



Transport of Security-Sensitive Materials

First Half, Fiscal Year 2015

June 2, 2015

Fiscal Year 2015 Report to Congress



Homeland
Security

Transportation Security Administration

Message from the Deputy Administrator

June 2, 2015

I am pleased to present the following report, “Transport of Security-Sensitive Materials” for the first half of fiscal year (FY) 2015, which has been prepared by the Transportation Security Administration (TSA).

The report has been compiled pursuant to language in House Report 113-481 accompanying the *Department of Homeland Security Appropriations Bill, 2015*, and section 1554 of the *Implementing Recommendations of the 9/11 Commission Act of 2007* (P.L. 110-53). Language directs TSA to provide semiannual updates on the implementation of an interim emergency-ready system to provide basic shipment tracking/visibility and shipment chain-of-custody control program, and plans for a fully developed program including progress on research and development activities.



Pursuant to congressional requirements, this report is being provided to the following Members of Congress:

The Honorable John R. Carter
Chairman, House Appropriations Subcommittee on Homeland Security

The Honorable Lucille Roybal-Allard
Ranking Member, House Appropriations Subcommittee on Homeland Security

The Honorable John Hoeven
Chairman, Senate Appropriations Subcommittee on Homeland Security

The Honorable Jeanne Shaheen
Ranking Member, Senate Appropriations Subcommittee on Homeland Security

Inquiries relating to this report may be directed to me at (571) 227-2801 or to the Department’s Chief Financial Officer, Chip Fulghum, at (202) 447-5751.

Sincerely,

A handwritten signature in black ink that reads "Mark Hatfield Jr.". The signature is written in a cursive, flowing style.

Mark O. Hatfield Jr.
Deputy Administrator

Executive Summary

TSA is required by law to develop a program to facilitate the tracking of motor carrier shipments of security-sensitive materials. To date, TSA has invested \$4 million in the FEDTRAK™ highway security-sensitive material shipment program to conduct research and development; to conduct a cost, benefit, and practicality study on technology; and to begin development of an interim emergency-ready system. An additional \$1.5 million is being applied in FY 2015 to complete the interim system.



Transport of Security-Sensitive Materials First Half, Fiscal Year 2015

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I. Legislative Language

This document has been compiled in response to House Report 113-481 accompanying the *Department of Homeland Security (DHS) Appropriations Bill, 2015*, and section 1554 of the *Implementing Recommendations of the 9/11 Commission Act of 2007* (9/11 Commission Act; P.L. 110-53).

House Report 113-481 includes the following provision:

The Committee directs TSA to move forward with the development of an interim emergency-ready system to provide basic shipment tracking/visibility and shipment chain-of-custody control, and urges the agency to engage in the research and development efforts required to fully develop the Tier 1 HSSM emergency-ready tracking system in the near future. The Committee further directs TSA to provide semi-annual updates on the implementation of an interim program and plans for a fully developed program including progress on research and development activities.

Section 1554 of the 9/11 Commission Act states:

(a) COMMUNICATIONS.—

(1) IN GENERAL.—Not later than 6 months after the date of enactment of this Act, consistent with the findings of the Transportation Security Administration's hazardous materials truck security pilot program, the Secretary, through the Administrator of the Transportation Security Administration and in consultation with the Secretary of Transportation, shall develop a program to facilitate the tracking of motor carrier shipments of security-sensitive materials and to equip vehicles used in such shipments with technology that provides—

- (A) frequent or continuous communications;
- (B) vehicle position location and tracking capabilities; and
- (C) a feature that allows a driver of such vehicles to broadcast an emergency distress signal.

(2) CONSIDERATIONS.—In developing the program required by paragraph (1), the Secretary shall—

- (A) consult with the Secretary of Transportation to coordinate the program with any ongoing or planned efforts for motor carrier or security-sensitive materials tracking at the Department of Transportation;

(B) take into consideration the recommendations and findings of the report on the hazardous material safety and security operational field test released by the Federal Motor Carrier Safety Administration on November 11, 2004; and

(C) evaluate—

(i) any new information related to the costs and benefits of deploying, equipping, and utilizing tracking technology, including portable tracking technology, for motor carriers transporting security-sensitive materials not included in the hazardous material safety and security operational field test report released by the Federal Motor Carrier Safety Administration on November 11, 2004;

(ii) the ability of tracking technology to resist tampering and disabling;

(iii) the capability of tracking technology to collect, display, and store information regarding the movement of shipments of security-sensitive materials by commercial motor vehicles;

(iv) the appropriate range of contact intervals between the tracking technology and a commercial motor vehicle transporting security-sensitive materials;

(v) technology that allows the installation by a motor carrier of concealed electronic devices on commercial motor vehicles that can be activated by law enforcement authorities to disable the vehicle or alert emergency response resources to locate and recover security-sensitive materials in the event of loss or theft of such materials;

(vi) whether installation of the technology described in clause (v) should be incorporated into the program under paragraph (1);

(vii) the costs, benefits, and practicality of such technology described in clause (v) in the context of the overall benefit to national security, including commerce in transportation; and

(viii) other systems and information the Secretary determines appropriate.

II. Background

Section 1554 of the 9/11 Commission Act requires TSA to develop a program to facilitate the tracking of highway security-sensitive material. TSA entered into an agreement with the University of Kentucky, through the DHS Science and Technology Directorate. TSA provided \$1 million in FY 2010 (PPA/ST101A000D) to continue the research and development of the University of Kentucky's Transportation Center highway security-sensitive materials shipment program, FEDTRAK™, for use as TSA's program to track motor carrier shipments of highway security-sensitive material.

In addition to the development of the program, the 9/11 Commission Act requires a cost, benefit, and practicality study of technology [See § 1554 (a)(2)(C)(vii)]. TSA provided \$900,000 to the Kentucky Transportation Center in FY 2011 (PPA/ST112A000D) and \$600,000 in FY 2012 (PPA/ST123A000D) to conduct the study to comply with that requirement.

The tracking program and required cost study progressed successfully until 2012 when TSA paused research and development to review the program within TSA's risk-based security protocol. In July 2013, the Kentucky Transportation Center provided TSA with a copy of the comprehensive cost-benefit analysis report, and, after thorough review, a determination was made to continue research and development efforts for the program.

III. Discussion

On July 1, 2014, TSA signed an interagency agreement through the DHS Science and Technology Directorate with the National Institute of Hometown Security to continue research and development efforts on FEDTRAK™.

In FY 2014, TSA obligated \$1.5 million (PPAs/ST134A000D and ST145A000D) to fund Phase I of an “Interim Emergency-Ready” system. Development of the electronic manifest/highway security-sensitive material supply chain-of-custody will connect the business processes of shippers, carriers, and consignees by applying their digital signatures to the electronic manifest and by allowing tracking capability by the driver’s smartphone. Phase I is expected to be completed by June 2015.

Currently, TSA is applying an additional \$1.5 million (PPA/ST145A000D) to complete the Interim Emergency-Ready system (Phase II). The completed electronic manifest system will allow TSA limited visibility into the movement of highway security-sensitive material during an emergency, or in the event of the issuance of a security directive pursuant to a highway security-sensitive materials situation.

TSA is reviewing options to complete the program required in the 9/11 Commission Act. As TSA moves forward in this endeavor, we will analyze the work accomplished pursuant to the program and compare it with our risk-based approach to ensure that we meet the goals required to fulfill the elements of the Act.

FEDTRAK		
Fiscal Year	Award Amount	Appropriation/PPA
FY 2010	\$ 1,000,000	ST101A000D
FY 2011	\$ 900,000	ST112A000D
FY 2012	\$ 600,000	ST123A000D
FY 2014	\$ 900,000	ST134A000D
	\$ 600,000	ST145A000D
FY 2015*	\$ 1,500,000	ST145A000D

* Not yet awarded

TSA will continue to provide semiannual updates on the implementation of an interim highway security-sensitive material tracking program, our plans for full development, and progress on research and development activities.