Maryland Department of Transportation
The Secretary's Office

Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor

Beverley K. Swaim-Staley
Secretary

Darrell B. Mobley
Deputy Secretary

November 30, 2011

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

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

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,

Beverley K. Swaim-Staley
Secretary

Attachment

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

A Report to the Maryland General Assembly

Regarding

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

December 2011

The Maryland Department of Transportation

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

> *"(a)...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. "*

Background

The Port of Baltimore (POB) consists of both the MPA's public terminals and a large
variety of private terminals. For the whole Port (public and private terminals), calendar
year 2010's tonnage reflected a recovery from the very weak economic conditions
worldwide in 2009, with a 47% increase in foreign cargo overall. Bulk commodities
increased 60%, while general cargo increased 18%. The total foreign cargo in calendar
year 2010 was 32.8 million tons; this gave the Port a national ranking of 13th for foreign
tonnage, and 11th for value of foreign cargo ($41.5 billion). These rankings are up from
last year's rankings of 15th and 12th respectively.

MPA's general cargo tonnage for FY2011 was 8.7 million tons, an increase of 14% over
FY2010. All commodities showed positive trends, with Roll-on/Roll-off equipment
(43%) and Autos (17%) leading the percentage gains. Containers had the largest increase
in tonnage at over a half million tons. MPA's volumes continue the positive trend, as the
first nine months of calendar year 2011 are showing a 10% increase in tonnage over the
same period the previous year.

Maryland Port Administration Security Measures

The MPA continuously strives to meet all the challenges and requirements as listed in the federal Maritime Transportation Security Act (MTSA), and the Security and Accountability For Every Port Act of 2006 (SAFE Ports Act). Additionally, as one of the Modal Administrations in the Maryland Department of Transportation, the MPA works with other transportation sectors to meet the coordinated goals for transportation security.

In 2011, the MPA continued to update procedures, identify new technologies and improve upon its ongoing security measures. Safe and secure facilities remain a high priority for the MPA. Important improvements during 2011 were:

- Credentials continue to be issued for all MPA terminals on an annual basis. The MPA credentials are color coded to signify employee status on terminals and stores data which can be read by the access control system. Although Transportation Worker Identification Credentials (TWICs) are federally required for identification, 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 back-up manual process for access in the event of total electronic system failure. The annual renewal of credentials meet current recommendations for security procedures. Additionally, annual Security Awareness Training and TWIC Escort Training occur to ensure employees are informed of current policies, procedures, and potential threats.

- The MPA visitor access system (mVisitor) continues to be refined and improved. This internally developed computer system accounts for visitors and vendors entering the MPA marine terminal and the World Trade Center. The mVisitor system also includes vessel crew lists, tours, and other events which allow the access process to be a completely paperless system. Additionally, the ability to conduct audits of the system by MPA Security ensures compliance with regulations and mandates.

- The MPA continues the fence line enhancement and repair program on a regular and routine basis, ensuring industry standards are implemented.

- The MPA continues to update and computerize all Post Orders for access control points, procedures, forms, etc., to ensure continuity with our Facility Security Plan. This process enables consistent and validated security processes to occur with the ability to make continuous refinements as needed.

- The use of eModal Trucker Check for all cargo is incorporated at both Dundalk and Seagirt Marine Terminals. This system requires all companies and drivers transporting cargo to pre-register in the system

prior to coming to the terminals. This adds another layer of security by verifying the driver/company is approved to conduct business at MPA terminals.

- A Senior Security Specialist was designated as the Facility Security Officer (FSO) as a result of the completion of the mandated FSO training.

- Employed a new Director of Security. The Director has 32 years of law enforcement experience focusing upon personnel and physical security, counterintelligence and forensics. The Director is a member of the Federal Bureau of Investigations Executive Joint Terrorism Task Force, Anti-Terrorism Advisory Council of Maryland, International Association Chiefs of Police, and the American Society for Industrial Security.

- The MPA participated in the U.S. Customs & Border Protection table top exercise, "Crimson Pier", conducted on September 29, 2011 which focused upon a Hazardous Material incident at the Port of Baltimore.

- Maryland Port Administration employees most likely to handle incoming mail were trained in accessing and handling suspicious packages.

- A bomb threat notification plan utilizing a telephone bomb threat description card was developed and instituted. The card is placed next to each employee's telephone to assist in the notification of law enforcement officials and subsequent investigation. This card was also distributed to tenets of the World Trade Center and Dundalk and Seagirt Marine Terminals.

As a direct result of these activities, for the third year in a row, the MPA received a "near perfect rating" from the United States Coast Guard (USCG) during our annual security inspection.

Coordination of Security Measures

The Maryland Area Maritime Security Committee, formed after the attacks of September 11, 2001, coordinates security efforts among its members consisting of the MPA, USCG, Maryland Transportation Authority Police, Customs and Border Protection, 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 Port of Baltimore (POB), plans annual security exercises to evaluate POB security measures and addresses "lessons learned" for POB security improvement. This coordination ensures a Strategic Plan for security measures which the MPA uses to identify security goals and justify requests for federal Port Security Grants.

Funded MPA Security Improvements through federal Department of Homeland Security Grants

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, 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.

In addition, by using a thoroughly reviewed planning process, security needs have been identified and a phase-in approach has been implemented. This allows for a building blocks approach to take logical steps and identify funding needs/resources particularly through federal grants. This enables the modification of plans when new or improved technology is identified or becomes affordable.

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 - DHS Grant Security Projects Completed 2002-2010:	$ Millions	Status
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
Cargo and Information System Security	$0.22	Completed
Area-wide Remote Video Surveillance System	$7.18	Completed
TWIC Interface	$0.25	Completed

New and Current DHS Grant Security Projects in FY11:	$ Millions	Status
SLP Gate Improvements	$0.70	Underway
Dundalk-Seagirt Visitor Center	$1.00	Underway
South Locust Point (SLP) Entrance Gate Canopy & Access Control/Gate Pass System	$0.37	Underway
Closed Circuit Television (CCTV) Monitoring Center	$0.33	Underway
Monitoring Center Infrastructure Modifications	$0.41	Underway
Monitoring Center Emergency Back-up Power	$0.39	Underway
TWIC Implementation/Expansion	$0.93	In procurement
CCTV Expansion & Sharing	$1.54	In procurement
Interoperable Communications	$2.89	In procurement
Vehicle Screening Buildings & Guard Booths	$0.32	Underway
EOC Equipment	$0.30	Underway
CCTV Expansion & Sharing	$0.64	In procurement
Thermal Imaging	$0.09	In procurement
Mobile Sonar Intrusion Detection System	$0.10	In procurement
Total MPA – DHS Grant Security Projects	**$40.72**	

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.

Funding to Support Port Security

The MPA participated in the FY 2009, FY 2010 and FY 2011 Port Security Grant Programs award opportunities.

A partial award has been made to the MPA for the Round 9 grant projects. The MPA received funds for the purchase of thermal imaging devices. The thermal imaging devices will be utilized by security and law enforcement personnel to inspect railcars as they enter and while staged in restricted areas of MPA's regulated facilities. Additionally, the law enforcement Marine Unit will use devices to check landside from water for possible intruders. Three additional projects are pending the release of funds: TWIC Implementation/Expansion, CCTV Expansion and Sharing at South Locust Point Cruise Terminal and Intrusion Detection System which the MPA anticipates funding to be released by year end.

The MPA's bid to receive funding from Round 10 was successful and the MPA will receive funds with no cash match required for a Mobile Sonar Intrusion Detection System. The Detection System will be a pilot project at the MPA's terminal facilities and assist in mitigation of inspections of vessels to include cargo as well as cruise vessels.

During the Round 11 grant, the MPA submitted an investment justification for funds to make improvements at the North Locust Point access gate. This project is pending grant approval and release of funds in November 2011.

Unfunded MPA Security Initiatives

As technology improves, typically the costs of some systems 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 achieve. 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 and detection 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 Security Committee -USCG Sector Baltimore to achieve these goals.

Future Grant Awards

The Port Security Grant Program (PSGP) 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" is assigned to each port area and selected through its respective AMSC process overseen by the respective USCG Captain of the Port. The Department of Homeland Security won't release its FY 2012 funding allocations until later in the year and deeper cuts to the PSGP funding could be enacted.

MPA Operational Budget for Security

For FY2011, the MPA Office of Security was appropriated $7,160,507. Of this amount, $4,812,000 is projected for Maryland Transportation Authority Police services and $1,868,809 is budgeted for 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 containers handled on container ships and $2.50 per foot for length overall for 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. As 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 operations.

The security at MPA facilities is constantly evolving based on needs, threat, vulnerability, risks, intelligence, and technology. The MPA continues to work on improving security at MPA facilities in order to maintain Maryland's Port among the safest in the nation.