

Good morning Mr. Chairman. I am Glenn Eddy, Vice President of Maersk Pacific Limited.

We are the marine terminal operators for the Maersk-SeaLand steamship line.

Maersk-SeaLand sails a fleet of 250 ships, owns 1 million containers, and manages 13 marine terminals in the United States.

Maersk Pacific salutes the efforts of the Federal government to secure our Nation against terrorism. I am proud to report that Maersk was the very first ocean carrier to become certified under C-TPAT { *Cee - tee - Pat* }, the Customs' trade partnership against terrorism.

We are also active participants with both the Container Security Initiative and Operation Safe Commerce.

Maersk Pacific enthusiastically supports the intent of the Maritime Transportation Security Act.

I instructed my staff to ensure we are prepared to comply with the M-T-S-A, and the related interim final rules regarding port security that the Coast Guard is expected to promulgate this summer. Our thorough review of the pending regulations has produced some concerns that I would like to bring to your attention today. These issues are generic to every waterfront facility, including refineries, nuclear power plants, and commuter ferry terminals. Although I do not represent my peers in the container industry - who are also my competitors -

I am confident they would agree with our observations.

The key point that I offer for your consideration is the basic concept that port security must be a true partnership between the Government and the maritime transportation community.

We each have different roles, because we each have different responsibilities, jurisdiction, and legal authority.

Over the last year prudent measures have been implemented to control access into waterfront facilities. This process would be more effective if there was a common, tamper proof, biometrically validated credential available. The Transportation Workers Identification Card, or TWIC, is currently in the prototype test and evaluation phase. I encourage the T.S.A. to accelerate this process, expeditiously establish a National standard for the TWIC , and to actually issue the credentials this year.

Terminals are guarded by watchmen. Their job description is to “observe and report”.

The pending regulations imply a mandate to randomly inspect and search individuals and vehicles entering waterfront facilities. Although we can inspect vehicle passenger spaces and trunks as a condition of entry, the watchmen do not have police power to detain or arrest, and clearly do not have the legal authority to conduct searches. Further, the watchmen lack the equipment or dogs required to actually detect explosives and are not trained to identify potential hidden explosive devices – these are law enforcement activities.

The pending regulations suggest that each waterfront facility deploy their own security boats.

We do not conduct patrols on the public roads outside of our property line, and should not be expected to conduct waterside security operations on public waterways. We do not have the legal authority to police the navigable waters of the United States. The regulations discuss the use of diver’s to inspect pier structures prior to the arrival of a vessel. The detection of underwater explosives is a National defense mission performed by the military, or a counter-terrorism activity conducted by a few police departments with specially trained dive teams.

Clearly this responsibility can not be deferred to civilian resources.

In summary, the pending regulations imply that each terminal will hire a trained and fully equipped posse to search personnel and vehicles, crew boats patrolling offshore from our docks, and search for underwater ordinance.

As commercial enterprises we do not enjoy the Government's sovereign immunity, and therefore can not be expected to conduct either law enforcement or military operations.

Additionally, waterfront facility operators would suffer from significant liability exposure if deemed accountable for discovering hidden explosive devices. In fact, if this responsibility is thrust upon our industry, I doubt that any facility would be able to obtain property or liability insurance. As you know, ships carry 95% of the cargo that supports our Nation's manufacturing and agriculture export trade, and the consumer market import supply chains.

The L.A. – Long Beach port complex handles more than 40% of the containerized cargo shipped to and from the U.S.

The Maersk-SeaLand container terminal here in Los Angeles, Pier 400, is the largest proprietary container terminal in the world. It is protected by the L.A. Port Police and the various Federal agencies reporting to the new Department of Homeland Security. These agencies are staff by dedicated professionals who train and operate as a unified team. Collectively, they comprise the finest law enforcement and port security cadre in the Nation. The 8 billion dollar Federal appropriations to protect our airports should serve as the benchmark for the additional resources these agencies require to enhance their capabilities to secure this economically strategic harbor.

In conclusion, some of the pending Federal regulations blur the line between commercial responsibilities and governmental duties. I hope you will agree that any mandates to search personnel, baggage, cargo, vehicles, watercraft or underwater structures must be performed by a Government agency that is staffed with the trained personnel, the proper equipment, and the legal authority to arrest potential terrorists, identify contraband, and detect explosives.

Thank you, Mr. Chairman, for your attention to these critical issues regarding the partnership between the maritime industry and the Government. I appreciate the opportunity to share our concerns with you today about how these regulations will impact the security of our Nation's strategic commercial seaports.