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JANUARY 27, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER

INCREASING THE EFFECTIVENESS OF THE
TRANSPORTATION CARGO SECURITY PROGRAM

Theft of cargo has emerged during this decade as a serious threat to the reliability, efficiency, and integrity of the Nation's commerce. The total cost of theft-related cargo losses from our Nation's transportation system is now estimated to be in excess of one billion dollars annually. These losses seriously erode industry profits, result in higher prices for consumer goods, and provide support for unlawful activities.

In recognition of this problem, the Secretary of Transportation, at Presidential direction, has provided leadership, guidance, and technical assistance in coordinating the efforts of Federal agencies and the transportation industry in the search for solutions. Through the cooperative efforts of the Federal agencies, an effective National Cargo Security Program has been developed and is now being implemented on a voluntary basis in cooperation with the transportation industry, and with the support of State and local governments, shippers, consignees, organized labor, and insurers.

To assure more effective Federal leadership in this effort, I am directing that certain additional responsibilities be carried out by the Secretary of Transportation, delineating the functions and responsibilities of the other Federal departments and agencies with respect to the National Cargo Security Program, urging full participation and cooperation in the program by the independent regulatory agencies and all Federal departments and agencies, and requesting the Secretary of Transportation to submit to me on March 31, 1976, a full evaluation of the effectiveness of the Federal program.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is hereby ordered as follows:

Section 1. Responsibilities of the Secretary of Transportation. The Secretary of Transportation shall be responsible for:

(1) assisting the transportation industry by planning, developing, and testing cargo security measures and by providing technical assistance and arranging demonstration projects related thereto;

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(2) coordinating the activities of Federal departments and agencies relating to the prevention of cargo theft, and studying means by which Government agencies can, through the procurement of transportation services, improve the cargo security programs of common carriers;

(3) collecting and analyzing cargo loss data for all modes of transportation, and preparing and publishing periodic reports on the extent and nature of theft-related cargo losses, local and national loss trends, and other special analyses useful to the development of theft prevention measures; and

(4) issuing, after coordination with the interested Federal departments and agencies and after opportunity for public comment, Cargo Security Advisory Standards for the prevention of cargo losses by any elements of the transportation industry, including shippers and receivers.

Sec. 2. Responsibilities of the Attorney General.
The Attorney General shall be responsible for:

(1) developing and conducting programs designed to promote the coordination of Federal, State, and local law enforcement efforts against criminal activity relating to cargo thefts; and

(2) supporting, to the extent possible and appropriate, the provision of financial assistance to State and local law enforcement organizations for the establishment and maintenance of cargo theft prevention programs and for the investigation, prosecution, and prevention of cargo theft.

Sec. 3. Responsibilities of the Secretary of the Treasury. The Secretary of the Treasury shall be responsible for:

(1) fostering the security of international cargo in customs custody within ports of entry and in its movement and storage in bond;

(2) investigating the theft of cargo stolen from customs custody and, consistent with the responsibilities of the Bureau of Alcohol, Tobacco and Firearms, the theft of firearms, ammunition, explosives, tobacco, and alcohol;

(3) analyzing cargo theft reports to identify theft-conducive practices and theft-prone facilities employed in the handling of cargo controlled by the Customs Service at ports of entry, providing for the implementation of cargo security advisory standards with respect to that cargo, and initiating other corrective measures as appropriate; and

(4) coordinating with the Department of Transportation and other interested Federal departments and agencies measures being proposed to improve the security of cargo at facilities controlled by the Customs Service.

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Sec. 4. Recommended Actions by the Transportation Regulatory Agencies. The Interstate Commerce Commission, the Civil Aeronautics Board, and the Federal Maritime Commission are urged, in exercising their regulatory responsibilities, to recognize and consider the problem of theft-related cargo losses and encourage preventive measures, and to continue to cooperate with the Department of Transportation by:

(1) developing cargo theft reporting systems affording full opportunity for presentation of views by the public, the Department of Transportation, other interested Federal departments and agencies, and those elements of the transportation industry from which reports would be required;

(2) obtaining cargo loss data from carriers, freight forwarders, and terminal operators (including such information as cargo lost, missing, stolen, presumed stolen, or damaged as a result of theft); and

(3) providing the Department of Transportation with the cargo loss data collected in a form that will permit both general and detailed analyses and preparation of reports on an intermodal and national basis.

Sec. 5. Recommended Action by Federal Departments and Agencies. All Federal departments and agencies, in their procurement of transportation services for goods and commodities, are urged to encourage carriers to adopt cargo theft prevention measures.

Sec. 6. Report and Recommendations. The Secretary of Transportation shall submit to me on March 31, 1976, and annually thereafter, a report evaluating and making recommendations concerning the effectiveness of the Federal program prescribed by this Order in reducing theft-related cargo losses.

GERALD R. FORD

THE WHITE HOUSE,

January 27, 1975

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