

Statement By Senator Carl Levin (D-Mich)
Before the Permanent Subcommittee on Investigations
on
The Container Security Initiative and the Customs-Trade Partnership Against
Terrorism: Securing the Global Supply Chain or Trojan Horse?
May 26, 2005

On September 30, 2004, President Bush said “the biggest threat facing this country is weapons of mass destruction in the hands of a terrorist network.” On February 16, 2005, Porter Goss, Director of Central Intelligence, told the Senate, “It may be only a matter of time before Al Qaeda or another group attempts to use chemical, biological, radiological, or nuclear weapons.” In 1998, Osama bin Laden declared that acquiring chemical or nuclear weapons “is a religious duty.” These types of statements show that blocking avenues that could be used to smuggle weapons of mass destruction into this country is of utmost importance to our security. Today’s hearing focuses on one of those avenues: the 23 million containers that enter the United States each year.

The Container Security Initiative (CSI) and the Customs Trade Partnership Against Terrorism (C-TPAT) are two programs designed by Customs as part of what it has called a multi-layered strategy to detect and prevent weapons from entering the United States through containers. The two reports being released today by the Government Accountability Office (GAO) have identified deficiencies in both programs and are the focus of today’s hearing.

Container security has special significance to me because, each year, over 3 million containers cross the Michigan/Canadian border. Many of these containers carry municipal solid waste from Canada and enter Michigan by truck at three ports: Port Huron, Detroit, and Sault Ste Marie. Each month, at Port Huron alone, approximately 7,000-8,000 containers of waste enter Michigan’s borders.

Leaving aside the issue of why our Canadian neighbors are sending so much trash to Michigan each day, a key question is whether our Customs personnel have the technology and resources necessary to inspect these containers and ensure they aren’t carrying WMD into our country.

One key type of detection equipment used to screen containers for security purposes uses x-rays to examine their contents. But x-rays of trash containers are usually unreadable – the trash is so dense and variable, that it is impossible to identify anomalies, such as weapons or other contraband. This photograph, taken at a Michigan port of a container carrying Canadian trash, illustrates the problem. Anything could be stashed in the middle of one of these trash containers, and our border personnel would have no way of detecting anomalies in the picture.

The effectiveness of Customs detection equipment when it comes to trash containers is an issue I’ve raised before with DHS and other agencies and plan to raise again today. The bottom line is that, if we are relying on this equipment to detect WMD

or other contraband in containers filled with trash, we are putting our faith in a faulty and limited system. We need to re-think this problem.

The GAO reports raise a number of other troubling container security issues that also need to be addressed today. I'd like to highlight a few.

Inspection Failures at Foreign Ports. One key problem identified in the GAO reports is the ongoing failure of the CSI program to convince foreign governments to inspect containers identified by U.S. personnel as high-risk cargo. GAO found that 28% of the containers referred by U.S. personnel to a host government were not inspected. In other words, at least one out of every four containers identified by U.S. personnel as high risk cargo were never inspected. If these high risk containers are not being inspected overseas, then why are we letting them into the U.S.?

Overseas Personnel Costs. Another issue of concern involves CSI staffing levels overseas, and whether we are spending too much money to maintain U.S. personnel at foreign ports. The State Department has estimated the average annual cost of keeping a single American overseas is \$430,000, and the latest figures from Customs indicate that there are currently 114 Customs employees overseas right now at 36 ports. GAO reports that, while it is helpful to have CSI staff working directly with the host nations, typically only one or two CSI team members deal directly with the host government's customs officials, while others work primarily at computers analyzing data. The question is whether it is cost effective to place an entire CSI team at a port, when only one or two individuals are personally interacting with foreign government personnel.

Automatic Reduction in Customs Trade Partnership Against Terrorism (C-TPAT) Score. Still another issue involves the C-TPAT program and Customs procedures, which automatically ease inspection standards for any shipper that signs up for the program. Right now, as soon as a shipper files an application to become a C-TPAT member, Customs immediately reduces that shipper's Automatic Targeting System (ATS) score by a sizable amount of points, without any verification that a reduced score is appropriate. A sizeable, automatic point reduction is of concern because it may be enough to move a shipper from a high risk category to a medium or even low risk category, reducing the chance that the shipper's containers will be inspected, even if the shipper hasn't yet met the program's minimum security requirements. C-TPAT members shouldn't get all of the program's benefits just for signing up – a shipper should also have to show that it is meeting the program's security requirements.

A related problem is Customs' slow pace in approving C-TPAT members' security plans and validating that those plans are actually being followed. After three years, Customs has approved about 50% of the security plans submitted by C-TPAT members and rejected about 20%. Of the approved plans, Customs has actually validated compliance for about 10%. That means almost 90% of the firms given reduced Customs scrutiny have never undergone any validation process showing they deserve reduced scrutiny. Such a large validation gap invites abuse.

No minimum standards for equipment. Finally, GAO has determined that DHS has no specified minimum technical requirements for the inspection equipment being developed and used at CSI ports. Without standards, it is difficult to know whether the equipment being purchased is doing the job that needs to be done. The absence of meaningful equipment standards is a major flaw in the container security program.

Container security is an enormous problem that will require an enormous effort to address. The CSI and C-TPAT programs are creative efforts to strengthen container security, but they have gaps, and need reforms. I commend the Chairman for tackling this very difficult, but very important security problem. I would also like to commend my colleague and friend from the other body, Congressman John Dingell, the dean of the Michigan delegation, for his ongoing interest in this issue and for his major contributions to this investigation.