



TESTIMONY OF

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Chairman McCaul, Ranking Member Thompson, and distinguished Members of the Committee, it is an honor to appear before you today to discuss the role of U.S. Customs and Border Protection (CBP) in securing maritime cargo. As the lead U.S. Department of Homeland Security (DHS) agency for border security, CBP works closely with our domestic, international, and industry partners to protect the Nation from a variety of dynamic threats, including those posed by containerized cargo arriving at our sea ports of entry (POE).

The United States experiences an immense volume of international trade, a critical component of our Nation's economic security and competitiveness. In Fiscal Year (FY) 2017,¹ CBP officers processed more than 26.1 million imported cargo containers, including 11.9 million maritime cargo containers at our Nation's seaports, equating to \$847.7 billion in imports. CBP's cargo security and trade facilitation missions are mutually supportive: by utilizing a risk-based strategy and multilayered security approach, CBP can focus time and resources on those suspect shipments that are high-risk. This approach incorporates three layered elements to improve supply chain integrity, expedite legitimate trade, promote economic viability, and increase resilience across the entire global supply chain system.

- *Advance Information and Targeting.* Obtaining information about cargo, vessels, and persons involved early in the shipment process and using advanced targeting techniques to increase domain awareness and assess the risk of all components and factors in the supply chain;
- *Advanced Detection Equipment and Technology.* Maintaining robust inspection regimes at our POEs, including the use of Non-Intrusive Inspection (NII) equipment and radiation detection technologies; and
- *Government and Private Sector Collaboration.* Enhancing our federal and private sector partnerships and collaborating with foreign governments to extend enforcement efforts outward to points earlier in the supply chain.

These interrelated elements are part of a comprehensive cargo security strategy that enables CBP to detect, identify, and prevent potential threats, including the use of containerized cargo to transport counterfeit or illicit products, radiological weapons, such as "dirty bombs," or other dangerous materials, before they arrive at our Nation's border. By leveraging intelligence-driven analysis, innovative partnerships, and advanced technology, CBP secures and promotes the movement of legitimate cargo transiting through the maritime environment.

Advance Information and Targeting Capabilities

CBP leverages advance information about cargo, conveyances, and persons, and tailors targeting activities to increase domain awareness and assess the risk of all components and factors in the supply chain. Statutory and regulatory requirements for the submission of advance information, and the development of rigorous targeting capabilities at the National Targeting Center (NTC), enable CBP to identify potential threats and address high-risk shipments before a vessel arrives at a U.S. POE.

¹ Through August 31, 2017.

The *Trade Act of 2002*,² which provides statutory support for the 24-Hour Advance Cargo Manifest rule,³ also requires importers and carriers to submit to CBP advance electronic cargo information for all inbound shipments in all modes of transportation. Furthermore, CBP requires the electronic transmission of additional data, as mandated by the *Security and Accountability for Every Port (SAFE Port) Act of 2006*,⁴ through the Importer Security Filing and Additional Carrier Requirements rule (also known as “10+2”). These requirements enable CBP to target and mitigate high-risk shipments not just *prior to arrival* in the United States, but *prior to the loading* of cargo bound for the United States.

This advance information requirement is a critical element of CBP’s targeting efforts at the NTC and enhances CBP’s capability to identify high-risk cargo without hindering legitimate trade and commerce. The NTC, established in 2001, coordinates and supports CBP’s intelligence and enforcement activities related to the movement of cargo in all modes of transportation – sea, truck, rail, and air. Using the Automated Targeting System (ATS), the NTC proactively analyzes advance cargo information before shipments depart foreign ports. ATS incorporates the latest cargo threat intelligence and national targeting rule sets to generate a uniform review of cargo shipments, and provides comprehensive data for the identification of high-risk shipments. ATS is a critical decision support tool for CBP officers working at the NTC, the Advanced Targeting Units at our POEs, and foreign ports abroad.

Advanced Detection Equipment and Technology

Advanced detection technology is another key aspect of CBP’s comprehensive approach to maritime cargo security. NII technology, including x-ray and gamma-ray imaging systems, is placed at domestic and foreign seaports and enables CBP to detect illicit and/or dangerous materials. NII technologies are force multipliers that enable us to screen or examine a larger portion of the stream of commercial traffic while facilitating the flow of legitimate cargo.

CBP currently has 302 large-scale NII systems deployed to, and in between, U.S. POEs. These systems enable CBP officers to examine cargo conveyances such as sea containers, commercial trucks, and rail cars, as well as privately owned vehicles, for the presence of contraband without physically opening or unloading them. This allows CBP to work smarter and faster in detecting contraband and other dangerous materials. As of September 1, 2017, CBP has used the deployed NII systems to conduct more than 86 million examinations, resulting in more than 20,600 narcotics seizures.

Scanning all arriving conveyances and containers with radiation detection equipment prior to release from the POE is an integral part of the CBP comprehensive strategy to combat nuclear and radiological terrorism. In partnership with the Domestic Nuclear Detection Office (DNDO), CBP has deployed nuclear and radiological detection equipment, including 1,280 Radiation Portal Monitors (RPM), 3,319 Radiation Isotope Identification Devices (RIID), and 35,294 Personal

² Pub. L. No. 107–210

³ The 24-hour rule applies only to maritime cargo.

⁴ Pub. L. No. 109-347

Radiation Detectors (PRD) to all 328 POEs nationwide.⁵ Utilizing RPMs, CBP is able to scan 100 percent of all mail and express consignment mail and parcels; 100 percent of all truck cargo, 100 percent of personally owned vehicles arriving from Canada and Mexico; and nearly 100 percent of all arriving sea-borne containerized cargo for the presence of radiological or nuclear materials. Since the inception of the RPM program in 2002 through August 2017, CBP has scanned more than 1.4 billion conveyances for radiological contraband, resulting in more than 6.1 million alarms in primary and secondary operations, all of which have been successfully adjudicated at the proper level.

CBP continues to look for more capable technologies that are more efficient and effective. For example, a key enabler of RPM efficiencies in the maritime environment is employing the concept of remotely operated RPM lanes at select seaports. CBP, together with DNDO, worked on a pilot throughout FY 2017 to pilot RPM remote operations at the seaport in Savannah, Georgia. The goal is to provide CBP field offices and ports with increased flexibility to reduce RPM operations staffing demands and redirect staff to other high priority mission areas where and when feasible.

In conjunction with CBP's targeting capabilities, advancements in cargo screening technology provide CBP with a significant capacity to detect illicit nuclear and radiological materials and other contraband, and continue to be a cornerstone of CBP's multilayered cargo security strategy.

Government and Private Sector Collaboration

A critical and complementary component of CBP's effort to expand and strengthen cargo security is our extensive domestic and international partnerships with private industry and government counterparts. Close collaboration with our partners increases information sharing, which, in turn, enhances CBP's domain awareness, targeting capabilities, and ability to intercept threats at, or approaching, our borders.

Federal Government Partnerships

CBP works closely with its DHS partners, including the U.S. Coast Guard (USCG), U.S. Immigration and Customs Enforcement (ICE), and the Science and Technology Directorate (S&T) to coordinate cargo security operations and deploy advanced detection technology. Since 2011, CBP, USCG, and ICE have coordinated security activities through the cross-component Maritime Operations Coordination (MOC) plan. The plan addresses the unique nature of the maritime environment and sets forth a layered, DHS-wide approach to homeland security issues within the maritime domain, ensuring integrated planning, information sharing, and increased response capability in each area of responsibility. CBP also collaborates with DNDO as well as with numerous agencies within the U.S. Departments of Defense, Energy, Health and Human Services, Commerce, Justice, and Treasury to promote real-time information sharing.

CBP has participated in numerous joint-operations with government partners that led to the interdiction of illicit shipments. For example, Project Zero Latitude was developed due to escalation of foreign and domestic narcotics interceptions involving sea containers of produce and seafood shipments, particularly involving Ecuador. At the NTC, CBP conducted an analysis of

⁵ As of September 1, 2017.

historical ATS information and cocaine seizure data. The analysis enabled NTC to identify several smuggling trends that will facilitate the identification of future suspect shipments.

International Partnerships

CBP also extends its cargo security efforts outward through strategic partnerships with foreign countries through the development of international cargo security programs and initiatives. One of CBP's most effective international cargo security programs is the Container Security Initiative (CSI). This initiative was established in 2002 with the sole purpose of preventing the use of maritime containerized cargo to transport a weapon of mass effect/weapon of mass destruction by ensuring all containers identified as potential risks for terrorism are inspected at foreign ports before they are placed on vessels destined for the United States. Through CSI, CBP officers stationed at CSI ports abroad and the NTC in Virginia work with host countries' customs administrations to identify and mitigate containers that may pose a potential risk for terrorism based on advance information and strategic intelligence. Those administrations use a variety of means, including detailed data assessment, NII, radiation detection technology, and/or physical examinations to screen the identified high-risk containers before they depart the foreign port.

CBP works closely with CSI host country counterparts to build their capacity and capability to target and inspect high-risk cargo. Today, in addition to weapons detection, many CSI ports are now also targeting other illicit materials, including narcotics, pre-cursor chemicals, dual-use technology, stolen vehicles, weapons and ammunition, and counterfeit products. Furthermore, advancements in technology have enabled CBP to increase the efficiency of CSI operations without diminishing effectiveness by conducting more targeting remotely at the NTC. CBP's 60 CSI ports in North America, Europe, Asia, Africa, the Middle East, and Latin and Central America currently prescreen over 80 percent of all maritime containerized cargo that is imported into the United States.

CBP's strong working relationship with our foreign partners is also exemplified by the Secure Freight Initiative (SFI) in Qasim, Pakistan. Through SFI-Qasim, 100 percent of containerized maritime cargo is scanned (by both radiation detection and imaging equipment) prior to lading onboard a U.S.-bound vessel. All targeting of containers and monitoring of the scanning is done remotely via live video feed by CBP officers working at the NTC. Physical examinations are conducted at Port Qasim by Pakistani Customs officials and locally engaged staff hired and vetted by the U.S. Consulate General in Karachi. These physical examinations are also monitored by live-feed at the NTC.

Creating the process for real-time data transmission and analysis in Qasim required the development, installation and integration of new software and equipment. CBP partnered with the U.S. Department of Energy (DOE) to deploy networks of radiation detection and imaging equipment in Qasim. Port Qasim continues to showcase the SFI program in a country where the government and terminal operators support the initiative, and where construction of dedicated facilities is possible. From constructing the scanning site to providing adequate staffing levels for SFI, the Government of Pakistan remains a strong partner in deploying SFI operations.

In addition to Port Qasim, Pakistan, since March 2014, CBP also scans 100 percent of all U.S.-bound cargo containers from the Port of Aqaba, Jordan, using trained and vetted foreign-service nationals to transmit scan data in real-time to the NTC. Similar to implementing operations in Qasim, CBP received the full support of the Government of Jordan to implement 100 percent scanning in Aqaba. In addition to that support, successful implementation of 100 percent scanning was possible due to the low to medium volume of U.S.-bound cargo processed through the port, and the small percentage of transshipped cargo, which allowed scanning equipment to be placed at the entrance to the port so as not to hinder the flow of cargo movement.

The impact of these programs has been amplified by the close collaboration between CBP and DOE's Office of Nuclear Smuggling Detection and Deterrence (NSDD). Many CSI ports integrate into their operations partner country radiation detection equipment deployed by NSDD. In a similar fashion, CBP and NSDD collaborated in the detection equipment installation at the SFI operations in Qasim. The strong coordination between CBP and NSDD extends to information and resource sharing that enhances the security of maritime supply chain.

All trading nations depend on containerized shipping for the transportation of manufactured goods, which underscores the importance of international programs such as CSI and SFI. Collaboration with foreign counterparts provides increased information sharing and enforcement, further secures the global supply chain, and extends our security efforts outward.

Private-Sector Partnerships

An essential component of CBP's cargo security operations is our close and effective collaboration with private industry partners. For example, CBP works with the trade community through the Customs Trade Partnership Against Terrorism (CTPAT) program, which is a public-private partnership program wherein members of the trade community volunteer to adopt tighter security measures throughout their international supply chains in exchange for enhanced trade facilitation, such as expedited processing. CTPAT membership has rigorous security criteria and requires extensive vetting and on-site visits of domestic and foreign facilities. This program has enabled CBP to leverage private sector resources to enhance supply chain security and integrity.

CTPAT membership has grown from just seven companies in 2001 to more than 11,180 certified partners today, accounting for more than 54 percent (by value) of goods imported into the United States. The CTPAT program continues to expand and evolve as CBP works with foreign partners to establish bi-lateral mutual recognition of respective CTPAT-like programs. Mutual Recognition as a concept is reflected in the World Customs Organization's Framework of Standards to Secure and Facilitate Global Trade, a strategy designed with the support of the United States, which enables customs administrations to work together to improve their capabilities to detect high-risk consignments and expedite the movement of legitimate cargo. These arrangements create a unified and sustainable security posture that can assist in securing and facilitating global cargo trade while promoting end-to-end supply chain security. CBP currently has signed Mutual Recognition Arrangements with New Zealand, the European Union, South Korea, Japan, Jordan, Canada, Taiwan, Israel, Mexico, Singapore, and the Dominican Republic and is continuing to work towards similar recognition with China, Brazil, Peru, Uruguay, and India.

CBP also collaborates with port and terminal operators to enhance its agility, responsiveness, operational efficiencies, and unwavering commitment to our mutually supporting objectives of safety, security, and prosperity. CBP recently launched the Advanced Qualified Unlading Approval Lane (AQUA Lane), an expedited clearance system for CTPAT sea carriers arriving at CTPAT terminal port operators that qualify under a set of predetermined mandates to allow them to immediately unlade their cargo (only) upon arrival in the United States. This CTPAT benefit provides the trade community with monetary savings in terms of labor costs, as well as additional container movement efficiency and delivery predictability.

CBP has also been re-engineering our operations in collaboration with the Port of Los Angeles' Trans Pacific Container Service Corporation (TraPac). The TraPac terminal in the Port of Los Angeles has invested in technology and infrastructure to upgrade the terminal to an automated terminal environment that supports both the targeted NII x-ray/gamma-ray imaging of targeted commerce, and the 100 percent mandated radiation scanning of all incoming commodities at the TraPac terminal. In a joint effort, TraPac, DNDO, and CBP developed a new and innovative method for automated radiation scanning of inbound containers in the terminal's intermodal rail yard. Since December 2016, the terminal's automated conveyor systems transport inbound containers through CBP RPMs before the containers are loaded onto railcars.

Similar to TraPac, through a public-private partnership agreement, CBP and DNDO continue to work with the Northwest Seaport Alliance to employ a straddle carrier portal at the Pierce County Terminal in Tacoma, Washington. The straddle carrier portal will provide a fixed portal radiation scanning capability that will require fewer CBP personnel to conduct radiation scanning of cargo containers and will allow the port to regain some of its operational footprint and more quickly process cargo destined for rail transportation.

Conclusion

CBP's targeting activities and advanced technology enhances CBP's capability to assess whether U.S.-bound maritime cargo poses a risk to the American people. Working with our government, international, and private industry partners, CBP's cargo security programs help to safeguard the Nation's borders and our seaports from threats – including those posed by radiological weapons.

Chairman McCaul, Ranking Member Thompson, and distinguished Members of the Committee, thank you for the opportunity to testify today. I would be pleased to answer your questions.