DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD
STATEMENT OF ADMIRAL JAMES M. LOY
ON
SEAPORT SECURITY
BEFORE THE
COMMITTEE ON COMMERCE SCIENCE AND TRANSPORTATION
UNITED STATES SENATE
JULY 24, 2001

Good morning, Mr. Chairman and distinguished members of the Committee. As Commandant of the U.S. Coast Guard, I want to thank you for the opportunity to appear before you today to discuss the Coast Guard's views regarding seaport security.

As a multi-mission, maritime, military service within the Department of Transportation, the Coast Guard is a leader in ensuring America's maritime security. As a lead agency for seaport security, we provide a valuable service to the American people by making the nation safer, cleaner, more mobile, and more secure.

As you may know from the September 1999 Report to Congress on the U.S. Marine Transportation System (MTS), U.S. trade is expected to more than double by the year 2020. The Interagency Commission on Crime and Security in U.S. Seaports identifies a lack of adequate security for our critical MTS infrastructure, which can potentially affect our entire economy. We don't think often enough of our maritime ports as security threats. But, as indicated in the Interagency Report on Crime and Security in U.S. Seaports, our maritime borders are more porous and have lower security levels when compared to our airports and land borders.

Recent history shows us that, throughout the world, terrorists target transportation. All of us remember the terrorist bombing of Pan Am Flight 103, the sarin gas attack on the Tokyo subway, and the deliberate derailment of Amtrak's Sunset Limited -- each an example of an attack against a transportation target. Ridership on cruise ships has increased exponentially over the past ten years. Ten years ago, a cruise ship of 70,000 gross tons was the largest in the world. Today, we have an entire class of cruise ships that exceed 140,000 gross tons. These new mega-ships carry upwards of 5000 passengers and crewmembers. A successful terrorist attack on any one of these ships could result in a catastrophic number of casualties, and threaten the economic viability of the entire industry. Just last week, Coast Guard units in Miami, along with the FBI, responded to a bomb threat against a cruise ship capable of carrying approximately 3,000 passengers and 1,000 crewmembers. The ship implemented their security plan – a plan required by the Passenger Vessel Safety Act - to prevent the threat from being realized. We successfully ensured the safety of the passengers, crew, vessel, and port as a whole. Who can say what would have happened had we not responded as we did, or if the cruise line personnel had not followed their well-prepared plan?

The same security activities used to prevent a terrorist attack also aid in preventing criminal acts such as smuggling of illicit drugs, contraband and stowaways; trade fraud and commercial smuggling;

environmental crimes; cargo theft; and the unlawful exportation of controlled commodities, munitions, stolen property, and drug proceeds. This same security provides for secure ports in support of military deployments and national defense.

In addition to the traditional physical security threats, the information age brings with it new vulnerabilities. We need to protect our critical information systems as well as our physical infrastructure. As we modernize our transportation infrastructure by integrating technology with automation, we also make their associated information systems more interdependent and interconnected. These systems become declared targets for attacks by hackers and cyber-terrorists. Someone intent on disruption, or destruction, of the flow of sensitive operational information contained in our transportation management systems will cause crippling damage. Consequently, we face a significant challenge to ensure our information systems are protected from those who would cause harm, ***and*** yet remain accessible to our customers -- the traveling public, commercial transportation operators and government agencies alike.

The MTS is especially vulnerable to crime and terrorism because of the scale, complexity, and pace of activity in our ports. The task of protecting our transportation system is complex and requires close coordination between our regulatory, intelligence, and law enforcement organizations. Effective deterrence, prevention and response activities affecting U.S. transportation assets and programs must be coordinated between federal law enforcement authorities, the Coast Guard, state and local officials, and the transportation community. The willingness of intelligence and law enforcement agencies to share threat information with the Coast Guard greatly enhances our ability to work with the transportation industry to increase security awareness and, if necessary, implement security countermeasures.

The reports from the Interagency Committee on the Marine Transportation System (ICMTS), the Marine Transportation System National Advisory Committee (MTSNAC), the 1999 Report to Congress on the U.S. Marine Transportation System (MTS), and the Interagency Commission on Crime and Security in U.S. Seaports contain recommendations for improving security that will require additional resources for implementation. Both the ICMTS, chaired by the Coast Guard, and MARAD's MTSNAC are discussing many of these security issues and beginning to coordinate efforts ranging from national defense and terrorism to theft and our economic security. Examples include implementing infrastructure improvements to allow for interagency systems integration, and pursuing the "model port concept" through which best practices by marine terminal operators are shared, and voluntary minimum-security guidelines are developed. These groups are working to balance security imperatives and the increasing need for a fast and efficient U.S. transportation system, a key contributor to the country's overall economic prosperity. To the extent there are resource implications, they must be weighed against other priorities in the context of the overall budget.

In summary, the Coast Guard is encouraged that seaport security concerns are receiving national attention. It is not my intent to instill fear or alarm in anyone today. But the sobering reality is, because we live in a country that prides itself on the openness of its democracy, we are always at risk of a terrorist attack. Therefore, it is very important that we address the issues of security and crime in seaports now. If we do, we can assure our national security and our ability to keep our nation's transportation system the very best in the world.