

# Port Security - The New Reality

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# *Presentation Outline*

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





# *Maritime Industry Overview*

# *US Maritime Infrastructure*

- **361** Commercial Seaports in U.S.
  - 50 represent 90% of all cargo by tons
  - 25 represent 98% of container traffic (less than 6% are inspected)
  - 16 represent 98% 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*



**Bulk**



**Container**



**Petroleum**



**Cruise**



# Additional Port Activities



**Military**



**Waterfront Development**



**Museum/Cruise**



**Ballpark**



# *Port of Georgetown,* Cayman Islands



JUL 17 2004



# 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*

## *Growth*

- **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 Growth*

1970-88:	25 million passengers	<i>(18 year period)</i>
1989-98:	42 million passengers	<i>(9 year period)</i>
1999-02:	27 million passengers	<i>(3 year period)</i>
2003:	13 million passengers	
2004:	10+ million passengers	
2005:	11 million passengers	(predicted)

*(Caribbean Basin is the #1 Cruise Market)*

*Note: Over 80% of all cruise passengers are American*





# *Threats to Seaports*

# *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**

# *Organized Crime*

## **Traditional**

- *United States based*

## **International**

- *Russian*
- *Italian*
- *Mexican*
- *Colombian*
- *Chinese*
- *Vietnamese*
- *Israeli*



# 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



# Capabilities - *Narco Terrorists*

- 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



# Goals of Terrorists

➤ *Maximize Damage*



➤ *Maximize Casualties*



# Maritime Terrorism Incidents

**1985 – *Egypt***

Hijacking of *Achille Lauro*

**1988 – *Greece***

Attack on City of Poros

**1998 – *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*

**2001 – *Italy***

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

**2001 – *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*





A historical map of the world, likely from the late 19th or early 20th century, showing various territories and colonial possessions. The map is overlaid with a grid and has the text "Compliance Requirements" centered in a large, blue, serif font. The map labels include "ALASKA", "CANADA", "NEWFOUNDLAND", "BRITISH ISLES", "GERMANY", "RUSSIA", "INDIA", "INDO-CHINA", "PHILIPPINES", "AUSTRALIA", "AMERICAN STATES", "MEXICO", "SPANISH REPUBLICS", "ATLANTIC OCEAN", "PACIFIC OCEAN", "INDIAN OCEAN", "BRAZIL", "ARGENTINE REPUBLICS", "FRENCH SAHARA HINTERLAND", "EGYPT", "SUDAN", "GUINEA", "FRENCH CONGO", "CONGO", "GERMAN EAST AFRICA", "GERMAN SOUTH WEST AFRICA", "CAPE COLONY", "MADAGASCAR", "SOUTH AFRICA", "INDONESIA", "MALAYA", "SUMATRA", "JAVA", "BORNEO", "CEYLON", "SINGAPORE", "HOLLAND", "PORTUGAL", "AFRICA", "AMERICA", "EUROPE", "ASIA", "AUSTRALIA".

# Compliance Requirements

# Domestic/International Maritime 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



A historical map of the world, likely from the late 19th or early 20th century, showing various colonial territories and major geographical features. The map is overlaid with a grid and has the title "Mitigation Strategy" centered in large, bold, blue text. The map includes labels for continents like North America (Alaska, United States, Mexico), South America (Brazil, Argentine Republic), Europe (Russia, British Isles, Portugal), Africa (French Sahara, Sudan, Guinea, Congo, German East Africa, South West Africa, Cape Colony), Asia (China, India, Indo-China, Japan), and Oceania (Australia). It also labels major oceans (Atlantic, Pacific, Indian) and various colonial territories like British Guiana, Dutch Guiana, and French Guiana.

# Mitigation Strategy

# *Objectives of Seaport Security Program*

*Prevention*

*Minimization*

*Identification*



# 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* cont'd

- *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*



# Economic Impact of Incident



# *Consequential Effects of Lack of Planning*

- *Adverse impact on port operations*
- *Loss of revenue*
- *Loss of control in affected area*
- *Potential for extensive period of inoperability*

*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