



**Maryland Department of Transportation**  
The Secretary's Office

**Martin O'Malley**  
Governor

**Anthony G. Brown**  
Lt. Governor

**Beverley K. Swaim-Staley**  
Secretary

**Harold M. Bartlett**  
Deputy Secretary

December 3, 2009

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

The Honorable Michael E. Busch  
H-101 Speaker of the House  
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:

*"...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."*

The Honorable Thomas V. "Mike" Miller, Jr  
The Honorable Michael E. Busch  
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If you have any questions or concerns, please do not hesitate to contact Mr. James J. White, Executive Director for the Maryland Port Administration at 410-385-4400. Of course, you should always feel free to contact me directly.

Sincerely,

A handwritten signature in black ink, appearing to read "Beverley K. Swaim-Staley". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Beverley K. Swaim-Staley  
Secretary

Attachment

cc: Mr. James J. White, Executive Director, Maryland Port Administration

A Report to the Maryland General Assembly

Senate Budget and Taxation Committee

and

House Appropriations Committee

Regarding

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

December 2009

The Maryland Department of Transportation

Funding to Address Vulnerability Concerns at the Port of Baltimore  
(SB 18, Chapter 78, Acts 2004, Transportation Article, §6-210 (a))

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## Background

The Port of Baltimore (POB) consists of both the MPA's public terminals and a large variety of private terminals. Together, the Port's public and private marine terminals handled 33.0 million tons of foreign cargo in calendar year 2008. Bulk cargo was up 10% compared to the previous year, mostly due to coal exports and iron ore, coke, salt, and sugar imports. Foreign general cargo was flat. Foreign export cargo showed an increase of 33%, but imports decreased by 7.8%. Among all U.S. Customs Districts, Baltimore ranked 14<sup>th</sup> in foreign cargo tonnage and 12<sup>th</sup> in cargo value (\$45.3 billion) in calendar year 2008. The Port ranks 1<sup>st</sup> in the nation in roll-on/roll-off cargo (i.e. farm and construction equipment) and 1<sup>st</sup> in imported forest products, sugar, iron ore, and gypsum. In 2008, the Port was 2<sup>nd</sup> in the nation for exporting automobiles to international destinations.

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(SB 18, Chapter 78, Acts 2004, Transportation Article, §6-210 (a))

Maryland Port Administration Security Measures

During 2009, the MPA continued to update technology and improve upon its ongoing security measures. Safe and secure facilities remain a high priority for the MPA. The most significant security update that changed processes and procedures by the MPA was the implementation of the federally mandated Transportation Worker Identification Credential (TWIC). The required date of implementation of the TWIC by the United States Coast Guard (USCG) in Sector Baltimore was December 30, 2008. Very early in the process, the MPA stated that a Pre-TWIC initiative was going to begin prior to the required date, which the MPA identified as December 1, 2008.

Creating the Pre-TWIC initiative had many purposes: to educate the employees and port community of the requirements before the official implementation date, to identify what if any impact the process would have on the business operations and economic needs of the community, and if necessary, allow access to the terminals without violating federal mandates before the required date. The Pre-TWIC process enabled individuals without a TWIC to be vetted by law enforcement through various data bases to show they were not a security risk. If the non-TWIC individuals could show they had applied for a TWIC and had not received their card, they were issued a pass through December 29, 2008. If they had not applied for their card, they were issued a one-day pass only, and advised where to apply for a TWIC.

Through a joint venture with the USCG, the Maryland Transportation Authority Police, and the MPA Office of Security, this Pre-TWIC initiative was a huge success. Numerous expected issues with the federal TWIC program were identified, and addressed before the required implementation date. Both the Pre-TWIC initiative and final implementation of the required TWIC procedures had little to no impact on business operations. The MPA was fortunate to have business moving since TWIC also coincided with the economic down-turn. The MPA Pre-TWIC initiative was heralded by the USCG in various meetings and presentations as "setting the bar on conducting a Pre-TWIC initiative and how to implement the TWIC process." Other improvements in 2009 were:

- Credentials continue to be issued for all MPA terminals. The MPA credentials are color coded to signify employee status on terminals and contain an electronic chip housing employee reference data. Although TWICs are required for identification purposes, they do not establish a purpose for coming into the terminal as required by the federal Maritime Transportation Security Act. The MPA credential establishes this purpose and creates a redundant manual means for access in the event of total system failure.

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- MPA Security was successful in being re-certified and validated in the US Customs Trade Partnership Against Terrorism (C-TPAT) program for container operations. The C-TPAT is a joint effort between the United States Customs and Border Patrol (CBP) and the trade community to reduce supply chain threat of terrorism by securing cargo entering, transiting, and exiting the United States.
- The MPA visitor access system (mVisitor) launched in late 2008 continues its refinement and improvements. This internally developed computer operated system accounts for visitors and vendors entering the MPA terminals and facilities. Further expansion of mVisitor will be used for vessel crew lists, tours, and other events thus moving to a complete paperless system. Additionally, the ability for conducting audits of the system by MPA Security ensures compliance of regulations and mandates. Expansion of the system into the World Trade Center security process is anticipated by early 2010.
- The Enhanced Perimeter and Area-Wide Remote Video Surveillance System became fully functional adding improved perimeter monitoring capabilities to all terminals.
- The MPA continues the Fence Line Enhancement and Repair Program on a regular and routine basis, ensuring industry standards are implemented.
- The MPA updated the Facility Security Plan for each terminal as required every five years by the Maritime Transportation Security Act. The process to complete this plan starts with a Vulnerability and Risk Assessment of all MPA terminals and facilities. To complete this process, a contractual agreement with a consulting firm experienced in maritime security procedures was established to conduct the assessment and assist in the re-write of the Facility Security Plan. This was completed and the updated Facility Security Plan was approved and certified by the USCG in early 2009.

### Coordination of Security Measures

The Maryland Area Maritime Security Committee, formed after the attacks of September 11, 2001, coordinates security efforts between its members consisting of the MPA, USCG, Maryland Transportation Authority Police, CBP, Federal Bureau of Investigation, municipal law enforcement agencies and maritime personnel from the private and public sectors. This Committee oversees Area Maritime Vulnerability Assessments and Security Plans for the

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Port of Baltimore (POB), plans annual security exercises to evaluate POB security measures and addresses “lessons learned” for POB security improvement. This coordination leads to a Strategic Plan for security measures which the MPA uses to identify security goals and justify requests for federal Port Security Grants.

The MPA also works closely with the Maryland Department of Natural Resources Police as they develop the Maritime Law Enforcement Information Network (MLEIN) Project. The MLEIN Project is being funded in part through the federal Port Security Grant Program, and will directly support all of the POB security goals. This project will provide law enforcement partners the ability to locate and track vessels operating in and on Maryland’s waterways. This project will enable better domain awareness to occur, and assist in identifying risks to our waterside security capabilities. Additionally, the MPA has worked closely with the Maritime Tactical Operation Group (MTOG) coordinated by the Department of Natural Resources Police. The MTOG is a multi-member group of law enforcement tactical units focused on maritime domain and response to critical incidents on waterways or a vessel (i.e. Cruise ship) that would require law enforcement presence and/or response. The MTOG is funded in part, by the federal Port Security Grant Program and directly supports the POB security needs.

### 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 securing the nation’s ports. Since 2002, the MPA has been successful in receiving grants totaling \$19.5M, including an American Recovery and Restoration Act (ARRA) Port Security Grant in 2009, to address federal regulations and initiatives that have helped to further secure MPA public terminals.

During the 7<sup>th</sup> 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. As a result of business practices changing and required TWIC procedures, areas of South Locust Point terminal were re-configured to allow for a truck drop-area that did not need TWICs. This, coupled with new access control procedures and audits of the mVisitor System, justified that the need for an Access Control Center in the North and South Locust Point was no longer required. Additionally, reviews of physical and industrial security measures identified certain other physical security barriers to be inefficient or impractical. Due to these findings, a grant modification to the 2007 Port Security Grant was requested and eventually approved by the Federal Emergency Management Agency (FEMA), who disseminates and manages the grant awards.

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Although this modification process has slowed the completion of projects, it has refined expenditures to better serve the goal of MPA security and best practices for maritime security procedures. Additionally, this modification will allow for the completion of unfunded projects identified in this report dated December 2008.

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:

<b>MPA Security Projects Completed 2002-2008:</b>	<b>\$ Millions</b>	<b>Status</b>
Dundalk Marine Terminal (DMT) Perimeter Security	\$0.65	Completed
DMT High Mast Lighting, Phase I	\$2.39	Completed
World Trade Center (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
<b>New and Current Security Projects in FY 09:</b>	<b>\$ Millions</b>	<b>Status</b>
Cargo and Information System Security	\$0.22	Completed
Area-wide Remote Video Surveillance System	\$7.18	Completed
SLP Gate Improvements	\$0.70	Underway
TWIC Interface	\$0.25	Completed
Dundalk-Seagirt Visitor Center	\$1.00	Design Complete
South Locust Point (SLP) Access Control Canopy	\$0.37	Design Complete
Closed Circuit Television (CCTV) Monitoring Center	\$0.33	In Design
Monitoring Center Infrastructure Modifications	\$0.41	In Design
Monitoring Center Emergency Back-up Power	\$0.39	In Design
<b>Total MPA Security Projects</b>	<b>\$33.91</b>	



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The MPA Office of Security continued its quest of identifying funding sources to achieve the goal of improving security and safety at all MPA terminals and facilities.

Fortunately, 2009 was a successful year and two grants were awarded to the MPA. The first was Round 8 of the Port Security Grant Awards. The MPA will either receive or manage, through a joint consortium, almost \$4M in federal grant funds. This grant includes additional closed circuit television cameras, infrastructure, WiFi system video sharing, and network integration. Also, a public-private consortium was created for the purposes of purchasing TWIC readers throughout the Port area. This was done to enable consistent security practices to occur across terminal lines and meet goals of the TWIC program. Funds have also been allocated to enable the MPA to be part of the first phase of implementing the statewide voice-data interoperability plan. This will enable communications to occur for daily response to safety and security issues as well as during emergency situations across jurisdictional boundaries.

The MPA's bid to receive funding from the ARRA (Stimulus) was successful and will receive \$1.3M in funds with no cash match required. A portion of these funds will be utilized to construct permanent guard booths to replace temporary booths needed as a result of changes to access control procedures with the implementation of TWIC. Additionally, funds will construct covered vehicle screening areas at entrances to the terminals. These covered areas will allow for more precise vehicle screening to occur to increase security procedures. Also, funds will provide for the purchase of additional CCTV equipment to further enhance the capabilities of the system in place and allow for video-sharing to occur. Finally, funds will be used to purchase equipment and technology to furnish an Emergency Operations Center at the Dundalk Marine Terminal. Currently, the MPA does not have a permanently identified location for key personnel and emergency response partners to muster in the event of a critical or emergency situation that enables established incident command procedures to be followed. The funds for these awards have not been released, but procedural processes are being followed to meet the requirements for this to occur as soon as possible.

### Unfunded MPA Security Initiatives

As technology improves, typically the costs of some system designs decrease. Security systems once thought to be cost prohibitive may soon be within reach of the MPA Security. Access Control Systems that improve security while at the same time increasing productivity are a sought after innovation that many system developers are trying to improve. Enhanced CCTV systems to include biometric software such as fingerprint reading capabilities, facial recognition, and iris scanning could lead to improved security. Also, underwater and above-water surveillance systems could improve port-wide security. Joint ventures for grant funding shared by many could enable these systems to be developed in the POB area further enhancing the security posture of the Port. The MPA will continue to work with Port partners and the Area Maritime Steering Committee (AMSC) (Sector Baltimore) to achieve these goals.

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Future Grant Awards

Currently, the Port Security Grant program divides eligible ports into three groups, based on DHS perceived risk assessments. The Port of Baltimore (POB) is a Tier II port. As part of DHS's plan to make the grants more regionally based, future grant funding provided for ports will be based proportionally on a risk analysis basis. In addition, a "fiduciary agent" will be assigned to each port area and selected through its respective AMSC process overseen by the respective USCG Captain of the Port. The MPA will complete investment justifications for the 2009 Port Security Grant Program with the hope of being awarded additional grant funding to continue addressing MPA security needs.

MPA Operational Budget for Security

For FY2010, the MPA Office of Security was appropriated \$8,097,346. Of this amount, \$5,369,867 is projected for Maryland Transportation Authority Police services and \$2,000,000 is budgeted for the remainder of the existing guard service contract.

Due to inflation and increased security requirements, the MPA established security fees to generate revenues to help offset security costs. MPA's security fee is set at \$1.50 per passenger on cruise vessels for embarking, debarking or "in transit" passengers, \$6.50 per loaded container-on-container and \$2.50 per foot for length overall on non-containerized cargo vessels.

Summary

The aforementioned projects and initiatives are being utilized to improve security at MPA facilities. The funding is obtained based on a high priority risk-assessment basis. The AMSC and the Maryland Maritime Security Task Force work closely with the Governor's Office of Homeland Security to address the overall maritime needs of the POB. Being a member of both the AMSC and the Maryland Maritime Security Task Force, the MPA works in collaboration with each entity to address the POB security concerns. Additionally, the MPA continues to work with all modal administrations in the Maryland Department of Transportation to ensure a coordinated security effort occurs to protect all transportation systems as they intertwine throughout their daily activities.

The security at MPA facilities is constantly evolving based on 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.