

Shipping seeks security in ISPS

Maritime security is a hot issue for the shipping industry, governments and huge numbers of companies springing up to supply consultancy services, armed guards and specialist equipment. What's behind the surge in activity?

Maritime security in the US has been completely overhauled over the past couple of years following the devastating terrorist attacks of September 11, 2001. The repercussions of those explosions are felt today as the Washington administration pours billions of dollars into Homeland Security and is pushing the already stretched US Coast Guard to the limit.

Enhancing maritime security will cost millions of dollars and the shipowner is likely to be the one signing the cheques. In addition to direct financial losses due to maritime crime, account must be taken on the impact on productivity, possible loss of life, rehiring, retraining, and time spent with police, attorneys, claim adjusters, and the news media. Real costs also include increased insurance costs, liability exposure and the loss of trade as well as the loss of goodwill and reputation, notes a report from the US government.

Stephen Flynn, of the influential US-based Council Foreign Relations, speaking at the Connecticut Maritime Association (CMA)'s meeting in March, said a political climate was being created "in which people think they can create a paradigm shift in maritime security without throwing any more resources at it, as if it is going to happen by spontaneous combustion".

The International Maritime Organisation's International Ship and Port Security code (ISPS) has been designed to regulate these issues. The ISPS requires tankers, cargo and passenger vessels over 500 gross tonnes and mobile offshore drilling units to develop individual ship security plans that address many issues including measures to prevent introduction of weapons; the identification of shipboard restricted areas; procedures for responding to security threats; evacuation procedures; auditing, training and drill procedures. The code will create a new position, the ship's security officer, who will be responsible for implementation of the plan. This is a potential area of contention, as the officer will have a range of other responsibilities in addition to his newly formulated security work.

A further important aspect of the ISPS is that Masters have the authority to deny access to the ship and to refuse to load cargo, should such actions pose a security threat.

A recent study commissioned by the UK government reported that the potential worldwide annual spend of over \$1.5bn exists for Exclusive Economic Zone (EEZ) protection, regulation and security. Security from infiltration and piracy are just two of the developing threats, added to the increasing problems of pollution control and port security, says the UK-based Defence Manufacturers Association (DMA).

The DMA, together with the UK's ministry of defence and export agency Trade Partners, is setting up an industry group with membership open to any UK company with an interest in this sector.

The market covers a huge range of services from patrol boats to biometric identification cards. Speaking at the Intertanko annual meeting in Washington in April, Scott Bergeron, chief operating officer, Liberian Registry (LISCR) described his organisation's recently developed biometric card. The card, which is undergoing industry trials during the first half of this year, is based on finger print technology and has already gained recognition by several US port authorities, port state control and the New York Police Department.

The repercussions of the increased interest in marine security are felt today as the Washington administration expects its long suffering Coast Guard to plug many of

the gaps revealed by intense industry scrutiny. The Coast Guard is being merged into the huge Department of Homeland Security (DHS).

Speaking at the recent Connecticut Maritime Association meeting in March, Rear Admiral Richard Bennis, a leading official in DHS' newly created cross-industry Transport Security Administration, said the association was taking shape and now had over 55,000 employees, but admitted that more government funding was necessary to put in place an effective maritime security presence.

Speaking at the recent Intertanko annual meeting Admiral Paul Pluta, assistant commandant of the US Coast Guard for marine and environmental protection, stressed that although Maritime Security in the US had a high priority, this did not detract from the safety and environmental protection goals of the US Coast Guard. Adm Pluta highlighted the successes of OPA 90 and US legislative activity regarding the recent Prestige incident. He also highlighted the amount of time and effort being put in by the security personnel and his staff "working day and night to meet the July 2004 Interim Final Rule and November Final Rule deadlines imposed by the US Maritime Security Act of 2002".

Adm Pluta said: "If we over-focus on security and pay less attention to safety and the environment, then we are not doing anyone a service."

Admitting that the Coast Guard often finds this a struggle with the financial support given to it by the government, Adm Pluta said: "When we try to do safety at the level that was asked of us before September 11, and then security on top of that, we don't have the resources to do that."

He suggested, only half jokingly, that the industry might like to lobby the US government to stump up more cash to support their work.

Also speaking at the Intertanko conference, Captain Sanjiv Sehgal, of Barber International, said that the success of any maritime security initiative depended upon a good intelligence network, undertaking of a realistic threat assessment based on a uniformly applied system, and motivation of staff to adapt to the new system requirements. "The situation called for a good cooperation between contracting governments, companies and ports because, unlike anything in the past, security was not something that could be effectively achieved in isolation. The underlying message was that the industry needed to pool resources to keep abreast of developments." Consolidation would provide the necessary strength and ability to better address the security concerns of the shipping industry and ships in particular. Effective security could only be achieved if we united and took up these issues on a consolidated front, said Captain Sehgal.

Elsewhere, Greek shipowners have pledged their support for the global security needs for vessels and ports. After a meeting between senior representatives of the Greek shipping industry and US Coast Guard commandant Thomas Collins, a statement from the Greek owners noted: "The two sides appreciated that the non-objective image of shipping is leading to imprudent and unilateral measures such as those proposed by the European Union (in the wake of the Prestige tanker accident). "The two sides agreed that unilateral moves undermine the authority of the IMO whose role as the responsible body for shipping remains irreplaceable." Speaking after the meeting at the Propeller Club of Greece, Commandant Collins said: "It's time for the maritime leaders of the world to step aggressively forward on security matters."

Another key feature of maritime security is insurance cover. Stephen van Dyke of Maritrans, speaking at the Intertanko Washington meeting, described the territory as being "uncharted". Basic insurance principles did not apply well due to the fundamental difference between insurance against the "intentional acts of others" as opposed to "accidental risk", he said. Mr van Dyke pointed out the "realistic possibilities" incidents such as oil spills, refinery fires and port blockages and the fact that owners might end up being held fully liable due to lack of adequate insurance facilities.

A good security plan and insurance would be the best protection against such a scenario, he said. Extra war insurance coverage would not be available from P&I funds and that War Excess funds were a mere \$400m.

The insurance industry could therefore easily find itself in a situation of not being able to provide cover, he warned. The US Government expected the industry to self finance its terror losses and owners to be prepared to defend themselves in court. He concluded that Intertanko had a big role to play in the development of relevant coverage by an insurance industry that could find itself unable to handle the liabilities that may be incurred.