# ENLISTING FOREIGN COOPERATION IN U.S. EFFORTS TO PREVENT NUCLEAR SMUGGLING

## HEARING

BEFORE THE

## SUBCOMMITTEE ON PREVENTION OF NUCLEAR AND BIOLOGICAL ATTACK

OF THE

## COMMITTEE ON HOMELAND SECURITY HOUSE OF REPRESENTATIVES

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# ENLISTING FOREIGN COOPERATION IN U.S. EFFORTS TO PREVENT NUCLEAR SMUGGLING

**Thursday, May 25, 2006**

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON PREVENTION OF NUCLEAR
AND BIOLOGICAL ATTACK,
*Washington, DC.*

The subcommittee met, pursuant to call, at 2:04 p.m., in Room 2212, Rayburn House Office Building, Hon. John Linder [chairman of the subcommittee] presiding.

Present: Representatives Linder, Shays, Gibbons, Dent, Langevin, Dicks, Norton, and Thompson, ex officio.

Mr. LINDER. The hearing of the Subcommittee on Prevention of Nuclear and Biological Attack will come to order. I would like to welcome my witnesses and thank them this afternoon for appearing before the subcommittee.

The threat of nuclear terrorism is one that requires an immediate, complete and global response. As Congress works to strengthen our maritime and land borders, we understand that stopping an attack before it reaches the U.S. should be the highest priority.

Increasing the security of our ports, for example, is key to preventing the smuggling of nuclear material. The SAFE Port Act, which the House recently passed, takes an important step toward that end. Prevention, however, given the consequences, is not the first option; it is the only option.

And the U.S. simply cannot prevent nuclear attacks by acting alone. We need the support and active cooperation of friends and allies around the world. By helping them, they, in turn, help us keep this country safe.

We have seen a number of cases where international cooperation has produced significant results. And in testimony to this subcommittee last year, it was noted that monitors deployed along the Russian border as part of the Department of Energy's second line of defense program recorded 14,000 hits, of which 200 were deemed worthy of investigation by Russian inspectors. This action would not have occurred without the U.S.-Russian cooperation.

In October of 2003, uranium centrifuge parts en route from Malaysia to Libya were seized in an international interdiction effort involving multiple foreign entities. Equipment departed the Port of Dubai on a German-owned ship, the BBC China, and after passing

through the Suez Canal, was diverted to the Italian port of Taranto for inspection and subsequent seizure.

The Department of State's proliferation security initiative has built upon the successful model of cooperation.

To better protect our homeland, we must expend our cooperative and international outreach efforts to obtain as much participation in U.S. nuclear counterproliferation programs as possible. At the same time, if we are to be confident in these programs, we must ensure that they are implemented effectively.

So I have raised concerns that foreign inspection programs are vulnerable to corruption and that foreign operated detection equipment may not be used properly. It is important that we put in place measures to ensure that while our global network grows, it continues to be strengthened with better technology implemented under tighter bilateral control.

Let me reiterate that this effort must strike a balance. The U.S. must ask neither too much nor too little of its foreign partners. We want foreign governments to sign on to this effort and work with us, but we also want their obligations to be fulfilled in a meaningful way. Achieving this goal will make both us and them safer.

The focus of our hearing today is to assess this balance. It is my hope that the witnesses before us will share their experiences working with our foreign partners, both their progress and setbacks, so that we can better grasp what, if anything, needs to be done to ensure that these important programs are even more successful in the future.

I now yield to my friend from Rhode Island for any statement he might make. Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman. And I would like to thank our witnesses for appearing before us today.

And I certainly look forward to your testimony.

The threat of nuclear terrorism is real. Our government must move aggressively if we are going to prevent a nuclear or radiological attack on our shores. We must ensure that we have an integrated policy when our government negotiates security agreements with our foreign trading partners.

On Tuesday, I had a very good meeting with Mr. Huizenga, and he made a compelling case as to why Megaports should stay within the Department of Energy. I am concerned, however, that certain countries can agree to participate in the Container Security Initiative, but not Megaports.

I understand that these programs require foreign ports to perform different tasks, but the overall goal is the same, to prevent nuclear weapons from being smuggled in the container supply chain. I would like to hear how the Department of Homeland Security and the Department of Energy are leveraging existing foreign agreements to benefit both programs.

I am also concerned about the deployment of radiation—or I should say the slow pace of deployment of radiation portal monitors at U.S. ports of entry. The recent GAO report of the Department of Homeland Security's progress on the deployment of radiation portal monitors confirmed my worst fears: our government is not moving fast enough to deploy radiation portal monitors.

I want to state for the record that I do fully support the Domestic Nuclear Detection Office and its director Vayl Oxford. However, I am not satisfied with the fact that we still do not have a deployment strategy, and we have insufficient funding for this program.

2009 is simply too long a time to wait to deploy radiation detection equipment at all of our ports of entry. And according to GAO that is the earliest that deployment will be completed. We simply cannot afford to wait that long to ensure that our Nation has basic nuclear deterrent capability.

I would like the witnesses to address what the administration is doing to convince our foreign trading partners to sign joint Megaports-CSI agreements, what the administration is doing to complete the deployment of radiation portal monitors before 2009, and the status of the advanced spectroscopic portal program.

Before I conclude, I would like to thank Al Thompson. I just want to pause, if I could, for a moment to thank Al Thompson for his years of service to me personally, and to this committee and to our country. As you know, Al is leaving for greener pastures, Mr. Chairman, and—

Mr. LINDER. There are lots of them out there.

Mr. LANGEVIN. I don't know about that.

And this is his last hearing. So I just want to wish Al and his wife and his sons, Tyson and Hunter, all the best.

Thank you.

Mr. LINDER. Does the gentleman from Mississippi seek to make a statement?

Mr. THOMPSON. Yes, Mr. Chairman. I will be brief in light of the witnesses. As you know, I requested this hearing, and you and ranking member graciously agreed to it. There are some issues between DOE and Homeland Security that I think we need to get resolved.

There is no sense in my mind for two entities going down the same street together and not, at least, coordinating what is happening. So this is an opportunity to hear the difference between the Megaports program with DOE and DNDO with homeland security. And I look forward to some of the issues that have been raised around it.

I yield back.

Mr. LINDER. I thank the ranking member.

I want to welcome our guests today, witnesses. Mr. Jayson Ahern is the Assistant Commissioner for Field Operations For Customs and Border Protection of the Department of Homeland Security. Mr. David Huizenga, the other Huizenga, is the Assistant Deputy Administrator of International Material Protection and Cooperation of the National Nuclear Security Administration. Mr. Frank Record is Acting Assistant Secretary of State for International Security and Nonproliferation at the Department of State. And our old friend Vayl Oxford is back, the Director of the DNDO. Welcome.

Mr. LINDER. Mr. Ahern, I would like to ask each of you to try to limit your comments. All of your written statements have been made part of the record, without objection. Please try to limit your comments to 5 minutes.

Mr. Ahern.

**STATEMENT OF JAYSON AHERN, ASSISTANT COMMISSIONER FOR FIELD OPERATIONS, CUSTOMS AND BORDER AND PROTECTION, DEPARTMENT OF HOMELAND SECURITY**

Mr. AHERN. Thank you, Mr. Chairman and other members here today. I am pleased to join my colleagues to discuss U.S. Customs and Border Protection's efforts in eliciting foreign cooperation and U.S. efforts to prevent nuclear smuggling.

Mr. Chairman, CBP's mission is homeland security and keeping terrorists and their weapons of terror, including weapons of mass destruction, from getting into this country. After 9/11 CBP developed and implemented unprecedented initiatives, all driven by the understanding that the threat still very much exists, and that CBP must and will do everything humanly possible to prevent a second attack.

Each year, 108 million cargo containers are transported in seaports around the world, and 11 million of those maritime containers come into the United States. That represents about 90 percent of all the world's manufactured goods, moving by containers, much of it stacked high on board vessels destined for the United States.

As such, CBP's mission is constantly a balancing act of protecting and facilitating legitimate travel and trade. But these dual missions are not mutually exclusive; they are, in fact, very complementary.

Clearly, the risk to international maritime cargo demands a robust security strategy that can identify, prevent and deter threats at the earliest point in the international supply chain before arrival in the United States. In response, U.S. Customs and Border Protection has developed a cohesive national cargo security strategy that protects our national and global trade against the threat posed by international terrorism, but does so without impeding the flow of legitimate trade that could damage this country's economy.

Our strategy to secure cargo moving into the United States is a layered strategy, based on many interrelated initiatives, that includes targeting and inspecting all high risk shipments through cooperation with foreign administrations and engaging the private sector to increase supply chain security. We do that by using information analysis targeting, employing advanced inspection technologies and expanding our zone of security by prescreening shipments that pose a risk prior to arrival in the United States.

Those include programs such as a 24-hour initiative where we get our information 24 hours prior to lading overseas that supports our Container Security Initiative, which I would like to spend the balance of my time on.

Before 9/11 there were no Customs and Border Protection officers working together with our counterparts in foreign countries to identify and screen high-risk shipments before they were bound for the United States. As of today, over 90,000 such examinations have occurred and been performed in sovereign countries by our foreign partners.

CSI was proposed in January 02 to enhance our ability to interdict terrorists and terrorist weapons prior to reaching United States seaports by inspecting containers abroad. Today, CSI and the Department of Energy-Megaports program are the multi-

national programs in the world, the only ones I might say, that actually are protecting the primary system of global trade containerized shipping from being exploited or disrupted by international terrorists.

CSI adds security to the movement of maritime cargo containers to the U.S. and allows containers to move faster, more expeditiously and more predictably through the supply chain.

The core elements of CSI identify the high-risk shipments, using the automated targeting tools we have developed, that pose potential risks for terrorism, based on advance information I have spoken about along with strategic intelligence. We prescreen and evaluate those containers before they are shipped, and the containers are screened early in that supply chain, most likely at the foreign ports of departure. Through the use of technologies such as large-scale x-ray machines and radiation detection devices, we prescreen those high-risk containers to ensure that screening can be done rapidly without slowing down the movement of trade.

Through the CSI program, CBP deploys multidiscipline teams to include CBP officers, intelligence research specialists, and special agents from Immigration and Customs Enforcement to selected foreign seaports throughout the world. As of today, CSI is operational in 44 ports in Europe, Asia, Africa, the Middle East, North and Central and South America.

Since CSI began in 2002, we have added an average of one port a month to the CSI fold. The 44 ports today represent 75 percent of the maritime cargo containers that are destined for the United States.

By the end of 2007, we plan to have CBP officers stationed at 58 total seaports in a foreign environment that will cover 85 percent of the cargo containers destined for this country. And we will continue to foster relationships with other countries and our trading partners to ensure that we inspect all the high-risk containers before they are loaded on vessels to the United States.

In addition, the World Customs Organization, the European Union and G–8 also support the CSI expansion and have adopted a resolution to introduce and implement security measures like those of CSI at ports throughout the world.

Through a framework for security and facilitation of global trade unanimously adopted by 169 members of the World Customs Organization in June of 2005, CBP intends to promote harmonized standards for data elements, examinations and risk assessments. To date, over 130 of those 169 members have signed letters of intent signaling their commitment to implement the standards of the framework, which were built on the underlying tenets of the Container Security Initiative.

In conclusion, we all know that America's borders and securing those borders is an ongoing and long-term effort. But I would say, since 9/11, our country has made great strides towards securing those borders, protecting trade and travel into this country and ensuring the vitality of the economy of this country. We are grateful for this opportunity to talk to this committee and the members today about our difficult and dual mission.

I look forward to taking any opportunity for questions to be answered after the other witnesses have testified.

Mr. LINDER. Thank you, Mr. Ahern.
[The statement of Mr. Ahern follows:]

PREPARED STATEMENT OF JAYSON P. AHERN

Good afternoon Chairman Linder, Ranking Member Langevin and distinguished Member of the subcommittee. I am Jayson Ahern, Assistant Commissioner, Office of Field Operations, U.S. Customs & Border Protection (CBP). It is a privilege to appear before you today and I thank you for this opportunity to discuss the CBP programs that are fundamental to securing our ports of entry from the threat of nuclear terrorism.

First of all, let me assure you that preventing the smuggling of nuclear weapons and radiological materials remains one of CBP's highest priorities. Although the focus of this hearing is on our relationship with our foreign partners and especially the Container Security Initiative (CSI), CBP employs a multi-layered defense strategy to substantially increase the likelihood that nuclear or radiological material will be detected.

CBP has integrated its radiation detection technology deployment initiative into its multi-layered defense strategy to address the threat of nuclear and radiological terrorism that begins outside the United States where the movement of illicit nuclear and radiological materials is initiated and continues all the way to the U.S. borders.

CBP, as the guardian of the Nation's borders, safeguards the homeland by protecting the American public against terrorists and the instruments of terror and ensuring all cargo and people enter this country legally. At the same time, CBP enforces the laws of the United States and fosters the Nation's economic security through lawful travel and trade.

In fiscal year 2005, CBP processed over 431 million passengers, more than 121 million land border passenger vehicles, 1 million aircraft, 113,325 vessels, and over 25 million sea, rail and truck containers. In fiscal year 2005, CBP made 22,727 arrests and 23,802 narcotic seizures; seized over 798,000 pounds of narcotics, approximately $28 million in currency, and over $120 million in merchandise. We cannot protect against the entry of terrorists and the instruments of terror without performing all missions.

We must perform all missions without stifling the flow of legitimate trade and travel that is so important to our nation's economy. We have "twin goals"—building more secure *and* more efficient borders.

*Meeting Our Twin Goals - Building More Secure and More Efficient Borders:*

As the single, unified border agency of the United States, CBP's missions are extraordinarily important to the protection of America and the American people. In the aftermath of the terrorist attacks of September 11th, CBP has developed initiatives to meet our twin goals of improving security and facilitating the flow of legitimate trade and travel. Our homeland strategy to secure and facilitate cargo moving to the United States is a layered defense approach built upon interrelated initiatives. They are: the 24-Hour and Trade Act rules, the Automated Targeting System (ATS), housed in CBP's National Targeting Center, the use of Non-Intrusive Inspection equipment and Radiation Portal Monitors, the Container Security Initiative (CSI), and the Customs-Trade Partnership Against Terrorism (C–TPAT) initiative. These complementary layers enhance seaport security, and protect the nation.

*Advance Electronic Information:*

As a result of the 24-Hour rule and the Trade Act, CBP requires advance electronic information on all cargo shipments coming to the United States by land, air, and sea, so that we know who and what is coming before it arrives in the United States. The 24-Hour Advanced Cargo Rule requires all sea carriers, with the exception of bulk carriers and approved break-bulk cargo, to provide proper cargo descriptions and valid consignee addresses 24 hours before cargo is loaded at the foreign port for shipment to the United States. Failure to meet the 24-Hour Advanced Cargo Rule results in a "do not load" message and other penalties. This program gives CBP greater awareness of what is being loaded onto ships bound for the United States and the advance information enables CBP to evaluate the terrorist risk from sea containers on 100% of shipments.

*Automated Targeting System:*

The Automated Targeting System, which is used by the National Targeting Center and field targeting units in the United States and overseas, is essential to our ability to target high-risk cargo and passengers entering the United States. ATS is the system through which we process advance manifest and passenger information

to detect anomalies and "red flags," and determine which passengers and cargo are "high risk," and should be scrutinized at the port of entry, or in some cases, overseas.

ATS is a flexible, constantly evolving system that integrates enforcement and commercial databases. ATS analyzes electronic data related to individual shipments prior to arrival and ranks them in order of risk, based on the application of algorithms and rules. The scores are divided into thresholds associated with further action by CBP, such as document review and inspection.

The National Targeting Center, working closely with the Coast Guard, also vets and risk scores all cargo and cruise-ship passengers and crew prior to arrival. This ensures that DHS has full port security awareness for international maritime activity.

*Container Security Initiative (CSI) and Customs-Trade Partnership Against Terrorism (C–TPAT)—Extending our Zone of Security Outward & Partnering with Other Countries:*

In fiscal year 2005, over 11.3 million seagoing containers arrived at our nation's seaports. Another 11.3 million cargo conveyances arrived by land. About 90% of the world's manufactured goods move by container, much of it stacked many stories high on huge transport ships. Each year, two hundred million cargo containers are transported between the world's seaports, constituting the most critical component of global trade. The greatest threat to global maritime security is the potential for terrorists to use the international maritime system to smuggle terrorist weapons—or even terrorist operatives—into a targeted country.

Clearly, the risk to international maritime cargo demands a robust security strategy that can identify, prevent and deter threats, at the earliest point in the international supply chain, before arrival at the seaports of the targeted country. We must have a cohesive national cargo security strategy that better protects us against the threat posed by global terrorism without choking off the flow of legitimate trade, so important to our economic security, to our economy, and, to the global economy.

We developed a layered enforcement approach that addresses cargo moving from areas outside of the United States to our ports of entry. Our approach focuses on stopping any shipment by terrorists before it reaches the United States, and only as a last resort, when it arrives at a port of entry.

The Container Security Initiative (CSI) and the Customs-Trade Partnership Against Terrorism (C–TPAT) initiatives bolster port security. Through CSI, CBP works with host government Customs Services to examine high-risk maritime containerized cargo at foreign seaports, before they are loaded on-board vessels destined for the United States. In addition to the current 44 foreign ports participating in CSI covering 75% of maritime containerized cargo shipped to the U.S., many more ports are in the planning stages. By the end of 2006, we expect that 50 ports, covering 82% of maritime containerized cargo shipped to the U.S. will participate in CSI.

Through C–TPAT, CBP is establishing successful security practices for all parts of the supply chain, making it more difficult for a terrorist or terrorist sympathizer to introduce a weapon into a container being sent by a legitimate party to the United States. C–TPAT covers a wide variety of security practices, from fences and lighting to requiring that member companies conduct background checks on their employees, maintain current employee lists, and require that employees display proper identification.

C–TPAT's criteria also address physical access controls, facility security, information technology security, container security, security awareness and training, personnel screening, and important business partner requirements. These business partner requirements encourage C-TPAT members to conduct business with other C-TPAT members who have committed to the same enhanced security requirements established by the C-TPAT program.

The C–TPAT program has created public-private and international partnership with approximately 6,000 businesses (over 10,000 have applied), including most of the largest U.S. importers. Forty-five percent of all merchandise imported into the United States is done so by C–TPAT member importers. C–TPAT, CBP and partner companies are working together to improve baseline security standards for supply chain and container security. CBP reviews the security practices of not only the company shipping the goods, but also the companies that provided them with any services.

The validation process employed by CBP demonstrates and confirms the effectiveness, efficiency and accuracy of a C–TPAT certified member's supply chain security. At present, the C–TPAT program has completed validations on 30 percent (1,902 validations completed) of the certified membership, up from 8 percent (403 valida-

tions) completed a year ago. Additionally, validations are in progress on another 35 percent (2,262 in progress) of certified members, and these validations will be completed throughout 2006, bringing the total percentage of certified members to 65 percent by year-end. In 2007, the C–TPAT program validations will continue. We will have validated 100 percent by the end of CY 2007.

Additionally, CBP has moved to tighten minimum-security criteria for membership in this voluntary program. Working closely with the trade community and key stakeholders, CBP has developed and implemented baseline security standards for member importers, sea carriers, and highway carriers. CBP will complete this process by the end of CY 2006, defining the minimum-security criteria for the remaining enrollment sectors—air carriers, rail carriers, brokers, freight forwarders, and foreign manufacturers.

In order to promulgate the best security practices, C–TPAT recently compiled and published a best practice catalog, which was distributed to all members and made available at its recent training seminar. Each year C–TPAT conducts an annual seminar providing additional security training and presentations from the trade community on how implementation of C-TPAT has improved their security and provided a measurable return on investment. C-TPAT will also be implementing a discussion board available on their secure web portal whereby members can exchange ideas and discussions on security practices and benefits.

*Non-Intrusive Inspection Equipment and Radiation Detection Portals:*

CBP also uses cutting-edge technology, including large-scale X-ray and Gamma-ray Non-Intrusive Inspection (NII) systems to image cargo, and radiation detection devices to screen cargo for the presence of radiological materials.

Since CBP was formed in March 2003, we have increased our large-scale NII inventory by 60 systems, including 19 additional systems to the northern border, 16 additional systems to the southern border and 25 additional systems to seaports. CBP currently has an inventory of 176 large-scale NII systems deployed nationwide.

In fiscal year 2005, CBP examined nearly 80 percent of all rail cars, nearly 25 percent of all land conveyances, and 5 percent of all sea-borne containers that arrived in the U.S. The majority of these examinations were accomplished with the use of large-scale NII technology. At a minimum, 100 percent of all high-risk conveyances are imaged with large-scale NII technology and screened with a hand-held Radiation Isotope Identifier Device for the presence of radiation. Approximately 2 million examinations were conducted with large-scale NII technology at our nation's ports of entry prior to 2003.

In fiscal year 2005, that number increased to 5.4 million. Since March 2003, large-scale NII technology has been used to conduct approximately 12 million examinations. Since March 2003, in addition to large-scale NII technology, CBP has deployed over 700 additional Radiation Portal Monitors (RPM), 300 Radiation Isotope Identifier Devices (RIID) and approximately 6,000 Personal Radiation Detectors (PRD) to our ports of entry.

CBP currently operates 791 RPMs at our nation's ports, including 225 RPMs at seaports. RPMs are our most robust radiation detection devices that provide CBP with a passive non-intrusive means to quickly and thoroughly screen conveyances and/or shipments for the presence of illicit radiological materials. CBP has also deployed a total of 566 RIIDs and approximately 13,000 PRDs to our nation's ports of entry.

CBP currently screens 100 percent of mail and express consignment packages, 90 percent of all containerized cargo and 80 percent of all privately owned vehicles entering the U.S. along the Northern Border, 90 percent of all containerized cargo and 82 percent of all privately owned vehicles entering the U.S. along the Southern Border, and 57 percent of all arriving sea-borne containers for the presence of radiation with RPMs.

Overall, CBP currently screens approximately 73 percent of all arriving land/sea containerized cargo entering the United States with RPMs. That number will continue to grow through the remainder of this year and 2007. CBP will deploy a total of 621 RPMs to our Nation's top seaports, which will allow us to screen approximately 98 percent of inbound sea-borne containers by December 2007. A portion of these deployed systems will be next-generation Advanced Spectroscopic Portals, which will begin to be deployed in mid-FY 2007. In addition, CBP will deploy 60 Mobile RPM Systems to seaports in 2006. Mobile RPMs will provide us with the flexibility to conduct screening operations at low-volume locations and to screen high-risk containers in a real-time fashion. Initial deployment of Mobile RPMs has recently taken place with 2 units deployed to Newark. The remaining 58 units are expected to be in place by the end of CY2006. CBP's ultimate goal is to screen 100 percent of all high-risk people, cargo and conveyances for radiation.

CBP has strict response protocols in place to address and resolve all radiation alarms. If our field officers require assistance in resolving a radiation alarm, technical reach-back support is available 24 hours a day 365 days a year. Our Laboratories and Scientific Services (LSS) scientists located at the National Targeting Center provide that support. Beyond this support, further technical assistance is available through the DNDO Secondary Reachback program, which provides access to the nuclear design and spectroscopy expertise resident in the National Laboratories.

To date, CBP has screened over 80 million conveyances with RPMs. Radiation-screening results are shared with other Federal agencies as well as certain State and Local entities as appropriate. The total number of gamma and/or neutron-related radiation alarms to date is over 318,000. However, all alarms have been resolved and the overwhelming majority have been attributed to naturally occurring radioactive materials (NORM) or medical patients. Thus far, no RPM alarms have been attributed to the illicit transport of special nuclear material.

Also, over 600 canine detection teams, capable of identifying narcotics, bulk currency, human beings, explosives, agricultural pests, and chemical weapons, are deployed at our ports of entry.

*CBP Coordination with DNDO:*

In addition to increased screening efforts at our own ports of entry for radioactive and nuclear materials, the DHS Domestic Nuclear Detection Office (DNDO) fully endorses the concept of increased active and passive detection at foreign ports of departure. Foreign ports can also use the systems DNDO are acquiring and developing with a CSI presence, as well as the Department of Energy's Megaports program. We must continue to stress the need for increased screening at foreign ports of departure; while at the same time have a robust screening effort at our own ports of entry.

The DNDO FY 2007 budget request of nearly $536 million includes $157 million for the acquisition and deployment of current and next-generation radiation detection systems at our ports of entry. These systems will be deployed and operated by CBP. In addition, DNDO's FY 2007 budget also includes funding for the development of enhanced cargo radiography screening systems for our ports of entry. CBP will continue to work closely with DNDO to explore new and emerging technologies in an effort to enhance our antiterrorism capabilities. These enhanced screening efforts will complement the many information-based programs CBP already has in place for enhanced port security.

*CBP Coordination with DOE:*

As CBP moved forward with the CSI program, we have also developed a very important partnership with the Department of Energy and its Megaports program.

CSI and Megaports are complementary programs, with both serving as elements of a comprehensive maritime security strategy. Megaports complements CSI in that it enhances foreign governments' capabilities to detect, deter, and interdict illicit trafficking in nuclear and other radiological materials and it provides another data element to support CSI targeting and evaluation of suspect containers.

*Integrated Container Inspection System (ICIS):*

DHS and CBP acknowledge that the Hong Kong Container Terminal Operators Association (HKCTOA) and Science Applications International Corporation (SAIC) have taken an important step forward in an effort to improve container security. The Integrated Container Inspection System (ICIS) pilot demonstrates that the concept of collecting and integrating radiation detection spectral data with radiographic imaging on containers departing Hong Kong is complementary and consistent with our agency's goals.

As the HKCTOA continues to make progress in collecting valuable screening data, CBP remains committed to working with the Association, the Hong Kong Customs & Excise Department and the Hong Kong Government to develop the policies, procedures and response protocols that will allow us to take full advantage of the investment the Hong Kong shipping community is making to better protect maritime trade and the global supply chain.

CBP and DNDO meet regularly to discuss potential implementation strategies. Results from the ongoing analysis will impact future discussions.

*Conclusion:*

In summary, as I have previously noted, CBP screens 100 percent (%) of containers for risk. All containers that CBP determines to be of risk are examined using a variety of technologies, either at the foreign port of loading under the Container Security Initiative, or upon arrival into the U.S. port of entry. The technologies used include radiation screening, non-intrusive x-ray inspection, and as ap-

propriate, physical examination. CBP officers tasked with the security of our seaports carry out this screening and examination.

Mr. Chairman, Members of the Subcommittee, I have briefly addressed CBP's critical initiatives today that will 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.

Mr. LINDER. Mr. Huizenga.

**STATEMENT OF DAVID HUIZENGA**

Mr. HUIZENGA. Good afternoon, and thank you, Mr. Chairman, Ranking Member Langevin and other distinguished members of the subcommittee for inviting us here today.

I would like to take this opportunity to discuss progress made under the Megaports initiative, as well as to address some of the hurdles we must overcome to advance and accelerate overseas scanning of containers.

I will focus my remarks in three areas, agreements of foreign countries, interagency cooperation and detection equipment.

The Megaports initiative grew out of our comprehensive second line of defense program under which we had been installing radiation portal monitors overseas for more than a decade at land borders, seaports and airports, primarily in the former Soviet Union. Building on the 20 seaports we equipped in Russia, in 2003, we expanded this to Megaports worldwide. We began with a focus on the 20 CSI ports, based on the volume of containers shipped to the United States. We added a threat component to our prioritization strategy that led to our current list of approximately 70 Megaports which largely mirrors the current list of CSI ports that Mr. Ahern referred to.

The number of countries signed on to the program has increased each year. We are currently working in 17 ports in 14 countries and are close to signing agreements with 10 more countries.

Completion of an agreement with the host nation is the first step toward implementation. The agreement establishes a clear understanding of roles and responsibilities by both parties and creates the necessary framework for us to be able to provide equipment, training and maintenance. Further, the agreement documents the host government's commitment to notify the U.S. Government of all detections or seizures of illicit nuclear or other radioactive materials.

The DOE doesn't station people on the ground under Megaports as they do in CSI. Rather, we provide the equipment and training and allow the host governments to carry out their nonproliferation security responsibilities. Therefore, the effectiveness of this program depends on the commitment of our foreign partners to devote the necessary resources to monitor the detection systems and, most importantly, to detect and detain suspect containers and quickly and accurately resolve alarms, a task only they are authorized to perform.

Unfortunately, the time it takes to establish such agreements can vary widely from one country to the next. For example, we ne-

gotiated with one country for 2 years without much progress; and then completed an agreement in 4 days in advance of a Presidential visit. So you can see, at times, we can use the leverage of high-level administration officials to trigger things to advance our cause, and indeed we try.

Each sovereign country has its unique sensitivities and national security agendas. Questions generally center on how many customs agents will be needed to implement the program, whether port operations will be slowed in any way, and the sharing of potentially sensitive alarm data. The cooperation of terminal operators is always an important factor. And we are working with all the major private port operators.

One area in which the cooperation of terminal operators is particularly important relates to transshipped cargo. Scanning container traffic moving through entry and exit gates is a relatively straightforward task, but assessing and accessing transhipped containers has proven to be more challenging. We are now working several strategies, however, with terminal operators to efficiently scan this transhipped container cargo.

Despite the difficulties we have encountered, we have been successful in overcoming the concerns of both the host governments and the terminal operators and have, in fact, gained significant cooperation of a large number of important countries and significantly increased international recognition of the nuclear smuggling threat. We have done this by working with an interagency group. The Megaports initiatives is an integral element of the U.S. maritime security strategy, and we work closely with our interagency partners.

From the beginning, we worked very closely with our partners in CBP's container security initiative. Our current effort to equip each CSI port with radiation detection capability is evidence of our partnership. We have undertaken over 20 joint outreach missions and port assessments with the CSI staff and have signed two joint agreements with foreign deployments and are anticipating signing several more yet this fiscal year.

We are working closely with CSI to evaluate innovative approaches to scanning containers, such as the integrated container inspection system which has been tested as a pilot in Hong Kong. Indeed, I am leading an interagency delegation that includes CSI and State Department representatives this Memorial Day weekend to Hong Kong to assess this important technology and process.

We also coordinated closely with DNDO in defining the global nuclear detection architecture and exploring mechanisms to share overseas alarm data. We plan on using DNDO's procurement vehicle to purchase advance spectroscopic monitors, thus benefiting from DNDO research and leveraging our joint buying power.

Finally, we work closely with State Department here in Washington and the embassies around the world to ensure that our work is carried out as part of a wider U.S. Government foreign policy presence.

Before I close, let me turn just briefly to the detection equipment. The radiation detection equipment deployed under Megaports is a proven technology developed to ensure nuclear material security at the DOE weapons sites. The equipment includes fixed, handheld

and at times portable detection systems which have been evaluated by our national laboratories, as well as at the DNDO test facility in Nevada.

At the same time, we recognize the need for the next generation of equipment. We are closely tracking research and development efforts at DNDO and within DOE and hope that such equipment will provide increased power to identify shielded nuclear materials and better support the prompt adjudication of alarms.

In closing, I would like to restate that the Megaports Initiative is dedicated to preventing the smuggling of nuclear and radiological material at international seaports; we accomplish this goal by working with foreign governments and terminal operators, maintaining strong relationships with other agencies and departments of the U.S. Government and deploying the best and appropriate technology for the job.

We firmly believe that the unique capabilities of each department and agency are being leveraged to accomplish our common objective of preventing nuclear material from reaching the shores of the U.S.

Thank you.

Mr. LINDER. Thank you Mr. Huizenga.

[The statement of Mr. Huizenga follows:]

PREPARED STATEMENT OF DAVID HUIZENGA

Thank you Mr. Chairman, Ranking Member Langevin and other distinguished members of the Subcommittee. I am pleased to have this opportunity to highlight the substantial progress we have made in expanding the Megaports Initiative to high priority countries. I would also like to take a few minutes to describe some of the hurdles we must overcome to accelerate the radiation scanning of overseas container traffic. The topic of today's hearing is a priority for our country and indeed for the world. The risk of nuclear terrorism is not limited to the United States and the success of our efforts to detect and deter nuclear smuggling is very much dependent on whether our foreign partners share a common recognition of the threat and a willingness to combat it. For that reason, we have expended a significant amount of efforts on international outreach to garner support for this critical initiative.

I am the Assistant Deputy Administrator for the National Nuclear Security Administration's (NNSA) Office of International Material Protection and Cooperation (IMPC). My office is one of six program offices within the Office of Defense Nuclear Nonproliferation (DNN). The collective mission of DNN is to detect, prevent, and reverse the proliferation of weapons of mass destruction. Our programs are structured in support of multiple layers of defense against nuclear terrorism and state-sponsored nuclear proliferation. This multi-layered approach is intended to identify and address potential vulnerabilities within the international nonproliferation regime, to limit terrorists' access to deadly weapons and material, and to prevent the illicit trafficking of dangerous materials that could be used in a nuclear or radiological weapon. The Megaports Initiative plays a critical role within the IMPC program.

***Megaports Mission***

We established the Megaports program in response to the concern that terrorists and states of concern could use the global maritime shipping lanes to smuggle nuclear or other radiological material. The Megaports mission is focused on preventing the trafficking of nuclear material or weapons to our borders as well as interdicting nuclear smuggling attempts within regions of concern. In support of these objectives, we work with host nations to install radiation detection equipment at foreign ports to provide the capability to scan containerized cargo for the potential presence of radiation.

We have been installing radiation monitors overseas for more than a decade at land borders, seaports, airports, and nuclear facilities, mostly in the Former Soviet Union. Building on the 20 seaports we equipped in Russia under the Second Line of Defense program, we expanded to large seaports worldwide in 2003 (i.e., Megaports). We began with a focus on the first 20 Container Security Initiative

(CSI) ports, whose selection was based on sheer volume to the United States. We later added a threat component to our prioritization strategy following consultations with the Intelligence Community, private-sector threat specialists, and our national labs. This led to our current list of approximately 70 ports of interest under Megaports.

I am pleased to report that we have steadily increased the number of countries participating in the Megaports program over the last three years. We are currently working in 14 ports, are close to signing agreements with about 10 more countries, and are in various stages of discussions with another 10. We have purchased equipment to outfit several more ports and have contracts in place to support design, engineering and construction. Once all 70 ports are equipped, we conservatively estimate that we will be scanning at least 40 percent of global traffic and over 50 percent of U.S.-bound containers.

***Role in NNSA's Nonproliferation Strategy***

The Megaports Initiative is a key component of NNSA's larger strategy to prevent the diversion of nuclear weapons and material. Since the fall of the Soviet Union in the early 1990s, we have focused on securing nuclear materials and weapons at well over one hundred research, storage and manufacturing facilities in Russia and other states of the Former Soviet Union. Backed by strong Congressional support, we are on track to complete these security upgrades by the end of 2008. By addressing the vulnerabilities at nuclear facilities, NNSA's global nonproliferation programs seek and capitalize on the widely accepted notion that working close to the source of a threat is the most effective way to reduce risks to the United States.

Our Second Line of Defense Program, which enhances security on foreign borders by providing a technical tool to interdict illicit trafficking in nuclear and radiological materials, is a natural complement to these activities. The deployment of radiation detection systems at high-risk land border crossings, airports and seaports provide a backstop to the nuclear site security systems, increasing the likelihood that nuclear materials stolen from protected facilities will be detected and interdicted.

The Second Line of Defense (SLD) program was also designed to confront the threat of nuclear terrorism as close to the source of the threat as possible. Given the vast amount of nuclear material spread across Russia's nuclear complex, our cooperative work with the Federal Customs Service of the Russian Federation to secure Russian points of entry and exit remains our highest priority. However, we have expanded SLD deployments to countries of the Former Soviet Union and Eastern Europe and established the Megaports program in recognition that significant quantities of nuclear materials are generated and stored outside of Russia and that redundant layers of detection are necessary to address such a grave threat.

***Agreements with Foreign Partners***

The completion of agreements with our foreign partners is key to our ability to implement the Megaports Initiative. The long-term benefit of the program will largely hinge upon the strength of our international cooperation, and these agreements lay the foundation for this cooperation. These agreements represent a political commitment by both governments and document a mutual understanding of overall roles and responsibilities. At times it can be difficult to put these agreements in place, despite the best efforts of the U.S. Ambassadors and high-level focus within the Administration.

The agreements create a framework for NNSA's provision of the necessary radiation detection equipment as well as the follow-on training and maintenance assistance to support the Megaports mission. The terms of our agreements make clear that host government officials are responsible for the operation of the equipment and the response to all alarms. In addition to these commitments, they also contain important clauses that protect NNSA's interests such as the understanding that NNSA will not pay foreign taxes on the assistance it provides, a position that is consistent with Congressional guidance on this topic. Most importantly, the agreements document the host government's commitment to notify the U.S. Government of all detections or seizures of illicit nuclear and other radioactive materials made as a result of the use of NNSA supplied equipment.

In a number of instances, concluding Megaports agreements has required several months and sometimes years of active engagement. While there are obvious mutual security benefits of implementing Megaports, there are also inherent resource commitments that must be met by the host government to successfully implement the Megaports program. The effectiveness of the program depends on the host government's willingness to devote the resources necessary to operate the detection systems and quickly resolve alarms. Only the host nation has the authority to adjudicate suspicious or suspect containers. In many cases, the host government must hire or realign staff to continuously man the Central Alarm Station and to conduct

secondary inspections for high-risk containers. Finally, the data sharing provisions of the agreements touch on sensitive national security and sovereignty matters. In light of these commitments, a decision to join the Megaports program usually requires interagency approval at the most senior levels of the host government and this can take a significant period of time. All prospective partners understandably seek to ensure that Megaports cooperation is within their national interest. In many cases, our negotiation process is often influenced by broader bilateral issues that a host country may choose to link to progress on Megaports discussions. As with all foreign negotiations, our effectiveness is dependent on the degree of leverage at our disposal. We are continuously seeking additional ways to convince host countries to embrace the program. For example, we highlight the new World Customs Organization standards requiring radiation detection during our efforts to elicit foreign interest in the program. The growing number of agreements we have signed has also created added incentive for other countries to join the Megaports program, as they observe our progress in their region and witness the benefits of our cooperation. We also attempt to capitalize on Presidential and other Administration officials? visits to bring difficult negotiations to conclusion. By way of example, one country in particular refused to conclude negotiations for over two years, but then agreed to complete an agreement in a matter of four days due to a Presidential visit. Finally, the additional Congressional focus on international port security is bound to help in this regard as well.

While we establish formal agreements with foreign governments, the cooperation of terminal operators in foreign ports is always an important factor in the successful implementation of the Megaports program. To that end, we have engaged the terminal operators early on in the discussions with our foreign partners to ensure their buy-in and to determine the optimal placement of the detection systems. Additionally, we often benefit from the willingness of these terminal operators to exert pressure on the host government to implement the program. We have ongoing exchanges with all of the major private port terminal operators by virtue of the negotiations and implementation activities we are currently supporting. In fact, we have already agreed upon an arrangement with one of the largest port terminal opertators to partner in ports where they have an interest in funding the installation of radiation detection systems. While drawing the private sector into our outreach discussions is an important part of the Megaports strategy, is essential to establish agreements with host governments, who perform the vital tasks of resolving alarms and detaining suspect containers. In short, we must continue to focus our efforts on persuading foreign customs services to adopt the program along with the private sector, since sovereign countries will not accept private sector inspections of cargo in their ports.

Finally, while accelerating the completion of agreements is important, it will not in and of itself solve one of the more complex issues in overseas scanning—capturing transshipped cargo. Working directly with terminal operators is imperative to address this issue. Although scanning containers as they enter or exit a gate is relatively straightforward for terminal operators, scanning transshipped cargo can be a complex challenge. Containers are unloaded from one ship, placed on the dock for a varying period of time, and placed on another ship, without ever transiting a natural choke point where it would be convenient to set up radiation portal monitors. Operators must disrupt normal operations to drive transshipped containers to a location for scanning. Since timing is so critical to port efficiency and competitiveness, we recognize that a country's decision to join the Megaports program hinges on the perceived impact to port operations. We continue to work on strategies with host governments and terminal operators to scan transshipped cargo with minimal impact on the terminal operations.

***Interagency Relationships***

As with all of our international programs, we recognize that closely coordinating Megaports activities with those of related programs within other departments and agencies reinforces our objectives and is important to our success. The Megaports Initiative is an integral element of the U.S. maritime security strategy, complementing the Department of Homeland Security's (DHS) Container Security Initiative (CSI), Coast Guard's International Port Security Program (IPSP) and the Department of State?s Proliferation Security Initiative (PSI).

***Partnership with CSI***

We have long recognized that Megaports and CSI form synergistic layers in the larger, multi-tiered defense against nuclear terrorism. We have accordingly built and maintain a strong partnership with DHS's Bureau of Customs and Border Protection to closely align the implementation of the two programs. In support of this partnership, we are working to equip each CSI port with a radiation detection capability. The extraordinary collaboration and coordination between CSI and the

Megaports Initiative is evident in the over 20 joint outreach missions, port assessments, briefings, and high level meetings we have undertaken and the joint agreements we have signed with foreign partners. We have already signed two joint Megaports-CSI agreements with Oman and Honduras, anticipate signing several more this year and continue to seek additional opportunities to jointly implement both programs. Signing such joint agreements is arguably the best way to leverage our interagency partnership and accelerate Megaports.

Given the critical role that technology plays in support of our common goal, we have also partnered with CSI to evaluate innovative scanning configurations, such as the Integrated Container Inspection System (ICIS) deployed in the port of Hong Kong. Adding an imaging capability to the detection system should help reduce secondary inspections and may play a role in analyzing the risk of non-alarmed containers. We are further investigating opportunities with CSI to partner with private sector port terminal operators. Many private sector port terminal operators are keenly aware that in the era of globalization, a nuclear or radiological incident at one port could adversely impact the entire global trading system. We welcome the private sector's promotion of stronger port security measures and believe that an appropriate partnership with the private sector could accelerate the number of ports equipped to detect nuclear smuggling.

We will continue to explore additional avenues to leverage our partnership with CSI to accelerate the implementation and augment the effectiveness of Megaports. I strongly believe that the best way to expand overseas scanning of cargo containers is to continue to build upon the strong ties between our two agencies.

***DNDO***

Another important interagency relationship is that with the Domestic Nuclear Defense Office (DNDO). Because the SLD program forms a critical layer in the global nuclear detection architecture, NNSA and DNDO's cooperation in the campaign to reduce the threat of nuclear terrorism is crucial. Given our role as the primary agency responsible for international deployment of radiation detection equipment, we routinely exchange information with DNDO to ensure that our efforts fit cohesively together in support of a comprehensive global architecture. In support of DNDO?s mission, we are jointly exploring the means to share the overseas alarm data from SLD deployments directly with DNDO.

We are working collaboratively to establish operational requirements for future detection systems. We support DNDO's operational testing and evaluation program, as improvements in nuclear detection equipment will benefit our international deployment efforts. Currently, we are exploring the possibility of joining DNDO?s procurement vehicles to leverage our combined purchasing power to reduce overall costs to the taxpayers and accelerate our deployments.

We look forward to further strengthening this relationship as we move toward implementation of the DHS vision to more fully integrate radiation detection systems world-wide to better evaluate potential threats to the United States and to the global transportation system.

***Department of State***

We could not be successful in the development and implementation of this international effort without a close relationship with the State Department. On that front, we work closely with the Office of Export Control Cooperation and the Office of Weapons of Mass Destruction and Terrorism to coordinate with one another in carrying out our complementary missions. The Office of Export Control Cooperation chairs a bi-monthly Interagency Working Group to coordinate efforts of agencies and programs involved in the area of export control and related border security and holds periodic meetings to discuss strategic and country-specific visions and priorities, as well as to discuss the planned scope of work in specific countries. Under the Second Line of Defense program, we periodically execute projects on behalf of the State Department to provide radiation detection systems. This helps to ensure consistent deployment of systems and allows us to provide more efficiently for the maintenance of the equipment.

The State Department also leads the Nuclear Trafficking Response Group, an interagency group that is responsible for ensuring rapid dissemination of information pertaining to significant trafficking incidents and for coordinating recommendations on diplomatic and other responses to such incidents. In doing so, the NTRG seeks to advance USG interests in (1) securing smuggled material and the facilities from which they were diverted, (2) encouraging the prosecution of those involved, and (3) developing information on related security threats, e.g. connections between smugglers and terrorists.

***Detection Equipment***

The radiation detection equipment currently being deployed by NNSA under the SLD program is proven technology that was developed to ensure nuclear material security at DOE weapons sites. NNSA currently provides host country partners with an integrated suite of equipment, which includes radiation portal monitors that utilize plastic scintillators and Helium-3 tube technology to detect highly enriched uranium, plutonium, and other radioactive isotopes. The comprehensive system also includes computers and cameras and, as appropriate, Optical Character Recognition (OCR) equipment to collect and transmit alarm information for analysis by host country Customs officials. Finally, handheld equipment is supplied that is used to conduct secondary inspections to isolate and identify radioactive sources within containers, vehicles, or on persons. The equipment has been evaluated by our technical experts at the National Laboratories as well as at the Domestic Nuclear Defense Office's test facility in Nevada and has proven to be operationally effective and robust in harsh, and often remote, international environments.

That being said, we recognize that there are limitations in its capabilities and that there is a need for next generation equipment that will identify both highly enriched uranium and plutonium with a high degree of efficiency and will support the prompt adjudication of innocent alarms so as not to impede commerce flow. We are closely tracking the efforts within the NNSA and DNDO research and development programs so that we may capitalize on advancements in detection capabilities. For example, we are working with DNDO to purchase a number of Advanced Spectroscopic Portals (ASP) as soon as the equipment has been sufficiently evaluated and is ready for deployment. The ASP is expected to enhance the ability of Customs officials to resolve alarms by providing a more sophisticated capability to quickly identify the radioactive isotopes of concern. NNSA plans to use the ASPs at Megaports locations as secondary inspection tools and, as necessary, for primary inspection at locations that have larger traffic volumes.

We have also initiated efforts to modify existing technologies to address scanning challenges in transshipment ports. For example, in the Port of Freeport in The Bahamas, we expect to be able to scan more than 90 percent of the transshipped cargo using a straddle carrier vehicle outfitted with radiation detection equipment, including spectroscopic detection capabilities. This modified straddler can travel through rows of shipping containers in the stacks, a reverse of our normal deployment strategy that is based on the permanent placement of the detection equipment and transit of the container through the portal. While this approach is not applicable at all ports, for those terminals that stack in a compatible configuration, this type of deployment provides an opportunity to maximize scanning of transshipped containers. We are also working closely with the private sector on other promising mobile configurations to address transshipment at ports with more traditional stacking configurations.

Finally, we continue to look to the future and eagerly await the development of even more revolutionary detection enhancements, such as the Cargo Advanced Automated Radiography System (CAARS) currently under development within DNDO. This advanced radiography system will provide better imaging in drive through capacities and is expected to improve our ability to identify shielded highly enriched uranium in containerized cargo.

***Conclusion***

In closing, I would like to restate that the Megaports Initiative under the NNSA/SLD Program is dedicated to preventing the smuggling of nuclear and radiological material at international seaports. We accomplish this goal by working closely with foreign governments and by maintaining strong relationships with other agencies and departments in the U.S. Government. We firmly believe that the unique capabilities of each department and agency are being leveraged to accomplish our common objective of preventing nuclear material from reaching the shores of the United States.

Mr. LINDER. Mr. Record.

## STATEMENT OF HON. FRANK RECORD, ACTING ASSISTANT SECRETARY OF STATE FOR INTERNATION SECURITY AND NONPROLIFERATION

Mr. RECORD. Thank you, Mr. Chairman. I want to start by thanking you and Ranking Member Langevin and other distinguished members of the subcommittee, as well as Chairman King

and Ranking Member Thompson for giving me the opportunity today to address one of our most urgent national security priorities.

Over the last decade, the nuclear threat to our national security has undergone fundamental transformation. Today, we face the risk of a terrorist acquiring nuclear and radiological material from shadowy networks of smugglers, state sponsors of terrorism and organized criminal elements; and then deploying such material in the form of a nuclear device or dirty bomb against one of our cities.

We recognize that we cannot meet this challenge alone and must work with like-minded nations around the world who will join us in achieving this objective. Building on the Department of State's lead responsibility to engage foreign governments and institutions, we place the highest emphasis on enlisting foreign cooperation to prevent nuclear smuggling.

We currently manage a number of programs and initiatives that address this issue, both through the provision of financial assistance to foreign governments as well as through cooperative activities to deter, interdict and prevent terrorist acquisition and the use of nuclear and radiological material.

Let me begin by making two overarching points about our approach to enlisting international cooperation. First, I would like to point out, the State Department oversees efforts to prevent nuclear smuggling built on years of collaboration with the Departments of Energy and Defense, as well as the establishment of cooperative links with the recently established Domestic Nuclear Detection Office, DNDO.

Second, we must recognize that each country that we work with faces unique challenges to do their part to prevent terrorists from acquiring or using a nuclear weapon. In fact, no two countries share identical risks from nuclear smuggling or nuclear terrorism.

Some countries, for example, may suffer from poor border controls or lack of laws, regulations or enforcement capacity to stop the smuggling activities. Other countries may have laws and security forces to interdict and bring to justice nuclear smugglers, but only a limited means to detect movement of material or related transactions.

Today, I will provide an overview of Department programs and initiatives established in whole or in part to prevent nuclear smuggling. I will also make some brief remarks about our efforts to implement Secretary Rice's vision of transformational democracy.

First, I would like to talk to you about the activities of the Export Control and Related Border Security program, EXBS program, which is designed to help source—to help key source transit and transshipment countries, develop and improve their strategic trade and related border patrol systems.

In developing and improving these systems, we work to ensure conformity within international standards for controlling items on lists of nonproliferation export control regimes and also to prevent the authorization and transfer of end uses and end users of proliferation concern and to detect and interdict illicit transfers at the border.

In building countries' capacities in this critical area, the EXBS program helps key partners meet their obligations and commitments pursuant to other important U.S. and international initia-

tives, such as U.N. Security Council's Resolution 1540 proliferation security initiative, which I will address in a minute, and adherence to a number of multilateral export regimes.

Now, with respect to the deployment of radiation detection equipment, the State Department's Office of Export Control Cooperation manages the EXBS program and coordinates the efforts of other U.S. agencies and facilitates the efforts of other agencies including by helping them to conclude government-to-government agreement.

While the Department of Energy's National Nuclear Security Administration provides the bulk of the radiation portal monitors deployed to foreign governments, in certain circumstances the EXBS program provides some portal monitors in close consultation with NNSA, based on a memorandum of understanding through our agents.

For instance, this MOU clarifies that NNSA agrees to maintain the equipment, as it does for other U.S.-provided portal monitors, including a substantial number of those provided previously by the State Department's Nonproliferation Disarmament Fund.

As a complement to the overall effort to build enforcement capacity, the EXBS program also provides handheld radiation detection equipment, imaging devices and enforcement training, targeting and inspecting cargo to help partner countries prevent illicit transfers of weapons and weapons-related items, including nuclear and radioactive material.

In addition, the proliferation—another important program of the Department of State is proliferation security initiative PSI. It is a global effort launched by President Bush on May1, 2003, to stop the trafficking of weapons of mass destruction and their delivery systems and related materials to and from state and nonstate actors of proliferation concern. Its underlying premise is that our efforts in this area are enhanced through partnership of states working in concert, employing a broad range of legal, diplomatic, economic, military and other tools to interdict WMD-related shipments.

The PSI creates the basis for practical cooperation among state partners. It is a set of activities based on participating countries' common commitments to the PSI statement of interdiction principles. It is not, however, a formal organization. Endorsement of the statement of interdiction principles by a state does not create formal obligation, but it does represent a political commitment to stop proliferation-related shipments whenever and wherever possible.

The principles are consistent with national legal authorities and relevant international law and framework. Participation in any given PSI activity is a voluntary national decision. And we encourage PSI partners to strengthen their national legal authorities and enforcement capabilities to improve their ability to interdict WMD trafficking.

The primary focus of PSI is on interdicting WMD-related shipments. To prepare for these interdictions, participants engage in a wide range of operational exercises, with more than 50 countries participating in one or more of our interdiction exercises.

Mr. Chairman, I know you mentioned the BBC interdiction, that was one of the interdictions of PSI operations and was an example

of a number of countries successfully working together to meet this threat.

Mr. Chairman, I realize I am just about out of time, so I would be glad to answer any questions that you or your colleagues have about our other programs relating to the nuclear smuggling outreach initiative as well as the NTRG efforts as well.

Mr. LINDER. Thank you.

[The statement of Mr. Record follows:]

PREPARED STATEMENT OF FRANCIS C. RECORD

**Introduction**

Mr. Chairman, I want to start by thanking you, along with Ranking Member Langevin and the other distinguished members of the subcommittee, for giving me the opportunity today to address one of our most urgent national security priorities.

Over the last decade, the nuclear threat to our national and homeland security has undergone a fundamental transformation. Today we face the risk of a terrorist acquiring nuclear and radiological material from shadowy networks of smugglers, state sponsors of terrorism, and organized criminal elements, and then deploying such material in the form of a nuclear device or dirty bomb against one of our cities.

We recognize that we cannot meet this challenge alone and must work with like-minded nations around the world that will join with us to achieve this objective. Building on the Department of State's lead responsibility to engage foreign governments and institutions, we place the highest emphasis on enlisting foreign cooperation to prevent nuclear smuggling. We currently manage a number of programs and initiatives that address this issue, both through the provision of financial assistance to foreign governments as well as through cooperative activities to deter, interdict, and prevent terrorist acquisition and use of nuclear and radiological material.

Let me begin by making two overarching points about our approach to enlisting international cooperation in this mission. First, the State Department's overseas efforts to prevent nuclear smuggling build on years of collaboration with the Departments of Energy and Defense, as well as the establishment of cooperative links with the recently-established Domestic Nuclear Detection Office (DNDO). Second, we must recognize that each country faces unique challenges to do their part to prevent terrorists from acquiring or using a nuclear weapon. In fact, no two countries share identical risks from nuclear smuggling or nuclear terrorism. Some countries may suffer from poor border controls and lack the laws, regulations, and enforcement capacity to stop nuclear smuggling. Other countries may have laws and the security forces to interdict and bring to justice nuclear smugglers but only limited means to detect the movement of material or related illicit transactions. To succeed in this complex environment, we must ensure that our risk assessments and our programs account for country and region-specific factors. In short, diplomatic approaches that may work with one country or a group of countries will often not work with others.

Today, I will provide an overview of Department programs and initiatives established in whole or in part to prevent nuclear smuggling. I will also explain how our recent reorganization has strengthened our ability to implement Secretary Rice's vision of Transformational Diplomacy.

There are four specific programs and initiatives in this area—the Export Control and Related Border Security program, the Proliferation Security Initiative, the Nuclear Smuggling Outreach Initiative, and the Nuclear Trafficking Response Group—and I will begin first with an overview of our

**Export Control and Border Assistance Program.**

The Export Control and Related Border Security (EXBS) program is designed to help key source, transit and transshipment countries develop and improve their strategic trade and related border control systems. In developing and improving these systems, we work to ensure conformity with international standards for controlling items on the control lists of the nonproliferation export control regimes, to prevent the authorization of transfers to end-uses and end-users of proliferation concern, and to detect and interdict illicit transfers at the border. In building countries' capacity in this critical area, the EXBS program helps key partners meet their obligations and commitments pursuant to other important U.S. and international initiatives, including U.N. Security Council Resolution 1540, the Proliferation Security Initiative, and adherence to the multilateral export control regimes, and it advances U.S. efforts to establish a global WMD detection architecture.

With respect to the deployment of radiation detection equipment, the State Department's Office of Export Control Cooperation, which manages the EXBS program,

has two main roles. The first is to coordinate with and support the efforts of other U.S. agencies in order to avoid duplication and ensure that deployments occur on a prioritized basis, and the second is to facilitate the efforts of other agencies, including helping them conclude government-to-government agreements. While the Department of Energy's National Nuclear Security Administration (NNSA) provides the bulk of the radiation portal monitors deployed to foreign governments, in certain circumstances the EXBS program provides some portal monitors in close coordination with NNSA based on a Memorandum of Understanding between our agencies. For instance, this MOU clarifies that NNSA agrees to maintain the equipment, as it does for other U.S.-provided portal monitors, including the substantial number provided previously by the State Department's Nonproliferation and Disarmament Fund. All of these equipment deployments are subject to the NSC's Nuclear Guidelines, and are coordinated via the State Department-chaired Export and Border Control Assistance Working Group as well as the International Nuclear Detection Working Group.

As a complement to the overall effort to build enforcement capacity, the EXBS program also provides handheld radiation detection equipment, imaging devices, and enforcement training in targeting and inspecting cargo to help partner countries prevent illicit transfers of weapons and weapons-related items, including nuclear and radioactive material.

**Proliferation Security Initiative**

The Proliferation Security Initiative (PSI) is a global effort, launched by President Bush on May 31, 2003, to stop trafficking of weapons of mass destruction, their delivery systems, and related materials to and from states and non-state actors of proliferation concern. Its underlying premise is that our efforts in this area are enhanced through partnerships of states working in concert, employing a broad range of legal, diplomatic, economic, military, and other tools to interdict WMD-related shipments. The PSI creates the basis for practical cooperation among states in this area.

The PSI is a set of activities based on participating countries' common commitment to the PSI Statement of Interdiction Principles. It is not a formal organization. Endorsement of the Statement of Interdiction Principles by a state does not create formal "obligations", but does represent a political commitment to stop proliferation-related shipments whenever possible. The Principles are consistent with national legal authorities and relevant international law and frameworks. Participation in any given PSI activity is a voluntary national decision. We encourage PSI partners to strengthen their national legal authorities and enforcement capabilities to improve their ability to interdict WMD-related trafficking.

The primary focus of PSI is on interdicting WMD-related shipments. To prepare for interdictions, participants engage in a range of operational exercise activities. More than 50 countries have participated in one or more of the over 20 multinational PSI interdiction exercises designed to improve national capabilities and participants' ability to operate together. These exercises are hosted throughout the world by individual PSI participants. PSI participants have also conducted sophisticated simulations of interdictions to develop new and creative methods for stopping proliferation shipments. The PSI Operational Experts Group—an expanding network of military, law enforcement, intelligence, and legal experts—meets periodically to develop new operational concepts, organize the interdiction exercise program, share information about national legal authorities, and pursue cooperation with key industry sectors.

We are further operationalizing the PSI by pursuing and concluding bilateral shipboarding agreements. We have signed agreements with the world's largest ship registries, thereby covering much of the world's shipping tonnage. Shipboarding agreements establish key points of contact and procedures to facilitate requests to board and search vessels suspected of carrying illicit shipments of weapons of mass destruction, their delivery systems, or related materials. They also serve to deter proliferators. We are pursuing these agreements covering vessels in international waters with a number of countries.

More than 70 countries now support PSI, and the number is growing. We are working intensively to broaden the circle of countries that count themselves as PSI supporters. On June 23, Poland will host a high-level political meeting of all PSI participants, to assess the Initiative to date and plan for its continued broadening and deepening of participation and activity.

**Nuclear Smuggling Outreach Initiative**

The State Department also enlists foreign cooperation against nuclear smuggling through a new Nuclear Smuggling Outreach Initiative, which is aimed at identifying and addressing shortcomings and gaps in nuclear smuggling security capabilities of

states at risk. Through this initiative, we conduct outreach both to countries with source material as well as those at risk from nuclear smuggling activity. Our outreach builds on interagency assessments of country-specific risks that take into account existing programs and ongoing work, both by the United States and by other governments. These assessments address the capabilities of host governments to prevent, detect, and prosecute illicit trafficking in nuclear and radiological material.

Following a rigorous assessment process, an interagency team engages with officials of the at-risk state to determine its precise needs and to reach agreement on a list of priority projects designed to close the capability gaps identified in the assessment. We then work closely with potential donors in various fora to arrange funding for the priority projects identified and agreed to. The matching of priority projects to donors can occur under the auspices of the European Union, the G8's Global Partnership or directly in bilateral discussions with donor governments.

The success of the Nuclear Smuggling Outreach Initiative depends to a large degree on the willingness of the government of the at-risk country to participate and to use the assistance effectively. Assessing and engaging an at-risk country can take months, and matching suitable donors to worthy projects can take a similar period of time. Although still in a start-up phase, the Nuclear Smuggling Outreach Initiative is showing promising signs based on the initial round of assessments completed.

**Nuclear Trafficking Response Group**

For over ten years, the State Department has chaired an inter-agency committee, the Nuclear Trafficking Response Group (NTRG) that was established pursuant to a Presidential Decision for the purpose of reducing the risk of illicit transfer of nuclear weapons, fissile materials, and other dangerous nuclear and radioactive substances to states or to terrorists. The goals of the NTRG are to develop information on smuggling-related threats, secure smuggled material, encourage foreign governments to prosecute nuclear smugglers and trace linkages between smuggling incidents and gangs. Representatives from the Departments of Energy, Defense, Justice and Homeland Security, along with other agencies, participate in the NTRG's deliberations. The functions performed by the NTRG include: identifying the material and/or verifying that an illicit transfer is or has taken place, which may include facilitating an inspection by competent foreign and/or USG authorities; helping to secure the illicit material to prevent its transfer; obtaining a sample of the illicit material for further expert testing; tracing the diversion path of the illicit material; and facilitating criminal prosecution of traffickers. Any or all of these tasks may be performed in addressing a single incident of potential illicit trafficking or smuggling.

The NTRG obtains its information from a combination of open and classified sources, including reports from foreign governments and international organizations such as the IAEA. In addition to actions that it coordinates, the NTRG examines cases to see if actions, such as interdictions or emergency response measures, should be taken by other inter-agency groups. Much of the State Department's work in chairing the NTRG consists of facilitating foreign cooperation with U.S. Government technical experts so our experts can inspect and identify suspect materials and help foreign governments verify evidence needed to apprehend and prosecute smugglers. Successful prosecutions can help to deter smugglers and active U.S. engagement with foreign governments can encourage partner nations to take additional steps to combat nuclear smuggling.

**Transforming our Diplomacy to Combat 21st century Nuclear Threats**

I would also like to take a moment to explain how our work in preventing nuclear smuggling fits in with the larger context of Secretary Rice's vision of transformational diplomacy. As the Secretary articulated in her Georgetown University speech, the essence of transformational diplomacy is:

> "to work with our many partners around the world, to build and sustain democratic, well-governed states that will respond to the needs of their people and conduct themselves responsibly in the international system. Let me be clear, transformational diplomacy is rooted in partnership; not in paternalism. In doing things with people, not for them; we seek to use America's diplomatic power to help foreign citizens better their own lives and to build their own nations and to transform their own futures."

Our efforts to combat nuclear smuggling and the risk of nuclear terrorism must build on this transformational vision of partnership—both at home and abroad. The many interagency and foreign partnerships that we develop and sustain in this mission will help to bring a regional and local focus to our international cooperation efforts and enhance the effectiveness of our global strategy.

A transformational approach to preventing nuclear smuggling should seek not only to provide assistance *to* foreign partners but to develop a global interoperable architecture *with* them. Recognizing that no single capability can assure success in

stopping nuclear smuggling or preventing nuclear terrorism, we, as the U.S. Government, are building a global architecture that includes multiple layers and enables the U.S. and its partners to confront threats at their earliest stage of development. We call this approach a layered defense-in-depth. A layered defense against nuclear smuggling and nuclear terrorism focuses attention on stopping the flow of material at the source, detecting the movement of material or related illicit transactions, responding to material en route to a terrorist or to a terrorist target, and mitigating consequences and attributing responsibility should an attack involving nuclear or radiological material take place.

As the Secretary has outlined, transformational diplomacy also demands that we empower our diplomats to work more closely with their interagency partners. Our initiatives in this area and the recent formation of our new International Security and Nonproliferation Bureau build on this vision of joint interagency cooperation. For example, the Proliferation Security Initiative, whose implementation is supported by our new Office of Counterproliferation Initiatives, is a Presidential-level initiative that brings together representatives from the Departments of State, Defense, Homeland Security, and Commerce, among others, to interdict shipments of WMD and related materials. Our new Office of WMD Terrorism represents the State Department in national-level strategic operational planning regarding the nexus of WMD and terrorism at the new National Counterterrorism Center and is developing a new model bilateral agreement to enable the real-time sharing of nuclear and radiological detection information with foreign partners to enable faster emergency response. The work of the International Security and Nonproliferation Bureau, as a whole, will continue to foster the necessary interagency partnerships to strengthen our ability to prevent, detect, and respond to the trafficking of nuclear and radiological materials to state, non-state, and terrorist actors of concern.

As I alluded to earlier in my testimony, transformational diplomacy emphasizes the importance of regionalizing and localizing our efforts. In combating nuclear smuggling and terrorism, we cannot remain content with one-size-fits-all global approaches. We must ensure that our strategies, initiatives, and plans are tailored to the specific conditions prevailing within our partner countries. In some, the private sector will play the lead role in improving security. In others, international organizations will be the engine of cooperation. In still others, joint interagency teams will be required to achieve mission success. Regional differences may also affect our approach. Some regions may be centers of nuclear smuggling, while others may be at greater risk from a terrorist attack enabled by a smuggling transaction occurring thousands of miles away.

Transformational diplomacy also offers us an opportunity to build new kinds of partnerships that transcend the State Department's customary relationships with foreign governments and international organizations. We must consider the appropriate role the private sector can and should play to prevent nuclear smuggling and reduce the risk of nuclear terrorism. For example, terrorists may identify potential smugglers or smuggling routes through the Internet, whose infrastructure is privately owned. Smugglers may engage in illicit financial transactions with organized crime or terrorist networks through banking institutions and nuclear and radiological material may pass through ports, airports, or intermodal transport infrastructure owned or operated by the private sector.

With this in mind, we need to make clear to the private sector the common interest we share in ensuring that their assets and infrastructure are protected from either direct attack or from exploitation by terrorist actors seeking to acquire or use nuclear or radiological materials. We must develop voluntary public-private partnerships that offer a low-cost means to reduce the risk of nuclear smuggling and nuclear terrorism. For example, we are encouraged by the efforts underway at the port of Hong Kong to develop a pilot project to scan outgoing containers coming to the U.S. This pilot project suggests that the intermodal transport industry is becoming increasingly aware of both the reputational and transactional risks it faces from those actors who would exploit its infrastructure to transport the world's most dangerous weapons.

**Conclusion**

The State Department has taken many steps since September 11, 2001 to reduce the risk of nuclear smuggling and enlist foreign cooperation in our efforts, but we can—and must—do more. Since 2002, we have been guided by the National Strategy to Combat Weapons of Mass Destruction, which provided the first comprehensive strategy to integrate all elements of national power to combat the threat of weapons of mass destruction. In the years ahead, we will continue to build on this strategy and work with our international partners to build a flexible global architecture capable of adapting to, confronting, and defeating the nuclear threats that lie ahead.

Mr. LINDER. Mr. Oxford.

**STATEMENT OF VAYL OXFORD, DIRECTOR, DOMESTIC NUCLEAR DETECTION OFFICE, DEPARTMENT OF HOMELAND SECURITY**

Mr. OXFORD. Thank you, Mr. Chairman, Ranking Member Langevin and distinguished members of the subcommittee. It is my pleasure to come before you today to discuss how we are dealing with the threats associated with nuclear and radiological terrorism. I would like to thank the committee for the opportunity to share the progress we are making within the DNDO and at DHS in general.

Today, I would like to discuss several topics related to the use of technology to detect radiological and nuclear materials that could be used in a terrorist attack. I will review the DNDO accomplishments in the past year and some of our program priorities for the upcoming years. I will touch upon the progress we have made with Customs and Border Protection and the Department of Energy regarding the deployment of radiation detection technologies, both overseas and domestically, and how DNDO, and the larger interagency community, are exploring innovative approaches to screening containers abroad.

Before describing these efforts, I would like to thank our partners in the Department of Energy, the Department of State and CBP, who are here with me today, as well as the Department of Defense, the FBI and the NRC for their contributions to our interagency office.

A few of our accomplishments over the last year and some of our priorities for the future include the fact that we have completed the first-ever global detection architecture and, in doing so, have identified key priorities and vulnerabilities across the Federal, State and local arenas. We have completed the initial phase of the advanced spectroscopic portal program that will provide RPMs that will both detect radiation and discriminate between threat and nonthreat materials.

We have completed the high fidelity test and evaluation campaign to measure improvements and performance that those systems will provide. And that data is currently informing our source selection process for the vendors that will go forward to low-rate production for our next generation systems. We have begun the Cargo Advanced Automated Radiography System program to deliver imaging systems that will automatically detect high-density materials that could be used to shield threat material from detection by radiation portal monitors.

The DNDO is also working with Federal, State and local partners to refine the U.S. Government's approach to alarm response and adjudication, with a focus on improving technical reachback capabilities to support operations. As part of this operational support activity, the DNDO is leading an effort to develop a comprehensive U.S. Government process for alarm resolution.

Regarding overseas deployment of the detection technology, this committee, and others, have expressed particular interest in the progress of deployment of radiation detection technologies overseas. So I would like to spend a couple of minutes addressing this topic.

The DNDO is an interagency office that has a unique perspective in which to evaluate the effectiveness of programs such as Megaports and CSI. As I have stated in the past, DNDO is charged with developing the global nuclear detection architecture, but implementation of this plan continues to be dispersed among our partner agencies. In its role as the global detection architect, DNDO will continue to advocate for programs with merit and highlight areas for improvement in those programs.

I want to make it very clear that Megaports and CSI programs are critical to protecting against the nuclear and radiological threat, and currently are the best means for expanding efforts overseas to detect threats before they reach the U.S.

Overall, Megaports and CSI operate in tandem at any port, providing the opportunity to gather more information about individual containers in order to assess risk prior to those containers departing for U.S. ports. As the architecture evolves, the DNDO will bring forward program recommendations to include the use of advanced systems for Megaports and CSI to close identified gaps in our layered defense. For example, we have ongoing discussions with Megaports about the merits of deploying advanced systems overseas to include the ASP program.

We also continue to highlight the need for more consistent and stringent information-sharing requirements if U.S. funds are to continue to be used to deploy systems overseas. The information-sharing clause within each Megaports agreement stipulates that the host country will notify the in-country, designated U.S. Government official of data on detections or seizures made as a result of the use of equipment provided. DNDO, through its Joint Analysis Center, works with DOE and CBP in the sharing of information and the alarm resolution process overseas.

Deploying these technologies and having in place solid information-sharing agreements will get us closer to the goal pushing our Nation's borders outward and increasing the chances that we will stop a threat before it reaches our shores. However, we should look at other opportunities for developing new strategies and for expanding this capability overseas.

As the committee knows, there is a pilot project at the Hong Kong Modern Terminal called the ICIS program. It is a model for public and private partnership, but it is just a model. It is important to note that ICIS, as currently deployed, is not an operational system. It utilizes currently available technology that is not optimized for radiation detection.

DHS and others have sent teams to observe the ICIS pilot and determined that the technology they have has potential. In fact, as Mr. Huizenga pointed out, a joint team is returning to Hong Kong this weekend to review ICIS once more.

But the important lesson we have learned is that private sector container screening can be compatible with the U.S. Government's layered defense strategy and is another tool to further our abilities overseas. However, such efforts must supplement, not replace, the need for advanced data reporting at ports at home and abroad.

For the sake of time, Mr. Chairman, I will conclude with that and be glad to answer any questions.

Mr. LINDER. Thank you, Mr. Oxford.

[The statement of Mr. Oxford follows:]

PREPARED STATEMENT OF VAYL S. OXFORD

***Introduction***

Good afternoon, Chairman Linder, Ranking Member Langevin, and distinguished members of the subcommittee. It is my pleasure to come before you today to discuss how we are responding to the threat of nuclear or radiological terrorism. I would like to thank the committee for the opportunity to share the progress we are making at DNDO and within the Department of Homeland Security (DHS).

Today, I would like to discuss several topics related to the use of technology to detect nuclear and radiological materials that could be used in a terrorist attack. I will review DNDO accomplishments in the past year, some of our program priorities for the upcoming years, and key, long-term challenges that we face. I will specifically touch upon the progress we have made with Customs and Border Protection (CBP) and the Department of Energy (DOE) regarding the deployment of radiation detection technologies overseas, and how DNDO and the larger interagency community are exploring innovative approaches to screening containers abroad.

Before describing our efforts, I would like to point out that protecting the United States from nuclear threats is a job that extends beyond the work of DNDO and I would like to thank our partners, in particular the Departments of Energy (DOE), Defense and State, and CBP, who are here with me today, as well as the Federal Bureau of Investigation (FBI) and the Nuclear Regulatory Commission (NRC) for their tireless dedication to this mission and for their contributions to our interagency office.

***DNDO Accomplishments and the Road Ahead***

In the year since its founding, the DNDO has taken major steps towards achieving its stated mission. We completed the first ever global nuclear detection architecture analysis, which identified vulnerabilities and priority initiatives across Federal, State, and local governments. The architecture study was completed four months ahead of schedule and briefed to partner agencies and the White House in October and November of 2005. This architecture effort was funded and led by DNDO, but involved considerable interagency participation to deliver a consensus strategy.

Other accomplishments include our acceleration of several technology development programs. We have completed the initial engineering development phase of the Advanced Spectroscopic Portal (ASP) program. This system development and acquisition program is improving current generation radiation portal monitors with the ability not only to detect the presence of radiation, but to identify the materials causing the alarms so that we can dismiss non-threatening sources. This enhanced capability will provide significant improvement for CBP secondary inspection operations, as well as greatly reduce secondary referral rates when operated as a means of primary inspection. Last fall, these engineering development programs culminated in the first ever high fidelity test and evaluation campaign to measure the true improvement in performance provided by these next-generation systems. The test data collected is now being used to support the selection of multiple vendors to begin low-rate initial production (LRIP). Additionally, these vendors will continue the development of the technology so we can deliver enhanced capabilities and additional design variants for unique operational venues. Twenty-four of the ASP LRIP units will be delivered to CBP for operational test and evaluation in the fall of this year, with full-rate production expected to begin in 2007.

We have recently begun the Cargo Advanced Automated Radiography System (CAARS) development program to deliver imaging systems that will automatically detect high-density material within cargo that could be used to shield threat materials from detection by radiation portal monitors like ASP. The automated image processing techniques envisioned for CAARS will also substantially improve throughput rates over current generation radiography systems. These improved throughput rates will, in turn, enable CBP and other operators to effectively scan a much higher portion of cargo. Ultimately, ASP and CAARS systems must be deployed together to ensure our ability to detect either unshielded or shielded materials across the entire threat spectrum.

The DNDO is also working with Federal, State, and local partners to refine the U.S. Government's approach to alarm response and adjudication, with a focus on improving technical reachback capabilities to support operations. As alarms escalate, this program will provide technical expertise to operators to ensure that alarms are resolved properly or, if necessary, that alarms are elevated to the appropriate response assets. As part of this operational support activity, the DNDO is leading an effort to develop a comprehensive U.S. Government process for alarm resolution that

brings our procedures in line with the drastically altered security environment that we now face. This new alarm resolution process represents the first restructuring of the Federal alarm resolution and response protocols in over a decade.

Even with all of the accomplishments I have outlined, there are still key, long-term challenges in our detection architecture that require a well-supported research and development program. These challenges include detecting threat materials from greater distances, in highly cluttered backgrounds, and in the presence of shielding and masking materials. We are launching initiatives to develop technologies to meet these challenges, as well as commencing a broad basic research program across private industry, the national labs, and academia to stimulate the entire field of nuclear detection sciences.

***Overseas Deployment of Detection Technology***

This committee has expressed particular interest in the progress of deployment of radiation detection technologies overseas. I would like to take the opportunity to address this topic in detail.

The DNDO has been afforded, given its interagency nature, a unique perspective from which to evaluate the effectiveness of both Megaports and the Container Security Initiative (CSI). As I have stated in the past, while the DNDO was charged with developing the global nuclear detection architecture, implementation of this plan continues to be dispersed amongst multiple agencies. In its role as the original architect, the DNDO will continue to advocate for programs with merit and highlight areas for improvement. I want to make it very clear that the Megaports and CSI programs are critical to protecting against the nuclear and radiological threat, and are the best means of expanding efforts overseas to detect threats before they reach U.S. shores. Overall, Megaports and CSI operating in tandem at any port provides the opportunity to gather more information about individual containers in order to assess risk prior to those containers departing for U.S. ports.

While the collaboration between Megaports and CSI is significant and continues to increase, we continue to look at opportunities to increase radiation detection effectiveness overseas. The most important question that arises is: how can we, as the Federal Government, assemble all these existing programs into a cogent international strategy that significantly reduces risk? At a strategic level, the efforts of Megaports and CSI have been incorporated into the development of the international portion of the DNDO global detection architecture. We view Megaports as a complement to CSI in that it enhances host governments? capabilities to detect, deter, and interdict illicit trafficking of nuclear and other radiological materials, and it could provide another data element to support CSI targeting and evaluation of suspect containers. As the architecture evolves, the DNDO will bring forward options and recommendations at a programmatic level to include the use of advanced detection systems for Megaports and CSI to close identified gaps in our layered defense. We are in ongoing discussions about the potential merit of deploying next-generation ASP systems overseas through Megaports.

We also continue to highlight the need for more consistent and stringent information sharing requirements if U.S. funds are to continue to be used to deploy systems overseas. The information-sharing clause within each Megaports agreement stipulates that the host country will notify the in-country designated U.S. government official of data on detections or seizures made as a result of the use of the equipment provided. For sites where CSI personnel are present, DOE is developing procedures with host country counterparts whereby CSI is notified of alarms on containers bound for the U.S. The DNDO, through its Joint Analysis Center, pledges to work with partners like DOE and CBP to help secure agreements for more timely and uniform information sharing.

Deploying better technologies and having in place solid information sharing agreements will get us closer to our goal of "pushing out the Nation's borders" and increasing the chances that we will stop a threat before it reaches our shores. But as this Committee has recognized, there still remains the key challenge of negotiating with our foreign partners. If we cannot talk to the right people and get agreements into place, progress overseas will slow dramatically. Therefore, we need to change the way we approach our partners overseas and we need to change who we approach.

We now need to focus our attention upon building the existing relationships that Megaports and CSI have already established. An integrated international port security program must include strong partnerships with the international community, as well as private industry. Currently, we will continue to work with host countries to expand scanning opportunities, including information sharing, and strategic partnerships with private industry.

There is a pilot project at the Hong Kong Modern Terminal called the Integrated Container Inspection System, or ICIS, which is a model for public-private partnership, as well as a model for comprehensive passive and active inspection. It is important to note that ICIS, as deployed, is not an operational system. It utilizes currently available technology that is not optimized for radiation detection. DHS has sent teams to observe the ICIS pilot and determined that the technology they have used has potential, but still faces significant limitations. But the important lesson we have learned is that private sector container screening can be compatible with the U.S. Government's layered security strategy, and is another tool to further our ability to identify and address risks in an expedited manner. However, such efforts must supplement, not replace, the need for advance data reporting and targeted inspection at ports at home and abroad.

The DNDO favors an integrated system approach. This would enable us to detect unshielded or lightly shielded materials with current and next-generation RPMs like ASP, as well as automatically detect highly-shielded threat materials using a radiographic scanner like CAARS. Detector data should be analyzed by the U.S. Government prior to cargo transit, with the CBP Automated Targeting System (ATS), manifest and detector data integrated for enhanced targeting capability. Additional targeted inspection utilizing mobile advanced RPMs with radiography systems could be performed upon arrival at a port of entry. Possible approaches could include public-private partnerships with the mandate that the U.S. Government would receive all raw data streams. This type of integrated cargo inspection system, one that combines targeting, passive detection, radiographic imaging and information analysis would be a robust solution to the nuclear and radiological detection challenges that we face.

***Conclusion***

In conclusion, the DNDO recognizes that the successful deployment of these technologies must be done as part of a larger strategy, one that extends to deployments executed by other agencies. Whether we are addressing the issue of port security and overseas screening or we are supporting the detection efforts first responders, the systems that we put in place must be well connected and work within an environment that responds to information obtained from intelligence, counterterrorism, and law enforcement communities.

This concludes my prepared statement. With the committee's permission, I request my formal statement be submitted for the record. Chairman, Congressman Langevin, and Members of the Subcommittee, I thank you for your attention and will be happy to answer any questions that you may have.

Mr. LINDER. Mr. Record, were you folks involved with the DNDO in defining this global architecture?

Mr. RECORD. Yes, we played a role in that process.

Mr. LINDER. And you are still doing that?

Mr. RECORD. Yes.

Mr. LINDER. Mr. Oxford, do other nations have better detection equipment than we have? What is the state of the technology?

Mr. OXFORD. Mr. Chairman, most of the systems that are fielded to date overseas are pretty much replicas of what we were fielding in the plastic portal systems. They are pretty much plastic scintillator material. The Russians have developed and deployed some of those, but they are very similar in terms of the systems we are currently deploying.

Mr. LINDER. Mr. Ahern, how many of the 8 million containers that leave the American ports for other nations are inspected?

Mr. AHERN. On the outbound numbers, I don't have them specifically.

Mr. LINDER. Rough guess?

Mr. AHERN. Very few. Very few.

Mr. HUIZENGA. Very few.

Mr. LINDER. Why do we expect them to cooperate with us and inspect all of the containers coming to the United States when we are not doing it for them? Mr. Ahern.

Mr. AHERN. One of the things, certainly we are taking a look at initially, was risk for the United States in the post-9/11 environment. That is why we want to begin the strategy with pushing the layers out.

One of the things, through the World Customs Organization in part of the global security framework, is to take a look at should there be a reciprocal aspect to it? That is something we are considering, and having dialogue with countries, as part of the global framework and the World Customs Organization.

Mr. LINDER. Are you involved with this global partnering also?

Mr. AHERN. We are very much partnering with DNDO.

Mr. LINDER. I have been recently to the Dubai port and Taiwan and seen how our customs folks are on the ground—very cooperative environment. And if a suspicious container comes either through the scoring mechanism that they provide to the terminal operators or the operators find something suspicious, they get called over to look at it.

Why don't we have technology that gives us, in our own offices of our own customs folks, a real-time view of what that inspector, what that x-ray machine is doing?

Mr. AHERN. I think the simple answer is, the technology is not there today to do that. That is certainly one of the goals that we are looking for as we go forward with expansion of the overseas footprint.

The radiography, as well as the radiation read, can actually be remoted to a location in one of our CSI offices overseas so we can have the ability to look at it right there, then take that information, match it up with the manifest and the targeting score so we have a complete picture of that transaction.

Mr. LINDER. It is my understanding that states can refuse to inspect containers that we consider to be high-risk, and that early on in this program, some of that was going on.

Is that still the case or is it, is our relationship better than it was?

Mr. AHERN. The relationship is much better. It certainly is country-by-country specific, and in each one of the countries we have different relationships as we go forward.

I would go back to one of the key points in my testimony I did speak about, though, that since we started this program in 2002, 90,000 containers that posed an imminent risk to the United States were examined overseas.

There is oftentimes some debate of what poses a risk. And when we do have an imminent risk posed to the United States through a container of shipments destined for this country, and if we cannot get the host country counterpart to examine it, we will issue a Do Not Lade order to the carrier, so it is not brought to this country.

Mr. LINDER. Ninety percent of high-risk containers were inspected?

Mr. AHERN. Ninety thousand is the number I used.

Mr. LINDER. And how many of those yielded a concern?

Mr. AHERN. At the end they were resolved.

Mr. LINDER. They were?

Mr. AHERN. They were resolved to be not of risk for any kind of a significant nuclear radiological incident.

Mr. LINDER. We have 70 ports right now, Mr. Huizenga?

Mr. HUIZENGA. That is right, Mr. Chairman. There are 70 ports on our priority list.

Mr. LINDER. And we have contracts with how many?

Mr. HUIZENGA. We have contracted now with 14 countries and 17 ports in those countries.

Mr. LINDER. Let me ask you again, if we are not inspecting—you and I talked about this. If we are not inspecting things going out, what right do we have to expect other nations to clear these containers for us coming in?

Mr. HUIZENGA. You are correct in pointing this out as an issue. It comes up and, frankly, it is one of the issues that we have had to deal with as we are trying to negotiate agreements with our foreign partners.

I think, as Mr. Ahern pointed out, we try to suggest to them that we feel like after 9/11 we are a particularly unique target, and from that standpoint we are trying to do everything we can to try to make sure that doesn't happen again.

Mr. LINDER. Do other nations think we are a unique target?

Mr. HUIZENGA. I presume some think we are a unique target and others resist that belief, thinking perhaps they have some risk themselves.

Mr. LINDER. Thank you.

Mr. Langevin.

Mr. LANGEVIN. Thank you, Mr. Chairman.

I want to thank you all for your testimony today.

I am going to begin, if I could, Mr. Oxford, first of all, I want to thank you for—Vayl, I want to thank you for hosting us out at the nuclear test facility, and that gave the chairman and other members the opportunity to see exactly what you are doing out there. And it is an impressive operation. Even though you are just beginning the stage of standing up the test site out there, I think it is impressive and it is very important.

I would like to begin, if I could, first of all, with the March 06 GAO report. It stated that it is highly unlikely that DHS will complete the deployment of radiation portal monitors until after 2009 due to lack of sufficient funding.

What is DNDO doing to accelerate the deployment of radiation portal monitors at U.S. ports of entry?

Mr. OXFORD. First of all, let me thank you for having come out to Nevada test site. I was out there again this week, and significant progress on the permanent test site has been made. We are almost 70 percent done and we will turn operational later this fall.

We have worked very closely, first of all, with CBP to come up with a joint development or joint deployment plan. Our methodology wasn't just to look at technology, but was to look at blends of technology based on the operational workload. And we have now devised a joint strategy that would allow us to put current generation systems at low-volume locations with the next-generation systems in a secondary mode. It significantly reduces risk, but also reduces cost.

If we had gone solely to a next-generation system, which is where we were this time last year, it was about a $3 billion proposal. We have now been able to cut the deployment strategy cost

down to about $1.4 billion by working closely with CBP, understanding their actual operational burden. By doing that, we are able to cut the cost and therefore will be able to come up with an optimized deployment strategy.

For example, I think Mr. Ahern mentioned the Secretary is on record as saying we will complete all of our major seaports that handle 98 percent of containerized cargo by the end of 2007.

In terms of containerized cargo at seaports, we will be at 98 percent by 2007, and we think that is a tremendous improvement over where we may have reported to you last year.

The land border crossings, again will provide significant capability; we will be requesting additional funds in 2008 as well.

One thing you may recognize is that the DNDO budget was the largest single request in the 2007 budget in terms of Homeland Security's percentage increase; it was up 70 percent from 2006 to 2007, so the trend is upwards in terms of spending in this area.

So we can close the gap that you are talking about.

Mr. LANGEVIN. On that point, I know that the President's budget did request $536 million for DNDO. And right now, the Homeland Security Appropriations bill that is being considered today only has $500 million and so it is $36 million short.

So if you are not given the full $536 million, where are you going to have to cut because you are not going to get that additional $36 million?

Mr. OXFORD. We are working very closely, not only on the House side, but on the Senate side, to make sure that, first of all, acquisition funds are retained. I will tell you my number one priority is go ahead and commit to the deployment of systems. We will have to offset that either through some delay in some of the programs on the R&D side or other measures within the program, like our longer-range research. But our commitment and our priority is on the acquisition money so, again working with CBP, we implement the strategy we have now developed.

Mr. LANGEVIN. I am in the process now of trying to offer an amendment to include the additional $36 million in the Homeland Security Appropriations bill, so that DNDO is funded. I certainly hope my colleagues will join me in making sure that funding is there.

Last question before my time runs out, the DNDO, I know is in the process of announcing the award for the advanced spectroscopic portal monitors. At the Nevada Test Site. You had mentioned that the award would be announced in April.

Can you tell me when the award is going to be announced?

Mr. OXFORD. Let me give you some detail without divulging source selection information.

We had a very robust response to our Request for Proposals. We did find in the course of the initial stages that there were several vendors that were not competitive, and we have now gone and debriefed them. And we are releasing a revised RFP this week that will clarify some of the issues that we still need to deal with, with the remaining vendors. We expect those proposals then by the middle of June. I am expecting to sign the source selection decision on or about 6 July.

Mr. LANGEVIN. I just want to conclude by again thanking you all for your testimony. In particular, I have had a great deal of interaction with Mr. Oxford. I am impressed by him and with DNDO.

And the work that you are doing is obviously important to the Nation, and I appreciate your leadership. Thank you.

Mr. OXFORD. Thank you.

Mr. AHERN. Congressman, if I could add some specifics for the current implementation rate of radiation portal monitors at our seaports. I think it is important for the record to show that we have had substantial improvements since the GAO report was done. Ninety percent of all cargo containers coming across the border from Canada into the United States are screened through radiation portal monitors today. Ninety percent of all trucks coming from Mexico into the United States are scanned today.

And I had the opportunity to testify before many of you throughout the port security hearings back in and—March and April, and we were at 44 percent at that point. We are at 57 percent of the sea containers now. Coming into the country today are now put through radiation portal monitors before they enter into the commerce of the United States. And we will be at 98 percent by the end of fiscal year 2007.

There is considerable progress.

Mr. LINDER. Mr. Gibbons, do you wish to inquire?

Mr. GIBBONS. Very briefly, Mr. Chairman.

Gentlemen, thank you for being here. We appreciate your presence and we appreciate your testimony, hoping it is not a great deal. Forty-four seaports, 75 percent of the cargo; 58 seaports, 85 percent of the cargo; obviously a diminishing number as we continue on.

Any chance of giving us a time frame when you will have a majority of those seaports under a CSI or other type of agreement?

Mr. AHERN. I would be happy to give you specifically where, with the 44-seaports, we have 75 percent of the container traffic. We will actually be, by the end of this fiscal year, at 50 seaports, which will get 82 percent, and we are hitting the point of diminishing returns.

The additional container traffic we add with the ports remain; we will go to eight more ports in fiscal year 2007, which will get us to 85 percent.

And I think it is important to put in context as we talk of the overseas footprint and what it would take, there are actually 704 ports that will ship to the United States. So you can see, with 58 ports, that will bring us to 85 percent. You do hit a rapid point of diminishing returns when you take a look, really, at the logistics of the global supply chain that ships container traffic to the United States.

Mr. GIBBONS. Is there any way to get 100 percent coverage? Or is that simply a goal that is well beyond our financial capability?

Mr. AHERN. I will again state some of the numbers.

I think, certainly, 100 percent is a challenging goal. Is it a realistic goal? My opinion is no. When you take a look, I think we need to make sure as far as, what is the risk, assess that risk and deploy according to that risk.

I believe with the 58 ports that we will be at by the end of next year and capturing 85 percent of that universe, I think that is sufficient to manage the risk, in my opinion.

Mr. GIBBONS. Is there any way to direct the 15 percent balance to—of the cargo that is coming in, that doesn't today come through one of these 58 ports, to one of these other ports? Can we manage that cargo routing so that it does go through a port?

Mr. AHERN. That certainly is an option. That would certainly be a lot of impact to the global supply chain and to the carrier movements throughout the world.

But what I would offer is an additional alternative to consider, something we are considering as we move forward into the fall with Pakistan. It is a very small universe of containers that come to the United States. So if you were to look at it just by volume alone, it may not make sense to deploy assets there. But through some of the technology that is emerging, we have a declaration of principles that has been signed with the Government of Pakistan. Our ambassador signed it over there about 3 months ago. And we will be deploying technology there so we can begin to test remoting the images back to the United States.

Again, the universe is only about 3,000 containers. We think that is a manageable universe to actually use the technology, have it remoted back, so we can look at some of these locations where it may not make sense to deploy a complete footprint of assets, but also as far as the technology capabilities that might be there. And we are going to work with the Government of Pakistan to have an embedded unit there to provide some assistance if we need to intervene.

Mr. GIBBONS. Let me ask one more question along that line, because if we are looking at 15 percent of the cargo coming in that hasn't gone through one of our national agreement security protocols, do we have in place the ability to add extra security screening to that amount of cargo coming through these isolated, few ports so that when it gets here, it is identified that it does require additional screening?

Mr. AHERN. I would offer several points for consideration on that.

First off, I would just again state that 100 percent of all the information of all the container traffic coming to this country is fully vetted through our automated targeting system, and we always have the ability, if it is coming from any one of those 704 ports to issue a Do Not Lade order to the carrier. So if it poses a significant risk we can't resolve through our information or intelligence systems, we will give a Do Not Lade order to that container. So that is the first opportunity.

And if we believe it doesn't pose an imminent risk en route, we have assets that can meet it upon arrival, as it is anchored before it comes into a port, and take some of the mobile technology out to board the ship and actually inspect that container. And also with the recent deployment of the mobile RPMs, we can actually be there shipside to run it through the mobile RPMs as it is being offloaded from the vessel, right alongside the ship that it is being discharged from.

So there are some advancements that are coming online that really give us the potential to provide a better level of security, be-

yond just the ones that are in the terminal as they enter into the commerce of the United States.

Mr. GIBBONS. Very briefly, Mr. Oxford, the Nevada Test Site, are we seeing an increase in the number of vendors, private vendors, who are taking advantage of the facilities out there with regard to their R&D, and in terms of development and testing of screening devices for nuclear materials?

Mr. OXFORD. In some cases, we have had to turn customers away as we try to figure out how to do the cost management associated with conducting a test for individual organizations, as opposed to what I will call "running campaigns" as we accumulate customers.

But the test bed is now known, and we are now coming up with a strategy by which we could probably host two campaigns per year that we would then "agglomerate," if you will, the number of customers that could come at any given time. If they are not a federally funded program, for example, if private vendors want to validate the performance of their equipment, we will give them the opportunity to do that under a controlled environment.

Mr. GIBBONS. Thank you.

Mr. LINDER. Does the gentleman from Mississippi wish to inquire?

Mr. THOMPSON. Yes, thank you, Mr. Chairman.

In March of this year, I wrote Secretaries Chertoff and Bodman a letter concerning the Megaports agreement with Hutchison Port Holdings in Freeport, Bahamas. And I received a response from the Department of Energy, but to this date I have not received a response from the Department of Homeland Security.

Mr. Ahern, can you give me an idea of when I would be able to receive a response on this?

Mr. AHERN. Unfortunately, I do not have specifics. But I would be happy to provide that back, sir.

Mr. THOMPSON. Mr. Chairman, you know every hearing we kind of go through months of delay in getting information back to the committee. One of the reasons, when I requested this hearing, is, I needed a response back so we could kind of balance what was being said.

And we continue to have this difficulty from DHS on responding to congressional requests, either individually from Members or congressional inquiries.

So I would like the record to reflect that that March 24th letter to Secretary Chertoff is still outstanding. And we need to get it resolved.

Now, on the other issue, there are some who would say that Megaports and DNDO are doing some of the same things. Why will we need both operations at a port? And can somebody explain why we would have two separate entities join certain inspections?

Mr. HUIZENGA. Thank you. I will take an opportunity to try to answer that.

I think it is important for people to recognize that we are doing slightly different things, and we build on essentially the expertise within the National Nuclear Security Administration. We are the nuclear experts. So we are there to help Mr. Ahern's people, who don't have that same expertise necessarily, to try to find nuclear materials.

You have suggested, and the chairman, that we need to work closely together. And I think my goal here today is to try to convince you that indeed we are. We really do have regular interactions. We regularly send our staff on trips to the same seaports together.

Al Gina, the head of CSI, and I commissioned Sri Lanka earlier this year together. We are on our way to Hong Kong this weekend. So we have found each other and we are working closely.

What can we provide the CSI people on the ground who are checking manifests, working their ATS system. We provide the technology in a sense to be able to help them make sure that there isn't radioactive material in those containers.

I think, Mr. Chairman, you asked earlier, would it be possible for us to feed real-time data to the CSI people on the ground. And indeed that is exactly what we have committed to do. So for the DOE-Megaports monitors, we are now negotiating and discussing with the host countries the need to feed a direct live feed to Mr. Ahern's people or the CSI people on the ground.

So these suggestions that are coming from the committee members and others, I think we have taken to heart and we recognize the importance of closely working together.

And if I may, with all due respect, I really think at this point if there was a series of serious attempts to move the program, I think we would be going backwards instead of forwards, because we are taking the strengths of both agencies at this point and working very closely together.

Mr. THOMPSON. Are you using similar equipment?

Mr. HUIZENGA. No. The equipment we are using is radiation portal monitors and Mr. Ahern's people are using—the host countries are actually using is imaging equipment, x-ray or gamma ray equipment. So it does completely different things.

We are putting up things that detect radiation. They are putting up things that x-ray containers to see what is inside the containers.

As Mr. Oxford mentioned, combining those two activities together, which is what we are currently in the process of trying to do, and linking the information that comes from both systems will be important to us to help accelerate the examination of these containers. But it is really—it is separate types of equipment with separate purposes.

So I can understand if people thought that the CSI people were putting the same equipment in place that the DOE people, that there would be some confusion. But indeed it is different equipment. And we make it very clear when we go to the host nations that we are a complementary exercise.

Mr. THOMPSON. Well, then, do we now have the staffing to accommodate that?

Mr. HUIZENGA. Are you asking whether we have enough staff to make this happen?

Mr. THOMPSON. Yes.

Mr. HUIZENGA. As we continue to negotiate and be successful in signing up more countries, I am pressing my management for more staff.

And as the chairman asked me earlier, so we are in 14 countries and 17 ports, I neglected to point out that there are 10 more likely

to sign up in the very near future; and I will be going back to my management and asking them for staff to make sure that we can properly take care of that business.

Mr. LINDER. Does the gentleman from Pennsylvania wish to inquire?

Mr. DENT. Thank you, Mr. Chairman.

Also, to Mr. Oxford, thank you for hosting us at the DNDO, earlier this year at the Nevada test site. Mr. Gibbons's district was very helpful and I enjoyed the experience.

On the issue of Hong Kong, we hear quite a bit about Hong Kong has a system where they can inspect or scan 100 percent of outgoing cargo. I have been told that the problem we are faced with is that we can't basically view all those images. I am also told—correct me if I am wrong—that it takes 6 minutes to scan each image.

Mr. AHERN. If I could first add my thoughts on it, I have had the opportunity to go see it; I was there in the fall of this year. And currently it is in one lane of one terminal and also an additional lane of a second terminal in Hong Kong and there are multiple lanes of trucks that come through there.

The current capability of throughput is running about 300 trucks per hour through that one lane in each one of the two terminals. The radiation capability, using the same RPMs we have on our land border here in the United States.

Mr. DENT. Same technology?

Mr. AHERN. Same technology both for radiation portal monitor and also for the x-ray system, the VAC system.

Mr. DENT. Are those the same portals we witnessed at the Nevada test site?

Mr. OXFORD. We had both the current generation, that are fielded at our borders, as well as the next generation on display.

Mr. DENT. Continue.

Mr. AHERN. So we have both complementary systems working because we believe we need to have the radiation read and also to take a look at the radiography to see if there is any anomaly that could be shielding any type of device in that container.

As it is currently being modeled—this is where we have been trying to continue to correct the record on this—we believe the concept has great potential. In its current application it is not a realistic test. We need to work with the contractor involved with it, and we are and have been for the last couple of months taking a look at pulling the data files, making sure that the threshold settings are appropriate, and then we will take a look as far as what can we then do for a concept of operation to respond to alarms that would occur.

Mr. DENT. What do the folks in Hong Kong do? Once they run all those trucks through, you said 2 to 300 trucks an hour.

Mr. AHERN. 300 trucks an hour is the average throughput through the two lanes.

Mr. DENT. They take these images and if there is some kind of positive, what happens?

Mr. AHERN. Nothing.

Mr. HUIZENGA. They are storing the images now. They want us to come there and actually pipe the information to the host country and pipe it over to the CSI people.

Mr. AHERN. Currently nothing is being done with those. It is being stored for data collection purposes by the contractor and that is what we have been looking at for the last couple of months. As for any kind of an operational perspective or concept of operations or any response from the host country nation, that was not built into this. That is why we are interested in how to get fully engaged to make sure we can put some operational sense into this technology because it has been misrepresented repeatedly with respect to what it is currently doing.

Mr. DENT. So how do you develop the architecture in such a way that, okay, you can take the image but then have you to do something with that image? Can you explain, when you are talking in terms of what the next generation technology is? How do you get us from—to a realistic 100 percent scanning system that is reliable and effective and one that can sell to the public, not one that is not just not going to achieve what we think it will?

Mr. AHERN. If I can begin with an operator's perspective and then hand it off to people with more technical expertise on the technology, I would be happy to do with that. First off, we need to make sure there is appropriate throughput and capacity in those lanes. We need to make sure that the technology works. We need to make sure that the radiation being read through the monitors or the next generation has the ability to detect certainly if there is any special nuclear material.

We need to make sure that it also has the ability to eliminate what could be natural occurring radiation in the background or nuisance alarms. That is where next generation technology will help us.

At the same time we need to have the capabilities looking with x-ray systems to find out if there is something in there that could be shielding it. Then we need to have that pushed into the operator's hands and be able to link back into the technological aspects of it.

Mr. DENT. Stop right there with the shielding. How effective is the Hong Kong system in terms of shielding; in other words, you take an image in Hong Kong. If something is shielded, how reliable is the system?

Mr. AHERN. Right now until we actually get on the ground and do a live testing, I think it would be inappropriate to comment on how effective it is. Certainly with the throughput that is currently happening and the lack of a good concept of operation, I think it is questionable, and need to put some rigor into it as we go forward.

Again, we are intrigued by the options that this presents for the government to partner with the private sector, and we think that is a very good model for us to move forward on. A lot of it needs to be worked out with both DNDO, DOE. That is where Mr. Huizenga and some of our folks are going over this weekend to work with the contractor to find out more of what is going on so we can actually develop a good concept of operations with the appropriate protocols.

Mr. LINDER. Let me talk to the committee members. We have Mr. Dicks, Mr. Shays, Ms. Norton who still have questions. Would you like to submit questions in writing, would you like to ask them to stay here and come back after a series of four votes?

Mr. SHAYS. We have 10 more minutes. If we could just divide the next 6 minutes, maybe we can cover it.

Mr. LINDER. Mr. Dicks.

Mr. DICKS. I would like to ask my questions, if I could.

Mr. SHAYS. Go for it.

Mr. DENT. Yield back the balance of my time.

Mr. DICKS. Let me ask you this quickly. On megaports, the administration's request for megaports in fiscal year 2007 was 40 million, 33 million less than its fiscal year 2006 request. The House Appropriations Committee has approved 105 million for megaports in fiscal year 2007, Energy and Water appropriations.

Why such a big cut in this program by the administration?

Mr. HUIZENGA. Frankly, we were trying to monitor how quickly we were signing up agreements and—

Mr. DICKS. It hasn't been a wonderful record.

Mr. HUIZENGA. When we were building the budget we were anticipating where we would be and we submitted a budget appropriately. Now things are starting to come together and I think Congress is perhaps going to respond to the fact that if we had some additional agreements it would take some additional money to get the job done.

Mr. DICKS. Okay. Again, and I am a layman here, why aren't you guys working together? You say you are but why have you not been more successful in getting joint agreements? Apparently you have got two, one in Oman and one in Honduras. Why can't you go in and say to this country we want to work with you on both CSI and megaports, and get an agreement? And CSI has done a lot better in terms of getting these agreements than megaports. Why is this?

Mr. HUIZENGA. There is a fundamental difference between what the CSI people are trying to do and what we are trying to do. Our activities under megaports are significantly more intrusive. The host country has to staff up, find their own people to help resolve the alarms, and it could be a significant number of additional normal alarms.

Mr. DICKS. So we don't staff this?

Mr. HUIZENGA. We are not deploying DOE people in country.

Mr. DICKS. If we want to be successful do we have to do that?

Mr. HUIZENGA. I think our strategy right now is to try to partner with our CSI people who are already going to be in country and have them help to address some of the analysis.

Mr. DICKS. Mr. Ahern, do you agree with that? Can you do that or are you having enough problems staffing your own progress?

Mr. AHERN. We are not having any problems with staffing our CSI ports.

Mr. DICKS. Can you do their work too?

Mr. AHERN. I think it is a complementary role. I think it is important to state, going back to I believe May of last year, DOE and DHS Customs and Border Protection signed a joint agreement. As far as we moved forward, we would have joint undertaking with the foreign countries. In fact, now with our declaration of prin-

ciples, we actually have them for both CBP and DOE with the host country counterpart.

You are correct that two have been signed thus far, and there is commitment to do them together as we launch forward.

Mr. DICKS. How many ports are you talking about, 44 or 71. What is the number?

Mr. AHERN. Forty-four is what we currently have and we are working with DOE to make sure, as we circle back to those 44 ports, to have the appropriate radiation equipment installed as well.

Mr. DICKS. Only four megaport agreement, right?

Mr. HUIZENGA. We have 14 countries signed up, which includes 17 ports and there are an additional 10 countries about ready to sign up, having an addition of more than 10 ports. Our goal and commitment is to put the radiation detection equipment in each of the 44 CSI ports.

Mr. DICKS. In order to give you a chance to ask questions, I will yield to you.

Mr. SHAYS. [Presiding]. I appreciate that.

Gentlemen, when you do FBI work and you do fingerprints, it is done automatically. The computer can spit back to you matches. Why can't we develop technology that would alert us without people having to study these pictures? Is that on its way, and is it is on its way fairly quickly?

Mr. OXFORD. Mr. Shays, the CAARS program that I have referenced in my opening statement is exactly intended to do that—to look at shielding and do an automated alert to the operator that there is something in the cargo we have to inspect.

Mr. SHAYS. Not just on radiation but other issues as well?

Mr. OXFORD. Correct.

Mr. SHAYS. Let me ask you, what states, let's do it this way, what foreign states have been resistant to participating with us and what are the reasons?

Mr. HUIZENGA. Well, we have run into—the chairman asked earlier about the reciprocity issue; some states actually ask us this question, are you going to do a reciprocal scanning of containers outbound?

Mr. SHAYS. What states? What states are we finding most resistant? It is not an indictment against them, just have a problem.

Mr. HUIZENGA. Frankly, the Japanese have asked that question repeatedly.

Mr. SHAYS. I will tell you, if I was a foreign nation I would ask it. What other ones?

Mr. HUIZENGA. Almost all countries ask the question. Some are more recalcitrant than others.

Mr. SHAYS. If you want to be on the positive, which are the most cooperative?

Mr. HUIZENGA. It took 2 weeks to sign up Sri Lanka. So it didn't take them any time at all to figure out it was an important activity. I don't know—

Mr. SHAYS. Dubai has been very cooperative.

Mr. HUIZENGA. Dubai was on board from the day we started talking to them.

Mr. SHAYS. Are there some that are very, very resistant? You mentioned the Japanese. What other ones?

Mr. DICKS. Can I ask one quick one? What about Freeport. What is the status with Freeport?

Mr. HUIZENGA. Freeport, we are doing operational testing right now and things are going well.

Mr. DICKS. Has there been a capacity assessment problem there?

Mr. HUIZENGA. I am not sure that I understand—

Mr. DICKS. Let me read this. We would like to know the status of CBP's efforts to get customs folks in Freeport as part of CSI and whether the capacity assessments to date have revealed any concern about Freeport's participation as a CSI port?

Mr. SHAYS. I leave that question with you so you know exactly what he is asking and I will reclaim my time. Leave it in writing with him, okay.

Is that all right, sir?

Mr. DICKS. That is fine.

Mr. SHAYS. Just quickly to finish up here, I would like you to provide to the committee which states we have the biggest concern about corruption, improper operations, and so on. The GAO has voiced some concerns. It doesn't have to be a public document to us, and I will make sure the committee will follow up on that. I do want the answer to this. If you would tell us which ones we have the biggest concern.

And let me ask you, finally—I will end with that. Gentlemen, thank you very much. Is there anything—excuse me. Before we adjourn, is there anything we should have put on the record that we didn't, anything that you wish we had asked that we didn't ask? Seriously. Those are sometimes the best answers. Anything before you leave?

Hearing none, let me just thank you for your work and thank you for cooperation with this committee and we stand adjourned.

[Whereupon, at 3:10 p.m., the subcommittee was adjourned.]

# APPENDIX

## FOR THE RECORD

### QUESTIONS FROM REPRESENTATIVE JOHN LINDER FOR JAYSON AHERN RESPONSES

On March 24, 2006, Representative Bennie Thompson sent a letter to Secretary Michael Chertoff of the Department of Homeland Security and Secretary Samuel Bodman of the Department of Energy. The letter pertained to the operation of detection equipment under DHS's Container Security Initiative and DOE's Megaports program and contained four specific questions.

It is important that the Committee members receive prompt responses to questions they pose to the Department. Mr. Thompson has received a written response from Secretary Bodman but has yet to receive a written response from Secretary Chertoff or his designee. We understand there were mitigating circumstances but remain interested in a response.

**Question: When can Mr. Thompson expect to receive an answer from DHS to the questions contained his letter of March 24?**

**Response:** Immediately after receiving Representative Thompson's letter, DHS congressional affairs coordinated a meeting with members of his staff for the purpose of personally addressing all concerns raised in that correspondence in lieu of a written response. DHS regrets this miscommunication; a written response has been formulated and is forthcoming. Please excuse the delay in the transmission of this letter.

### QUESTIONS FROM REPRESENTATIVE CHRISTOPHER SHAYS

1. Concerns about the adequacy of foreign inspection protocols, the operation of detection equipment, and its vulnerability to tampering or neglect have been raised. These issues have been discussed in a recent GAO report "Combating Nuclear Smuggling: Corruption, Maintenance, and Coordination Problems Challenge U.S. Efforts to Provide Radiation Detection Equipment to Other Countries." Russia was mentioned specifically in the report as a State where evidence of some of these problems has been found. The Committee would like to understand how widespread this concern is and what actions have been taken to limit such vulnerabilities.

**Question: What States do you have the greatest concerns with in terms of possible corruption and/or the improper execution of screening and inspection protocols?**

**Response:** With respect to CSI, CBP has negotiated measures and procedures where it does operate to address any concerns of possible corruption and the screening and inspection of targeted shipments. These procedures include being present during the examination and viewing the x-ray image and discussing any findings with the host government officials, providing them with our recommendations.

Additionally, CBP presently has an Agreement with The Government of The Russian Federation on Cooperation and Mutual Assistance in Customs Matters even though CSI does not actually operate in Russia. Through this Agreement, the U.S. and Russian governments have affirmed their commitment to the facilitation of the legitimate movement of goods and individuals and will, by mutual arrangement of the Customs Administrations, undertake measures to improve customs systems, techniques, and procedures with a view toward achieving that objective in accordance with the provisions of this Agreement. More details about this agreement are available on CBPs website at: <*http://cbpnet/linkhandler/cbpnet/ina/maa/Russian*__Federation.ctt/Russian%20Federation.doc>.

The Department of Energy's (DOE) Second Line of Defense program has also recognized corruption as a major problem and has designed its installations using practical, verifiable means to reduce opportunities for corruption. DOE also reports that its National Nuclear Security Administration (NNSA) has been working for years

to understand and address the effects of corruption and criminal activity on cooperative security programs.

**Question: In each case, what steps are being taken to limit vulnerabilities?**

**Response:** CBP has negotiated appropriate measures to address any vulnerability, and would be happy to meet with Representative Shay and his staff or other Members and staff to discuss the measures we have taken in an appropriate venue and upon their request, due to the sensitive nature of this information.

2. During the hearing, it was noted that States have responded in different ways to U.S. requests to participate in CSI and Megaports. Some states such as Sri Lanka agreed to participate within a few weeks, others remained reluctant to participate after months or longer of negotiations.

**Question: What States have been the most reluctant to participate in CSI and Megaports respectively? Are they key States? What reasons or concerns have they raised?**

**Response:** Regarding CSI, the track record of success has resulted in foreign governments now approaching CBP to participate in the program. CBP has completed the initial phase of CSI, comprising the top 20 foreign seaports with the most direct maritime cargo containers destined to the United States, in July 2005 when all top twenty foreign seaports became operational. CSI is currently operational in forty-four seaports covering 78.44 percent of maritime cargo destined to the United States. By the end of 2006, CSI will be operational in fifty seaports covering 81.77 percent of maritime cargo destined to the United States. Additional host governments are currently being considered for the CSI program and are in various stages of the process from signing a Declaration of Principles to becoming operational. CBP defers to DOE/NNSA to address issues relating to Megaports.

**Question: What reasons have been given by the top 5 ports in Megaports' prioritization model for not agreeing to participate?**

**Response:** As stated above, the top twenty foreign seaports identified by CBP have become CSI operational ports. CBP defers to DOE/NNSA address issues relating to regarding Megaports prioritization.

**Question: What steps have been taken to address the concerns raised in these cases?**

**Response:** As the top twenty seaports with the greatest volume of maritime container traffic destined to the United States are now participating in CSI, CBP has no concerns that need to be addressed. CBP defers to DOE/NNSA to address issues relating to Megaports.

QUESTIONS FROM REPRESENTATIVE BENNIE THOMPSON

**Question: 1. Megaports is planning to deploy equipment to forty-two foreign nations, yet only four have fully operational Megaports systems. In addition, the Megaports status sheet shows that twenty nations still do not have Megaports agreements. Eleven of these have a CSI agreement in place. What is being done to leverage existing agreements with foreign ports?**

**Response:** CSI continues to leverage the WCO Framework of Security Standards (adopted in June 2005) as a basis for persuading foreign partners to employ radiation detection equipment at their seaports. The Framework incorporates the use of radiation detection and imaging systems in the seaport environment. DOE/NNSA will be presenting the Megaports program at the annual CSI conference of current and prospective foreign partners to discuss best practices. DOE/NNSA Megaports will have a separate workshop to market the program and invite foreign governments to join.

2. Mr. Huizenga, a March 2005 Government Accountability Office (GAO) report concluded that DOE is struggling to reach agreements with foreign governments and does not have a long term plan for Megaports to guide the implementation of this program in the future.

**Question: What steps is the Department of Energy (DOE) taking to address the GAO conclusions?**

**Response:** The Department of Homeland Security defers to the Department of Energy for the response to this question.

3. According to the Administration's budget request, Megaports would receive $33 million less than last year ($73 million in FY06, $40 million in FY07). The Energy

and Water Appropriations bill currently moving through the House would increase funding by $65 million above the Administration's request.

**Question: Mr. Huizenga, why did the Administration cut your budget and what impact does this have on the Megaports program?**

**Response:** The Department of Homeland Security defers to the Department of Energy for the response to this question.

4. One of the biggest weaknesses in the Container Security Initiative (CSI) is that high-risk containers transshipped through a CSI port are not inspected overseas, because of the difficulty of unloading a ship to inspect a container.

**Question: Mr. Ahern, what steps is Customs and Border Protection (CBP) taking to close the security gap with regards to high risk containers that are transshipped through a CSI port?**

**Response:** Containers laden (loaded) on a vessel at a CSI port are subject to analysis and possible examination by the in-country CBP CSI officers and their respective host government counterparts.

Containers remaining on the vessel as Freight Remaining on Board (FROB) as the vessel transits a foreign seaport en route to the United States are subject to the following enforcement protocols: (1) All maritime containerized cargo information is required to be sent to CBP twenty-four hours prior to that container being put on the vessel that will be bringing the cargo to the United States. (2) The information transmitted is screened at the CBP National Targeting Center (NTC) via the Advanced Targeting System (ATS). (3) If CBP suspects that a container poses an imminent risk, CBP can issue a "Do Not Load" order, can work with the host government to have the container examined, or can advise the carrier and seek their assistance in ensuring any concerns are mitigated. In addition to the steps taken above, CBP also utilizes the Customs Trade Partnership Against Terrorism (C–TPAT) program to enhance security measures throughout the supply chain, including the place of stuffing. Additionally CBP is working with industry members to develop an advanced container security device that can be placed in a container at place of origin and help secure the integrity of the container while transiting the supply chain.

**Question: Mr. Huizenga, is DOE addressing the transshipment issue in Megaports or through other Second Line of Defense programs? Have you looked at deploying equipment in smaller feeder ports?**

**Response:** The Department of Homeland Security defers to the Department of Energy for the response to this question.

5. It is widely known that the current version of the radiation portal monitors have a high false alarm rate because they cannot distinguish between special nuclear material and naturally occurring nuclear material. We have received testimony that the monitors deployed at U.S. seaports have as many as 150 false alarms in a day.

**Question: Mr. Huizenga, is Megaports experiencing the same problem in its installations? If so, how are those alarms resolved?**

**Response:** The Department of Homeland Security defers to the Department of Energy as to the response to this question.

6. In December 2003, former CBP Commissioner Robert Bonner stated the CBP will "red team" (or test) the soundness of its container security programs, particularly C–TPAT, to determine if the program is improving supply chain security. CBP officials however, have stated that to date, there have been no red team exercises for C–TPAT.

**Question: What is CBP doing to evaluate whether C–TPAT is actually preventing terrorists from taking advantage of weaknesses that exist in the supply chain to smuggle weapons of mass destruction in the U.S.?**

**Response:** CBP has not conducted "red team" tests of the C–TPAT program. To determine the effectiveness of the enhanced security measures employed by C–TPAT members, CBP has significantly increased the number of on-site verifications or validations it performs. To date, CBP has completed over 2,400 validations of the 6,100 members (or forty percent of the membership), a significant increase over the 403 validations that had been completed in January 2005. These on site validations confirm that the C–TPAT members have adopted stronger security measures throughout their supply chains, reducing the likelihood that a C–TPAT shipment will be compromised and exploited by terrorists. CBP is also currently developing performance measures to help demonstrate the effectiveness of C–TPAT as an anti-terrorism program.

7. The GAO has stated that unbalanced staffing at CSI ports has resulted in thirty-five percent of the containers shipped through these ports not being targeted, and

therefore not subject to inspection overseas. This means that it is likely that high risk containers were not inspected.

**Question: What is CBP doing to fix the staffing imbalances mentioned in the GAO report? How many CSI ports have permanently assigned personnel?**

**Response:** Based upon the findings of the GAO, CBP adjusted the CSI staffing levels by assigning dedicated CSI staff to the CBP National Targeting Center. This dedicated staff augments the work being done at large volume CSI locations like Hong Kong. CBP has currently transitioned twenty-six of the CSI ports to permanent staff.

8. One of the major issues with container security is the absence of seal standards. The MTSA requires standards be developed for container seals and locks. These standards have never been established. Additionally, the MTSA regulations require that seal verifications take place when a container is moved through a port. However, I have heard from many port workers that this does not occur.

**Question: Why has it taken the Department three and a half years to develop seal standards? When will the container seal regulation be issued?**

**Response:** In September 2004, the Department announced that DHS, pursuant to 46 U.S.C. 70116 and section 111 of the Maritime Transportation Security Act of 2002 (MTSA), would pursue a mandatory requirement that ocean carriers verify the application of high security seals on all loaded containers destined for the United States. Subsequently, CBP drafted a Notice of Proposed Rule- Making (NPRM) that would require sealing and verification of a seal on loaded containers being transported by vessel to the United States. The draft NPRM remains under review in the Department of Homeland Security, Office of General Counsel.

It should be noted, however, that CBP has moved to complement this proposed rule by strengthening sealing requirements within the Customs-Trade Partnership Against Terrorism (C–TPAT) program. As an example, minimum security criteria for C–TPAT importers requires that for all loaded containers destined for the United States, a high security seal meeting the current PAS ISO 17712 standard must be applied to the container. Additionally, minimum security criteria for C–TPAT sea carriers requires that container integrity for all containers in the sea carrier's custody be maintained to protect against the introduction of unauthorized material and/or persons. C–TPAT sea carriers must have procedures in place to maintain the integrity of the shipping containers while in their custody. Lastly, sea carriers must fully comply with seal verification rules and seal anomaly reporting requirements once promulgated and mandated by the U.S. government.

Under the MTSA, the U.S. Coast Guard regulates vessel and facility security (33 CFR 104 and 105) including access controls and security requirements at U.S. seaports. It is within the USCG's purview to address concerns regarding seal verifications required under 33 CFR.

**Question: 9. Could you study the possibility of deploying ICIS to CSI ports and get back to me within the month on your results?**

**Response:** The Department of Homeland Security (DHS) remains interested in ICIS. The concept of collecting and integrating radiation detection spectral data with radiographic imaging of containers complements and is consistent with our agency's goals.

DHS remains committed to working with the Hong Kong government and the Hong Kong Container Operators Association (HKCTOA) in the development of policies, procedures, and response protocols related to ICIS. This will permit us to take full advantage of the investment that the Hong Kong shipping community has taken to strengthening the global supply chain.

Pacific Northwest National Laboratory (PNNL), in conjunction with Oak Ridge National Laboratory (ORNL) and under the auspices of the Department of Energy's Megaports Initiative, recently completed an analysis of a large sampling of ICIS data files supplied by the HKCTOA.

Initial findings have revealed that further work is required to optimize the technology and better utilize the data sets captured by ICIS. A team comprised of representatives from U.S. Customs and Border Protection (CBP), Department of Energy's Megaports Program, PNNL and ORNL are traveling to Hong Kong in the coming weeks in furtherance of this effort. The team also includes a Domestic Nuclear Detection Office (DNDO) representative to evaluate implications for the next generation of nuclear detection equipment. While in Hong Kong, the team will study the feasibility of providing CBP's Container Security Initiative personnel with a live data directly from the ICIS lanes. Additionally, the team will identify the necessary

steps to network the ICIS system in order to provide DHS with the capability to remotely monitor in the United States.

10. I understand that Secretary Chertoff observed the ICIS system a few weeks ago.

**Question: When will the Department make a decision on this technology so that sectors of the industry that are willing to purchase and install this system can begin doing so?**

**Response:** As indicated in our response to a previous question the Department of Homeland Security (DHS) remains interested in ICIS and in the concept of collecting and integrating radiation detection spectral data with radiographic imaging of containers, which complements and is consistent with our agency's goals. DHS also is committed to working with the Hong Kong government and the Hong Kong Container Operators Association (HKCTOA) in the development of policies, procedures, and response protocols related to ICIS in order to take full advantage of the investment that the Hong Kong shipping community has taken to strengthen the global supply chain.

Since further work is required to optimize the technology and better utilize the data sets captured by ICIS, DHS is sending a team comprised of representatives from U.S. Customs and Border Protection (CBP), the Department of Energy's Megaports Program, Pacific Northwest National Laboratory (PNNL), and Oak Ridge National Laboratory (ORNL) to Hong Kong in the coming weeks to study the feasibility of providing CBP's Container Security Initiative personnel with live data directly from the ICIS lanes. The team also includes a Domestic Nuclear Detection Office (DNDO) representative to evaluate implications for the next generation of nuclear detection equipment. Moreover, this team will identify the necessary steps to network the ICIS system in order to provide DHS with the capability to remotely monitor in the United States.

11. When I look at the CSI and Megaports programs, I see that they are they are trying to address the same problem, which is preventing weapons of mass destruction from being smuggled into the country though the supply chain. Currently, DOE is negotiating Megaports agreements with 32 of the 44 nations participating in CSI. Since both Departments are trying to accomplish the same goal in the same foreign ports, I wonder whether Megaports may work better if it was moved to DHS in the Domestic Nuclear Detection Office.

**Question: Mr. Huizenga, why should Megaports remain in DOE?**

**Response:** The Department of Homeland Security defers to the Department of Energy as to the response to this question.

**Question: Mr. Oxford, considering the goal of the DNDO to develop a global nuclear architecture, do you feel that moving Megaports to DNDO would allow for this to happen?**

**Response:** The development of the global nuclear detection architecture does not necessitate the transfer of Megaports to the DNDO. One of the founding principles of the DNDO is the belief that centralized planning and reporting with decentralized execution enables DNDO to fully utilize expertise from partner agencies to leverage, not duplicate, existing initiatives related to nuclear detection. Moving Megaports to the DNDO would violate this principle and provide little added benefit to the architecture development process.

There are several coordination and information sharing mechanisms in place that allow the DNDO to incorporate a program like Megaports into the global architecture. These mechanisms include use of the Interagency Coordination Council (ICC), the policy coordinating committees of the Homeland Security Council and National Security Council, as well as the use of interagency detailees. These formal mechanisms form the foundation of what has become a strong working relationship with implementing partners like Megaports.

The frequent dialogue with DOE personnel results in a thorough understanding of Megaports operations, technological requirements, reporting and information analysis needs—all of which are elements of the DNDO architectural analysis. As the global detection architecture evolves, the DNDO will bring forward options and recommendations to programs like Megaports. In fact, the DNDO is now working with DOE/NNSA to acquire ASP systems for deployment through the Megaports Initiative, further enhancing the broader U.S. strategy to scan incoming cargo before it reaches our borders. This demonstrates that the development of the global detection architecture, and proposed improvements to that architecture, do not require a management construct that infringes or subsumes the statutory responsibilities of partner agencies.

**Question: Considering that DOE is trying to place Megaports at many of the same ports as those participating in CSI, why isn't DOE leveraging the existing CSI agreements to accelerate portal monitor deployments through the Megaports Initiative?**

**Response:** The Department of Homeland Security defers to the Department of Energy for the response to this question.

**Question: Why can't there be one U.S. government position requiring foreign ports to participate in CSI and C–TPAT?**

**Response:** CBP does have a single position when it comes to securing the global trade lanes from terrorist activities in a maritime environment. CBP employs a multi-layered strategy in protecting the trade with the following programs: Container Security Initiative (CSI); Customs Trade Partnership Against Terrorism (C–TPAT); National Targeting Center; and 24-hour Rule. Both CSI and C–TPAT are voluntary programs and CBP believes that both programs are functioning as they were designed.

The CSI and C–TPAT programs are part of an overall layered defense strategy, which is predicated on the belief that several different programs, from security at the source to screening at a port of entry, provide many opportunities to stop a potential threat from reaching its intended target. A layered defense reduces risk while not hinging success on participation in a single program.

While the Department hopes to maximize the number of foreign ports that participate in programs such as CSI and C–TPAT, making participation a requirement would be difficult to enforce and could negatively affect the free flow of commerce. CBP believes that the C–TPAT program should remain a voluntary, incentives based partnership program. C–TPAT was initiated to help enhance security throughout the international supply chain, from point of stuffing, through the final delivery in the United States. CBP is able to reach deep into the international supply chain, especially to the two most vulnerable points—the point of stuffing and the inland drayage to the port of export—by offering U.S. importers trade facilitation benefits in exchange for pushing security enhancements back throughout the supply chain, into areas outside the regulatory reach of the U.S. government.

A regulated program may not be able to effectively influence the actions needed on foreign soil. Additionally, a regulated program would likely take a "one size fits all approach" and could reduce the current flexibility afforded through the C–TPAT program. A voluntary, incentives-based program, by contrast, allows for customization of supply chain security measures based on risk and operational realities.

12. I wrote a letter to Secretaries Chertoff and Bodman on March 24, 2006 concerning the Megaports agreement with Hutchinson Ports Holding in Freeport, Bahamas. I received a response from the Department of Energy. I have not received a response from DHS. I don't like being flip, but I'm not surprised given DHS is habitually late in responding to this Committee.

**Question: Mr. Ahearn, when will I receive a response to my letter?**

**Response: Immediately after receiving Representative Thompson's letter, DHS congressional affairs coordinated a meeting with members of his staff for the purpose of personally addressing the concerns raised in that correspondence in lieu of a written response. DHS regrets this miscommunication; a written response has been formulated and is forthcoming. Please excuse the delay in the transmission of this letter.**

Shortly after my letter, I learned that CBP is going to finally deploy a CSI team to Freeport.

**Question: When will the CSI team in Freeport be operational and do the capacity assessments performed by CBP give you concerns about Freeport participation in CSI?**

**Response:** CBP has performed capacity assessments of Freeport, Bahamas. CBP anticipates it will be operational in Freeport by the end of September, 2006. The two capacity assessments did not give rise to any concerns regarding Freeport's participation in CSI.

**13. Please provide to the Committee, the status of CBP's efforts to deploy Customs Inspectors to Freeport as part of CSI. Please also detail whether any of CBP's capacity assessments have revealed concerns regarding Freeport's potential involvement as a CSI port.**

**Response:** CBP is in the process of formalizing the addition of Freeport, Bahamas as a CSI port. The Declaration of Principles (DOP), which demonstrates the willingness of the government of the Bahamas to participate in the CSI program, has not been signed. The DOP is pending review by the Bahamian cabinet. Once

this process is completed, CBP will work with the State Department to deploy CBP officers to begin the screening process of maritime cargo containers destined to the United States.