

**Testimony by
Mr. David A. Espie
Director of Security
Maryland Port Administration, Port of Baltimore**

**On behalf of the
American Association of Port Authorities (AAPA)**

**Before the Committee on Transportation and Infrastructure's Subcommittee on Coast Guard
and Maritime Transportation and the Committee on Homeland Security's
Subcommittee on Border and Maritime Security**

**Joint Hearing entitled
An Examination of the Maritime Nuclear Smuggling Threat
and Other Port Security and Smuggling Risks in the U.S.**

**Thursday, July 7, 2016
10:00 a.m.
2167 Rayburn House Office Building**

Thank you Chairmen Hunter and McSally and Ranking Members Garamendi and Vela for convening this joint hearing. My name is David Espie, and I currently serve as the Director of Security for the Maryland Port Administration's Port of Baltimore. I am testifying today through the Committee's invitation and on behalf of the American Association of Port Authorities (AAPA) wherein I am a member of its Security Committee. This is a vital topic, which could ultimately impact the safety and security of the United States if not addressed in a cohesive and expedited manner.

The AAPA is the unified and collective voice of the seaport industry in the Americas. The AAPA empowers port authorities, maritime industry partners and service providers to serve their global customers and create economic and social value for their communities. AAPA activities, resources and partnerships connect, inform and unify seaport leaders and maritime professionals in all segments of the industry around the Western Hemisphere. Security is a top priority for all member seaports. This testimony is on behalf of our United States members.

In my role as the Director of Security for the Port of Baltimore, the prevention of maritime nuclear smuggling into the United States is a top priority that requires a multi-faceted approach. It requires the input of diplomatic resources, technical assets, human capital and appropriate funding to facilitate subsequent preventive methodologies. All of this requires a strong partnership with the federal government.

As a retired FBI agent and former National Security Agency (NSA) Special Agent, I also view our security from a national perspective that must empower ports to be more engaged in our national security apparatus.

In my experience, it is vital that our government have sound diplomatic relationships with countries that will cooperate with the United States in not only applying necessary security measures to secure their own nuclear materials, but also assist in countering a neighboring or regional country that may possess such material and have negative intentions against our nation or other nations. Global diplomacy and policies impacts local port security enforcement.

For example, the State Department's Counter Nuclear Smuggling Unit, Department of Energy's partnership has nearly 50 countries providing radiation detection and nuclear forensics equipment. The recent Nuclear Security Summit held here in Washington is an example of the technical assets of our intelligence and federal law enforcement agencies and must be staffed, continually deployed and refined. As we seem to see each day on the news, today's security threat is a fluid target that is neither stagnant nor bound to any particular country, region or territory, a church, an airport a night club, the list grows.

Existing capabilities and resources must be deployed and fully capable in order to maximize our country's opportunity to readily identify and neutralize potential threats. Development and tasking of domestic and international sources must remain a priority of our intelligence services and our local, state and federal law enforcement agencies. In some cases, I believe it would be beneficial for port security directors to receive FBI briefings.

As an example, the threat of maritime terrorist smuggling appears to be increasing, possibly in correlation with the flight of Syrian refugees to Europe. Recently, a stowaway on a roll-on roll-off vessel destined for Baltimore was located by the ship's crew and taken into custody by Homeland Security Investigations (ICE). The stowaway admitted that he boarded the vessel while it was docked at a German port.

Approximately one week prior to this event, a shipping lines manager in Baltimore advised that his lines had experienced several stowaway attempts by Syrian nationals in Germany as well. Directors of port security in the United States are not routinely granted a security clearance with the federal government and hence, are not provided classified briefings regarding threats to their ports.

The suspects of maritime nuclear smuggling efforts are numerous. The actions and aggressiveness of the Islamic State of Iraq and the Levant (ISIL) are challenging all aspects of our port security procedures. The threat from ISIL emerges on several fronts. First, the size of ISIL's force is substantial. Second, ISIL is not a congruent entity. Its leadership remains in a fractured state and subsequently, sub-factions form that are very difficult to identify or trace. Third, ISIL's

use of the internet and related systems to recruit both actual soldiers and lone wolves has proven to be extremely successful.

As a former police officer and now as a port security director, resources that can be utilized at the local level are vitally important. FEMA's Port Security Grant Program, has been instrumental in coordinating port specific security needs with the national and global threats.

AAPA encourages Congress to continue to fund the Port Security Grant Program, but also insists that grant funding be directed to ports and not diluted out to other law enforcement entities with very low threats. Funding to local law enforcement needs to illustrate a stronger connection with the port complex to ensure the funds are being used for their intended purposes. There should be a letter of endorsement from the port authority if a regional authority is to receive a port security grant. Threats against or nations seaports are always emerging and port security grants are in continual demand.

Cybersecurity is a prime example of an emerging security threat since 9/11. Ports are working with their stakeholders in addressing this very complex issue.

For example, in a recent survey of U.S. AAPA Security Directors:

- 52% of our ports have done a cybersecurity assessment within the last three years
- 67% of our ports Area Maritime Security Committee have formed a cybersecurity working group

Our ports meet with the following groups on cybersecurity:

- 97% have met with the Coast Guard
- 20% have met with terminal operators
- 6% with shippers
- 68% of ports of received port security grant funding to do a cyber assessment
- 63% have received PSG funding for ongoing cyber projects
- 100 port employees are dedicated to cyber (there are also some part-time employees dedicated to cyber)

In addition to cybersecurity, cargo containers have been identified as the most plausible mechanism for smuggling nuclear material into the United States. Over 11 million containers are shipped to our nation's 300 sea and river ports on an annual basis. With the recent completion of the Panama Canal expansion the number of containers from foreign ports will dramatically rise.

Following the 9/11 Commission, as you are aware, in 2007 Congress passed a law mandating that before a cargo container was shipped to the United States it must be scanned with imaging equipment and a radiation device.

To date, this law has not been procedurally incorporated wherein exemptions have been employed by the Department of Homeland Security (DHS). Recently, an additional two-year extension of the law's implementation was approved by DHS with the support of AAPA, 100 supply chain and industry stakeholders. It has been estimated that it would cost approximately \$20 billion to deploy scanning procedures and technology at the 700 foreign ports which ship cargo to the United States.

AAPA continues to work with DHS, stakeholders and industry experts in identifying innovative approaches in ensuring container security.

As many of you already understand, the primary responsibility to detect and/or deter maritime nuclear smuggling into the United States is Customs and Border Protection (CBP) and increasingly ports need the CBP boots on the ground.

CBP also incorporates two proactive programs in an effort to counter maritime nuclear smuggling, Customs-Trade Partnership Against Terrorism (C-TPAT) and the Container Security Initiative (CSI). C-TPAT is an outreach program to elicit the cooperation of the maritime industry which now has over 10,000 certified partners. The CSI has three main focuses: identify high-risk containers, prescreen and evaluate containers prior to shipment and utilize technology to prescreen high-risk containers.

However, all containers leaving a port are screened by a Radiation Portable Monitor (RPM) wherein if an alert surfaces the container is subject to secondary screening. The 2006 Security and Accountability for Every Port Act mandated that the 22 largest container ports utilize RPMs.

The totality of CBP's RPM program is somewhat in a state of flux. First, the current RPM technology is dated. Second, the maintenance of RPMs in place appears to fluctuate-such maintenance records are not shared with port security directors. Third, although nothing has been officially related to ports, CBP has inferred that the costs of newly installed RPMs will be the burden of the port operator.

The current RPM program requires a thorough assessment and that CBP funding surrounding the performance and future implementation of this technology should ultimately be increased to cover necessary costs to include manpower as well.

In fiscal year 2015, when CBP was funded to hire 2,000 staff, fewer than 20 officers were assigned to seaports. We cannot let this disproportionate approach to security continue. Our

nation's seaports handle more than 11 million maritime containers and over 11 million international passengers each year.

Representatives Forbes, Poe, Hahn and Castor recently led a letter signed by 47 members, requesting that more focus be placed on hiring maritime CBP staff. AAPA is submitting a copy of this letter for the record.

In summary, our nation's strategy to prevent maritime nuclear smuggling must utilize a holistic approach. This strategy should continue to incorporate diplomatic engagement; utilize intelligence community human and technical assets; a continued examination of port security protocols to include those of which are federally mandated and those imposed by port operators; increased funding of the Federal Emergency Management Agency's Port Security Grant Program to ensure ports are or remain in federal compliance; and the investment of appropriate funding levels for federal agencies, particularly CBP, in order for current and future legislative mandates be properly executed.

Thank you for the opportunity to testify this morning, and I look forward to any questions you may have.