Seeking safety and security

Transportation industry has challenge of finding real solutions, not just story lines.

BY THEODORE PRINCE

In the aftermath of Sept. 11, the federal government requested fiction writers and movie producers to help predict forthcoming horrific events. In fact, Hollywood plots come to mind as we assess the state of security in the freight industry today.

I have recently been reminded of Marathon Man, whose sadistic dentist Christian Szell (Laurence Olivier asking “Is it safe?”) today, might be played by former Coast Guard Commander, Stephen E. Flynn. Now a senior fellow at the Council on Foreign Relations, Flynn has achieved widespread media attention with his warnings about the vulnerabilities of the nation’s freight system and infrastructure.

Our current security crisis also brings to mind Casablanca, whose Capt. Louis Renault, (Claude Raines) was “shocked, shocked” to learn gambling was taking place as he was handed his winnings for the night) reminds me of Sen. Charles Schumer. Schumer has made the headlines by expressing surprise and outrage that only 2 percent of containers entering this country are inspected at port of discharge.

Alarmist views are not new. The security challenges we face were neatly defined by the current and former Secretaries of Defense in the journal Foreign Affairs. Former Secretary Perry noted that the doctrine of deterrence is no longer viable with individuals — as opposed to nations — and that we must focus on prevention. Secretary Donald Rumsfeld wrote that the country must move from a “threat-based” (focused on who might attack us — and where) to a “capability-based” strategy based on understanding how we will be threatened — and how to deter and defend against such dangers.

What does this mean for the transportation industry? Most individuals acknowledge the need to examine all aspects of transportation security in the aftermath of Sept. 11. With a flood of transportation security legislation under consideration, the industry has spent much time in pursuit of legislation that is both realistic and enforceable. For example, the Intermodal Safe Container Act of 1992 was created when much of the intermodal industry was ignoring the legislative process. The results were unworkable and the law required extensive revision.

Prior to Sept. 11, the transportation industry’s security interests were focused on cargo security, piracy and government efforts to suppress drugs and immigration violations. These issues still persist, but the world has changed. The new critical security concerns are numerous and complex.

Information availability represents one real worry. There exists today a real risk of self-inflicted wounds. For example, a comprehensive catalog of critical transportation
Infrastructure could easily become an invitation list for terrorists.

Unfunded mandates are another concern. Legislation often mandates specific action — without providing the necessary funding. Operating expenses increase with the additional functions and/or personnel, and capital requirements may be necessary to accommodate additional infrastructure. On June 17, the Transportation Security Agency granted $92.3 million to 51 ports, terminal operators and carriers, under previously authorized homeland security appropriation. But these grants covered barely 20 percent of requests. Terrorism insurance — who provides it — for how much — constitutes another significant funding issue.

The impact of any interruption to the freight transportation system is uncertain. On Sept. 11, the entire aviation industry was brought to a halt — and then resumed within one week. Such resumption with the entire freight network is doubtful. Not only would assets be widely displaced, but also the likely increased security rules would greatly reduce the network’s utilization and efficiency. Our economy relies greatly on international trade — which in turn relies on the transportation system. The economic impact of a sustained interruption could be devastating.

Some question President Bush’s plan for a Department of Homeland Security (DOHS). It represents the most ambitious reorganization of the government’s national security structure in more than 50 years.

Under the proposed plan, the recently formed Transportation Security Agency would be moved to this new department. Just last year TSA’s creation was hindered by a jurisdictional dispute between the departments of Justice and Transportation. It would seem that DOT won the battle but lost the war over control. Transfer of TSA may be a victory for security, but it is a loss for the industry. DOT has traditionally managed transportation as individual, modal silos. Security represented a unique opportunity to develop policy solutions simultaneously across multiple modes.

There are many arguments in favor of DOHS creation. Tom Ridge, director of Homeland Security, was given the authority to oversee coordinating homeland security — but no direct authority (budgetary or otherwise.) However DOHS creation has failed to address two issues familiar to transportation veterans.

Industry veterans know many business reorganizations to be entirely reactive to external events, and to be lacking in effective delegation of responsibility. In his book How Did This Happen? Terrorism and the New War, Richard K. Betts points out that unified intelligence coordination responsibility was the specific intent of the National Security Act of 1947 — which created the office of Director of Central Intelligence. Oversight was never achieved because almost 80 percent of intelligence resources and activity is located in the Department of Defense. DOHS perpetuates this problem — while also excluding FBI and CIA oversight.

Technology is now critical for defense — and for response, as are secure information networks. Combining 22 individual bureaucracies is hard enough, but the federal government (e.g., U.S. Customs, Immigration and Naturalization Service, Federal Aviation Administration and Internal Revenue Service) has repeatedly demonstrated an inability to deliver information technology either on-time or on-budget. It is unclear how DOHS plans now to provide these necessary systems. Initial budget estimates have not requested any additional funds. And DOHS makes no provisions either. Government consultants are most likely salivating at all the business prospects.

Tradeoffs will need to be made. For many years carriers have managed the ruse of a

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commodity-specific rate system, which is virtually unenforced. (The first three words of most bills of lading are usually “said to contain.”) Tighter borders look attractive — but may ignore the reality of today’s global economy. Screening machines sound impressive — but funding (and necessary space) in many cases simply does not exist. Transportation worker IDs seem reasonable — but organized labor has repeatedly objected to invasion of privacy. Known shipper rules seem prudent — but smaller carriers view them as a barrier to competition. Long lines at airports create an allusion of increased security — but security lapses still occur and equal security for the freight on the same flight is non-existent. Flags of convenience are an integral part of the maritime industry — but now cause security concerns.

Another unresolved issue is reciprocity. If the United States imposes additional restrictions on imports, we must expect the same rules to apply to our exports. This has never been our strength. Several years ago there were reports of unknown customers shipping hazardous medical waste to China as waste paper (freight collect.) Steamship lines were so desperate for ANY export cargo, that prudent safety concerns were ignored. These problems remain today.

Some speculate that President Bush chose the night of his DOHS announcement to preempt news coverage of FBI Agent Colleen Rowley’s Senate testimony earlier that day of FBI intransigence and ineptitude. In 1967, President Johnson took similar steps to upstage Robert Kennedy’s first Senate speech denouncing the Vietnam War. Kennedy addressed his participation in forming President John F. Kennedy’s Vietnam policy — and those words are certainly valid for us contemplating security today — “past error is no excuse for its own perpetuation.”

All Americans have a responsibility for the safety of our society. Those of us in the transportation industry have the added challenge of protecting security while maintaining economic mobility and prosperity. I am sure that we are up to the challenge.

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