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Homeland Security

United States
Coast Guard



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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

REAR ADMIRAL CRAIG E. BONE

ON

CHEMICAL FACILITY SECURITY

BEFORE THE

HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS COMMITTEE

U. S. SENATE

JULY 27, 2005

Introduction

Good morning Madam Chairperson and distinguished members of the Committee. It is a pleasure to be here today to discuss the U.S. Coast Guard's role in securing the chemical facilities on the navigational waterways of the United States.

The men and women of the U.S. Coast Guard and the Department of Homeland Security remain committed to improving maritime homeland security each and every day through continued interagency cooperation and assistance from our partners at the local, state and international levels, as well as maritime industry stakeholders. This is true of the maritime facilities for which we have approved security plans, including chemical facilities.

Protecting the Marine Transportation System

Considering the vast economic utility of our ports, waterways and coastal approaches, it is clear that a terrorist incident against a facility in our marine transportation system could have a disastrous impact on public safety, the environment, our nation's economy, and international trade. Such an incident, if it were to occur in a strategic port, could also threaten our military mobilization capabilities. An incident at one of the 350 chemical facilities that operate next to our navigable waterways would seriously threaten and could have a profound impact on the health and well being of the local community if it led to a release of dangerous chemicals. Clearly, the security of the chemical sector is vitally important to the U.S. Coast Guard (USCG), the Department of Homeland Security and the environment and economic well being of the nation.

Of more than 3,000 port facility security plans (FSPs) that the Coast Guard has reviewed and approved under the Maritime Transportation Security Act (MTSA), we have approved 300 for chemical facilities.

Each security plan, including those for chemical facilities located in or near a port, explains how the facility will meet its security obligations under the regulations found in Title 33, Code of Federal Regulations, Part 105, including: access control, designation of restricted areas, handling of cargo, delivery of vessel stores and bunkers, monitoring of the facility and security incident procedures. There are additional requirements for certain dangerous cargo facilities as well. There are also requirements placed on the owner or operator of the facility, the facility security officer, and all facility personnel with security duties. These regulations detail requirements for everyone on the facility for specific security training, drills and exercises, records to be maintained, communications (particularly with vessels), and dedicated security systems. Each plan must also explain how facility personnel will respond to changes in Maritime Security threat levels as directed by the Commandant of the Coast Guard in consultation with the Secretary of Homeland Security.

The Coast Guard also approved an Alternative Security Program (ASP) for the American Chemical Council (ACC). An ASP is an option afforded to facility operators under MTSA. Instead of creating their own facility plan, operators of facilities required to meet Title 33, Code of Federal Regulations, Parts 101 through 106, may choose to utilize an existing plan which has previously been approved by the Coast Guard. One example of such a program is the Responsible Care Security Code developed by the American Chemical Council (ACC). The ACC represents about 150 companies that handle approximately 80-90% of the chemical production by capacity. ACC estimates that their member companies have spent over \$3 billion nationwide toward security since September 11, 2001. Approximately 50 chemical facility operators have chosen to use an ASP rather than create their own,

individual plans. Members of an organization with an approved ASP must implement that ASP in its entirety to be deemed in compliance. Also, the owners and operators of facilities under an ASP must conduct a specific assessment and verification of implementation for their facility.

The Coast Guard has completed compliance inspections of all facilities that currently have FSPs or ASPs to verify that they are operating within their respective plans. The compliance by the maritime industry has been commendable, but there have been some isolated instances where control actions against the facility were necessary. Since the July 1st, 2004, implementation date for MTSA, the Coast Guard has taken control actions (restrictions to, or suspension of, operations) against 45 facilities. Two of those facilities were from the chemical industry.

The Coast Guard's work in implementing MTSA for waterfront facilities has been a collaborative effort with other federal, state and local agencies, as well as private industry partners. We have worked in conjunction with the Information Analysis and Infrastructure Protection Directorate (IAIP) within the Department of Homeland Security (DHS) to ensure that all approved MTSA plans are consistent with IAIP's approach to non-waterfront chemical facilities.

This collaborative approach extends to the local port level. Each Area Maritime Security Committee (AMSCs), operating in support of the Coast Guard Captain of the Port (COTP), has identified their port's specific vulnerabilities, and created a plan to address those vulnerabilities. The AMSCs, which normally include representatives from the oil and chemical sector, developed their Area Maritime Security Plans (AMSPs) to address the risks specific to their ports. These area plans focus on critical port infrastructure which include those regulated under MTSA, as well as those facilities merely located in close proximity to navigable waterways, but do not engage in marine transfer operations. Such facilities would not be regulated under MTSA. These plans address how local, state and Federal resources will be deployed to prevent terrorist attacks and protect critical infrastructure in our ports, waterways and coastal areas

As part of the Coast Guard's port security assessments of the 55 militarily and economically strategic ports, certain facilities were identified as key assets by the AMSCs and we conducted limited scope assessments using plausible threat scenarios. This program is designed to assess the vulnerability of facilities to terrorist attack and identify countermeasures and mitigation strategies that can be communicated to the facility owner/operator and the local COTP. Over the last year, the Port Security Assessment Team has visited 10 chemical plants located on waterfront property and identified by the AMSCs. Generally, we have recommended better intrusion detection and prevention systems, waterfront surveillance, and maritime domain awareness for these facilities.

The Coast Guard has also contracted for a special assessment of inland barges which carry Certain Dangerous Cargo (CDC), their vulnerabilities and the blast consequence analysis of various types of Improvised Explosive Devices (IED) and stand off weapon attacks. The modeling for this study has been accomplished, and we are awaiting the final report from the contractor. These reports help us to understand vulnerabilities and consequences of intentional attacks and identify if additional protective security measures are necessary.

In addition to working to prevent a maritime transportation security incident, the Coast Guard has also focused on preparing to respond to an incident. We have been involved extensively in the development and implementation of the National Response Plan, an all-contingency response plan which includes hazardous materials releases as a scenario, and the National Incident Management System (NIMS). Through the Coast Guard's vice-chairmanship of the 17-agency National Response Team, and the multi-

agency support through the Oil Pollution Act of 1990, and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), we work cooperatively with Federal, state and local agencies as well as industry partners to mitigate the effects of all types of chemical incidents.

Exercises and drills to test plans are a vital component of any security program and are required to be conducted by regulated MTSA facilities and vessels, testing prevention and response preparedness/capabilities. Each plan holder conducts a drill every three months and is required to conduct an exercise every year with no more than eighteen months between exercises. Additionally, national level exercises have recently had a component that focused on chemical releases. Exercise DETERMINED PROMISE 04, sponsored by U.S. Northern Command, simulated a Sarin gas release, and a chlorine gas release from a tank truck. The Department of Homeland Security sponsored the recent TOPOFF 3 exercise which involved a simulated mustard gas release near another port area. In both exercises, the Coast Guard's Atlantic Area Commander was the primary USCG planner, with planning and exercise participation from personnel at USCG Headquarters; the First Coast Guard District in Boston; the Fifth Coast Guard District in Portsmouth, VA; Marine Safety Offices in Long Island Sound and Hampton Roads; and Station New London, CT. In 2007, the Spill of National Significance exercise will include a number of hazardous material facilities as it will involve a large scale earthquake in the Mississippi River Valley.

The Coast Guard has been an active contributing agency in the Government Coordinating Council (GCC) sponsored by IAIP, which was formed under the National Infrastructure Protection Plan as a single point of contact to facilitate organization and coordination of sector policy and planning. Of the thirteen critical sectors of GCC, the Chemical Sector GCC is to provide effective coordination of chemical security strategies and activities, policy and communication across government, and between the government and the private sector to support the nation's homeland security mission. It acts as the counterpart and partner to the private industry-led Chemical Sector GCC to plan, implement and execute sufficient and necessary sector-wide security programs for the nation's Chemical Critical Infrastructure. This includes sector-wide planning, development of sector best practices and cross sector coordination.

The USCG is working with DHS on the Interagency Security Plan initiatives. The Coast Guard has developed a security matrix under Operation NEPTUNE SHIELD, which is our internal plan to identify, prevent and protect facility and vessel operations with the potential for material consequences from a terrorist attack. This matrix establishes a protocol of risk awareness, surveillance, vessel tracking, air patrols, cutter presence, security zones, security boardings of vessels and positive control measures to mitigate the vulnerabilities inherent in the ports, waterways and maritime domain.

Closing Gaps

We are working with DHS and appropriate local jurisdictions and companies to develop new tools for assessing risk for the chemical sector, such as the Risk Analysis and Management for Critical Asset Protection (RAMCAP) tool. RAMCAP provides a common framework for homeland security risk analysis decision-making through common terminology, common metrics for comparing risks across industry sectors, common basis for reporting results and a common basis for informing resource allocation decisions for countermeasures and consequence mitigation actions.

The Coast Guard, in concert with other Federal agencies, state and local authorities, and partners in industry, will continue to refine tools and analysis to aid senior leaders and first responders alike in their ability to protect, prevent and rapidly respond to a maritime transportation security incident, minimize damage in such an incident, and aid in recovery operations.

The Coast Guard will continue to perform FSP compliance examinations and spot checks on waterfront facilities regulated under Title 33, Code of Federal Regulations, Part 105, including facilities identified as chemical production and storage operations. Those facilities will continue to be held to a standard commensurate with the vulnerabilities at the facility, the threat to the facility and the consequences of a successful attack. Execution of FSPs, in concert with the other efforts of the Coast Guard and the Department of Homeland Security, are designed to mitigate the exposure to attack or illicit use by terrorist interests through effective and realistic countermeasures tailored to meet the specific vulnerabilities of the regulated operations.

Conclusion

Since 9/11, the USCG has worked closely with Federal, state and local agencies, and members of the chemical industry, to enhance the security of the chemical sector in the maritime region and the marine transportation system. We have established a robust strategy to enhance public safety from potential threats to these chemical facilities located in the maritime region. We have conducted vulnerability assessments, implemented comprehensive security plans and exercised these plans against realistic scenarios. We have researched, developed and tested tools to address high risk cargos and operations. We have ensured compliance and continue to work with partners to close gaps. Through plans, compliance inspections, sector coordinating councils and area committees, we will help bolster the chemical sector's security posture. As future needs change, we will continue to use risk-based strategies to close remaining high risk security gaps and protect the public from harm.

Thank you for the opportunity to testify today. I will be happy to answer any questions you may have.