

Testimony of  
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DEPARTMENT OF HOMELAND SECURITY  
UNITED STATES COAST GUARD  
STATEMENT OF  
REAR ADMIRAL LARRY L. HERETH  
ON THE  
ANTI-TERRORISM & PORT SECURITY ACT OF 2003  
BEFORE THE  
SUBCOMMITTEE ON TERRORISM, TECHNOLOGY  
& HOMELAND SECURITY  
JUDICIARY COMMITTEE  
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Good Morning Mr. Chairman and distinguished members of the Committee. It is a pleasure to appear before you today to discuss Coast Guard efforts to prevent and respond to terrorism and improve maritime transportation security for our seaports.

The United States and the world have come to recognize how vulnerable our international transportation system is to those who intend to do us harm. Valuable and vulnerable... these factors make protection of our marine transportation system a high priority in the U.S. Maritime Homeland Security Strategy.

Working in concert with the Department of Homeland Security and its agencies, we developed a strategic approach to maritime security that places a premium on identifying and intercepting threats well before they reach U.S. shores. We do this by conducting layered, multi-agency, maritime security operations; strengthening the port security posture of our strategic economic and military ports; building on current international cooperative security efforts; and making risk-based decisions. These key elements form the basis of our Maritime Homeland Security

Strategy, closely aligning with the President's National Strategy for Homeland Security.

#### MTSA Implementation

The Marine Transportation Security Act of 2002 (MTSA) established a comprehensive approach to maritime security. In October 2003, within the demanding deadlines set by the MTSA, the Coast Guard issued final maritime security regulations that address vessel and facility security, automatic identification systems, and other security requirements. The Coast Guard collaborated extensively with the maritime industry in the development of these regulations including the consideration of thousands of public comments. The regulations also incorporate standards adopted by the International Maritime Organization. The United States played a major role in developing these international standards, which help us to extend our borders out through partnerships with 108 foreign governments to improve the security of the global shipping industry. The international standards and MTSA regulations come into force on July 1, 2004.

#### Area Maritime Security Committees and Local Coordination

Each Federal Maritime Security Coordinator (FMSC) has formed an Area Maritime Security (AMS) Committee, which is comprised of other federal, state, and local agencies, as well as members of the local maritime industry in their areas of responsibility. These committees are enhancing the exchange of communication among the Coast Guard, local agencies, and maritime stakeholders. They also will be critical in the development of the Area Maritime Security Plans, which provide the details on how the local, state and Federal government will augment the security of the vessels and facilities within the port environment.

#### MTSA Costs

The cost of implementing MTSA is shared by Federal, state and local government and the maritime industry. The federal government is bearing the cost for increased security in our nation's ports through the creation and deployment of Maritime Safety and Security Teams, personnel, and contract support for vessels and facility plan reviews, increased deployment of Coast Guard assets to escort certain vessels into port, the placement of more Coast Guard law enforcement teams aboard inbound vessels at the sea buoy, and more patrols by Coast Guard vessels, small boats, and aircraft. The Coast Guard is sensitive to the impact that increased security may have on legitimate commerce and the maritime industry. The wide variety of security measures implemented to date has had no significant adverse impacts on the flow of maritime commerce.

That said, we note that industry's cost for implementing Section 102 of the MTSA is estimated to be \$1.5 billion in the first year and \$7.3 billion over the next 10 years. While we clearly understand that the cost of these security regulations to the maritime industry is not insignificant, a terrorist incident against our marine transportation system would have a devastating and long-lasting impact on global shipping, international trade, and the world economy. To quantify this risk, a major port closure for one month due to a maritime terrorist act could cost up to \$60 billion in economic loss to the United States. We have developed the security regulations to be performance-based, providing the majority of owners and operators with the ability to implement the most cost-effective operational controls, rather than more costly physical improvement alternatives. The Coast Guard will be vigilant in its Maritime Homeland Security mission and will remain sensitive to the impact of security measures on maritime commerce.

#### AIS and Long Range Vessel Tracking

The regulations, which implement MTSA, require certain commercial vessels to install an Automatic Identification System (AIS) by the end of 2004. The Coast Guard is on schedule to have AIS capabilities at each Vessel Traffic Service by then, and is diligently working towards

our long-term goal of nation-wide AIS coverage. The Coast Guard has also instituted measures to expand surveillance beyond the reaches of AIS and to increase Maritime Domain Awareness - a combination of intelligence, surveillance, and operational information to build as complete a "common operating picture" as possible of the threats and vulnerabilities in the maritime realm. The Coast Guard is evaluating a variety of options for tracking vessels on the high seas, and will continue to work diligently within the International Maritime Organization on consistent international standards to ensure all SOLAS vessels have tracking equipment on board. The Coast Guard has also established COASTWATCH, a process through which the national intelligence community analyzes the vessel notice of arrival reports to identify vessels of interest so that the Coast Guard and other agencies can institute appropriate control measures before those vessels reach port. The Coast Guard continues this practice today and has improved electronic sharing of notice of arrival reports and accompanying intelligence information with Customs and Border Protection (CBP), Transportation Security Administration (TSA), Information Analysis and Infrastructure Protections (IAIP) Directorate, Department of Defense, and other components of the Intelligence Community.

#### Deepwater

Our nation faces a growing array of threats from the sea that could harm maritime commerce, coastal population centers, and critical infrastructure within America's maritime borders. The Deepwater program is key to countering these threats by providing the capability to board vessels before they reach port, and respond to acts of terrorism or piracy well away from our shores, while also developing a far more robust and effective Maritime Domain Awareness system. The Coast Guard has begun the recapitalization of our inventory of major cutters, aircraft, and their support systems, which is a near-term national homeland security priority.

#### Containerized Cargo

Implementation of our security programs will complement and reinforce the additional maritime transportation security improvements currently being developed through ongoing Department of Homeland Security initiatives to improve the security of containers and the entire cargo supply chain.

The Container Security Initiative, the Customs-Trade Partnership Against Terrorism managed by CBP, and Operation Safe Commerce led by TSA, will work collectively in the overall interagency program to shore up the vulnerabilities plaguing the marine transportation system and the cargo supply chain.

#### Law Enforcement Authority Ashore

We have increased our uniformed presence ashore at waterfront facilities and critical infrastructure adjacent to the marine environment. However, we identified a gap in our authority ashore and have developed a proposal to close that gap. Although the Coast Guard is at all times an armed force and has broad authority to protect waterfront facilities and other shore installations under a number of statutes, we lack express authority to arrest a person who commits a Federal offense on shore and to carry a firearm ashore in the performance of official law enforcement duties. Gaining this authority is a top legislative priority for the Coast Guard, and the Administration's Coast Guard Authorization Act currently before Congress includes a provision that would grant clear authority. We would greatly appreciate the Committee's support in this matter.

#### Conclusion

The United States Coast Guard will continue to take a leadership role in coordinating the multi-agency, public and private, national and international maritime security effort as part of the

Department of Homeland Security's larger National Transportation System Security Plan. The men and women of the Coast Guard are committed to the continuing protection of our nation's ports. Thank you for the opportunity to testify before you today. I will be happy to answer any questions you may have.