

**STATEMENT OF LETICIA MORAN
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BEFORE THE SENATE COMMERCE SURFACE TRANSPORTATION
AND MERCHANT MARINE SUBCOMMITTEE
NEW ORLEANS, LOUISIANA
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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 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 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 11th. After September 11th, 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 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 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.