

AIR CARGO SECURITY POLICY NEWSLETTER

Enhanced Levels of Air Cargo Security Cooperation

Jan 28, 2011

This newsletter provides an update on the requirement for 100% screening on air cargo on passenger aircraft inbound for the U.S. and discusses testimony at a number of US Senate hearings held towards the end of 2010..

The hearings mentioned in the newsletter include:

- A hearing of the US Senate
 Committee on Commerce, Science and Transportation held on Dec 2
 2010 on "International Aviation Screening Standards";
- A hearing of the Committee on Homeland Security and Governmental Affairs on "Closing the Gaps in Air Cargo Security" on Nov 16 2010 with joint testimony from the Commissioner, U.S. Customs and Border Protection (CBP) and the Administrator, Transportation Security Administration(TSA); and
- A hearing of the Committee on Commerce, Science, and Transportation (US Senate) on TSA oversight on Nov 17 2010



Significant trends can be identified in these testimonies which indicate enhanced levels of air cargo security cooperation between the U.S. Department of Homeland Security (DHS), CBP and TSA; and, between these organizations, the international air cargo community, and ICAO.

DHS, CBP and TSA testimony before these hearings confirmed:

- new pilot programs are being implemented to understand the type, quality and timeliness of current and future air cargo pre-departure information;
- CBP and TSA are working to leverage data CBP currently receives from the CBP Automated Targeting System (ATS), and as TSA develops programs for domestic aviation security, CBP is assisting by providing information based on its long experience with international aviation and its technological capabilities;
- the lack of physical presence in many airport locations where host nation partners and air carriers conduct inspections is being addressed, and priority is being given to engagement with worldwide cargo hubs and high-risk/high threat shipping locations;
- coordination and mutual recognition of processes and programs among federal partners is proposed and also, where possible, among private and public sector partners with a role in aviation security;
- a standard definition of high-risk cargo is to be established and chain of custody requirements and compliance requirements will be defined; and
- a collaborative mechanism is proposed for international counterparts from governments and industry to come together within the framework of ICAO to discuss

threats from a risk perspective and identify actionable mitigation options, and, for this undertaking to serve as a model for the establishment of a mechanism for timely incident management led by ICAO, and also help to unify the global response as incidents occur.

100% cargo screening on all international passenger flights inbound for the U.S.

TSA has pushed up the deadline for 100 percent cargo screening on all international passenger flights inbound for the U.S. to December 31, 2011.

In previous testimony before the Subcommittee on Transportation Security and Infrastructure protection Committee on Homeland Security of the United States House of representatives on June 30, 2010¹, John P. Sammon, the Assistant Administrator at the office of Transportation Sector Network Management (TSNM), testified that it would take until 2013 before an all-cargo screening policy on international passenger aircraft could be effectively put into place.

On 14th January 2011, Doug Brittin, the General Manager Air Cargo at TSNM sent out an e-mail to shippers and forwarders regarding the TSA decision to respond to recent global events by proposing updates to air carrier standard security programs to passenger airlines.

These updates would require airlines to screen 100% of cargo uplifted on passenger aircraft inbound to the United States by December 31, 2011



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¹ Reported in our newsletter dated July 12 2010

A copy of this message to the air cargo community can be viewed on the TIACA web sight at:

http://www.tiaca.org/images/tiaca/PDF/IndustryAffairs/Message%20to%20the%20Air%20Freight%20Shipping%20Community1%2014%2011.pdf

The January 2011 issue of Air Cargo World² described the reaction of Bob Imbriani of Team Worldwide, a major US freight forwarder, to the TSA announcement:

"This announcement will have an immediate effect on the air cargo industry beyond just the increased cost of screening more packages, said Bob Imbriani of Team Worldwide. "It will require earlier cutoffs for cargo, reducing some of the expedited advantage of airfreight," he said. "It may give a further advantage to large forwarders and integrators over mid-size and small forwarders, and it may have more shippers considering ocean cargo as an alternative."

Though December is nearly a full year away, that still doesn't leave a lot of time for the myriad changes that need to be made before screening can be implemented, he said. One of the largest hurdles will be coordinating security measures in origin countries, which involves making sure the TSA, the airlines and each country are on the same page. For Imbriani, the TSA's request is just not feasible.

"A percentage based on origin can be achieved by December, but not 100 percent," he said, noting that a figure as high as 75 percent is more likely. "This is an important part of cargo and national security, but the TSA will have to move much faster than they have in the past

Hearing of the US Senate Committee on Commerce, Science and Transportation held on Dec 2 2010

The newsletter editors included a report on this hearing in the Dec 3rd 2010 newsletter when testimony of Steve Lord, the Director of Homeland Security and Justice issues at the U.S. Government Accountability Office (GAO) was discussed.

Steve Lord's presentation was entitled "AVIATION SECURITY: DHS has Taken Steps to Enhance International Aviation Security and Facilitate Compliance with International Standards, but Challenges Remain " 3

It is appropriate to also review the joint testimony before this hearing by David Heyman of the Office of Policy at DHS and Vicki Reeder from the Office of Global strategies at TSA.

In their testimony, Heyman and Reeder discuss what they called "the October 28 Plot" and provide the following information on **DHS and TSA initiatives**:

"First and foremost, DHS will accelerate work that has been ongoing since early this year to obtain critical information on the goods,



with establishing rules and guidelines if they want to achieve 100 percent by this deadline."

² http://www.aircargoworld.com/News/January-2011/Cargo-screening-deadline-pushed-up

³http://commerce.senate.gov/public/?a=Files.S erve&File_id=b026c1c1-de76-4298-9d8d-0f8de8b36aef

conveyances, and entities involved in the shipment of air cargo to the United States prior to the loading of that cargo on an aircraft. The Department relies upon a risk-based and layered approach to security that allows us to focus our resources on the greatest threats and helps us speed delivery of lawful shipments.

This approach is only as good as the data we gather about each shipment; and DHS is constantly striving to improve the quality and timeliness of the data we receive.

We are exploring additional pilot programs to augment several of the pilots that have been operational since early 2010 to better understand the type, quality, and timeliness of the pre-departure information we may require in the future. These pilots will ensure that we derive the most security benefit from any additional requirements and have considered the wide range of policy and operational factors that will need to be addressed. For instance, while some entities may be in a position to provide the necessary information now, others may need time to develop the appropriate technical systems or business processes. In addition, procedures for further inspecting and adjudicating suspicious cargo will need to be refined, as DHS does not currently have a physical presence in many airport locations where air carriers and host nation partners conduct the inspections. DHS is committed to moving forward with a pre-departure initiative and is developing a more detailed timeline and work plan.

In addition to seeking pre-departure information, we are also working with our international and private sector partners to expand and strengthen other important layers of security including:

- prioritized engagement with worldwide cargo hubs and high-risk/high-threat shipping locations;
- development and sharing of intelligence and information gathering capabilities to target high risk cargo;
- continued promotion and development of next-generation technologies that can identify threat material; and
- coordination and mutual recognition of processes and programs among federal partners and also, where possible, among private and public sector partners with a role in aviation security.

It is critical that DHS and other federal stakeholders work closely with the variety of private sector entities that own and operate the air cargo system to ensure that strong and sensible security measures are developed that both protect the aviation system and facilitate the movement of legitimate trade that is so essential to our economic prosperity. To highlight the crucial role of the private sector in this area, it is important to note that FedEx, UPS, DHL, and TNT together employ more than 1 million people 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 approximately \$390 billion, and almost 20 percent of U.S. imports by value, totaling more than \$417 billion. Combined, that represents more than \$800 billion of U.S.international merchandise trade".

An additional section of this testimony discussed "strengthening aviation security measures and standards" and included significant comments relating to the international community and to ICAO:

"In order to enhance global aviation security measures and standards, DHS initiated a broad international campaign to strengthen the global aviation system against the evolving threats posed by terrorism. After initial outreach following the December 2009 attempted attack that laid the groundwork for improved aviation security standards, Secretary Napolitano participated in four Regional Aviation Security conferences hosted by Mexico, Japan, Nigeria, and the United Arab Emirates while working in concert with the International Civil Aviation Organization (ICAO) to increase international awareness and strengthen global aviation security measures. Secretary Napolitano also traveled to Spain and met with European ministers during the Justice and Home Affairs Informal Meeting on January 22, 2010, to promote enhanced global aviation standards. These five regional conferences and meetings included broad participation from elected leaders, security ministers, and airline officials across Europe, the Western Hemisphere, the Asia Pacific region, Africa, and the Middle East and resulted in the signing of historic joint declarations on improved aviation security standards in each region.

The ICAO General Assembly, held from
September 28 to October 8 in Montréal, Canada,
is a significant and essential global forum for
advancing aviation security. Secretary
Napolitano participated in this forum along with
leaders from the majority of ICAO's 190 member
states. Among the important security initiatives
adopted by the General Assembly was the ICAO
Declaration on Aviation Security, which was

derived from the priorities and resulting
Declarations endorsed at the five regional
conferences and meetings held earlier in the
year. The Declaration contains language on a
number of key DHS aviation security priorities to
help bolster global aviation security, including:
increased screening technology, improved
information sharing, enhanced cargo and airport
security, expanded onboard flight protection,
and increased transparency of ICAO audits.
ICAO has also developed the Comprehensive
Aviation Security Strategy (ICASS) that
establishes the strategic framework for ICAO's
aviation security efforts for the next six years.

As President Obama noted, "the extraordinary global collaboration demonstrated by the nearly 190 ICAO countries during the ICAO General Assembly helped to bring about a truly 21st century international aviation security framework that will make air travel safer and more secure than ever before." The efforts taken by ICAO renew focus on aviation security and promote innovative, effective, and efficient security approaches, information sharing, and compliance and oversight, and emphasize the importance of security among sovereign States and stakeholders, as well as within ICAO.

Annex 17 to the ICAO Convention on International Civil Aviation has included cargo screening and security controls provisions well before September 11, 2001, and the provisions have been further updated in the most recent iteration, Amendment 12, adopted in November 2010. As with other aspects of aviation security, there is still a need to improve performance internationally. In order to advance this concept, on November 16, 2010 TSA leadership met with the ICAO Secretary General and representatives from several countries and industry to discuss near-, mid-, and long-term actions informed by the most current threat information and



intelligence. Discussions focused on implementing a graduated approach, led by ICAO, to identify ways to enhance cargo security worldwide.

This endeavor must be a collaborative mechanism for international counterparts from governments and industry to come together to discuss the threat from a risk perspective and identify actionable mitigation options. As this undertaking evolves, it will also serve as a model for the establishment of a mechanism for timely incident management led by ICAO, and also help to unify the global response as incidents occur.

We anticipate that this effort will encourage collaboration among international partners including both industry and organizations. Key priorities include the prioritized engagement with key cargo hubs and high threat cargo shipment countries; the establishment of a standard definition of high-risk cargo; development of chain of custody requirements and compliance requirements; development of multinational compliance teams and technology teams; information sharing; training; and development of ICAO guidance related to air cargo security. This guidance will be built upon the consensus of the international community along with outreach to industry and governments. Longerterm options under consideration include development of fortified devices to ensure minimal impact to the aircraft in addition to more rigorous standards for air cargo security at the international level.

The Department continues to support ICAO's Universal Security Audit Program (USAP), an essential tool for overseeing the implementation of the security measures set forth in Annex 17 to the Convention on International Civil Aviation. DHS supports the use of audit results to prioritize technical cooperation and capacity

development as well as the greater transparency of audit results among member states when significant security concerns are found and verified.

Immediately following the air cargo incident, TSA participated in the ICAO Points of Contact Network and communicated directly with all countries with flights to the United States from the Western Hemisphere, Asia-Pacific, Europe, Africa, and the Middle East. In addition, TSA coordinates closely with the European Union (EU) on all transportation security issues of mutual concern, including through formal meetings twice per year of the U.S.-EU Transportation Security Coordination Group (TSCG). Immediately after we learned of the air cargo threat, TSA consulted with EU officials as new requirements were developed for flights to the United States and participated via video teleconference in the EU Aviation Security Emergency meeting on November 5, 2010, to specifically discuss air cargo.

Additionally, we encourage the continuance of regional aviation security conferences to improve aviation standards amid evolving threats. In her opening remarks at the ICAO General Assembly, Secretary Napolitano encouraged other member states to continue to hold these conferences after the ICAO Assembly concluded. All of these priorities have and will continue to help strengthen aviation security standards and measures worldwide".

The complete joint testimony of David Heyman and Vicki Reeder can be viewed at:

http://commerce.senate.gov/public/?a=Files.Se rve&File_id=5cbe4680-f1f2-41a8-a4a5-03023232c5f6



Hearing of the Committee on Homeland Security and Governmental Affairs - Closing the Gaps in Air Cargo Security - on Nov 16 2010.

The witnesses before this hearing were Alan D Bersin, Commissioner U.S. Customs and Border Protection and John S. Pistole, Administrator Transportation Security Administration.

In his opening statement at the hearing, **Chairman Joseph Liberman** commented that:

"Former TSA Administrator and Deputy Secretary of DHS, Admiral James Loy, recently said in an op-ed in The Washington Post that after the 9-11 hijackings, we hardened cockpit doors.

Then the terrorists tried a shoe bomb and now we remove our shoes for inspection at airports.

Then the terrorists tried liquid explosives hidden in sports drinks, targeting seven planes flying over the Atlantic Ocean, and we cracked down on liquids that could be brought on board.

Then the underwear bomber came close to bringing down a plane over Detroit, and now we've gone to full body imaging. And of course I support every one of those steps.

Now terrorists are going after a weak spot in cargo inspections, and we will respond to that, as well we should. But they—our enemies—will keep looking for new vulnerabilities. And we have got to continue to try to go out and raise our defenses before they strike.

We were lucky – as I've said – that none of these attempts succeeded. But, we will continue to probe our weaknesses, attempting to detect our flaws, and then defending against them. And we have to make sure that not only does our luck not run out, but we're prepared to stop whatever they try". He then continued to provide a list of questions that he addressed to the witnesses:

"How we can improve our intelligence beyond where it is now? Intelligence is always important in war, never more important than in the particular war with Islamist extremist terrorists we are fighting today, for all the reasons that I've just talked about.

Threats of terrorism come from within the United States, or from abroad. Our ability to deter, detect or intercept that foreign threat here is limited, by our own sovereignty. We must depend upon our foreign partners to implement strong security programs.

And I want to ask both of you what we're doing to strengthen those relationships, and implement international security programs.

We have limited direct control over incoming passenger flights and cargo flights. While our government has achieved 100 percent screening of air cargo on domestic passenger flights—which is a significant accomplishment, consistent with the 9-11legislation we adopted-only about 60 percent of cargo on passenger flights coming into the United States from abroad is screened. And there's a kind of patchwork system for all cargo aircrafts. So we want to ask how we can improve that, and convince our foreign countries to expand and accelerate their screening of cargo coming either on passenger flights or cargo flights to the United States.

And finally, how are we preparing to identify the next gap terrorists will likely try to exploit? Do we have an institutional way? As difficult, unprecedented, and threatening to our homeland security this is, we need to try to think ahead of them".

The joint testimony of CBP Commissioner
Bersin and TSA Administrator Pistole presented
the air cargo security missions of CBP and TSA
and the CBP-TSA partnership to Mitigate the
Aviation Security Threat.

"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.6

Air cargo arrives in the United States on cargoonly 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.7

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".

"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".

The full testimony of Alan D Bersin and John S. Pistole, can be viewed at: http://hsgac.senate.gov/public/index.cfm?FuseAction=Hearings.Hearing_ID=6f0fd37a-d8a2-46d5-868b-74533756b523

TSA oversight hearing before the Committee on Commerce, Science, and Transportation

On November 17, 2010, John S. Pistole, the recently appointed Administrator of the Transportation Security Administration appeared before a hearing of the Committee on Commerce, Science, and Transportation (US Senate).

In a statement by Senator Kay Bailey Hutchison at the beginning of the hearing the Senator made the following comments:

"This is a timely hearing, given the recent cargo plot, the focus on body scanners and pat downs at airports, and the holiday travel season that is a week away. I believe the hearing will set us on a course for seriously considering TSA authorization legislation in the next Congress. I look forward to continuing our work with Chairman Rockefeller and the rest of the committee members along with you, Mr. Pistole, as your thoughts and priorities will be weighed heavily during any authorization process. Clearly, there are many serious challenges when it comes to securing our nation.

On the subject of Cargo Senator Hutchison stated "the recent cargo terrorism plot originating out of Yemen. Given the sheer volume, complexity and international component of our global cargo network, this threat will be a tremendous challenge to the fundamental responsibilities of TSA. Doing everything we can to find practical solutions that will bolster our intelligence analysis of cargo shipments farther down the cargo supply chain will be key to improving our overall cargo security"

Senator Hutchison's statement continued:

"......I would encourage the Administration to be assertive at an international level with foreign nations that serve as gateways to our country, along with effectively utilizing our intelligence resources to the maximum extent possible".....

"Mr. Pistole, while you have been with TSA since June, the agency has been in place for nearly 10 years now. However, even after a decade of experience, TSA often seems to find itself playing catch-up, fighting the last terrorist battle, and spending hundreds of millions of dollars on unproven equipment and programs".....

In response, Administrator Pistole stated:

"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 one million employees around the world, and own or operate more than 1700 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 more than \$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.

With our colleagues at CBP, 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 pre-screen items based on risk and current intelligence. We are also 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 informed of our progress"

In presenting his priorities for TSA, Administrator Pistole stated:

"Our enemies are observant, patient, stealthy, and ruthless. They constantly evolve their methods and tools – and it is our job to stay ahead of them. My job is to lead TSA through the next stage in its development as this young agency matures into a high-performance, world-class organization. To defeat our enemies, we have to do our job better and smarter, and reshape our security approach so everyone recognizes what it is: one part of a continuum that comprises the national security mission of the United States.

To make that happen, I have three basic priorities at TSA. I want to:

- improve TSA's counterterrorism focus through intelligence and cutting-edge technology;
- support the TSA workforce; and
- strengthen TSA's relationships with stakeholders and the traveling public".

Administrator Pistole's statement concluded with the following:

"Our nation's security also is a shared responsibility with our neighbors and our colleagues in U.S. government agencies. So we are encouraging our citizens, our communities, and our transportation security and law enforcement partners across the United States

to remain vigilant and continue to build a national culture of preparedness and resiliency.

As you know, Secretary Napolitano has launched an expanding "If You See Something, Say Something" public awareness campaign. This simple and effective program was started by the New York Metropolitan Transportation Authority to raise public awareness of indicators of terrorism, crime, and other threats and to emphasize the importance of reporting suspicious activity to the proper transportation and law enforcement authorities. I have joined Secretary Napolitano in three separate events to partner with transportation sectors in the "If You See Something, Say Something" campaign - we met with Amtrak during a multi-stop train tour through New York City, Newark, N.J., Philadelphia, and Washington in early July, and with the general aviation community at Oshkosh in late July. Earlier this week, Secretary Napolitano and I launched the campaign at airports in the National Capital Region".

The full statement of Administrator Pistole to the hearing can be viewed at:

http://www.tsa.gov/assets/pdf/111710_pistole_statement_senate_commerce_hearing.pdf