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Committee on Home Defense, Public Security, and Ports

James E. "Jim" King, Jr., President

SEAPORT SECURITY

SUMMARY

Seaport security continues to be an area of concern in America's War Against Terrorism. Almost all of this nation's trade goods enter or exit the country by sea. Florida has fourteen public seaports, each having its own local governance. In 2002, Florida seaports accounted for \$35.3 billion in gross economic output, \$11.2 billion in labor income, \$4.2 billion in capital income and 287,000 related jobs.¹

Florida had one of the nation's first minimum seaport security standards laws. The law, which passed in 2000, was originally intended to deter drug and illegal contraband trafficking but was found to be very useful in making the ports more secure against terrorist activity, as well.

In 2003, the Legislature passed a new law to require a uniform ports access credentialing system which will streamline access procedures while allowing each individual port to maintain permission authority for its own facilities. The system, known as the Florida Uniform Ports Access Credentialing System (FUPAC) is in development under the direction of the Florida Department of Highway Safety and Motor Vehicles (HSMV), in consultation with the Florida Department of Law Enforcement, the Florida Seaport Transportation Economic Development Council (FSTED) and the Florida Trucking Association. HSMV is working with the U.S. Department of Homeland Security, Transportation Security Administration to formalize an agreement for Florida to participate in the prototype development of the federally mandated Transportation Worker Identification Card System. Such a partnership would benefit the state and the federal government. The goal of the

program is to have an operating system in Florida by mid-2004.

The United States Coast Guard, now under the auspices of the Department of Homeland Security, has published regulations for Maritime Security. These new regulations require all entities, public and private, in and along U.S. Coastal waters to conform to specific security standards. For the most part, Florida seaports are in conformance with the federal regulations. Florida has worked with the Coast Guard to clarify the role of public seaports in the new federal regulatory scheme. The new USCG regulations adopt new international security agreements by reference.

Florida seaports have been extremely successful in receiving federal seaport security grant awards. In the first two rounds, Florida ports have received almost 20% of the total national awards. Two additional national awards rounds are pending, including the FFY 2003-2004 grants for \$104 million and the FFY 2004-2005 grants for \$125 million. Florida has been aggressive in providing a prioritized project list, submitted by the Florida Ports Council with the approval of FDLE and the Office of Drug Control, for each round of awards. This model has proven quite effective and several other states are now working to use the Florida model to maximize their chances in the federal awards process.

Security on Florida's public seaports has required a great cooperative effort from local governments, seaport facilities and tenants, state agencies, the U.S. Coast Guard and the U.S. Transportation Security Administration. Florida's Seaport Security laws and programs are the models for systems in other states. Security officials from California, the largest port system in the United States, have recently asked

² Seaports which are in compliance with their approved state security plans are in compliance with the federal regulations.

¹ FSTED commissioned report by the Washington Economics Group, Inc., entitled "A Forecast of Florida's International Trade Flows and the Economic Impact of Florida Seaports," September 19, 2003

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Florida for guidance in designing a workable, reasonable approach to seaport security.

While seaports are known to be high-threat targets for terrorist activities, the State of Florida and its fourteen public seaports, in conjunction with their federal partners, have taken reasonable and prudent actions to minimize the vulnerability of this vital component of Florida's economy.

BACKGROUND

Florida has fourteen public, commercial seaports, as defined in s.311.09, F.S. The seaports are designated for purposes of participating as members of the Florida Seaport Transportation Economic Development (FSTED) Council. The purpose of the FSTED Council is to review and evaluate construction and infrastructure projects to "improve the movement and intermodal transportation of cargo or passengers in commerce and trade..." through state funding provided by the Legislature. The Council's recommendations are given to the State Department of Transportation for inclusion in its legislative budget request, pursuant to s. 311.09(10), F.S. The fourteen public, commercial seaports are: Jacksonville, Port Canaveral, Fort Pierce, Palm Beach, Port Everglades, Miami, Port Manatee, St. Petersburg, Tampa, Port St. Joe, Panama City, Pensacola, Key West and Fernandina.

Pursuant to s. 311.12(1)(b), F.S., the ports of Fort Pierce and Port St. Joe are currently in "inactive" status for purposes of compliance with state seaport security standards. This status is determined by periodic checks by the Florida Department of Law Enforcement to determine if there is any maritime activity at the seaport. If such activity is occurring, the status will be changed to "active" for compliance purposes.

Florida's seaports are vital economic engines for the state. According to a new report commissioned by the FSTED Council, on the economic impacts of Florida's seaports, entitled "A Forecast of Florida's International Trade Flows and the Economic Impact of Florida Seaports," approximately two-thirds of Florida's merchandise trade flows though the state's seaports. The number of cruise passenger sailing from Florida ports increased by 61 percent over the last five years, with 9.6 million multi-day cruise passenger embarkations and disembarkations and 3.5 million single-day cruise passengers embarking and disembarking at Florida seaports.4

Nearly 43,000 jobs are directly related to cargo transport, the cruise industry and the landside expenditures of cruise ship passengers in Florida. Another 47,000 jobs result from the manufacture of goods in Florida facilities for export through the state's seaports.⁵ With multipliers of purchasing of goods and services needed to support the industries directly employed in seaport related activity applied, it is estimated that Florida seaports had a \$35.3 billion gross economic output, supported 287,000 jobs, and provided \$11.2 billion in labor income and 4.2 billion in capital income in 2002. According to the report, economic activity on Florida seaports led to \$1.1 billion in state and local government (including school boards) revenues generated in 2002. Future forecasts indicate moderate real growth rates of approximately 3.4% per year in exports and 4.1% per year in imports through 2008. Assuming no incidents or events that would disrupt the cruise industry, growth projections indicate 12.3 million passenger embarkations and disembarkations per year at Florida seaports by 2008.

Immediately following the attacks on America in September 2001, Governor Bush ordered an assessment of all critical infrastructure in the state. Seaports were considered high-risk targets due to the vital role intermodal transportation plays in our economy.

In 2000, Florida had adopted statewide minimum standards for each of the seaports identified in s. 311.09, F.S. These standards are set forth in the "Port Security Standards and Compliance Plan" adopted in December 2000.

Originally, the statewide minimum standards law was intended to slow the traffic of illegal drugs and cargo through Florida's publicly funded seaports. All seaports were required to produce a seaport security plan, which was accepted as complete based on required criteria by the Florida Department of Law Enforcement and the Office of Drug Control. Annual, unannounced inspections of each seaport to assure compliance with an approved security plan, as required by law, began in 2001.

The Seaport Security Standards law, which was already in place, provided the needed framework to assure that

³ Section 311.07(1), F.S.

⁴ FSTED Council Report, September 2003 ⁵ Ibid

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Florida's seaports were secure against the threat of terrorist activity, as well. Inspections were done, as scheduled, and seaports were provided with information based on those law enforcement inspections that would help make their facilities more secure. Focus areas included improved perimeter security through fencing, gating, CCTV surveillance and law enforcement patrols; improved lighting and better access control for restricted areas on each seaport. The Florida Fish and Wildlife Conservation Commission Division of Law Enforcement has been providing patrol assistance to the United States Coast Guard in order to assure that Florida seaports are properly protected. The Fish and Wildlife Conservation Commission (FWC) officers routinely patrol security zones around cruise ships while the vessels are in Florida ports. The Coast Guard has expressed its strong appreciation for this force augmentation due to the federal government shortage of personnel and equipment to perform this mission.

Funding

Security solutions on Florida's seaports have not been inexpensive. In the year following the September attacks in 2001, the FSTED Council redirected almost \$8 million of infrastructure economic development funding towards operational costs on the member seaports. These funds were spent to increase law enforcement presence on the ports. Since 2001, FSTED estimates that Florida ports have spent approximately \$57.3 million in state funds for physical and operational security. From FSTED economic development funds authorized in Chapter 311, F.S., \$2.3 million was spent to pay for National Guard presence in cruise terminals and \$17.8 million was spent to pay for costs associated with increased law enforcement presence on the seaports. In addition, \$37.2 million was diverted from capital improvement projects to increase perimeter and premises protection. This voluntary redirection of funds indicates the level of commitment to increased security by our seaports. In addition, Florida seaports have worked with the FDLE and the Office of Drug Control to secure federal ports security funding. To date, the federal government has awarded \$262 million in two rounds of seaport security grants and \$75 million in high-risk, high-threat critical infrastructure security grants since 2001.

Of those Round One and Round Two awards, Florida seaports have received \$34,102,526 in port security grants and \$6,280,423 in High-Risk, High-Threat Critical Infrastructure security grants.⁶ Grant awards

⁶ Under the Wartime Supplemental Appropriations Act of

for each round of funding have been based on the prioritized lists of security projects agreed to by the FSTED Council, FDLE and the Office of Drug Control. Those prioritized lists have then been reviewed by the U.S. Department of Transportation Maritime Administration (MARAD), the United States Coast Guard (USCG) and the U.S. Department of Homeland Security Transportation Security Administration (TSA) for final award designation.

Currently, there are two federal award cycles outstanding. Round Three funding totals \$104 million and the awards are pending in the near future. Round Four funding comes as part of the federal fiscal year 2004-2005 Department of Homeland Security Budget approved on October 1, 2003. Available Round Four funding will be \$125 million. Application guidelines have not yet been published for Round Four. Florida has submitted a prioritized list of requests for 32 projects totaling \$46,695,528 for Round Three funding.⁷

Florida Uniform Ports Access Credentialing System

At the direction of Senate President James E. "Jim" King, Jr., the Senate Committee on Home Defense, Public Security, and Ports prepared legislation to create a uniform access system for all of Florida's public seaports.⁸ Until the implementation of this law in July 2004, each seaport must maintain its own, stand-alone access control system. While some seaports allow reciprocity between ports, not all seaports accept credentials from other ports. This overlapping and expensive process of requiring different credentials for each port is remedied by the new law. In addition to streamlining the credentialing process the new law increases the number of felony violations that would be disallowable and standardizes the number of years that an applicant must be free of those felony violations before working on a seaport in Florida.

The Department of Highway Safety and Motor Vehicles, in consultation with FDLE, the Florida Seaport Transportation Economic Development Council and the Florida Trucking Association, is

2003, the Department of Homeland Security Office of Domestic Preparedness awarded High-Risk, High-Threat Critical Infrastructure grants to seaports and private facilities on seaports. This total reflects all funds received by Florida entities through this grant award.

 ⁷ Florida Ports Council, "Florida Seaport Applications for Federal Port Security Grants, Round Three, as submitted August 21, 2003, State of Florida Seaport Priorities."
⁸ CS/CS/SB 1616, by Senator Dockery, codified in 2003-

96, L.O.F., ss. 311.12 and 311.125, F.S.

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working on the design of the Florida Uniform Ports Access Credentialing System (FUPAC).

The FUPAC will provide a uniform, high-security credential with robust technology for access control and security function integration to all seaports and areas within a seaport facility. This single credential will allow each seaport to determine access permissions for its domain and will result in persons working on, or requiring unescorted access to, the ports across the state needing only one access card. The card will be assigned to allow seaports flexibility to augment security programs in the future as new technologies become available.

In the Spring of 2003, as CS/CS/SB 1616 was moving through the legislative process, several Senators and staff members had the opportunity to meet representatives of the U.S. Department of Homeland Security Transportation Security Administration from the Transportation Worker Identification Card program office.9 The federal Transportation Worker Identification Card (TWIC), mandated by the Aviation Transportation Security Act, the Maritime Transportation Security Act and the USA Patriot Act, is a single credential to be used by all persons working in all modes of the transportation industry. The TWIC is in the early design phase, with technology research and development testing ongoing at two congressionally designated sites, Port of Long Beach, California and the Delaware Basin Ports System. The next phase for TWIC development is the prototype phase.

Due to interest shown by TSA-TWIC Program staff, the Senate, HSMV and FDLE have kept TSA aware of progress on the FUPAC project. In September 2003, Committee Chairman Paula Dockery, Florida Chief of Domestic Security Initiatives Stephen Lauer and committee staff met with key TSA staff, including Chief of Staff Carol DiBattiste in Washington, D.C. As a result of that meeting, Florida has been invited by TSA to participate in the prototype development of the federal TWIC program. Following subsequent meetings with TSA and HSMV staff, a Memorandum of Understanding formally inviting Florida to participate was executed on October 17, 2003. The HSMV and TSA are currently negotiating final details on a Memorandum of Agreement which spells out specific requirements and responsibilities of each agency in the partnership. If this Memorandum of Agreement is executed, Florida will be able to participate in the actual process of creating the federal

⁹ Port of Miami tour, March 2003

program, thus eliminating any possibility of duplication or developing systems that are out-or-sync with federal mandates.

The Florida FUPAC system provides the federal government with a unique opportunity to test its prototype on a complete system of many ports at one time. There is the possibility of some funding assistance in the development phase, in addition to any technology and production equipment which the state may acquire through the prototype process. Congress has appropriated \$55 million for continued development of the TWIC for federal fiscal year 2004-2005. TSA reports that \$44 million in technology assistance and equipment may be available for prototype development at the three test sites (California, Delaware, Florida).

Federal and International Maritime Security

On July 1, 2003, the United States Coast Guard (USCG) implemented, by publication, six interim rules for regulation of maritime security in the United States. These rules became final, after a comment period and review by the USCG, on October 22, 2003, as published in the Federal Register. The USCG rules, now known as "Subsection H of 33 Code of Federal Regulations (CFR), Part II, Department of Homeland Security/Coast Guard," are authorized under the Maritime Security Act of 2002 (MTSA).

The State of Florida, through the Office of the Chief of Domestic Security Initiatives, testified at a regional public hearing 11 and offered written comments on the interim rules. 12 In addition, Chief of Domestic Security Initiatives Stephen Lauer joined this committee's Chairman, Senator Paula Dockery, and committee staff in meeting with USCG Headquarters staff to address these issues. 13

The USCG Maritime Security Regulations in Subsection H, 33 CFR, Part II, were implemented for the purpose of aligning, where appropriate, the requirements of domestic maritime security regulations with the international maritime security standards in the International Convention for the Safety of Life at Sea, 1974, Chapter XI-2 (SOLAS) and the International

^{10 33} C.F.R. Parts 101-106 (2003).

¹¹ USCG Maritime Security Hearing, Jacksonville, FL, February 7, 2003 – Southeastern United States Regions

¹² FDLE letter to USCG, dated July 29, 2003

¹³ Meeting at USCG Headquarters with Rear Admiral Larry Hereth and Captain Kevin Dale, September 8, 2003, Washington, D.C.

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Code for the Security of Ships and of Port Facilities (ISCS), parts A & B, adopted in December 2002, to ensure that security arrangements are as compatible as possible for vessels trading internationally and where international standards do not apply, to cooperate and coordinate with local port community stakeholders based on existing domestic standards and established industry security practices. 14 The USCG Regulations adopt the International SOLAS and ISCS Codes, as amended, by reference in section 101.115, 33 CFR, Part II, Subsection H. The international codes become fully effective on July 1, 2004.

The new USCG regulations place final responsibility for maritime security with the Coast Guard. Under the Coast Guard Command structure, the local Captain of the Port [COTP] is responsible for security within his zone. Each COTP zone must have an Area Maritime Security (AMS) Plan. This plan must include security plans for all identified maritime facilities, including private terminal operations, within the AMS. The Captain of the Port reports to the District Commander. who is charged with responsibility with all AMS plans within the District. The District Commander reports to the Commandant of the Coast Guard. Florida encompasses four COTP Zones within the USCG Seventh and Eighth Districts. The four COTP Zones are: Jacksonville: Miami: Tampa and Mobile. Within USCG District Seven, the Jacksonville COTP Zone includes parts of South Georgia and all Florida coastline south, approximately, to Melbourne Beach. The Miami COTP Zone picks up at the northern border where Jacksonville COTP Zone ends and includes all Florida coastline south to Key West on the Atlantic Ocean side and north to Naples on the Gulf of Mexico side. The Tampa COTP has all Gulf of Mexico coastal border from Naples to the Fenholloway River. The Mobile COTP, in District Eight, has the remaining coastline from the Fenholloway River to the Florida/Alabama border and on to the west through Alabama. The USCG Seventh District is responsible for all maritime activity in South Carolina, Georgia and Florida south and east of the Fenholloway River. The USCG Eighth District is responsible for all maritime activity west of the Fenholloway River in Florida, Alabama, Mississippi, Louisiana and Texas to the Mexican border.

For each private or public maritime facility within the AMS, a facility security assessment and plan must be completed and filed with the Captain of the Port. These

¹⁴ 68 Fed. Reg. 60,449 (October 22, 2003), 33 C.F.R. Parts 101 – 102 (2003).

Facility Security Plans must include specific information about incident command responsibilities of employees, communications procedures, procedures for interfacing with vessels, access controls, handling of dangerous cargo and must meet specific levels of readiness at different Maritime Security (MARSEC) Levels. The MARSEC Levels are now coordinated with the Homeland Security Alert System (HSAS) so that MARSEC Level I is equivalent to HSAS Level Yellow (Elevated), MARSEC LEVEL 2 is equivalent to HSAS Level Orange (High) and MARSEC Level 3 is equivalent to HSAS Level Red (Severe). All Facility Security Plans must incorporate plans for training and regular drills for specific types of incidents.

In addition to Area Maritime Security Plans and Facility Security Plans, the Captain of the Port is responsible for the security of all vessels within the zone. Vessels must follow similar procedures, file assessment documents and security plans with Captains of the Ports, as well. A vessel not in compliance may be boarded for inspection, refused entry to a port, detained at sea, restricted in its operations, or expelled from a port at the direction of the COTP. U.S. vessels which fail to comply may have their operating permits suspended or revoked making the vessel ineligible for operation in, on or under waters subject to U.S. iurisdiction.

The USCG has responded to Florida's concern that the role of the public seaport, granted governance by statute and/or local ordinance, was not addressed in the interim rules published in July 2003. While not specifically defining a seaport as a local governance body, it has described the function of a seaport as a collective, cooperative group of facilities providing security measures as a group that may serve as an integral part of the Captain of the Port Area Maritime Security Plan. 15 In addition, the Coast Guard has clarified that it considers the public seaport itself as a facility and that the required security plan for the seaport may serve as the "umbrella" plan for individual facilities within the perimeter of the seaport. The COTP may accept "cooperative" security provided by the port, thus lessening the burden on the facilities within the port.

In response to concerns that the Coast Guard's assertion of federalism in the regulations related to state and federal maritime security laws might have a detrimental effect on Florida law, Governor Jeb Bush

^{15 68} Fed. Reg. 60,456 (October 22, 2003), 33 C.F.R Parts 101 - 102, (October 22, 2003).

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met with USCG Commandant Thomas Collins on October 29, 2003 in Washington, D.C. As a result of that meeting, legal staff from the Coast Guard was directed to work with FDLE's legal staff to address pertinent issues. On November 24, 2003, the Coast Guard delivered a letter to Governor Bush clarifying its intent to work with Florida to assure that state laws remain in force and effect in order to assist the federal government in its mission. The policy letter specifically states that the Coast Guard envisions a continued strong partnership with the State of Florida and Florida's public seaports in protecting our borders.

METHODOLOGY

Staff has attended briefings and tours at Port of Tampa, Port of Miami, Port Everglades and Port Canaveral. Staff has had several meetings with FSTED (Florida Ports Council) staff, has met with the FSTED Security Directors from Florida ports and attended a Florida Ports Council meeting (10/29/03). In February 2003, staff attended the Southeast Regional Public Docket hearing for the proposed USCG Maritime Security Regulators in Jacksonville. Numerous phone calls and meetings have occurred with HSMV and TSA, including meetings with those agencies and representatives of FSTED and the Florida Trucking Association. Staff accompanied Chairman Dockery to meetings at USCG-Headquarters with Rear Admiral Larry Hereth and Captain Kevin Dale regarding USCG Maritime Security regulations, and with TSA Chief of Staff Carol DiBattiste regarding the TWIC Prototype, in Washington, D.C. in September 2003. Staff continues to monitor DHS and TSA media announcements and federal register announcements for federal grants awards announcements and other news regarding federal regulation of maritime security.

FINDINGS

Florida is moving forward in the implementation of the Uniform Ports Access Credentialing System (FUPAC) as required by law. In addition, the Department of Highway Safety and Motor Vehicles (HSMV) is continuing negotiations with the federal Department of **Transportation** Homeland Security Security Administration (TSA) to include Florida in the federal prototype program for the Transportation Worker Identification Card (TWIC) which closely mirrors the FUPAC and which will be implemented nationally upon completion of the prototype development. Florida's participation in this program could mean additional federal funding as well as technological and equipment purchasing assistance from TSA for the implementation of the state's uniform ports access system. In return, TSA will be provided an opportunity to develop and test its prototype in a complete, intrastate, multi-facility environment.

The two agencies have executed a Memorandum of Understanding, formally inviting Florida's participation in the TWIC prototype development. A Memorandum of Agreement, specifically outlining the details of the responsibilities and expectations of HSMV and TSA, is being negotiated and should be complete by early December.

Currently, four Florida seaports are in substantial compliance with state seaport standards. Most other ports are close to being in compliance pending completion of infrastructure and or technology improvements depending on grants funding. While FDLE is given responsibility for performing annual seaport security inspections, no state agency has authority to sanction a seaport for failure to comply with the law. FDLE is required to make the results of its annual inspections available to the Legislature and only the Legislature may address the issue of noncompliance pursuant to s. 311.12, F.S. The majority of Florida's ports have made good-faith efforts to comply, but no recourse is provided to law enforcement for those found in regular and continuous non-compliance.

In response to requests from Florida, including Chairman Dockery's visits to the USCG and Office of Domestic Preparedness in September, 2003, the 2004 guidelines for expenditure of Office of Domestic Preparedness grant funds specifically include the purchase of vessels for law enforcement use in performing domestic security missions and payment of overtime for law enforcement officers performing specific domestic security duties. The FWC continues to perform "force augmentation" missions to assist the U.S. Coast Guard in Florida seaports. Prior to the upcoming federal budget cycle, all costs for this expanded mission have been borne by FWC.

The final USCG Regulations for Maritime Security and subsequent official correspondence between the Coast Guard and the State of Florida have taken into account Florida's stated concerns about the enunciation of the role of a public seaport in Area Maritime Security under the federal plan. While the issue has been addressed in the preamble language and clarified in a policy letter from USCG to Governor Bush, it is hoped that the Coast Guard may continue to refine its understanding of this vital component of Area Maritime Security and incorporate specific language in any future amendments to these regulations.

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While Florida ports have been aggressive in pursuing federal funding for security and have redirected economic development funds towards having a visible law enforcement presence on their facilities, the cost of this visible policing continues to be an issue. The Florida Ports Council has indicated an interest in some sort of state law enforcement agency for port security or some form of private security force trained in the unique aspects of port security. The Coast Guard has specifically refused responsibility for development of such a force and pointed the issue back to the state level. 16 This issue is related to several similar issues regarding training and certification of private security guards for hospitals and other critical infrastructure locations. In addition, railroad police officers have shown an interest in an expanded training curriculum through Florida's certification process. Various solution models could be used to address any or all of these issues after further study. Currently, private security guards are licensed by the Department of Agriculture and Consumer Services under Chapter 493, Florida Statutes.

Florida continues to be successful in pursuit of federal funding for ports security. The federal government has recognized that Florida has a coordinated, prioritized system for assuring that grant requests are listed based on the overall security needs of our state's ports as determined by the members of the Florida Ports Council in consultation with the Florida Department of Law Enforcement and the Office of Drug Control. Federal recognition of the importance of this coordinated, prioritized approach has resulted in Florida seaports receiving almost 20% of all federal funds allocated to date. New grant allocations are pending and Florida will continue to approach the federal government with a reasonable, prioritized list of projects for funding.

RECOMMENDATIONS

- Continue to monitor working partnership between HSMV and TSA on the FUPAC/TWIC Prototype. If needed, provide legislative support for adjustments in Florida law to accommodate successful completion of the project.
- Consider expanding FDLE authority to apply sanctions for failure to comply with state seaport security standards.
- 3. Continue to monitor federal TSA port security grants awards programs.
- 4. Continue to review Florida law and USCG Regulations to determine if there are any conflicts and what remedies, if any, may be necessary.
- Review issues related to law enforcement/security presence on Florida seaports including rationale for increased visibility, cost effects of different types of law enforcement presence, and options for maintaining this presence.
- Continue regular, on-going communications with TSA and U.S. Coast Guard to assure that Florida's unique issues are addressed at the national level.

¹⁶ 68 Fed. Reg. 60,450, (October 22, 2003), C.F.R., Parts 101 – 102 (2003).