



1700 N. Moore Street, Suite 2250, Arlington, VA 22209  
Phone: 703-841-2300 Fax: 703-841-1184  
Email: [info@retail-leaders.org](mailto:info@retail-leaders.org) [www.retail-leaders.org](http://www.retail-leaders.org)

January 8, 2007

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, D.C.

Dear Speaker Pelosi:

Congratulations on your historic election. The Retail Industry Leaders Association (RILA) looks forward to working with you during the 110<sup>th</sup> Congress to foster economic growth, enhance opportunities for workers and businesses alike, and keep our nation safe.

By way of background, RILA is the trade association representing the largest and fastest growing companies in the retail industry. Its members include retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales. RILA members operate more than 100,000 stores, manufacturing facilities and distribution centers, have facilities in all 50 states, and provide millions of jobs domestically and worldwide.

As the 110<sup>th</sup> Congress works to implement the recommendations of the 9/11 Commission and address the security risks addressed by the bipartisan commission, we respectfully ask that you focus on the Commission's recommendations. We understand the House may consider legislation to mandate 100 percent scanning of all U.S.-bound cargo by an arbitrary deadline. While we wholeheartedly share your commitment to port security, we are opposed to the 100-percent scanning mandate as designed in this legislation for several reasons.

First and foremost, after extensive and exhaustive examination of the issue, the 9/11 Commission itself did not recommend 100 percent scanning of U.S. bound containers entering through U.S. ports. The 9/11 Commission recommendation on transportation security states that the U.S. government should "select the most practical and cost-effective ways" of improving security. The Commission correctly focused its recommendations on the areas of greatest risk. A 100-percent scanning mandate would divert resources and attention from our nation's most pressing security needs.

It is important to note that the 9/11 Commission recommendations were embodied in the SAFE Port Act, legislation that was approved on a nearly unanimous bipartisan basis just last fall. The SAFE Port Act will close existing security gaps at our ports, improve methods to assess a container's risk, and evaluate ways that technology can enhance cargo security. In addition, the law mandates the Department of Homeland Security (DHS) to implement a pilot program to test scanning technology and deploy such technology more broadly when effective and practicable. The SAFE Port Act exhibited Congress' keen understanding that supply chain security does not occur in a vacuum, but instead requires the cooperation and partnership with foreign governments and the private sector.

We are proud of our industry's long standing partnership with the Congress and DHS. Our companies were original participants in the Customs-Trade Partnership Against Terrorism (C-TPAT), resulting in a successful security partnership with other industry stakeholders, and U.S. and foreign law enforcement. Building off of our shared commitment to security, RILA members have agreed to participate in the Secure Freight Initiative. This program will test and pilot scanning technology at some of the world's busiest ports to address the questions regarding staffing, data transfer, and response protocols that the scanning pilot project that took place in Hong Kong did not address. It is essential that the Congress work with DHS and private-sector partners to implement these pilots and analyze the data collected before imposing an arbitrary deadline for 100 percent inbound container scanning. The Congress should not pass new scanning mandates until they can incorporate the findings and test in a variety of ports without the benefits from these crucial pilot initiatives.

RILA and its members stand ready to work with the Congress, DHS, and foreign trading partners to ensure that America's ports and the global supply chain are safe and secure. We are opposed to any efforts by the Congress to impose 100 percent scanning mandates without the benefit of the recently adopted scanning pilot initiatives, and urge you to focus on and follow the 9/11 Commission recommendations. Congress should work to ensure that the SAFE Port Act is implemented on schedule and that security measures are feasible and effective before enacting new mandates.

We appreciate your consideration and welcome the opportunity to discuss this issue with you and your staff in greater detail. If you have any other questions please contact Allen Thompson, Vice President for Global Supply Chain Policy ([allen.thompson@retail-leaders.org](mailto:allen.thompson@retail-leaders.org)).

Sincerely,

A handwritten signature in cursive script that reads "Sandra L. Kennedy". The signature is written in black ink and is positioned above the typed name and title.

Sandra L. Kennedy  
President