

DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD
STATEMENT OF ADMIRAL JAMES LOY
ON
PORT SECURITY
BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
U. S. SENATE
FEBRUARY 19, 2002

Good afternoon Mr. Chairman and distinguished members of the Committee. As Commandant of the Coast Guard, I want to thank you for the opportunity to appear before you today to discuss the Coast Guard's maritime security strategy following the attacks of September 11th.

It has been said that the future has a way of arriving unannounced. The future arrived suddenly, violently and without warning on a clear day in September. In past years our view of national security was projected mainly abroad, rather than within our own borders. Today, we suffer under the constant threat of terrorism as a means of coercion or retaliation, as much as the world already has, a reality that will no doubt continue well into the future.

Prior to September 11th, the Coast Guard's efforts were directed toward executing and enhancing maritime safety and security, environmental protection, and homeland defense in addition to our other normal peacetime missions. However, September 11th marked a change in the comfort and confidence our Americans citizens had in their security and safety. Yet despite the obvious presence of the unseen enemy, the Coast Guard engaged in a massive response effort to protect our ports and marine transportation system (MTS). We also immediately escalated our force protection condition to protect our own people and facilities. The unique nature of the Coast Guard, as an agile emergency response-oriented organization, allowed us to immediately increase our security posture, using existing active duty, reserve, civilian, and auxiliary personnel; and existing shore units, ships, boats and aircraft. One of the biggest lessons learned from September 11th is that the nature of the threat facing all nations has changed dramatically. What we saw on September 11th was hijackers taking over commercial flights for the sole purpose of turning them into human guided weapons of mass destruction. We must translate that thought pattern and recognize the vulnerability of our maritime environment. We must change our assumptions underlying maritime security.

As a nation that depends so heavily on the oceans and sea lanes as avenues of prosperity, we know that whatever action we take against further acts of terrorism must protect our ports and waterways and the ships that use them. The MTS of the United States 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 vulnerable.

Preventing another attack requires an understanding of the maritime dimension of Homeland Security and constant vigilance across every mode of transportation: air, land, and sea. The agencies within the Department of Transportation, including the U.S. Coast Guard, Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, Federal Transit Administration, the Saint Lawrence Seaway Development Corporation, 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.

Simply stated, MTS is a complex transportation network, as is clearly evident with the activity right here in the Port of Charleston. Individually, the Port of Charleston ranks as the 4th largest container cargo port in the United States moving over 1.5 million twenty-foot equivalent units (TEU) annually. Approximately, 1.9 million tons of break-bulk cargo is handled in Charleston with an estimated annual cargo movement valued at over 33 billion dollars. The port complex continues to grow at an amazing rate. Current growth predictions indicate that container cargo will double in the next 20 years. The biggest challenge facing our MTS is how to ensure that legitimate cargo is not unnecessarily delayed as we and other nations introduce enhanced security measures against some very real and potent threats. The importance of the U.S. MTS and the priority placed upon it by the Department of Transportation cannot be overstated.

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. Our people are working long hours, other important missions are being curtailed, and 25 percent of our total Reserve population has been placed on active duty. In the Charleston area alone, 44 reserve members have been recalled to assist in myriad port security missions such as the boarding and escorting of high interest vessels. However, this posture is not sustainable...nor is it an efficient or effective use of resources. Our challenge for the future is to determine what the new normalcy represents in terms of mission requirements and associated operational activity, while also ensuring that the Coast Guard is able to provide forces to meet its military service responsibilities. While the most pressing security challenges have been met with existing authorities, we now must work to build a network of protections-one that transforms what has been a rapid response into a sustained effort that recognizes heightened homeland security as a part of normal operations. In addition, marine security depends on the users of the system, shippers and operators, and affects the trade corridors they use.

The intermodal aspect of the MTS requires the Department and its agencies with a stake in MTS to take a unified approach in addressing the expansive security requirements nation-wide. Through interagency collaboration and extensive partnering with public, private, domestic and international entities, tremendous steps have been taken to address the strategic gaps between the current and desired level of protection for our nation's ports and waterways. A key in this local outreach effort has been the continued engagement by the Captains of the Port with the private sector through such forums as the Port Readiness and Harbor Safety Committees, similar to the efforts ongoing here in Charleston. Since the attacks of September 11th, the Charleston maritime community has worked together to implement a Port Intelligence Team to assist in intelligence information sharing between local, State and Federal Law Enforcement agencies, in addition to scheduling and preparing for a massive port security exercise, Exercise Harbor Shield, in April, to evaluate the ports ability to respond to a terrorist threat. The teamwork and desire of the community to significantly enhance maritime security here in Charleston is exemplary. Equally important are partnering efforts with the international community. Recognizing that the maritime sector of the world's economy is the most valuable and the most vulnerable, at a recent International Maritime Organization meeting in December, the Coast Guard proposed the development of concrete actions that will enhance maritime security worldwide. These proposed international recommendations are key in intercepting threats before they reach our borders, thus extending the borders of our domain awareness, an awareness that was lost leading up to the attacks of September 11th.

While effective homeland security is built upon the principles of awareness, prevention, response, and consequence

management, the primary objectives are awareness and prevention, since we hope to avoid any need for future consequence management. Awareness helps focus resources and provides efficiency to prevention. Prevention places a premium on awareness, detecting, identifying, and tracking threats to our homeland security. However, once terrorists or the means of terrorism are on the move towards or within the United States, the nation must have the means to detect and intercept them before they reach our borders and our transportation system. While there are no guarantees, there is good reason to believe that we can improve our national ability to detect potential threats through effective use of information that is, to a great extent, already available. Exploiting available information to separate the good from the bad, and then stop the bad, is the heart of the Coast Guard developed Maritime Domain Awareness concept and overall Maritime Homeland Security Strategy. This strategy must facilitate legitimate maritime commerce, which is supposed to double in the next 20 years, while filtering threats by using real time intelligence.

The goals of the Coast Guard's Maritime Homeland Security Strategy will be to:

- Build Maritime Domain Awareness.
- Control movement of High-Interest Vessels
- Enhance presence and response capabilities.
- Protect critical infrastructure and enhance USCG force protection.
- Conduct Domestic and International Outreach.

In summary, the Department of Transportation mounted a significant and rapid response to this severe and unexpected threat. Notably, maritime trade, which is critical to this country's economic strength, continues to move through ports with minimal interruption. It is no surprise that sustaining mobility will come at a higher cost to all of us. But the reality is that we live in a country that prides itself on the openness of its democracy, so we remain at risk to attacks of terrorism. It is incumbent upon our government to minimize this risk. With your support, the Coast Guard shall meet this challenge and ensure that our nation's Marine Transportation System remains the very best in the world.