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DEPARTMENT OF TRANSPORTATION

UNITED STATES COAST GUARD

STATEMENT OF

REAR ADMIRAL LARRY HERETH

ON THE

HOMELAND SECURITY: FINDING THE NUCLEAR NEEDLE IN THE CARGO CONTAINER HAYSTACK HEARING

BEFORE THE

SUBCOMMITTEE ON NATIONAL SECURITY, VETERANS AFFAIRS, AND INTERNATIONAL RELATIONS

COMMITTEE ON GOVERNMENT REFORM

U.S. HOUSE OF REPRESENTATIVES

NOVEMBER 18, 2002

LARRY HERETH
Rear Admiral, U.S. Coast Guard

Rear Admiral Larry Hereth is currently serving as the Director of Port Security in the Marine Safety, Security and Environmental Protection Directorate at U.S. Coast Guard Headquarters, Washington, D.C. As Director of Port Security, he is responsible for developing goals, objectives and procedures for the Coast Guard port security mission and coordinating activities with other Coast Guard programs, other government agencies and industry to improve Maritime Homeland Security and Domain Awareness.

Rear Admiral Hereth is a 1973 graduate of the United States Coast Guard Academy with a bachelor of science degree. He also earned an MBA from Florida Institute of Technology. In his 29 years of service, he has had a broad-based career with an emphasis on field operations. His wide-ranging assignments have taken him throughout the United States with multiple tours at east, gulf and west coast ports.

After sea duty and command of a unit in Turkey, Rear Admiral Hereth specialized in marine safety, port operations and pollution response. He previously served as Commanding Officer of Coast Guard Marine Safety Office San Francisco Bay. As CO he held three regulatory positions: Captain of the Port; Officer in Charge of Marine Inspection; and Federal On Scene Coordinator for pollution incidents. His area of responsibility covered almost 1900 miles of coastline or inland waterways in the northern half of California and extended shoreward beyond Lake Tahoe. Prior to being assigned to San Francisco, he served in Coast Guard Headquarters as program manager for all Coast Guard oil and hazardous substance pollution preparedness and response activities. Other tours included Commanding Officer, Gulf Strike Team; Alternate Captain of the Port in New York; Chief, Port Operations in New Orleans; and as Chief of the Coast Guard's National Marine Environmental Response School where he supervised all the pollution response courses and directed a national exercise program.

He has received numerous personal awards throughout his career, including the Department of Transportation Secretary's Gold Medal Award and the Meritorious Service Medal with the Operational Distinguishing Device and three gold stars.

He is a native of Cincinnati, Ohio and is married to the former Kathy Hays of Hillsboro, Oregon. Kathy works as a dental hygienist.

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Good afternoon Mr. Chairman and distinguished members of the Committee. As the Director of Port Security for the Office of Marine Safety, Security, and Environmental Protection at Coast Guard Headquarters, I want to thank you for the opportunity to appear before you today on behalf of the Commandant, Admiral Collins, to discuss the Coast Guard's strategy and interagency relationships with respect to container cargo security.

As we all know, terrorist organizations pose an immediate and substantial threat to global trade. With over 95 percent of our country's overseas trade carried through U.S. seaports, and maritime industries contributing over one trillion dollars to the Gross Domestic Product of the United States, we cannot afford to bring the maritime dimension of our economy to a standstill. The recent 10-day labor management dispute at ports on the West Coast is a prime example of the significant economic impact that a shut down of our major ports can have. The vital role that our Marine Transportation System (MTS) plays in our Nation's overall economic picture will continue to grow. The movement of goods into and out of our country is expected to nearly double over the next twenty years. Globalization, and the advent of just-in-time delivery, has put an incredible premium on rapid, reliable cargo transportation. Intermodal containerized cargo has made today's just-in-time delivery business model possible. Each year, approximately six million cargo containers enter U.S. seaports.

Although containers have revolutionized international commerce, they are also a vulnerable link in the chain of global trade. Containers provide terrorists with a potential vehicle to smuggle nuclear, chemical, biological, or other deadly weapons into this country. Also, U.S. seaports are an attractive target because they have the infrastructure that facilitates international trade. Our seaport security challenge then, is to maintain the free flow of legitimate cargo and people through our ports, while simultaneously implementing security measures that protect us from those who seek to do harm by exploiting the potential vulnerabilities inherent in a system designed to maximize the flow of goods and people. The Coast Guard is uniquely positioned to address this challenge by virtue of our multi-mission nature, which combines a distinctive blend of military, humanitarian, intelligence, and unparalleled maritime law-enforcement capabilities.

While we have long been involved in all aspects of port security, the Coast Guard plays a supporting role to the U.S. Customs Service and the Transportation Security Administration (TSA) in the formidable challenge of improving container security. The

Coast Guard continues to work closely with these agencies and our industry partners to develop a unified approach for container security worldwide. One important facet of our approach to container security has been to emphasize the ability to detect Weapons of Mass Destruction (WMD) before they enter a U.S. port. Our approach places a premium on identifying and intercepting threats well before they reach the U.S. through improved Maritime Domain Awareness (MDA).

MDA is one of our five core Maritime Homeland Security strategies. Simply put, MDA is a comprehensive awareness of the vulnerabilities, threats, and activities that are occurring in the maritime environment. Sorting the legitimate from the illegitimate can be particularly difficult in the maritime environment. To detect, intercept, and interdict potential threats, as far out to sea as possible, we must acquire information that is increasingly comprehensive and specific as activities and potential threats move closer to the U.S. A variety of initiatives and interagency partnerships have improved our information gathering and analysis capability. One example is a new requirement that all seagoing vessels over 300 gross tons are required to provide a notice of arrival to our National Vessel Movement Center (NVMC) 96-hours prior to entering a port or place in the United States. The previous requirement was only 24-hours advance notice. Our intelligence components evaluate the information provided on the vessel, its cargo, crew nationality, flag of registry, and previous ports of call. Based on this information, we determine whether the vessel should be considered a High Interest Vessel (HIV) requiring additional security measures.

Additional security measures include establishing positive control over HIV movements. One means of establishing positive control is to board and inspect vessels that may pose a substantial security risk prior to their arrival in a U.S. port. However, the unique design of container ships and container stowage severely limits access to containers at sea. Therefore, the Coast Guard relies heavily on pre-arrival intelligence to ascertain the vessel's threat level while working to improve our boarding teams' detection capability.

Being able to effectively detect the presence of a radiological device during a boarding is essential. The maritime environment provides unique challenges that severely impact the performance of radiation detectors and sensors. Accordingly, the U.S. Coast Guard Research and Development Center has been in partnership with the Department of Energy (DOE) to identify the appropriate detection capabilities, provide the necessary training, establish logistical support, and create interagency protocols to ensure a measured and appropriate response to the detection of radiological materials aboard ship. In addition, based on lessons learned from the recent boarding of the PALERMO SENATOR and MAYVIEW MAERSK, additional measures and policy changes are being evaluated by an interagency working group in an effort to enhance overall boarding procedures on vessels suspected of carrying WMD.

The Coast Guard has also invested in the training and equipment of its three National Strike Teams, located on the East, West and Gulf Coasts of the United States. Although traditionally focused on oil and hazardous materials spill response, based on their expertise and expanded equipment capability, has enabled them to be designated as the Coast Guard's primary responders to future Chemical, Biological and Radiological (CBR) events.

As the Coast Guard moves forward in the WMD and cargo container security arena, we continue to work closely with, and have been strong supporters of the U.S. Customs Service. We're actively engaged with them in several initiatives, including the Container Security Initiative (CSI) and Customs-Trade Partnership Against Terrorism (C-TPAT) Program. The premise of these important programs is to address the WMD threat by pushing the zone of security outward, so ports of entry in the United States are the last line of defense, not the first line of defense against this threat. Other interagency partnerships we're involved in include the Interagency Container Working Group, co-chaired by TSA, Maritime Administration (MARAD) and the U.S. Customs. The Container Working Group, a unique partnership consisting of 150 representatives from both government and private industry, continues to make significant progress towards long-term solutions and advances in information technology, security technology, business practices, and international regulations for secure container operations.

The Coast Guard has also been actively engaged in an ongoing container security initiative known as Operation Safe Commerce (OSC). OSC is an innovative public-private partnership dedicated to enhancing security throughout the international supply chain, while facilitating the efficient cross-border movement of legitimate commerce. Effective international trade supply chain security must rest on a foundation of credible risk management; it requires a regime that can reliably identify the people, goods, and conveyances that are legitimate and facilitate their movement. An Executive Steering Committee (ESC) has been chartered by DOT/TSA to provide oversight, guidance, and support to OSC projects so they can integrate with broader governmental objectives and best inform governmental efforts to address container security and efficiency.

International outreach is another element of our maritime security strategy. We have taken the lead internationally through the International Maritime Organization (IMO) in developing a worldwide standard for maritime security. The progress of the IMO in developing international security standards for vessels and ports has been extraordinary. This December, we expect the IMO to adopt new measures to enhance the security of vessels in international service as well as the port facilities that service them. Among other things, these new measures will require ships and port facilities to (1) conduct a security assessment, (2) develop a security plan, (3) designate security officers, (4) perform training and drills, and (5) identify potential security threats and establish preventive measures to mitigate security breaches. All major maritime security elements proposed by the United States have been adopted or retained and will play a key role in improving maritime security internationally.

In summary, the Coast Guard, as the Nation's Maritime Homeland Security leader, clearly recognizes the critical importance our Marine Transportation System has to our Nation's economic security. We will continue to partner with other government agencies, maritime stakeholders, and international organizations to improve the security of our ports and containerized cargo. I'm confident that we can meet the daunting maritime security challenges that lay ahead. I'll be pleased to answer any questions you may have.