

**KEEPING THE BORDER SECURE:  
EXAMINING POTENTIAL THREATS  
POSED BY CROSS-BORDER TRUCKING**

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**HEARING**

BEFORE THE

**SUBCOMMITTEE ON TRANSPORTATION  
SECURITY AND INFRASTRUCTURE  
PROTECTION**

OF THE

**COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES**

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**KEEPING THE BORDER SECURE:  
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POSED BY CROSS-BORDER TRUCKING**

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**Tuesday, June 19, 2007**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON HOMELAND SECURITY,  
SUBCOMMITTEE ON TRANSPORTATION SECURITY AND  
INFRASTRUCTURE PROTECTION,  
*Washington, DC.*

The subcommittee met, pursuant to call, at 1:38 p.m., in room 1539, Longworth House Office Building, Hon. Sheila Jackson Lee [chairwoman of the subcommittee] presiding.

Present: Representatives Jackson Lee, DeFazio, Clarke, Cuellar, Lungren, and Brown-Waite.

Ms. JACKSON LEE. [Presiding.] The subcommittee will come to order.

The subcommittee is meeting today to receive testimony on what the Department of Homeland Security, specifically TSA and CBP, is doing to keep and protect our citizens from trucks that could possibly threaten our nation.

However, before I begin, I would like to ask for unanimous consent that Mr. Cuellar, a member of the full committee, be allowed to sit and question the panel during today's hearing.

Mr. LUNGREN. Is he going to be sitting at the far end?

Ms. JACKSON LEE. He will be sitting in a very honored seat.

[Laughter.]

Hearing no objection, so ordered.

Thank you, Mr. Cuellar, and welcome.

I yield myself 5 minutes to provide an opening statement.

I would like to take this opportunity to thank all of you for joining us this afternoon, so that we can begin our exploration of a topic on border security.

I am very grateful that this committee, building on certainly past leadership, has been enormously active, the full committee, recognizing our challenges after 9/11. And it is our commitment to really not leave any stone unturned.

I always am reminded of the fact, with all the respect I have for so many committees of jurisdiction and with responsibilities of oversight, if, by chance, there is a tragic incident of terrorism, they will be looking not to a number of other committees, but they will be looking to the Homeland Security Department and the Homeland Security Committee of the United States House of Representatives and its respective counterpart in the Senate.

We have the ultimate and bottom-line responsibility of dealing with security. And that means every nuance, every item that is conspicuous and all that are not conspicuous.

Some may ask the question, how does border security relate to transportation security? And that is why we are here today, because every nuance, every non-obvious aspect of security we must answer the question.

Well, here are some facts that we all should be aware of, for example, the annual number of truck crossings remains above 4 million.

The majority of our focus regarding the cross-border trucking issue has been on the safety implications. Little has been done to ensure that cross-border trucking is not an easy conduit for terrorists to enter the United States and use those vehicles to commit acts of violence against Americans.

It is important to understand that it is a possibility. My colleague, the ranking member, has recognized that in legislation that he has put forward regarding trucking.

The security implications of a cross-border trucking program, from a homeland security perspective, are four-fold. In order to be secure, we need to know the driver, the truck, the cargo and the destination. Further, we must be concerned with the whereabouts of the driver once he is through the border and driving on our national highways.

The vulnerability created by allowing foreign carriers to operate freely in the U.S. cannot be overstated. Increasingly, foreign terrorist organizations are getting a foothold in Latin America and exploiting our porous border with Canada to gain entry into the United States.

But speaking about it does not provide solutions. We must develop friendships: our continued friendship in Canada but increase friendships in South and Central America.

Mayor Salinas knows about those friendships. That is why I am gratified that he accepted the invitation of this committee to come and to share how we can combine the needs of our southern-border neighbors and our American friends who are on the American side of the border.

How do we approach security and friendship at the same time?

It is well-known that once inside a truck, regardless of what materials he or she may be carrying, a terrorist will have many tools available to him to harm Americans. We need to understand what methods TSA and CBP are putting in place to ensure that, when our borders are finally open to foreign carriers in a large way, we have a process to find out who they are, what they are carrying and where they are going.

We want to make sure that we have all of the information so that we have a productive opportunity for the exchange that we are used to, as it relates to people and goods. It is important that we do so. As we do this, we will be able to address the larger question of the relationships between our borders and those on our borders.

In addition, we want to make sure that carriers actually arrive at their destination. This is a two-prong process, and we hope to see that CBP and TSA are working in lockstep to check drivers at

the border and then track them once they are on our nation's highways.

We would like to know how effective you have been and what resources you need to be more effective.

Because the nation's highway transportation system is robust and interconnected—including 3.8 million miles of roadways, 582,000 bridges, and 54 tunnels over 500 meters in length—this work has to be done.

The highway system supports 86 percent of the personal travel of Americans and moves 80 percent of the freight, based on value, which is projected to double by 2020. This system is the backbone of our nation, and all Americans use this system. An attack on this system could seriously hamper commerce.

We need to make sure that foreign carriers are just as secure as our domestic carriers, and this process starts at the border. In the wake of September 11th, we have learned that we must think outside the box. The committee must continue to think about the impossible.

This is a security issue that we must make sure is not exploited for the purposes of carrying out a terrorist attack. And I believe that if we continue to use Band-Aid approaches or turn a blind eye, it is only a matter of time before we will once again regret that we did not act sooner.

As members of Congress and, more specifically, as members of the Homeland Security Committee, we have a responsibility to make sure our highways are secure. We are at a crossroads where we must take action to find out what is the best way to provide a safe, secure and functional system.

If we do not put effective security measures in place, our nation may very well be susceptible to another attack, which, in turn, will cause a major disruption in commerce and could subject us to grim economic consequences.

We must make sure that we have confidence in cross-border trucking. And we must demonstrate that we know who is in our country and what they are carrying, where they are going, and anything less is unacceptable.

We will look at members' legislative initiatives. We will also look at a comprehensive response legislatively to trucking and border security. We will not leave them out. We will include the thoughts of industry, the thoughts of the department, and certainly the thoughts of truckers who, every day, are on the front lines themselves. They are a vital part of the economic engine of this country, but we must ensure safety.

Be on the lookout for a comprehensive legislative approach to many of these concerns.

It is now my pleasure to recognize the ranking member of the subcommittee, the gentleman from California, who I have had an important discussion on truck safety, as he has offered an important initiative on that question as well. I yield to the gentleman.

Mr. LUNGREN. Thank you very much, Chairwoman Jackson Lee. I want to commend you for holding today's hearing.

Our Homeland Security Committee has addressed many of the security concerns in the airline industry, the maritime industry,

the chemical industry, and, most recently, the rail and mass transit industry, which we all hope will soon be enacted into law.

It is interesting that we are talking today about the trucking industry. I read an article recently that I found most fascinating. Following World War I, a young Army officer named Dwight D. Eisenhower was given the responsibility of taking a military caravan from one end of this country to the other to show the difficulty in transportation in this country.

It was out of that experience, after World War I, that drove him, as president of the United States, to establish the interstate highway system on the basis of its national security concerns. Having been in charge for the wartime effort for moving troops and equipment across Europe, he saw the inadequacy of our system that remained after World War II.

We have a very different situation today. Today, our highway system, in many ways, in the envy of the world. It creates a world that did not exist prior to its existence.

And today, cross-border trucking provides the key transportation component for almost 70 percent of the value of freight between the United States and Canada. Between Mexico and the U.S., trucks carry 83 percent of the freight, or \$219 billion worth of goods in 2006.

The volume of trade required over 8 million border truck crossings between Mexico and the U.S. and, I am informed, 14 million between Canada and the U.S.

Obviously this opportunity carries with it also risk. This large number of border truck crossings poses a serious and continuing risk to homeland security.

Since 9/11, we have struggled to find the right balance between securing our homeland without undermining our economy. What security measures can we adopt at our airports, seaports and landports which improves our national security without negatively impacting our vital economic and trade activity? That is the question we have been wrestling with.

Finding the right balance between national and economic security will be an ongoing struggle as we deal with this new terror threat. We can never allow our national security to undermine our economic security, or the terrorists will win.

This is why I join many others on this committee in being such a strong proponent of risk-based security measures, such as the automated targeted screening program, ATS, in the fight against terror. ATS allows the Customs and Border Patrol to target high-risk cargo crossing the U.S. border. These risk-based security measures strike the appropriate balance between national and economic security.

Every time we deal with this and allied issues, it is important to remind ourselves we do not exist, nor can we exist, in a risk-free environment. We have to manage risk. We have to make sure we are smarter than the bad guys. We have to use our technology, our intelligence, our personnel, and our perseverance to ensure that the terrorists do not succeed.

If they close down our economy through threat, they are as successful as if they have an actual physical attack on our country. And we have to understand that that is why it is important for us

to try and strike that proper balance. And that is why these hearings are helpful in giving us the kind of information to make those decisions that strike that balance.

And I thank the gentlelady for the time, and I look forward to these hearings.

Ms. JACKSON LEE. I thank the gentleman for his insight.

It is my pleasure now to welcome the witnesses.

And, at this time, I would like to welcome Mr. Bill Arrington, general manager for highways at the Transportation Security Administration. In this capacity, he has primary responsibility for commercial motor vehicle security and critical infrastructure security for our nation.

I would also like to welcome Mr. Greg Olsavsky, director of cargo control at U.S. Customs and Border Protection. As director of cargo control, Mr. Olsavsky has operational program management responsibility over manifests, cargo conveyance, clearance, cargo release, automated commercial environment, truck e-manifests, and multimodal manifest projects.

We look forward to your testimonies.

Without objection, the witnesses' full statements will be inserted into the record.

I now ask each witness to summarize his statement for 5 minutes, beginning with you, Mr. Arrington, from the Transportation Security Administration.

**STATEMENT OF BILL ARRINGTON, GENERAL MANAGER,  
HIGHWAY AND MOTOR CARRIER DIVISION,  
TRANSPORTATION SECURITY ADMINISTRATION**

Mr. ARRINGTON. Thank you, and good afternoon, Chairwoman Jackson Lee, Ranking Member Lungren, and members of the subcommittee.

Thank you for the opportunity to discuss TSA's activities to protect highway operators and assets. I would like to highlight some of the important steps TSA is taking with our government and industry partners to ensure our highway security reaches its highest level possible.

First I would like to introduce myself to the subcommittee.

Ms. JACKSON LEE. Would you turn on your microphone or put it closer to you? Thank you.

Mr. ARRINGTON. Thank you.

First I would like to introduce myself to the subcommittee. As you stated, I am the general manager of TSA's Office of Highway and Motor Carrier Division, with primary responsibility in commercial motor vehicle security and critical infrastructure security for our nation.

When I joined TSA in the latter part of 2002, my first assignment was area director for the south-central region of the country, which includes the great state of Texas. Now, with primary concern in the aviation industry, you are absolutely right, that is where TSA's primary purpose was at that time for obvious reasons, was in the aviation community.

Prior to joining TSA, I enjoyed a 30-year career with the Maryland State Police, retiring 3 days prior to starting to work for TSA.

I retired as a deputy superintendent with the Maryland State Police. I was chief of the Field Operations Bureau at that time.

Under the leadership of our administrator, Mr. Kip Hawley, the culture of TSA has changed for the better.

It is an absolute requirement that all entities within TSA collaborate and partner with industries at every level and in an effort to enhance national security.

It is important to keep in mind that a robust security system is multilayered. Regardless of the mode or facility, TSA relies on the interconnected system to provide the layers of an effective security program.

Highway security does not start or stop with the vehicles themselves. TSA measures rely on everything from intelligence gathering overseas to border security to awareness and vigilance of motorists themselves.

TSA does not make distinctions between domestic and foreign trucking operators. Once a truck or other highway vehicle has crossed the border and completed all safety and security checks required by the Department of Transportation and the United States Customs and Border Protection, it poses and is subject to the same level of security risk threat assessment as if it were a domestic vehicle.

As a result, TSA's security programs for the highway modes are designed to benefit all participants, regardless of their home base.

The Corporate Security Review initiative is the very centerpiece in an effort to establish a baseline for homeland security within the Office of Highway and Motor Carrier. TSA created a program to evaluate and collect physical and operational preparedness information and to share that information with our industry on best practices.

Over the last year, we have trained more than 40 state of Missouri enforcement officers who, in turn, have conducted more than 1,300 corporate security reviews within their own state and created for us a force multiplier.

We also have conducted in-house, with existing staff, nearly 100 CSRs using our existing staff.

We view law enforcement as our first line of defense. An example of this is TSA's partnership with the Federal Law Enforcement Training Center, FLETC, and created the Commercial Vehicle Counterterrorism Training Program for state and local law enforcement officers.

In an effort to address drivers hauling hazardous material, we train law enforcement officers to detect fraudulent documents and to identify suspicious activities. In addition, we are passing intelligence to them, as evidenced by a recent alert for the suspicious activities relating to chlorine shippers.

At the Commercial Vehicle Counterterrorism Training Program, we initially trained 90 officers, with the intent that once they were back at their home district they would become, again, a force multiplier and use what they learned to train others.

With the information collected through the CSRs, TSA has developed—

Ms. CLARKE. [Presiding.] Mr. Arrington, if you would just take a moment and sum up.

Mr. ARRINGTON. OK, thank you.

Security and safety is a shared responsibility. It would take a collaborative effort between government and industry to stop the next terrorist attack. The future requires a secure posture that relies upon technology to provide real-time, detailed pictures in order to respond immediately to threats to national security.

Thank you for the opportunity to appear here today. I would be more than willing to answer any questions you may have.

[The statement of Mr. Arrington follows:]

#### PREPARED STATEMENT OF WILLIAM ARRINGTON

Good afternoon Chairwoman Jackson Lee, Ranking Member Lungren, and members of the Subcommittee. Thank you for the opportunity to appear before you today to discuss TSA's highway security programs. As the General Manager of the Transportation Security Administration's (TSA) highway and motor carrier security programs, I am pleased to be here to discuss TSA's activities to protect highway operators and assets, regardless of their origin.

The Nation's Highway Transportation System is vast and interconnected, including 3.8 million miles of roadway; 582,000 bridges; and 54 tunnels of more than 500 meters in length. The highway system supports 86 percent of all of our citizens' personal travel, moves 80 percent of the Nation's freight by value, and serves as a key component in national defense mobility. Nevertheless, despite widespread redundancies, there are critical junctures with limited capacity for additional traffic, and freight volume is projected to double by 2020, stretching the Nation's ability to manage limited capacity and growing security concerns.

Trucks transport the majority of all of the goods in the United States. These shipments include agricultural goods, hazardous materials (HAZMAT), electronics, automotive and other products essential to our economy. The trucking industry is unique in that it is the only segment of the Highway Infrastructure and Motor Carrier Mode with complete intermodal supply chain relationships linking the Aviation, Maritime, Mass Transit, Passenger Rail, Freight Rail, and Pipeline modes. With widespread access to not only intermodal infrastructure, but also contact with large numbers of people and goods, it is important that coordination between trucking operation and other modes includes effective lines of communication and coordinated security measures to establish and maintain safe and secure transport of goods and people.

TSA makes no operational distinction between domestic and foreign trucking operators. Once a truck or other highway vehicle has crossed the border, completing all necessary safety and security checks required by the Department of Transportation and U.S. Customs and Border Protection, it poses and is subject to the same level of security risk and threat assessment as if it were a domestic vehicle. As a result, TSA's security planning and programs for the highway mode are designed to benefit all participants, regardless of their home base.

#### **Security Strategy**

Highway infrastructure and motor carrier security is advanced by implementing layered security measures through transportation systems operations and management. Toward this end, the Department of Homeland Security (DHS), the Department of Transportation (DOT), State and local government entities, and private sector security partners continue to be committed to improving the Highway Transportation System.

The security of the Highway Transportation System is a shared responsibility among Federal, State, and local governments and private stakeholders. Measures to secure the assets of the Highway Transportation System must be implemented in a way that balances cost, efficiency, and preservation of commerce in this Nation. Federal, State, local, and tribal government agencies, along with private stakeholders, will lead the national effort to maintain the capability to move freely and facilitate interstate commerce under all conditions.

Vehicles that use the highways are potential targets and weapons that terrorists or criminals could use to attack critical infrastructure or other assets. The diversity of highway industries poses additional challenges to the effective integration of security into both large, complex operations and smaller owner/operator businesses. To address these security issues, it is important that the Federal Government continues to work effectively within established public-private partnerships, imple-

menting a variety of programs to enhance the security of domestic highway operations.

#### **Scope of the Mode**

The trucking industry is made up of predominantly small private companies. Approximately 675,000 are interstate and 400,000 are intrastate companies. In addition to for-hire trucking, private truck operations are integral to other business operations, such as construction, agriculture, and the delivery of goods and services. Nearly 8 million large trucks are registered in the United States. While approximately 9.3 million truck drivers have commercial driver's licenses (CDLs), only 3.3 million are regarded as active. Vehicle configurations include tankers, dump trucks, intermodal containers, flat-beds, and specialty vehicles.

The motorcoach industry is comprised of approximately 3,600 motorcoach companies, operating 39,000 motorcoaches that carry nearly 630 million passengers annually in the United States and Canada, traveling approximately 2.44 billion miles per year. The motorcoach industry, similar to the trucking component, also operates with multi-modal interconnectivity on a daily basis, providing passenger and limited freight service on a national level. Again, such open access requires coordinated safety and security efforts across modes.

The school transportation industry, which is comprised of approximately 460,000 schoolbuses, is the largest public fleet of vehicles in the United States. Each day, nearly 23.5 million minor students travel to approximately 14,000 public educational agencies nationwide. In the United States, schoolbuses travel 4 billion miles annually on fixed daily routes, as well as periodically conducting transportation to public venues.

In accordance with Executive Order 13416, TSA's strategy for highway security includes four major elements: evaluation of current security practices and recommendations for improvement; robust information sharing with government and industry; enhanced cooperation with stakeholders; and technological research, development, testing and evaluation.

#### **Evaluation and Recommendation**

No overall security strategy can be successful without investigation of current security practices throughout the mode. As a result, TSA created the Corporate Security Review (CSR) program. CSRs are conducted with organizations engaged in transportation by motor vehicle and those that maintain or operate key physical assets within the highway transportation community. They serve to evaluate and collect physical and operational preparedness information and critical asset and key point-of-contact lists; review emergency procedures and domain awareness training; and provide an opportunity to share industry best practices. To date, 96 CSRs have been conducted throughout the highway mode. Over the past year we have piloted our CSR program to our state partners. We trained 40 State of Missouri enforcement officers to conduct CSRs within their state, to date they have conducted over 1500 CSRs. We are now in the process of piloting the CSR program to TSA's Federal Security Directors (FSD) and plan to begin training with three airports in August.

Using the information collected through the CSR program, TSA is developing recommended Security Action Items (SAIs), voluntary practices designed to improve security for trucks carrying security-sensitive HAZMAT, motorcoaches and schoolbuses, and highway infrastructure. SAI development is being coordinated with the Department of Transportation's (DOT's) Federal Motor Carrier Safety Administration (FMCSA) and Pipeline and Hazardous Materials Safety Administration (PHMSA). TSA has worked to tie risk to the application of the SAIs through the development of lists of High Security Hazardous Materials and Sensitive Security Hazardous Materials. In this way, specific SAIs are applied to groupings of hazardous materials. TSA has been working with chemical manufacturers, shippers, and motor carriers along with the Highway Infrastructure and Motor Carrier Sector Coordinating Council (SCC) to obtain industry review and input on the SAIs prior to issuance. The SCC is a private organization created to coordinate infrastructure protection efforts with government stakeholders involved in the National Infrastructure Protection Plan process. SAIs, though voluntary, will allow TSA to communicate and formally share those security actions identified as key elements within an effective and layered approach to transportation security. Many of the applicable stakeholders are currently employing some of these security actions as evidenced by the results of the CSRs and other direct outreach to stakeholders. TSA is also working with trucking insurance underwriters to introduce SAIs and to inquire as to the role of the insurance industry in enhancing highway security. TSA and PHMSA have created an Annex to DHS/DOT Memorandum of Understanding to delineate clear lines of authority, promote communication between the agencies, and foster co-

operation, and prevent duplication of effort in the area of hazardous material and pipeline transportation security.

#### **Information Sharing**

In order to facilitate direct contact with industry and government stakeholders, TSA has created two avenues to share information directly, through an Information Sharing and Analysis Center (ISAC), and the Homeland Security Information Network (HSIN). Using funds provided through the Trucking Security Grant Program, the American Trucking Associations (ATA) operates an ISAC for the highway mode in partnership with national and State trucking associations and conferences of the ATA Federation, as well as numerous other national highway transportation organizations in participating the Highway Watch® Coalition for the benefit of the entire Highway Transportation System. The Highway ISAC works with both public and private stakeholders to collect, share, and analyze information that provides a security benefit for the entire mode. The ISAC disseminates information bulletins, alerts, and other security-related reports to stakeholders via e-mail.

In addition to the Highway ISAC, the HSIN provides a secure, single-source, web-based information-sharing network to assist in the two-way communication of security-related information. The Highway and Motor Carrier Infrastructure Protection Government Coordinating Council, made up of federal and state government entities, has created a Web portal on HSIN. In addition, the Highway SCC will be creating their own Web portal on HSIN to allow private sector stakeholders to engage in two-way communication with the public sector to share, review, discuss, and disseminate security information in an efficient and effective format.

#### **Cooperation with Stakeholders**

TSA continues to develop and enhance our connections to stakeholders for collaboration. We continue to administer the program to provide security threat assessments on drivers seeking to obtain, renew, or transfer a HAZMAT endorsement on their commercial drivers license (CDL); work to enhance training opportunities for workers throughout the sector; and provide the subject matter expertise necessary to administer the highway mode infrastructure protection grants.

In cooperation with state motor vehicle administrations, TSA continues to conduct security threat assessments on all applicants for hazardous materials endorsements (HME) to CDLs. Section 1012 of the USA PATRIOT Act of 2001 requires all commercial drivers seeking to apply for, renew, or transfer an HME on their State-issued CDL to undergo a "security threat assessment" to determine whether or not the individual poses a security risk. Individuals may be disqualified from holding an HME based on the assessment, which is comprised of an FBI fingerprint-based criminal history records check, an intelligence check, and legal status check. Drivers determined to be a security threat are prevented from receiving HMEs on their CDLs. To further enhance security, TSA is evaluating options to perform name-based screening of all CDL holders against the terrorist watch lists. These requirements apply to all drivers resident in the United States. For foreign drivers, as required by section 70105 of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act, a Legacy for Users (SAFETEA-LU) (P.L. 109-59), drivers registered in Canada and Mexico wishing to transport explosives or other hazardous materials into the United States must undergo a similar background check to that required by the USA PATRIOT Act. As a result, TSA requires these drivers to participate in the Free and Secure Trade Program run by Customs and Border Protection, which provides the necessary background check. As suggested by the Committee, we are also continuing to evaluate the scope of the HME program to make improvements, including reviewing the materials covered by the HME regulation in cooperation with DOT, to determine materials that are security sensitive for future program improvements.

We also continue to work closely with industry stakeholders, and State, local, and tribal governments to enhance truck and motorcoach security awareness and training. Existing Federal site visit programs will be coordinated to enhance security awareness and training, and provide technical and threat information. This effort will build on existing complementary DHS and DOT efforts. The Federal Government will also provide assistance to the bus and motorcoach industries to develop and implement security plans and security training for employees. Enhancing programs that support law enforcement agencies, such as DOT's Trucks 'n Terrorism training and courses offered by the DHS's Federal Law Enforcement Training Center, will raise awareness of indicators of suspicious activities involving commercial motor vehicles.

TSA provides the subject matter expertise necessary to administer the highway portions of the Infrastructure Protection grant program, including the Trucking Security Program (TSP) and the Intercity Bus Security Grant Program (IBSGP). The

TSP primarily sustains the Highway Watch® program to enhance homeland security through increased vigilance and awareness on our Nation's highways. In FY 2006 TSP awarded \$4,801,500 (out of a total appropriation of \$5 million) directly to Highway Watch®. TSP seeks to assist all professionals and operating entities throughout the Highway Transportation System in obtaining training on security awareness, reporting suspicious incidents, and information analysis. The TSP awarded \$11.6 million in FY 2007. The mission of the IBSGP is to, through the distribution of grant money to eligible stakeholders, create a sustainable plan for protecting intercity bus systems and the traveling public from terrorism, especially from explosives and non-conventional threats that would cause major loss of life and severe disruption. The FY 2006 IBSGP awarded \$9.5 million, and the FY 2007 IBSGP awarded \$11.6 million. The President has requested \$9 million for the TSP and \$12 million for the IBSGP in FY 2008.

#### **Research, Development, Testing and Evaluation**

TSA is also sponsoring the evaluation of technology with security benefits to the highway mode, including the Truck Tracking Security Pilot. The ability to track trucks, especially those carrying certain HAZMAT, has potential security benefits. DOT's FMCSA conducted a tracking pilot and TSA is in the midst of conducting one. FMCSA conducted a 2-year national field operational study of existing technologies offering enhanced solutions to the security of motor carrier shipments of HAZMAT, which was completed in December 2004. The test evaluated the costs, benefits, and operational processes required for wireless communications systems, including global positioning system tracking and other technologies. The tested technologies performed well under operational conditions and showed promise for significantly reducing security vulnerabilities.

Building on FMCSA's efforts, TSA is testing near real-time tracking and identification systems, theft detection and alert systems, motor vehicle disabling systems, and systems to prevent unauthorized operation of trucks and unauthorized access to their cargos. As a result of this pilot, TSA will be able to evaluate such factors as the costs and benefits of the system; the ability to collect, display, and store information on shipments of high-risk materials by motor vehicle and/or trailer throughout the supply chain; and the capability of the system to resist accidental or unauthorized disabling. The operational phase of the pilot should conclude shortly, and once the results have been evaluated, TSA will consider the benefits to security that can be added by encouraging private industry to adopt widespread use of the technology.

#### **Conclusion**

In conclusion, it is important to keep in mind that a robust security system is multi-layered. Regardless of the mode or facility, TSA relies on the interconnections and redundancies of the nation's transportation system to provide the layers necessary for a robust security system. Highway security does not start and stop with the vehicles themselves. The program relies on everything from intelligence gathering overseas, to border security, to the awareness and vigilance of the truckers themselves. Thank you for the opportunity to appear here today. I would be pleased to answer any questions you may have.

Ms. CLARKE. Thank you for your testimony.

I now recognize Mr. Olsavsky, with CBP, to summarize his statement for 5 minutes.

#### **STATEMENT GREG OLSAVSKY, DIRECTOR, CARGO CONTROL, U.S. CUSTOMS AND BORDER PROTECTION**

Mr. OLSAVSKY. Good afternoon, Madam Chairwoman Jackson Lee, Ranking Member Lungren, Member Cuellar, and distinguished members of the subcommittee.

I am Greg Olsavsky. I am the director of cargo control for Customs and Border Protection. And I have program responsibilities for a lot of the topics that are the subject of this hearing today.

Thank you for this opportunity to discuss with you today Customs and Border Protection's efforts to ensure the security of containerized cargo imported across our nation's land borders.

As you know, CBP has developed and implemented unprecedented initiatives to achieve our twin goals of preventing the entry

of terrorists and terrorist implements and facilitating the flow of legitimate trade and travel.

CBP uses a multilayered approach to ensure the integrity of its supply chain, from the point of stuffing through arrival at a U.S. port of entry. This multilayered approach includes the use of trained CBP officers, technology, automation, advance electronic information, and partnerships with the trade and foreign governments.

I understand that many members of the subcommittee have had the opportunity to view our strategy in action, either in our sea-ports, land border ports, or airports.

As you may have noted during any of these visits, CBP's cargo enforcement strategy is an overarching, multilayered approach and is applicable to all modes of transportation in the air, land and sea environment.

My testimony today, however, will focus on our efforts related to containerized cargo at the land borders.

CBP utilizes advance cargo information, automated targeting and screening, private and public partnerships, cutting-edge technology, and a highly skilled, well-trained workforce in order to gain operational control and protect the Nation at and between the ports of entry.

I will touch on each of these areas very briefly and would certainly welcome further discussion.

Advance electronic cargo information: One of the key components of CBP's layered defense is the receipt of advance electronic cargo information required by all modes of transportation by the Trade Act of 2002, including the 1-hour rule for non-free and secure trade, or FAST, shipments and the 30-minute rule for FAST shipments in the truck environment.

CBP is currently working to obtain additional advance cargo information and enhance our ability to perform risk-based targeting. Obtaining data earlier in the process will increase the transparency of the global supply chain, allowing CBP to greatly refine its targeting processes.

Automated targeting system: Advance cargo information on all inbound shipments for all modes of transportation is effectively evaluated using the automated targeting system, or ATS, before arrival in the United States.

As a matter of background, ATS provides decision support functionality for CBP officers working in advanced targeting units, or ATUs, at our ports of entry and at foreign ports.

National targeting rule sets have been implemented in ATS to provide threshold targeting for national security risk for all modes: sea, truck, rail and air.

Public and private partnerships: CBP has developed several partnerships with industry to enhance security and facilitate trade. Foremost among these are Free and Secure Trade, or FAST, and the Customs-Trade Partnership Against Terrorism, or C-TPAT.

The FAST program establishes bilateral initiatives between the United States and NAFTA partners designed to ensure security and safety while enhancing the economic prosperity of partner countries.

C-TPAT is a voluntary government business initiative to build cooperative relationships that strengthen and improve overall international supply chain and U.S. border security.

Both the FAST and C-TPAT programs recognize that CBP can provide the highest level of cargo security only through close cooperation with the ultimate owners of the international supply chain, such as importers, carriers, consolidators, licensed customs brokers, and manufacturers.

Use of cutting-edge technology: Given the magnitude of CBP's responsibility, the development and deployment of sophisticated detection technology is essential. Technology deployed to our nation's ports of entry include large-scale X-ray and gamma imaging systems and a variety of radiation portal detection devices.

Prior to 9/11, not a single radiation portal monitor, or RPM, and only 64 large-scale non-intrusive inspection, or NII, systems were deployed to our nation's ports of entry. CBP currently has 978 RPMs and 178 large-scale NII systems deployed nationwide. This is progress.

Additionally, all CBP ports of entry and border patrol stations have access to the Automated Biometric Identification System/Integrated Automated Fingerprint Identification System, otherwise known as IDENT/IAFIS, which was established to merge the capabilities of the FBI's criminal master fingerprint file and the former Immigration and Naturalization Service's immigration violator database.

The goals of the system were to identify repeat immigration offenders and identify criminals and previously deported aliens who should be detained.

CBP border patrol agents are also securing areas between the ports of entry through the use of a variety of systems that provide coverage 24 hours a day, 7 days a week, to detect illegal crossings on our northern and southern borders.

Last but not least, CBP employs professional and well-trained officers, including canines, at ports of entry, whose training, experience and intuition present a formidable defense against attempts to circumvent the laws and regulations enforced by CBP.

The combination of advance cargo screening systems, inspections and surveillance tools, and a professional and well-trained workforce help CBP accomplish its mission of protecting America.

In addition, the CBP is continually searching for new and improved technologies and applying successful enforcement strategies to further ensure safety and security against terrorism.

I have briefly outlined some of CBP's efforts to ensure the security of containerized cargo imported across our nation's land borders. Thank you again for the opportunity to testify. I would be happy to answer any of your questions.

[The statement of Mr. Olsavsky follows:]

#### PREPARED STATEMENT OF GREG OLSAVSKY

Good morning Madam Chairwoman Jackson-Lee, and Members of the Subcommittee. Thank you for this opportunity to discuss with you today U.S. Customs and Border Protection's (CBP) efforts to both strengthen the security of cargo entering our borders and facilitate the flow of legitimate trade and travel.

CBP has made great strides toward securing America's borders, facilitating legitimate trade and travel, and ensuring the vitality of our economy. As America's front-

line border agency, our priority mission is to protect the American public against terrorists and the instruments of terror while at the same time enforcing the laws of the United States and fostering the Nation's economic security through lawful travel and trade. Today, trained CBP Officers, technology, automation, electronic information, and partnerships with the trade and foreign governments are concepts that underpin CBP's cargo security and anti-terrorism initiatives. These concepts extend our zone of security outward and reinforce the components of our layered defense strategy.

As we work toward securing our ports and borders, we must also continue to perform our traditional missions, which include stemming the flow of illegal drugs and other contraband, protecting our agricultural and economic interests from harmful pests and diseases, protecting American businesses from theft of their intellectual property, regulating and facilitating international trade, collecting import duties, and enforcing United States trade laws. In FY 2006, CBP processed more than 422.8 million pedestrians and passengers, 131 million conveyances, 28.8 million trade entries, scanned and physically examined 5.6 million sea, rail, and truck containers, intercepted 1.1 million illegal aliens between our ports of entry intercepted more than 2.7 million prohibited plant and animal products, and seized more than 2.2 million pounds of narcotics.

In order to accomplish our mission of securing America's borders and facilitating trade, CBP has developed a layered enforcement strategy, part of CBP's philosophy of a smart and extended border security strategy designed to protect the global supply chain, our country, our economy—and ultimately, others countries and the global economy. I will focus my comments today on our efforts at the land borders. CBP utilizes advance cargo information, automated targeting and screening, private and public partnerships and cutting edge technology in order to gain operational control and protect the Nation at and between ports of entry.

- **Advance Electronic Cargo Information:** As required by the Trade Act of 2002, advance cargo information must be provided through the CBP-approved automated data interchange. For truck cargo, the Automated Commercial Environment (ACE) is the approved system and information must be provided 1 hour prior to the arrival of the truck at the border crossing for non-Free and Secure Trade (FAST) shipments or 30 minutes prior to arrival for FAST shipments. ACE has made electronic risk management far more effective by allowing full security screening by the Automated Commercial System (ACS) Selectivity module and the Automated Targeting System (ATS).

- **Automated Targeting System:** CBP uses ATS to identify cargo that may pose a threat. CBP's Office of Intelligence and the National Targeting Center (NTC) enhance these initiatives by synthesizing information to provide tactical targeting. Using risk management techniques they evaluate people and goods to identify a suspicious individual or shipment before it can reach our borders. To broaden the scope of CBP targeting, NTC works with other DHS components, law enforcement agencies and governments, expanding its staff to better accommodate the ever-increasing demands for tactical information and continues to develop and refine more sophisticated targeting tools.

- **Public and Private Partnerships:** CBP has developed several partnerships with industry to enhance security and facilitate trade. Foremost among these are Free and Secure Trade (FAST) and the Customs-Trade Partnership Against Terrorism (C-TPAT). The FAST program, which is operational on both our northern and southern borders, establishes bilateral initiatives between the United States and NAFTA partners designed to ensure security and safety while enhancing the economic prosperity of partner countries. In developing this program, Mexico and the United States have agreed to coordinate to the maximum extent possible, their commercial processes for clearance of commercial shipments at the border. This promotes free and secure trade by using common risk-management principles, supply chain security, industry partnership, and advanced technology to improve the efficiency of screening and clearing commercial traffic at our shared border. FAST is a harmonized clearance process for shipments of known compliant importers. Thus, any truck using FAST lane processing must be a Customs-Trade Partnership Against Terrorism (C-TPAT) approved carrier, carrying qualifying goods from a C-TPAT approved manufacturer, and importer, and the driver must possess a valid FAST-Commercial Driver Card. C-TPAT is a voluntary government-business initiative to build co-operative relationships that strengthen and improve overall international supply chain and U.S. border security. C-TPAT recognizes that CBP can provide the highest level of cargo security only through close cooperation with the ultimate owners of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers.

The C-TPAT program also has undertaken a strong enforcement posture. The agency suspends or removes members from the program who have misled CBP as to their security measures, or whose security is so lax as to allow the supply chain to be breached, as evidenced by a narcotics or human smuggling incident at the port of entry. Over 100 companies have been suspended or removed in the past year.

- **Use of Cutting-Edge Technology:** Given the magnitude of CBP's responsibility the development and deployment of sophisticated detection technology is essential. Deployment of Non-Intrusive Inspection (NII) technology is increasing and viewed as "force multipliers" that enable CBP officers to screen or examine a larger portion of the stream of commercial traffic. CBP is currently utilizing large-scale X-ray and gamma ray machines and radiation detection devices to screen cargo.

All CBP Ports of Entry and Border Patrol Stations have access to the Automated Biometric Identification System/Integrated Automated Fingerprint Identification System otherwise known as IDENT/IAFIS, which was established to merge the capabilities of the FBI's criminal master fingerprint file and the former Immigration and Naturalization Service's immigration violator database. These systems have been integrated into one system that captures biometric and biographical information through the use of a "10 Print" fingerprint machine and computer based facial imagery. The goals of the system are to identify repeat immigration offenders and identify criminals and previously deported aliens who should be detained.

In addition to NII and IAFIS, CBP Border Patrol agents are better securing areas between the ports of entry through the use of the Integrated Surveillance Intelligence System (ISIS), a system that uses remotely monitored night-day camera and sensing systems to better detect, monitor, and respond to illegal crossings; Unmanned Aerial Vehicles (UAVs) for monitoring remote land border areas where patrols cannot easily travel and infrastructure is difficult or impossible to build; Remote Video Surveillance Systems (RVSS) that provide coverage 24 hours a day, 7 days a week to detect illegal crossings on our northern and southern borders; and the Geographic Information System (GIS) to track illegal migration patterns.

Madam Chairwoman Jackson-Lee, Members of the Subcommittee, I have briefly addressed CBP's initiatives that help CBP protect America against terrorists and the instruments of terror, while at the same time enforcing the laws of the United States and fostering the Nation's economic security through lawful travel and trade. With the continued support of the President, DHS, and the Congress, CBP will succeed in meeting the challenges posed by the ongoing terrorist threat and the need to facilitate ever-increasing numbers of legitimate shipments and travelers.

Thank you again for this opportunity to testify. I will be happy to answer any of your questions.

Ms. JACKSON LEE. [Presiding.] Thank you, gentlemen. I appreciate your testimony and your presence here today.

Let me acknowledge members of the committee who are here: Mr. DeFazio of Oregon. We thank him for his presence. Ms. Clarke of New York, we thank her for her presence. And we thank Mr. Cuellar of the full committee for his presence as well.

I started out by saying that the large question of terrorism and the effect of it will always come to those of us who are entrusted with the responsibility, the major responsibility.

I would like the both of you to answer this question. Do you work with each other? Mr. Arrington, do you work with CBP? And, Mr. Olsavsky, do you work with TSA?

And what are the cooperative pathways that you work? And how does that impact border security and, in particular, since this hearing is geared toward trucks? Specifically, what are the elements of cooperation, which may include programmatic, personnel, or otherwise?

Mr. Arrington?

Mr. ARRINGTON. Thank you.

Yes, we do work together. CBP, TSA, we have a longstanding working relationship that we enjoy very much.

The information that CBP gathers in their FAST program is equivalent to that which we use for drivers that apply and receive

HAZMAT endorsements within the United States. That information is, in fact, shared routinely from our TTAC office, our office of credentialing, along with CBP.

So, yes, we do, in fact, work together on those issues of mutual interest.

Ms. JACKSON LEE. So you receive their information, their data that they have collected? Is that—

Mr. ARRINGTON. Yes.

Ms. JACKSON LEE. And you utilize that in whether or not you give truckers or trucking companies—

Mr. ARRINGTON. Truck drivers.

Ms. JACKSON LEE. Truck drivers.

Mr. ARRINGTON. Yes, ma'am.

Ms. JACKSON LEE. So you use that data as you assess truck drivers—

Mr. ARRINGTON. Yes, ma'am.

Ms. JACKSON LEE. —and the endorsement that TSA would give, as it relates to security.

Mr. ARRINGTON. Yes. And it is equivalent to that which we use for HAZMAT drivers here in the United States in the FAST program.

Ms. JACKSON LEE. And does that cover the potential to do terrorist acts, as well?

Mr. ARRINGTON. Well, it is a criminal history check that we do on domestic carriers, as well as a check against our terrorist watchlist, as well as Immigration's check.

Ms. JACKSON LEE. Thank you, Mr. Arrington.

Yes?

Mr. OLSAVSKY. If I could just elaborate further, with regard to this particular project, it is a very good example of a close cooperation between CBP and TSA. Because whenever TSA was given the mandate to come up with a background check strategy for foreign drivers and a relatively aggressive time period within which to accomplish it, CBP was able to offer to them our FAST vetting process and the process we use to vet drivers as a mechanism by which to provide them with the opportunity to expedite meeting those requirements.

And the FAST process includes a very detailed application process, criminal history checks through all of the available criminal history databases, personal interview between a uniformed officer and the applicant to determine whether or not there are any issues with the applicant, and then of course a full biometric profile and 10-point fingerprint scan to verify whether or not there are any derogatory information in any of the other databases that are out there.

So that collaboration is a very good example of the close cooperation between TSA and CBP.

Ms. JACKSON LEE. And do you gather your information from national intelligence lists or intelligence information? Are you coordinating with our intelligence representatives in gathering your information?

Mr. OLSAVSKY. Yes.

Ms. JACKSON LEE. And you have an internal intelligence component in the CBP?

Mr. OLSAVSKY. That is correct.

Ms. JACKSON LEE. And do they collaborate on information from a number of sources?

Mr. OLSAVSKY. Yes.

Ms. JACKSON LEE. And how accurate do you think your information is? Do you have the resources to make sure it is accurate?

Mr. OLSAVSKY. Well, it is as accurate as the information in the database that is provided to us. Our connections and our research goes through a number of law enforcement databases. So we rely on the credibility and the accuracy of those databases.

Ms. JACKSON LEE. Let me ask, are there any mechanisms in place to monitor the activities of vehicles and drivers that temporarily enter the United States from Canada and Mexico for business purposes? And what prevents the driver and/or vehicle from remaining in the United States without boundaries?

In essence, what is our tracking mechanism? And the key questions that we asked—what are they carrying, who is carrying it, and where are they going—is a key element to security.

Mr. Arrington?

Mr. ARRINGTON. It is a great question and one, certainly, that I am not able to answer. I will have to defer to my colleague from CBP, as far as the tracking of those vehicles once they cross the border.

I might add that we do have a tracking system, a truck tracking pilot that we are running in the United States that will run through the end of this year, where we are now tracking, real-time, hazardous material as it moves along our nation's highways.

Ms. JACKSON LEE. Meaning how long they are on the nation's highways from point A to point B?

Mr. ARRINGTON. Yes. We are able to track full-time. There is some tested technology out there that we will be able to take a look at, real-time, from our Transportation Security Operations Center. We have a truck tracking center set right now in the state of New York that is testing the different modes of truck tracking that we are able to share with the industry.

Ms. JACKSON LEE. Mr. Olsavsky, will you comment on the tracking issue?

Mr. OLSAVSKY. First, I would just like to point out that CBP's principal role is to ensure that any person or conveyance that is crossing the border is eligible to enter the country. We are, in fact, the principal border search and border inspection agency, and that is our primary role.

But beyond that, any person who approaches the border has to prove that they are eligible to cross the border. And along the southern border, for example, they have to present either a border crossing card, a DSP-150 "laser" visa, or some other document that indicates that they are eligible to enter the country.

Once we prove they are eligible to enter the country and they go beyond the border, the responsibility for tracking them is outside of CBP's area of responsibility.

Ms. JACKSON LEE. Who do you pass it on to?

Mr. OLSAVSKY. Well, depending on the nature of the transaction, whether it is an individual or a commercial conveyance.

If anyone intends to be in the country more than 72 hours, they are issued an I-94 entry document. That document provides for tracking when they enter the country, and there is a portion of the document that they are supposed to return to us upon a departure. So we do use those documents.

If someone is issued a visa for business, for example, a B-1 visa for business, for example, they have a limited time period within which that visa is valid. And if they do not depart during that time period, they become a visa overstay, and then it becomes the responsibility of ICE to research and try to investigate the location of those individuals.

Ms. JACKSON LEE. And you use that same format for someone who is driving a truck?

Mr. OLSAVSKY. Yes.

Ms. JACKSON LEE. I thank the witnesses.

I have an additional question, but I am going to yield to the distinguished gentleman, as I yielded to myself, 5 minutes. I yield to the distinguished gentleman. The ranking member is now recognized.

Mr. LUNGREN. Thank you very much.

My goodness, this is 2007. NAFTA was ratified by Congress in 1993. It was supposed to be a 1-year pilot project at that time, in terms of trucks coming across the border; see how far they could come. In 1995 it was put on hold.

The NAFTA dispute resolution panel determined that we were in violation of NAFTA for putting restrictions on more trucks, so the Congress then followed through on that to set up a pilot project.

The Ninth Circuit, a court that I am very familiar with, the most overruled court in the United States, for which they take great pride and which was my frustration when I was attorney general of California, ruled that the Department of Transportation couldn't go forward with the program because they hadn't done something that the Ninth Circuit found that they should do.

The U.S. Supreme Court then, as it does often, unanimously overturned the Ninth Circuit. And now it comes before the Congress. And there is a lot of concern about safety of the trucks still, lot of concern about security.

And now, with the backdrop of 9/11 staring us in the face, members of Congress want to know what the present circumstance is with respect to a Mexican truck operator, coming from Mexico into the United States: What are the safety and security concerns there that you folks are responsible for, in your two cases, security; and then how you would provide that level of security that we expect, if we have either the expanded pilot program or go beyond that?

So, if both of you could just walk us through what exists now and what the differences would be. Because there is a lot of information, or misinformation, out there, and I have never seen anybody take it simply, "Here is what happens now. Here is what would happen under a new regime."

Mr. Olsavsky, I guess if you would start first with that?

Mr. OLSAVSKY. Sure. They are very good questions, sir.

First, let me just explain in a little more detail our layered enforcement strategy that we employ at all ports of entry. And it

doesn't matter whether it is a land border port of entry or another port of entry.

But specific to the land border, we receive advance information, as I explained in my opening remarks. And that advance information allows us to pre-screen cargo and trucks before they arrive at the border, allows us to assign a risk assessment to them and a risk profile—

Mr. LUNGREN. And what time frame do you have for that? The information, how soon—

Mr. OLSAVSKY. The information is presented to us an hour before the arrival for a non-FAST and 30 minutes prior to arrival for a FAST.

Now, I will say that with FAST, of course, the requirements to participate in that program are stringent, and those folks have already been designated as low-risk.

Mr. LUNGREN. OK. Now, we just had a situation with a guy with TB trying to come in the United States. You had a CBP guy look at it, it came up on the screen, he didn't act appropriately. That was within 2 minutes or whatever it was.

Mr. OLSAVSKY. Right.

Mr. LUNGREN. What, actually, time does somebody working for you folks have to check this out, to check a truck, and make a decision?

Mr. OLSAVSKY. Well, by the time that truck arrives at the border, the screening of the information that was presented via the manifest has already been done. So when the truck approaches our primary inspection booths and the officers identify that shipment, either by way of a license-plate reader or by punching in the driver's information, they will get a message almost immediately that tells them whether or not this is high-risk shipment. And it is literally within a few seconds that the system will respond with that information.

So all of the screening and the targeting is done even before the truck arrives at the border. And when the officers identify that shipment in the system, they get an immediate response from the system that tells them whether this is a high-risk shipment.

Mr. LUNGREN. So I am a Mexican truck driver. I am bringing my stuff up. I have come to the border. You folks now know whether you should take a look at me or not take a look at me. You take a look at me. How far do I go in? How far do you follow it? What do you do? Or do you just leave it, at that point?

Mr. OLSAVSKY. Well, the only difference between our current processes and the process that will be employed for the DOT trucking pilot is the fact that, because these drivers and any crew or passengers with them will be proceeding beyond the commercial zones, they will have to prove that they are eligible as a visitor for business. And so—

Mr. LUNGREN. And for how long a period of time will that have it?

Mr. OLSAVSKY. Generally, the B-1 visas are either single-use or multi-use visas, and they can be valid for up to 6 months.

Mr. LUNGREN. So the fellow, he can stay up to 6 months. You have no control over how long he is there within that 6 months. And do you know when he leaves?

Mr. OLSAVSKY. Yes, because they have to report their departure, according to the visa. Now—

Mr. LUNGREN. They have to report. How do they report that?

Mr. OLSAVSKY. Well, they have to present themselves to a Customs officer whenever they depart.

Mr. LUNGREN. And then he checks up against the manifest that he would find or the information that he would find on his computer as he goes through?

Mr. OLSAVSKY. Right, the arrival information and—

Mr. LUNGREN. So it is no real difference from what you would do now, except that they would now have this extended period of time.

Mr. OLSAVSKY. Correct.

Mr. LUNGREN. And I know my time is up. Could I just ask Mr. Arrington to respond?

Ms. JACKSON LEE. I yield to the gentleman.

Mr. LUNGREN. What is your administration's responsibilities now, and how would it change, if at all, under the pilot project that is projected?

Mr. ARRINGTON. Well, as far as cross-border security, TSA has no responsibility in that area for those foreign carriers. Our primary focus is on domestic carriers. However, we do, as I said early on, we do collaborate with CBP, other government partners, as well as private industry, with regard to the movement of vehicles.

We do have our truck tracking pilot that is going on in the United States. But, again, we are tracking domestic carriers only hauling hazardous material.

Mr. LUNGREN. So your answer is there would actually be no difference between what you do already and with the no problem, because you would treat them the same as domestic trucks?

Mr. ARRINGTON. That is correct.

Mr. LUNGREN. Thank you, ma'am.

Ms. JACKSON LEE. The gentleman's time has expired.

The chair will now recognize other members for questions they may wish to ask the witnesses. In accordance with our committee rules and practice, I will recognize members who were present at the start of the hearing, based on seniority on the subcommittee, alternating between majority and minority. And those members coming in later will be recognized in the order of their arrival.

I do want to acknowledge the presence of Congressman Brown-Waite of Florida. We thank her for being here.

Mr. DeFazio for 5 minutes.

Mr. DEFazio. Thank you, Madam Chair.

Mr. Olsavsky, could you tell me, on the C-TPAT program, how many site visits have been conducted? What percent of the C-TPAT certified carriers or brokers have been physically visited by U.S. agents in Mexico or Canada?

Mr. OLSAVSKY. I am sorry, sir. I don't have that actual number with me, but we would be happy to—

Mr. DEFazio. OK. It is not 100 percent. We know that, right?

Mr. OLSAVSKY. That is correct.

Mr. DEFazio. OK. And there is sometimes up to a 2-year lapse after someone files for C-TPAT, as I understand it, before they are actually visited? It could be 2 years?

Mr. OLSAVSKY. Well, the time period has been shortened dramatically because of the hiring of a lot of—

Mr. DEFAZIO. OK, so what are we down to now? A year?

Mr. OLSAVSKY. I believe it is a year or less, sir, yes.

Mr. DEFAZIO. OK. So I file the paperwork online; for a year, I am in sort of this privileged lane here and considered to be a lower risk. The committee has previously expressed concerns about that, and I would express that concern again.

The advance information, how accurate is it? I don't know about land crossings, but I do know that sea-borne container cargo is allowed to modify their manifest up to 6 months after it arrives. So, admitting that they are totally inaccurate and worthless.

What about the manifests for trucks coming across the border? Do they have to be accurate? Are they verified? Or are they allowed to, you know, file and amend them after the truck has already delivered its cargo somewhere in the U.S.?

Mr. OLSAVSKY. They do have to be accurate, sir. And generally, because of the short time period within which to clear the cargo, the manifest as well as the entry for consumption are filed almost simultaneously. So often you will have both processes already have occurred by the time the truck arrives.

Mr. DEFAZIO. OK. So, if you found discrepancies between a manifest and the cargo, what would you do with that truck?

Mr. OLSAVSKY. The truck would be referred for a secondary inspection to verify the contents of the truck and to iron out or ascertain the depth of those discrepancies.

Mr. DEFAZIO. But if there were significant discrepancies, would the truck be fined, impounded, or are they just allowed to amend at that point after they are searched?

Mr. OLSAVSKY. Depending on the nature of the discrepancy, whether it is simply a trade violation versus contraband in the form of narcotics, there could be a simple fine, there could be a seizure effected, depending on the nature, if there was some criminal conspiracy associated with the discrepancy or if there was evidence of intent at the time the discrepancy was discovered based on the packaging of the material, evidence of a deliberate attempt to conceal the nature of what was in the truck.

But generally, there would be either a fine or some harsher punishment, depending on the totality of the facts.

Mr. DEFAZIO. In answer to an earlier question, I believe from the chairwoman, you were saying that, in terms of the persons entering the U.S. as truck drivers, that our checks on them are as accurate as the databases which we are using allow, and as much as they are credible and reliable.

In the case of, in particular, this pilot program, beginning with Mexico, the commercial driver's licenses issued down there, the GAO has said that there are substantial questions about the credibility and inclusiveness of that database.

Are you aware of that?

Mr. OLSAVSKY. No, I am not, sir. But that is really an issue that would be best discussed with the Department of Transportation.

Mr. DEFAZIO. Right, except that when they come to the border and they are presenting a Mexican commercial driver's license and you are checking the database to make certain that they are—I

mean, isn't that what you use to check? What do you check at the border?

When one of these pilot program Mexican trucks crosses the border and they present their Mexican driver's license, what would you use to verify that?

Mr. OLSAVSKY. We generally use existing databases of information that are U.S. databases.

Mr. DEFAZIO. So that person would not be in the database. So how, then, do we know who they are? Somehow the Department of Transportation is going to know but you won't?

Mr. OLSAVSKY. Well, they have to present documentation that entitles them to enter, regardless of the driver's license information. They still have to prove that they are eligible to enter the country.

Mr. DEFAZIO. And that would be?

Mr. OLSAVSKY. That would be a passport or a border crossing card.

Mr. DEFAZIO. OK. But if they have a passport and a driver's license, whether or not it is accurate, then they would just be issued one of these—the document you referred to, where they could stay up to 6 months potentially on a single-use entry or something like that?

Mr. OLSAVSKY. Under the current process, the trucks are only allowed to proceed through the commercial zones, and they are not—

Mr. DEFAZIO. Correct. I know that. But in the pilot program, I mean, I was a little concerned to hear that they may get up to 6 months. I mean, among all the many concerns we have about this pilot program, one is what is called cabotage, i.e., once that truck penetrates the border, what is to stop them from going point to point in the U.S. and providing, you know, a much cheaper service in violation of U.S. law?

And if they have a valid 6-month—you know, why would we issue them something up to 6 months? I mean, shouldn't they estimate the time that they are in—they are only supposed to come in and go back out. I mean, don't you think we would have a new program that says, "Well, the estimated time for your trip to New York and back is 8 days; you have 8 days"?

I mean, if you give them 6 months, that truck is in the U.S.; there are 8 million trucks. How long is it going to be before someone notices it has been going back and forth between Chicago and Los Angeles for the last 4 months?

Mr. OLSAVSKY. Well, I have two answers for you, sir.

Number one, we do have the ability to issue them for a one-time, one-purpose visit.

On the other question, of the cabotage question, it is a matter of the driver is playing with fire in those situations. Because if we discover, at any point in time, that they have committed a violation of either the customs laws or immigration laws related to cabotage, that effectively makes them ineligible to function as a cross-border trucker. They would lose that opportunity and the ability to actually ply their trade and to earn a living.

So they really would be playing with fire if they were to take that chance and to engage in cabotage, because they would effec-

tively, if it is discovered, lose the opportunity to perform that function.

Mr. DEFAZIO. OK, thank you.

Thank you, Madam Chair.

Ms. JACKSON LEE. The gentleman's time has expired.

I recognize Ms. Brown-Waite for 5 minutes.

Ms. BROWN-WAITE. I thank the gentlelady.

I believe that this question is for Mr. Olsavsky.

And if I have mispronounced your name, please accept my apology.

I am a little concerned about the fact that, if I understood you correctly, you collect part of a form when the truck driver leaves the United States. Is that correct?

Mr. OLSAVSKY. The I-94 forms, yes, we would collect that.

Ms. BROWN-WAITE. OK. Can you tell me how many truck drivers never went back over, let's say, the last year?

Mr. OLSAVSKY. Well, generally those truckers who are involved in a cross-border trade within the commercial zones and who are doing drayage just back and forth on a daily basis, they are not issued I-94s because they have no intention of staying in the country for more than 72 hours.

So we are relying on the crossing information that is presented to us via their entry, whenever they come in to the country.

Ms. BROWN-WAITE. Well, then, the ones that you said could stay up to 6 months, of those, how many overstay? How many never turned in the other part of the form?

Mr. OLSAVSKY. Well, at the present time, they are not authorized to travel beyond the commercial zones to operate a—

Ms. BROWN-WAITE. OK, so it is in the—

Mr. OLSAVSKY. The pilot hasn't begun, so they are not doing that. When the pilot does begin, they will be issued I-94s.

Ms. BROWN-WAITE. And the penalty for not going back after the 6-month period, that is up to Immigration? Is that correct? Did I understand that correctly?

Mr. OLSAVSKY. Well, Immigration and Customs Enforcement would investigate visa overstays—

Ms. BROWN-WAITE. Right, OK.

Mr. OLSAVSKY. —and try to intercept folks and interdict them.

Ms. BROWN-WAITE. The other question that I have is on the Canadian and Mexican drivers hauling hazardous materials. How do you make sure that they have a comparable background check to that required of U.S. drivers?

And also, one of the concerns originally about the Mexican trucks involved the environmental laws and are the trucks still up to the same standards. So, can you just run by exactly what you do, if anything, to make sure that those trucks are complying with U.S. standards?

Mr. OLSAVSKY. Sure. In general, I will say that the safety of the trucks is really the responsibility of the Federal Motor Carrier Safety Administration, and they are deployed at ports of entry and they do inspect trucks as they come into the country.

With regard to the environmental protection aspects and the emissions, that is really EPA's bailiwick. But I can tell you that whenever trucks and cargo enter the country, we do attempt to de-

termine whether or not they are eligible or whether or not they comply with all applicable Federal regulations relative to their entry to the country.

Ms. BROWN-WAITE. I appreciate it.

And I yield back the balance of my time.

Ms. JACKSON LEE. I thank the gentlelady.

I recognize the flight time of some of our witnesses.

Mr. Ranking Member, I ask unanimous consent to yield myself 2 minutes, 2 1/2 minutes. I have a final question that I wish to get in—

Mr. LUNGREN. Mr. Cuellar?

Ms. JACKSON LEE. Yes, I am going to ask him in just a second, but I was just asking for unanimous consent for that after Mr. Cuellar.

Mr. Cuellar, do you desire to ask any questions at this time?

Mr. CUELLAR. Not at this time.

Ms. JACKSON LEE. No? Thank you.

I was going to yield to him.

The reason that we have two panels is that we want to be balanced. And I look forward to the witnesses who will discuss some of the issues dealing with truckers, the industry, and certainly our favorite cities on the border, which we have great concern about.

But let me just raise at least my concern. And I think we are going to have to fix it. I think there are a lot of answers given here that leads to a lot of frustration.

I don't see the coordination, collaboration. I am not sure, in response to the question on sharing information, whether in fact CBP provides any information to ICE. And my understanding is that ICE is focused on illegal aliens and criminal activities and other issues. I am not sure whether they are even aware of the mountains of truckers who are coming in.

We don't have the TWIC card in place. No one has indicated that they could use that document, prospectively, if we could get it to work.

And I would say that I am unhappy about the answer about sharing information, "We just use what data is given to us." And the border is key, and it is one of the key issues that we must confront in comprehensive immigration reform, both the northern and southern border.

Let me just try to raise a question. There is a Highway Information Sharing and Analysis Center. There is a Homeland Security Information Network. I guess both are informational. And they have ways of sharing information with the highway industries.

Does TSA and CBP work with these networks, ISAC and HSIN? Do you find them useful? What time of information is included in them? How does it impact you in the support of your cross-border opportunities or responsibilities? And does the industry post information on these programs? Does the industry have access to these programs? And how do you confirm that industry is appropriately and effectively sharing this information that they may get?

And that is one component. It is a long list of questions. Those that you can remember, if you can answer them to the best of your ability.

But you need to come back again with sort of a more definitive response, which is either "I don't know" or "We are working on it" or maybe a more effective answer that says what happens to trucks once they go across, even if someone represents that they are here temporarily. We all represent matters that may not be factual. That means we have no follow-up to the vast numbers of truckers who are coming across any of our borders, northern or southern.

Mr. Arrington?

Mr. ARRINGTON. Thank you.

Yes, we do work very closely with the Highway ISAC. In fact, the Highway ISAC, they are housed out at the transportation security operations center out in Herndon.

The information received by the Highway ISAC is, in fact, shared with other components of TSA on a daily basis. It is a 24/7 operation. The information that is coming in is a result of a very robust domain awareness program that we have in partnership or under cooperative agreement with ATA.

Once the individuals are trained, and should they discover or see something suspicious in nature, it goes into a call center. It is treated as a trusted agent, if you will, as opposed to just routine information from a caller. That then goes into that intelligence center out at the TSOC, where that information is compared, it is analyzed, and it is pushed back out to those authorities that have jurisdiction and can, in fact, take action in that particular area.

Additionally, we use that information and certainly that system, if you will, to communicate or collaborate back and forth with those truckers—the eyes and ears of our nation out on the highways.

So it is a worthwhile program. It is working, and working well. And it is a collaborative effort between TSA and ATA.

Ms. JACKSON LEE. Is the data intelligence real-time? Do you turn it around quickly?

Mr. ARRINGTON. We turn it around very quickly, especially if there is an incident where we have—or an example, an incident involving a particular truck in the state of Texas. Then we found that that same truck was involved in an incident in the state of California. That information is then paired up and it is pushed back out to the proper authorities, where they can, in fact, take appropriate action.

So it is, in fact, viewed as good, real intelligence, and it is, in fact, used and turned around in real-time.

Ms. JACKSON LEE. Mr. Olsavsky?

Mr. OLSAVSKY. Madam Chairwoman, I will have to defer to our intelligence folks, and we will try to get you an answer to that question at a future date.

Ms. JACKSON LEE. Let me thank the witnesses at this time for their valuable testimony.

Let me thank the members for your questions.

Members of the subcommittee may have additional questions, and we will ask you to respond expeditiously in writing to those questions. In particular, for the Customs and Border Protection, we would like an extensive response to the question that I posed. I posed a number of sub-questions that I won't ask for a response at this time in detail. But it is extremely important, and I look forward to hearing back from you.

At this time, the committee will move to the next panel.

Gentlemen, thank you so very much for your presence here today and your testimony. Thank you again. And thank you for your service.

Mr. ARRINGTON. Thank you.

Mr. OLSAVSKY. Thank you, Madam Chairwoman.

Ms. JACKSON LEE. Welcome. Thank you.

At this time, I would like to welcome the second panel of witnesses.

Our first witness will be Mr. Raul Salinas, mayor of Laredo, Texas. Mayor Salinas has 35 years of solid public service and, as the mayor of Laredo, understands the importance of our neighbor and friend to the south all while maintaining the safety and security of the U.S.-Mexico border.

I will be yielding to my good friend and colleague from your great region, who has worked very hard on these border security issues. However, I would like to personally say that this introduction does not do you well in terms of the years of knowledge that you bring to being mayor as well as to this committee hearing today. Having had law enforcement experience, I have heard your testimony not only here in Washington but on the border. And it is important to note that you do not mince your words in your new responsibility of encouraging trade and commerce but also recognizing security.

With that, Mr. Ranking Member, if you would allow me to yield to my good friend from Laredo, Texas, Congressman Henry Cuellar.

Mr. CUELLAR. Thank you, Madam Chair and members of the committee. I just wanted to make a presentation on behalf of the mayor.

The mayor, as you know, actually started off here at the Capitol Police, so he served, working here, with us. He worked also as an aide to Congressman Kika de la Garza also. He was at the FBI for 27 years. Recently he served as legal attache there at the American embassy in Mexico City.

Of course he is now the mayor of the city of Laredo, largest inland port that we have at the southern border, where he is trying to make sure that we find the right balance between security but at the same time not impede in trade and tourism.

So, Madam Chair, thank you for inviting my hometown mayor.

Ms. JACKSON LEE. Our pleasure. And thank you, Congressman Cuellar, for those very instructive remarks for our committee.

Our second witness is Mr. Gregg Ward, vice president of Detroit-Windsor Truck Ferry. Mr. Ward has been closely involved with border issues since 1988, when he and his father conceptualized and initiated the Detroit-Windsor Truck Ferry service. In addition, while operating the truck ferry, he has also been involved in several transportation and business development projects in North America, Europe and Asia.

And it is our charge and challenge in this committee to recognize that there are two borders, probably more—there is a third border in the Caribbean—but certainly there are two borders: the southern border and the northern border.

We thank you for your presence here today.

The final witness of this panel is Mr. Stephen Russell, chairman and CEO of the Celadon Group. Mr. Russell is a member of the Executive Committee and a director of the American Trucking Association, as well as chairman of the Homeland Security Committee of the American Trucking Association.

And we are very grateful that we have that voice here, as we try to construct the right kind of approach, both practical and legislative, to answer the concerns that we are raising today.

Without objection, the witnesses' full statements will be inserted in the record.

I now ask each witness to summarize his statement for 5 minutes, beginning with Mayor Salinas.

And we welcome you to our committee.

**STATEMENT OF HON. RAUL SALINAS, MAYOR, LAREDO, TEXAS**

Mr. SALINAS. Thank you very much, Madam Chair and Ranking Member and members of the committee. It is nice to be back home. It kind of makes me a little bit emotional. I used to patrol these floors. So it is really nice to be back home.

I am here to deliver a very simple but important message: We must make our borders safe but not close them to trade and community. While the Nation must be dedicated to enhancing the security of our borders, that commitment must be made with a concurrent commitment to ensuring that our borders continue to operate efficiently in moving people and goods.

In Laredo, Texas, we think that can be summed up in a simple statement: We need to build bridges, not walls.

Laredo is at the center of the primary trade route connecting Canada, the United States and Mexico. Laredo and Nuevo Laredo, "Los Dos Laredos," offer markets, business opportunities, and profit potential which business and industry simply cannot find anywhere else. We were the first official port of entry on the U.S.-Mexico border in 1851 and, today, are the largest customs district on the southern border.

Today, Laredo handles more trade than all other ports on the southern border combined. Let me repeat that statement so that we can understand that this is not a typo. Laredo handles more trade than all other ports on the southern border combined.

We are not only the largest southern port, we are the fourth-largest customs district in the United States. We move more products by truck and rail than all land and water ports in the United States, with the exceptions of New York, Los Angeles-Long Beach, and Detroit.

While we are honored to be in their company, Laredo is one-twenty-fifth the size of the smallest of these other MSAs. Also, unlike these other three ports and many others that handle far less freight than my community, Laredo is not entitled to any direct Federal funding under any of the Homeland Security programs.

So how many trucks need to traverse Laredo to carry so much freight?

According to the Laredo Development Foundation, whose statistics are attached to my testimony, last year there were more than 3 million trips through Laredo. Those numbers translate to 13,000

truck trips every business day travelling in one direction or the other through our city.

Allow me to provide some kind of visual for you to understand just how many truck trips we are discussing. If you line up 13,000 trucks end to end, assuming a 70-foot length, it would equal to a convoy that is more than 172 miles. It would stretch from the Capitol, right here, to Trenton, New Jersey. And that is what we deal with every day.

If you line up the 3 million truck trips between the two countries, it would be a convoy that would stretch just short of 45,000 miles. That would be the same as having a convoy that would circumnavigate the Equator just short of twice. That is a long two-lane highway.

The 13,000 trucks have all the same problems as trucks in your community; it is just that there are so many more. That many fully loaded trucks add congestion to our streets, accelerate the erosion of our streets. And yet, we are not eligible for highway funds based upon their presence in our community.

The job of releasing these trucks after they leave the customs zone is the responsibility of our police force, including whether the drivers are licensed and insured as well as whether the trucks are safe. Again, it is not that the trucks are any better or worse than the trucks you may find in your community. It is just that there are so many more, and our resources are rather limited.

In addition to the number of trucks, we must also be concerned with what the trucks are carrying. There are the security concerns regarding illegal paraphernalia such as drugs and counterfeit goods. But there are also legal goods that may pose a threat to our community. My police department, fire and health department, must deal with these 13,000 daily potential threats once they leave customs.

The level of HAZMAT training and equipment that may be found in our city is far greater than you would find in any city of comparable size because of the threats that we face on a daily basis.

Yet today, under DHS programs, because the border is not a threat criterion and because our population does not meet the UASI threshold, Laredo can make no claim to direct Federal funding for this enhanced threat level, nor is Laredo being reimbursed for the services we provide for our nation.

And while that may sound like an extraordinary number of trucks blocking Laredo's streets and polluting Laredo's air, unless we are able to obtain relief from "at grade" railroad crossings, trucks are preferable to trains in our community for moving freight. For while trucks may slow down traffic, trains requiring inspections split the city in half, requiring our city's first responders to have standing contingency plans for ambulance and fire response, as there are times that you cannot physically get to the closest hospital or have the closest fire station respond because a train has bifurcated the city.

With all the years of my service—

Ms. JACKSON LEE. Mayor? Are you almost wrapping—

Mr. SALINAS. I am going to, yes.

Let me give you just four simple ideas on how we feel you might be able to help us with national security issues in our city.

Port grants must be available to land ports. If there is a threat from freight, then we are the fourth-largest threat, yet not eligible for any funding.

Prioritize international bridges in national asset database. Should the port of Laredo be closed for any reason, the national economies of both Mexico and the United States would feel the impact in a day, perhaps as soon as 2 hours after closing.

UASI criteria must include border communities that serve as the nation's first responders.

These are just a few ideas on how the committee may provide leadership on the issue of border security while enhancing economic development. There are other ideas that you have in our testimony.

I thank you. I ask for your assistance and know that, in Laredo, "su casa es mi casa," "su casa, mi casa." Gracias.

[The statement of Mr. Salinas follows:]

PREPARED STATEMENT OF THE HONORABLE RAUL SALINAS, MAYOR, CITY OF LAREDO, TEXAS

## 1. INTRODUCTION

Chairwoman Jackson-Lee, Ranking Member Lungren and Members of the Subcommittee, good afternoon. I am Raul Salinas, the mayor of Laredo, Texas.

It was a great honor for me last summer, as one of my first official duties as the Mayor of Laredo, to welcome a delegation of the United States Congress, including Chairwoman Jackson-Lee, to Laredo for a hearing on border security. Madam Chair, we were honored to have you in Laredo and we are grateful that you heard our plea that border communities be involved in border policy debates. As I said then, while the issue of border security is of national significance, for us on the border, border security means a safe and operational border.

Before offering my testimony, you will all forgive me if I brag just a little about our hometown hero, your colleague, Congressman Cuellar. We could not be more proud of his leadership here in Congress as a subcommittee chair of the Homeland Security Committee.

I would also like to share with the Subcommittee that my first two jobs as an adult were here in Washington. I was a legislative aide to Representative Kika de la Garza and later joined the Capitol Hill Police Force while earning my degree at Maryland. After graduating from Maryland, I also graduated from the Capitol Police Department to a career in the FBI, the last five years of which were spent as an attaché in Mexico City. You can only imagine how much pride I take in testifying today on behalf of my adopted home, in the city that gave me my professional start.

## 2. LOS DOS LAREDOS AND THE ROLE WE PLAY ON THE BORDER

Madam Chair, I am here to deliver a very simple, but important message. We must make our borders safe, but not close them to trade and community. While the nation must be dedicated to enhancing the security of our borders, that commitment must be made with a concurrent commitment to ensuring that our borders continue to operate efficiently in moving people and goods. In Laredo we think that can be summoned up in a simple statement. We need to build bridges, not walls.

Laredo is at the center of the primary trade route connecting Canada, the United States and Mexico. Laredo and Nuevo Laredo, "Los Dos Laredos" offer markets, business opportunities and profit potential which business and industry simply cannot find anywhere else. We were the first "official" Port of Entry on the U.S./Mexico border in 1851 and today are the largest Customs District on the Southern Border. Today, Laredo handles more trade than all the other ports on the southern border combined. Let me repeat that statement so that you understand that it is not a typo. Laredo handles more trade than all the other ports on the southern border combined.

We are not only the largest southern port; we are the 4th largest Customs District in the United States. We move more products by truck and rail than all the land and water ports in the United States with the exceptions of New York, Los Angeles-Long Beach and Detroit. While we are honored to be in their company, Laredo is 1/25th the size of the smallest of these other MSAs. Also, unlike these other three ports, and many others that handle far less freight than my community, Laredo is not entitled to any direct federal funding under any of Homeland Security program.

### 3. TRENTON TO THE CAPITOL BUILDING EVERY DAY

So how many trucks need to traverse Laredo to carry that much freight?

According to the Laredo Development Foundation, whose statistics are attached to my testimony, last year more than 1 million LOADED trucks traveled north-bound from Mexico into the US, and more than 1.2 million LOADED trucks traveled from the US into Mexico. The total number of truck trips is estimated at just over 3 million trips, as not all trucks are LOADED. Those numbers translate into 13,000 truck trips every business day traveling in one direction or the other through my city.

Allow me to provide some kind of visual for you to understand just how many trucks trips we are discussing. If you line the 13,000 trucks end to end, assuming a 70 foot length, it would equal a convoy that is more than 172 miles long. It would stretch from the Capitol building to Trenton, New Jersey. And that is what we deal with every day. If you line up the 3 million truck trips between the two countries, it would be a convoy that would stretch just short of 45,000 miles. That would be the same as having a convoy that would circumnavigate the equator just short of twice. That's a long 2 lane highway.

### 4. THE NUMBERS ARE AN ISSUE

These 13,000 trucks have all the same problems as trucks in your community, its just that there are so many more. That many fully loaded trucks add congestion to our streets, accelerate the erosion of our streets, and yet we are not eligible for highway funds based upon their presence in our community.

The job of policing these trucks after they leave the customs zone is the responsibility of my police force, including whether the drivers are licensed and insured as well as whether the trucks are safe. Again, it's not that these trucks are any better or worse than the trucks you find in your communities; it's just that there are so many more and our resources are so limited.

In addition to the number of trucks, we must also be concerned with what the trucks are carrying. There are the security concerns regarding illegal paraphernalia such as drugs and counterfeit goods. But there are also legal goods that also pose a threat to my community. My police, fire and health department must deal with these 13,000 daily potential threats once they leave customs. The level of hazmat training and equipment that may be found in my city is far greater than you will find in any city of comparable size because of the threats we face on a daily basis. Yet, today, under DHS programs, because the border is not a threat criterion, and because our population does not meet the UASI threshold, Laredo can make no claim to direct federal funding for this enhanced threat level. Nor is Laredo being reimbursed for the services we provide to the nation.

And while that may sound like an extraordinary number of trucks blocking Laredo streets, and polluting Laredo's air—unless we are able to obtain relief from “at grade” railroad crossings, trucks are preferable to trains for in my community for moving freight. For while trucks may slow down traffic, trains requiring inspections split the city in half requiring my first responders to have standing contingency plans for ambulance runs and fire response as there are times you cannot physically get to the closest hospital or have the closest fire station respond because a train has bifurcated the city..

### 5. THE NEED FOR LOCAL INPUT

While I was asked to focus my testimony on the issue of cross border freight shipments, I would like to take a moment to reiterate our most fervent wish. As Congress seeks solutions to border issues, it is best to do so in consultation with the officials on the border that will have to live with the decisions you make. More importantly, it is the local government officials and our professional staffs that will be your allies in achieving the shared mission of border security.

For instance, the mission statement for Laredo's four bridges reflects this balancing act. In Laredo we seek “To Serve as the most convenient and safe crossing point for all citizens and tourists of both U.S. and Mexico, as well as to facilitate the crossing of all freight and import-export trade that utilizes the Port of Laredo.”

### 6. SUGGESTED STEPS

With all my years of service to homeland security, I feel very confident that my credibility is sufficient to state that this nation can be safer without closing or slowing our borders. Let me give you but four simple ideas of how the Congress might enhance national security here in Laredo while promoting efficient borders.

- **Port Grants Must be Available to Land Ports**

Just yesterday the Department of Homeland Security announced a new round of funding availability for port security. As I explained above, Laredo is the nation's largest inland port and is number 4 in terms of freight

moved for all ports, land or sea. Still, Laredo does not qualify for this port funding because we are not a seaport. The Committee would provide great leadership in helping address this shortcoming. I am sure my colleagues in Detroit and Buffalo would concur with my pleas for assistance.

- **Prioritize International Bridges in National Asset Database**

According to the Congressional Research Service, "The Office of Infrastructure Protection (OIP) in the Department of Homeland Security (DHS) has been developing and maintaining a National Asset Database. The Database contains information on over 77,000 individual assets, ranging from dams, hazardous materials sites, and nuclear power plants to local festivals, petting zoos, and sporting good stores." It is Laredo's understanding that with just in time inventories, should the port of Laredo be closed for any reason, the national economies of both Mexico and the United States would feel the impact in a day, perhaps as soon as 2 hours of closing.

- **UASI Criteria to Include Border Communities**

The Department of Homeland Security has created the Urban Area Security Initiative (UASI) program with the stated goal of making grants for law enforcement terrorism prevention efforts. The grants also seek to enhance fire departments' response to terrorism and other major incidents. The criterion for funding used by the DHS, however, has failed to recognize what this Committee already knows—Investments made in border communities may be the best investments the nation can make. Because of the current criteria, Laredo has never been a direct recipient of UASI funds. We would welcome this Committee's leadership in seeking to amend the funding formulae of UASI programs.

- **Have Federal Government Bear Fair Share of Border Service**

Recognize the benefits derived by creating a border port entry are not limited to the port itself; the entire country benefits as well. Congress should reject a recent any initiatives to require local entities to construct and donate to the General Service Administration (GSA), the federal facilities at new border ports of entry.

- **Fund COPS and Provide Emphasis on Border**

With the assistance of the U.S. Department of Justice COPS program, the Laredo Police Department has hired approximately 155 police officers to focus on community policing issues, which many times are in fact border security issues. The added personnel have enabled the LPD to implement the philosophy at a citywide level and establish the foundation of COPS. The COPS program has been under funded or subject to earmark only appropriation for the last number of years and Laredo has not been a continuing beneficiary, despite our ongoing service to the nation.

- **U.S./Mexico Border Health Region with Dedicated Funds**

While I am very proud of the Federal, state and local law enforcement officers on the border, there are times that I believe the most important homeland security officer on the border may be Dr. Hector Gonzalez, the head of the City of Laredo's health department. When Washington was caught in the gripe of the anthrax scare, our Health Department was asked to examine envelopes with powdery substances from both sides of the border. We had the SARs threat in Laredo, and I fear that next major biological threat will also be addressed here. Yet, it is the citizens of Laredo alone that fund Dr. Gonzalez' efforts. This Committee's leadership to create a U.S. Mexico Border health resources program to address public health, emerging disease control and prevention services would be of great service to the nation.

These are just a few of our ideas on how the Committee may provide leadership on the issue of border security while enhancing economic development.

Thank you for your time and I look forward to the discussion.

Ms. JACKSON LEE. Mayor, thank you for a very instructive testimony and your presence here today.

Mr. SALINAS. Thank you.

Ms. JACKSON LEE. I now recognize Mr. Ward, with Detroit-Windsor Truck Ferry, to summarize your statement in 5 minutes. Mr. Ward, thank you.

**STATATEMENT GREGG M. WARD, VICE PRESIDENT, DETROIT-  
WINDSOR TRUCK FERRY**

Mr. WARD. Thank you. I won't be speaking French Canadian to echo what the mayor has said.

[Laughter.]

But thank you very much for the opportunity to present today.

I agree with what the mayor said about building bridges and its importance. And I think that is a big part of the security question of trucks crossing the border. It is not just having more bridges, but it is having safe and efficient bridges.

And I think today—and I am speaking for the Detroit area, the busiest commercial crossing area in North America—there isn't consistent enforcement authority at our bridges and tunnels and truck ferries.

There are private ownership questions, which I think really impact the ability of government to enforce laws and therefore keep our borders safe.

I think it is necessary that we have a very consistent enforcement policy at our border and at any new bridges. And I think there is an opportunity, with all the discussions of new bridges being built—there are a couple in the U.S.-Canada border, one in Detroit being considered, one in the New York area being considered.

And I think it is very important for this committee to reflect on what the Canadian government has done, with the International Bridges and Tunnels Act, which gives the government, for the first time, absolute control and authority over the border.

As a small example, after 9/11, our company—we transport hazardous materials across the border. We have never received any vetting from government of who we are, what other businesses we are involved in, where we get our financing, who owns our company. And I think that is wrong, I think that is dangerous.

And I think we need more attention paid to our border crossings. And at every border crossing, we ought to be transparent, no matter if it is privately owned, if it is owned by a commission, or if it is owned by government.

Thank you.

[The statement of Mr. Ward follows:]

PREPARED STATEMENT OF GREGG M. WARD

Chair Jackson-Lee and members of the Subcommittee, thank you for allowing me to testify today. My name is Gregg Ward, Vice President of the Detroit-Windsor Truck Ferry.

At the northern border of the United States, the efficient movement of cross border trucks is essential to our manufacturing base and economic prosperity. With consistent and transparent border safety and security measures in place at all international crossings, rules and regulations are uniformly enforced. This immediately and significantly reduces threats posed by these international trucks.

On Earth Day 1990 the Detroit-Windsor Truck Ferry service was started by my father and me. We chose this start-up date 16 years ago to symbolize our commitment to environmental stewardship and a belief that marine transportation can reduce highway congestion, air pollution and the consumption of finite fossil fuels. The company operates a border crossing between Detroit, Michigan and Windsor, Ontario. In about 20 minutes, using a flat deck barge and a tugboat, up to eight trucks roll-on, cross the river and roll-off again on the other side. We transport hazardous material laden trucks that are restricted by US regulations from crossing the Am-

bassador Bridge and the Detroit-Canada Tunnel.<sup>1</sup> The alternative route requires a detour of 165 miles. Hazardous materials crossing our facilities include flammables, acids, radioactive materials and explosives. We also move trucks too large or heavy for the other crossings.

At times of significant congestion at the bridge, we provide surge capacity to trucks carrying critical automotive freight. September 11 proved the value of redundancy in cross-border transportation options. The merit of a cross border marine link was evident by the success of the Detroit-Windsor Truck Ferry in helping to avert post 9/11 plant closing of a major automotive assembly operation. General Motors, in a letter to US Customs following September 11, stated, "The Detroit-Windsor Truck Ferry became our only alternative that would enable General Motors to continue operation of the Detroit/Hamtramck Assembly Plant."<sup>2</sup>

With regard to risks posed by cross border trucking, I make my comments specific to Detroit where close to \$300 million in daily just-in-time deliveries move by truck through the region. The integrated US and Canadian auto industry is heavily dependent on sufficient capacity at the privately owned and operated Ambassador Bridge in Detroit. Every day, this industry sends thousands of cross-border truck shipments across this border. Assembly plants creating hundreds of thousands of jobs in Michigan as well as many other US states and Ontario rely on the just-in-time delivery of automotive parts.<sup>3</sup>

It has been said that "one well-placed bomb here could have a more devastating effect on both the United States and Canada than the destruction of the World Trade Center. Simply put, there is no substitute for the Ambassador Bridge."<sup>4</sup>

With over 9,000 trucks and 15,000 passenger cars crossing it each day,<sup>5</sup> the Ambassador Bridge is a symbolic and economic target for those who wish our nation harm. The chairman of a National Defense and Security Committee in Canada has said "the Ambassador Bridge is the "best target" in Canada for terrorists looking to cripple the country's economy."<sup>67</sup> I believe it undeniably has the same devastating target value for those who would harm the United States.

The loss of the Ambassador Bridge because of a terrorist action, serious accident or natural disaster would have a crippling, cascading effect on our national economy.

The Department of Homeland Security national strategy to prevent, protect and respond to all hazards is integrally linked to the word "recovery." Moreover, in many respects "recovery" is linked to the resiliency of our cross border transportation system.

When a section of the Washington Beltway closes, traffic snarls and delays abound, but the system continues to operate through the use of secondary roads that absorb the temporary excess traffic demand. If the Ambassador Bridge closes, no such relief valve exists. US bound freight would have to divert 100 miles to the international bridge crossing in Sarnia, Ontario or 250 miles to Fort Erie, Ontario—just to enter the United States. The just-in-time system manufacturers rely upon would collapse within hours.

Notwithstanding its importance, the US Federal Highway Administration and the state of Michigan do not physically inspect the Ambassador Bridge.<sup>8</sup> They are told by private owners of the Ambassador Bridge (Detroit International Bridge Corporation) that government has no such authority.<sup>9</sup>

A bridge company official said, "The 1920s legislation that gave Detroit International its charter entrusted the bridge with a level of authority tantamount to a

<sup>1</sup> US 49 CFR 397.67 (a) it states, "a motor carrier transporting NRHM (Non Radioactive Hazardous Materials) shall comply with NRHM routing designation of a State." The State of Michigan NRHM Restricted Routes specifically has restrictions at the Ambassador Bridge and Detroit-Canada Tunnel for all materials that are explosive, flammable, radioactive and corrosive. <http://hazmat.fmcsa.dot.gov/nhmrr/index.asp?page=route>.

<sup>2</sup> Letter from General Motors, Assembly Plant Manager to US Customs Port Director. September 17, 2001.

<sup>3</sup> June 4, 2007 Ontario Chamber of Commerce and Detroit Regional Chamber letter to Senator Alan Cropsey, Majority Floor Leader, State of Michigan.

<sup>4</sup> Uncovered bridge. By Jack Lessenberry. MetroTimes, March 7, 2007

<sup>5</sup> BTOA Traffic Figures for 2006.

<sup>6</sup> Ambassador Bridge 'plum' terror target: Attack would cripple economy, senator says. By Dave Battagello, Windsor Star, March 24, 2005.

<sup>7</sup> Bridge OKs risky cargo, Letter of permission given to chemical company. By Doug Schmidt, Windsor Star, April 12, 2006.

<sup>8</sup> Private Bridge on Canada Border a Security Concern. By Pam Fessler, National Public Radio, Morning Edition, May 21, 2007.

<sup>9</sup> The Troll Under the Bridge. By Stephane Fitch and Joann Muller, Forbes, November 15, 2004.

public utility's, so it has a prerogative to behave differently from other companies."<sup>10</sup>

The bridge owner "won't release maintenance records and refuses to let law enforcement officials onto the bridge to nab trucks that could be carrying explosives, toxic waste or other materials banned by law from crossing the bridge."<sup>11</sup>

Manuel "Matty" Moroun's habit of snubbing the United States and Canadian governments' efforts to control and regulate his bridge goes back decades. The Economist in 1980 expressed outrage at the company's "cavalier behavior" when Moroun told the Canadians they had no right to review his purchase of the international bridge.<sup>12</sup>

In November 2001, Moroun startled GSA and Detroit officials by starting construction on four new Customs booths—without Goods and Services Administration approval. The city of Detroit sued him, arguing he needed building and zoning permits. Moroun's attorneys insisted local laws didn't apply because the bridge, since it handles cross-border commerce is a "federal instrumentality."

The city of Detroit attorney who prosecuted the city's complaint said, "You can't have it both ways. You can't claim you're immune from regulation because you're a federal instrumentality and then, at the same time, tell the federal government to go to hell."<sup>13</sup>

Openly ignoring the Federal Motor Carrier Safety Administration National Hazardous Material Route Registry, Moroun allowed restricted gasoline tankers from Canada to cross his bridge after September 11, 2001. These trucks were destined for the bridge owner's duty free complex at the foot of the bridge.

Michigan State Police said "Even though the bridge is a private structure, Michigan Department of Transportation says that it is a restricted route and those items cannot cross." The President of the bridge company responded, "We don't believe the state has the authority to determine what crosses a private piece of property."<sup>14</sup>

In my February 15, 2007 testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, the issue of ongoing illegal transportation of hazardous materials across the Ambassador Bridge and the risk to our national transportation system is extensively documented.<sup>15</sup>

In May 2007, National Public Radio exposed how trucks are allowed to park directly under the Ambassador Bridge after paying a toll, allowing the driver to walk to the duty free store located several hundred feet away. According to the report, "A spokesman for the Federal Highway Administration says his agency has raised concerns about the trucks with Moroun, but it doesn't have jurisdiction. Neither does the federal agency that oversees the transportation of hazardous materials. Nor does the Coast Guard. Nor does the Michigan State Police."<sup>16</sup>

The failure of government to make safety and security decisions at the privately owned Ambassador Bridge is an invitation to terrorists to disable it. But large fuel storage tanks are buried in the ground adjacent to the Ambassador Bridge. They are there today. Imagine 13,000 gallon fuel tankers parking directly under the bridge to replenish the storage tanks. This happens on a regular basis and the government seems powerless to stop it.

[Information follows:]

<sup>10</sup> Matty Moroun Beat Buffett in Bridge Deal, May Lose Monopoly. By John Lippert and Erik Schatzker, Bloomberg Markets magazine, January 22, 2003.

<sup>11</sup> Billionaire's Bridge. By Kenneth Kidd, Toronto Star, November 13, 2005.

<sup>12</sup> Bridges to Understand, World Business, The Economist, March 22, 1980.

<sup>13</sup> The Troll Under the Bridge. By Stephanie Fitch and Joann Muller, Forbes, November 15, 2004.

<sup>14</sup> Hazmat Trucks On Bridge Leads to Crackdown. Local 4 Investigation Uncovers Suspect Hauling Practice. January 10, 2002

<sup>15</sup> February 15, 2007 testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, pages 6—8 and Attachments A—G.

<sup>16</sup> Private Bridge on Canada Border a Security Concern. By Pam Fessler, National Public Radio, Morning Edition, May 21, 2007.

*Figure 1**Figure 2*

The tanker that exploded in April 2007 and caused an intense fire melting steel girders and bolts supporting a Bay Area bridge ramp had only 8,600 gallons of gasoline and no fuel storage tanks below it.

Until recently the Canadian government had no clear authority to regulate matters concerning approvals for the constructing new, or altering existing, international bridges or tunnels; approvals for changes in ownership, operation or control; and issues about maintenance, operations, safety and security.

To resolve this problem, the Canadian government recently enacted the **International Bridge and Tunnels Act**. This legislation provides the federal government with legislative authority to ensure effective oversight of the existing 24 international vehicular bridges and tunnels and nine international railway bridges and tunnels, as well as any new international bridges or tunnels built in the future. The

Minister, through the governor-in-council, has the power to regulate the safety, security, operation and use of international bridges and tunnels. The Minister will have the authority to issue an emergency directive in response to a threat to the safety or security of any international bridge or tunnel. To help protect the safety, security and efficiency of the transportation system, Ministerial approval will be required for transactions that result in changes in ownership or the operation of any international bridge or tunnel.

This determined Canadian action contrasts with the United States, where there is no similar authority or oversight in respect of privately owned international border crossings. This endangers our national security. Even after September 11, 2001, our company, a transporter of dangerous cargoes across the border, has never been formally interviewed about how we finance operations, who beneficially owns our company or what other companies do we control and operate.

As these questions have not been asked of our company, it is reasonable to conclude that there has not been any vetting of other privately owned border crossings.

I submit that this Subcommittee should consider the dire national consequences of leaving our federal law enforcement agencies without clearly defined legislative authority to control our international borders and regulate the flow of trucking at crucial border crossings.

Our northern frontier needs to remain accessible to trucking, safe and secure. By strengthening government oversight and providing uniform controls at the border, the risks posed by cross-border trucks can be mitigated, efficiency of movement improved and the vitality of our trading nation protected.

Thank you for this opportunity to provide testimony.

Ms. JACKSON LEE. You have provoked us to want to ask you questions right away. But we thank you so very much for your testimony today.

And I now recognize Mr. Russell to summarize his statement for 5 minutes.

**STATEMENT OF STEPHEN RUSSELL, CHAIRMAN AND CEO,  
CELADON GROUP, INC., ON BEHALF OF THE AMERICAN  
TRUCKING ASSOCIATION**

Mr. RUSSELL. Thank you, Madam Chair and members of the committee. My name is Steve Russell, and I am chairman and CEO of Celadon Group, headquartered in Indianapolis. I actually founded the company 22 years ago.

Celadon is a truckload carrier, with approximately 2,900 power units, 8,000 trailers and 4,000 employees. We are a U.S. trucking company that provides transportation services within the U.S., as well as to Canada and Mexico.

Celadon was the first motor carrier approved to participate in both Customs-Trade Partnership Against Terrorism, C-TPAT, and we were also the first company to be approved for the Automated Commercial Environment, or ACE. In addition, 100 percent of our drivers have been trained under Highway Watch security and safety awareness.

Today I am appearing also on behalf of the American Trucking Associations, or the ATA. And I commend the Subcommittee on Transportation Security and Infrastructure Protection for holding this hearing.

There is no doubt that securing our nation's borders is essential to our national security interests. I would also add that the efficient and effective flow of legitimate cargo across our land borders is vitally important to our nation's well-being.

The trucking industry has worked with government agencies and other economic sectors to establish security programs that accomplish the goal of increasing security while improving trade facilitation.

tion. The trucking industry plays a critical link with America's two largest trading partners, transporting almost 70 percent of the value of surface trade with Canada and about 83 percent of the value between U.S. and Mexico.

Security has long been a part of cross-border trucking operations with Canada and Mexico, even before 9/11. In 1998, the then-U.S. Customs Service established the Land Border Carrier Initiative to process low-risk cargo, carriers and drivers more efficiently, while focusing the agency's enforcement resources on higher-risk operations.

After 9/11, C-TPAT was developed jointly by government and industry, establishing a more robust and comprehensive security program for U.S. imports around the globe. I strongly believe that the C-TPAT program is an excellent model for ensuring the security of the international supply chain.

Importers, motor carriers, customs brokers, and foreign manufacturers all have to comply with the security standards in order to participate in C-TPAT. Time and money have to be invested to develop security processes and systems for compliance with C-TPAT, which are verified by CBP.

The FAST program was developed by U.S., Canada and Mexico to provide C-TPAT members access to FAST lanes at our borders. The FAST program also requires commercial drivers to undergo a thorough background check in order to obtain FAST cards to access these lanes.

I encourage members of this committee to work with other relevant congressional committees to look at ways to accelerate the development of FAST lanes at border crossing points of entry. And I also encourage members to continue supporting C-TPAT and FAST programs, which have created security consciousness within the cross-border trucking industry.

Another key tool for improving border security is ACE, which is now being fully deployed on our land border ports of entry. ACE includes an electronic manifest which allows CBP to collect information, target and do risk analysis on U.S. imports and members of the trade community.

Lastly, industry and government must work together to improve information collection and sharing mechanisms and eliminate the burden of repetitive data entry from multiple agencies in all three countries. Doing so will improve the competitiveness in North America and also improve our security.

I thank you for your attention. I would be happy to answer any questions.

[The statement of Mr. Russell follows:]

#### PREPARED STATEMENT OF STEPHEN RUSSELL

##### **Introduction**

Madame Chair and members of the Subcommittee, my name is Steve Russell, and I am Chairman and CEO of Celadon Group, Inc., headquartered in Indianapolis, Indiana. Celadon is a truckload carrier with approximately 2,900 power units, 8,000 trailers and 4000 employees. Celadon is one of the top truckload carriers in North America serving a variety of customers providing time-sensitive cargo shipments through trailer door-to-door transport in and between any of the NAFTA countries. We have built Celadon on industry leadership in Safety, Technology, Service and Security.

Celadon is a certified and validated member of the Customs—Trade Partnership Against Terrorism (“C-TPAT”) program, and we were the first motor carrier approved for participation in the Automated Commercial Environment’s electronic manifest system. Both of these programs, as described further below, play an important role in improving the security of international commerce at our land borders. In the domestic arena, Celadon, including 100 percent of its professional drivers, participates in the Highway Watch® program, a joint ATA and U.S. Department of Homeland Security (“DHS”) initiative with the goals of increasing the overall security of our highways and roads. Because Celadon transports hazardous materials, we are also compliant with U.S. Department of Transportation (“DOT”) requirements under HM-232 for developing security plans and training to transport such commodities.

In addition, Celadon is an ISO 9001 certified company and plays an integral role in our customers’ supply chain management process as we service a variety of high-intensity production lines, distribution channels, and customer direct traffic. In addition, we were awarded back-to-back 1st Place finishes by the Truckload Carriers Association for its 2005 and 2004 National Fleet Safety Award among carriers hauling over 100 million miles per year.

Today I am also here on behalf of the American Trucking Associations, Inc. (“ATA”), a federation of motor carriers, state trucking associations, and national trucking conferences created to promote and protect the interests of the trucking industry. ATA’s membership includes more than 2,000 trucking companies and industry suppliers of equipment and services. Directly and through its affiliated organizations, ATA encompasses over 37,000 companies and every type and class of motor carrier operation.

I commend the Subcommittee on Transportation Security and Infrastructure Protection of the U.S. House of Representatives for holding this hearing to gather information regarding border security. The trucking industry supports efforts to address and eliminate to the greatest extent possible any threats posed by terrorists to our nation’s security, including developing strong cross-border security programs.

These comments focus on three primary areas in relation to border security:

- Ongoing security programs involving trucking operations across our borders with Canada and Mexico to ensure supply chain security;
- Implementing automated systems to improve the gathering and analysis of data for targeting and release of cargo, people, and equipment entering the U.S.; and,
- Strengthening the relationships among the three North American governments to develop joint border infrastructure and improve information sharing mechanisms.

### **Background**

Trucking is a critical component of the United States’ economic strength, with 9 billion tons of freight transported by inter-city and local trucks, representing 68% of the total domestic tonnage shipped. The trucking industry generates revenues of \$610 billion annually, equaling almost 5% of our Gross Domestic Product, and a figure that represents nearly 87% of all revenues generated by our nation’s freight transportation industry.<sup>1</sup> Our nation’s transportation infrastructure, in particular the highway system, provides the opportunity for the trucking industry to play such a large and important role in the U.S. economy. The protection and improvement of our country’s existing infrastructure will help ensure a strong and vibrant economy both now and in the future.

The trucking industry also plays a critical link in the economic interdependency among the United States, Canada and Mexico, moving almost 70 percent of the value of freight between the United States and Canada, and about 83 percent of the value of U.S.-Mexico freight.<sup>2</sup> The increasing trade volumes that have been generated among the three North American Free Trade Agreement (“NAFTA”) partners have demonstrated the success of the largest trading block in the world. Not only have companies such as retailers and manufacturers throughout North America been able to diversify, expand and improve their ability to grow their businesses, but this agreement has provided access to new markets to goods and services produced in the U.S. The trucking industry is proud of its primary role in delivering these growing trade volumes. According to U.S. government data, in 2006 7 million trucks entered the U.S. from Canada, while 4.2 million entered from Mexico, result-

<sup>1</sup> American Trucking Associations; American Trucking Trends; (2006)

<sup>2</sup> Bureau of Transportation Statistics, U.S. Department of Transportation (2006)

ing in more than 14 million truck crossings a year on the northern border, and more than 8 million crossings on the U.S. southern border.<sup>3</sup>

In the wake of the September 11 attacks, the U.S. trucking industry has worked diligently to support our nation's goals of keeping our country and our economy moving forward. As part of our efforts, these comments will focus on initiatives the trucking industry is participating in to improve the security of both domestic and international cargo. More importantly, the trucking industry has been at the forefront of efforts to establish partnerships with federal, state and local governments to improve the sharing of information between the private sector and public sector entities, and among the various industry sectors within the private sector.

The trucking industry supports programs that help motor carriers increase the security and safety of their operations, especially if such programs can be implemented in an effective and efficient manner and provide real security. ATA believes that the end goals of security and efficiency are not mutually exclusive. Therefore, ATA has been working to ensure that programs designed to augment our national security do not hinder our ability to provide transportation services to our customers which support our nation's economic security and growth.

The trucking industry has been proactive in ensuring our national security and in protecting our nation's way of life through its security programs, including the Highway Watch® program and through our efforts in the Highway Information Sharing and Analysis Center ("ISAC"). These two programs emerged from the effort to improve communication and improve the sharing of information, both at an intra-industry level and between industry and government agencies.

Our industry has taken a number of steps to reduce the possibility of our equipment being used for terrorism purposes. We also recognize, as we know you do, that no level of defense can achieve perfect safety and security in stopping a terrorist attack. However, we strongly believe that by increasing awareness among company personnel, by implementing simple cost-effective security measures, and developing a security culture within our operations, trucking companies can reduce the odds of being targeted by terrorists.

In the *Final Report of the National Commission on Terrorist Attacks Upon the United States*, otherwise known as the "9/11 Commission Report", the authors stated the following recommendation in Chapter 12:

***The U.S. border security system should be integrated into a larger network of screening points that includes our transportation system and access to vital facilities, such as nuclear reactors. The President should direct the Department of Homeland Security to lead the effort to design a comprehensive screening system, addressing common problems and setting common standards with systemwide goals in mind. Extending those standards among other governments could dramatically strengthen America and the world's collective ability to intercept individuals who pose catastrophic threats.***

ATA fully agrees with the intent of this recommendation and several efforts have been undertaken to elevate the coordination of human resources, infrastructure, and technology in improving clearance systems and processes at our land borders. For the purpose of this hearing, following is a description of the implementation of cross-border security programs, the development of automated systems to clear cargo, crews and vehicles, and the establishment of a single border agency with a uniform set of guidelines, procedures, and chain of command. Again, these programs are not foolproof, but they have certainly allowed the trade community and government agencies to increase security and reduce the threat from potential terrorists threats.

#### **Cross-Border Security Programs**

It is important to note that for motor carriers that participate in cross-border operations with Canada and/or Mexico high-security is not something that began on 9/11. Years before the terrorist attacks on our Nation, ATA and the trucking industry had been actively involved in security programs which established risk-criteria to allow low-risk legitimate cargo, crews and vehicles to expedite their clearance for entry into the U.S. Allowing for the rapid processing of known low-risk cargo, carriers and personnel, frees law enforcement personnel at our air, sea and land Ports of Entry ("POE") to focus their efforts and resources on higher risk shipments and carriers.

For instance, in 1998 the then U.S. Customs Service ("USCS")—now part of the U.S. Bureau of Customs and Border Protection ("CBP") within DHS—in a joint effort with the trucking industry, implemented the Land Border Carrier Initiative Program ("LBCIP") for U.S. bound cargo entering from Mexico by truck. Trucking

<sup>3</sup> *Ibid.*

companies and their drivers were certified by USCS (via audits and background checks) to participate in the program. In return for participating in the LBCIP, motor carriers gained expedited clearance of their cargo.

In the past few years, the trucking industry and other members of the international trade community, have worked with CBP in developing the C-TPAT program, and its North American focused security program known as Free and Secure Trade ("FAST"). The overall goal of C-TPAT is to ensure the security of the entire international supply chain: from overseas manufacturing operations, to air, sea and land transportation providers, to entities such as importers, brokers, and forwarders involved in the processing of cargo entering our country. Motor carriers participating in this program agree to meet a set of Minimum Highway Security Criteria in their operations (see Appendix I). In order to participate in FAST, motor carriers must become C-TPAT certified and their commercial drivers must complete an application and undergo a background check through various databases. Once such steps have been taken and verified, motor carriers benefit by receiving expedited clearance of the cargo—as long as the cargo belongs to a C-TPAT importer—their equipment, and driver, in addition to getting access to a dedicated FAST-lane for use only by FAST participants.

Though the development of FAST-lanes has been slow due to infrastructure and capacity limitations at POEs, motor carriers have been signing up for C-TPAT and getting drivers registered under the FAST program. As the C-TPAT continues to grow, trucking companies have been promoting membership in C-TPAT to their customers, relating to clients the benefits of joining C-TPAT in expediting the movement of their goods. In turn, many shippers have also been requesting that their motor carriers participate in C-TPAT if they want to continue to provide cross-border transportation services for the customer.

As part of the security partnership established between the U.S. and Canada, both countries established similar security supply chain programs, with Canada implementing its Partners in Protection ("PIP") program, which is equivalent to CBP's C-TPAT. The northern border FAST program is a jointly designed strategy between the U.S. and Canada, functioning as a single security program for both C-TPAT and PIP approved motor carriers. In addition, CBP and Aduanas de México (Mexico's Customs agency) also began the joint implementation of the FAST/Express program in 2003 on the southern border, operating now at six POEs.

Such joint industry-government efforts have allowed the trade community and law enforcement agencies to share information and improve security for the transportation of international cargo across our mutual land borders. These joint efforts will continue to work well into the future to help eradicate the flow of illegal and/or dangerous cargo or aliens into the United States in commercial conveyances and increase the security of our transportation operations in international trade. The Committee should encourage the continued development of programs, such as FAST/C-TPAT.

#### **Automated Clearance Programs**

The trucking industry is also closely involved in the development of information systems and technologies to facilitate enforcement activities while at the same time expediting the movement of cargo across our borders. The Automated Commercial Environment ("ACE") is a system that has been under development by CBP for over a decade, and is now being fully deployed along our land border POEs. ATA and many of its members worked on the design and development of the ACE Multi-Modal-Manifest data requirements necessary for the transmission of data by all transportation modes through an electronic manifest, or e-manifest. The development of ACE is an important tool to improve the efficiency for capturing trade data, clearing cargo entering the US, and provides CBP an improved system for targeting, risk analysis, and release of cargo.

CBP is also developing the International Trade Data System ("ITDS") as an integral part of ACE. The ITDS concept is simple: Traders and carriers submit commercially based, standard electronic data records through a single federal gateway for the import or export of goods. As a single information gateway, ITDS distributes these records to the interested federal trade agencies, such as CBP, the Food and Drug Administration ("FDA"), DOT and others, for their selectivity and risk assessment. In standardizing the process, ITDS reduces the confusion and complexity of international trade, and speeds the processing of goods, equipment and crews across our borders. ITDS also benefits the government by providing more current and accurate information for revenue, public health, statistical analyses, safety and security activities, as well as significantly reducing data processing development and maintenance costs.

The development and implementation of the ACE/ITDS is an essential component in accelerating the flow of commerce while also improving the ability of CBP to analyze and target data entries.

#### **One Face at the Border**

ATA also recognizes and commends the efforts by CBP and DHS in establishing the "One Face at the Border" program to create an interdisciplinary force of officers working at our POEs. Prior to establishing this effort, officers representing various agencies operating at the POEs had separate reporting mechanisms, chains of commands, regulations to enforce and differing pay-scales. Furthermore, each border agency managed and utilized its own databases and information systems to perform their relevant clearance activities for goods and people entering the US. Of even greater concern was the fact that at various times during the day these systems, which generally lacked interoperability, were prone to be "down" for extended periods of time, greatly limiting the ability of inspectors to access essential information in performing their duties. The trucking industry strongly supports the "One Face at the Border" initiative, and believes that this effort has greatly improved land border security and trade facilitation.

#### **U.S. VISIT Program**

ATA has closely followed the development of the United States Visitor and Immigrant Status Indicator Technology ("USVISIT") program due to the potential for additional delays at POEs and possibly additional processing requirements for some drivers. ATA has been in close communication with the USVISIT development office. ATA recognizes that the implementation of this challenging program is mandated by various statutes, including sections of the Data Management Improvement Act ("DMIA"), the USA PATRIOT Act, and the Enhanced Border Security and Visa Entry Reform Act of 2002. Although USVISIT is not yet fully operating at land border POEs, ATA understands that DHS continues to work towards expanding its requirements for entry and exit controls.

The following bullets describe the essential areas that we believe are necessary for DHS to focus on as it moves forward in implementing USVISIT at our land borders:

- Consider how USVISIT will interact with other border security programs, including those that ensure supply chain security, such as FAST/C-TPAT, and those that clear U.S. international trade, primarily ACE/ITDS. Foreign drivers that have been cleared to participate in the FAST/C-TPAT program should not be required to comply with entry/exit requirements of the USVISIT program due to their "low-risk" classification;
- Continue to exchange information and increase cooperation with our international trading partners, especially with Canada and Mexico. Special consideration must be given as to how we can address infrastructure and information technology needs and requirements for developing an entry/exit control process at land borders. In order to mitigate the costs of such technology and physical infrastructure development, greater consideration must be given to harmonizing and leveraging systems and resources with our NAFTA partners.

The trucking industry encourages the U.S. government, in cooperation with both Canada and Mexico, to improve and to facilitate the capture and exchange of information on goods and people crossing our land borders. A large portion of the U.S. international trade and immigration transactions generated every day occur from transactions with our two NAFTA partners. ATA recommends that the U.S. government move forward with an aggressive timeline in implementing both the *Smart Border Accord* between the U.S. and Canada, and the *22 Point Plan* between the U.S. and Mexico, as well as implementing the recommendations established under the North American Security and Prosperity Partnership.

#### **Conclusion**

ATA recognizes and commends this committee for holding this hearing and we urge you to support efforts to establish security initiatives that promote both security and trade. It is essential that this be done in close cooperation with our counterparts in Canada and Mexico. ATA believes that any successful effort for preventing the entry of terrorists through our air, sea or land borders will have to rely on the cooperation of foreign governments, in essence "pushing our borders out". From the land border perspective, this means working with Canadian and Mexican government agencies and officials in developing programs to share facilities and information systems in order to capture data prior to cargo and people arriving at our POEs.

The trucking industry considers the present security environment to be quite robust for cross-border trucking operations along both our northern and southern bor-

ders, and we believe that such programs are heading in the right direction. In summary, we make the following comments to continue to increase the security and efficiency benefits of cross-border operations:

- Continue the promotion and marketing efforts related to C-TPAT and FAST to increase participation by importers, manufacturers and carriers. Increasing the number of participants that are in compliance with these programs will improve the allocation of financial and human resources to focus on shipments and entities that require further information and/or examination.
- DHS must take a leading role among federal agencies in managing systems and processes at POEs for U.S. imports and exports, especially with agencies outside of the DHS chain of command. Though other federal agencies not within DHS have statutory mandates requiring them to implement procedures for clearing certain goods entering at U.S. ports of arrival (for example FDA's implementation of the prior import notice requirements under the Bioterrorism Act), these agencies should be required to coordinate and work closely with CBP and the ACE/ITDS system.
- We encourage this committee to work with other relevant congressional committees to analyze funding to improve border facilities and infrastructure. This is essential in ensuring a smooth flow of legitimate travelers and commerce across our borders while ensuring our national security. We encourage that such an analysis consider an appropriate level and mix of technology, equipment and personnel to maximize the capabilities of border facilities.

In the post 9/11 environment industry and government must jointly develop systems and processes that allow us to defend our national security and protect our economic security. By working together, industry and government can develop and achieve the right balance in which heightened operational security is achieved but not at the expense of our wellbeing and economic security. As the 9/11 Commission Report points out in another section of Chapter 12:

***The U.S. government cannot meet its own obligations to the American people to prevent the entry of terrorists without a major effort to collaborate with other governments. We should do more to exchange terrorist information with trusted allies, and raise U.S. and global border security standards for travel and border crossing over the medium and long term through extensive international cooperation.***

The trucking industry agrees with such a goal as a crucial stakeholder in our nation's efforts to secure our critical infrastructure and overall wellbeing from terrorist threats and activities. ATA and motor carriers throughout our nation and North America are committed to partnering with both government and other sectors of our economy to improve and ensure our country's national and economic security well into the future. Again, ATA thanks the Committee for this opportunity to present our comments and input on the issue of security in cross-border trucking operations.

Ms. JACKSON LEE. I thank the witness for his testimony.

And I thank all of the witnesses for their testimony.

And I think Mr. Ward has established himself as either a witness that will be invited back on many, many occasions, or he has made the record for his testimony in terms of the time that he was given. No reflection on the other distinguished witnesses, but it was in fact unique.

It doesn't mean that you are going to get shortened questions, so it is not a quid pro quo.

I yield myself 5 minutes for questions and, again, offer my appreciation.

We knew there was something here. And I don't think that we are going to finish the inquiry that we are making in one hearing.

But let me start with you, Mayor Salinas, because you have, if you will, either pricked our conscience or incited the interest of the importance of this hearing. You have mentioned—and this is where I want to pick up—one, you have indicated that we have a problem with highway funds, because you are obviously seemingly a place of a magnitude of trucks, and you seem to be diminished in that funding.

And you have also indicated that there is a brief moment where these trucks are in the jurisdiction of our border authorities but then they are in Laredo. And the responsibilities are on local law enforcement, which is not only attributable to issues of safety of driver license, but there are issues of contraband or terrorism or security.

Please state for us again the danger that poses and also your perceived solutions.

Mr. SALINAS. Madam Chair, let me say that, first of all, 13,000 trucks cross each way into Laredo and to Mexico. That creates a very difficult situation. It affects us because just one truck could really create a chaos and create a serious problem.

One of the things that I think we are lacking at this time is the fact that we don't have the personnel or resources to be able to—I am talking in terms of the local police department. We have worked very, very well, but I think we need additional sources.

The fact of the matter is, when you have all these trucks crossing, they do have an impact. Certainly they are bringing good to our city, with economic trade and so forth. But at the same time, we have a responsibility to protect our citizens and protect our city.

And I think one thing that concerns us is that we have asked, on numerous occasions, for assistance, and we have not gotten it. I know we are being told that they are working on this. You know, it creates a lot of problems: the destruction of our roads and the safety concerns.

I can tell you that, after having been at the Bureau for 27 years, the potential of a very serious incident is there, just waiting to happen. But we don't have the resources to be able to—we need to be proactive. I think that is what I am trying to say here. Because we don't want to respond; we want to prevent. And that is what we are trying to do.

But the reality is that we need support for our local law enforcement, whether it be just the police department or the sheriff's department.

But one thing that has been really healthy for us, about 2 months ago I called for a mini summit of all law enforcement entities, from the Customs and Border Protection, Immigration—all the Federal, state and local agencies. And we feel that that is important, because we need to be proactive and we need to have communication.

I think one of the problems that we really have had is dialogue. One thing that we also did in Laredo is create an international committee on trade. That is our lifeline. That is what makes Laredo go.

So, in reality, I think there is a potential for something to happen, but we need to address it and be ahead of the game.

Ms. JACKSON LEE. We need to be proactive.

Mr. SALINAS. Yes.

Ms. JACKSON LEE. Let me ask this question quickly. You have heard, we have discussed ISAC and we have discussed the Homeland Security intelligence-gathering network. And I raised the question about whether that is an effective source of information.

Is that an effective source for Laredo? Do you believe your law enforcement accesses those particular databases? And are they effective?

Mr. SALINAS. Well, I think you touched a very sensitive nerve. You know, one of the problems that we have today is that, if we don't establish databases, if we don't have the informants, the confidential informants, if we don't have dialogue with our neighbors, here we are thinking about—well, I think it goes beyond thinking about building a wall, you know. We ought to be building bridges of friendship.

And really, that is where we have a little bit of a problem. How do I expect to work with our counterparts, with our business people on the other side, when we are going to build a fence?

It is really a very sensitive issue, and I think—

Ms. JACKSON LEE. —your law enforcement—

Mr. SALINAS. What we did when I was in Mexico City, trying to work and build friendships, instead of contacting each other through e-mail or through little notes or something. We have to have that personal contact and establish real friendships, real, strong ties and confidence with each other.

I can assure you, Madam Chair, that while we were in Mexico City for 5 1/2 years with the most wonderful part of my law enforcement experience, we initiated training programs where Mexican police officers would pay their own way to go to our training classes. And they, in turn, would risk their lives to bring fugitives back to the United States. And the term that I was there, for the 5 1/2 years, we returned an average of 75 to 80 dangerous fugitives.

And we need that spirit of cooperation. And this is what is going to help us with easing the potential threat to the United States of America.

Ms. JACKSON LEE. Thank you very much, Mayor.

Mr. Ward, you raised, if you will, the large issue in the room: knowing who these individuals are, how they are funded, how they are going forward. How severe a problem is that, in your perspective and from a business perspective?

And your suggestion for a solution—you mentioned the Canadian legislation. But let's step away from the Canadian legislation. Just give us your assessment. Because obviously it would mean an intelligence base or intelligence database that would either retain this information, place to put this information. We would have to gather the information.

But how crucial do you believe it is for the listing that you just mentioned?

Mr. WARD. I think it is very important for government to be the one that controls the border. There can be private operation of a border crossing, but it should be government that dictates the safety and security priorities. And that doesn't happen today.

In my testimony, I give some examples, one on hazardous materials transport. It was brought up a number of times here. When I came from the airport, 395 to exit D Street, there is a sign that says, "Hazardous materials are prohibited." No such signs exist at the Detroit border.

However, the Federal Motor Carrier Safety Administration has hazardous material routing restrictions. Hazardous materials that are restricted will go across the bridge. Michigan state police says you can't. The bridge owner says, "It is private property; you can't tell us what to do."

Now, how do you have a nominal detection to pick out who the good guys and the bad guys when the government isn't even clear of who is in charge? There are segments of control by government of certain aspects of the border, but not in totality.

And I think it is necessary, to ensure safety and security, that it be a charge of the government. I mean, right now the Ambassador Bridge in Detroit is looking at twinning the bridge based on 1920 enabling legislation. You know, I think we might need an update.

[Laughter.]

Ms. JACKSON LEE. And I thank you, Mr. Russell. I will pose a question at a later time.

I am now going to yield to the distinguished ranking member, Mr. Lungren from California.

Mr. LUNGREN. Thank you very much, Madam Chair.

And I would suggest we might follow up on Mr. Ward's comments, that operators of bridges that cross international borders claim that we have no jurisdiction over them. It seems to me that that flies in the face of everything I know about Federal law, Federal authority and borders. But maybe you have some unique situation up there in Michigan. But we ought to look at it.

I have heard it mentioned several times that we need to build bridges, not walls. And I respect your opinion, Mayor Salinas. I happen to have been the attorney general of California and dealt with my Mexican counterparts on many occasions with respect to the return of fugitives. And we had some, but there were a lot of others, particularly cop killers, that we have never been able to get back. And the Kiki Camarena case was one that occurred while I was attorney general.

I would just say, at least in my state, where we did build a fence in the San Diego sector, we actually achieved some success in terms of the diminution of crime, particularly violent crime.

And it is not the only answer. I was reading recently about the Roman empire, and they talked about how if you look in parts of England, which was the outlying area of the Roman empire, you will see vestiges of the wall there. Interestingly, they built walls but they had a lot of gates in them. And maybe that is what we need to do, is to make sure that we have carefully observed points of entry.

Mr. Mayor, my question to you would be this: Do you see any difference in the concerns that you have now, other than an increase in traffic presumably, if we had a change in law that allowed the pilot project to go forward or, at some later date, to pass the pilot project to allow a large number of Mexican trucking companies to be able to deliver their load somewhere outside of that commercial zone they have now, and vice versa?

Mr. SALINAS. Mr. Ranking Member, thank you.

I think, as a former FBI agent, my primary concern would be the safety of our citizens. Certainly I think that we have to have a fair

balance. Number one, we need to know who the drivers are. We need to know everything about their background, to make sure that we don't put our citizens in any danger. They have to comply to make sure that their vehicles pass their vehicular inspection.

I feel that there ought to be a fair balance in the way that we treat our neighbors. But at the same time, our neighbors need to obey the laws of the United States, just like when I went to Mexico I had to obey the laws of Mexico even though I had a diplomatic passport. I am not above the law, and neither should anybody.

But as partners, we have to have some kind of conscious and make sure that we treat everyone fairly. But to answer your question, I think we have to be very clear that people are going to come to our country with their vehicles. The vehicles better be safe. The people who are going to be the vehicles better be law-abiding citizens.

And we have to establish a mechanism whereby we have a good database. If we don't have that, Ranking Member Mr. Lungren, I think that is where it hurts. Because you can't have it both ways. You have to respect the law, but you have to have a good, solid database. Because if don't have that, just one vehicle coming across with somebody going to harm Americans, you know, we can't have that.

Mr. LUNGREN. Mr. Russell, you are here not only representing yourself and your company but the American Trucking Association. We considered this issue of the pilot project and beyond on several occasions, and I think some members were surprised the American Trucking Association supports the effort.

Both from a commercial standpoint but also from a security and safety standpoint, could you give us an idea of why the American Trucking Association believes, I presume with the caveat that Mayor Salinas has given us, believes this is a good thing for us?

Mr. RUSSELL. I started Celadon 22 years ago, and we were the first carrier to allow the trailer to go into Mexico. Until that point in time, the cargo was unloaded, put in a warehouse, and then on a Mexican truck the rest of the way. We were the first that allowed it to go through.

And had a small facility in Laredo, which is now a big facility in Laredo, and this fellow, Salinas, is doing a great job, by the way.

Basically the way the Mexican border operates is the following. A tractor will take a trailer from Guadalajara to Nuevo Laredo. That will be a long-haul Mexican tractor—same age, roughly, as American tractors; same condition, roughly, as American tractors—to the south side of the border. It will drop the trailer into either its own facility or a drayage yard on the south side of the border.

The crossing will be done, 90 or 95 percent of the time, by what are called drayage trucks. And they are generally small companies that run trucks just across the border and then drop them at an American trucking facility. And then taken the rest of the way by an American driver.

That is basically how the border has operated for years.

If you put yourself in Europe and were a pasta maker in Venice and had an order to ship pasta in a truckload to Amsterdam, it wouldn't go in an Italian truck to the French border, a French truck to the Belgian border, Belgian truck to the Dutch border,

Dutch truck to Amsterdam. It would be taken by an Italian truck or a Dutch truck going through.

Essentially the process that now exists is like the old days of the Pony Express, when one horse couldn't make it. Three trucks handle the trailer.

That is not how the Canadian border operates. The Canadian border, since 1982, after a successful pilot project, a driver, a Canadian driver, will take a load from Toronto to Atlanta and then must go back to Canada. He is not allowed to do cabotage.

Essentially the Mexican border should operate that way also.

Mr. LUNGREN. I would presume that you and your associates in the American Trucking Association would be upset if there were substantial violations of our agreement with Canada; that is, where we would see a number of instances of people not going directly back, but actually trying to pick up loads within the United States.

Do I take it by your testimony that we have not seen a good deal of evidence of that occurring, with respect to Canadian trucks?

Mr. RUSSELL. Virtually none. We operate a Canadian company. We own a company in Kitchener with 350 tractors. And it never happens with us, but I don't think it ever happens with others either.

Mr. LUNGREN. So what you are saying is this is not unique. We have already had a pilot project with our northern neighbor—

Mr. RUSSELL. For 25 years, and we have run about 350 million miles in the U.S. with Canadian drivers. It is a small part of the company—

Mr. LUNGREN. Sure.

Mr. RUSSELL. —but basically every weigh station, every FMCSA station when you are crossing state lines—

Mr. LUNGREN. What about the concern about the drivers and the safety of their vehicles and meeting the standards and all that sort of thing that we are facing as questions with Mexico?

Mr. RUSSELL. From an ATA standpoint, those issues are being faced by the FMCSA, which is part of the DOT, and by TSA. From our standpoint, our Mexican tractors—and we have a smaller fleet in Mexico—but GPS-tracked, you know exactly—

Mr. LUNGREN. Do you have any in Italy? Or are you just—

[Laughter.]

Mr. RUSSELL. Most of them right here in America, sir.

But I remember testifying at the committee where both Chairwoman Jackson Lee was at and you were at in November of 2005 about hazardous material certification. And I was equally impressed by you guys then.

Mr. LUNGREN. Thank you very much, particularly for that last part.

[Laughter.]

Mr. RUSSELL. Thank you.

Ms. JACKSON LEE. You notice I did not gavel you down before that comment was made.

[Laughter.]

Shows the collegiality of this particular committee.

I am going to yield to myself for a second round and because I did miss exploring some points that I think are key.

Mr. Russell, first of all, thank you. You seem to be a company that is aware of the climate in which we live, and it is important that that occur. And let me thank the American Trucking Association for having you as their representative.

But I think that we are trying to get to the core element of what we need to try to improve, I would say fix. And it would be helpful if you would give me a sense of how well-versed your ownership, your membership, the trucking industry, is in security threats. How well-versed are their truckers, their management?

The owners are not always necessarily, if there are large trucking companies on the ground, but they have to rely upon their truckers and sometimes their individual trucks, of course, and ownership. And that may be a separate entity.

And how are they trained to protect themselves against these threats, meaning these truckers and the industry? What type of background checks do your members conduct on their prospective drivers? And are your drivers encouraged to report suspicious activity? And to whom do they make that report?

Mr. RUSSELL. We were one of the first carriers that were 100 percent Highway Watch drivers. All of our drivers—and in America we have roughly 2,600 drivers—they are all Highway Watch-certified.

There are 600,000 U.S. truck drivers that are Highway Watch-certified. And they know what it means. And what it means is when you see something strange, report it. And there have been various instances where that has actually caught perpetrators and prevented terrorism.

So is there a focus? Absolutely. There are about 3 million trucks on the road. Many of those are just intracity trucks. But 600,000, and I think we are 2 1/2 years into the program, I think is outstanding. So is there a focus? Absolutely.

C-TPAT—and there are about 8,000 companies that are members of C-TPAT—the question that you had asked I think the fellow from CBP—

Ms. JACKSON LEE. Customs and Border Protection.

Mr. RUSSELL. —we have been audited, C-TPAT. We were audited about 8 months ago or a year ago. And they came in and did a comprehensive, complete audit.

Ms. JACKSON LEE. Customs and Border Protection?

Mr. RUSSELL. I think it was them. I am not sure—it was U.S. government, part of Homeland Security. I don't know which department. But we were completely audited. We walk around with badges. Visitors are not allowed in without a picture I.D.

Ms. JACKSON LEE. This is where your trucks are housed?

Mr. RUSSELL. Yes, and all of our terminals. And that is generally done by virtually every major trucking company that I know of. And we are maybe 12th or 13th largest. There are many larger than we.

But there is a total focus on homeland security.

Ms. JACKSON LEE. And there are background checks encouraging them to respond to suspicious activity or suspicious persons? Is that something that is a culture of the trucking industry and truckers?

Mr. RUSSELL. We and, I assure you, I believe every fleet over 100 tractors. There is a system called DAC, which provides criminal background checks on everybody. That is one of the systems. There are lot of companies that you could use.

But we haul a lot of high-value goods. We don't hire felons, people that have been in jail for a felony. We have all that information. We have background checks.

And we are not alone. The industry does that. You have to do it. You have to do it to protect our own interests as well as to protect the country's interests. And it is consistent. And, you know, to say every trucking company does it, I am sure that is not true. But every major company does it, and I think a large percent of the industry does.

Ms. JACKSON LEE. We have intertwined safety and security in this room. I want to make it very clear that the question that has not been asked and answered thoroughly, from my perspective, is the question of security.

I applaud companies for their in-depth review of their employees. I, frankly, believe that people with criminal backgrounds who have paid their dues to society should have a right to a second chance. And I don't equate a background in the criminal situation as one that is a security threat.

Mr. RUSSELL. We hire them in a warehousing position, but we don't put them on the road, because we fear what a plaintiff lawyer would do if, God forbid, there was—

Ms. JACKSON LEE. Now, that is the other threat that he speaks about. That is one I can't respond to in this hearing room.

But let me thank you very much.

Mr. LUNGREN. Are we both lawyers?

[Laughter.]

Ms. JACKSON LEE. That we are.

Mr. LUNGREN. We plead guilty.

[Laughter.]

Ms. JACKSON LEE. Mr. Ward, recount for me again—you gave us a list: you don't know how they are funded, you don't know who they are. Give us that list again, in the context of security. When you ended your testimony, you gave a long list of—and I put a sentence that said, "We don't know who they are." But this is in the context of security. Would you put that list before this committee again of what we don't know?

And would you also explain this concept of private bridges and the question of who is in charge? I think that is a big question for this committee: Who is in charge? We may not be the build-a-bridge committee, but we are concerned about all transportation modes that impact the people of the United States of America. So could you answer that question in this context?

Mr. WARD. If I could start with your second question, there was a recent story on NPR, and they showed trucks parking under the bridge. They come and they pay a toll, they park under the bridge, and the driver walks away. So you have trucks parking under the busiest commercial crossing in North America, and the truck driver walks away.

Ms. JACKSON LEE. And that bridge is?

Mr. WARD. The Ambassador Bridge.

Another thing that happens is they have fuel trucks park under the bridge. And being from California, the gentleman, you will be familiar with what happened there recently. And—

Mr. LUNGREN. I am. And also, the rebuilding of it was done by C.C. Myers, who is in my district, who builds bridges faster than anybody. Just thought I would throw that out there.

Mr. WARD. And during the news article, NPR asked Federal Highway, and Federal Highway said, "We have talked to them about the problem," but they don't have authority. Neither does DOT. Neither does Michigan state police.

Ms. JACKSON LEE. Neither does the Department of Homeland Security, to your knowledge.

Mr. WARD. Obviously not.

Mr. LUNGREN. This is under the bridge on the American side?

Mr. WARD. Yes, sir. There is a picture in the testimony.

And it is just issues like that. It is the hazardous material issue. There are a number of issues that are well-documented in the press, where the owner of the bridge says that the Federal Government doesn't have authority.

And then to the first question, on the list of what I think should be required—and I am just looking personally from our business, in the hazardous material transport business across water—

Ms. JACKSON LEE. And when you say that, I think it is important, because I want to make sure that we are jurisdictionally focused on this committee, "hazardous" can equate to terrorism or security threats, because an incident can occur innocently, meaning an accident, or it can occur purposely. So let me just yield to you, with that clarification.

Mr. WARD. And how we do it, we receive three grants from the Department of Homeland Security and TSA at the beginning, and we put in an advance notification system where we give law enforcement every bit of information we have. They have cameras in our office, in our terminal. And we have made our company completely transparent. And that is the way we feel the border should be, that the access to all information should be that of government.

But nobody has, like I said, nobody has done any vetting of who we are, after 9/11, come and kick the tires, "Who are you guys? Where do you get your money? Who else is in your business? What kind of companies do you own? Are you transporting hazardous materials across your own ferry? What is going on?" And I think that is a significant gap, that there is not that knowledge.

And it is not like you would have to create a new department within DHS. There is only a small number of privately owned crossings.

Ms. JACKSON LEE. But you are suggesting we don't have to eliminate those privately owned crossings but we can begin to have a more cooperative working relationship to bring to their attention the importance of security.

Mr. WARD. I would, if I may, I would say no. I would think that the government should dictate the safety and security priorities. It shouldn't be an option. And that is what kind of happens now, which is evident by parking trucks under the bridge, and the Federal Highway Department says, "You shouldn't do that," and they do it anyway. That shouldn't be allowed.

The government should be able to say, "This is how a border is operated in the security and safety interests of this nation." I think it is very vital.

Ms. JACKSON LEE. You say there are about how many of these bridges?

Mr. WARD. On the northern border, there are two privately owned bridges. One of the tunnels is privately operated in Detroit. We are a private company doing commercial cargo. I think on the Mexican border there are a number of private crossing—I mean, it is a small number, but you would think there would be some mechanism of reporting who you are.

You know, if we sell our company tomorrow, we don't tell anybody. Shouldn't that be in the interest of this committee, if we sell to al-Qa'ida USA?

Ms. JACKSON LEE. Well, you raise a question that I think poses food for thought, and it should suggest to this committee that we have further investigation to do.

Let me just get Mayor Salinas again.

I want to just focus on trucks coming into Laredo, as they would come into other cities, and where ICE and CBP drops off and where you pick up as local law enforcement.

Now, one issue is reimbursement, but I don't want to focus on that. I want to focus on the fact that you don't get resources from the Department of Homeland Security for that expanded time frame that these trucks are in and around your community. And with the limited information that is given at the border, in your estimation this poses a severe concern.

Mr. SALINAS. Yes. And the concern is that we don't have enough personnel to address these issues. You know, one thing that we have done is move the inspections. We want to move the physical inspection of the trucks away from the bridge. Right now—and I heard you say, Mr. Lungren, about building bridges—we are in the process of trying to build two bridges. So we might want to talk to you for a recommendation. But we want to get the hazardous material out of the city. Right now they do go through the city.

But I think the uniqueness of our city is that so many trucks are crossing through downtown Laredo. A lot of them come through downtown Laredo. It creates a lot of traffic issues, but we don't have enough personnel. We have gone after the COPS program to try to get additional people. But it is really a very serious issue, because we have this enormous tie-ups of the traffic. We are concerned about public safety.

Ms. JACKSON LEE. So then, if a terrorist manages to cross the border with a truck full of who knows what, and then they dilly-dally or go through your city and, for some reason, the destination that they are going to, something happens in your city that either stalls them or causes whatever they are trying to do to happen there, what you are suggesting is that we have a breach, or we have a break from the moment they cross the border, and then the burden falls on areas like Laredo.

Mr. SALINAS. The local jurisdiction, yes.

That is why we are asking for assistance in that regard, because really what we really need is people—and technology. You know, when we are talking about a wall, we already have a virtual wall

in Laredo, which is the Rio Grande. We already have that. And really, we have asked, and we will continue to ask, for technology and boots on the ground. And really, that is what we are really lacking.

But the good thing—there is also a good thing—that the cooperation between the city and Homeland Security is excellent, is excellent. But, you know, we—

Ms. JACKSON LEE. I think—

Mr. SALINAS. We are potentially in a very difficult situation.

Ms. JACKSON LEE. I think you are vulnerable, and I acknowledge that.

Let me yield to the gentleman, if he has any interest in a second round?

Let me indicate that the gentlelady's time is up. I am probing this because I think there are a lot of questions that have been raised.

I think, Mr. Ward, it is important to know that we do have a process, CFIUS, which is a more refined bill that would now have a more effective process for any domestic sales to international entities, to be able to judge whether or not there is a threat to the safety and security of the United States.

Personally, let me put on the record that I have great concern on some of the sales of highways. And this is prospectively. I think one of the entities that you speak of, obviously, would be grandfathered—it is existing, the private ownership. But we certainly need to look at ways that we can work to ensure that the safety, the security laws of the United States are utilized and covered whether you are private or whether or not you are public.

I think the question there is, do we have a defined interest in securing the American people? And that defined interest supersedes private ownership, in this instance. And that is a question I think this committee will certainly have to address.

But we are very grateful for this instructive testimony.

Let it be known, as well, that we do read your testimony.

And we will now go back with a fine-tooth comb, Mr. Russell, on behalf of the American Trucking Association, because we would like to ask a myriad of questions about the coordinating of the DCC and a number of others and how you rely upon it. We will pose those questions in a letter. We hope that you will respond quickly to that.

Mr. Ward, we will have additional questions for you.

And, Mayor Salinas, I think you have crafted a very large question, which, to be honest, Mr. Lungren, I don't believe our CBP and TSA answered it, this collaboration, this work that occurs, you know, 10 miles, 50 miles past the border.

Laredo is right on the border, but it is a city that—you can at least get 10 miles away from the border in your city. Is that not accurate?

Mr. SALINAS. Yes.

Ms. JACKSON LEE. And I don't know how we create a relationship there and how we do that, but I am going to raise the question of why we have not.

And I also want to raise a question as to whether or not we are really as coordinated as we should be. And certainly, I think, a pic-

ture speaks a thousand words, Mr. Ward, and frankly the picture that you have shown us, I don't imagine that that picture is alone. I imagine that there are bridges that we have that are governmentally controlled that may have the same kinds of concerns raised.

And it is the jurisdiction of this committee on the security end of it to ask the hard question and pose, I believe, prospectively, a legislative response to some of these deficiencies that we are seeing as we look at border issues and security that is so necessary, along with trucking.

So, you gentlemen have provided insight, as the first panel has. And I would like to thank the ranking member.

Members are in a number of overlapping hearings. So let me thank you for your valuable testimony, and let me thank the members who were here for their questions.

The members of the subcommittee may have additional questions for the witnesses. We will ask you to respond, as I indicated, expeditiously in writing to those questions.

And, hearing no further business, the subcommittee now stands adjourned.

[Whereupon, at 3:31 p.m., the subcommittee was adjourned.]

## Appendix I: C-TPAT Highway Carrier Security Criteria

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3/13/2006

The supply chain for highway carriers for C-TPAT purposes is defined from point of origin from the yard or where the tractors and trailers are stored, through pickup at the manufacturer/supplier/vendor, through to the point of distribution—and recognizes the diverse business models C-TPAT members employ.

These minimum security criteria are fundamentally designed to be the building blocks for highway carriers to institute effective security practices designed to optimize supply chain performance to mitigate the risk of loss, theft, and contraband smuggling that could potentially introduce dangerous elements into the global supply chain.

On a quarterly basis, or as circumstances dictate such as during periods of heightened alert, security breach or incident, Highway carriers should routinely assess their degree of vulnerability to risk and should prescribe security measures to strengthen or adjust their security posture to prevent security breaches and internal conspiracies. The determination and scope of criminal elements targeting world commerce through internal conspiracies requires companies, and in particular, highway carriers to elevate their security practices, especially if the highway carrier has the exclusive benefit of enrollment in the Free and Secure Trade (FAST) program.

C-TPAT recognizes the complexity of international supply chains and security practices, and endorses the application and implementation of security measures based upon risk\*. Therefore, the program allows for flexibility and the customization of security plans based on the member's business model.

Appropriate security measures, as listed throughout this document, must be implemented and maintained.

### Business Partner Requirements

Highway carriers must have written and verifiable processes for the screening of business partners, including carrier's agents, sub-contracted highway carriers, and service providers, as well as screening procedures for new customers, beyond financial soundness issues to include security indicators, such as business references and professional associations.

### Security Procedures

- Written procedures must exist for screening business partners, which identify specific factors or practices, the presence of which would trigger additional scrutiny by the highway carrier.
- For those business partners eligible for C-TPAT certification (importers, ports, terminals, brokers, consolidators, etc.) the highway carrier must have documentation (e.g., C-TPAT certificate, SVI number, etc.) indicating whether these business partners are or are not C-TPAT certified. Non-C-TPAT business partners may be subject to additional scrutiny by the highway carrier.
- Highway carriers should ensure that contract service providers commit to C-TPAT security recommendations through contractual agreements. For U.S. bound shipments, C-TPAT highway carriers that subcontract transportation services to other highway carriers, must use other C-TPAT approved highway carriers or carriers under direct control of the certified C-TPAT carrier through a written contract.
- Likewise, current or prospective business partners who have obtained a certification in a supply chain security program being administered by a foreign Customs Administration should be required to indicate their status of participation to the highway carrier.
- As highway carriers have the ultimate responsibility for all cargo loaded aboard their trailer or conveyance, they must communicate the importance of

supply chain security and maintaining chain of custody as fundamental aspects to any company security policy.

#### **Conveyance Security**

Conveyance (tractor and trailer) integrity procedures must be maintained to protect against the introduction of unauthorized personnel and material.

#### **Conveyance Inspection Procedures**

- Using a checklist, drivers should be trained to inspect their conveyances for natural or hidden compartments. Training in conveyance searches should be adopted as part of the company's on-the-job training program.
- Conveyance inspections must be systematic and should be completed upon entering and departing from the truck yard and at the last point of loading prior to reaching the U.S. border.
- To counter internal conspiracies, supervisory personnel or a security manager, held accountable to senior management for security, should search the conveyance after the driver has conducted a search. These searches should be random, documented, based on risk, and should be conducted at the truck yard and after the truck has been loaded and en route to the U.S. border.
- Written procedures must exist which identify specific factors or practices, which may deem a shipment from a certain shipper of greater risk.
- The following systematic practices should be considered when conducting training on conveyances. Highway carriers must visually inspect all empty trailers, to include the interior of the trailer, at the truck yard and at the point of loading, if possible. The following inspection process is recommended for all trailers and tractors:

##### **1. Tractors:**

- Bumper/tires/rims
- Doors/tool compartments
- Battery box
- Air breather
- Fuel tanks
- Interior cab compartments/sleeper
- Faring/roof

##### **2. Trailers:**

- Fifth wheel area—check natural compartment/skid plate
- Exterior—front/sides
- Rear—bumper/doors
- Front wall
- Left side
- Right side
- Floor
- Ceiling/Roof
- Inside/outside doors
- Outside/Undercarriage

#### **Trailer Security**

- For all trailers in the highway carrier's custody, trailer integrity must be maintained, to protect against the introduction of unauthorized material and/or persons. Highway carriers must have procedures in place to maintain the integrity of their trailers at all times.
- It is recognized that even though a carrier may not "exercise control" over the loading of trailers and the contents of the cargo, highway carriers must be vigilant to help ensure that the merchandise is legitimate and that there is no loading of contraband at the loading dock/manufacturing facility. The highway carrier must ensure that while in transit to the border, no loading of contraband has occurred, even in regards to unforeseen vehicle stops\*\*.
- Trailers must be stored in a secure area to prevent unauthorized access and/or manipulation. Procedures must be in place for reporting and neutralizing unauthorized entry into trailers, tractors or storage areas.
- The carrier must notify U.S. Customs and Border Protection of any structural changes, such as a hidden compartment, discovered in trailers, tractors or other rolling-stock equipment that crosses the border.

Notification should be made immediately to CBP, and in advance of the conveyance crossing the border. Notifications can be telephonically made to CBP's Anti-Terrorism Contraband Enforcement Team (A-TCET) at the port.

#### **Container Security**

- When transporting a container or trailer for a C-TPAT importer, a high security seal that meets or exceeds the current PAS ISO 17712 standards for high security seals must be utilized.

#### **Conveyance Tracking and Monitoring Procedures**

- Highway Carriers must ensure that conveyance and trailer integrity is maintained while the conveyance is en route transporting cargo to the U.S. border by utilizing a tracking and monitoring activity log or equivalent technology. If driver logs are utilized, they must reflect that trailer integrity was verified.
- Predetermined routes should be identified, and procedures should consist of random route checks along with documenting and verifying the length of time between the loading point/trailer pickup, the U.S. border, and the delivery destinations, during peak and non-peak times. Drivers should notify the dispatcher of any route delays due to weather, traffic and/or rerouting.
- Highway Carrier management must perform a documented, periodic, and unannounced verification process to ensure the logs are maintained and conveyance tracking and monitoring procedures are being followed and enforced.
- During Department of Transportation Inspections (DOT) or other physical inspections on the conveyance as required by state, local or federal law, drivers must report and document any anomalies or unusual structural modifications found on the conveyance. In addition, Highway Carrier management should perform a documented, periodic, and unannounced verification process to ensure the logs are maintained and conveyance tracking and monitoring procedures are being followed and enforced.

#### **Trailer Seals**

- The sealing of trailers, to include continuous seal integrity, are crucial elements of a secure supply chain, and remains a critical part of a carrier's commitment to C-TPAT. A high security seal must be affixed to all loaded trailers bound for the U.S. All seals must meet or exceed the current PAS ISO 17712 standards for high security seals.
- Based on risk, a high security barrier bolt seal may be applied to the door handle and/or a cable seal must be applied to the two vertical bars on the trailer doors.
- Clearly defined written procedures must stipulate how seals in the highway carrier's possession are to be controlled during transit. These written procedures should be briefed to all drivers and there should be a mechanism to ensure that these procedures are understood and are being followed. These procedures must include:
  - Verifying that the seal is intact, and if it exhibits evidence of tampering along the route.
  - Properly documenting the original and second seal numbers.
  - Verify that the seal number and location of the seal is the same as stated by the shipper on the shipping documents.
  - If the seal is removed in-transit to the border, even by government officials, a second seal must be placed on the trailer, and the seal change must be documented.
  - The driver must immediately notify the dispatcher that the seal was broken, by whom; and the number of the second seal that is placed on the trailer.
  - The carrier must make immediate notification to the shipper, the customs broker and/or the importer of the placement of the second seal.

#### **Less-than Truck Load (LTL)**

- LTL carriers must use a high security padlock or similarly appropriate locking device when picking up local freight in an international LTL environment. LTL carriers must ensure strict controls to limit the access to keys or combinations that can open these padlocks.
- After the freight from the pickup and delivery run is sorted, consolidated and loaded onto a line haul carrier destined to cross the border into the U.S., the trailer must be sealed with a high security seal which meets or exceeds the current PAS ISO 17712 standard for high security seals.
- In LTL or Pickup and Delivery (P&D) operations that do not use consolidation hubs to sort or consolidate freight prior to crossing the U.S. border, the importer and/or highway carrier must use ISO 17712 high security seals for the trailer at each stop, and to cross the border.
- Written procedures must be established to record the change in seals, as well as stipulate how the seals are controlled and distributed, and how discrepancies

are noted and reported. These written procedures should be maintained at the terminal/local level.

- In the LTL and non-LTL environment, procedures should also exist for recognizing and reporting compromised seals and/or trailers to U.S. Customs and Border Protection or the appropriate foreign authority.

#### **Physical Access Controls**

Access controls prevent unauthorized entry to trucks, trailers and facilities, maintain control of employees and visitors, and protect company assets. Access controls must include the positive identification of all employees, visitors, service providers, and vendors at all points of entry. Employees and service providers should only have access to those areas of a facility where they have legitimate business.

- **Employees**

An employee identification system must be in place for positive identification and access control purposes. Employees should only be given access to those secure areas needed for the performance of their duties. Company management or security personnel must adequately control the issuance and removal of employee, visitor and vendor identification badges. Procedures for the issuance, removal and changing of access devices (e.g. keys, key cards, etc.) must be documented.

- **Visitors/Vendors/Service Providers**

Visitors, vendors, and service providers must present photo identification for documentation purposes upon arrival, and a log must be maintained. All visitors and service providers should visibly display temporary identification.

- **Challenging and Removing Unauthorized Persons**

Procedures must be in place to identify, challenge and address unauthorized/unidentified persons.

#### **Personnel Security**

Written and verifiable processes must be in place to screen prospective employees and to periodically check current employees.

- **Pre-Employment Verification**

Application information, such as employment history and references must be verified prior to employment.

- **Background Checks/Investigations**

Consistent with foreign, federal, state, and local regulations, background checks and investigations should be conducted for prospective employees. Once employed, periodic checks and reinvestigations should be performed based on cause, and/or the sensitivity of the employee's position.

- **Personnel Termination Procedures**

Companies must have procedures in place to remove identification, facility, and system access for terminated employees.

#### **Procedural Security**

Security measures must be in place to ensure the integrity and security of processes relevant to the transportation, handling, and storage of cargo in the supply chain. Procedures must be in place to prevent, detect, or deter unmanifested material and unauthorized personnel from gaining access to the conveyance including concealment in trailers.

Security procedures should be implemented that restricts access to the conveyance and prevents the lading of contraband while en-route from facilities in international locations to the United States.

Procedures must be in place to record and immediately report all anomalies regarding truck drivers to U.S. Customs and Border Protection. If local, federal, or state laws and union rules permit, conducting random screening of truck driver luggage and personal effects should occur.

- **Documentation Processing**

Procedures must be in place to ensure that all information used in the clearance of merchandise/cargo, is legible, complete, accurate, and protected against the exchange, loss or introduction of erroneous information. Measures, such as using a locked filing cabinet, should also be taken to secure the storage of unused forms, including manifests, to prevent unauthorized use of such documentation

- **Document Review**

Personnel should be trained to review manifests and other documents in order to identify or recognize suspicious cargo shipments that:

- Originate from or are destined to unusual locations
- Paid by cash or a certified check

- Have unusual routing methods
- Exhibit unusual shipping/receiving practices
- Provide vague, generalized or poor information
- All instances of a suspicious cargo shipment should be reported immediately to the nearest U.S. Customs and Border Protection port-of-entry.

- **Bill of Lading/Manifesting Procedures**

Bill of lading information filed with CBP should show the first foreign location/facility where the highway carrier takes possession of the cargo destined for the United States. Additionally, to help ensure the integrity of cargo received from abroad, procedures must be in place to ensure that information received from business partners is reported accurately and timely.

- **Cargo**

Cargo must be properly marked and manifested to include accurate weight and piece count. Customs and/or other appropriate law enforcement agencies must be notified if illegal or suspicious activities are detected—as appropriate.

### **Physical Security**

Procedures must be in place to prevent, detect, or deter unmanifested material and unauthorized personnel from gaining access to conveyance, including concealment in trailers. Cargo handling and storage facilities, trailer yards, etc., must have physical barriers and deterrents that guard against unauthorized access. Highway carriers should incorporate the following C-TPAT physical security criteria throughout their supply chains as applicable.

- **Fencing**

Perimeter fencing should enclose the entire truck yard or terminal, especially areas where tractors, trailers and other rolling stock are parked or stored. All fencing must be regularly inspected for integrity and damage.

- **Gates and Gate Houses**

Gates through which all vehicles and/or personnel enter or exit must be manned and/or monitored. The number of gates should be kept to the minimum necessary for proper access and safety.

- **Parking**

Private passenger vehicles must be prohibited from parking in close proximity to parking and storage areas for tractors, trailers and other rolling stock that crosses the international border.

- **Building Structure**

Buildings must be constructed of materials that resist unlawful entry. The integrity of structures must be maintained by periodic inspection and repair.

- **Locking Devices and Key Controls**

All external and internal windows, gates and fences must be secured with locking devices. Management or security personnel must control the issuance of all locks and keys, to include the locks and keys for tractors. When parked in the yard, doors to tractors should be locked and the windows should be closed to prevent unauthorized access.

- **Lighting**

Adequate lighting must be provided inside and outside the facility including the following areas: entrances and exits, parking or storage areas for tractors, trailers, rolling stock, and fences.

- **Alarms Systems & Video Surveillance Cameras**

Alarm systems and video surveillance cameras should be utilized to monitor premises and prevent unauthorized access to vessels, cargo handling and storage areas, based on risk.

### **Security Training and Threat Awareness**

A threat awareness program should be established and maintained by security personnel to recognize and foster awareness of the threat posed by drug smugglers and terrorists at each point in the supply chain. Employees must be made aware of the procedures the highway carrier has in place to address a situation and how to report it.

Additionally, specific training should be offered to assist employees in maintaining trailer and tractor integrity, recognizing internal conspiracies, and protecting access controls. These programs should offer incentives for active employee participation.

### **Information & Technology Security**

- Password Protection

Measures should be taken to protect electronic assets, including advising employees of the need to protect passwords and computer access. Automated systems must use individually assigned accounts that require a periodic change of password. IT security policies, procedures and standards must be in place and provided to employees in the form of training.

- **Accountability**  
A system must be in place to identify the abuse of IT including improper access, tampering or the altering of business data. All system violators must be subject to appropriate disciplinary actions for abuse.
- **FAST Transponder Controls**  
Transponders or any technology provided to the highway carrier by U.S. Customs and Border Protection to utilize the Free and Secure Trade (FAST) program must be protected against misuse, compromise, theft, tampering, altering or duplication\*\*\*.  
C-TPAT highway carriers must have documented procedures in place to manage the ordering, issuance, activation, and deactivation of FAST transponders. C-TPAT highway carriers are prohibited from requesting FAST transponders for any highway carrier company that is not owned and controlled by the C-TPAT approved highway carrier.  
C-TPAT highway carriers are also prohibited from requesting FAST transponders for any owner-operator not under written contract to provide exclusive transportation services for the C-TPAT highway carrier.

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\*Truck Carriers shall have a documented and verifiable process for determining risk throughout their supply chains based on their business model (i.e., volume, country of origin, routing, C-TPAT membership, potential terrorist threat via open source information, having inadequate security, past security incidents, etc.).

\*\*C-TPAT recognizes the unique situation of the cross-border cartage industry in the Laredo, Texas corridor and encourages and endorses carriers to work within the supply chain to make a reasonable effort to ensure the integrity of trailers, especially during the cross-border segment.

\*\*\*Any misuse of FAST technology, to include loaning FAST transponders to external carriers will result in suspension or removal from the FAST Program. FAST is a benefit based on trust and confidence.

## Appendix II: Mayor Salinas' Law Enforcement History

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### **Security Consultant—2002 to Present**

Texas Private Investigator Laredo, Texas  
Security Consultant in the United States and in the Republic of Mexico.  
Conduct Criminal/Civil type Private Investigations. Also Certified  
Training Instructor, i.e., Anti-Kidnappings, Interviewing Techniques,  
Crisis Management, Crime Scene Matters and Public Relations.

### **Assistant Legal Attaché 1997—2002**

Office of the Legal Attaché, U.S. Embassy, Mexico City  
Violent Crime/Terrorism, Kidnapping and Background Investigations Coordinator  
for FBI Fugitive cases in Mexico, with investigative, liaison and training responsibilities throughout Mexico. Special emphasis on initiatives in the Mexican states of Guerrero, Hidalgo, Michoacan, and Morelos. Case Agent for at least 15 kidnappings throughout Mexico. All victims returned home safely.

### **Senior Resident Agent 1994—1997**

FBI Laredo Resident Agency Laredo, Texas  
Senior Manager with direct oversight responsibilities for 16 personnel, fiscal and personnel matters and a variety of Criminal and Background Investigations (BI) in the Laredo, Texas/Mexican Border area. Additional responsibilities included Community Outreach and Media Relations activities, as well as liaison with senior level U.S. and Mexican law enforcement counterparts.

### **Special Agent 1988—1994**

FBI Laredo Resident Agency Laredo, Texas  
Seasoned Field Investigator specializing in Fugitive, Kidnappings, BI, Violent Crime and Public Corruption Investigations. Additional responsibilities included the development and maintenance of liaison contacts with both U.S. and Mexican law enforcement counterparts.

### **Special Agent 1975—1988**

FBI Washington Field Office Washington, D.C.  
Field Investigator for National Security, BI, and Violent Crime Investigations, to include Terrorism Matters. Credited with the development of an FBI Hispanic Equal Employment Opportunity Program and creator and host of a weekly FBI Spanish language radio program broadcast by 177 radio stations in both the U.S. and Mexico. Foreign Counterintelligence assignments.

### **Police Officer 1970—1975**

United States Capitol Police Washington, D.C.  
Responsibilities included providing physical protection for members of the U.S. House of Representatives, U.S. Senate, President, Vice President and visiting foreign dignitaries. Special Event/Riot Control duties.

### **Staff Assistant 1968—1970**

Hon. Eligio (Kika) de la Garza, US. House of Reps. Washington, D.C.  
Responsibilities included general constituent services casework as well as constituent correspondence matters. Additional responsibilities included representing Congressman de la Garza in meetings and hearings. Also credited with the development of a weekly bi-lingual radio program for the Congressman, as a means of further reaching out to his constituency.

### **Education/Specialized Skills 1970—1974**

University of Maryland: BA, Degree College Park, Maryland  
Elkins Institute of Broadcasters & Engineers: FCC Broadcaster's License Dallas, Texas  
Skills: Hostage Negotiator; FBI Certified Police Training Instructor-Crisis Management & Kidnapping; Interviewing & Interrogation; Media; Public Speaking; U.S.-

Mexico Relations; Fluency in Spanish Language; Excellent liaison contacts in Mexico; Military Police and Foreign and Domestic Terrorism experience. Licensed Texas Private Investigator and International Security Consultant and Instructor. Certified in Homeland Security-American College of Forensic Examiners Institute

