



May 25, 2010

MARITIME SECURITY COUNCIL (MSC)

Response to Request for Public Comment on the Scope of Viewpoints Represented on the Industry Trade Advisory Committees

Department of Commerce – International Trade Administration
Docket Number: 100416189-0189-01

Introduction

The USTR advisory committees were established to ensure that U.S. trade policy and trade negotiating objectives adequately reflect U.S. public and private sector interests. These Industry Trade Advisory Committees (ITACs) are comprised of representatives from a wide range of industry groups and labor organizations. However, representation from the security industry is noticeably absent as either a stand-alone committee, or as a component of each of the standing ITACs.

The economies of the U.S., and its trading partners, are dependent on the integrity and optimized functionality of the global supply chain. This requires the effective implementation of security policies, performance standards, and procedures to sustain the integrity, transparency, and accountability of materials moving through the system, and the security of U.S. ports of entry. Failure to integrate basic security standards and practices into U.S. trade and transportation policies may result in vulnerabilities which may be exploited for the introduction of threats into the global supply chain. A lack of confidence in the integrity of the mechanism for international trade will have a negative impact on trade capacity and jobs in each participating country.

Observations

There are a number of transportation or industry-specific regulations and industry 'best practices' for security of the various modes of transportation, and the international supply chain. Some of these include:

- International Ship and Port Facility Security (ISPS) Code;
- US Maritime Transportation Security Act (US MTSA);
- ISO 28000 – Specifications for Security Management for the Supply Chain;
- United Nations Security Council (UNSCR) 1540 – WMD Non-Proliferation;
- Customs-Trade Partnership Against Terrorism;
- Free And Secure Trade (FAST);
- Business Alliance for Secure Commerce (BASC).

In order to be effective, the application of preventive security measures must be executed "end-to-end", throughout the entire trade enterprise. For example, many of the benefits associated with expedited transit of goods into the American marketplace associated with bi-lateral or multi-lateral trade agreements, (e.g. AGOA, FTAA, NAFTA), may be effectively negated if the



aviation, maritime, or road/rail sectors of the supply chain are not in compliance with the mandated security requirements. In addition, new security imperatives, such as UNSCR 1540, will require implementation, on a national basis, of a mechanism to achieve security, transparency, and accountability for specific WMD materials and dual-use technologies as they move through the global supply chain.

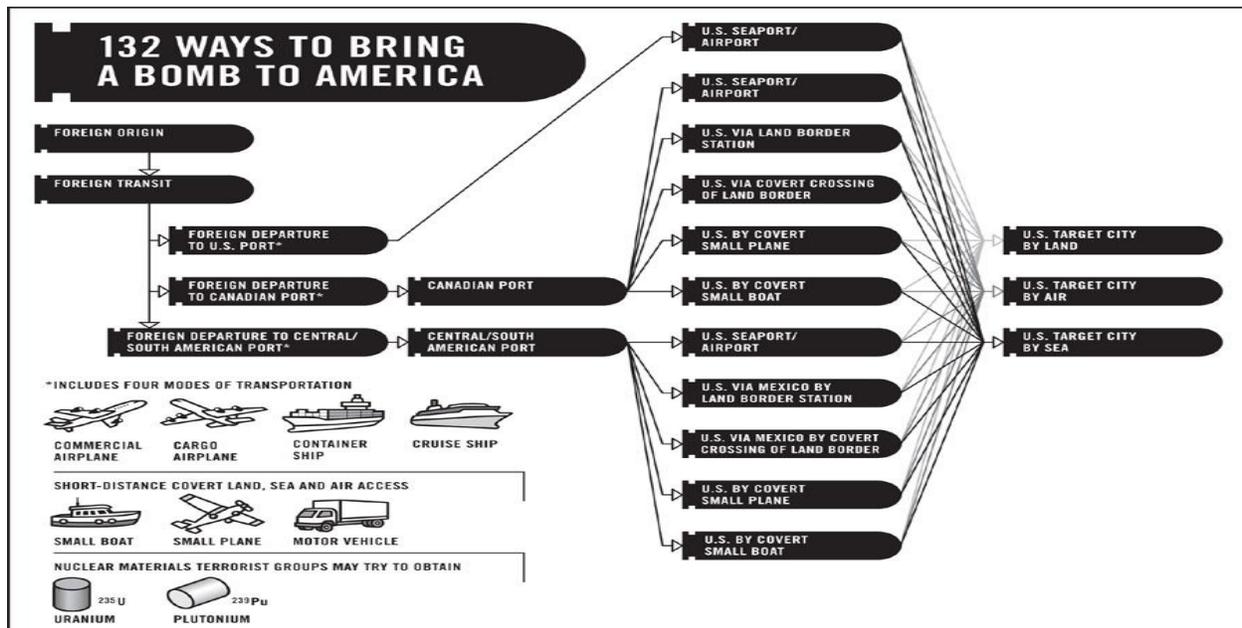
Integration of security requirements and standards into trade policy planning and negotiations is important and necessary to ensure the 'enterprise-wide' integrity, transparency, and accountability of current and evolving U.S. trade and transportation policies and practice. It is critical that the ITAC members are informed of the security imperatives, regulatory requirements, and industry 'best practices' that apply to their particular trade industry sectors or practices to avoid creating systemic vulnerabilities that may diminish the security of American ports and cargo transportation infrastructure, facilities, and operations.

Security standards and practice performance requirements may appropriately be applied to, and should be considered by, all of the existing USTR advisory committees, as demonstrated below:

- **Agricultural Policy Advisory Committee (APAC):** Identification and process implementation of security training and process measures for screening of agricultural products being imported into the U.S. for chemical agents and weaponized biological organisms.
- **Agricultural Technical Advisory Committee for Trade (ATAC):** Identification and process implementation of security training and process measures for screening of animals and animal products, sweeteners and sweetener products, and processed foods being imported into the U.S. for chemical agents and weaponized biological organisms.
- **Intergovernmental Policy Advisory Committee (IGPAC):** Identification and coordination of applicable international, national, and municipal security standards across industry sectors; to ensure enterprise-wide understanding and effective execution of measures for the prevention, response to, and recovery from security incidents.
- **Labor Advisory Committee (LAC):** Identification and coordination of security training and certification for unionized labor personnel by industry sector or job classification: **NOTE:** Several security regulations, (e.g. ISPS Code, MTSA, C-TPAT) require the identification of industry or sector-specific security professionals responsible for specific preventive security assessment, planning, and training functions, which may represent opportunities for job creation and enhanced membership for union labor organizations.
- **Trade Advisory Committee on Africa (TACA):** Identification and analysis of transportation and supply chain security policies and procedures required by international regulations are essential to ensure the integrity of the supply chain associated with African trade programs and economic development programs.



Security imperatives, such as UNSCR 1540, identify specific threats, such as WMD materials and associated dual-use technologies that non-state actors may attempt to traffic via the global supply chain. U.N. member states that are signatories to this resolution are committed to developing national capacities to ensure the transparency of the supply chain elements within their geographic areas of responsibility, in order to support the identification, tracking, and accountability of designated materials. Below is a graphic representation, from the foreign and defense policy perspective, of some of the trade vectors that may be used to introduce WMDs and other threats into U.S. ports via the global supply chain:



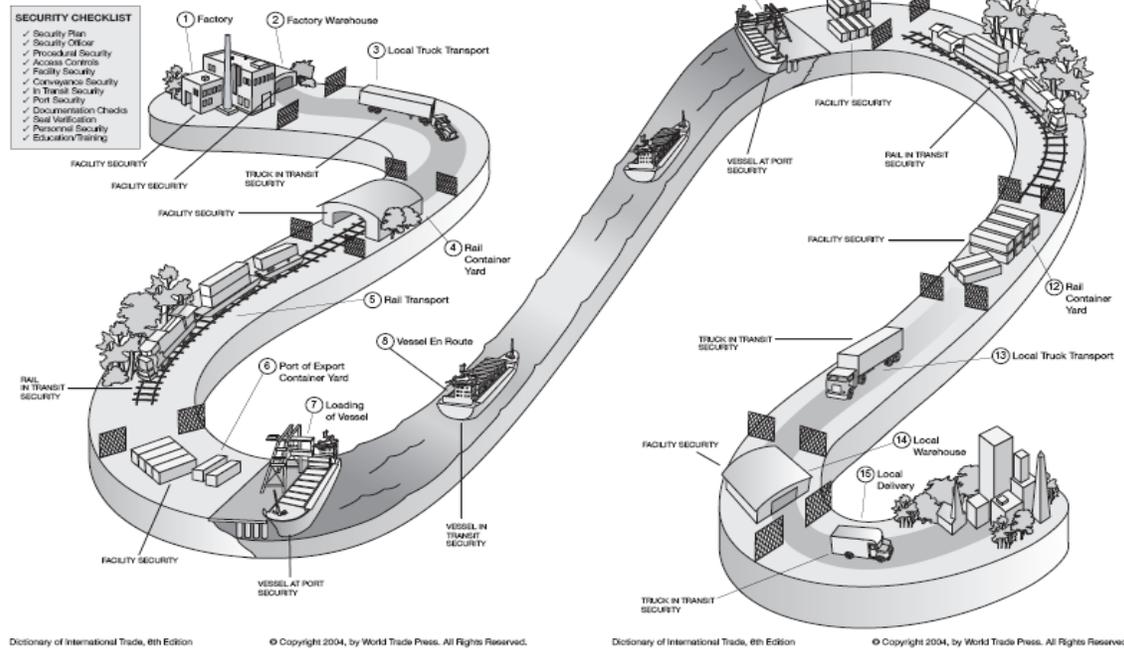
New York Times – June 19, 2009

Below is a graphic representation of the critical nodes throughout the global supply chain where preventive security procedures and practices may effectively be applied: NOTE: The security practices are applicable to the aviation and inland waterway transportation links as well.



Security and the Supply Chain

Securing the supply chain means providing appropriate security at all times, at every facility and for every means of conveyance.



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Recommendations

The MSC recommends the following three options be considered for identifying the most cost- and operationally-effective method for integrating applicable security practices into ITAC policy discussions.

Option 1

Option 1 is for the creation of a Trade and Transportation Security Committee, which would include representatives from appropriate government agencies and trade, transportation, and supply chain industry organizations. The following is a list of some organizations recommended for inclusion in this committee:

- U.S. Department of State
 - ✓ Bureau of Non-Proliferation – U.S. 1540 Coordinator
 - ✓ Bureau of Diplomatic Security – Overseas Security Advisory Council (OSAC)
 - ✓ Bureau of - Office of Transportation Policy
- U.S. Department of Energy – National Nuclear Security Administration
- U.S. Export-Import Bank (Ex-Im)
- U.S. Department of Commerce - International Trade Administration
- U.S. Department of Transportation – U.S. Maritime Administration

- U.S. Department of Homeland Security – U.S. Coast Guard
 - ✓ Office of Global Maritime Situational Awareness
 - ✓ International Port Security Program Liaison Program Office



- US Department of Homeland Security – U.S. Customs and Border Protection
 - ✓ C-TPAT Program Office
 - ✓ CSI Program Office
- Maritime Security Council (MSC)
- American Chamber of Commerce Representative
- Supply Chain Advocacy Organization Representative
- Energy Sector Advocacy Organization Representative
- Chemical Industry Advocacy Organization Representative
- Aviation Sector Advocacy Organization Representative
- International Trade Law Representative

Option 2

The second alternative is to include trade and transportation security practitioners on each of the existing advisory committees. Their role would be to ensure that appropriate review and evaluation of security challenges, regulatory requirements, and performance objectives are included in trade and transportation policy discussions within the advisory committees on which they serve. However, it is the MSC's opinion that this approach is fragmented and would lead to non-synchronous, possibly conflicting guidance regarding application of appropriate security standards and practices. We believe that establishing a stand-alone Trade and Transportation Security Advisory Committee will provide the best mechanism for the integration of applicable security standards and practices into U.S. Trade and Transportation Policy negotiation and performance objectives.

Option 3

The final alternative is to select a qualified security organization to serve as a Security Advisory Panel to all of the ITACs. The function of the Security Advisory Panel would include:

- Ongoing research and analysis of current and evolving regulatory requirements for security that may be applicable to U.S. trade policies and negotiations;
- Development and delivery of educational presentations on trade and transportation security regulatory requirements and industry 'best practices' for enterprise-wide distribution to the each applicable government or industry sector;
- Development and delivery of web-based programs for training and certification of government and industry security professionals applicable to each ITAC industry sector; and
- Management and oversight of the collection and analysis of threat, vulnerability, and risk data applicable to U.S. trade program partners, transportation modalities, and operational practices for development of an Annual Report on U.S. Foreign Trade and Transportation Security Report.



Conclusion

The Maritime Security Council is familiar with the regulatory imperatives, industry best practices, and operational considerations of each of the transportation modalities and supply chain linkages upon which successful U.S. trade and transportation policies and operations are dependent. The MSC is recognized in 46 USC, Sec. 70101 as an organization that has the expertise necessary for development and delivery of maritime and transportation security training and certification programs applicable to the intent of the ITACs. Therefore, we recommend that the MSC be selected to work with the Department of Commerce's International Trade Administration to develop the most effective mechanism for integrating security considerations into U.S. trade policy negotiations and practices.