

## **Ports Unsecured: America's Vulnerable Shipping Borders**

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For terrorists who might wish to inflict massive harm on the United States, international cargo transport is an attractive target because there are so many points of vulnerability: millions of shipping containers, hundreds of ports and dozens of methods to damage infrastructure, disrupt the world economy and harm Americans. Today, just 4 to 6 percent of shipping containers arriving in U.S. ports are inspected.

Despite the formidable difficulties of identifying and preventing terrorist attacks against ships and ports, security experts have developed some sound strategies for greatly reducing the risks. In fact, since 9/11, a number of important security initiatives have been adopted, such as the Maritime Transportation Security Act (MTSA) of 2002. This law requires federal inspection and security rules for all port facilities and vessels, more security and customs officials, new screening equipment, port safety improvements, and loans and grants for security infrastructure.

Putting a new law on the books does not solve the problem, but it is a decent starting point. Yet many of the existing security measures fall far short of what the Coast Guard and independent experts recommend. In addition, the implementation of security goals, let alone the stronger measures, is irregular and poorly directed. On Oct. 14, the inspector general's office of the Department of Homeland Security (DHS) released a report concluding that the container inspection system could not prevent terrorists from sneaking weapons of mass destruction into U.S. ports.<sup>1</sup>

There are two basic problems, according to a range of critics:

- **There is neither an overall strategic plan nor strong federal leadership for improving port security.** U.S. Sens. Patty Murray (D-Wash.) and Joseph Lieberman (D-Conn.) have charged that the Bush administration has not convened and mobilized port authorities, shipping firms, and state and local governments, but instead has suggested that port security is a problem for the private sector to sort out.<sup>2</sup> Stephen Flynn, a preeminent port security expert and author of "America the Vulnerable," accuses the administration of "an appalling lack of engagement on this issue."<sup>3</sup>
- **Funding today is \$1 billion short of what is needed for basic security improvements.** Three years after 9/11, the administration not only has failed to provide adequate funding for port security measures but even has proposed eliminating funding for a pilot program designed to test the security of containers entering our ports.<sup>4</sup>

The administration's failure of leadership on port security is disturbing. "A terrorist attack – launched on or through our ports – would not only have a tragic human

toll, but it would also bring a large part of our economy to a standstill,” Sen. Murray has warned.<sup>5</sup>

### **A Port Attack is Feasible, if Not Likely**

Terrorist attacks on ships, ports and transportation infrastructure could come in many forms. As the *Christian Science Monitor* has described it:

“Smuggling a biological or chemical weapon in a ship container could be just one approach. Another might be exploding an oil tanker at anchor, an action that might wreak devastation on petroleum ports. Or a large vessel could simply be used as a bludgeon, knocking out bridge abutments and blocking ship channels.”<sup>6</sup>

If a vessel blew up in the inner harbor of a city built around a port – such as Boston, Baltimore or Charleston, S.C. – the physical and psychological effects could be devastating.<sup>7</sup>

Container ships also could be used to smuggle weapons into the country for detonation in the middle of a city. Vice President Dick Cheney, in the recent debate with Sen. John Edwards, said, “The biggest threat we face today is the possibility of terrorists smuggling a nuclear weapon or a biological agent into one of our own cities and threatening the lives of hundreds of thousands of Americans.”<sup>8</sup>

Former Navy Secretary John Lehman, a member of the 9/11 Commission, told Congress in August 2004: “[W]e know from interrogations and other sources of intelligence that there is a very keen interest [among Islamic terrorists] in economic disruption as a tool.”<sup>9</sup>

- **Al Qaeda has a demonstrated capacity for using ships as weapons.** A small boat containing explosives rammed the USS Cole in Aden, Yemen, in October 2000, killing 15 Americans. Al Qaeda used a similar attack against a French oil tanker in October 2002. Hearings of a House subcommittee on March 26, 2003, revealed that al Qaeda may own as many as 15 cargo ships,<sup>10</sup> and Osama bin Laden’s group has been linked “to a network of cargo freighters that could be used either in operations or for group logistics,” the *Christian Science Monitor* reported.<sup>11</sup>
- **Current security measures are a sieve.** Experts believe that ordinary cargo shipments and drug smuggling offer plenty of opportunities for terrorism. “Absent intelligence about the fact that something may be awry in a particular shipment, the chance of material getting through is very, very good,” said Graham Allison, a former assistant secretary of defense who is now director of Harvard University’s Belfer Center for Science and International Affairs, which held a seminar on the topic in May 2003.<sup>12</sup>
- **ABC News successfully shipped depleted uranium into the United States on two occasions.** In late July and August 2004, in a test of port security, ABC News

shipped a suitcase of about 15 pounds of harmless uranium inside a teak trunk from Jakarta, a city regarded as an al Qaeda hotspot, to Los Angeles. Customs agents did not detect the mock bomb.<sup>13</sup> This was the second time ABC News had successfully breached port security.

Commenting on the ABC News story, Graham Allison, said, “The test that you put to them [homeland security agents], which looks to me to be a fair test, they fail. What indeed is the most likely way that a nuclear weapon would be delivered by a terrorist to the U.S.? The most likely way is in a cargo container ship.”<sup>14</sup>

Rather than acting on the threat, the FBI and Department of Homeland Security were outraged by the embarrassing revelations and began an investigation of ABC News personnel and others involved in the project. In a letter to Attorney General John Ashcroft and Homeland Security Secretary Thomas Ridge, Sen. Charles Grassley (R-Iowa) decried the move as “a chilling effect on legitimate investigative reporting,” adding, “[i]f my neighbor told me my barn was on fire, my first instinct would be to thank my neighbor and get some water for the fire. I worry that the government’s first instinct is to pour cold water on the neighbor.”<sup>15</sup>

Episodes like these have convinced experts like Stephen Flynn that a terrorist attack through shipping channels is likely. “I’m afraid it’s just a question of *when*, not *if*, terrorists will exploit maritime containers to do harm in the United States,” Flynn said. “There’s no question the system is open and vulnerable.”<sup>16</sup>

### **Economic and Other Impacts of an Attack Upon the Port System**

- **Huge economic costs from a terrorist attack.** Each year, U.S. ports process \$728 billion in U.S. imports and exports.<sup>17</sup> The economic consequences of a terrorist attack on a port are suggested by the impact of a labor dispute on West Coast ports in the fall of 2002, which resulted in an estimated loss to the national economy of \$1 billion a day.<sup>18</sup> A small boat attack on the Louisiana Offshore Oil Port, the largest U.S. oil terminal, could disrupt the supply of 25 percent of U.S. imported oil.<sup>19</sup> “If we have a two-week shutdown of U.S. ports, we will collapse the global trade system,” Stephen Flynn told Congress in August. “That’s what we’re talking about.”<sup>20</sup>
- **Military preparedness could be harmed.** A port attack not only would affect America’s economic power but its military capacity as well. After “Impending Storm,” a military exercise in May 2003 to test port defenses, Col. Jim Haas, director of the Defense Secretary’s Strategic Policy Forum, worried that lengthy closures of ports could impede the military’s ability to project power. “Port security is not just homeland security,” said Haas. “It is national security.”<sup>21</sup>
- **A gridlock of global trade.** Major retailers such as Wal-Mart and Home Depot depend upon a sophisticated and interdependent supply network to replenish their shelves on a daily “just-in-time” basis. Major manufacturers such as General Motors

also depend upon the reliable delivery of parts from overseas suppliers. If ports were shut down in the aftermath of a terrorist attack, it could devastate major sectors of the economy and cause enormous job losses.<sup>22</sup>

### **Weak Efforts to Make Containers More Secure**

As a matter of geography, defending America's ports and coastline poses major challenges. Our nation has 361 seaports and river ports, 95,000 miles of coastline and about 26,000 miles of navigable waterways.<sup>23</sup> A huge number of ships and a staggering amount of cargo move through these waterways and ports. Every year, 8,100 foreign cargo ships make 50,000 visits to the United States. They deliver an average of 21,000 containers every day, or nearly 8 million containers a year. They arrive from 3,000 ports worldwide.<sup>24</sup>

At the heart of maritime transport are shipping containers – metal boxes that are 40 feet long, 8 feet tall and 8 feet deep. About 90 percent of the world's cargo is shipped in these containers, mostly in ships. A single ship may carry as many as 3,000 of them. Any single container could contain deadly explosives, radioactive materials, biological weapons or human stowaways. Currently the Coast Guard and the Customs Service can verify the contents of only 4 to 6 percent of all containers.<sup>25</sup> Many of these containers are loaded directly onto trucks and rail cars.

Since it is impossible to achieve 100 percent inspection rates of shipping containers – global trade would grind to a halt – security experts are urging a comprehensive system of “end-to-end visibility and accountability” for containerized cargo.<sup>26</sup> Three basic strategies are needed, according to Stephen Flynn: 1) a system to ensure that only legitimate and authorized goods are loaded onto containers; 2) systems to assure that containers are not tampered with during shipment (such as “smart box” technologies); and 3) rapid and effective inspection methods for suspicious cargo.<sup>27</sup>

The DHS has begun a Container Security Initiative (CSI)<sup>28</sup> and a Customs-Trade Partnership Against Terrorism, both of which attempt to identify high-risk containers for inspection and improve the overall security of the container system.<sup>29</sup> In addition, the Maritime Transportation Security Act of 2002 has led to a variety of new security requirements: the inspection of cargo manifests before a ship arrives in port; improved lighting, higher fencing, X-ray machines and cameras for better surveillance and cargo inspection; more security officers and Coast Guard and Customs Service personnel; and expanded training for security personnel.<sup>30</sup>

These requirements became effective on July 1, 2004. Unfortunately, implementation of the MTSA has not received adequate funding. More to the point, writes Stephen Flynn:

“None of these programs address the core cargo security imperative of confirming that the goods loaded into a container from the start are indeed legitimate and that the container has not been intercepted

and compromised once it is moving within the transportation system.<sup>31</sup>

In addition, for these complex security strategies to work, they must have “sufficient visibility and accountability” and they must be pursued collaboratively with other federal agencies and with other nations. This sort of leadership and coordination simply has not occurred. Port security has become a bureaucratic orphan, with the Coast Guard focusing on ships and their crews, but not the cargo, and the U.S. Customs and Border Protection focusing on the cargo, but not the ships or other transport issues.<sup>32</sup>

M.R. Dinsmore, the chief executive of the Port of Seattle wrote in *The Washington Post* in September 2004: “What we need is for the federal government, and the Department of Homeland Security in particular, to produce a set of standards, practices and protocols giving clear policy guidance and to make intelligent investments to secure our ports. And we need a clear and agreed-upon process that would reopen ports quickly in the event of an attack.”<sup>33</sup> None of these things thus far has been done.

Senator Joseph Lieberman charged in a statement to the press in February 2004 that: “Customs does not have a systematic or substantial program of random inspections to test the accuracy of its targeting program, seriously undermining the entire inspection program and the goal of preventing dangerous or illegal materials from entering the country – a point underscored by the Government Accountability Office (GAO) in recent testimony on cargo security.”<sup>34</sup>

Operation Safe Commerce (OSC) is a pilot program launched in three major ports – Seattle/Tacoma, Los Angeles/Long Beach and New York/New Jersey – to test the security of containers entering the country through 19 different supply chains. The program aims to provide the tools needed to verify the contents of containers at their point of loading, ensure containers have not been tampered with and track their movements through foreign ports. But President Bush proposed a budget for FY 2005 that eliminates OSC, and Congress failed to restore the funding.<sup>35</sup>

Stephen Flynn concludes that the Bush administration has pursued a “tepid, piecemeal approach to container security.”<sup>36</sup>

### **Poor Bureaucratic Coordination, Weak Federal Leadership**

Energetic, strategic leadership on port security has been singularly absent. Three years after 9/11, the Coast Guard and U.S. Customs and Border Protection have not yet signed a memorandum of agreement to delineate their respective responsibilities and how they would share information.<sup>37</sup>

Former Navy Secretary Lehman testified before the House of Representatives in August 2004 that: “The impression we have is that there is no coordinating leadership in addressing these problems internationally and it has to be done because the maritime world ... is utterly dependent on cooperation between the port of embarkation and the port of debarkation.”<sup>38</sup>

In his book “America the Vulnerable,” Stephen Flynn points out that “there is an appalling lack of engagement on this issue [port security]” at the State Department, Treasury Department, Commerce Department and U.S. Trade Representative, “despite the importance of global transportation to our national interests. For too long, port and container security has been viewed by these players as a backwater problem to be hashed out by technocrats and security professionals.”<sup>39</sup>

### **The Bush Administration Has Grossly Underfunded Port Security**

Admiral Thomas Collins, commandant of the Coast Guard, told Congress in 2003 that it would cost \$1.5 billion in the first year and another \$7.3 billion over the following 10 years to implement the Maritime Transportation Security Act of 2002.<sup>40</sup> Lehman told Congress in August 2004 that there is “serious underfunding” of port security and the Coast Guard (the federal agency with primary responsibility for port security).<sup>41</sup>

But for three straight years following 9/11, Bush failed to include *any* money for port security grants in his proposed budget. The president requested only \$46 million for FY 2005.<sup>42</sup>

Despite Bush’s inaction, Congress did provide \$425 million for FY 2003 to FY 2005 in port security grants,<sup>43</sup> still *\$1 billion short of what the Coast Guard estimates is necessary to make basic improvements in physical security to American ports.*<sup>44</sup> Republicans in the Senate on 10 separate occasions over the past two years defeated amendments to add hundreds of millions more for port security.<sup>45</sup>

In response, Sen. Frank Lautenberg (D-N.J.) told reporters: “It appears that the administration expects port authorities and facility operators to comply with new security regulations with little federal assistance.”<sup>46</sup>

Homeland Security Secretary Ridge has suggested that the difference between projected needs for port security and the federal appropriations in the FY ’05 budget for implementing the Maritime Transportation Security Act should be made up by the private sector. Ridge told Congress: “The [funding] gap is a place where we need to have a public debate as to whether or not since these basically are intermodal facilities where the private sector moves goods in and out for profit that they would be responsible for picking up most of the difference.”<sup>47</sup> Yet no steps have been taken by the Bush administration to solicit or require private-sector funding of new security. So it simply has not happened.

This prompted Sen. Murray to say in an interview with the press that: “The administration is suggesting that developing a comprehensive port security regime is not the government’s responsibility. If the federal government walks away and sticks our local ports and businesses with a billion-dollar bill this year, we won’t get the security we need, and our families, economy and country will remain just as vulnerable to attack.”<sup>48</sup>

Urgent port security needs were underscored on Oct. 14 when the DHS Office of Inspector General released a report that said, “Improvements are needed in the inspection process to ensure that weapons of mass destruction or other implements of terror do not gain access to the U.S through oceangoing cargo containers.”<sup>49</sup>

Republicans have frequently railed against “unfunded mandates” by the federal government. When it comes to homeland security to protect our ports, however, the Bush administration seems to have no problem with unfunded federal mandates.

### **The Real Risks of Inadequate Port Security Funding**

The insufficiency of funding for port security means that:

- **Too few containers are inspected.** “Experts agree, increasing inspection from the current 4-6 percent to 10 percent would be a quantum leap in protection and would be relatively inexpensive, costing a few hundred million dollars,” according to Bloomberg News.<sup>50</sup> But the Bush administration’s FY 2005 budget proposed no federal funding increases for the screening of containers.<sup>51</sup>
- **Inspectors are not adequately trained.** Inspectors working on the Container Security Initiative “are receiving no formal language or other training to prepare them for overseas posting,” said Stephen Flynn. Yet this initiative is the centerpiece of the Bush administration’s cargo security effort.<sup>52</sup>
- **International security codes cannot be enforced.** Flynn told a House Committee in August 2004 that the Coast Guard does not have enough personnel to verify that all foreign vessels are complying with the International Ship and Port Facility Security Code, a set of new maritime regulations designed to detect and deter threats to international security.<sup>53</sup>
- **Not enough staff can be hired to pursue new security initiatives.** The Customs-Trade Partnership Against Terrorism program – a joint government/business initiative to cooperatively secure the overall supply chain and border security – does not even have the staff to review the nearly 5,000 initial applications it has received.<sup>54</sup>
- **Innovative pilot programs are threatened.** Operation Safe Commerce was jeopardized by the elimination of funding proposed by the Bush administration. “Smart box” technologies have not been widely implemented for lack of funding and leadership. Image scanning of containers at ports – at a cost of about \$50 per container, or less than 2 percent of a typical shipment – has not been implemented.<sup>55</sup>

## Port and Shipping Industry Campaign Contributions to Bush

Trade groups and individual firms involved in port security are small-time players when it comes to financing political campaigns. As a relatively small industry, their lobbying presence in Washington is not very robust either.

No one from the trade groups or individual firms involved in port security issues ranked among Bush’s biggest fundraisers. In fact, the industry as a whole contributed only \$25,800 to Bush’s two presidential campaigns – and just \$500 to the Republican National Committee (RNC) since 2000 – according to Public Citizen’s analysis of data provided by the Center for Responsive Politics. [See Figure 1.]

Sixty-two percent of the money given to Bush came from Maher Terminals, which operates the largest container terminal in the Port of New York and New Jersey. Maher Terminals President Basil Maher and Brian Maher, the company’s chairman and CEO, account for almost all of the donations. Basil Maher testified before Congress about port security in 2001 and 2002 on behalf of the National Association of Waterfront Employers (NAWE), the trade association for U.S. terminals, and the U.S. Maritime Alliance (USMX), which represents terminal management in negotiations with longshore workers. Basil Maher serves as president of NAWE, while Brian Maher is a vice president of USMX.<sup>56</sup>

The World Shipping Council (WSC), a Washington-based trade association that represents 40 international shipping companies, and its members accounted for the other donations to Bush.<sup>57</sup> The biggest WSC donor was Maersk Inc., a Danish shipping company that also operates container terminals. [For a complete list of campaign contributions by company, see Figure 4.]

**Figure 1**  
**Port & Shipping Industry Contributions to Bush & RNC,**  
**2000-2004**

Company / Organization	Election Cycle				Total
	2000		2004		
	Bush	RNC	Bush	RNC	
Maher Terminals	\$10,000	\$250	\$6,000	--	\$16,250
World Shipping Council & Shipping Cos.	\$7,000	--	\$2,800	\$250	\$10,050
<b>TOTAL</b>	<b>\$17,000</b>	<b>\$250</b>	<b>\$8,800</b>	<b>\$250</b>	<b>\$26,300</b>

*Source:* Public Citizen analysis of data provided by the Center for Responsive Politics. Totals include contributions from political action committees and individual members or employees of an organization, as well as unrestricted “soft money” donations from individuals and corporate treasuries before the 2004 election cycle (when such donations became illegal). Contribution data are as of October 1, 2004.

## Bush Rangers and Pioneers

While no port or shipping executives ranked among the Rangers or Pioneers, a pair of rainmakers plays a key role in port security issues. Bush filled key positions at the Federal Maritime Commission and the U.S. Maritime Administration (MARAD) with Pioneers who pledged to raise \$100,000 for Bush in 2000. [See Figure 2.]

**Figure 2**  
**Port & Shipping Industry Pioneers**

Name	Employer	Occupation	Fundraising Status	Minimum \$ Bundled
A. Paul Anderson	Federal Maritime Commission	Commissioner	2000 Pioneer	\$100,000
William G. Schubert	U.S. Maritime Administration	Maritime Administrator	2000 Pioneer*	n/a
<b>TOTAL</b>	--	--	--	<b>\$100,000</b>

Source: Public Citizen research and analysis of Bush campaign disclosures, [www.WhiteHouseforSale.org](http://www.WhiteHouseforSale.org).

\*Pledged to become a Pioneer in 2000 but campaign would not confirm if bundler reached the goal or how much was collected.

Federal Maritime Commissioner A. Paul Anderson received a recess appointment from Bush in 2003, skirting Senate approval, to serve out the remainder of a five-year term expiring in 2007.<sup>58</sup> The Federal Maritime Commission is an independent government agency that regulates waterborne commerce and oversees U.S. international liner shipping. Prior to his appointment, Anderson worked as a lobbyist for JM Family Enterprises, a Florida company that distributes, finances and insures vehicles. From 1984 to 1997, Anderson directed corporate affairs at Hvide Marine (now Seabulk International), which provides shipping services to energy and chemical companies.<sup>59</sup>

In 2001, Bush appointed Capt. William G. Schubert to the U.S. Maritime Administration (MARAD), a division of the Department of Transportation, which is responsible for maintaining the U.S. merchant marine and developing maritime industry by, among other things, overseeing federal loan guarantees to U.S. shipbuilders. Schubert previously worked at MARAD from 1986 to 1995, when he became president of a Houston-based ocean-freight consulting firm, International Trade & Transportation Inc. The Bush campaign would not confirm how much money he had collected for the Bush campaign.<sup>60</sup>

## **Port Authorities Trade Association Makes Its Voice Heard**

Four trade associations accounted for most of the industry lobbying on port security issues. The most active group was the American Association of Port Authorities (AAPA), which represents more than 150 public port authorities throughout the Western Hemisphere.<sup>61</sup> The group spent nearly \$2 million lobbying Congress, the Department of Homeland Security, the Transportation Security Administration, the U.S. Coast Guard and the U.S. Customs Service from January 2002 to June 2004.<sup>62</sup> [See Figure 3.]

The World Shipping Council (WSC) spent \$1.2 million over two and a half years to lobby Congress, the Coast Guard and the Customs Service on maritime and port security, among other issues. Several ocean shipping companies also lobbied Congress on port security issues. [See Figure 5 for annual lobbying totals for all port security-related companies and trade groups.]

The U.S. Maritime Alliance (USMX), which represents terminal management in negotiations with longshore workers, spent \$380,000 on federal lobbying, mostly in Congress, from 2002 through the first half of 2004. Its sister organization, the National Association of Waterfront Employers (NAWE), reported more lobbying activity – recording contacts to Congress, the Coast Guard, the U.S. Customs Service, and the Labor and Transportation departments – but recorded less than \$10,000 in lobbying expenses in every recent reporting period.<sup>63</sup>

A fourth group, the National Customs Brokers & Forwarders Association of America (NBFAA), a trade association for companies involved in customs brokerage, freight forwarding and other international trade facilitation, spent \$100,000 in 2002 to lobby Congress on maritime and homeland security issues.

Other trade groups – the Waterfront Coalition and the American Association of Exporters and Importers – were involved in the port security debate but did not report any federal lobbying expenditures. Neither were any lobby disclosure forms available yet for two industry coalitions set up in 2004 to lobby on port security issues. The Port Security Council of America, organized in May, includes the AAPA, the Waterfront Coalition and the International Council of Cruise Lines.<sup>64</sup> In September, Basil Maher helped establish an alliance of terminal operators, shippers and other stakeholders in port security issues that plans to lobby under the banner of the Coalition for Secure Ports.<sup>65</sup>

**Figure 3**  
**Port & Shipping Industry Lobbying, 2002-2004**

<b>Company / Organization</b>	<b>2002</b>	<b>2003</b>	<b>2004*</b>	<b>Total</b>
American Association of Port Authorities	\$754,800	\$794,950	\$404,650	\$1,954,400
World Shipping Council & Shipping Cos.	\$520,000	\$800,000	\$240,000	\$1,560,000
United States Maritime Alliance (USMX)	\$180,000	\$160,000	\$40,000	\$380,000
National Customs Forwarders & Brokers Assn of America	\$100,000	--	--	\$100,000
<b>TOTAL</b>	<b>\$1,554,800</b>	<b>\$1,754,950</b>	<b>\$684,650</b>	<b>\$3,994,400</b>

Source: Public Citizen analysis of lobby disclosure reports filed with the Secretary of the Senate and Clerk of the House, 2002-2004. Dollar amounts reflect the total federal lobbying expenditures by companies and organizations during reporting periods in which they lobbied on port security issues. Lobby disclosure reports do not itemize expenditures for specific lobbying issues or bills.

\*Totals include lobbying through June 30, 2004. As of October 1, mid-year 2004 lobby disclosure forms were unavailable for some firms that lobbied in prior years.

### **Conclusion**

For all its tough talk about fighting terrorism, the Bush administration has not shown the leadership needed to make ports and shipping safer and more secure. It has not put forward a comprehensive strategic plan and sought to implement it through executive branch regulation and congressional action. It has not sought the necessary federal funds. It has not confronted the bureaucratic challenges and coordination issues. It has not reached out aggressively to shippers, port authorities, local authorities and foreign ports. The real horror is that this inaction has occurred in the face of known terrorist dangers that could, if successful, have catastrophic consequences.

**Figure 4  
Port & Shipping Industry Contributions to Bush & RNC,  
2000-2004**

Company / Organization	Election Cycle				Total
	2000		2004		
	Bush	RNC	Bush	RNC	
APL Ltd.	\$1,000	--	--	--	\$1,000
Crowley Maritime	\$1,000	--	--	--	\$1,000
Maersk Inc. (Maersk-Sealand)	\$5,000	--	\$800	\$250	\$6,050
Maher Terminals	\$10,000	\$250	\$6,000	--	\$16,250
World Shipping Council	--	--	\$2,000	--	\$2,000
<b>TOTAL</b>	<b>\$17,000</b>	<b>\$250</b>	<b>\$8,800</b>	<b>\$250</b>	<b>\$26,300</b>

*Source:* Public Citizen analysis of data provided by the Center for Responsive Politics. Totals include contributions from political action committees and individual members or employees of an organization, as well as unrestricted "soft money" donations from individuals and corporate treasuries before the 2004 election cycle (when such donations became illegal). Contribution data are as of October 1, 2004.

**Figure 5  
Port & Shipping Industry Lobbying by Company, 2002-2004**

Company	2002	2003	2004	Total
American Association of Port Authorities	\$754,800	\$794,950	\$404,650	\$1,954,400
APL Ltd.	\$100,000	\$100,000	\$100,000	\$300,000
Crowley Maritime	\$60,000	\$160,000	--	\$220,000
Horizon Lines	--	\$240,000	\$100,000	\$340,000
Maersk Inc.	\$160,000	\$80,000	\$40,000	\$280,000
National Customs Forwarders & Brokers Assn of America	\$100,000	--	--	\$100,000
United States Maritime Alliance (USMX)	\$180,000	\$160,000	\$40,000	\$200,000

World Shipping Council	\$200,000	\$ 220,000	--	\$420,000
<b>TOTAL</b>	<b>\$1,554,800</b>	<b>\$1,754,950</b>	<b>\$684,650</b>	<b>\$3,994,400</b>

*Source:* Public Citizen analysis of lobby disclosure reports filed with the Secretary of the Senate and Clerk of the House, 2002-2004. Dollar amounts reflect the total federal lobbying expenditures by companies and organizations during reporting periods in which they lobbied on port security issues. Lobby disclosure reports do not itemize expenditures for specific lobbying issues or bills.

\*Totals include lobbying through June 30, 2004. As of October 1, mid-year 2004 lobby disclosure forms were unavailable for some firms that lobbied in prior years.

## Endnotes

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- <sup>3</sup> Stephen Flynn, *America the Vulnerable: How Our Government Is Failing to Protect Us From Terrorism* (New York, NY: HarperCollins, 2004), p. 85.
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- <sup>5</sup> Senator Patty Murray, remarks made on the release of the final 9/11 Commission report, July 22, 2004, available at <http://murray.senate.gov/news.cfm?id=224483>.
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- <sup>7</sup> Ibid.
- <sup>8</sup> Vice President Dick Cheney, remarks made during vice presidential debate, Oct. 5, 2004, transcript available at <http://www.debates.org/pages/trans2004b.html>.
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- <sup>15</sup> Ibid.
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- <sup>19</sup> Rep. Peter A. DeFazio, testimony before the Coast Guard and Maritime Transportation Subcommittee of the House Transportation and Infrastructure Committee, Aug. 25, 2004, as reported by the Federal News Service.
- <sup>20</sup> Stephen Flynn, testimony before the Coast Guard and Maritime Transportation Subcommittee, House Transportation and Infrastructure Committee, Aug. 25, 2004.
- <sup>21</sup> Peter Grier and Faye Bowers, "How Al Qaeda Might Strike the US By Sea," *Christian Science Monitor*, May 15, 2003, available at <http://www.csmonitor.com/2003/0515/p02s02-usgn.html>.
- <sup>22</sup> Stephen Flynn, *America the Vulnerable: How Our Government Is Failing to Protect Us From Terrorism* (New York, NY: HarperCollins, 2004), pp. 83-84.
- <sup>23</sup> Rip Watson, Bloomberg News, "U.S. Ports' Security Funding Is Lacking, Commission Member Warns Congress," *Seattle Times*, Aug. 26, 2004.
- <sup>24</sup> M.R. Dinsmore, Chief Executive of the Port of Seattle, "Make Our Ports Safer," *Washington Post*, Sept. 17, 2004.
- <sup>25</sup> The statistics given by knowledgeable experts varies, but Robert Jackstra, executive director of the U.S. Customs and Border Protection, testified in January 2004 that his agency inspected 5.4% of containers arriving at its ports of entry in fiscal year 2003, as cited in "Senator Lautenberg Scolds Bush

Administration for Lack of Funding, Attention to the Nation's Port Security," States News Service, March 25, 2004.

<sup>26</sup> Stephen Flynn, *America the Vulnerable: How Our Government Is Failing to Protect Us From Terrorism* (New York, NY: HarperCollins, 2004), p. 100.

<sup>27</sup> *Ibid.*, p. 88.

<sup>28</sup> "The Container Security Initiative: Pushing Out the Front Lines in the War on Terrorism," *Marine Digest and Transportation News*, February 2004.

<sup>29</sup> Wendy Leavitt, "On the Waterfront 2004," *Fleet Owner*, May 1, 2004.

<sup>30</sup> Veronica Torrejon, "Ridge Says U.S. Seaports to Meet July Date for Security Standards," Associated Press, June 21, 2004. See also Michael Graczyk, "Homeland Security Secretary: Nation's Ports Have Never Been More Secure," Associated Press, June 22, 2004.

<sup>31</sup> Stephen Flynn, *America the Vulnerable: How Our Government Is Failing to Protect Us From Terrorism* (New York, NY: HarperCollins, 2004), p. 107.

<sup>32</sup> *Ibid.*, pp. 84-85.

<sup>33</sup> M.R. Dinsmore, "Make Our Ports Safer," *Washington Post*, Sept. 17, 2004.

<sup>34</sup> Senator Lieberman, "Nation Is Safer But Not Safe Enough," statement given Feb. 27, 2004, available at <http://Lieberman.senate.gov/newsroom/release.cfm?id=218517>.

<sup>35</sup> Senator Patty Murray, "Senator Patty Murray: America's New Port Champion," interview with Rob Starbuck in *Port Technology International*, available at <http://www.porttechnology.org>.

<sup>36</sup> Stephen Flynn, *America the Vulnerable: How Our Government Is Failing to Protect Us From Terrorism* (New York, NY: HarperCollins, 2004), p. 85.

<sup>37</sup> Jamie Gorelick and John Lehman, commissioners of the September 11 Commission, testimony before the House Transportation and Infrastructure Committee, Aug. 25, 2004.

<sup>38</sup> John Lehman, former Navy Secretary, testimony before the Coast Guard and Maritime Transportation Subcommittee of the House Transportation and Infrastructure Committee, Aug. 25, 2004, as reported by the Federal News Service.

<sup>39</sup> Stephen Flynn, *America the Vulnerable: How Our Government Is Failing to Protect Us From Terrorism* (New York, NY: HarperCollins, 2004), p. 85.

<sup>40</sup> Admiral Thomas Collins, Commandant, U.S. Coast Guard, testimony before Senate Committee on Commerce, Science, and Transportation, Sept. 9, 2003.

<sup>41</sup> John Lehman, former Navy Secretary, testimony before the Coast Guard and Maritime Transportation Subcommittee of the House Transportation and Infrastructure Committee, Aug. 25, 2004, as reported by the Federal News Service.

<sup>42</sup> "Bush Administration Fails to Provide Funding to Strengthen Port Security," Democratic Policy Committee, June 30, 2004.

<sup>43</sup> Amounts for port security grants are \$150 million in FY 2003, \$125 million in FY 2004 and \$150 million in FY 2005, according to final appropriations bills for the Department of Homeland Security.

<sup>44</sup> Senator Patty Murray, floor statement in support of tripling funding for the Port Security Grant Program, Sept. 9, 2004, available at <http://murray.senate.gov/news.cfm?id=225894>.

<sup>45</sup> "Bush Administration Fails to Provide Funding to Strengthen Port Security," Democratic Policy Committee, June 30, 2004.

<sup>46</sup> "Senator Lautenberg Scolds Bush Administration for Lack of Funding, Attention to the Nation's Port Security," States News Service, March 25, 2004.

<sup>47</sup> Cited in "Senator Patty Murray: America's New Port Champion," interview with Rob Starbuck in *Port Technology International*, available at <http://www.porttechnology.org>.

<sup>48</sup> Senator Patty Murray, "Senator Patty Murray: America's New Port Champion," interview with Rob Starbuck in *Port Technology International*, available at <http://www.porttechnology.org>.

<sup>49</sup> Katherine Pflieger Shrader, "Internal Report Takes Aim at Port Security Efforts," Associated Press, Oct. 14, 2004.

<sup>50</sup> Rip Watson, Bloomberg News, "U.S. Ports' Security Funding Is Lacking, Commission Member Warns Congress," *Seattle Times*, Aug. 26, 2004.

<sup>51</sup> States News Service, "Senator Lautenberg Scolds Bush Administration for Lack of Funding, Attention to the Nation's Port Security," March 25, 2004.

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- <sup>53</sup> Andrew Beadle, "Flynn Again Hammers Away At Port Security," *Journal of Commerce*, Aug. 26, 2004.
- <sup>54</sup> *Ibid.*
- <sup>55</sup> Stephen Flynn, testimony before the Coast Guard and Maritime Transportation Subcommittee, House Transportation and Infrastructure Committee, Aug. 25, 2004.
- <sup>56</sup> Public Citizen analysis of data provided by the Center for Responsive Politics. See also <http://www.maherterminals.com>. See also <http://www.usmx.com>.
- <sup>57</sup> <http://www.worldshipping.org>.
- <sup>58</sup> Official biography of A. Paul Anderson at <http://www.fmc.gov>.
- <sup>59</sup> Profile of A. Paul Anderson at [www.WhiteHouseForSale.org](http://www.WhiteHouseForSale.org).
- <sup>60</sup> Profile of William G. Schubert at [www.WhiteHouseForSale.org](http://www.WhiteHouseForSale.org).
- <sup>61</sup> <http://www.aapa-ports.org/>.
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