U.S. Senate Committee on Homeland Security and Governmental Affairs Statement By United States Senator Patty Murray The Future of Port Security: The GreenLane Maritime Cargo Security Act Wednesday, April 5, 2006; 10:00 AM

Senator Murray's prepared remarks:

I'm here today because our country is vulnerable to a terrorist attack, and time is not on our side. By using cargo containers, terrorists can deliver a deadly one-two punch to our country. The first punch would create an untold number of American casualties. The second punch would bring our economy to a halt. Cargo containers carry the building blocks of our economy, but they can also carry the deadly tools of a terror attack. Today, we are not doing enough to keep America safe. Sitting here in this Senate hearing room, it can feel like the dangers at our ports are a million miles away. In recent years, some in our government have said they could "never have imagined" the devastation caused by recent disasters.

So let me make this threat crystal clear. On March 21st, just 2 weeks ago, a container ship called the Hyundai Fortune was traveling off the coast of Yemen when an explosion occurred in the rear of the ship. About 90 containers were blown off the side of the ship, creating a debris field 5 miles long. Thankfully there were no fatalities, and the crew was rescued. They are still investigating the cause, but it does not appear to be terrorist-related. Now I want you to imagine this same burning ship sitting just a few feet from our shores, in New York harbor or Puget Sound, off the coast of Los Angeles or Charleston, Miami, Portland, Hampton Roads, the Delaware Bay or the Gulf of Mexico.

Now imagine that we're not just dealing with a conventional explosion. We're dealing with a dirty bomb that has exploded on America's shores. Let me walk through what would happen next: First, there would be an immediate loss of life. Many of our ports are located near major cities. If this was a nuclear device exploded at a major port, up to 1 million people could be killed. ⁱ If this was a chemical weapon exploding in Seattle, the chemical plume could contaminate the rail system, Interstate 5 and SeaTac Airport, not to mention the entire downtown business and residential district. At the port, there would be tremendous confusion. People would try to contain the fire, but it's unclear who, if anyone, would be in charge. Then, when word spreads that it's a dirty bomb, panic would likely set in. There would be chaos as first responders try to react, and residents try to flee. Next, our

government would shut down every port in America to make sure there weren't other bombs on other containers in other cities. That shutdown would be the equivalent of driving our economy into a brick wall. It could even spark a global recession.ⁱⁱ Day by day, we'd feel the painful economic impact of the attack. American factories would not be able to get the supplies they need. They would shut their doors and lay off workers. Stores around the country would not be able to get the products they need to stock their shelves. In 2002, we saw what the closure of a few ports on the West Coast would do. It cost our economy about \$1 billion a day.ⁱⁱⁱ Imagine if we shut down <u>all</u> our ports. One study concluded that if U.S. ports were shut down for 12 days, it would cost our economy \$58 billion.^{iv} Next, we'd realize we have <u>no plan</u> for resuming trade after an attack – no protocol for what would be searched, what would be allowed in, and even who would be in charge. There would be a mad scramble to create a new system in a crisis atmosphere. Eventually, we'd begin the slow process of manually inspecting all the cargo that's waiting to enter the U.S. One report found it could take as long as <u>four months</u> to get them all inspected and moving again.^v Finally, we'd have to set up a new regime for port security. And you can bet that any new, rushed plan would not balance strong security with efficient trade.

The scenario I just outlined could happen tomorrow, and we are not prepared. Nearly five years after September 11th, we still have not closed a major loophole that threatens our lives and our economy. Time is not on our side. We must act.

My Approach

I approach this as someone who understands the importance of both improving security and maintaining the flow of commerce. My home state of Washington is the most trade-dependent state in the nation. We know what's at stake if there were an incident at one of our ports. That's why I wrote and funded Operation Safe Commerce to help us find where we're vulnerable and to evaluate the best security practices. It's why I've worked to boost funding for the Coast Guard and have fought to keep the Port Security Grant program from being eliminated year after year. Right after 9/11, I started talking with security and trade experts to find out what we need to be doing to both improve security and keep commerce flowing. Ten months ago, I sought out Senator Collins as a partner in this effort. I approached Senator Collins because I knew she cared about the issue, I knew she'd done a lot of work on it already, and I knew she was someone who could get things done. Since that day, we have worked hand-in-hand to develop a bill and move it forward. And I'm grateful to Senators Lieberman and

Coleman for their tremendous work. The GreenLane Act recognizes two facts: We must protect our country, and we must keep trade flowing.

The Threat

We know we're vulnerable. Terrorists have many opportunities to introduce deadly cargo into a container. It could be tampered with anytime from when it leaves a foreign factory overseas to when it arrives at a consolidation warehouse and moves to a foreign port. It could be tampered with while it's en route to the U.S. And there are several dangers. I outlined what would happen if terrorists exploded a container. But they could just as easily use cargo containers to transport weapons or personnel into the U.S. to launch an attack anywhere on American soil.

Current Efforts Are Inadequate

The programs we have in place today are totally inadequate. Last May, thanks to the insistence of Senators Collins and Coleman, the Government Accountability Office found that C-TPAT was not checking to see if companies were doing what they promised in their security plans. Even when U.S. Customs inspectors do find something suspicious at a foreign port, they cannot force a container to be inspected. So we have a clear and deadly threat, and we know that current programs are inadequate. What are we going to do about it? We could manually inspect every container, but that would cripple our economy.

<u>The Challenge – Security and Efficiency</u>

The real challenge here is to make trade more secure without slowing it to a crawl. That's why Senators Collins, Coleman, Lieberman and I have been working with stakeholders and experts to strike the right balance. The result is the GreenLane Maritime Cargo Security Act. It provides a comprehensive blueprint for how we can improve security while keeping trade efficient. At its heart, this challenge is about keeping the good things about trade, speed and efficiency, without being vulnerable to the bad things about trade, the potential for terrorists to use our engines of commerce.

How the Bill Works

Our bill does five things. First, it creates tough new standards for all cargo. Today we don't have <u>any</u> standards for cargo security. Second, it creates the GreenLane option which provides an even

higher level of security. Companies have the option to follow the higher standards of the GreenLane. Their cargo will be tracked and monitored from the moment it leaves a factory floor overseas until it the reaches the U.S. We'll know everywhere that cargo has been. We'll know every person who's touched it, and we'll know if it's been tampered with. The GreenLane will <u>push out the borders</u> by conducting inspections overseas before cargo is ever loaded onto a ship bound for the U.S. And we'll provide incentives for companies to use the highest standards of the GreenLane. Third, our bill sets up a plan to resume trade quickly and safely to minimize the impact on our economy. Fourth, our bill will secure our ports here at home by funding Port Security grants at \$400 million. Finally, our bill will hold DHS accountable for improving cargo security. DHS is long overdue in establishing cargo security standards and transportation worker credentials. We need to hold DHS accountable, and our bill provides the infrastructure to ensure accountability and coordination.

<u>Thank You</u>

I want to thank all of our cosponsors and partners, especially Senator Collins for her tremendous leadership. I also want to thank Senator Coleman for his leadership and work as Chairman of the Permanent Subcommittee on Investigations. Senator Coleman has helped expose our vulnerabilities and has worked to develop solutions. I also want to thank our Ranking Member, Senator Lieberman for his leadership and support, and I want to commend our cosponsors – Senators Feinstein, Snowe, and DeWine. We're also seeing tremendous progress on the House side with the SAFE Port Act, and I want to thank Representatives Dan Lungren and Jane Harman for their leadership.

Today We Have a Choice

Today, we have a choice in how we deal with the cargo security challenges facing us. But if we wait for a disaster, our choices will be starker. Let's make the changes now, on our terms, before there's a deadly incident. Let's not wait until a terrorist incident strikes again to protect our people and our economy. Two months ago, the American people woke up and spoke out when they heard that a foreign, government-owned company could be running our ports. That sparked a critical debate. Now we need to set up a security regime that will actually make us safer. Until we do so, none of us should sleep well at night. A terrible image like a burning container ship, with a dirty bomb, in one of America's harbors could be on our TV screens tomorrow, so this Committee and this Congress must act today.

ⁱⁱ "Examining cargo in tens of thousands of trucks, trains, and ships to ensure it poses no threat would have devastating economic consequences. When containers stop moving, assembly plants go idle, retail shelves go bare, and workers end up in unemployment lines. A three-week shutdown could well spawn a global recession." Stephen E. Flynn, "The Neglected Home Front"Foreign Affairs, September/October 2004

ⁱⁱⁱ Report of an Independent Task Force Sponsored by the Council on Foreign Relations, "America Still Unprepared — America Still in Danger," October 2002, p. 23.

^{iv} "Port Security War Game: Implications for U.S. Supply Chains," Booz, Allen, Hamilton, October 2002. page 3 http://www.boozallen.de/content/downloads/port_security.pdf

^v Captain William Schubert, former Maritime Administrator, U.S. Department of Transportation, at a Senate hearing, February 26, 2002.

To receive GreenLane Updates by email: http://murray.senate.gov/greenlane#updates

ⁱ "The Economic Impact of Nuclear Terrorist Attacks on Freight Transport Systems in an Age of Seaport Vulnerability," ABT Associates, executive summary, April 30, 2003, p. 7, http://www.abtassociates.com/reports/ES-Economic_Impact_of_Nuclear_Terrorist_Attacks.pdf.