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Testimony before the U.S. House of Representatives
Subcommittee on Border and Maritime Security
June 18, 2013

Chairman Miller, Ranking Member Jackson Lee, and Members of the Subcommittee, I am Marcus Woodring. I serve as the Managing Director for Health, Safety, Security and Environmental (HSSE) at the Port of Houston Authority.

We would like to thank Chairman Miller for holding this important and vital hearing today. I must also recognize Ranking Member Jackson Lee for inviting the Port of Houston Authority as the industry witness. As you may know, the Port of Houston is in the Ranking Member's district and we have benefitted from her leadership and advocacy on behalf of the Port.

Security of our nation's borders, both land and maritime, is a vexing problem with many different components and concerns. While I certainly do not have the solutions to all the challenges, I can tell you about our maritime port facilities, how we operate, and the impact of the TWIC program.

First, let me begin by giving you a short background about myself. I earned an undergraduate degree at Brown University, and a Masters degree at Cornell University. I'm fairly new at the Port of Houston Authority, having been hired in 2011 after "retiring" from a 27+ year career in the U.S. Coast Guard. My U.S. Coast Guard service culminated as the Captain of the Port for the Houston region.

There is a saying that if you've seen one port, you've seen one port – every port in the country is organized differently. But let me tell you about ours. The Port of Houston is comprised of the Port Authority's eight public terminals along with 150-plus private industrial terminals along the 25-mile long upper Houston Ship Channel.

Each year, more than 229 million tons of cargo moves through the Port of Houston, with more than 8,100 vessel calls and 200,000 barge transits, trading with over 200 countries around the globe. The port is consistently ranked first in the United States in foreign waterborne tonnage, first in U.S. imports, and second in U.S. export tonnage, and it is also ranked second in the U.S. in total tonnage.

The Port of Houston is the largest importer and exporter of petroleum and petroleum products in the United States, which is no surprise, as it is home to the largest petrochemical complex in the United States, and is the second largest petrochemical complex in the world.

As one of the world's busiest ports, the Port of Houston is a large and vibrant component of the regional economy. Results of a recent economic impact study show that ship channel-related businesses at the Port of Houston were responsible for more than 1 million jobs throughout Texas. This activity helped generate more than \$178.5 billion in statewide economic impact and more than \$4.5 billion in annual state and local tax revenues. For the United States, the Port's impact is even greater, with 2.1 million jobs, \$499 billion in economic activity and \$52.1 billion in tax revenue.

Considering this economic impact and the volume of cargo traveling the waterways of the Port of Houston, there are potentially significant national implications should a Transportation Security Incident occur within our maritime domain. Now I will get more specific in answering the questions on today's agenda.

1) Current Use of TWIC Readers

I have read the recent GAO report, but the Port of Houston Authority was not part of the TWIC Reader Pilot Program. Instead, we have been utilizing installed TWIC readers since 2008, so I will speak from that experience. In an attempt to meet the "spirit of the regulations", the Port of Houston Authority started very early with the installation of access point hardware which could utilize the features of the TWIC card. The initial phases of the TWIC reader installation project was funded close to \$10 million dollars in Port Security Grant funding (\$6.3M in Round 5, \$1.7M in Round 7, and \$1.2M in Round 8). The Port of Houston Authority currently has over 350 access points which can read the TWIC card, of which 73 are biometric.

Not all access points use the biometric or coded access technology due to the tremendous flow of commerce through our gates. For example, the Bayport Container Terminal handles close to 19,000 vehicles a week. That equates to an average of almost two trucks per minute, around the clock, at just one of our three major terminals. To facilitate commerce, we currently use the TWIC as a "flash pass" in our vehicle entrance lanes, in conjunction with our Visitor Management System (VMS).

Let me expand on that point for a moment, having a TWIC is just one part of regulated access control. I have a TWIC, but that does not give me unfettered access to any restricted port in the country. I must also have "a valid business reason" to access the restricted or secure area. Management of the validation of that "business reason" is left to terminal operators, and managed at the Port of Houston Authority by our Credentialing Office. For our repeat visitors, we issue a Port of Houston Authority ID card. For occasional visitors, we have designated certain "trusted agents" to enter names into our Visitor Management System. On any given day, we average over 3,000 names in our system that all have a "valid business reason" for being onboard our facilities, and overall have 35,000 TWIC cards registered with our Credentialing Office. The key "take-away" is that possession of a TWIC itself is just a piece of the overall security process.

2) Enrollment and Issuance of TWIC

In 2008, during my time as Captain of the Port for the U.S. Coast Guard, the TWIC was first being introduced and issued in Houston. I heard many stories about the issuance process and while not required by law to obtain a TWIC (my military ID and status as a member of the U.S. Coast Guard precluded the requirement), I chose to personally apply and pay for a card so that I could witness the process firsthand, desiring to validate the stories I was hearing. The initial call to schedule an appointment took over three hours on the phone. After several months, I was able to determine my card was ready for pick-up. I made an appointment for 0630 and was told my card could not be located. After revealing my position with the U.S. Coast Guard, another search quickly located my card. The activation was fairly easy.

Knowing that my card was due to expire in early 2013, I recently applied for the three year extension option. Again, the phone call took over two hours. The turn-around time was much quicker, and I was notified within several weeks that my new card was ready for activation. My appointment time had five other people, and we all lined up in front of computers and activated our new cards in less than 30 minutes, a vast improvement in the processing.

3) Security Benefits or Problems with TWIC Program

The benefits are clear, individuals have a federally issued, tamper proof credential that can be used nationwide. The program ensures that individuals have been screened against a terrorism database (aka the Security Threat Assessment), which I cannot do. The threat of a Transportation Security Incident is reduced at the macro level. It also allows facilities to automate access by coding the TWIC to activate unmanned entrance points.

But there are still gaps in the system.

- Most ports still issue their own credentials in addition to requiring a TWIC; I personally carry a Port of Houston Authority ID and my TWIC on a daily basis. The Port of Houston Authority ID is required to prove that I have a “valid business reason” for being on the docks.
- Secondly, the background check is only conducted at a very high level, for serious crimes. As a facility owner and operator, we strive to prevent any crime on our docks and still conduct our own local background checks on our employees for lesser crimes, such as driving while intoxicated, theft, or assault. These “lesser crimes” are just as important to me in keeping our facilities safe and secure.
- Finally, the TWIC background check is a “snapshot” in time. Unless self-reported, there does not appear to be a constant and ongoing linkage between the TWIC issuance and local criminal databases. Again, I have over 35,000 TWIC cards registered in my access system, and the background check of the TWIC program is only as good as the day it was conducted.

4) Thoughts Concerning the TWIC Reader NPRM

The Port of Houston Authority has already submitted “comments for the docket” concerning the TWIC Reader NPRM. I will briefly summarize those comments as they are

available for public viewing on the docket website and included as an attachment to my prepared testimony.

As I mentioned earlier, the TWIC is just a piece of the overall security process. The TWIC Reader Rule emphasizes the need to ensure the TWIC is valid, thereby simply ensuring the “Security Threat Assessment” is valid. There is enormous cost involved to ensure this sense of security. The background check associated with the TWIC card isn’t the risk point, the risk point is when the “valid business reason to be in the secure area” is accepted by the individual facilities, allowing access to the waterfront. That part of the process is more critical than obtaining the TWIC card itself, but unregulated and left to individual facility security officers.

We also asked for clarification of several items:

- The process for reporting inoperable readers to the U.S. Coast Guard, and associated waiver process, is problematic if it stops the flow of commerce while awaiting permission.
- The definition of “CDC in bulk” is vital to which determining which level of TWIC compliance a facility must obtain, and we asked for the term to be better defined.
- Recordkeeping requirements at a cruise terminal also need clarification as the Facility Security Plans are often “shared” between the cruise line and facility owner.
- Finally, we requested that the “recurring unescorted access” waiver be better defined to accommodate workers such as porters, who may be required to enter and exit a cruise terminal up to 30 times each, per day.

I would like to leave the subcommittee with two thoughts today – the Port of Houston Authority alone has received over \$60 million dollars in Port Security Grant funding to date, and it continues to be vital to our security posture. We are in the process of making our applications for the FY 2013 Port Security Grants, one of which will request handheld TWIC readers for our remote access points and for use during heightened levels of MARSEC. It is critical to our national security for the Port Security Program to remain independent of other grant programs, and that the erosion of the funding level cease.

Secondly, the initial intent of the Transportation Worker Identification Credential program was to credential all transportation workers in all transportation modes. It was envisioned as a nationwide solution to be used at airports, seaports, rail, pipeline, trucking, and other mass transit facilities. Someday, this program will theoretically expand to all those modes of transportation, and what comes out of hearings such as this will more broadly impact the future of the TWIC program.

This concludes my prepared statement. I would be pleased to respond to any questions that you may have. Thank you.

Attachment: Port of Houston Authority’s Comments for Docket re: TWIC Reader NPRM