

Statement of

Steve Golding  
President & CEO  
Golding Barge Line  
Vicksburg, MS  
on behalf of

The American Waterways Operators  
801 North Quincy Street, Suite 200  
Arlington, VA 22203  
(703) 841-9300

Before the  
Subcommittee on Border, Maritime and Global Counterterrorism  
Committee on Homeland Security  
United States House of Representatives  
Washington, DC

September 17, 2008

Good morning, Madam Chairman. I am Steve Golding, President of Golding Barge Line, headquartered in Vicksburg, Mississippi. I am testifying this morning on behalf of The American Waterways Operators (AWO), the national trade association for the tugboat, towboat, and barge industry. Thank you for the opportunity to be here today and to share with you our concerns about the Transportation Worker Identification Credential (TWIC) program.

Our fundamental message is this: Congress, the Department of Homeland Security, and industry must work together to implement the TWIC program in a way that ensures high standards of maritime security without driving new employees away from our industry, imposing unreasonable burdens on those currently working in this business, and saddling American companies with costly requirements that add little practical security value. We understand that TWIC is the law, and we are doing everything we can to ensure that we are prepared to comply fully by the April 15, 2009 deadline. However, there are significant challenges ahead, and we will need the leadership and oversight of this committee to meet them. This is not a Democratic or a Republican issue, a labor issue or a management issue; it is an issue for all of us who care about the health of our nation's maritime transportation system and the men and women who make their living in it.

Our concerns fall into three categories: 1) reducing burdens on mariners and ensuring that the TWIC program does not become a barrier to entry into our industry; 2) ensuring TWIC compliance by the regulatory deadlines – and taking steps now to meet the challenges of the post-April 15 period; and 3) ensuring that electronic card readers are not required on vessels with small crews, such as towing vessels.

I will discuss each of these concerns briefly, but first, let me say a few words about my company and about our industry to give you some context for our perspective. Golding Barge Line is a family-owned company that specializes in the movement of refined petroleum products, petrochemicals, and chemical products throughout the U.S. inland waterway system. I have been in the barge business for more than 40 years, and it is truly a labor of love for me. We are blessed with an extremely dedicated and loyal team of employees, and my wife Melody and son Austin are both here with me today. We are passionate about our people and the work we do together. The safety and security of our employees are our paramount concerns.

Golding Barge Line is a proud member of The American Waterways Operators, the national trade association for the tugboat, towboat, and barge industry. AWO's 350 member companies span the spectrum from medium-sized family-owned companies like mine, to the largest publicly traded companies in our business, to small but vital one- and two-boat operations. Our industry is the largest segment of the U.S.-flag domestic fleet, operating nearly 4,000 tugboats and towboats and over 27,000 dry and liquid cargo barges on the inland rivers, on the Atlantic, Pacific and Gulf coasts, on the Great Lakes, and in ports and harbors around the country. Barges and towboats are a vital part of America's transportation system, safely and efficiently moving over 800 million tons of cargo each year in the domestic commerce of the United States. Our industry employs

more than 30,000 American mariners as crewmembers on our vessels, providing good, family-wage jobs with excellent opportunity for career advancement.

Our industry is serious about security. Less than two months after 9/11, we began working with the Coast Guard and the Army Corps of Engineers to develop a Model Vessel Security Plan for towing vessels, a year before such plans were required by the Maritime Transportation Security Act (MTSA) of 2002. When MTSA became law in November 2002, AWO worked with the Coast Guard to transform the Model Vessel Security Plan into one of the first Alternative Security Programs approved by the Coast Guard. We work hard to transport our nation's cargo safely and securely, and we take pride in the fact that our American-owned, American-crewed, American-built vessels are the "eyes and ears on the waterways" for the Coast Guard. But, we are deeply concerned by the burdens the TWIC program continues to impose on American workers and American companies. Let me elaborate on those concerns briefly.

#### Barrier to Entry/Burden on Mariners

The process of applying for a TWIC is expensive and time-consuming. When the process works as intended, it requires an applicant to make two trips to an enrollment center that may be located many hours away – one trip to apply for the card, and a second trip to pick it up. (And, that's when the process works as intended. Unfortunately, it is not unusual for an individual to have to make multiple trips to an enrollment center because something did not work as it should have: trouble with the fingerprint matching process, for example, or a missing card despite an email notification that the card was ready for pickup.) Our industry – and my home state of Mississippi – cannot afford to see that burdensome process deter individuals from entering this industry and missing out on the solid wages and potential for advancement that the industry offers.

We had originally sought to address this concern by proposing a modification to the interim work authority provision included in the January 2007 Department of Homeland Security final rule that would have allowed for 60 days of interim work authority after an electronically-initiated background check. We were disappointed that the Administration staunchly opposed such a provision.

But, AWO members are businesspeople and we take a practical approach to solving problems. Over the last six months, we have tried to find other means of achieving the same goal – to ensure high standards of security while reducing the burdens the TWIC program places on mariners. And, I am pleased to tell you that we have had some success in doing that. We are currently working with the Coast Guard on amendments to the AWO Alternative Security Program that clarify what it means to "monitor" a new hire who has not yet received his or her TWIC. We are working with Lockheed Martin to help companies who can afford to do so enter into "trusted agent" agreements that will allow them to operate TWIC enrollment centers on their premises. These are small steps, but, combined with other common-sense changes to the program, they will help to make the program more workable for companies and mariners.

There are two outstanding issues that we have raised with TSA and the Coast Guard on which we believe Congressional help is needed to stimulate further progress.

First, under the current DHS regulations, an applicant who completes the TWIC enrollment process and satisfies other prescribed conditions is eligible for 30 days of interim work authority. With the approval of the Coast Guard Captain of the Port (COTP), this interim work authority period may be extended to 60 days if TSA has not issued the applicant his or her TWIC at the end of the initial 30-day period. We have urged the Coast Guard to extend this interim work authority period to a uniform 60 days, without requiring an applicant to seek approval from the COTP.

We believe this change is necessary not only because of industry experience with the TWIC enrollment process (unfortunately, card processing times extending well beyond 30 days are the norm, not the exception), but also because work schedules in our industry do not mesh well with a 30-day interim work authority period. Many crewmembers in our industry work schedules such as 28 days on/28 days off, 28 days on/14 days off, or 30 days on/15 days off. Under the rules as currently written, a new hire is likely to be in the midst of his or her first trip on a boat when the 30-day interim work authority period expires. Companies will routinely be required to request an extension of the interim work authority period in order to allow the individual to complete the trip (even if the TWIC has been processed and is ready for pickup in less than 30 days). Granting an automatic 60 days of interim work authority to new hires who meet the criteria prescribed by the current regulations will allow a new employee time to complete his or her initial trip, pick up the TWIC during his or her time off, and then return to the vessel for the next hitch with TWIC in hand. We see this as a common-sense change that will eliminate unnecessary burdens on companies, mariners, and Coast Guard Captains of the Port, without jeopardizing maritime security in any way. The Coast Guard has the authority to make such a change, and we respectfully request that the subcommittee urge the agency to take this action now.

Second – we talk plainly in Mississippi, so let me say this plainly – it just doesn't seem right to us that a mariner should be required to make a second trip to the TWIC enrollment center for the purpose of picking up his or her TWIC, when passports and other secure documents (such as Merchant Mariner's Documents) can be mailed back to the holder. This "second trip" requirement doubles the burden on the applicant, and doubles the number of customers that enrollment center personnel have to deal with. (It's worth noting, too, that mariners who are required to carry Coast Guard licenses or MMDs are actually forced to make three trips – one to a Coast Guard Regional Exam Center to be fingerprinted for their license or document, and two to the TWIC enrollment center. It is just plain wrong that two agencies operating under the same federal department have not figured out a way to work together to consolidate this process and save hard-working mariners an extra trip.) When a TWIC costs \$132.50 and gas costs \$3.50 a gallon, American companies and American mariners deserve a more efficient process that is respectful of their time and their money. We urge this subcommittee to make clear its expectation that DHS find a way to eliminate the requirement that applicants make a second trip to the enrollment center for the purpose of picking up their TWIC.

### Implementation Schedule

Despite the considerable burdens that the TWIC program places on companies and mariners, our industry is committed to complying with the law and doing everything we can to ensure that our people are ready to work, TWIC in hand, by April 15, 2009. We appreciated DHS's realization that the September 25 deadline was not achievable and its extension of that deadline by seven months to compensate for delays in initiating the enrollment process. We are not here today to request another extension, but we still have grave concerns about the ability of this very imperfect system to accommodate all applicants required to have a TWIC by April 15. We urge you to exercise your very important oversight function to ensure that we do not find ourselves in a "train wreck" situation next April. The stakes for our nation's commerce are simply too high.

We ask, too, that you pay close attention to the rolling implementation dates for TWIC compliance at facilities as they begin to unfold this fall. We have seen little evidence of pre-planning and consultation with stakeholders prior to the announcement of those deadlines, and this troubles us greatly. We simply do not know whether the port-by-port compliance targets set by the Coast Guard are achievable.

We must also be mindful that the challenges will not go away after April 15, 2009; new applicants will walk through our industry's doors on a daily basis and will require a TWIC in order to make a living in this industry. We have received mixed messages from TSA over the past nine months about how the agency will ensure that sufficient nationwide coverage continues to exist to make it as easy – and I use that word guardedly – to get a TWIC in the spring of 2010 as in the fall of 2008. While we were originally told that the number of fixed enrollment centers would be consolidated after April 15, we are now told that all existing enrollment centers will remain open, albeit perhaps with reduced hours. While we do not doubt the good faith of those who have made such promises, we are skeptical, as businesspeople, that the "business case" will continue to exist to support indefinitely all of the centers that now exist. This will be a huge problem for the young person in Vicksburg or Paducah who finds him- or herself without a nearby enrollment center and forced to travel to another state to apply for a TWIC. We believe the solution is to look beyond the business model of stand-alone enrollment centers and expand the venues where TWIC enrollment can take place, from post offices to airports to Departments of Motor Vehicles. We thank this subcommittee for including provisions in the Coast Guard authorization bill that require DHS to begin exploring this possibility, and we urge you to exercise your oversight responsibility to see that this examination takes place promptly and seriously. The time to begin thinking about the sustainment phase of the TWIC program is now.

## Card Readers

In May 2006, DHS published a sweeping proposal to require electronic TWIC readers on all vessels subject to the MTSA security plan requirements. The Department subsequently announced its decision to rethink the card reader requirements and publish a separate notice of proposed rulemaking (NPRM) on this topic. We see no added security value in having card readers on vessels with small crews, such as towing vessels. The card reader requirement was conceived with the scenario of a busy public port in mind, with hundreds of longshoremen, truckers, and other personnel pouring through the gates at shift change. While we can see the value of an electronic reader under those circumstances, the situation on a towing vessel is much different. Typical crew sizes on a towing vessel range from three to 10, depending on the type of operation; there are never more than a few crewmembers seeking access to a vessel at any given time. We see no value to a card reader in such circumstances.

The SAFE Port Act gives DHS the authority to limit the card reader requirement to vessels with more than a threshold number of crewmembers, to be determined by the department. The Congressionally established Towing Safety Advisory Committee (TSAC), a federal advisory committee to the Coast Guard, last year recommended that card readers not be required on vessels with 14 or fewer crewmembers. We support that recommendation and urge this subcommittee to make clear to the agencies that Congress does not support a requirement for card readers where they will not meaningfully improve maritime security. We also urge that publication of the card reader NPRM not proceed until the results of the Congressionally-mandated reader pilot program (in which AWO member Magnolia Marine Transport Company is participating) are available. Publishing the NPRM without waiting for the results of the pilot program would be premature at best.

## Conclusion

Madam Chairman and Chairman Thompson, thank you for the opportunity to testify today. Thank you for listening to our industry's concerns and for your leadership and oversight in helping to resolve them. We are grateful for your work to resolve the serious problems that have plagued the TWIC Help Desk and for the efforts of your staff to intercede directly with TWIC applicants who fear they have become lost in a faceless, bureaucratic system. We urge you to continue to exercise your oversight and leadership to ensure that we achieve the TWIC program's goal of enhanced maritime security without jeopardizing the efficiency of our nation's transportation system or imposing unsustainable burdens on hard-working American mariners.

Thank you.