

Highlights of [GAO-04-838](#), a report to congressional requesters

Why GAO Did This Study

The Maritime Transportation Security Act of 2002, as implemented by the Coast Guard, calls for owners and operators of about 3,150 port facilities (such as shipping terminals or factories with hazardous materials) and about 9,200 vessels (such as cargo ships, ferries, and tugs and barges) to develop and implement security plans by July 1, 2004. The Coast Guard intends to conduct on-site compliance inspections of all facilities by January 1, 2005, and all vessels by July 1, 2005, to ensure plans are adequately implemented. The Coast Guard estimated the act's security improvements would cost \$7.3 billion over 10 years—most of it borne by facility and vessel owners and operators. GAO was asked to assess (1) the progress towards developing, reviewing, and approving plans by July 1, 2004, (2) the Coast Guard's monitoring and oversight strategy for ensuring that plans are implemented, and (3) the accuracy of the Coast Guard's cost estimate.

What GAO Recommends

GAO recommends that the Coast Guard evaluate its initial compliance efforts and use them to strengthen the compliance process for its long-term strategy. As part of this strategy, the Coast Guard should clearly define inspector qualifications and consider including unscheduled and unannounced inspections and covert testing. The Coast Guard agreed.

www.gao.gov/cgi-bin/getrpt?GAO-04-838.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Margaret Wrightson at (415) 904-2200 or wrightsonm@gao.gov.

MARITIME SECURITY

Substantial Work Remains to Translate New Planning Requirements into Effective Port Security

What GAO Found

Owners and operators have made progress in developing security plans for their port facilities and vessels. However, the extent to which the Coast Guard will have reviewed and approved the approximately 12,300 individual plans by July 1, 2004, varies considerably. About 5,900 plans were being developed under an option allowing owners and operators to self-certify that they would develop and implement plans by July 1, using industry-developed, Coast Guard-approved standards and templates. These individual plans will not be reviewed before July 1 unless owners or operators choose to submit them for review. The remaining 6,400 plans went through a review process established by the Coast Guard. Every plan required revisions, some of which were significant. As of June 2004—1 month before the deadline for implementation—more than half of the 6,400 plans were still in process. The Coast Guard took steps to speed up the process and to allow facilities and vessels to continue operating with less than full plan approval after July 1, as long as the Coast Guard was satisfied with their progress.

The Coast Guard's strategy for monitoring and overseeing security plan implementation will face numerous challenges. Whether the Coast Guard will be able to conduct timely on-site compliance inspections of all facilities and vessels is uncertain because questions remain about whether the Coast Guard will have enough inspectors; a training program sufficient to overcome major differences in experience levels; and adequate guidance to help inspectors conduct thorough, consistent reviews. Another challenge is to ensure inspections reflect assessments of the normal course of business at facilities and aboard vessels.

The accuracy of the Coast Guard's \$7.3 billion estimate for implementing security improvements is likewise uncertain. The estimate, while a good-faith effort on the Coast Guard's part, is based on limited data and on assumptions that are subject to error. The estimate should be viewed more as a rough indicator than a precise measure of costs.

Port facilities pose many security concerns, given their size, accessibility, and attractiveness as terrorist targets. Facilities like these must have a security plan in place by July 1, 2004.



Source: Coast Guard.