

#### Presentation Outline

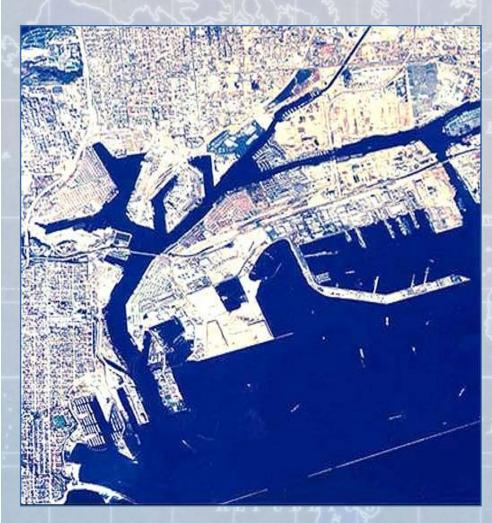
- Maritime Industry Overview
- Threats to Seaports
- Compliance Requirements
- Mitigation Strategy
- Economic Impact of Incident



#### US Maritime Infrastructure

- 361 Commercial Seaports in U.S.
  - 50 represent 90% of all cargo by tons
  - 25 represent <u>98%</u> of container traffic (less than 6% are inspected)
  - 16 represent <u>98%</u> of all international cruise ship passengers
- 95,000 Miles of Navigable Waterways
- 20,000 Oceangoing Vessels
- 3,200 Critical Maritime Facilities
  - Oil refineries (both on and offshore)
  - Nuclear power plants
  - Liquid natural gas facilities
  - Hundreds of waterfront sites that use or store hazmat
- 8,500 Ferries, Cargo Ships, and Barges

# Seaport Sizes and Internal Operations Vary Port to Port



Ports of Los Angeles and Long Beach, California



Port of Miami, Florida

# Types of Seaport Activities









# Additional Port Activities











### Alternate Port Uses

#### Local/Regional Special Events

- Super Bowl New Orleans, Jacksonville
- Tall Ships San Juan, New York, Boston

#### International Special Events

- OAS Port Everglades
- Olympics Sydney, Vancouver

# Container Operations - Growth

Cargo Shipping Method

1999: 55% general cargo by container

2010: 90% (projected)

Cargo Ship Group

1999: 3.6% of world fleet 4,000-6,000+ TEU (92 ships)

2010: 33% world fleet 4,500+ TEU

(9.5% in 6,000-9,000 TEU)

# Cruise Industry - Infrastructure

#### Groyyish

#### Ship Construction

2001-2006: 61 new ships @ \$21.5 billion

2004: 10 new ships @ \$4 billion

2005-09: Carnival fleet increases by 13 ships

2006: RCCL "Freedom" ships \$828 million

#### Ship Size

60,000 to 113,000 tons

2,000 to 5,000 passengers/crew

# Cruise Industry - Passenger

#### Growith

25 million passengers (18 year period) 1970-88:

42 million passengers (9 year period) 1989-98:

27 million passengers (3 year period) 1999-02:

13 million passengers 2003:

10+ million passengers 2004:

11 million passengers (predicted) (Caribbean Basin is the #1 Cruise Market) 2005:

Note: Over 80% of all cruise passengers are American



# Threats to Seaports

#### Threat dictated by type of port activity

- Alien Smuggling
- Cargo Theft
- Internal Conspiracies
- Labor Disputes
- Narcotics
- Organized Crime
- Terrorism

## Cargo Theft Activities

- Estimated \$30-50 billion loss worldwide
- Infiltration of air/seaports
   transportation hubs in Asia & Europe
- Tapping information sharing networks
   to ID HIGH VALUE cargo (computers,
   pharmaceuticals, high value clothing)
- Highly mobile

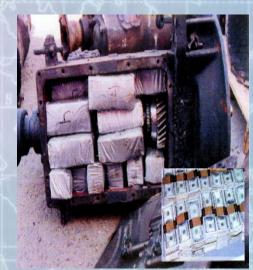
High Profit vs. Low Risk

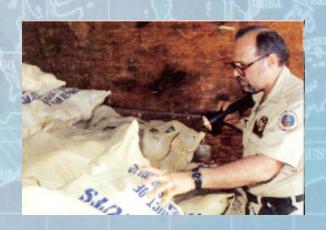


#### **Narcotics**

# Drug smuggling at 12 seaports (FY 1996-98)

- 1,217 drug seizures: 300,320 lbs.
- 48% of all drug seizures nationwide (cargo)
- 69% of all cocaine seizures nationwide
- 55% of all heroin seizures nationwide







- Established smuggling routes, methods, and means
- Supported by FARC and ELN
- Motivated by money
- Ruthless
- Access to large quantities of explosives and experience in assembling large

devices

REPUBLI

GERMAN MADAG

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OCEA

AUST



> Maximize Damage

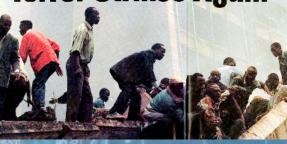


Maximize Casualties

AMERICANTERAZIL OCEAI

REPUBLI





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# Maritime Terrorism Incidents

<u>1985</u> – *Egypt* Hijacking of *Achille Lauro* 

1988 - *Greece*Attack on City of Poros

<u>1998</u> – Africa

Use of ships to transport explosives for bombings of US Embassies

2000 – *Yemen*Bombing of *USS Cole* 

**2000** – **Philippines**Bombing of *Our Lady of Mediatrix* 

<u>2001</u> – *Italy* 

Attempted smuggling of al-Qaeda member in cargo container to Toronto, Canada

<u>2001</u> – *Singapore* 

Planned multiple bombings, including maritime targets

**2002** – *Morocco*Planned bombing of US/British warships

2002 - Yemen

Bombing of the MV Limburg

2004 - Philippines
Abu Sayyef Bombing of the
Superferry 14 in which 100 died

**2004** – *Israel*Port of Ashdod double bombing killing 10 and injuring 18

# al-Qaeda Training Manual

Espionage - Information Gathering Using Covert Methods

#### Methods Using Covert Means:

- Foot Surveillance
- Vehicle Surveillance
- Drawings
- Photography
- Recruitment:
  - Smugglers
  - Workers at coffee shops, restaurants and hotels
  - People in need
  - Employees at borders, airports and seaports

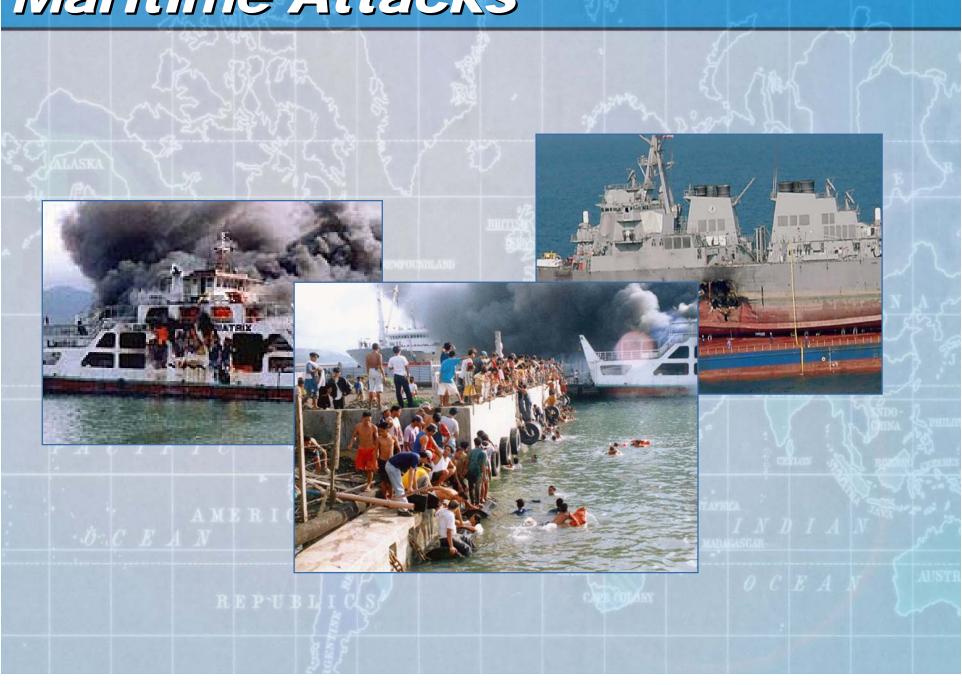
# al-Qaeda Training Manual

Information on strategic buildings, important establishments, and military bases

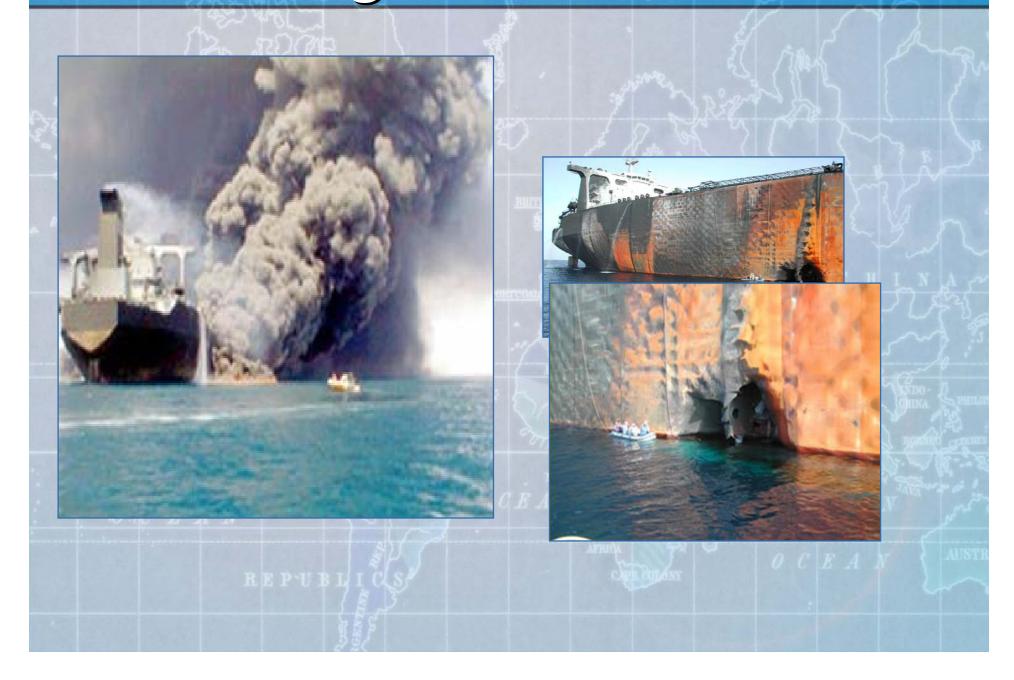
#### **Examples:**

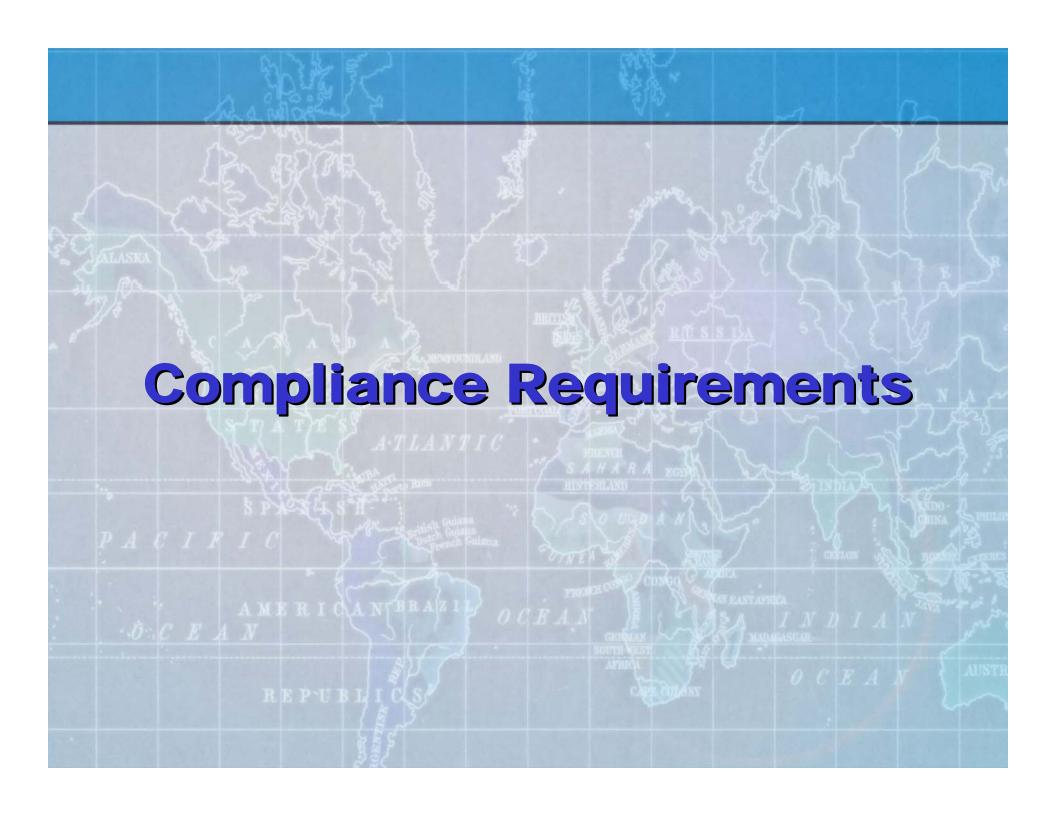
- Defense ministries
- Airports
- Seaports
- Embassies
- Radio & television

# Maritime Attacks



# MV Limburg Petroleum Tanker





#### Domestic/International

Waritime Security Regulations

- Maritime Transportation Security Act 2002 (MTSA)
- International Ship and Port Facility Security Code (ISPS)
- Reducing Crime and Terrorism at America's Seaports Act of 2005
- Homeland Security Presidential Directive 13

#### MTSA 2002

- Facility Security Assessment
- Facility Security Plan
- Annual Facility Security Plan Audit
- Quarterly/Annual Training Requirements
- Non-compliance consequences

#### ISPS Code

#### **Two Parts**

- Part A Mandatory
- Part B Recommended
- Facility Security Assessment
- Facility Security Plan
- Annual Facility Security Plan Audit
- Quarterly/Annual Training Requirements
- Non-compliance consequences

# Reducing Crime and Terrorism at America's Seaports Act of 2005

Strengthens existing law

 Creates new criminal law applicable to ports and maritime vessels

# Homeland Security PD - 13

- Preventing terrorist or criminal acts in Maritime Domain
- Enhancing U.S. national security and protection of ports, harbors, etc.
- Expediting recovery and response from attack
- Maximizing awareness of security issues in the Maritime Domain
- Enhancing international relationships
- Ensuring seamless, coordinated responsibilities





# Accomplishment of Objectives

- **Comprehensive Security Assessment**
- **Development of Security Plan**
- Training
- Proper Integration of Technology

# Objective of Assessment

- Identification of port facility operation
  - Identification of threats/vulnerabilities
- Mitigation strategies
- Blueprint for future security enhancements

# Elements of the Security Plan

- Incorporates findings of security assessments
- Establishes mitigation strategy on threats/vulnerabilities identified in security assessment
- Establishes procedures on access control, restricted areas, training, cargo handling/passenger processing, background checks, etc.

### 33 CFR Part 105 - Facility Security

#### **Security Incident Procedures**

Each facility owner or operator must develop security incident procedures for responding to transportation security incidents. The security incident procedures must explain the facility's reaction to an emergency, including the notification and coordination with local, State and federal authorities and Under Secretary of Emergency Preparedness and Response. The security incident procedures must also explain actions for securing the facility and evacuating.

## Al Qaeda Training Manual (90 pages)

- Counterfeit Currency/Forged Documents
- Organization Military
  Bases (Apartments/Hiding Places
- Means of Communications & Transportation
- Training
- Weapons: Measures Related to Buying & Transportation
- Security Plan
- Espionage Information Gathering Using Open & Covert Methods

#### Who Should Receive Security Training?

- Security Personnel (managers & officers)
- Non-security port personnel
- **Contractors/vendors**
- Tenants/Terminal operators

## Training Curriculum

### **Security Personnel**

- Maritime Operations
- Law Enforcement Subjects
- Physical Security
- Threat Assessment

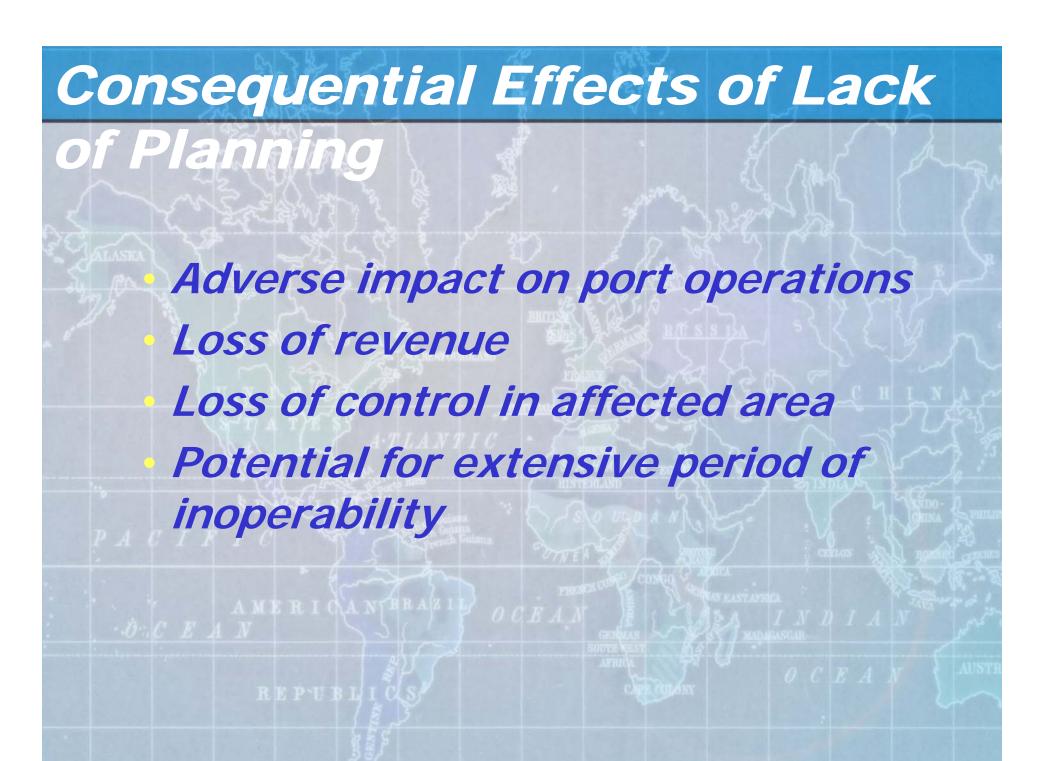
# Qualifications for Performance these functions

- Knowledge of maritime industry and security issues both domestically and internationally
- Minimum of 15 years experience in law enforcement, maritime, or military
- Ability to think strategically with a strong grasp of global business issues
- Active in maritime organizations

#### Qualifications control

- Experienced in conducting security surveys in maritime and transportation industry
- Experienced in developing security training programs
- Experienced in interacting with Federal, State and local government officials





## Our Lady of Mediatrix Ozamis, Philippines





## Economic Impact from 9/11 Attack

- DC/VA Area Hospitality: Sept Oct 2001 \$1 billion loss
  - Sheraton nightly occupancy average 85%, dropped to 22%
- National Airport closure local economy loss \$192 million loss
- NYC 11M sq.ft of office space lost \$4.1 billion loss
- Buildings 5 collapsed; 3 partially; 10 major damage
- **Sports** cancelled MLB/NFL/college games

## Economic Impact from 9/11 Attack

Insurance Loss

\$70 billion

Property Damage-Business Interruption-Casualty-Aviation-Liability

**CNA Insurance** 

\$468 million

Preliminary forecast was \$350 million

Hartford Financial Services \$440 million

Claims from loss of WTC

#### Summation

- Establish pro-active approach
  - Identify potential targets and develop response
  - Meet with agencies that would respond to a port incident to identify needs port can assist with
- Develop "emergency" contact list for port incident and identify facilities that could be provided to law enforcement for crime scene CP
- You cannot control the confusion and bedlam that will occur after an incident, however you can reduce the amount of time it takes to return the port to normal operations.
- Remember use -COMMON SENSE