

Remarks by Secretary of Homeland Security Tom Ridge at a Customs and Border Protection Press Conference

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SECRETARY RIDGE: Good afternoon, ladies and gentlemen. As many of you note, I just had the opportunity to speak with some of the nation's top leaders representing nearly 550 international trade and transportation communities. And it is in partnership with the men and women of these communities in this industry that since September 11th we've been working to really enhance the security of the supply chain that drives the extraordinary economic engine of this country.

In my remarks, as you I'm sure took copious notes, you noted that I was pleased to announce that we're going to go even further to help meet one of our chief objectives with this group, and that's to strengthen Homeland Security while ensuring the free flow of goods and commerce across our borders and through our seaports and airports by requiring all modes of transportation to provide us advanced information.

The rule will allow our inspectors to collect the advanced manifest and cargo information necessary for us to identify high-risk shipments that may pose a threat.

Commissioner Bonner oversees a national targeting center that is an accumulation of business data, import and export data, about businesses and companies and trade. And it is against this huge 'and I may ask him to just share a few words about it ' against the backdrop of this database that we can take a look at the information that's provided to us in advance and make some judgments as to whether or not there is a potential risk hidden in that cargo, depending on where it's been, who's shipping, what the alleged contents might be. And then based on that assessment, as I mentioned before, actually open the container, open the back of the truck, whatever we need to do to ensure that our concerns that were raised because of the targeting center's information have been put to rest through a thorough inspection.

We think this is, again, one of the ways that as we build layers of defense around our country and that we do so in a way that balances security and the need to keep a just-in-time economic world flowing effectively, that we can meet both of these goals.

As I said before, we are going to require all modes of transportation, truck, rail and air, to present advanced manifest information on cargo destined both inbound and outbound from the United States. And as I said before, with the automatic targeting system linked to law enforcement and commercial databases, we can render a very critical judgment as to whether or not we need to actually physically inspect these containers or these trucks.

So I appreciate the work that Commissioner Bonner has done. It's been a long, arduous process. I was kidding the advisory group up there, but they spent many, many months working on this trying to make sure that the rules were workable, and that we didn't get in our mindset that one size had to fit all, that different types of transportation required different rules.

So I'd like to ask Commissioner Bonner to share a few words with you, a few thoughts with you, and then we'll open it up to questions.

Commissioner BONNER: Thanks, Mr. Secretary. First of all, I want to thank Secretary Ridge for really what was a tremendous speech to the trade symposium and for coming to the Reagan Building today, Mr. Secretary, to announce the final Trade Act advanced manifest information regulations.

Your words today, Mr. Secretary, demonstrated that you are indeed a visionary leader in terms of implementing something now. These regulations under the Department of Homeland Security that will help prevent terrorist and terrorist weapons from getting into our country and, yet, ensure that America's borders remain open and that the trade and people can continue to flow. So I want to thank you, Mr. Secretary, for your leadership.

I just want to make three quick points about these new regulations, final regulations that have been made public today. The first is that these regulations will make America safer. Because for the first time we will be, as the Secretary said, collecting advance information on all cargo shipments entering the United States.

And so for the first time, U.S. Customs and Border Protection, as part of the Department of Homeland Security, will be able to analyze every cargo shipment entering the United States before it gets here to determine whether it presents a risk to the American people. The days of a truck or other cargo shipment just showing up at our border, at our door announced are over.

Second point is that these regulations will make the flow of legitimate trade and commerce into the United States faster and more efficient. This is a win-win situation for security and for the trade community, because with advance information, and this is electronic information, we can target the high-risk shipments that need inspection and give essentially the fast lane to the vast majority of shipments of commerce into our country that pose no risk to the American people.

And then third, as the Secretary said, these regulations were not developed in some vacuum or in secret.

They are a product of many months of consultations with all aspects of the trade community. They apply to air cargo, cargo coming by rail, cargo coming into the United States across our borders by commercial truck from Canada or Mexico, as well as ocean-going vessels into our seaports. And they reflect a true partnership that's been formed since 9/11 with the trade community and that has been demonstrated at the trade symposium that we're hosting, actually today and tomorrow here at the Ronald Reagan Building.

So with that, I'd open it up for questions.

QUESTION: What's the benefit of requiring the manifest for outbound cargo?

Commissioner Bonner: As far as taking effect, the advanced manifest regulations will take effect, in essence, or be published in 15 days. They've been submitted pursuant to the, this is the Trade Act of 2002, to the Hill, and in 15 days they go into effect and will be published as final rules.

Now in terms of beyond that, just as we did with the 24-hour rule, we're going to be working with each mode or transportation sector to make sure that compliance is obtained as quickly as possible. For example, I expect that there will be almost immediate compliance with these regulations for ocean-going container shipments to the United States, but we are going to be working with the trade in all modes to make sure that they are capable of complying as rapidly as possible. And that's going to take place over the next several months.

QUESTION: What is the criteria that you'll use to gauge whether or not a shipment is, in fact, high risk?

COMMISSIONER BONNER: Well, as the Secretary said, first of all, if you have information about a container, and these regulations require advance information electronically transmitted to U.S. Customs and Border Protection, before the shipment arrives at our shore. So, first of all, we know where the container is coming from, who is shipping the container, who they're shipping it to. We know something about that container, and we are able to -- we have 20 years of trade data with respect to U.S. importers and shippers of goods to the United States. So we can run it against that database. We run it against the databases that are involved in law enforcement and terrorist issues, and we run it against -- frankly, we also input the strategic intelligence that we get, the Department of Homeland Security is getting, from the intelligence community and from the FBI to make a determination, and we can make a good, astute determination based upon all this information as to which containers pose a potential risk for terrorism or concealment of a terrorist weapon and which don't. And the ones that don't, you can let through and you can let them through quickly. And that's most of them. Because if you've got enough information, you can make that judgment.

And then the ones that do pose a potential risk, 100 percent of them get a security screening through large-scale x-ray screening equipment either here or on arrival in the U.S. -- of course in the case of ocean-going containers, through CSI even before they leave foreign ports to the U.S.

QUESTION: Do you expect there to be any additional cost to industry to comply with this? Do you have any breakdowns by sector?

SECRETARY RIDGE: I certainly do anticipate there will be costs. We have no breakdown. I will tell you during the course of our negotiations with the business community, I think we were successful enough in making a business case for this kind of investment. It will be fairly modest for some. It might be a little bit more proportionally for others. But a safe and secure, reliable supply line is very important to their business.

and their continuity of business. And so at the end of the day I think they view it as an investment that will pay long-term dividends.

QUESTION: Secretary Ridge, your summary says there will be substantial impact on the air express industry, which it asks to modify the rule particular on the near destinations from not a "wheels up" but to prior to arrival.

Why did you feel it's necessary to have a "wheels up" notification on the airplanes coming in from close destinations?

Commissioner Bonner: first of all, as you know, in looking at this issue, and as the Secretary said, one size doesn't fit all here in terms of what the time requirements are for the advance notification.

But with respect to air cargo inbound to the United States, first of all, most air cargo coming to the U.S. from Asia, from Europe for example, there is a four hour requirement. In other words, that information has to be electronically transmitted four hours prior to the arrival of that air cargo.

It's only with respect to essentially the North America or above the Equator that we have a "wheels up" rule, and that was a recognition that some commercial air couriers, you know, have airplanes that literally take off and arrive in less than four hours. So we were trying to make sure that we developed a regulation that recognized the realities of, in this case, air cargo transport, and that's what we've done. So we've adopted different rules depending upon different situations.

QUESTION: Secretary Ridge mentioned under the Fast Program that trucks could have 30 minutes instead of one hour normally. Do you see any other reductions in limits for other modes under CT Pact?

SECRETARY RIDGE: First of all, I would suspect that over time, and perhaps it may have to do with the development of even more technology options at the borders or at points of inspection, that we would adopt the rules. But right now we just want to make sure that we get these sequenced and operational as quickly as possible.

Again, our job is to work with the trade community to make sure that we've got that balance between security and commerce. And for the time being, we're not looking to adopt rules that have just been promulgated; we want to get them instituted and operational before we look to any changes.

QUESTION: Mr. Bonner, on compliance, if I could follow up on your earlier answer. With the sea cargo there was a phase date implementation -- specific sections of the requirements were phased in over several months. Do you anticipate that same kind of phase-in specifically for the various elements of reporting reach the modes? And if so, what is that timeframe?

COMMISSIONER BONNER: I do anticipate that. We did take, with respect to the implementation of the 24-hour rule, advance manifest information. Essentially, these new Trade Act regulations build on that rule, and we did take, as you know, a phased-in approach working with the trade, in this case ocean-going shipping carriers and shippers of goods by container vessels, we took an approach that was phased in.

So it will vary depending upon which mode you're talking about, but we will take a very thoughtful, phased-in approach working closely with the appropriate mode of transportation that's involved with respect to the particular advance manifest time requirements. So we will do that.

QUESTION: What is the final deadline for all compliance? What would be the final deadline for compliance for all modes?

COMMISSIONER BONNER: We're going to move as quickly as we can to get compliance. As you know, we did use a phased-in approach. But within actually several months, we were able to get substantial compliance with a 24-hour rule. But it will be a matter of working closely with the trade. There are some things that have to be done to bring automated systems in line to transmit that information. And a lot of what we're doing here relies on existing automated systems that are already out there, but it will be working with each element to get them online and in compliance with these advance information requirements as promptly as possible. I think that that can be done. I can't say exactly what the timeframe will be for each mode, but I can tell you that we've worked a lot with the trade. We have a good relationship with each one of these transportation sectors. And I'm very confident that we can get these implemented and get compliance very rapidly with these new regulations.

QUESTION: Mr. Bonner, this morning you made some remarks about smart containers. I understand there's

been some implementation of that. Can you expand on what the timeframe is, and who are maybe the participants?

COMMISSIONER BONNER: Just to say on this, yeah, I spoke to that this morning, and I really want to hold this to the advance -- the Trade Act regulations, advance manifest information regulations. So let me hold to that subject and perhaps I'll come back at the end of this conference and talk about the smart box.

QUESTION: Can you explain the thinking of advance notification for the outbound cargo?

COMMISSIONER BONNER: Yes. First of all, U.S. Customs, now Customs and Border Protection, part of the Department of Homeland Security, does regulate not only the movement of trade and things and goods and people inbound but also outbound. And so, yes, as part of these regulations, we are getting advance information before something, let's say air cargo, actually leaves the United States.

By the way, that's of some importance for a number of reasons. But for one thing, it is going to give us an opportunity working with TSA to do risk management of cargo that's being placed upon commercial aircraft or aircraft moving outside the United States before they leave the United States and to risk manage against that. And as I said, we're going to be working very closely in conjunction with TSA on that.

But we've had this historic authority to also look at and regulate outbound trade. And it is important that we take a look at that in terms of both for the purposes of the terrorist threat and for other reasons, potentially by the way strategic reasons of goods that we don't want to move outside the United States. These are called licensable goods. That may either be weapons systems and/or certain kinds of technology that we don't want to fall into the hands of rogue states or terrorists.

SECRETARY RIDGE: As you know, we have basically taken Customs and the inspectors from Customs and united them with inspectors from Agriculture and, like I say, INS. And then we took the law enforcement side and united them with their counterparts, quasi law enforcement from Customs and INS. And the nexus, the connection the Commissioner is talking about is that we have a responsibility to make sure that people will comply with the Export Control Act.

There are a variety of pieces of legislation and mandates put on Customs and Border Patrol and Immigration and Customs Enforcement that requires us to make sure that the trade and the goods outbound are legally outbound.

What I'll also say, I think there is another very important principle here. I think the world generally is moving toward almost international systems of surveillance and information sharing. I don't think we'd ever want to be in a position to tell people importing to us or exporting to us we need to know all this information about the goods coming in because we want to be sure we're safe, but we would say to them we really don't care what's being shipped into your airports or into your country.

So I think by emphasizing the same rules, we anticipate, I think legitimately anticipate a growing interest in the international trade community that the rules down the road are reciprocal and they become international standards not just a national or a regional standard.

To that end, just as an aside, we continue to have discussions with the European Union on getting advanced passenger information. The key to Commissioner Bonner and Border Patrol people is a basic principle. If the first job, the first responsibility that we have is to prevent an attack, then you want as much information about people and cargo as you possibly can before it gets here. And so we engage in basically the same conversation with our friends in the trans-Atlantic community about people information. And down the road I suspect we're going to have the same information about cargo and goods information.

So again, I think it's a precursor to what the direction that the entire commercial world is going to go, and it's basically international standards.

QUESTION: Mr. Secretary, as you know, Transportation Security Administration has overall responsibility for transportation and cargo movements. And the focus has been primarily on passenger aircraft and it's been slow to develop or it's currently developing air cargo guidelines. Wouldn't these risk management techniques that Customs is using be applicable to the air cargo environment to adapt there. Or is the converse true that TSA could implement rules and supercede what Customs has done on the container side?

SECRETARY RIDGE: Well, I think basically be it aviation security or any other, we follow the same protocol.

Security is the number one mission. We do it in a way not to compromise Commerce, but we know that there has been an emphasis on passenger aviation. TSA has begun the process of layering in defenses on air cargo operations. And basically you begin applying the same principles.

We want to know the identity and confirm the background of people that are driving those trucks across our borders. We want to make sure that they are who they say they are and they are reputable people. That's something that we do in the Fast Operation on the border. We want to make sure who's driving the cargo aircraft. We need to know the identity and make sure if you're carrying passengers, we know who they are.

We've begun to set up protocol for the security of the cargo itself. What kind of security procedures do you have in place to secure that parked cargo aircraft. So basically it's applied many of the same principles, maybe in slightly different ways, but to all forms of transportation. And we've just begun that process with the directives to the air cargo companies.

COMMISSIONER BONNER: And I think the key point, too, is that we're all part of the Department of Homeland Security, I mean Customs and Border Protection, TSA. And so we have one department rather than multiple departments to coordinate and make sure that we're all moving, pulling the orders in the same direction.

SECRETARY RIDGE: So by and large hopefully you'll see in time the consistent application or the same approaches with some variations across the board, the entire department.

QUESTION: I don't think that approach is applicable if we have the known shipper rule right now. And I don't think they're applying those same kinds of data analysis on domestic air cargo.

SECRETARY RIDGE: This is the beginning of our effort to layer in certain defenses in air cargo. And I can't speak specifically today as to what additional measures we will require of both domestic and foreign carriers, but I can assure you that the directives were the first -- that was the first list of things we're going to want air cargo carriers to do.

Again, we try to work with the business community. They have to be our partners in this enterprise. Again, I think it's a very aggressive first step, but it's not the last step.

QUESTION: Based on the experience you've had with the 24-hour rule with ocean-going cargo, can you estimate what kind of increased inspections either from screening or (inaudible) inspections you might expect from this rule?

SECRETARY RIDGE: Do you want to speculate? I don't want to speculate.

COMMISSIONER BONNER: Look, the reality is with the information we can do -- I can't tell you exactly what the percentage or number is going to be, but less inspections. And we can reorder our inspections. And we're doing, by the way, right now, of all of the cargo containers and commercial trucks that come into the United States we are doing a security inspection at least through large-scale x-ray imaging machines of over 12 percent of everything that's coming into the United States.

So what it means is, we can reduce our inspections with respect to the shipments that we know about and we're satisfied do not pose a risk because we have this advance information, and concentrate our inspection, screening, scanning and physical inspections to those things that we don't know anything about or which pose a potential risk. So that's the way I think you need to look at it.

SECRETARY RIDGE: One final comment and I think we'll conclude. I've got to get going. But within the department, as you know, we also have an information analysis piece and infrastructure protection unit. And one of the advantages, again, of putting all these groups together and also creating this new unit, when we have names and we understand contents and past practices, as we get more information about terrorists, who they are and how they operate, and as either we, with our own agencies, law enforcement, FBI, CIA or others, forward to us more information about the possibility of either a weapon being shipped or terrorists being included in there, when we can consolidate that, we start with his targeting center, and then you know, depending on the information we get from the intelligence community, it's all the more reason. That, in and of itself, might be enough to pull that container aside or to board that vessel. If we get just bits and pieces of information that such and such may be delivered and it could be hidden under such and such circumstances, we've got the opportunity, knowing what's on the manifests, in being able to really target our investigations.

So again, it's a matter of getting information about people and cargo. But we're pointing down from multiple places where we can consolidate it within the department. And that's why this is very, very important. Who is the shipper? Where is it coming from? Who else is involved? And we want to know that before it comes across our borders.

COMMISSIONER BONNER: Thank you, Mr. Secretary.

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