ways that minimally impact the import and export of cargo. For example, some are suggesting the elimination of “in bond” movements of cargo from port of entry to inland points. Any freight forwarder or carrier will immediately explain how eliminating “in bond” cargo movements will quickly and completely congest our seaports. Keeping commercial entities in the coordination loop minimizes the corrections that will inevitably be required if their expertise is not considered in the initial decision-making process.

Because of the important role the commercial infrastructure will play in the security effort, it must be kept in place. In doing so, legislators and regulators must provide for steamship agents, freight forwarders, port authorities and other commercial partners to offset their legitimate, increased security costs. In that regard, at a minimum, there should be no unfunded mandates placed on state, local or commercial interests by legislation or regulation.

Further, no legislation or regulation should make commercial operators the first line of defense against terrorism. These entities do not have the expertise or training to do so. However, as vessel pilots act as eyes and ears of law enforcement on foreign vessels in U.S. ports, steamship agents, freight forwarders, terminal operators, etc., should be considered law enforcement’s eyes and ears to monitor the import/export system. Legislators and regulators may consider improving the quality of commercial operators by verifying their credentials and requiring individual licenses, bonds or both.

Rely on People, not Paperwork

Increased security will only be achieved through devoting sufficient federal, state and local government and commercial personnel to the effort, not through information gathering and reporting. In the past, Congress has given law enforcement agencies more work to do, but less people and resources with which to do it. As a result, the agencies have shifted more of their responsibilities on to their commercial partners. For example, the lack of Customs’ personnel has forced Customs to require that steamship agents keep the import documentation that Customs kept in the past. Now Customs randomly audits and fines steamship agent for not maintaining this documentation properly. This is certainly not the type of process that will provide increased seaport security.

In addition, the “do more with less” mentality has forced agencies to make their operations more efficient at the expense of commercial operations. For example, the lack of manpower and equipment has caused container inspections to be moved from the wharf to centralized locations, a more expensive system for shippers. We must reverse the trend of expecting our first line security team, our law enforcement agencies, to do more with less. We must stop disassembling our law enforcement agencies such as the Coast Guard, Customs, etc. We must take a system-wide view, making sure the entire process is efficient, not just one agency’s part of it. The personnel strength of federal, state and local law enforcement must be increased through increased funding. It is this view that causes members of our industry who have reviewed *S. 1214* to believe it is not adequately funded, and some would say woefully so.

We cannot rely on electronic data transfer and risk analysis to provide seaport security. In some cases, for example manifests, electronic data transfer capabilities do not exist. We can only achieve effective seaport security if enough people are devoted to it. Let me quickly add that the Coast Guard, Customs and other agencies are doing their very best with the people and funds they have available. They could do more, much more, if given the resources needed to do the job right. My worst fear as a U.S. citizen is that our country’s leadership will lose its security focus as time heals the grievous wounds of the September 11 attacks and return to our normal political bickering. We cannot be as half-hearted, uncommitted or underfunded in seaport security, or any homeland security issue, as we have been with drug interdiction. As I understand the statistics, we stop approximately 5 percent of the illegal drugs entering the United States. We must do a much better job against terrorism.

Focus on Imports

Preventing the export of material or technology that defeats our security efforts is important. However, many in our industry believe that the initial focus should be on the coordination of law enforcement's efforts to prevent or eliminate the security threats of import cargo. Specifics in this regard should come from steamship agents, freight forwarders, carriers and other entities intimately involved with the import/export process. Of course, this information should be gathered on a confidential basis.

While I have been less than complimentary to the U.S. drug interdiction efforts, one area of the program has worked well. The "Super Carrier" initiative provides incentives for vessel owners and operators to have active programs that discourage drug smuggling aboard their vessels. There are those in our industry who believe a similar program that discourages the use of vessels or their cargoes as terrorist weapons should be put in place. A "Super Port" program, similar to the "Super Carrier" program, for foreign ports that fosters U.S. security interests should also be considered.

Attached is an article, written by Mr. Theodore Prince, from the January *American Shipper* magazine. The article discusses seaport security issues and may be of interest to this Subcommittee. Mr. Chairman, that concludes my testimony. I will be happy to answer any questions.

Attachment

PRINTED IN THE JANUARY 2002 ISSUE OF *American Shipper* magazine
 Theodore Prince
The road ahead

Predicting future events is impossible. But in the aftermath of September 11, we must at least attempt to define the emerging priorities the transportation industry faces in our changed world.

Even before September 11, the economy was troublesome. Transportation carriers traditionally have been leading indicators of economic times. They are usually the first to feel any economic impact—good or bad. The economy shrank at a revised 1.1-percent annual rate in the third quarter—the biggest contraction in gross domestic product in 10 years. Many hope for a short and mild recession. Companies have been aggressively cutting capacity, jobs, inventory and expenses, while the government rapidly applies both monetary policy (10 interest rate cuts by the Fed) and fiscal policy (\$70 billion in tax cuts already approved for 2002 with further stimulus initiatives likely).

The international economy is fraught with uncertainty. The U.S. economy's slowdown has reverberated throughout the world. The eurozone seems to tinker on recession. Economic stimulus by the euro's central bank has not been forthcoming because inflation is not perceived to be a threat. Japan is experiencing its fourth recession in 10 years, which will probably force postponement of financial reforms promised by Prime Minister Junichiro Koizumi—and trigger further problems later. Taiwan and Singapore have followed the United States into recession and South Korea is barely hanging on to recovery. The only growth in Asia is occurring in China. Strengthened by joining the WTO, China is expected to see 7 percent growth this year. It remains to be seen whether U.S. recovery will resuscitate Asia's growth—or simply accelerate that of China's.

Oil prices have brought transportation carriers some unexpected good luck. After an initial price spike, oil has drastically decreased in price, as OPEC has been unable to enforce production cutbacks. Some economists, however, fear that this may be signaling impending deflation. Additionally, retail price cuts and 0-percent financing are harbingers of deflation. With industrial capacity at only 75 percent, the long-term impact of overcapacity could be severe. Many transportation carriers are struggling with the same problem of overcapacity.

The future of inventory management also worries our industry. Over the past 20 years, the logistics industry grew out of the changing nexus between traditional transportation providers and their customers. Just-in-time became a standard goal for almost all manufacturing industries. A manufacturer had to be willing to run a factory with no spare inventory, a practice requiring complete faith that parts would be delivered promptly.

Transportation deregulation allowed carriers and customers to customize their contracted services. Because JIT was meant to eliminate inventory, customers no longer needed their own warehouses. Third-party logistics companies took over inventory management and related tasks. Supply chain management entered the gen-

eral mainstream of business. Build-to-order was the inevitable successor and concepts such as “the Dell model” became corporate goals. Customer response was almost immediate and little working capital was needed for work in progress. Loss, damage and risk of obsolescence also decreased. The profit improvement opportunity was significant.

The events of September 11 caused many supply chains to unwind. (e.g., many automotive plants shut down due to lack of parts.) It remains to be seen whether companies will develop new inventory strategies. The reintroduction of buffer stocks represents a significant change in practice, but companies may consider it necessary in today’s uncertain world. At least for the present, the low interest rates established by the Fed should alleviate some increased carrying costs.

The impact of inventory strategies to transportation companies will come as customers plan for the coming year. Replenishment frequency will have an impact on shipment size and optimal transportation provider. Many wonder whether this will cause traffic to be rerouted between modes (i.e., air to surface, less-than-truckload to truckload, etc.) Air cargo will certainly be affected if passenger flight capacity is withheld for security reasons. And the trucking industry may also experience problems if they are unable to attract and retain sufficient drivers to accommodate the slower transits—and the increased security scrutiny.

Transportation will also be affected as companies review the sourcing of components and consider alternatives for those that come from politically sensitive areas—or have complex transit. Documentation and security will face enhanced scrutiny. International transit will be especially sensitive to regulatory compliance. Shoddy paperwork will cause delivery problems. Shipments to and from certain areas may become so difficult to handle that carriers may price themselves out of the business.

All of these factors are probably good news for information technology providers. Planning and execution tools are invaluable not only for establishing a plan but also for changing the plan quickly if necessary.

Many external factors determine the functionality of the transportation industry. Security is clearly a major concern. The current political climate in Washington is such that many legislators are clamoring for transportation security legislation—especially acts with their name. Yet, some of the legislation being drafted does not seem to reflect an understanding of how transportation truly operates. Pending legislation may actually impact availability of truck drivers, drastically curtail hazardous material movement and repeal in-bond movement of import cargo.

What about insurance specifically? Even with increased rates, some parties have found themselves unable to obtain insurance. The trucking industry has been particularly vulnerable to this problem. Some carriers have greatly increased their deductibles in order to afford premiums. But one or two accidents could bankrupt them. Shipping companies and airlines must also face war risk insurance. Infrastructure providers, such as ports and airports, must also confront this problem. European airports have repeatedly warned that they could be forced to close if governments don’t assist them with their coverage.

Our preparation for problems will largely determine our success. Two weeks before September 11, the Intermodal Association of North America discussed in a seminar the preparation for—and response to—emergency situations. Most conversation centered on local trauma (i.e., a fire) or slowly developing weather (i.e., a hurricane.) It is now clear that, like all of us, the transportation industry must be much more thoughtful about contingency plans on a larger scope and scale—and response in a shorter timeframe than we have usually thought in.

The world has changed and our industry will change with it.

Theodore Prince is senior vice president marketing and sales for Optimization Alternatives Ltd. Inc.

Senator BREAU. Thank you, Mr. Hayden, and thank all of the members of the panel for their presentation.

Gary, or anybody can comment on this, if the federal statute, which I take it now American Port Authorities support—before, in the summer, I think the ports had a position that was not in support of the legislation. I take it now they have become supportive of the concept of the federal statute.

Mr. LAGRANGE. Absolutely correct.

Senator BREAU. If the legislation were in effect today, who would be in charge of putting together a comprehensive security plan for the Port of New Orleans? If the legislation today said we

have to have a comprehensive security plan, somebody is going to go out there and put it together. Where are we going to start? Would it be the Coast Guard? Who is going to start doing it? Do we have a concept on how we put together that plan?

Mr. LAGRANGE. I will share in the answer, if you do not mind, with the Chief. But absolutely, I think the Coast Guard—it would be incumbent upon the Coast Guard hopefully to take the lead, but it would be a very coordinated type of effort that would have to happen between the local entities and the Coast Guard specifically. We would hope that they would be the point focus on that.

Senator BREAUX. I am wondering if we might not have to legislatively say who is in charge to do these plans, Or at least spell out a comprehensive plan under the coordination of the United States Coast Guard, maybe give some instruction with directions about how the plan is to be implemented, because I can see that with all the ports that we have got—how many major ports have we got in the country?

Mr. LAGRANGE. One hundred and fifty.

Senator BREAUX. One hundred and fifty ports at least—

Mr. LAGRANGE. In the United States, yes.

Senator BREAUX.—and different groups putting together different plans. I take it, if we had one coordinating agency perhaps it would move the plans in the right direction.

I am interested, Chief Hecker, in Fort Everglades. They did not have a Harbor Police. They had a sheriff's department running around the port with a couple of center-console vessels, which I did not think would be able to stop anything, except maybe a drunk and a go-fast boat. We do not have that here (laughter). Who does the Harbor Police work for?

Chief HECKER. For the Port of New Orleans.

Senator BREAUX. So the Port has the responsibility for funding the Harbor Police?

Chief HECKER. That is correct.

Senator BREAUX. And how large is the Harbor Police here?

Chief HECKER. There are 59 police officers. What is unique about the Harbor Police is that we, it is a disadvantage to depend on private security for the obvious reasons, and as you mentioned, when they bring in outside security, even police officers, they do not have a vested interest or a strong interest in securing the port. Those officers tend to rotate in and out, where here you have a designated force, 59 police officers, as I mentioned, and 11 firefighters every day patrolling the port.

Senator BREAUX. What kind of vessels do you have? Do you have some boats that are out there on the water? Is it all onshore? Tell me a little more about it.

Chief HECKER. Yes, sir. We have officers on land that patrol and a fleet of Harbor Police vehicles. We utilize scooters sometimes. We utilize bicycles sometimes around the populated areas such as the cruise terminal and the Riverwalk shopping center. Our fire boat is a 95-foot fire boat, 3,600 horsepower. Fire-fighting equipment can actually—it is an automated system where one person can actually fight a fire, a wheel house.

Senator BREAUX. The responsibility for an explosion and fire on a vessel that is within the harbor, the Port of New Orleans, the Harbor Police would be the first to respond?

Chief HECKER. Well, we would be the first to respond because we are one of the only firefighting boats available in this area, especially one of that nature. I believe Saint Bernard has a smaller fire boat, but when it comes to state-of-the-art firefighting equipment, our fire boat is far ahead of the pack and is probably—

Senator BREAUX. In fact, I think you just donated one of the old vessels to Puerto Rico, as I remember. What about patrol vessels in the water?

Chief HECKER. We have one Harbor Police patrol boat. It is a 20-foot Boston Whaler. Mainly, what that is used for is to maintain clearance in the Industrial Canal. Shrimping tends to be real popular in that area, and what happens is it is illegal, and the shrimpers will congest the passageway, and the cargo ships have a difficult time maneuvering past the shrimp boats, who tend to refuse to get out of the way, so our Harbor Police boat maintains a presence in that area and keeps that passageway clear and also enforces the illegal shrimping laws.

However, that boat has been used in the Mississippi River. Just recently we had a military vessel here that required a presence on the riverside, and we used our police patrol boat to maintain a security presence on the river as well. Those are the two boats that we have currently right now, not to say that we could not use additional boats.

Senator BREAUX. I am always concerned about our shrimpers, but generally they are not going to be a terrorist threat. The greatest fear that I have now is the same thing that happened to the U.S.S. Cole when a private vessel that is apparently under Coast Guard regulation but is not restricted is just pulling right along side a very large vessel. And you know, a lot of people like to get as close as they can to a cruise ship just to look at it. Pulling along side a cruise ship, not just looking at it, but to blow it up, is a potential threat in every port of this country that has cruise ships. I am concerned that the comprehensive plan needs to address that. I am really not satisfied with the Coast Guard's statement that there are no restriction zones that are automatically in place on a high-interest vessel that comes into this port.

Mr. LAGRANGE. We have imposed one around the cruise ships.

Chief HECKER. Yes, sir. I believe we have, I am not sure of the length or amount, but we did impose a security zone around a cruise ship when it is at the dock, so we have a security zone there.

Senator BREAUX. Is it enforced?

Chief HECKER. The Coast Guard cutter is usually visible in that area. Now, again, our police patrol boat has been maintained in the Industrial Canal, so we do not have a second boat to utilize there. We generally depend on the Coast Guard for enforcement of that body of water.

Mr. LAGRANGE. Shortly after 9/11—it does get violated occasionally. It is not a hundred-proof. There was a kayaker coming down who was leaving the country after 9/11, headed out of Dodge, and had a little red box on the front of his kayak. As it turned out, it

was his lunch and a change of clothing or something, but every now and again you will have one that will penetrate.

Senator BREAUX. I think it is obvious that in the Port of New Orleans there is different traffic here. It is a great deal commercial. There are not a lot of recreational boats like they have in the Port of Miami or the Port of Everglades where you have got literally thousands and thousands of recreational boats, some of them yachts, some of them 35's or 45's. You have all different sized vessels up and down there that are privately operated. Here you have mostly commercially operated in this stretch of the Mississippi, so it is a little bit different.

I think that government cut in the Port of Miami, the entire government cut is a restricted zone now. When one cruise ship is in the port, there are no private vessels in the entire government cut, which is the main exit out to the Atlantic Ocean for the Port of Miami. Not a single private vessel can come into that government cut if there is any single cruise ship anywhere in the dock. The concern is preventing private vessels from trying to examine a larger vessel. I am not sure that would work. I mean, you cannot restrict that portion of the river.

I think that a comprehensive plan is going to have to look at creating zones around some of these vessels that are high-interest vessels that are coming in there. I do not know. We do need some more resources.

I mean, the Coast Guard has a vessel out here. You have got one boat. And how many ships have you got coming in? Thousands. Those are inadequate resources to address this post-9/11. That is why this bill could be very helpful in terms of helping to supply additional resources.

One Boston Whaler is not going to do the job if somebody is intent on coming along side one of your ships and doing great damage to it. It is not just to your ship, but the harbor. That would stop traffic and commerce in the entire middle part of the United States of America by sinking one ship. Not to mention if it is being sunk under the Greater New Orleans Bridge and collapsing the bridge, the economic effect on this country would be devastating. The resources I think are going to have to be greatly increased in light of 9/11.

Captain GRUBBS. Mr. Chairman, even with the limitations of the Mississippi River because of the currents, it has also got its benefits. The benefits for security are that if the ship industry, the pilots, the Coast Guard, and law enforcement agencies got together and dedicated a few anchorages, not the entire anchorage, a few slots, with radar control, the VTS, cameras, the most vulnerable a ship would be would be anchored in the middle of the night by itself with no surveillance. By then we would have full VTS surveillance, and a ship along side of a dock would meet the requirement of docks so they would have camera surveillance outside of the ship.

Senator BREAUX. I agree with that. I mean I do not want to have anybody coming along and saying that Senator Breaux and Congressman Vitter advocated every fast boat in Louisiana have a transponder on it. I am not saying that, but there has got to be certain areas and certain sensitive zones. We want to know why those

boats are out there. Here most of our traffic is commercial. Obviously, we have some private boats and yachts coming up and down the river, but most of them are already in the Gulf or Lake Pontchartrain, and not traversing the Mississippi River like they do in some ports around the country. I think there has got to be a way. We want to know why they are there. If we know who they are and why they are there, that eliminates a lot of problems.

Mr. HAYDEN. Please remember, though, that while you are saying a lot of these small—that we do not have a lot of perhaps recreational boats, we do have a lot of small commercial boats. Down in Venice there are a lot of small boats, a lot of fishing boats, and a lot of offshore boats. It is these people who should be—if they have businesses in the VTS area, they need to have a transponder. They need to be identified. Because if they are not identified, we do not know who they are and what they are doing there. And let us face it, if somebody is going to show up and try to do some trouble, they are going to try to blend into whatever traffic that is there, and the traffic that is there is fishing boats, shrimping boats, and offshore boats.

Senator BREAUX. Look at the size of the vessel that pulled up along side of the U.S.S. Cole Naval vessel. It was a very small vessel, and it almost sank it. It killed a large number of sailors. The comprehensive plan ought to look at that.

I tell you, I think that we are going to certainly move on federal legislation to require transponders in a much quicker fashion on the vessels that are now scheduled to receive them already, so you can find out where those vessels are.

Let us see. I have some other material. The relation, I take it, with the Harbor Police and the Coast Guard is a good one. Can it be improved? Has there been any difficulties in the not sharing of information, or has there been any fight to see who is going to do what?

Chief HECKER. You are correct, sir. It is a very good relationship. I think the improvement could perhaps be in the equipment, such as radio communications. I do not believe—we cannot communicate with them from car to ship except for a patrol boat to our police headquarters. The radio system could probably be improved.

To go back to one other thing that you had asked Mr. LaGrange, prior to 9/11 we were prepared to follow the guidelines of the inter-agency commission on seaport security and establish that committee that you spoke of with the Coast Guard being in the lead and for us to play a support role and be part of that committee, and establish the guidelines as far as seaport security. We have taken the first steps to put that committee together.

Senator BREAUX. Is there a restricted access to the Port of New Orleans now, and if so, how?

Chief HECKER. It varies. We are an open port, as you well know. We have a flood wall that offers some security, and over the past few years we have established four entry points to the Uptown facilities. We are in the process of assessing how we are allowing vehicles to come in there. Initially, we passed out port decals, and anybody who had a port decal we would just waive them in. We are taking another look at that to see if we want to stop every vehicle coming in and do a more in-depth check. There are other areas

of the Port that we do not have any checkpoints where literally vehicles or pedestrians can walk right up to the facilities. We are assessing that as well.

Senator BREAUX. I think that should not take a lot of assessment.

Chief HECKER. Well, what the assessment is how are we going to shore it up and how are we going to secure it. Do we assign a person there for each driveway? Do we create some type of a gate-armed security booth?

Senator BREAUX. Mr. Kaiser, you are the FBI. What kind of recommendation would you just offhand have with regard to access to a public port like this, knowing that we want to make sure people can get in and out of the Port in a relatively unrestricted way, but at the same time I do not want and no one wants anyone driving into the Port who is not there for a legitimate reason? Is it your suggestion that we have checkpoints?

Going into the Port of Fort Everglades, I was met by a National Guard person with an M-16, plus the local sheriff's deputies, going through a checkpoint before we could get into the port. I take it we do not have anything like that right now in the Port of New Orleans?

Mr. KAISER. One of the things that has been discussed—

Senator BREAUX. A little louder so we can make sure to get it on the record.

Mr. KAISER. One of the things that has been discussed among various law enforcement agencies is possibly a smart card or some sort of identification card that would enable people to access where you pass the card through it and the gate goes up and opens. That would, I think help us achieve that.

Senator BREAUX. I think that with the ships—this was really interesting, David. We went on the OCEAN PRINCESS. They had a private security concern that has developed a card. And every passenger onboard that ship when they walk on gets a laminated card. They take their picture, and it is on that card. Like what you have there, Gary. When you leave the ship, you run it through the little computer, and it shows that you are now off the ship and they are waiting for you to get back on the ship so the ship can depart. I would suggest that. perhaps the idea has been discussed, that people who regularly use the port should have some type of identification which is with a photo ID.

I am not certain that we are not moving to a situation in this country where we have photo ID's. Everybody has a Social Security card. Is there any problem putting your picture on your Social Security card? I am not looking for a Big Brother type of operation, but I mean, for the purpose of identifying people, those types of things I think can be very helpful and hopefully can be considered in our overall comprehensive plan.

Captain Grubbs, on the role of a pilot on a ship, I take it has been navigation and safely bringing that ship from one point to the next point and not to try and inspect the ship or enforce any laws. Give me a little bit of something for the record. We now have sea marshals onboard. Is that helpful? Can they be doing something that your pilots are not doing? Does it matter whether you are

captaining your ship carrying hazardous material versus captaining a ship that is carrying soybeans?

Captain GRUBBS. For us it is all the same. We pilot every ship with the same amount of credibility we pilot small ships with hazardous cargo. Soybeans can blow up too. One of the biggest explosions we had was with grain dust, so—

Senator BREAUX. Whether it is potentially explosive or not, from a navigation standpoint it is the same?

Captain GRUBBS. But what has changed since 9/11 is not what you do, not how you pilot the ship, because it is the same way. It is what is around you a lot more. It is what is in your surroundings. Who is the crew behind your back?

What bothered most of our pilots was those planes that terrorists took over and cut the pilots' throats with a box cutter or however they did it. We are not going to go into this without knowing fully what is behind us. Most of our ships are international crews, most of them are multilingual and multinational. It would be easy to put a crew member on, steal someone's identity, and stick them in there. I think it would be less likely to have a conspiracy amongst the whole crew, but it is likely to have one or two members that was planted into the crew to do some damage. Like you said, we have big ships here, 200,000, 300,000. They could blow the bottom of that ship and cripple this entire area by the time you got that ship out of the way, or blow the Huey P. Long Bridge with a boxcar, bombing a boxcar. Or simply if you had someone coordinating it from around Algiers Point at this stage of the river, and instead of going hard left, he goes hard right, right into a cruise ship with volatile cargo, with a northeast or east wind you would kill a good part of New Orleans.

So these are the things that when we developed this anti-terrorist force with the Coast Guard to put more restrictions on, we just became a lot more aware, we better have a strategic plan to try, before the guy cuts your throat with a box cutter, to have that plan in action. Sea marshals would make a great deal of difference on these HIV vessels. But it is all vessels. That ship that hit the shopping center in New Orleans was a computer glitch and did an awful lot of damage. If you put someone into the crew that wants to do harm to this city, right now you could easily do it before that pilot could correct that action, turn around and change the rudder and have the captain of the ship take over. A lot of this could be done quickly by sea marshals, which I think would prevent all of that.

And some people are going to say, well, when does that ever happen? I mean pilot programs, we have an incredible safety record. It is like one incident in 1,100, and 70 percent of those are engine failures or mechanical failures. When does this happen? I mean how many times has a plane been flown into the World Trade Center? So it would only take one time on a chloride ship or one of these container ships to go hard right into a cruise ship and kill a bunch of people. We have to be sure to educate ourselves in this area, and that is what pilots want to do.

Senator BREAUX. I noticed that the bridge on the Chinese registered vessel was not secure in the sense there was pretty free ac-

cess to it. It seemed to me that perhaps some consideration can be given on HIV vessels, the high—

Captain GRUBBS. High interest vessels.

Senator BREAUX. High interest vessels, to require some type of a secured bridge for the pilots and the sea marshals to work in.

Captain GRUBBS. I think that is an excellent point.

Senator BREAUX. It would make it much more difficult if you have four or five people on that bridge to take over. A river pilot and a sea marshall, you know, all 20 people in the crew could come up there and take over and do what you just suggested. It seems to me some type of security on the bridge may be important while it is in our area of influence.

Captain GRUBBS. When it comes to the navigational aids, yes, sir.

Senator BREAUX. Somebody suggested in our Committee in Congress about the state river pilots being documented by the Coast Guard, which you are not now. Can you comment a little on that?

Captain GRUBBS. Oh, we are. Before we ever get to the level that we are at, instead of a—it is a state commission, we have to have a Coast Guard pilot license. So we have to have that before we are ever voted on.

Senator BREAUX. You have a license, but can you document it?

Captain GRUBBS. I look at that as being one and the same. The federal pilots here, by way of a good relationship, They have to have a federal license, the same as we have to pilot these ships. We go out of state, unlimited pilots, unlimited masters, and the state commission has repass the apprenticeship program.

Senator BREAUX. Anything else?

Mr. VITTER. I just have one followup on the VTS issue, and I certainly agree with people's earlier comments that we need to accelerate that effort. Captain, you and I had talked a month or two ago, and you had some specific ideas about how to accelerate that effort with some equipment sitting around being unused, and other ways, at least on the local level, to dramatically accelerate that effort. I was wondering if you could share that with us for the record.

Captain GRUBBS. Sure. The infrastructure is in place right now, or at least for VTS. You could require transponders right now, for Congress to appropriate the funds to acquire 100 transponders right now, and we would supply the logistics requirements. We would put them on the ship, take them off the ship, charge their batteries.

Senator BREAUX. You have portable transponders?

Captain GRUBBS. Portable transponders. That would push this state-of-the-market technology further faster than it is going right now. With transponders, at any one time we could have maybe 300 ships in port at one time. Of those, "X" number are HIV vessels. If we get together with the local shipping people and we dedicate our resources, the pilot resources and the Coast Guard's, to be able to put that on there, now we have got the international standard. Houston, they are behind us. There are no VTS's in most of those places.

What they are going to find out is because of what we have done here in New Orleans, they could put a VTS base, AIS together in even a small port for a fraction of what it would cost in the past.

Just transponders on one ship, whether it is the ship-based model or a portable model, a small infrastructure, even somebody's office here in New Orleans. We have got the VTS in place. Let us get those transponders, and we can put this technology in faster. Because there is a few things that we have to do with AIS, but if we can get those 100 transponders and if we can get the resources of the Coast Guard—said we. I think that is really what the department should have done. It really is “we.” The Coast Guard can be really good at that. If we can get the resources now and add a few radar sites and add those transponders, this VTS is fully operational, for safety, for anti-terrorism and for improving the pilots' situation.

Mr. VITTER. Thank you. That is all I have.

Senator BREAUX. I take it, Mr. Hayden, on behalf of the Steamship Association, that you all do support the concept, because you have talked about the transponders being on the vessels?

Mr. HAYDEN. Yes, sir, we do, but our main concern is that everyone in the VTS have the same requirements on them. I know that is difficult for you, but if we have small vessels in the area, private fishing vessels, whoever, they need to be part of the system.

Senator BREAUX. It is interesting on the requirements on airplanes, I mean, a lot of private small planes, they do not have to have a transponder, as I understand the latest regulation, unless they are calling on a major airport where they have a lot of traffic. I mean if they are landing in New Orleans and they do not happen to have a transponder, they are not going to let them come in. If they are landing maybe at a smaller airfield and are only going to fly in and out to somewhere up in the country area of the state, they do not have to have that transponder. But if they are going to come to a major airport they have got to have one, or you cannot let them land. When you come to the Port of New Orleans or come into this area, a transponder would be required because we want to know where you are.

Mr. HAYDEN. But the other thing is, Senator, that you have to have enough Coast Guard people and enough Coast Guard equipment available so that if we have somebody that does not have a transponder, you run out there and see what he is doing.

Senator BREAUX. Well, this has been very helpful. In addition to the two panels, we have a statement from John Hyatt, who is Chair of the Port Liaison/Political Action Committee of the International Freight Forwarders and Custom Brokers Association, which was made part of our record.

[The information referred to follows:]

PREPARED STATEMENT OF JOHN T. HYATT, CHAIRMAN,
PORT LIAISON/POLITICAL ACTION COMMITTEE

The International Freight Forwarders and Customs Brokers Association of New Orleans (IFFCBANO,) is a non-profit association of FMC-licensed international freight forwarders and U.S. Treasury-licensed customs brokers. In existence since 1913, it comprises 50 firms. The customer base of member firms includes thousands of importers and exporters in North America. Member firms handle import and export cargoes moving through the Customs Service Port of New Orleans encompassing the states of Louisiana, Mississippi, Alabama, Arkansas and Tennessee.

In examining the provisions of S. 1214 (Port and Maritime Security Act of 2001,) we agree with the need for more security at United States seaports. At the same time we cannot allow security concerns to negatively impact the flow of goods in

international trade, a very important part of the economy in Southeast Louisiana. We note that several House drafts of this legislation called for increased examinations by U.S. Customs from its current 2 percent-under managed "risk assessment," to 10 percent and even 100 percent.

The amount of congestion at ports as a result of such moves would spell the end of international trade as we know it. Additionally, suggestions that the "in bond" program be cancelled with all cargo clearing at the first port of discharge would wreck havoc on many businesses. A substantial amount of the cargo received and cleared at New Orleans arrives from West Coast ports in bond via daily unit trains: Union Pacific, Burlington Northern-Santa Fe or Kansas City Southern railroads. To a lesser extent cargoes originating from European points and discharging at ports east of the Mississippi arrive via the CSX and the Norfolk Southern Railways.

There certainly are less intrusive ways in which to insure security at U.S. seaports. These could include recognized exporters who will undertake to adhere to certain security requirements when loading containers for shipment to the United States.

Additionally, technology could greatly assist in tracking a shipment to insure it has not been tampered with during the transportation cycle via transponders (tags,) magnetic/electric based RFID (radio frequency identification) technologies or EAS (Electronic Article Surveillance) technologies. Mass-produced, the costs for such security enhancements would be minimal, at the same time ensuring the smooth flow of trade.

We understand suggestions have been made that as a trade off to keeping the in bond program intact that Customs would have to receive prior to discharge of cargo at any U.S. seaport a minimum of four (4) data elements relating to each shipment: consignee, description and first 6 digits of HTS#. This seems a reasonable compromise that would satisfy security at the same time fostering trade facilitation.

Finally, our Association views the adequate staffing of U.S. Customs offices in this area as crucial to the new security requirements, further economic development and attraction of more trade through the region. With plans in progress for a state-of-the-art container facility in the Napoleon Avenue area as a prelude to the future Millennium Port, any further reduction of Customs personnel in this area can only have negative impact. As facts to consider, at current staffing levels, U.S. Customs has 25 percent fewer inspectors than in 1999, consisting of 30 inspectors, 6 supervisors and 4 canines. On the trade side there are 33 percent fewer import specialists numbering 16, with 3 supervisors. Within the next 5 years a large number of inspectors are scheduled for retirement and a number of very senior import specialists are also reaching that point. Currently, with the increased security requirements, about 75 percent of all inspectors are working on weekends, a definite impact on overall morale. The Port Director, has at times, been obligated to shuffle duties from the import specialist to the inspection side. Some key points to bear in mind about the Gulf CMC:

- Although the number of entries processed in New Orleans during FY 2000 was 55,000, as a Service Port, New Orleans handles 17 other smaller ports, including the massive Federal Express hub in Memphis.
- Import Specialists process entries filed throughout these 17 ports, over 1.2 million entries last year, up 6.55 percent from FY 1999.
- New cruise ships to New Orleans beginning in February 2002 will greatly increase the number of passengers processed. This year 214,000 air and sea passengers were processed.
- Next year for sea alone, Customs will process approximately 300,000. Factoring in air passengers and seasonal charter flights and the total should approach close to 425,000.
- This new activity acts as a further drain on limited resources.
- Ten percent of inspectors are at any one time away on temporary assignment or training.

The Louisiana Coast must be considered a "border" as well as the land crossings. In our case, this border is much more "porous," requiring additional surveillance. We should be beefing up the inspection services of U.S. Customs and at the same time addressing the crucial trade element. Adequately addressing staffing would be the allocation of 15 additional personnel for the Inspection division and 15 for the Import Specialist division.

Although it will never be "business as usual," in light of recent events, we must not allow the terrorists to win by implementing procedures in the name of security

that would result in economic injury especially to the vital international trade/transportation sector here in the U.S. Gulf.

Senator BREAUX. I will just conclude the hearing and thank Congressman Vitter for his participating and for help in the House on this major legislation. I want to thank everybody who has been connected to our visit, which for me, obviously, is coming back home for the trip. I thank all of the people who have helped us in being welcomed, including all of the staff behind us, who are professionals who know what they are doing. We will be taking this information that we gained back to Washington.

I think that what we have seen here in New Orleans, particularly, this morning, was very valuable to me, to see the VTS systems and to go with the Coast Guard and pilots and the boarding arrangements as we got out there. It has been very helpful to see how it actually works. I think that it has given me a greater degree of a sense of security that we can feel about the Port of New Orleans. There is still a lot of work ahead, in all ports around the country. And hopefully, with the Federal Government coordinating, we can provide the necessary means to accomplish the goal of having as close to a 100 percent secured port as we possibly can.

With that, I will conclude the hearing of the Committee on Commerce.

[Whereupon, the hearing was adjourned.]

