



Homeland
Security

August 18, 2016

Jonathan E. Gold
Vice President for Supply Chain
and Customs Policy
National Retail Federation
1101 New York Avenue, NW
Washington, DC 20005

Dear Mr. Gold:

Thank you for your June 20, 2016 letter. Secretary Johnson asked that I respond on his behalf.

I appreciate your coordinating this industry response to Secretary Johnson's recent decision to renew the extension of the deadline for full-scale implementation of the 100 percent scanning of U.S.-bound maritime cargo containers for an additional two years. The 100 percent provision requires the scanning of all U.S.-bound maritime cargo containers by radiological/nuclear detection equipment and non-intrusive imaging systems at foreign ports prior to the cargo being loaded onto a vessel.¹ The law directed the Department of Homeland Security (DHS) to implement this provision by 2012, but authorized DHS to extend the deadline for two years and renew such extension in additional two-year increments if certain conditions exist.

I share your concerns that this mandate could have a negative effect on global commerce if implemented without the appropriate technological systems to perform the required scans for radiological/nuclear threats, as well as a robust risk-based approach to screen and target foreign maritime cargo. While further extension of the deadline is necessary, the Department is committed to advancing the law's primary objective of protecting the Nation against radiological and nuclear threats. We have made important progress over the past two years. The Department has expanded scanning operations abroad by initiating new Container Security Initiative (CSI) operations at the Port of Aqaba, Jordan, and finalized agreements with the Government of the People's Republic of China to add two additional Chinese ports to the existing CSI arrangement.

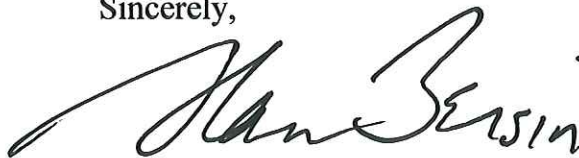
¹ The *Security and Accountability for Every Port (SAFE Port) Act*, October 13, 2006 (Pub. L. No. 109-347), Section 232, codified at 6 U.S.C. 982, as amended by Section 1701 of the *Implementing Recommendations of the 911 Commission Act of 2007* (Pub. L. No. 110-53).

In addition, DHS has strengthened radiological and nuclear detection capabilities abroad by leading the creation of global standards for detection systems and supporting international training courses. Most recently, the Department contributed to the development of a series of maritime supply chain security best practices and recommendations that world leaders approved at the 2016 Nuclear Security Summit in Washington, DC. Department efforts have improved targeting capabilities to identify high-risk containers and ensure that they are processed through existing scanning systems. The Department must rely on this risk-based protocol until a more comprehensive scanning solution is created and deployed worldwide.

Additionally, the Department has initiated a new campaign of engagement with industry stakeholders to identify and test alternative models for a sustainable global scanning regime. DHS has long maintained that concerted action is necessary to overcome the global threat posed by radiological/nuclear terrorism. As you know, as part of our continued outreach, on May 2, 2016, the Department issued a Request for Information to solicit information, recommendations, and proposed solutions on how DHS can meet the underlying objective of the law by leveraging private sector expertise while not impeding the flow of cargo or significantly increasing the cost of shipping. We received 25 submissions and have begun to assess each submission with the intention of conducting follow-on discussions with well-qualified respondents later this fall. DHS will then seek to test viable solutions in real-world operational environments.

Thank you again for your letter and interest in this important issue. The Department remains committed to moving towards the law's objectives in an open and collaborative fashion with our industry, congressional, and global stakeholders. Please share this letter with the other industry representatives referenced in your incoming letter. Should you wish to discuss this matter further, please do not hesitate to contact me or Sarah Morgenthau, the Deputy Assistant Secretary for the Private Sector Office, at (202) 282-9861.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan Bersin". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Alan D. Bersin
Assistant Secretary for International Affairs
and Chief Diplomatic Officer
Office of Policy