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Homeland Security

United States
Coast Guard



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U. S. COAST GUARD

STATEMENT OF

REAR ADMIRAL JAMES WATSON

ON THE

ASSESSING THE

RESILIENCY OF OUR NATIONAL SUPPLY CHAIN

BEFORE THE

COMMITTEE ON HOMELAND SECURITY'S

SUBCOMMITTEE ON BORDER, MARITIME, AND

GLOBAL COUNTERTERRORISM

U. S. HOUSE OF REPRESENTATIVES

MAY 7, 2008

Good afternoon, Madam Chairwoman and distinguished members of the Subcommittee. It is a pleasure to appear before you today to discuss the Coast Guard's role in supporting resiliency of our nation's supply chain and our recent accomplishments with regard to recovery planning.

Recovery of the Marine Transportation System (MTS) and the resumption of commerce following a major incident, natural or man-made that significantly impacts the MTS is an important component in supporting overall resiliency of the nation's supply chain. The Coast Guard has broad, multi-faceted jurisdictional authority and responsibility to ensure the safety and security of the nation's MTS. As such, the Coast Guard is uniquely positioned to coordinate MTS recovery efforts and to date has made significant progress towards improving this nation's preparedness posture in support of Department of Homeland Security (DHS) strategic goals for recovery.

The Marine Transportation System (MTS) consists of ports, waterways and inter-modal landside connections which accommodate the movement of freight, military goods and passengers. The MTS is a vital public-private partnership that makes up an essential component of the nation's transportation network. It links water and surface transportation (rail and highway) and enables America to globally connect. Stakeholders in the MTS include governmental agencies, waterfront facilities, commercial and recreational vessels, vehicles and system users, such as importers and exporters.

The resumption of commerce requires the Coast Guard to coordinate with multiple federal and state agencies in cooperative efforts to mitigate the impacts to the U.S. economy resulting from a significant MTS disruption. Likewise, the private sector plays a critical role in MTS recovery. Industry possesses both the best information on inbound and outbound cargoes and day-to-day capabilities within the transportation modes to identify transportation and cargo processing alternatives. These partnerships require prescribed communications procedures and pre-identified responsibilities to achieve the objective of restoring functionality to damaged MTS.

Background

The concept of Recovery of the MTS following a significant event in the maritime sector is not new and is grounded in previous doctrine such as the National Contingency Plan (NCP). The NCP served to inform recent security-focused recovery efforts required by the Maritime Transportation Security Act of 2002 (MTSA), and MTS recovery concepts were further reinforced during the responses to Hurricanes Katrina and Rita in 2005. MTSA requires the National Maritime Transportation Security Plan (NMTSP) address the restoration of commerce following a security incident in the maritime transportation sector. Recovery in this context was further identified as an area of emphasis in National Security Presidential Directive (NSPD-41), Homeland Security Presidential Directive (HSPD-13), and National Strategy for Maritime Security. One of the national level plans that resulted from these strategy documents is the Maritime Infrastructure Recovery Plan (MIRP).

The MIRP established a comprehensive approach to recovery from a transportation security incident with a focus on marine transportation capabilities. It provides a framework with clearly defined roles for government agencies (including the Coast

Guard) and the private sector to facilitate resumption of passenger and cargo flow to minimize negative impacts on the U.S. economy following a major event.

However, the MIRP also recognizes that the private sector plays a key role in the successful operation and management of the MTS as the vast majority of maritime transportation infrastructure assets are privately owned and operated. The decision to repair, replace, or rebuild private physical assets following a catastrophic event is a private sector decision. As such, the Coast Guard, in concert with other governmental agencies, plays a vital role in facilitating MTS recovery and restoration of trade. This is accomplished through close inter-agency coordination, facilitation of government to private sector communications, and by fulfilling its Captain of the Port responsibilities including managing aids to navigation systems and ensuring key waterways and federal channels remain viable for shipping traffic.

Following Hurricane Katrina, the Coast Guard chartered a Maritime Recovery and Restoration Task Force (MR²TF) in order to develop a greater understanding of the MTS recovery and restoration process and to better inform future planning considerations. The Task Force issued a report that more clearly defined recovery expectations, set objectives and offered recommendations to improve the recovery and restoration posture. Recommendations included incorporating MTS Recovery concepts into response plans such as the Maritime Infrastructure Recovery Plan (MIRP), local Area Maritime Security Plans (AMSP), and Continuity of Operations Plans (COOP) to ensure interagency/industry focus on MTS recovery. The Task Force also recommended the development of essential elements of information and key measures for each level of the response organization to gauge recovery status, and highlight the need to link MTS recovery and restoration with critical infrastructure protection.

In August 2006, the Coast Guard sponsored a National Maritime Recovery Symposium (NMRS) to initiate national-level discussions regarding the implications of port closures or restrictions, as well as actions required to facilitate the resumption of commerce following a national transportation security incident (TSI) in the maritime sector. The symposium was attended by more than 160 invited government, private maritime sector and inter-modal transportation executives to identify and compile strategic critical requirements for national maritime recovery planning. The symposium identified six major needs to enable recovery of the MTS and resumption of trade:

- An integrated government/industry recovery management organization;
- An integrated government/industry national communications system for recovery;
- A national logistics support plan for cargo diversion;
- An integrated government/industry business continuity planning system;
- Government awareness of cargo flows and inter-modal connectivity; and
- Federal funding mechanisms to support local, state and national recovery preparedness.

The Security and Accountability For Every Port (SAFE Port) Act of 2006 established a requirement for DHS to develop a strategic plan to enhance the security of the international supply chain in which the Coast Guard played an integral role in the development of the section on Maritime Recovery. Section 202 of the SAFE Port Act further required the development of protocols for the expeditious resumption on trade,

which formed the basis for the Joint MTS Recovery protocols recently developed by the Coast Guard and U.S. Customs and Border Protection (CBP).

Accomplishments

Drawing upon lessons learned from Hurricane Katrina, key findings of the MR²TF report, recommendations generated within NMRS, and SAFE Port Act mandates, the Coast Guard partnered with CBP to develop the Joint protocols for MTS Recovery and the Expeditious Resumption of Trade. These protocols were recently signed by both the Commandant of the Coast Guard and the Commissioner of Customs and Border Protection.

The protocols establish a communications process at the national level and describe how the Coast Guard and Customs and Border Protection will communicate and coordinate with other federal agencies and the maritime industry following an event causing a major disruption to the MTS to facilitate recovery and the resumption of trade. The protocols support NSPD-41/HSPD-13 and the protection of the national economy and national defense as well as support the SAFE Port Act of 2006 mandate to develop protocols for the resumption of trade in the event of a transportation disruption. The Coast Guard also continues to aggressively reach out to members of industry to ensure that they understand our commitment to improving the recovery process

The protocols also establish a critical communications link to industry groups representing trade & carrier interests. Following an event causing national impact, the Coast Guard and Customs and Border Protection will coordinate closely with these stakeholder groups to communicate MTS status and critical restrictions as well as ascertain industry's intentions with regard to potential cargo diversions. This communication protocol allows Coast Guard and Customs and Border Protection to temporarily reallocate or augment existing resources to a particular port as necessary.

By following the MTS Recovery Protocols, the Coast Guard, Customs and Border Protection, and other federal agencies, informed with pertinent and timely information from affected stakeholders, will communicate more effectively, resulting in a more expeditious MTS recovery that mitigates the detrimental effects of a disruption in trade.

Incident command actions associated with response or recovery to domestic incidents which impact the ability of cargo and vessels to move through the supply chain will be carried out in accordance with National Incident Management System (NIMS) principles. NIMS was mandated in HSPD-5 to provide for interoperability and compatibility among Federal, State, and local capabilities, and includes a core set of concepts such as the incident command system, unified command, incident information reporting, etc. The NMTSP and the MIRP describe how recovery management is carried out at the various levels, and reflects the organizational constructs detailed in the National Response Framework, as well as the use of the Incident Command System (ICS) and unified command procedures.

The Coast Guard recently released Coast Guard wide guidance establishing Marine Transportation Recovery Units (MTRU) as a component of the Incident Command structure. The guidance calls for Coast Guard field units to replicate the national

coordination process at the port level. Local units have received training on implementation and establishing local coordination and communication procedures.

In an effort to boost preparation in the ports and ease the financial burden of stakeholders, the Coast Guard promoted resiliency projects as a part of FEMA's Port Security Grant Program for fiscal year 2007. The funds enabled the ports to design and implement strategies to build redundancy and strengthen interdependencies.

The Coast Guard recently issued updated guidance for a nationwide five-year update to AMSP. This guidance includes substantial new material to guide all-hazard-compatible port-level planning to facilitate MTS recovery and for preparation of Salvage Response Plans to guide incident management planning for removal of obstructions to navigation to support expeditious resumption of commerce pursuant to the SAFE Port Act. These materials were specifically designed to align with the DHS Strategy to Enhance International Supply Chain Security and the Customs and Border Protection-CG protocols for the resumption of commerce.

The AMSP provides guidance for the Captain of the Port (COTP) pertaining to MTS recovery and the reopening of ports. Inclusion of this checklist in the AMSP fulfills one of the requirements of the SAFE Port Act to incorporate recovery planning within each of our existing contingency plans. As such, each plan must include not only procedures to facilitate the recovery of the MTS after a Transportation Security Incident, but also a process for addressing measures for reopening ports, and affected waterways, or linkages to other port plans that address recovery. Generally, measures for reopening the port will take into consideration the use of resources to locate, mark and remedy any channel obstructions. Provisions must also be made for verifying the functionality of Aids to Navigation and navigational depths within the channels.

Conclusion

The Coast Guard understands the economic impacts presented by disruptions to the MTS. While the Coast Guard is required to uphold regulatory requirements, all due consideration is given to ensuring the facilitation of commerce throughout our coastal ports and inland waterways. The COTP uses regulatory authority, such as restricting or redirecting the flow of vessel traffic, to implement safety and security measures as necessary to reduce risk to the port navigation system and other MTS infrastructure taking into consideration the effects of these measures on commerce. As time permits and the situation dictates, the COTP will consult with port partners and stakeholders using coordination structures such as the Area Maritime Security Conference and harbor safety committees.

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

NOTES/REFERENCE MATERIALS:

Place information below that you wish all levels of review to be aware of.
HOWEVER, Information from this point on will not be provided to DHS, OMB or Congress

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Directorate/Program Notes:

CG-82 Notes (why changes were made to question):

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Referenced materials

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