STATEMENT OF

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HEARING ON

RAILROAD SECURITY

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On behalf of the members of the Association of American Railroads (AAR), thank you for the opportunity to meet with you today to discuss railroad security. AAR members account for the vast majority of rail mileage, employees, and revenue in Canada, Mexico, and the United States.

Our nation's freight railroad industry, which has developed a comprehensive approach to protecting our rail network against terrorist threats, is keenly aware of the tension between the need for transportation efficiency and the assurance that our transportation systems are adequately protected from terrorist and other threats. We urge Congress to strike a proper balance between protecting our country's transportation assets and its citizens, and providing for the free flow of goods and promoting our international competitiveness. As Secretary Mineta has remarked, "What we don't want is for our checkpoints to become chokepoints."

Below I will discuss the many ways that U.S. freight railroads have addressed security in the post 9-11 era and how security efforts can be improved. I will also discuss pending proposals regarding railroad security from the perspective of freight railroads.

The Immediate Aftermath of September 11

The rail industry reacted swiftly to the events of September 11, 2001. In the immediate aftermath of the attacks, railroads tightened security and intensified inspections across their systems. Major railroads — which maintain their own police forces to help ensure the security of employees, property, and freight — put into place more than 50 permanent security-related countermeasures.

In late September 2001, the AAR Board of Directors established a Railroad Security Task Force. The task force had the full participation of AAR members,

including our Canadian and Mexican members and the American Short Line and Regional Railroad Association. The overarching goals of this task force were 1) to ensure the safety of rail employees and the communities in which railroads operate; 2) to protect the viability of national and regional economic activity; and 3) to make certain that railroads can continue to play their vital role in support of our nation's military.

Over the next several months, the task force conducted a comprehensive risk analysis of the freight railroad industry. Using CIA and national intelligence community "best practices," five critical action teams (consisting of more than 150 experienced railroad, customer, and intelligence personnel) examined and prioritized railroad assets, vulnerabilities, and threats. The critical action teams were:

1. Information Technology and Communications: This team examined the security of railroad communications, control systems, and information systems, including an evaluation of procedures regarding system redundancy, data confidentiality, emergency incident handling, and reconstitution of service.

2. Physical Infrastructure: This team assessed the physical security of essential bridges, buildings, dispatch centers, tunnels, storage facilities, and other structures, and created a database of critical assets. The team also addressed cross-border and port "gateway" physical security issues.

3. *Operational Security*: This team documented the "life cycle of a train" and determined ways to minimize exposure to unplanned occurrences while trains are in operation. It also addressed fuel supply.

4. Hazardous Materials: This team examined the transport of hazardous materials by rail, with emphasis on materials that pose the greatest potential safety risk, such as poisonous gases.

5. Military Liaison: This team worked with the Department of Defense and its Military Traffic Management Command (MTMC) to determine immediate and ongoing military traffic needs. The MTMC, which has since been renamed the "Surface Deployment and Distribution Command," has designated 30,000 miles of rail corridors — known as the Strategic Rail Corridor Network (STRACNET) — as essential to national defense.

In addition to the above activities, freight railroads cooperated fully with a separate team that covered passenger railroad security and involved the Federal Railroad Administration (FRA), commuter railroads, and Amtrak.

The Terrorism Risk Analysis and Security Management Plan

The end result of the work of the critical action teams was the development of a Terrorism Risk Analysis and Security Management Plan ("Plan"), a comprehensive, priority-based blueprint of actions designed to enhance the security of our nation's freight rail network and its ability to support our economy, national defense, and public health.

The AAR Board of Directors adopted the Plan on December 6, 2001, and it remains in effect today. The security processes and analyses detailed in the Plan, including actions and countermeasures, are periodically evaluated for effectiveness — and modified as appropriate — to ensure maximum efficiencies from advances in security technology and procedures.

The Plan defines four security alert levels and details the actions to be taken at each level as the terrorist threat increases.

Alert Level 1 is "New Normal Day-to-Day Operations" and exists when a general threat of possible terrorist activity exists but warrants only a routine security posture. Actions in effect at this level include conducting security training and awareness activities; restricting certain information to a need-to-know basis; restricting the ability of unauthenticated persons to trace certain sensitive materials; and periodically testing that security systems are operating as intended.

Alert Level 2 is "Heightened Security Awareness." It applies when there is a general non-specific threat of possible terrorist activity involving railroad personnel and facilities. Additional actions in effect at this level include security and awareness briefings as part of daily job briefings; conducting content inspections of cars and containers for cause; conducting spot content inspections of motor vehicles on railroad property; and increasing security at designated facilities.

Alert Level 3 means there is "a credible threat of an attack on the United States or railroad industry." A decision to declare Level 3 will be evaluated in light of the specificity of threat against railroad personnel and facilities. Examples of Level 3 actions include further restricting physical access and increasing security vigilance at control centers, communications hubs, and other designated facilities, and requesting National Guard security for critical assets.

Alert Level 4 applies when a confirmed threat against the rail industry exists, an attack against a railroad has occurred, an attack in the United States causing mass casualties has occurred, or other imminent actions create grave concerns about the safety

of rail operations. Security actions taken at this level include stopping non-mission-essential contract services with access to critical facilities and systems; increasing vigilance and scrutiny of railcars and equipment during mechanical inspections to look for unusual items; and continuous guard presence at designated facilities and structures.

Alert Levels 3 and 4 can be declared industry-wide for a short period of time or can be declared in a particular geographic or operational area (e.g., the Midwest or hazardous materials) where or when intelligence has identified that terrorist action against a specific location or operation is imminent.

The Railway Alert Network and ST-ISAC

To help ensure that the parties involved have access to pertinent intelligence and other information, the rail industry is in constant communication with intelligence and security personnel at the Transportation Security Administration (TSA) and elsewhere in the Department of Homeland Security (DHS), the Department of Defense, the Department of Transportation (DOT), the FBI's National Joint Terrorism Task Force (NJTTF), state and local law enforcement, and others. A railroad police officer and knowledgeable railroad analysts work literally side-by-side with government intelligence analysts at NJTTF and within DHS to help evaluate intelligence at the Top Secret level.

The heart of this communication system is the Railway Alert Network (RAN). The major purpose of the RAN is to monitor the level of threat to the rail industry and to alert the industry if it changes. The hub of the RAN is AAR's Operations Center, which operates at the Secret level and is staffed with mobile communications around the clock at Alert Level 2 and is physically staffed at Alert Levels 3 and 4.

The RAN is linked to the Surface Transportation Information Sharing and Analysis Center (ST-ISAC). The ST-ISAC, which was created by the AAR at the request of the U.S. DOT, provides a robust capability for collecting, analyzing, and distributing security information from worldwide resources to protect vital physical assets and information technology systems. AAR-member freight railroads and Amtrak are members of the ST-ISAC. Cleared at the Top Secret level, the ST-ISAC also operates 24-hours-a-day, 7-days-a-week.

In addition, approximately 75 transit and commuter rail authorities (through APTA, the American Public Transit Association) have been members of the ST-ISAC. However, federal funding for ST-ISAC membership for public transit agencies was discontinued by DHS. APTA recently asked TSA to consider restoring those funds. AAR supports APTA's request and, at the same time, asks that TSA also consider providing funds necessary to expand the reach of the ST-ISAC to all freight and commuter railroads that are not members of AAR.

As all of these efforts make clear, the rail industry strongly concurs with the July 2004 *Final Report of the National Commission on Terrorist Attacks Upon the United States* which called for "a different way of organizing government" that emphasizes a unity of effort as reflected in the phrase "one fight, one team." The Commission called for "unifying the many participants in the counterterrorism effort and their knowledge in a network-based information sharing system that transcends traditional government boundaries." Toward this end, we are working cooperatively with TSA leadership on operational and policy issues that will further enhance rail security.

Obviously, rail security efforts depend a great deal on the efforts of railroads' dedicated and highly professional employees — including engineers and conductors aboard trains, maintenance of way crews and inspectors working along the tracks, railroad police officers, and others. They are the "eyes and ears" in the industry's security effort, and we should all be grateful for their vigilance and care.

In recognition of the thoroughness of the railroad security plan and the dedication with which it has been put into effect, in June 2003 the Association of American Railroads was named a recipient of the U.S. Department of Defense's James S. Cogswell Award for Industrial Security. The Cogswell Award is the most prestigious award in the industrial security field. Of nearly 11,000 cleared contractors, only 15 were selected to receive the award in 2003. The railroad industry is also one of the few private sector industries to receive an "A" for its security efforts in an independent analysis by *The Washington Post.*

Notwithstanding all of these rail industry efforts, there can be no 100 percent guarantee against terrorist assaults. If such an assault involving freight railroads occurs, railroads have established programs and procedures that can and will be invoked that are designed to respond to, mitigate, and minimize the impact of such incidents. The programs and procedures include the establishment of emergency response plans for hazardous materials incidents, business continuity plans, and the training of rail employees and public emergency response personnel.

As previously mentioned, the freight rail industry works cooperatively with the federal government in efforts to enhance security. However, there are some areas where better coordination is needed. These improvements should focus on unifying government

policy regarding freight rail security and more effectively coordinating the many governmental projects that affect rail security. In addition, the current system of dissemination of counter-terrorism information could be improved. The railroads' security plan is risk-based — the industry cannot protect everything all the time. Therefore, the government must provide timely and actionable threat information to enable efficient and effective deployment of limited resources.

Hazardous Materials Movements by Rail

Approximately 1.7 million carloads of hazardous materials (hazmat) are transported by rail throughout the United States each year — meaning that thousands of hazmat carloads are in transit by rail every day — and 99.998 percent of these shipments reach their destination without a release caused by an accident. Moreover, railroads have reduced overall hazmat accident rates by 90 percent since 1980 and by 49 percent since 1990.

In 2003 (the most recent year available), hazardous materials of all types accounted for 4.9 percent of total U.S. freight rail carloads, 5.4 percent of tonnage, and 6.3 percent of ton-miles. Tank cars transport approximately 68 percent of rail hazmat, 28 percent travel on intermodal flat cars, and the remainder moves in covered hoppers, gondolas, and other car types. The most potentially hazardous materials, termed toxic inhalation hazards (TIH), are a subset of these and nearly all are transported in tank cars.

No one disputes that efforts should be made to increase hazmat safety and security where practical. Railroads understand this better than anyone: because of their common carrier obligation, railroads are required by law to transport these shipments, even though this transportation involves extraordinary risks for the industry. This is one

reason why railroads support the extension of the Terrorism Risk Insurance Act (TRIA) before it expires at the end of 2005. Even with TRIA, insurance has become more expensive and difficult for railroads to obtain, and it is not possible to fully insure against a truly catastrophic incident. Even though TIH accounts for a fraction of rail carloads, it contributes approximately 50 percent to the overall cost of railroad insurance rates. Insurance rates for AAR members have doubled this year alone. For these reasons, the transport of certain hazardous materials has the potential to be a "bet the business" activity for railroads. This leads to our recommendation that Congress should consider limiting railroads' liability for carrying out this public service, perhaps modeled after the Price-Anderson Act.

Freight railroads are constantly working to ensure the continued safety of hazmat transport.

- The industry operates under its comprehensive Terrorism Risk Analysis and Security Management Plan, as described earlier.
- Railroads assist communities in developing and evaluating emergency response plans; through their own efforts and the Transportation Community Awareness and Emergency Response Program (TRANSCAER) provide training for more than 20,000 emergency responders per year; and support Operation Respond, a nonprofit institute that develops technological tools and training for emergency response professionals.
- Trains containing specific amounts of the most hazardous materials are subject to special speed limits, passing restrictions, and inspections. Railroads increase track inspections, training, and installations of wheel defect detectors on routes over which these trains operate.

- Railroads work closely with chemical manufacturers in the Chemical Transportation Emergency Center (Chemtrec), a 24/7 resource that coordinates and communicates a broad range of critical information that may be needed by emergency responders in mitigating a hazardous material related incident.

- Upon request, railroads provide local emergency response agencies with, at a minimum, a list of the top 25 hazardous materials transported through their communities. The list assists local emergency responders in prioritizing their emergency response plans to what is most likely to be transported through their areas.

- Railroads participate in a variety of R&D efforts to enhance tank car and hazmat safety. For example, railroads, tank car builders, and car owners jointly fund the Tank Car Safety Research and Test Project (Project), which carefully analyzes accidents involving tank cars and continually updates a comprehensive database on the precise nature of damage to tank cars. Analysis of these data improves safety by improving researchers' ability to identify the causes of tank car releases and help prevent future occurrences. The database is often cited by the DOT as a role model for other modes of transportation.

  In addition to data gathering and analysis, the Project is engaged in numerous ongoing research efforts, including developing better steels for tank cars; measuring the railroad operating environment to refine tank car design requirements; investigating the forces generated in accidents to better understand ways to further improve tank car damage resistance; determining the effects of thermal protection degradation of rail tank cars in service; and providing validation and input data for a model used to evaluate the effects of fire on tank cars.

- Beyond the Project, the rail industry and rail suppliers are constantly investigating other ways to enhance tank car safety. For example, the AAR's Tank Car Committee (a group of technical representatives from

railroads, shippers, and tank car builders/lessors that works closely with the FRA to, among other things, establish detailed tank car design standards and review individual tank car design drawings) recently supported a proposed new design for a chlorine tank car that would reduce the risk of a rupture while also reducing the number of shipments. Railroads are also working to determine what standards should apply to the next generation of tank cars that handle TIH.

- Freight railroads support the tank car vulnerability studies contained in the recently-passed SAFETEA-LU legislation and the requirement that the FRA initiate a rulemaking on tank car design, and we urge the FRA to meet the deadlines for these important projects.
- Railroads are working with TSA and independently to identify opportunities to reduce exposure to terrorism in high threat rail corridors and terminals.
- Railroads comply with DOT rule HM-232.

Despite rail efforts to ensure the safety of hazmat transport, a number of local and federal proposals have been offered that would restrict rail movements of hazardous materials in one way or another. One such proposal would give state or local authorities the ability to ban the movement of hazmat through their jurisdictions. Another proposal would order railroads to provide local authorities advance notification of hazmat movements through their jurisdictions. Still another proposal mandates that hazmat routing decisions must be made by the federal government, rather than by railroads themselves.

The stated rationale for these types of proposals is often "protection" against terrorist attack (especially in perceived "high threat" areas) or a desire to be able to react more quickly to hazmat-related incidents, should they occur. The proposals may be well

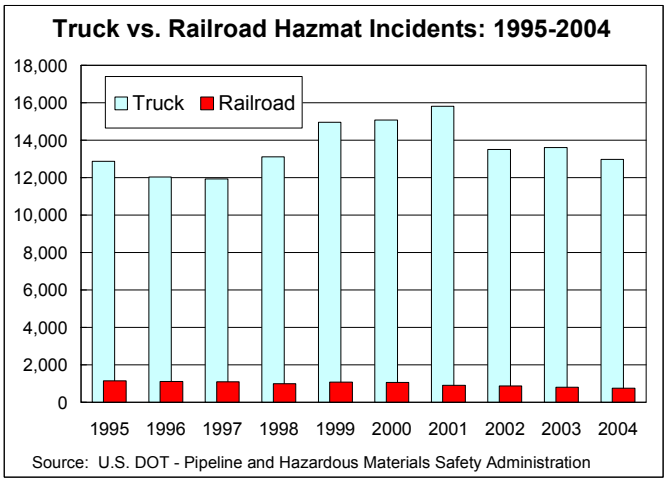
intended, but the end result of their enactment would likely be an *increase* in exposure to hazmat release and *reduced* safety and security.

Banning Hazmat Movements by Rail

Banning hazmat movements in particular jurisdictions would not eliminate risks, but instead would simply shift them from one place to another. In shifting that risk, it could foreclose transportation routes that are optimal in terms of overall safety, security, and efficiency. For example, the rail network is not similar to the highway network where there are myriad alternate routes. In the rail industry, rerouting could add hundreds of miles and several days to a hazmat shipment, and those additional miles and days could be on rail infrastructure that is less suitable (for a variety of reasons) to handling hazmat. (In fact, CSX has determined that rerouting hazmat traffic away from Washington, DC, as proposed by the DC City Council, would result in some 2 million additional car-miles per year the hazmat would have to travel.) Emergency responders along alternate routes may lack requisite expertise in handling the most dangerous commodities. Additional switching and handling of cars carrying hazmat could be needed, as could additional dwell time in yards. As the Department of Justice and the DHS noted in a joint brief opposing the DC hazmat ban, the increase in the total miles over which hazmat travel and the increase in total time the materials are in transit would "increase their exposure to possible terrorist action," and therefore potentially *reduce* safety and security. The U.S. DOT also submitted a statement recognizing that banning hazmat shipments through certain areas reduces both safety and security. Moreover, the costs to manufacturers and consumers of products that incorporate hazardous materials in

their production would rise commensurate with the additional costs to transport these commodities.

If hazmat transport were restricted in one jurisdiction (either by federal or local action), other jurisdictions would undoubtedly want to follow suit. In fact, that is already happening. In the wake of action (so far unsuccessful) by the DC City Council to ban hazmat movements through Washington, similar efforts are being discussed in Atlanta, Baltimore, Boston, Cleveland, Chicago, Philadelphia, Pittsburgh, and probably other cities too, as well as the entire state of California. Banning hazmat shipments in even one city would be problematic; banning them in cities throughout the country would cause immense confusion and economic disruption nationwide — and would virtually shut down hazmat shipments by rail in this country.



Moreover, banning hazmat movements by rail would likely lead to many more movements by truck, but there is a much greater chance of release due to an accident when hazmat is carried by truck than when it is carried by rail. Railroads and trucks generate roughly equal hazmat ton-mileage, but trucks have 16 times more hazmat releases than railroads.

An integrated, effective national rail network requires uniform standards that apply nationwide. This uniformity, and the clarity and efficiency it brings, would be lost if different localities and routes were subject to widely different rules and standards or if

local and/or state governments could dictate what types of freight could pass through their jurisdictions. The problem is especially acute for railroads, whose network characteristics and limited routing options mean that disruptions in one area can have profound impacts hundreds or even thousands of miles away. These disruptions negatively affect all rail traffic, not just hazmat traffic.

Banning certain hazmat movements by rail over specified routes would put the government in the position of assigning the risk of hazmat-related incidents, and then shifting hazmat transport from locations with higher assigned risk to locations with lower assigned risks. An alternative approach, which railroads support, is to increase efforts aimed at finding and utilizing safer substitutes for TIH hazardous shipments.

Hazmat Prenotification

Hazmat pre-notification to local authorities is problematic for several reasons and may not accomplish the goals of those seeking it.

First, the rail industry already notifies communities, upon request, of the top 25 hazardous commodities likely to be transported through their area.

Second, at any one time, thousands of carloads of hazardous materials are moving by rail throughout the country, constantly leaving one jurisdiction and entering another. The vast majority of these carloads do not — and due to the nature of rail operations, cannot be made to — follow a rigid, predetermined schedule. The sheer quantity and transitory nature of these movements would make a workable pre-notification system extremely difficult and costly to implement, for railroads and local officials alike. That's why the fire chief of Rialto, California, commented, "You'd have to have an army of people to stay current on what's coming through. I think it wouldn't be almost

overwhelming. It would be overwhelming." The greater the number of persons to be notified, the greater the difficulty and cost would be.

Third, by definition, pre-notification would vastly increase the accessibility of hazmat location information. Making this information far more accessible than it currently is could actually increase vulnerability to terrorist attack, not decrease it, because it would magnify the possibility that the information could fall into the wrong hands.

Fourth, railroads provide comprehensive training for hazmat emergency responders in many of the communities they serve, and they already have well-established, effective procedures in place to assist local authorities in the event of hazmat incidents. In fact, through the Transportation Community Awareness and Emergency Response Program, railroads help train more than 20,000 local emergency responders per year.

Finally, since railroads already make communities aware of what types of hazardous materials are likely to be transported through their area and since they already provide 24/7 assistance for emergency responders (many of whom railroads have trained), it is not at all clear that information obtained by local authorities through a pre-notification system would actually improve their ability to respond to hazmat incidents in any meaningful way.

Railroad Security Legislation

A number of proposals have been offered in the Senate and House of Representatives regarding railroad security. Freight railroads are always ready and willing to discuss how security can be enhanced more effectively. To that end, we support the following provisions of rail security legislation:

- A comprehensive security plan should be developed that includes the identification of the most important rail assets and the identification of the biggest threats to those assets. In developing this plan, the government should use the AAR's Security Plan as the basis. Certain provisions of S. 1052, the "Transportation Security Improvement Act of 2005" and S. 1379, the "Rail Security Act of 2005," are consistent with this approach.
- Adequate funding to implement antiterrorism programs for passenger and freight railroads should be appropriated, including funding to safeguard tunnels used by Amtrak and commuter railroads in the Northeast. S. 1052 and S. 1379 each authorize more than $1 billion for grants for these purposes. Freight railroads should be able to apply for the grants directly rather than have to go through the states.
- Funds should also be granted to research and deploy rail security technologies, including automated security inspections, infrastructure integrity monitoring systems, emergency bridge repair and replacement, communication-based train control systems, and tank car vulnerability reductions. S. 1052 and S. 1379 authorize funds for these purposes.
- Railroad police officers should be authorized to exercise law enforcement powers on any railroad. This provision is in S. 1052 and S. 1379.

Railroads respectfully suggest that additional provisions would enhance rail security legislation:

- To date, railroads have been underwriting the cost of security measures for the benefit of the general public and for national defense. However, protective measures required at the highest alert levels cannot be sustained by the rail industry alone. This is reflected in the railroads' Terrorism Risk Analysis and Security Management Plan, which, at the highest alert levels, calls for the use of National Guard and local law enforcement support to augment industry protection of critical infrastructure. States

should be reimbursed by the federal government for expenses associated with helping to guard critical rail assets at high levels of alert.

- The TSA and the FRA should clarify which agency has ultimate responsibility for which aspects of rail safety and security. Today, the allocation of responsibility is not always clear.
- A federal grant program should be established to reimburse railroads for expenses mandated by the TSA or by other government entities, including mandates that result from high-risk corridor assessments.
- As noted previously, Congress should extend TRIA before it expires at the end of 2005. The need for a federal backstop that provides stability and certainty remains.
- Congress should endorse the rail and chemical industries' request for a narrowly-tailored relaxation of antitrust prohibitions that would allow chemical companies and railroads to work together to reduce the public's exposure to TIH shipments.

Finally, railroads believe that certain provisions of rail security legislation, including the following, are not necessary or appropriate.

- Banning hazmat transport by rail through certain jurisdictions or requiring prenotification (as called for, for example, by S. 1256, the "Hazardous Materials Vulnerability Reduction Act of 2005") should be opposed. Earlier in this testimony I explained why railroads oppose this legislation.

  On a somewhat related note, S. 1052 calls for DHS to approve railroads' "high hazard security threat mitigation" plans, "including alternative routing and temporary shipment suspension options." Routing of hazmat by railroad dispatchers is based on dynamic factors such as the condition of track, weather, and traffic congestion so as to ensure the selection of the safest possible route at any given moment. As the rail industry's response to Hurricane Katrina and Hurricane Rita makes clear, the industry is

capable of quickly detouring traffic as conditions warrant. The federal government is ill-suited to perform this task, so the requirement for DHS approval of these plans should be dropped.

- Mandating that freight railroads submit employee security plans to DHS or DOT for approval, as called for in S. 1052 and S. 1379, is unnecessary.

  Since the terrorist attacks on September 11, 2001, freight railroads have provided ongoing general security awareness training to all employees, and some railroads have gone so far as to include security training as part of the annual FRA-mandated employee certification process. In an effort to further increase the level of security awareness for their employees, AAR member railroads are working with the National Transit Institute (NTI) at Rutgers University to develop a uniform security awareness curriculum that will significantly enhance the level of employee security training. The curriculum is modeled after the program NTI and the Federal Transit Administration developed for public transit agency employees.

  The goal of the training is to provide rail employees with an understanding of their role and responsibility in system security, and how to implement their companies' procedures upon detection of suspicious objects or activities. Course modules include instructions on reacting to threats, identifying suspicious activity, identifying suspicious objects, and responding to incidents.

- Mandates regarding the use of wireless terrestrial or satellite communication technology to track and locate rail cars carrying hazmat or to identify actual or imminent hazardous material release are premature. While railroads agree that there is benefit to the ability to detect hazmat breaches from rail cars and to communicate breach events to train crews and dispatchers, this technology must be carefully developed to ensure full functionality, appropriate design, reliability, and security. AAR is working with DHS and FRA to that end.

Passenger Railroads

As members of this committee are aware, more than 90 percent of the route mileage over which Amtrak operates, as well as a significant portion of the trackage over which many commuter railroads operate, is actually owned and maintained by freight railroads. Therefore, actions taken by freight railroads to enhance security also benefit passenger rail. Freight railroad police coordinate with and support Amtrak police to, among other things, increase uniformed police presence in rail passenger stations. Amtrak, commuter rail and transit authorities, and the freight railroads receive and share threat and incident information through the RAN and the ST-ISAC.

That said, freight railroad security-related plans and procedures are not specifically designed to protect passengers or to be a substitute for actions that Amtrak or other passenger railroad operators might choose or be requested to take.

Port and Border Security

The issue of port and border security extends far beyond the issue of rail security, although railroads, by virtue of the facts that they carry millions of containers unloaded from or loaded on to steamships each year and move hundreds of thousands of railcars and intermodal units across the Canadian or Mexican borders each year, are certainly impacted.

Ports have spent hundreds of millions of dollars enhancing their security, much of it funded by federal grants. Railroads work closely with the Captains of Ports to ensure compliance with Coast Guard regulations regarding port facility security.

U.S. freight railroads also work diligently with the U.S. Bureau of Customs and Border Protection (CBP) and others to enhance border security. For example, a couple of

years ago the U.S. and Canadian customs agencies and Canada's two major railways signed a declaration of principles to enhance security at the Canada-U.S. border and to ensure secure rail access to the United States. The declaration — signed by the CBP, the Canada Customs and Revenue Agency (CCRA), Canadian National Railway (CN), and Canadian Pacific Railway (CP) — outlines principles for targeting, screening, and examining rail shipments transported by the Canadian carriers into the United States. The declaration includes guidelines for the electronic transmission of cargo information by the railroads to customs officials in advance of each train's arrival at the border and installation of Vehicle and Cargo Inspection System (VACIS) and radiation detection equipment at CN and CP border crossings.

Rail VACIS systems, which are also in use at rail border crossings with Mexico, use gamma ray technology to scan entire trains one railcar at a time. The gamma ray source and detectors are stationary as the train moves through the system. Inspectors examine scanned images of rail cars for contraband, potential terrorists, or terrorist weapons without opening them and potentially endangering lives. Suspicious rail cars are segregated for inspection, with minimal disruption to the flow of legitimate commerce. Today, where CBP has installed this equipment on the borders with both Canada and Mexico, 100 percent of rail cars are screened.

U.S. freight railroads are also active participants in the Customs-Trade Partnership Against Terrorism (C-TPAT), a joint government-business initiative within the CBP to build cooperative relationships that strengthen overall supply chain and border security. Through this initiative, CBP is asking businesses — including railroads — to ensure the integrity of their security practices and communicate their security

guidelines to their business partners within the supply chain. I am happy to report that all U.S. Class I railroads are currently C-TPAT certified. The certification process involves a comprehensive review of a railroad's procedural security, physical security, personnel security, education and training, access controls, manifest procedures, and conveyance security.

Railroads have also been active participants in the significant expansion of Integrated Border Enforcement Teams (IBET) across the U.S./Canada border. The mandate of these teams is to enhance border integrity and security by "identifying, investigating and interdicting persons and organizations that pose a threat to national security or engage in other organized crime activity."

Finally, on January 5th, 2004, CBP regulations requiring all transportation modes to submit cargo information electronically before arriving at the U.S. border came into effect. The rail industry was an active participant in developing these regulations, and railroads are complying with this requirement.

Conclusion

U.S. freight railroads are proud of the success they achieved in keeping our nation's vital rail transport link open following the September 11, 2001 terrorist attacks. Since then, railroads have taken many steps to increase the security of our nation's rail network, including the development of a comprehensive security management plan that incorporates four progressively severe alert levels. We will continue to work with this committee, others in Congress, federal agencies, and all other relevant parties to further enhance the safety and security of our nation's railroads and the communities they serve.