



## NOTICE TO THE INDUSTRY – BCD - 65

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Agriculture

Farm and Foreign  
Agricultural Services

Farm Service  
Agency

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DATE: January 14, 2004

TO: All Warehouse Operators Seeking Approval Under The Uniform Grain and Rice Storage Agreement (UGRSA)

SUBJECT: Amendment 1 to CCC-25, Part III, O., Security Plan

### Background

The events of September 11, 2001, highlighted the need to enhance the security of the infrastructure of the United States, including those facilities engaged in storing and handling the nation's grain supply. Congress responded by enacting the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (Act), providing the Food and Drug Administration (FDA) new authority to protect the nation's food supply against actual or threatened terrorist acts and other food-related emergencies that pose a threat of serious adverse health consequences or death for humans or animals. Among other things, FDA's regulations require domestic and foreign facilities that manufacture, process, pack, or hold food for consumption in the United States to have registered with the FDA by December 12, 2003. In support of this Act and other initiatives by the U.S. Department of Homeland Security, the U.S. Department of Agriculture/Farm Service Agency (USDA/FSA) has started the process of implementing security plan requirements into Commodity Credit Corporation (CCC) commodity storage agreements, including the UGRSA.

### Purpose

The purpose of this notice is to clarify USDA/FSA expectations regarding the above-referenced amendment. Under the amendment, warehouse operators entering into a UGRSA agree to conduct a facility-vulnerability assessment and implement a security plan that includes measures to protect grain handled and stored under the UGRSA. It is important that each company evaluate the existing level of security at each of their facilities and develop a plan for managing potential risks. In order to allow warehouse operators time to meet the requirements of Amendment 1, CCC will provide a five-month phase-in starting April 1, 2004, before any actions are taken for non-compliance.

### Clarifications to Amendment 1

The security plan required under Amendment 1 is general in nature because of the diversity of the warehouse industry and the need for warehouse operators to determine the extent of risk that exists at individual locations and to devise appropriate risk-mitigation measures. Thus, it is not CCC's intent to prescribe the specifics to be included in the warehouse's facility security plan. However, CCC will expect warehouse operators to make a good faith effort to address each of the four elements contained in Part III, O, 2, as

outlined in Amendment 1, so as to mitigate the facility's vulnerability to a potential terrorism incident and to effectively respond if an event occurs. CCC recognizes that UGRSA warehouse operators already may have conducted vulnerability assessments of facilities under the UGRSA, and prepared facility security plans that address the provisions of Amendment 1 in response to requirements imposed by other federal or state government agencies, insurance carriers or other entities. These may include emergency action plans; hazardous material response plans; spill prevention, control and countermeasure plans; or other programs implemented by the warehouse operator. CCC will recognize these plans as meeting the requirements of Part III, O, 2 of the UGRSA, as conveyed in Amendment 1, so long as such plans address the areas specified in Amendment 1.

CCC also wishes to clarify its intent with regard to the components of the facility security plan required under Part III, O, 2:

- In part 2, b, of the amendment, the warehouse operator agrees to have shipping and receiving procedures in place to protect against tampering of grain. This means that warehouse operators are to implement procedures that provide adequate security at the receiving and load-out areas at the UGRSA facility that are within the physical control of the warehouse operator.
- In par 2, c, of the amendment, it states that the warehouse operator is to specify actions to be taken in the event of a national emergency. This means that the warehouse operator should have a contingency plan on emergency steps that would be activated if there is a credible threat to the safety or security of those commodities stored or handled at the UGRSA facility.
- In part 2, d, of the amendment, it states the warehouse operator must have contact information for local security authorities. This means that warehouse operators should include in the security plan the names and telephone numbers of local emergency responders, such as police, fire department and the local FBI office, if available, that the warehouse operator can call in the event of a terrorism incident.

### **Action**

Amendment 1 must be signed and returned with the other documents included in the UGRSA renewal packet by January 23, 2004, in order to be approved. CCC will continue to monitor the progress regarding implementation of security plans; however, no action will be taken for failure to comply with the requirements of Amendment 1 until September 1, 2004.

*/s/ Steven P. Miteff*

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