International Supply Chain Security

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What is “Security Infrastructure?”

*The fundamental structure of security systems or organizations.*

The basic, fundamental architecture of any system (electronic, mechanical, social, political, etc.) determines how it functions and how flexible it is to meet future requirements.
The Size of the Challenge

- **Physical Size**
  - 95,000 miles of shoreline
  - 7,000 miles of land border
  - 3,537,441 square miles (9,161,930 square kilometers)

- **Infrastructure**
  - 3,200 regulated facilities
  - 360 major ports

- **Trade volume**
  - 2 billion tons annually of foreign and domestic freight
  - 59,000,000 20-foot equivalent units (TEUs) of containerized trade shipments in 2000
  - 5 billion barrels of oil imported

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![Securing U.S. Borders](image)

**Land:** 7,000 miles
**Total Shoreline:** 95,000 miles

*Effective border security requires a layered, networked system across land, air, and maritime domains.*
Achieving Security

- So how do we defend against the threats?
  - Risk Management
  - Layering
  - Partnerships

- While ensuring that we strike a balance
  - Freedom of movement
  - Privacy
  - Economic Vitality
Plans harmonized to each other
Managing Risk

“We simply cannot eliminate all risk and even if we tried, we’d end up shutting down the very systems we’re trying to protect.”

Secretary Chertoff, July 20, 2007
Risk Defined

Threat Risk = Likelihood x Vulnerability x Consequence.
Layered Security

- The concept of layered security has been around for a very long time.
- Take, for instance, castles…
Supply Chain Security Strategy

- Required by the “Security and Accountability for Every Port Act of 2006.”
- Establishes the overarching framework for the secure flow of cargo through the supply chain.
- Builds on existing strategies, plans, programs, and partnerships.
- Was BUILT in partnership.

http://www.dhs.gov/xprevprot/publications/gc_1184857664313.shtm
Key Elements of Strategy

- Strategy builds on existing planning efforts, such as National Strategy for Maritime Security and the National Response Plan.

- Initial strategy integrates efforts of multiple agencies and explains the inter-relationships between their programs.

- Many of the programs (e.g., the Customs-Trade Partnership Against Terrorism) are founded on private sector involvement.

- Many of the programs (e.g., the Secure Freight Initiative) directly involve infrastructure, whether government or private.

- Protocols for resumption explain relative roles of government agencies and private sector and provide basis for prioritization of cargo/vessels.
A Partnership Success

- Immediately upon enactment, Policy gathered a writing team of SMEs from USCG, CBP, TSA, S&T, DNDO, G&T, and PREP. A first draft was completed at the end of February, 2007.
- The first draft was vetted within the components by writing team members, and a second draft completed in early March.
- The second draft was used to consult with the COAC, NMSAC, HSAC, and MSPCC. Comments received were used to create third draft, completed in early June.
End-to-End Systems Approach

- Supply chain strategy stretches across the system, and is formatted based on transportation/processing nodes.
Responsibilities...

Private Sector as owners, operators of cargo, transportation, and facilities.

State, Local, Tribal Governments (within their geographic regions)
- Port Authorities

Department of Homeland Security: International Agreements and Initiatives
- U. S. Coast Guard
- U. S. Customs and Border Protection
- Immigrations and Customs Enforcement
- Transportation Security Administration
- Federal Emergency Management
- Office of Intelligence and Analysis
- Office of Operations Coordination

Department of Homeland Security: Direct Authority
- Department of Transportation
  - Maritime Administration
  - Federal Highway Administration
  - Federal Railroad Administration
  - Office of Pipeline Safety
  - Saint Lawrence Seaway Development Corporation (ONLY within Seaway)
- Department of Defense (including U. S. Army Corps of Engineers)
- Department of State
- Department of Justice
- Department of the Interior
- Department of Energy
- National Oceanic and Atmospheric Administration
Trade Resumption

- Strategy to Enhance International Supply Chain Security.
  - Prioritization protocols
  - Codifies use of Recovery Units

- APEC Trade Recovery Programme
  - Government to government communications
  - Framework of agreed upon actions in APEC

- APEC TRP Pilot Exercise
Security and Accountability For Every (SAFE) Port Act of 2006

Section 231 §(a)
Scanning Pilot Program Requirement

“The Secretary shall designate three foreign seaports through which containers pass or are transshipped to the United States for the establishment of pilot integrated scanning systems that couple non-intrusive imaging equipment and radiation detection equipment.”

Section 232 §(a)
100% Screening Requirement

“The Secretary shall ensure that

• 100% of the cargo containers unloaded at a U.S. seaport undergo a screening to identify high-risk containers.
• 100% of the containers identified as high-risk are scanned or searched before leaving a U.S. seaport facility.”
The legislation amended Section 232 of the SAFE Port Act and requires 100% scanning of all U.S.-bound containers by July 1, 2012. Two-year extensions can be granted if any two of the following conditions exist:

- Scanning systems are unavailable for purchase & installation.
- Scanning systems generate high false alarm rates.
- Physical infrastructure is unavailable to install/operate equipment.
- Scanning systems cannot be integrated with existing systems.
- "Trade capacity and the flow of cargo" are significantly impacted.
- No automatic mechanisms are available to identify high-risk containers and generate inspection.
C-TPAT Achievements: 
As of Dec. 31, 2007

- 7,948 Certified Partners:
- 6,891 Total Validations Completed
  - 6,290 Initial Validations Completed
  - 601 Re-Validations Completed
- 464 total suspensions/removals (234 Highway Carriers)

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<th>Year(s)</th>
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<tr>
<td>2002-2006</td>
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<td>2007</td>
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<tr>
<td>Total:</td>
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C-TPAT Benefits

- A reduced number of inspections and reduced border wait times.
- A C-TPAT supply chain specialist to serve as the CBP liaison for validations, security issues, procedural updates, communications, and training.
- Targeting benefits in the ATS targeting system.
- Access to FAST lanes on the Canadian and Mexican borders.
- Priority access to the Automated Commercial Environment (ACE).
Thank you.

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Container Security Initiative (CSI)

- CSI core elements:
  - Identify high-risk containers, using automated targeting tools based on advance information and intelligence
  - Evaluate containers as early in the supply chain as possible, generally at the port of departure before shipment
  - Rapidly scan high-risk containers without slowing down trade, using large-scale X-ray and gamma ray machines and radiation detection devices
Current CSI Ports

Represent 85% of Maritime Container Traffic Destine to the United States
Secure Freight Initiative (SFI)

On December 7, 2006, DHS and the Department of Energy announced this joint-initiative to:

- **Enhance Security**
  Identify radiological or nuclear threats earlier in the supply chain and provide host governments with greater visibility into potentially dangerous shipments.

- **Facilitate Trade**
  Reduce the need for redundant exams, maintain port efficiency, and ensure seamless trade resumption protocols.

- **Improve Risk Management**
  Provide U.S. Customs and Border Protection (CBP) additional data elements to improve its risk assessment capabilities.
Current SFI Ports

- **Southampton**: 100% Scanning (3) (meets the SAFE Port ACT of 2006)
- **Qalim, Salalah**: Limited Capacity Scanning (4)
- **Hong Kong**, **Singapore**, **Puerto Cortés**:
In conclusion…

- DHS is strongly committed to partnerships – with all the stakeholders.
- We are moving toward homogenized security infrastructure, based on valid lessons learned from current programs.
- We are very aware of the potential impacts of security programs – and the need to balance facilitation with them.