

# WebMemo



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## Maritime Cargo Scanning Folly: Bad for the Economy, Wrong for Security

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Last week, the Obama Administration released its first ever *National Strategy for Global Supply Chain Security*. As stated, the main goals of the strategy are to promote the efficient and secure movement of goods and foster a resilient supply chain. Maintaining a secure and resilient supply chain is certainly critical to ensuring the prosperity of the United States' \$14.6 trillion economy. However, existing legislation governing maritime cargo transit and port security directly contradicts the goals of this strategy.

In 2007, Congress mandated that 100 percent of the approximately 32,000 cargo containers entering U.S. ports each day be screened. The feasibility of this mandate has been questioned by security experts from day one.

With less than six months remaining until the July 1 deadline, Homeland Security Secretary Janet Napolitano has made it clear that the mandate will not be met. In seeking to establish a workable alternative, Congress should consider supply chain realities in fostering a risk-based approach to maritime cargo security.

**The 100 Percent Screening Mandate.** Given the extensive economic importance of the maritime supply chain, the vulnerability of maritime cargo to terrorist and other malicious attacks has long been a concern. With this concern heightened after 9/11, Congress and the Administration moved to create a risk-based approach to strengthen maritime secu-

urity centered on analyzing cargo attributes, such as contents and origin of the cargo container, to single out high-risk cargo for further inspection.

By 2006, however, Congress took a sharp turn away from the risk-based approach to cargo security with the passage of the Security and Accountability for Every Port Act, which called for the testing of the feasibility of scanning 100 percent of U.S.-bound cargo, a requirement that was fulfilled though the creation of the Secure Freight Initiative pilot program.

While the program showed that "scanning U.S.-bound maritime containers is possible on a limited scale," major challenges existed in expanding 100 percent scanning to all 700 international maritime ports handling U.S.-bound cargo.<sup>1</sup> These findings, however, would be disregarded, and Congress moved to mandate that 100 percent of all U.S.-bound maritime cargo be scanned by July 1, 2012—prior to the pilot program even reaching completion.

**Roadblocks to Meeting an Unmeetable Mandate.** Proponents of the 100 percent mandate have pointed to the supposed success of the air cargo

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mandate, which mandated 100 percent screening of air cargo. Besides the fact that 100 percent screening was implemented only for domestic cargo—screening of U.S.-bound international cargo proved much more difficult—and that a significantly greater volume of cargo transits through the maritime supply chain, another critical difference is that the air cargo security mandate called for the 100 percent *screening* of all cargo, whereas the maritime cargo mandate calls for 100 percent *scanning*.<sup>2</sup>

While screening calls for cargo to be assessed for risk on the basis of contents, origin, and other attributes, scanning means that each of the approximately 11.6 million maritime cargo security containers entering U.S. ports each year must be physically scanned. With many maritime cargo increasingly containerized in recent decades, typical maritime cargo containers often measure some 40 feet in length. One key issue regarding maritime cargo screening is, therefore, one of scale. While the basic technology exists to effectively screen cargo containers, the expanded technology necessary to perform this function on large containerized cargo largely does not.

Cost and infrastructure are also important factors. A single x-ray scanner, the most common technology used for cargo screening, can have a price tag of \$4.5 million, plus an estimated annual operating cost of \$200,000, not to mention the roughly \$600,000 per year for the personnel required to run the equipment and examine the results.<sup>3</sup> Likewise, the mere placement of scanners can also prove to cause logistical problems, as many ports were not built with natural bottlenecks through which all

cargo passes. With today's economy relying heavily on the timely and efficient movement of goods, and such logistical delays could amount to around \$500 billion in total profit loss. And once scanning technology is installed, it may encounter multiple problems, such as incompatibility with previous technologies, frequent outages due to weather, and insufficient communication infrastructure to transmit electronic data to the U.S. National Targeting Center-Cargo, where it is assessed.

**Recognizing Supply Chain Realities.** A large part of the post-9/11 anxiety regarding maritime cargo security has centered on the “nuke in a suitcase” scenario, which has an extremely low probability of being carried out. The majority of cargo traveling through the maritime supply chain consists of legitimate goods. The 100 percent maritime screening mandate, however, fails to recognize this reality and instead treats every piece of cargo as a genuine threat.

Congress should rethink the 100 percent cargo security mandate and instead return to a risk-based approach to cargo security centered on analyzing manifest and other data to single out only high-risk cargo for further inspection. Ensuring the security and prosperity of the maritime supply chain is simply too important for Congress not to get this right.

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1. Deputy Commissioner Jayson Ahern, “Secure Freight Initiative and Initial Pilot Ports,” testimony before the Subcommittee on Surface Transportation and Merchant Marine Infrastructure, Safety, and Security, Committee on Commerce, Science, and Transportation, U.S. Senate, June 12, 2008, at [http://www.cbp.gov/xp/cgov/newsroom/congressional\\_test/pilot\\_ports.xml](http://www.cbp.gov/xp/cgov/newsroom/congressional_test/pilot_ports.xml) (January 31, 2012).
2. See Chris Battles, “Democrats Are Politicizing Homeland Security for the Fall Elections,” *U.S. News and World Report*, August 17, 2010, at <http://www.usnews.com/opinion/blogs/battle/2010/08/17/Democrats-Are-Politicizing-Homeland-Security-for-the-Fall-Elections> (January 30, 2012).
3. Susan E. Martonosi, David S. Ortiz, and Henry H. Willis, “Evaluating the Viability of 100 Per Cent Container Inspection at America's Ports,” *RAND Corporation*, 2005, at [http://www.rand.org/content/dam/rand/pubs/reprints/2006/RAND\\_RP1220.pdf](http://www.rand.org/content/dam/rand/pubs/reprints/2006/RAND_RP1220.pdf) (January 30, 2012).