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BEFORE
SENATE HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS COMMITTEE
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Chairman Lieberman, Ranking Member Collins, and distinguished Members of the Committee, thank you for the opportunity to appear today to discuss the role of U.S. Customs and Border Protection (CBP) and the Transportation Security Administration (TSA), both components of the U.S. Department of Homeland Security (DHS), in the processing of air cargo. We appreciate the Committee's leadership, and your steadfast efforts to ensure the security of the American people.

CBP is responsible for securing our nation's borders while facilitating the movement of legitimate travel and trade vital to our economy. TSA protects the nation's transportation systems to ensure freedom of movement for people and commerce. CBP and TSA work together with the rest of DHS and our colleagues throughout the federal government to effectively address the evolving terrorist threat facing our country.

Before we describe our individual roles and some of the many ways our agencies work together to secure the homeland, we want to update the Committee on the recent air cargo plot and steps we have taken to address it.

Air Cargo Packages from Yemen

Almost three weeks ago, the global counterterrorism community disrupted a potential attack when individuals with ties to al Qaida in the Arabian Peninsula in Yemen attempted to conceal and ship explosive devices in cargo on board aircraft that travelled through several foreign nations, and ultimately were bound for the United States.

This episode began on the evening of Oct. 28 with a call from John Brennan, the President's top counterterrorism advisor, informing us of a credible terrorist threat. Later that

evening, President Obama directed U.S. intelligence and law enforcement agencies, including the Department of Homeland Security, to take steps to ensure the safety and security of the American people, and to determine whether these threats were part of any broader terrorist plots.

We worked through the night and the following weekend, staying in close contact both with our colleagues within the U.S. government and with our international partners. TSA and CBP immediately took additional measures to enhance existing protocols for screening inbound cargo, including temporarily grounding all packages originating from Yemen destined for the United States. CBP, with the assistance of our private sector trade partners, was able to quickly identify and locate all U.S.-bound air cargo shipments from Yemen, and each shipment was placed on hold for examination. Using all the inspection technology at our disposal – including x-ray systems, explosive detection canines and explosive trace detection equipment – in addition to manual physical inspection, a thorough examination of each Yemen-originated shipment was conducted. Additional analysis of each shipment was performed with our law enforcement partners, and no shipment was released until fully examined and analyzed. With constant communication and sharing of information, we were able to disrupt this plot before it did any harm.

After the initial response, the Administration took a number of additional steps. In the days immediately following the attempted plot, at the direction of President Obama and Secretary Janet Napolitano, TSA deployed a team of security inspectors to Yemen to provide assistance and guidance to the Government of Yemen with their cargo screening procedures. TSA Administrator Pistole leveraged a previously planned trip to speak to the Aviation Security (AVSEC) World Conference in Germany to interact directly with our counterparts in Europe and elsewhere, as well as leaders of the International Air Transport Association (IATA) and the

International Civil Aviation Organization (ICAO) about the common transportation security threats we all face.

From Germany, Administrator Pistole flew to Yemen, where he received briefings from the TSA inspectors just deployed there. He also met with Yemeni Deputy Prime Minister Rashad al-Alimi and government officials from Yemen's Directorate General of Civil Aviation and Ministry of Interior. Administrator Pistole also spoke with U.S. Ambassador to Yemen, Gerald M. Feierstein, a seasoned specialist in Near East and South Asian Affairs who has served overseas in eight postings and as a senior official in the State Department's Office of the Coordinator for Counterterrorism. These on-the-ground meetings provide crucial context as we work to understand how to best address possible vulnerabilities within the global transportation system.

CBP refined and strengthened its automated risk assessment systems in light of the air cargo threat. Working closely with the intelligence community and with TSA, CBP adjusted the targeting rules in the Automated Targeting System (ATS, discussed in greater detail below) to be more responsive to current threats. All shipments of concern now automatically are placed on hold and are examined upon arrival.

Our collective actions to address cargo security continued as Secretary Napolitano spoke on November 2 with leaders of the international shipping industry, including UPS, DHL, FedEx, and TNT, about enhancing air cargo security. During the call, Secretary Napolitano underscored her commitment to partnering with the shipping industry to strengthen cargo security through enhanced screening and preventative measures, including terrorism awareness training for shipping industry personnel.

Following her call with shipping industry leaders, Secretary Napolitano spoke with IATA Director General Giovanni Bisignani about the Department's continued collaboration with our private sector partners and international allies to secure the global supply chain through a layered security approach that is designed to identify, deter, and disrupt threats. The Secretary also reiterated her commitment to ongoing coordination with the airline and shipping industries to uphold air cargo security standards.

Security of the air cargo supply chain is critical, and we are developing security enhancements in close coordination with industry because we understand the value of air cargo to our country's economy. Together, FedEx, UPS, DHL, and TNT employ more than 1 million employees around the world, and own or operate more than 1,700 aircraft. Each of these companies has operations in more than 200 countries. In 2008, air merchandise trade comprised almost 30 percent of U.S. exports by value, totaling almost \$390 billion, and almost 20 percent of U.S. imports by value, totaling over \$417 billion. Combined, that represents over \$800 billion of U.S.-international merchandise trade.

As we continue to address the threat to air cargo, we are analyzing information and gathering intelligence on the packages intercepted from Yemen, and we have issued additional directives to the airline industry on the non-acceptance, or extra screening, of high-risk packages on passenger and cargo flights. Specifically, on November 8, Secretary Napolitano announced that:

- the ban on air cargo from Yemen will continue and has been extended to all air cargo from Somalia;
- no high risk cargo will be allowed on passenger aircraft;
- toner and ink cartridges weighing 16 ounces or more will be prohibited on passenger aircraft in both carry-on bags and checked bags on domestic and international

- passenger flights in-bound to the United States, as well as certain inbound international air cargo shipments; and
- all cargo identified as high risk will go through additional and enhanced screening, including inbound international mail packages, which must be screened individually and certified to have come from an established postal shipper.

We are working collaboratively with industry and our international partners to expedite the receipt of cargo manifests for international flights to the United States prior to departure in order to more effectively identify and screen items based on risk and current intelligence. We also are working with our international and private sector partners on the expansion of layered detection systems, including technology and other measures, to find ways to strengthen security that also maintain the critical flows of global commerce that are so important to our economic recovery. We will keep you closely informed of our progress.

CBP's Air Cargo Mission

CBP is the largest uniformed federal law enforcement agency in the country, with more than 20,000 CBP officers stationed at air, land, and sea ports nationwide. These forces are supplemented by approximately 1,200 Air and Marine agents and 2,300 agricultural specialists and other professionals. Every day, CBP processes over 1 million travelers seeking to enter the United States by land, air or sea.

To counter the threat of terrorism and secure our borders, CBP relies on a balanced mix of professional law enforcement personnel, advanced technologies and fully modernized facilities and infrastructure both at and between the ports of entry. CBP Officers utilize advanced targeting, screening and inspection technologies to quickly identify persons or cargo that warrant additional scrutiny without unduly impeding the traveling public or commerce.

Air cargo arrives in the United States on cargo-only aircraft or within the cargo hold of passenger aircraft. In fiscal year 2010, CBP processed nearly 334,000 flights with cargo and screened over 57 million regular and express air waybill records. Under CBP regulations issued pursuant to the Trade Act of 2002, Public Law 107-210, manifest data is submitted four hours prior to arrival of the aircraft at the first U.S. airport, or at “wheels up” for flights arriving from Canada, Mexico, Central America, points in South America north of the equator, Bermuda, and the Caribbean. Manifest data include both the master and house air waybill numbers for consolidated shipments, the trip/flight number, carrier code, airport of arrival, airport of origin, scheduled date of arrival, total quantity (based on the smallest external packing unit), total weight (pounds or kilograms), a precise cargo description, shipper name and address, and consignee name and address.

Upon receipt of the advance manifest data, CBP processes the data through its Automated Targeting System (ATS) to identify potential threats related to terrorism, narcotics, hazardous materials, and other CBP focus areas. ATS is the primary platform used by DHS to match travelers and goods against screening information, intelligence, and known patterns of illicit activity. The air cargo advance targeting units at the local airports of arrival use ATS to conduct risk assessments, while the National Targeting Center – Cargo (NTC-C) conducts high-level sweeps for shipments of concern based on intelligence and targeting rules.

Immediately following the Oct. 28 attempt to ship explosive devices through express consignment air cargo, CBP updated its ATS cargo targeting rules to identify similar high-risk air cargo shipments. These rules were developed based on tactical intelligence received related to the current threat.

CBP conducts examinations of all high-risk air cargo upon its arrival in the United States. These examinations must include a non-intrusive inspection (NII), if equipment is available, or a physical inspection of the shipment, along with a mandatory radiation scan using a Radiation Isotope Identification Device and/or a Personal Radiation Detector.

CBP also partners with the trade community to enhance supply chain security. CBP has agreements with two express consignment carriers under which these carriers perform screening for radioactive materials before the shipment leaves the foreign airport of departure. In addition, under the Customs-Trade Partnership Against Terrorism (C-TPAT) program, importers and shippers voluntarily adopt security standards that must be adhered to throughout their supply chains. There are currently over 10,000 C-TPAT members, including many top air carriers and freight forwarders.

TSA's Air Cargo Mission

Pursuant to the Implementing the Recommendations of the 9/11 Commission Act (Public Law 110-53, known as the 9/11 Act), DHS is responsible for implementing a system for screening 100 percent of cargo carried aboard passenger air carriers, and TSA has taken significant steps to increase the security of air cargo on passenger air carriers.

Effective August 2010, TSA required 100 percent screening of cargo transported on domestic or foreign passenger air carriers departing from U.S. airports. To ensure a viable cargo screening program, TSA relies upon the Certified Cargo Screening Program (CCSP), under which responsibility for the screening of cargo is distributed throughout the supply chain to improve security while minimizing the potential negative impact on the integrity and movement of commerce by creating a screening bottleneck at the nation's airports. Air carriers and

Certified Cargo Screening Facilities are required to adhere to stringent TSA security standards, including specific requirements covering facility security, the vetting of personnel with access to cargo, and cargo screening and handling requirements, including provisions for chain of custody. After piloting the concept, the CCSP was permanently established in 2009 through an interim final rule. TSA has certified over 1,140 entities as Certified Cargo Screening Facilities – these facilities currently contribute more than 51 percent of the screened cargo volume (by weight) transported on passenger aircraft departing U.S. airports – thus representing a significant security enhancement for our nation’s cargo supply chain.

In FY 2010, TSA focused air cargo resources on continued implementation of the CCSP by:

- increasing cargo inspection resources to educate industry and enforce the domestic 100 percent screening requirement;
- increasing the number of canine screening teams at airports that handle a high volume of cargo;
- testing, evaluating, and qualifying existing technologies for use in complying with the screening requirement for specific commodities;
- deploying approved skid-level x-ray screening technologies; and
- increasing industry outreach to promote adequate levels of shipper and indirect air carrier participation to help industry achieve the mandate with minimal impact on the air cargo supply chain.

The CBP-TSA Partnership to Mitigate the Aviation Security Threat

CBP and TSA have a strong working partnership designed to mitigate threats to aviation security by preventing terrorists, dangerous cargo, and other threats from boarding aircraft destined to or departing from the United States. This Committee has been briefed extensively on the outstanding, ongoing CBP-TSA teamwork following the Dec. 25, 2009 plot involving Umar Farouk Abdulmutallab on Northwest Flight number 253.

We continue to take steps to achieve the vision you sought in creating DHS and that Secretary Napolitano reaffirms with her “One DHS” initiative. For example, CBP and TSA recently signed a memorandum of understanding (MOU) regarding enhanced collaboration on border and aviation security. CBP and TSA have established a Senior Guidance Team (SGT), responsible for developing a comprehensive and integrated strategy to guide enhanced cooperation between the two agencies on aviation and border security issues. As TSA develops programs for domestic aviation security, CBP will assist TSA by providing information based on its long experience with international aviation and our technological capabilities.

Currently, CBP is providing assistance to TSA to fulfill the 9/11 Act mandate to screen 100 percent of international inbound cargo transported on passenger aircraft. CBP and TSA began exploring the potential effectiveness of utilizing CBP’s ATS as a risk targeting tool to leverage data and information already collected in order to meet TSA’s mission to secure international inbound air cargo. Since June 2009, CBP and TSA have met extensively on leveraging data that CBP currently receives from ATS. During the CBP-TSA Targeting Work Group meetings, three pilot programs were recommended and have been successfully completed at Washington-Dulles International Airport, Miami International Airport and the National Targeting Center-Cargo (NTC-C). The pilots allowed TSA to gather information and data that will help in creating a baseline of information to understand the characteristics and profile of cargo shipments targeted by ATS.

Our agencies’ individual work and collaboration continues. Despite having a robust targeting system and the ability to quickly locate and inspect shipments of concern, the recent air cargo incidents have highlighted the challenges that remain in the air cargo environment. While CBP has built a robust and comprehensive cargo security strategy to address the potential threat

via maritime shipping containers before they are loaded onto vessels destined to the U.S., and TSA and CBP will work together to place additional focus on addressing risk prior to departure in the air cargo environment. Specifically, receiving air cargo manifest data once a plane has already departed for the United States does not prevent dangerous materials from being loaded onto aircraft. DHS is working to change its approach, and move to receive advanced air cargo data prior to departure.

Similarly, TSA continues its efforts toward ensuring screening of 100 percent of cargo on inbound international passenger flights, and is working with DHS, our international partners, and the private sector to improve cargo screening on all-cargo aircraft.

In recent days, we have met with key leaders in the air cargo industry and sought their assistance in identifying what data is available pre-departure, which parties have the data, and how early in the process the data can be provided to CBP for security screening. CBP has received overwhelming support from the trade community in this regard, and we are increasingly confident that the Department can move to pilot different advanced air cargo strategies before the end of the year.

The receipt of pre-departure advanced air cargo data will enable the NTC-C to identify shipments of concern earlier in the transportation supply chain and prior to departure, enabling examination or prohibition of shipments of concern until all potential risk concerns are resolved. A robust, intelligence-based targeting system, administered by the NTC-C and built upon pre-departure advanced air cargo data, will result in a much enhanced air cargo strategy and greater security for our nation.

Conclusion

Chairman Lieberman, Ranking Member Collins, and Members of the Committee, thank you again for the opportunity to appear today. We are continuing to work together, with our colleagues throughout the federal government, and with our private sector partners, to improve our ability to detect high-risk cargo prior to loading on aircraft. We look forward to your continued assistance and leadership as we pursue these efforts. We look forward to answering any questions that you may have.