Maryland Department of Transportation
The Secretary's Office

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

John D. Porcari
Secretary

Beverley K. Swaim-Staley
Deputy Secretary

December 1, 2008

The Honorable Thomas V. "Mike" Miller, Jr.
President of the Senate
H-107 State House
Annapolis MD 21401

The Honorable Michael E. Busch
Speaker of the House
H-101 State House
Annapolis MD 21401

Dear President Miller and Speaker Busch:

Please see the attached annual report concerning *Funding to Address Vulnerability Concerns*, which was prepared by the Maryland Port Administration (MPA) in response to SB 18, Chapter 78, Acts 2004. The language directs that:

> "...*on or before December 1 of each year, the Administration, in accordance with §2-1246 of the State Government Article, shall provide an annual report to the General Assembly based on the vulnerability assessment information concerning public terminals submitted by the Administration to the United States Coast Guard under the Federal Maritime Transportation Security Act of 2002.*
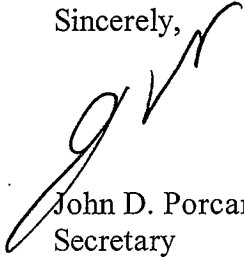
> *(b) with respect to any vulnerability concerns reported by the Administration to the United States Coast Guard, the report to the General Assembly required under this section:*

>> *(1) shall provide an estimate of the costs of addressing the vulnerability concerns;*
>> *(2) shall state the amount of any grants or other federal funds received or required by the Administration to address the vulnerability concerns and shall include information on the status of any pending requests for federal funds; and*
>> *(3) may not include the specific details of any vulnerability concerns the disclosure of which could compromise, in any way, transportation security.*"

If you have any questions or concerns, please do not hesitate to contact Mr. Jim White, Executive Director for the Maryland Port Administration at 410-385-4400. Of course, you should always feel free to contact me directly.

Sincerely,

John D. Porcari
Secretary

Attachment

cc: Members of the Legislative Policy Committee
Mr. Jim White, Executive Director, Maryland Port Administration

bcc: Ms. Sarah Albert, Library Associate, Mandated State Agency Reports, Library
        & Information Services Division, Department of Legislative Services (5 copies –
        Note: MSAR #2423)

        Mr. Joe Bryce, Chief Legislative Officer, Governor's Office

        Mr. Jack Cahalan, Director, Office of Public Affairs, Maryland Department
        of Transportation

        Ms. Jaclyn Dixon, Legislative Analyst, Office of Policy Analysis, Department
        of Legislative Services

        Mr. David Grossman, Budget Analyst, Department of Budget and Management

        Mr. John Favazza, Chief of Staff, Speaker's Office, Maryland General Assembly

        Mr. Michael Fischer, Director, Homeland Security and Emergency Management,
        Maryland Department of Transportation

        Ms. Victoria Gruber, Legislative Assistant to the President, Maryland General Assembly

        Mr. Martin L. Harris, State Legislative Officer, Maryland Department
        of Transportation

        Mr. Kevin Hughes, Deputy Director, Governor's Legislative Office

        Ms. Kristen Jones, Chief of Staff, Speaker's Office, Maryland General Assembly

        Mr. Jon Martin, Legislative Analyst, Department of Legislative Services

        Ms. Tricia Slawinski, Deputy Director, Government Affairs and Business Relations,
        Maryland Port Administration

        Ms. Wonza Spann-Nicholas, Deputy Director, Office of Finance, Maryland Department
        of Transportation

        Mr. Kirk Stolzenbach, Assistant Director, Office of Budget Analysis, Department of
        Budget and Management

        Deputy Secretary Beverley Swaim-Staley, Maryland Department of Transportation

        Mr. Jeff Tosi, State Legislative Analyst, Maryland Department of Transportation

A Report to the Maryland General Assembly

regarding

Funding to Address Vulnerability Concerns
(Senate Bill 18, Chapter 78, Acts 2004,
Transportation Article, § 6-210 (a))

December 2008

The Maryland Department of Transportation

This report was prepared by the Maryland Port Administration (MPA) in response to Senate Bill 18, Chapter 78, Acts 2004. The language directs that:

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    (2)   shall state the amount of any grants or other federal funds received or required by the Administration to address the vulnerability concerns and shall include information on the status of any pending requests for federal funds; and

    (3)   may not include the specific details of any vulnerability concerns the disclosure of which could compromise, in any way, transportation security."

Background

The Port of Baltimore consists of both the Maryland Port Administration's public terminals and a variety of private terminals. In calendar year 2007, bulk cargo increased by 2.4 percent over the previous year, mostly due to coal exports and petroleum imports. Foreign general cargo decreased by 3.7 percent. Foreign export cargo increased by 35 percent, but imports decreased by 12 percent. Among all U.S. Customs Districts, Baltimore ranked 13th in foreign cargo tonnage (30.8 million tons) and 12th in cargo value ($41.9 billion) in calendar year 2007. Within the East Coast port range, Baltimore's primary competition, the Port ranks first in both roll-on/roll-off cargo and in imported forest products, sugar, iron ore, and gypsum.

Maryland Port Administration Security Measures

During 2008, the MPA continued efforts to modernize and improve upon ongoing security measures. Safe and secure terminals and facilities remain a high priority for the MPA. Security improvements accomplished in 2008 include:

- All MPA terminals continue to issue credentials. MPA credentials, which are color-coded to signify employee status on terminals, also contain electronic chips that store employee reference data that is compatible with the new electronic control devices installed at Dundalk and Seagirt access gates. The control devices were installed in preparation for use with the Transportation Worker Identification Credential (TWIC).

- The MPA was certified and validated in the US Customs Trade Partnership Against Terrorism (C-TPAT) program for container operations. C-TPAT is a joint effort between the United States Customs and Border Protection and the trade community to reduce supply chain threat of terrorism by securing the cargo that enters, crosses, and exits the United States.

- The MPA began using CyberLock, an innovative lock system, at all perimeter access points in June 2008. CyberLock utilizes electronic lock cylinders, programmable CyberKeys, and CyberAudit Software, which enable MPA to track and control access to every lock in MPA facilities.

- The MPA launched a new visitor access system, *mVisitor*, in April 2008 at the Dundalk and Seagirt Marine Terminals. Developed in-house over the last year, the system was implemented in phases to account for and monitor approved visitors and vendors entering and exiting MPA facilities. In October 2008, *mVisitor* was fully operational at all MPA facilities.

- The Enhanced Perimeter and Area-Wide Remote Video Surveillance System, which improves perimeter monitoring capabilities for all terminals, is now fully functional.

- The MPA exceeds industry standards by regularly implementing their Fence Line Enhancement and Repair program.

- The MPA hired consultants to review the Facility Security Plans and conduct a Vulnerability and Risk Assessment of all the MPA facilities and terminals. This process is complete as of December 2008. Per suggestions from the review, the MPA will update the Facility Security Plan for each terminal every five years as required by the Maritime Transportation Security Act of 2002.

Coordination of Security Measures

The Maryland Area Maritime Security Committee, formed after the September 11, 2001 attacks, coordinates security efforts among its members, including: MPA, United States Coast Guard (USCG), Maryland Transportation Authority Police (MdTAP), United States Customs and Border Protection (CBP), Federal Bureau of Investigation (FBI), municipal law enforcement agencies, and maritime personnel from the private and public sectors. The committee oversees Area Maritime Vulnerability Assessments and Security Plans for the Port of Baltimore though annual port security exercises which evaluate security measures and address necessary security improvements.

Funded MPA Security Improvements

Since the creation of the Federal Department of Homeland Security (DHS) in 2002, Congress has appropriated funds for projects related to port security. Since 2002, the MPA has received $13M in federal grants to assist in the implementation of federal regulations and security initiatives for public terminals.

During the 7th Round of the Port Security Grant Awards in 2007, the MPA was awarded $1.8M to construct Security Access Control Centers at Dundalk Marine Terminal and South Locust Point Marine Terminal.

The MPA continues to implement security capital improvement projects, some of which were underway prior to September 11, 2001. The grant awards as well as other DHS funded programs have been catalysts in facilitating the following completed or budgeted security improvements:

MPA Security Projects:	$ Millions	Status
Dundalk Marine Terminal Perimeter Security	$0.65	Completed
Dundalk Marine Terminal High Mast Lighting, Phase I	$2.39	Completed
WTC Initial Waterside and Landside Physical Barriers	$0.05	Completed
North and South Locust Point Perimeter Fencing	$0.10	Completed
Dundalk Marine Terminal High Mast Lighting, Phase II	$1.31	Completed
WTC Building Security	$1.32	Completed
Patrol Boat	$0.30	Completed
Explosive Detection Equipment	$0.45	Completed
Portable Side-Scan Sonar for Patrol Boat	$0.04	Completed
DMT 330' Tower Connection	$0.22	Completed
800 MHz Radios	$0.02	Completed
Microwave Link at Point Breeze for Interoperability	$0.10	Completed
World Trade Center Antenna's for Interoperability	$0.45	Completed
Dundalk & Seagirt Terminal Access Control Gates	$15.66	Completed
Cargo and Information System Security	$0.22	Completed
Area-wide Remote Video Surveillance System	$7.18	Completed
SLP Gate Improvements	$0.89	Underway
Transportation Workers Identification Credential Interface	$0.45	Underway
Dundalk-Seagirt Access Control Center	$1.20	Start FY09
Locust Points Access Control Center	$1.20	Start FY09
Total MPA Security Projects	**$34.20**	

Unfunded MPA Security Initiatives

Below is a list of unfunded MPA initiatives that support the Maryland Maritime Concept of
Operations and Strategic Security Plan (MMCOSCP). The MMCOSP represents a concerted
effort by a number of Maryland's State and Local government agencies and members of the
Maryland's maritime community to pursue an all-hazards approach to developing initiatives to
respond to maritime incidents. These projects support the integration of statewide interoperable
communications, address Port exercise lessons learned, focus on public safety beyond the Port,
and aid in promoting Maryland's economic competitiveness in the global marketplace. Funding
requests will be made in FY09 and out years in order to move forward with these projects. Also,
requirements of a 25 percent hard match for Port Security Grants have been changed to a soft
match, which is particularly helpful given the current budget constraints.

- In anticipation of the 2009 release of 700 MHz communication frequencies to the public,
  the State of Maryland is developing a statewide interoperability plan utilizing a 700 MHz
  frequency to achieve a seamless voice and data communication network throughout the

State. The 700 MHz network will be supported by a microwave and fiber optic infrastructure and will assist law enforcement and emergency response personnel in addressing security for Maryland's citizenry, commerce, and critical infrastructure.

- To further augment the emergency preparedness, response, and security capabilities, the MPA needs to combine operational capabilities and assets into a secure, centralized facility. Currently, the MPA Intelligent Closed Circuit Television (ICCTV) systems will be monitored in the Maryland Department of Transportation Police (MdTAP) dispatch area due to a lack of available space. Construction of a centralized facility to house the MdTAP, MPA Office of Security, MPA Office of Safety, Environment and Risk Management, MPA Office of Operations, and administrative offices for contractual security officers would remedy this situation. Additionally, a centralized facility would house an Operations Center that would be utilized for planning, response, recovery, and mitigation to all hazardous events or crisis situations in and around the Port of Baltimore. The center would operate in a 24/7, 365-day capacity to coordinate local and regional response capability regardless of the incident. The centralized facility would be housed on an MPA-owned site, and the MPA is working to obtain the required funding.

Future Grant Awards

Currently, the Port Security Grant program divides eligible ports into three groups, based upon DHS perceived risk assessments. The Port of Baltimore is categorized as a Group 2 port. As DHS strives to issue more regionally based grants, grant funding is prioritized on a risk analysis basis. In addition, a "fiduciary agent" will be assigned to each port area and selected through its respective Area Maritime Security Committee process overseen by the respective USCG Captain of the Port. The Maryland Emergency Management Agency has been named the fiduciary agent for the Port of Baltimore. The MPA has completed justifications in preparation for additional grant funding awards to further address MPA security needs.

Transportation Worker Identification Credential (TWIC)

The Transportation Worker Identification Credential (TWIC) program is federally mandated under the Maritime Transportation Security Act of 2002, which established federal security requirements for secured and restricted maritime facilities and vessels. Lockheed Martin is under federal contract to provide TWIC enrollment services, which will·cost $132.50 per standard TWIC enrollment. The company or the individual is responsible for the cost of the TWIC. The TWIC applicant must undergo a security threat assessment, criminal history check, legal status check and terrorist watch list check.

Upwards of 90,000 workers in the transportation industry in Maryland are expected to require a TWIC. The United States Coast Guard Captain of the Port (COTP), Sector Baltimore, has announced that TWIC cards will be required beginning December 30, 2008. In a proactive move, the MPA is requiring a TWIC card beginning December 1, 2008. At this time, all individuals accessing MPA restricted terminals who do not possess a TWIC must be physically escorted or monitored at all times.

MPA Operational Budget for Security

For FY2009, the operating budget of the MPA Office of Security is approximately $7,948,418. Of this amount, $5,294,054 is budgeted for Maryland Transportation Authority Police services and $1,922,700 is budgeted for the remainder of the existing guard service contract.

To address inflation and increased security requirements, the MPA established new security fees to generate revenues to help offset security costs. MPA's security fees are as follows: $1 per passenger on cruise vessels for embarking, debarking, or "in transit" passengers; $5.25 per loaded container on container ships; and $2 per foot for length overall on non-containerized cargo vessels.

Summary

The MPA is utilizing the aforementioned projects and initiatives to improve security at MPA facilities. Security funding is awarded on a high priority risk-assessment basis. The Area Maritime Steering Committee and Maryland Maritime Security Task Force work closely with the Governor's Office of Homeland Security to address overall maritime needs of the POB. As a member of both the Area Maritime Steering Committee and the Maryland Maritime Security Task Force, the MPA works in collaboration with each entity to address the POB security concerns.

The security at MPA facilities is constantly evolving based upon needs, intelligence, and technology. The MPA continues to work on improving security at MPA facilities in order to make its facilities among the safest in the nation.