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

- Cargo Container
- Cruise
- Petroleum
- Container
- Bulk
- Cruise
Additional Port Activities

Military

Waterfront Development

Museum/Cruise

Ballpark
Port of Georgetown,
Cayman Islands
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
• **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
<table>
<thead>
<tr>
<th>Year Range</th>
<th>Passengers</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-88</td>
<td>25 million</td>
<td>18 year</td>
</tr>
<tr>
<td>1989-98</td>
<td>42 million</td>
<td>9 year</td>
</tr>
<tr>
<td>1999-02</td>
<td>27 million</td>
<td>3 year</td>
</tr>
<tr>
<td>2003</td>
<td>13 million</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>10+ million</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>11 million</td>
<td>predicted</td>
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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
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

Terror Strikes Again
### Maritime Terrorism Incidents

<table>
<thead>
<tr>
<th>Year</th>
<th>Location</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>Egypt</td>
<td>Hijacking of <em>Achille Lauro</em></td>
</tr>
<tr>
<td>1988</td>
<td>Greece</td>
<td>Attack on City of Poros</td>
</tr>
<tr>
<td>1998</td>
<td>Africa</td>
<td>Use of ships to transport explosives for bombings of US Embassies</td>
</tr>
<tr>
<td>2000</td>
<td>Yemen</td>
<td>Bombing of <em>USS Cole</em></td>
</tr>
<tr>
<td>2000</td>
<td>Philippines</td>
<td>Bombing of <em>Our Lady of Mediatrix</em></td>
</tr>
<tr>
<td>2001</td>
<td>Italy</td>
<td>Attempted smuggling of al-Qaeda member in cargo container to Toronto, Canada</td>
</tr>
<tr>
<td>2001</td>
<td>Singapore</td>
<td>Planned multiple bombings, including maritime targets</td>
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<tr>
<td>2002</td>
<td>Morocco</td>
<td>Planned bombing of US/ British warships</td>
</tr>
<tr>
<td>2002</td>
<td>Yemen</td>
<td>Bombing of the <em>MV Limburg</em></td>
</tr>
<tr>
<td>2004</td>
<td>Philippines</td>
<td>Abu Sayyef Bombing of the <em>Superferry 14</em> in which 100 died</td>
</tr>
<tr>
<td>2004</td>
<td>Israel</td>
<td>Port of Ashdod double bombing killing 10 and injuring 18</td>
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</tbody>
</table>
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
Information on strategic buildings, important establishments, and military bases

Examples:

- Defense ministries
- Airports
- **Seaports**
- Embassies
- Radio & television
Maritime Attacks
MV Limburg Petroleum Tanker
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
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.
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.
• 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
• 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**
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