Carriers' market in trans-Atlantic

Special Advertising Section: Project Cargo

THE OUT OF SERVICE AS INCIDENTAL SERVICE AS

www.joc.com



BY ANN SACCOMANO

en. Patty Murray, D-Wash., knew something about shipping and ports before she was elected in 1992. Her father-in-law worked for a forwarder, and her husband is a computer consultant for Stevedoring Services of America. "I have a long family background with the ports," she said. "I know their importance to our economy. When Sept. 11 occurred, I realized the dramatic effect it would have on our economy if our ports were affected."

Murray says that consequently, it didn't take long for her to decide that seaports were being overlooked in post-9/11 rush to shore up defenses against terrorists. "For all the effort we were putting into airlines, we weren't putting enough into ports," she said.

Now she's in a position to push for more port-security funding. With Sen. Ernest Hollings, D-S.C., having recently announced plans to retire after next year, Murray has emerged as the Senate's leading advocate of port security. Though she's in the minority party, Murray has exerted influence that has been more substantive than, for example, colleagues' bills calling for inspection of each of the 6 million ocean containers a year that arrive in U.S. ports. Her persistence and bare-knuckle advocacy on behalf of port security despite the issue's low visibility with the public have earned her respect from many in and out of government.

Tim Farrell, deputy executive director of the Port of Tacoma, said Murray has worked closely with Hollings on seaport-security issues. "Hollings was doing this at a time when he recognized it when other people didn't," Farrell said. "But now the profile has been raised, and Patty has picked up much of the weight on this issue."

The blunt-speaking Murray attracted attention this year when she halted Senate confirmation of a presidential nomination until the Bush administration provided the full \$58 million that had been appropriated for Operation Safe Commerce, a program to test the use of

new technologies and business processes to improve ocean container security.

She has not hesitated to criticize the Bush administration for what she says is its unwillingness to adequately fund port security. "The federal government has to realize it has duty not only to provide the policy, but also the funding," she said. Murray criticizes the administration for pushing responsibility for homeland security onto the private sector and state and local governments after a recession that has left them starved for funds.

"The president has not requested a dime for port security," she said in an interview. "We are still struggling with the administration on this issue. The administration is going to have to take a much more active role and sending Congress a budget that will much more adequately fund our ports."

The White House's proposed fiscal 2004 budget doesn't allocate money specifically for port security, which is what ports want. Instead, the administration boosted funding to the Coast Guard, Bureau of Customs and Border Protection and for critical infrastructure for border-security improvements. Ports want federal money earmarked for the port authorities.

So far the Transportation Security Administration has awarded \$337.3 million in port security grants, far less than the nearly \$1.7 billion requested by ports. A third round of grants totaling \$104 million is under way. The Coast Guard estimates ports will need to spend about \$5 billion over the next decade for security improvements, many



of which will be known as ports complete mandated security assessments later this year.

Murray also has pressed to ensure that new security rules don't spur foreign shippers to reroute cargo to Canada instead of U.S. ports — a diversion that would hurt the ports of Seattle and Tacoma and others in her home state. Murray was among those who pressed Canada to join the U.S. in requiring import manifests to be filed 24 hours before cargo is loaded in a foreign port. Canada will adopt a version of the 24-hour rule next April.

Murray has not yet taken a position on the current controversy over which agency within the Department of Homeland Security — the TSA, Coast Guard or Customs — should take the



New champion for port security

With Fritz Hollings nearing retirement, Patty Murray is stepping in to fill the void

August 18-24, 2003 The Journal of Commerce 13

lead on cargo security. On July 23, Homeland Security Secretary Tom Ridge signed an order giving the TSA overall responsibility, a decision that created confusion within the trade community.

Murray describes her overall transportation security vision as based on three principles: stakeholder involvement, distributing cost so no single entity is burdened with the security of the entire system, and promoting international standards for funneling supplychain information among trade partners. She's in a position to promote that agenda, having spent the last decade building support inside the Senate and the Democratic Party through her service on key committees and in Party fundraising.

Stephen Flynn, a national security expert with the Council on Foreign Relations who has written extensively about homeland security, said Murray recognized early on that seaport security was a complicated issue that had to be addressed. "I'd have to give Patty Murray the best marks for being engaged on the issues and for muscling the actual expenditures," Flynn said. "She seems to be making this her central issue. There are other politicians coming from big-city ports who haven't been as supportive."

Murray worked in the background on pre-Sept. 11 port issues, but primarily as an advocate for her 76 home-state ports, he said. That changed after the attacks. "I remember her being in New York after Sept. 11 and beginning conversations about port security as a national imperative instead of as a local gig," Flynn said. "She could have made



Operation Safe Commerce just a pet project for Seattle, but instead made it a larger project for other ports."

Frank Hoffman, a national security analyst who worked on the Hart-Rudman Commission on National Security, agrees. "Sen. Murray clearly has more vision than many of her contemporaries, who will rush to a TV camera or podium after the fact, but will not stake out a leadership position on a growing challenge." He said few politicians pay attention to maritime security. "This will never be an election issue unless there is a port disaster which shuts down the economy for a week," he said.

Susan Turner, director of government relations for the American Association of Port Authorities, said Murray is in a position to lead if she broadens her involvement beyond Operation Safe Commerce. "Hollings was definitely a leader in talking about port security issues," Turner said. "She's been a spokesperson for ports but she's been focused on this one project. But because she's already well-known in that area, that's a potential person to keep talking on this issue."

Murray said that is exactly her intent. She said she plans to devote "a huge portion" of her time to port security, an ambition reinforced by her Senate committee assignments. Murray sits on three panels that pull the federal pursestrings: the Budget Committee, the Appropriations Committee and the Appropriations subcommittee on transportation. She also serves on the Health, Education, Labor and Pensions and Veterans Affairs committees.

But it was with Operation Safe Commerce that Murray demonstrated her political tenacity when she fought the administration over proposed budget cuts. Last May, TSA Administrator James Loy announced plans to reroute Operation Safe Commerce funding for airline baggage screening. Murray responded by blocking confirmation of Clay Johnson to be deputy director for management at the Office of Management and Budget until the full \$58 million in funding was restored.

At first, she didn't believe the action would be necessary. "I thought the com-

mon sense and rational discussion would carry the day. I never thought I would have to hold up a nomination."

There's some irony to the hardball politics. When Murray ran for the Senate in 1992 after a stint as a state senator, Republicans branded her a lightweight, someone who won more by luck than grit. It's a perception she had to fight throughout her first term. But her success wasn't entirely due to luck. She wrestled her party's nomination away from incumbent Sen. Brock Adams, who was enmeshed in a scandal, then went on to defeat her Republican opponent, Rod Chandler, an incumbent House member. She was re-elected in 1998.

In her second term Murray assumed a key party position as vice chair of the Democratic Senatorial Campaign Committee, where she oversaw fundraising for Democratic candidates and helped raise \$85 million for candidates nationwide in the 2000 election.

After the election, she was named committee chair, a position she still holds. She is the first woman to hold either position. Her involvement paid dividends, as Democrats picked up four new female senators in 2000. Murray's fundraising prowess will be a key part of the Democrats' effort to unseat a Republican majority in the 2004 election.

Murray insists that homeland security won't be a partisan issue in the upcoming election, but Democrats are becoming more vocal about their dissatisfaction with the administration's handling of homeland security. Democratic presidential candidates, particularly Sens. Joseph Lieberman, D-Conn., and Bob Graham, D-Fla., routinely criticize the administration on homeland security and lack of adequate funding.

The funding issue is made more difficult by budget deficits, Democrats say. After four years of surpluses, the federal budget slipped into the red in 2001, and the Office of Management and Budget forecasts a record deficit of \$475 billion for 2004. "As Americans we're going to have to face up to leaders who are going to have to tell us what's going on," Murray said. "Tax cuts have not worked, and it's left our budget short."

14 The Journal of Commerce August 18-24, 2003