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Homeland Security

United States  
Coast Guard



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**DEPARTMENT OF HOMELAND SECURITY**

**U. S. COAST GUARD**

**STATEMENT OF**

**CAPTAIN FRANCIS J. STURM**

**ON THE**

**SECURITY AND ACCOUNTABILITY FOR EVERY PORT ACT**

**BEFORE THE**

**HOUSE COMMITTEE ON HOMELAND SECURITY**

**SUBCOMMITTEE ON BORDER, MARITIME & GLOBAL COUNTERTERRORISM**

**OCTOBER 30, 2007**

Good afternoon Madame Chairwoman and distinguished members of the Subcommittee. I am Captain Francis J. Sturm, Acting Director for Prevention Policy under the Assistant Commandant for Marine Safety, Security and Stewardship at Coast Guard Headquarters. It is a pleasure to appear before you today to discuss the Coast Guard's efforts in implementing the Safety and Accountability for Every Port (SAFE Port) Act requirements one year after its implementation.

The objective of the SAFE Port Act is "to improve maritime and cargo security through enhanced layered defenses." The Coast Guard is cited as one of the primary organizations identified with specific responsibilities for implementing this overall objective. Several components within our organization have been involved in achieving the requirements since October 13, 2006 and I will address the SAFE Port Act requirements section-by-section.

We have had many successes to date in meeting the requirements of the SAFE Port Act, including requirements involving the inclusion of Salvage Response Plans in Area Maritime Transportation Security Plans (Section 101); Unannounced Inspections of Maritime Facilities (Section 103); the Port Security Training Program (Section 113); the Port Security Exercise Program (Section 114); and Foreign Port Assessments (Section 234).

We recognize, however, that there is still work to be done. There are some timeline requirements in the SAFE Port Act that we have not met, including those related to Notice of Arrival for Foreign Vessels on the Outer Continental Shelf (Section 109) and Enhanced Crewmember Identification (Section 110). We are committed to working closely and diligently with our DHS partners to meet these and other requirements of the SAFE Port Act.

#### **Section 101 Area Maritime Transportation Security Plan to include salvage response plan**

Development of Salvage Response Plans within each Area Maritime Security Plan (AMSP) has been integrated into the five-year plan update cycle established by the Maritime Transportation Security Act (MTSA) of 2002. The AMSP update will be performed by Federal Maritime Security Coordinators in consultation with their respective Area Maritime Security Committees and is planned for completion during early summer 2009.

A Salvage Response Plan will be a major element of the U.S. Marine Transportation System (MTS) recovery section of each AMSP and will provide the coordination and procedural foundation to support development of unified command incident action plans under the Incident Command System (ICS) construct when salvage response becomes necessary to facilitate resumption of trade. Authorities, capabilities, and other salvage issues are currently being coordinated with government and other partners. Consultation with national-level salvage industry representatives is continuing with the development of a Memorandum of Understanding (MOU) between the Coast Guard and the American Salvage Association. The MOU will establish a partnership with the goal of strengthening the communication and working relationship between the Coast Guard and the marine salvage and fire fighting industries to improve vessel and personnel safety; enhance national security preparedness and response; promote timely and professional salvage response to marine casualties; and enhance the protection of the environment along our nation's waterways.

Resumption of commerce and recovery of the marine transportation system (MTS) following a significant disruption is a significant national issue of concern. The Maritime Transportation Security Act (MTSA) 2002 required that the National Maritime Transportation Security Plan include a plan to restore cargo flow following a National Transportation Security Incident (NTSI). The Coast Guard held

a National Recovery Symposium at the National Maritime Institute of Technology and Graduate Studies on August 1st and 2nd, 2006. The symposium was attended by over 150 executive level participants from numerous branches of state and Federal government, as well as the private sector.

The Coast Guard is currently developing a concept of operations and specific planning requirements and organizational structures to ensure a focus on MTS recovery following a significant disruptive incident. MTS recovery guidance will be harmonized with, and support implementation of, the Strategy to Enhance International Supply Chain Security recently completed by the Department of Homeland Security with Coast Guard and interagency input. Implementation guidance will also harmonize with MTS recovery principles gleaned from Hurricane Katrina lessons-learned that have already been published in the U.S. Coast Guard Incident Management Handbook.

Review of maritime security developments since the implementation of MTSA, MTS recovery lessons from Hurricane Katrina, best Area Maritime Security practices from the field, and an update of MTSA implementation guidance are in progress. Review results to date have formed the basis for revising Navigation Vessel Inspection Circular 09-02 which is used to guide the five-year AMSP update.

Consistent with the overriding requirement to deter, and when necessary, mitigate the effects of Transportation Security Incidents (TSIs), the Coast Guard is working to make AMSP coordination and procedures “all-hazard and transportation disruption” compatible as much as practicable. This, in conjunction with oil and hazardous materials response coverage provided through Area Contingency Plans (ACP), application of Incident Command System (ICS) principles and structures per the National Incident Management System (NIMS), is intended to support an integrated and coherent preparedness approach across all transportation disruptions without requiring additional port-level plans.

### **Section 102 Requirements relating to maritime facility security plans**

The Coast Guard recognizes that information on ownership of maritime facilities and the companies that operate them is vitally important to the management of the security posture and the clear delineation of security responsibilities within the port. Currently, in 33 CFR 104.415(b)(2), 105.415(b)(2), and 106.415(b)(2), the Coast Guard requires a security plan audit whenever the owner or operator of a vessel, facility or Outer Continental Shelf (OCS) facility changes. Should the audit reveal that an amendment to the security plan is necessary, the security officer of the vessel, facility or OCS facility will submit the amendment to the cognizant Captain of the Port or District Commander for approval. Consistent with the requirement in Section 102 of the SAFE Port Act, the DHS Appropriations Act of 2007 requires the Coast Guard to gather ownership information on vessel and facility security plans.

In order to meet the requirements in these statutes, the Coast Guard has initiated a regulatory project to update 33 CFR Subchapter H regulations and will incorporate these new ownership reporting requirements.

Implementation of the Transportation Worker Identification Credential (TWIC) regulations published in January 2007 will meet the requirement in Section 102 for a qualified individual having full authority to implement security actions for a facility to be a citizen of the United States, unless the Secretary waives the requirement after a determination based on a complete background check of the individual. These regulations, found in 33 CFR 105.205(a)(4), require facility security officers (the qualified individuals in the statute) to possess and maintain a TWIC. The security threat assessment conducted as part of the TWIC program involves a complete background check, including a criminal history records check, a legal status check, and an intelligence and terrorist watch list check, to satisfy the relevant mandate

within this section. In addition, the Coast Guard is addressing the requirement for Facility Security Officers to be U.S. citizens in the regulatory project to update Subchapter H. A final fee was published on September 28<sup>th</sup> along with some modifications to the earlier rule.

### **Section 103 Unannounced inspections of maritime facilities**

Currently, Coast Guard policy calls for an annual inspection of each facility, supplemented by periodic spot checks. The FY07 Homeland Security Appropriations Act provided \$15M to, among other efforts, fund additional port security inspections. With this funding, the Coast Guard has created 39 new field billets to add to the current 350 facility inspectors. Thirty-seven of these new billets were filled during the 2007 transfer season, and the remaining two are in the process of being filled. The Coast Guard conducted more than 7,500 annual inspections and spot checks of 3,200 facilities in calendar year 2006. We have also applied additional reserve billets this year to increase facility visits and ensure each facility is inspected not less than two times this year. At least one of those inspections will be unannounced.

### **Section 104 Transportation security card**

Section 104 of the SAFE Port Act includes a number of statutory requirements relating to the implementation of the TWIC program. The effort to promulgate TWIC requirements through the rulemaking process met its SAFE Port Act deadline of January 1, 2007 with the posting of the TWIC Final Rule. This rule, together with the Merchant Mariner Credential Supplemental Notice of Proposed Rulemaking published on January 25, 2007, will allow mariners to apply for or renew merchant mariner credentials through the mail concurrently with the TWIC enrollment process, eliminating travel to Coast Guard Regional Exam Centers and removing duplicative background checks and other application redundancies which exist under each program. Also, the TWIC final rule incorporates a background check process to enable newly hired workers to begin working while awaiting issuance of their TWIC, in accordance with the Act.

The Coast Guard continues to support the Transportation Security Administration's (TSA's) efforts to implement the TWIC program by providing field and industry guidance to assist with compliance and enforcement activities. In addition, the Coast Guard is working closely with DHS and TSA on the pilot program to test the implementation of card readers to provide critical information and lessons to inform a second rulemaking to address TWIC readers. As part of our support for this effort, the Coast Guard, jointly with TSA, charged the National Maritime Security Advisory Committee (NMSAC) to form a working group of maritime industry and biometric technology representatives to propose specifications for TWIC cards and card readers using a contactless (or proximity) interface. The NMSAC presented recommended specifications on February 28, 2007. A notice of availability of the specifications was published in the Federal Register for public comment on March 16, 2007 and the notice of availability of the final contactless specification was published in the Federal Register on September 20, 2007.

Work continues on several aspects of the TWIC Program. The Coast Guard intends to purchase handheld card readers in FY2008 for use during vessel and facility inspections and spot checks. After the compliance date passes in a given port, the Coast Guard will use the card readers to randomly check the validity of an individual's TWIC. Also, the provision for newly hired employees to work while they await issuance of a TWIC is in development and on track. The Coast Guard has received stakeholder comments on policy and included them in the form of a Navigation and Vessel Inspection Circular (NVIC) which provides guidance and instruction on how to implement TWIC regulatory requirements for access control on facilities and vessels. This NVIC was published in July 2007.

### **Section 107 Long-range vessel tracking**

The Coast Guard currently meets the intent and requirements of the Act, using the full range of classified and unclassified vessel tracking information available. However, it takes up to two years to develop and finalize a regulation. While the Long Range Identification and Tracking (LRIT) NPRM did not meet the April 1, 2007 deadline, it was published in the Federal Register on October 3, 2007. The Act requires the DHS Secretary to establish a long range automated vessel tracking system that meets the following:

- Tracking: Provided for all vessels in U.S. waters equipped with Global Maritime Distress and Safety System (GMDSS) or equivalent satellite technology; and
- International: Consistent with international treaties, conventions and agreements.

#### **Tracking:**

The SAFE Port Act requirement demands a multi-faceted approach. Using the full range of classified and unclassified vessel tracking info available, including some information purchased from vendors where appropriate, the Coast Guard currently meets and exceeds the tracking requirement of the Act. Currently, sufficient tracking information exists; however more work is needed in processing, display, and training in the use of this information.

#### **International:**

Our work to establish a system through the International Maritime Organization (IMO) will provide an unclassified global tracking capability in 2008 as a part of an existing IMO convention and give the United States a system that is compatible and interoperable with the global maritime community. The Coast Guard has been working with the IMO since shortly after 9/11 to implement a global tracking system for the types of vessels described in the Act. Following considerable diplomatic efforts, the international agreement to implement such a system was reached last year, and the global tracking system will be in effect at the end of 2008. In the long run, this approach is more advantageous to the United States because it applies globally to all the world's ships of the kind described by the Act instead of just those in U.S. waters or vessels intending to make ports call in the United States. Under this system, the U.S. will have access to information for U.S. Flag vessels regardless of their current location, and vessels bound for U.S. ports when they declare intent to arrive. Information on all other vessels will be available whenever a ship is within 1,000 nautical miles of the U.S. coast. The Coast Guard is examining funding strategies for this important international system.

To complement the above activities, the Coast Guard also initiated a rulemaking to implement in Title 33 of the Code of Federal Regulations rules that require ships to report identifying and position data electronically. These rules provide guidance to U.S. and foreign ships on how to comply with this new reporting requirement, as well as an additional enforcement mechanism for ships that fail to comply.

### **Section 108 Establishment of Interagency Operational Centers for Port Security**

Section 108 requires a budget and cost-sharing analysis for implementing interagency operations centers. The report required by this Section was submitted in July. It identified the estimated total acquisition cost of upgrading the 24 Coast Guard Sector Command Centers (SCCs), which encompass the Nation's high priority ports, as approximately \$260 million. The major cost elements of this five-year project plan include an information management software suite, a sensor package and facility recapitalization.

The establishment of interagency operations centers is currently not funded. In cooperation with the Department of Justice (DOJ), the U.S. Navy, and the DHS Office of Science and Technology, five prototype centers have been established to date. These centers are each configured differently as test beds for concepts, tactics, procedures and equipment. Cost sharing arrangements exist among the various participants.

<b>Designator</b>	<b>Location</b>	<b>Cost-Sharing Agencies</b>
Seahawk Joint Task Force	Charleston, SC	Dept. of Justice/U. S. Coast Guard
SCC*-Joint	Hampton Roads, VA	U. S. Coast Guard /U.S. Navy
SCC-Joint	San Diego, CA	U. S. Coast Guard /U.S. Navy
SCC-Joint	Jacksonville, FL	U. S. Coast Guard/U. S. Navy
SCC-Joint	Seattle, WA	U. S. Coast Guard/U. S. Navy

\*Sector Command Center

Additionally, seven ports have been identified for short and medium term pilot projects to evaluate joint operations design models between the Coast Guard and Customs and Border Protection (CBP). These pilots will include examination of methods for implementation of a virtual command center construct using various collaboration tools for daily coordination and vessel inspection planning.

Command 21, when funded, will field the capabilities necessary to create interagency operations centers as required by Section 108. This establishment of proposed interagency operational centers for port security is a major system acquisition tailored to each port and designed to close gaps in port and coastal maritime security.

Command 21 will:

- Improve maritime port and coastal security systems to complement Secure Border Initiative (SBI) Net;
- Improve unity of effort in a multi-agency operations center environment;
- Accelerate deployment of a net-centric tactical system that implements DHS enterprise standards for the sharing of situation data and services across multiple DHS interagency domains and Coast Guard systems; and
- Counter the small vessel threat in port and coastal areas.

The Coast Guard’s experience with interagency operations centers demonstrates that many tangible benefits to improve maritime safety, security, and stewardship can be achieved. Some of these include:

- Cooperative targeting and coordination of intelligence facilitates information sharing;
- Daily field-level coordination breaks down barriers between agencies;
- Collective use of tactical sensors (radars/cameras) saves time, money and effort;
- Cooperative planning improves readiness and efficiency; and
- Sharing of law enforcement information helps reduce criminal activity in the port and cut off potential funding to terrorist groups.

Command 21 will close a critical gap between current capabilities and the desired interagency end state. Future interagency operations will be greatly improved as all partners will be able to:

- **See** maritime activities using port surveillance sensors;
- **Understand** the scene by automatically bringing tactical and intelligence information together; and
- **Share** this tactical data with each other as they work side by side in improved facilities.

To close the gap between the current Sector Command Center (SCC) capabilities and the future state desired by the Act, the Coast Guard must field a sensor network and an information system allowing the centers to monitor maritime activities in critical areas. That system must link vital data on vessel history, crew, and cargo to the activities observed. The current SCC facilities must also be sufficiently expanded to host port partners in an interagency operations environment, as directed by the SAFE Port Act and the Maritime Transportation Safety Act.

Command 21 will publish tactical data in an open standard that allows other systems across multiple DHS domains to subscribe to the information and use according to the individual needs of each agency. It provides the maritime component of the Department of Homeland Security's Secure Border Initiative (SBI). Good government demands that both programs move forward in parallel to increase deterrence capabilities. Moving ahead on both fronts will provide collaborative opportunities to leverage critical resources to broaden the impact of both programs toward securing our borders.

### **Section 109 Notice of arrival for foreign vessels on the Outer Continental Shelf**

The regulations for Notice of Arrival for foreign vessels on the Outer Continental Shelf (OCS) have been developed and incorporated into an existing Coast Guard rulemaking project related to OCS activities. This rulemaking, the updating of 33 CFR Subchapter N, "Outer Continental Shelf Activities," already includes Notice of Arrival requirements for foreign vessels operating on the OCS. The Coast Guard has completed evaluation of the proposed regulations and public comments, and an interim rule will be issued to implement the provisions of Section 109 as expeditiously as possible. The earliest anticipated action would be an Interim Rule by March 2008. If an NPRM is required, anticipated completion time would be at least two years.

### **Section 110 Enhanced crewmember identification**

Historically, the Coast Guard advanced the effort to negotiate the international seafarer's identification initiative at the International Labor Organization (ILO), resulting in the ILO-185 Seafarer's Identification Document (SID). However, a requirement within ILO 185 prohibiting implementing nations from requiring a visa for seafarers holding a SID to be eligible for shore leave has prevented the U.S. from ratifying ILO 185.

In accordance with the Act, the Coast Guard has prepared a draft NPRM defining the identification documents necessary for all foreign mariners calling on U.S. ports. The proposed identification requirements would also apply to US mariners arriving at U.S. ports from a foreign port of place of departure.

### **Section 111 Risk assessment tool**

The Maritime Security Risk Analysis Model (MSRAM) is being used by Captains of the Ports/Federal Maritime Security Coordinators (FMSCs) and Area Maritime Security Committees (AMSC) to analyze and prioritize scenario-based risks within their areas of responsibility, and to measure risk reduction potential in the evaluation of port security grant program proposals. FMSC and AMSCs are required to validate the MSRAM data on an annual basis. This was last completed in the summer of 2007 using MSRAM version 2.

### **Section 112 Port security grants**

The Coast Guard worked with the DHS Office of Grants and Training, who has fiduciary responsibility for the Port Security Grant Program, to complete the report to Congress required by this Section. The report was submitted to Congress on April 27, 2007.

The Port Security Grant Program (PSGP) provides grant funding to port areas for the protection of critical port infrastructure from terrorism. FY07 PSGP funds are primarily intended to assist ports in enhancing risk management capabilities; domain awareness; capabilities to prevent, detect, respond to and recover from attacks involving improvised explosive devices (IEDs) and other non-conventional weapons; as well as training and exercises.

\$201,670,000 was available for Port Security Grants in FY07. These funds were divided amongst four tiers of ports. Within Tier I, eight of the highest risk port regions were allocated a fixed amount of funding based on risk. In many cases, multiple port areas were grouped together to reflect geographic proximity, shared risk, and a common waterway. Port areas submitting applications within Tier II and III were eligible to compete for the FY07 PSGP but were not guaranteed funding. Section 112 of the SAFE Port Act also required that any entity addressed in an Area Maritime Security Plan also be eligible to apply. Tier IV was established for those new entities not within the port areas in Tiers I-III. This added approximately 259 ports to the 102 highest risk ports for a total of 361 that were eligible to compete, but were not guaranteed funding.

Funds were awarded based on analysis of risk and effectiveness of proposed investments by the applicants. Risk to port Infrastructure Protection Program Detail areas was assessed using a methodology consisting of threat, vulnerability, and consequence factors. The majority of port security grant funds – \$120.6 million – was allocated to eight Tier I ports or port areas that we consider to be the highest risk.

Grant applicants had 60 days from January 6, 2007 to complete this process for the remaining \$81M. Applications were required to be submitted electronically via the grants.gov web site no later than March 6, 2007. The initial reviews were completed by the local Captain of the Port. These results were forwarded to a national review panel comprised of representatives from the Coast Guard, the Transportation Security Administration (TSA), DHS Infrastructure Protection (IP), Grants and Training (G&T), the Domestic Nuclear Detection Office (DNDO), and the Maritime Administration (MARAD) that convened on April 9, 2007. The results were announced on May 30, 2007.

The \$110 million was provided by Congress in supplemental Port Security Grant Funding (P.L. 110-28, the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007). Using the same risk-based analysis utilized during the initial FY07 Port Security Grants, funds were allocated to Tier I and II ports to develop a Port-Wide Risk Management/Mitigation and Business Continuity/Resumption of Trade Plan which will identify a prioritized listing of items to be addressed within future grant applications. Tier III ports that previously submitted projects under the initial FY07 PSG Program which were validated but unfunded, are to be funded with the Supplemental Grant. Tier IV ports also applied for TWIC and Training under the Supplemental Grant funding. The application period has closed. Both field and national review of the Supplemental applications have been completed, with announcement of all awards completed in September 2007.

### **Section 113 Port Security Training Program**

The Coast Guard is supporting the FEMA National Preparedness Directorate's National Integration Center through Training and Exercises Integration (formerly known as the DHS Preparedness Directorate, Office of Grants and Training Division). Collectively, we are making progress in establishing the program delineated in the Act. There are a number of existing initiatives and new initiatives that will address the requirements in this section.



In response to Congressional mandate, the Coast Guard and MARAD developed model courses for the training of facility and other personnel to meet the requirements of the Maritime Transportation Security Act of 2002. These model courses establish a competence based standard and contain most of the requirements under this Section of the Act. The model courses were developed in support of the facility security plan requirements, and apply to all personnel working in a port facility or required to enter a port facility in response to an emergency. These model courses are available via website to Federal, state and local personnel from the public and private sector and they are undergoing a review to include lessons learned and the additional topics required under the Act. To ensure quality training, Coast Guard and MARAD developed and implemented a voluntary course acceptance and certification process using the model courses as the guidelines for acceptance. The Coast Guard is currently revising the regulations for security training for facility personnel to ensure all training is measured against a standard of competence, including the topics required under the SAFE Port Act.

The FEMA National Preparedness Directorate's National Integration Center, through Training and Exercises Integration, has awarded a \$6.18 million Cooperative Grant to the Florida State University to develop courses meeting the Maritime Transportation Security Act of 2002 requirements (model courses), and covering the eight port security-related topics required under the Act. MARAD and the Coast Guard are actively assisting DHS to ensure this training will be consistent with existing standards and will provide the maximum possible return on investment. It is envisioned that these courses will be available for in-classroom and on-line training; and will be available both to Federal, state and local personnel as well as members of the private sector who work in the port security realm.

In addition, the FEMA National Preparedness Directorate's National Integration Center, through Training and Exercises Integration, has made available other training courses that address individual port security topics required under the Act. These courses are provided to State and local emergency responders and other identified audiences by Training and Exercises Integration, and are coordinated by each State's governor-designated Training Point of Contact.

#### **Section 114 Port Security Exercise Program**

Current port security exercise programs conduct live, risk-based exercises that are realistic and evaluate total capability by focusing on the port community, in order to evaluate the entire capability. These exercises involve State and local governments, as well as facilities and vessels, to ensure that consistent methodology is applied and that all requirements are met as a result. Although current programs do not mandate facility participation in these annual exercises, participation has been strong and continues to increase. Facilities, as well as vessels, are encouraged to observe and/or participate in these port security exercises. When they choose to participate, they are offered the opportunity to put forth exercise objectives tailored to meet their specific needs.

Since January 2005, the Coast Guard has assisted TSA in implementing their Port Security Training and Exercise Program (PortSTEP). Similarly, since October 2005, the Coast Guard has sponsored its own Area Maritime Security Training and Exercise Program (AMStep) that exercises the port stakeholder's ability to implement the provisions of the Area Maritime Security Plan. The Coast Guard and TSA have synchronized AMStep and PortSTEP to maximize coverage across the U.S. and minimize duplication of effort. In FY07, these two programs collectively sponsored 41 port security exercises. Exercise types have included basic and advanced table-top, discussion-based exercises to full-scale, operations-based exercises. The type of exercise and scenario selected are collectively decided upon by Area Maritime Security Committee (AMSC) members, through application of their most current risk-based port assessment and assessment of preparedness needs. The results of both these exercise programs and all lessons learned, best practices, and corrective actions are documented in a semi-annual report to Congress.

The “Training” aspect of current port security exercise programs focuses on the National Incident Management System (NIMS) Incident Command System (ICS). Training, such as I-200 (Basic), I-300 (Intermediate) and I-320 (Team training), is offered to the entire port community prior to each annual exercise. Security-specific training is provided from within the port community.

Initial performance measures for port security exercises were established under Coast Guard NVIC 09-02, Change 2. These measures, outlined as objectives, are currently being revised by the Coast Guard to align with MTSA requirements to test the AMSPs and with the Homeland Security Exercise and Evaluation Program. All Lessons Learned, Best Practices, and Remedial Action Items are captured in the Coast Guard’s Contingency Preparedness System (CPS), which can be accessed by the entire Coast Guard. Additionally, through the use of Homeport, the Coast Guard’s communications and collaborations Information Technology application, Lessons Learned and Best Practices, can be made available to the entire port community (Federal, state, local, tribal and industry).

Although AMStep is currently being carried out under contract support, the Coast Guard has begun the hiring of personnel to staff National-level and Regional-level exercise support teams. These teams will assist Coast Guard Sector Commands (port-level) and Districts with the following contingency exercise programs: port security, oil/hazardous substance response, natural disaster, mass rescue, alien migration interdiction, civil disturbance, counterterrorism, military outload, combatant commander support, and physical security/force protection. This is an “All Threats / All Hazards” approach.

#### **Section 115 Facility exercise requirements**

Current regulations in 33 CFR 105.220(c) require facilities to conduct an annual exercise. These exercises may include either live, tabletop, or participation in a non-site-specific exercise. In order to meet the requirement in Section 115, the Coast Guard has initiated a regulatory project to update 33 CFR Subchapter H regulations and will incorporate definition of “high risk facility” and the requirement for high risk facilities to conduct bi-annual full-scale exercises. The NPRM for this rulemaking is scheduled to be published in the spring of 2008.

#### **Section 128 Center of Excellence for Maritime, Island and Extreme/Remote Environment Security**

The Coast Guard is assisting the DHS Science and Technology (S&T) Directorate to meet the requirements of Section 108. The Broad Area Announcement (BAA) for a Center of Excellence (COE) for Maritime, Island and Extreme/Remote Environment Security was announced at the beginning of February 2007. This BAA incorporated Maritime Domain Awareness (MDA) study as a central component of a broader system of research into maritime security. This solicitation is still open, and there has been good response from the academic community. DHS S&T expects to award the COE by the end of 2007. The Coast Guard looks forward to this important new research component that will support DHS.

#### **Section 201 Strategic plan to enhance the security of the international supply chain**

The Coast Guard assisted the Department of Homeland Security’s authoring team in drafting the required Strategy to Enhance International Supply Chain Security, providing lead authors for sections on response and recovery. Looking forward, the Coast Guard is working to structure the first required five-year update to Area Maritime Security Plans (AMSP) to position them to support field-level implementation of the strategy as it pertains to Transportation Security Incidents (TSI). A planning objective is to make these community-based coordination arrangements and procedures compatible for application during other forms of transportation disruption, insofar as practicable. We assigned the same Coast Guard subject matter experts to support each initiative, thereby facilitating content alignment for this purpose.

**Section 233 International cooperation and coordination**

The Coast Guard has been working with a variety of international organizations including the Asia Pacific Economic Cooperation (APEC) Forum, the Group of Eight (G8), and the Organization of American States (OAS) to conduct capacity building activities to improve the port security regimes of developing countries. Coast Guard representatives serve on maritime security expert groups of these organizations and have been intimately involved in identifying and executing projects.

Of particular note is our work with the OAS, an organization that is specifically mentioned in the SAFE Port Act for close coordination. Through the Inter-American Committee on Counter-Terrorism (an OAS body), and in conjunction with Canada, the Coast Guard is developing a series of exercises and best practice conferences. The first port security exercise was completed in Argentina in September 2007.

"The North Pacific Coast Guard Forum has had some notable successes in the area of joint operations recently, and the North Atlantic Coast Guard Forum will hold its first meeting late in October in Sweden."

**Section 234 Foreign port assessments**

The Coast Guard has increased the pace of assessments and is on track to complete an initial assessment of all of our trading partners by March 2008. The Coast Guard intends to conduct assessments on a two year cycle thereafter.

This two year cycle is consistent with the guidance contained in the FY07 DHS Appropriations Act, which called on the Coast Guard to double the rate of assessments (basically from three per month to six per month). This reassessment cycle actually exceeds the requirement of the SAFE Port Act which call for reassessments to be conducted on a three year cycle. Additional resources (approx. \$6.7M and 32 FTE) provided in the FY07 DHS Appropriations Act support this increase in activity.

**Section 303 Research, development, test, and evaluation efforts in furtherance of maritime and cargo security**

DHS and the Coast Guard have current and planned efforts to support the furtherance of maritime and cargo security. The Coast Guard RDT&E efforts for FY07 include:

Mission Areas	Programs/Projects
Boarding Team Support and Communications	<ol style="list-style-type: none"> <li>1. Maritime Biometrics, ID at Sea</li> <li>2. Boarding Team Connectivity</li> <li>3. Next Generation Underway Connectivity</li> <li>4. Boarding Officer Tools and Equipment Support</li> </ol>
Compel Compliance	<ol style="list-style-type: none"> <li>1. Anti-Personnel</li> <li>2. Stopping Mid-Sized Vessels</li> </ol>
Platforms and Sensors	<ol style="list-style-type: none"> <li>1. Acoustic Buoy</li> <li>2. Multi-Sensor Performance Prediction</li> <li>3. Global Observer</li> <li>4. Small UAS Evaluations</li> </ol>
Sector and Port Security Operations	<ol style="list-style-type: none"> <li>1. Maritime Domain Awareness Community of Interest</li> <li>2. National Automatic Identification System</li> </ol>
Miscellaneous	<ol style="list-style-type: none"> <li>1. Net-Centricity</li> <li>2. Weapons of Mass Destruction</li> </ol>

The Coast Guard projects funded by DHS Office of Science and Technology (S&T) FY07 funds include:

Mission Areas	Programs/Projects
Boarding Team Support and Communications	1. Boarding Team Communications
Sensor, Data Fusion, & Decision Aids (Maritime)	1. Visualization Tools 2. Hawkeye Watch keeper Prototype 3. Offshore Buoys for Vessel Detection 4. Emergence Response Blue Force Tracking 5. Swimmer/Diver Detection 6. Global Observer

DHS S&T FY08 funding has yet to be defined. The Coast Guard is planning a comparable dollar figure to support the furtherance of maritime and cargo security in FY08. Through the DHS S&T established Capstone Integrated Product Teams (IPT), FY09-FY13 funding has been identified for the furtherance of maritime and cargo security through the Maritime Security Capstone IPT and the Cargo Capstone IPT.

**Conclusion**

The Coast Guard is committed to implementing the Security and Accountability for Every Port Act. We continue to make headway on all fronts and look forward to future progress and partnerships with international, Federal, state, and local port organizations. Thank you for the opportunity to testify before you today. I will be happy to answer any questions you may have.