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PORT SECURITY: TRADE AND SAFE TRANSPORTATION IN THE HEMISPHERE

PRESENTATION BY MR. BOB EVANS, VICE-PRESIDENT,
APEC MARITIME SECURITY WORKING GROUP

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Mr Chairman, Distinguished Guests, Ladies and Gentlemen**.**

I am most grateful to have been given the opportunity to speak to you at this eighth regular session of Inter-American Committee against Terrorism or more commonly known as CICTE. The eminent speakers before me have discussed a wide range of subjects all with an underlying theme of terrorism and the underlying message that the use of sophisticated modern day technology is being employed to further the work of those who would go to any lengths to destroy the pursuit of a peaceful world.

I acknowledge a number of sources for this presentation, in particular my recent employer, the Office of Transport Security in the Government of Australia. I was therefore very relieved to find that ,according to one eminent scholar , although information repeated from only one source is considered plagiarism, from a number of sources it is termed research.

I have researched my topic well!

A snapshot of my background might assist before I start. I am a qualified Master Mariner and spent the first 20 years of my working life at sea, 9 of those as Master of a small LPG tanker trading in the South Pacific Region. Since coming ashore I have been involved in the commercial shipping industry superintending a fleet of chemical tankers, followed by a 10 year period with the Australian Maritime Safety Authority (AMSA).

In 2004 I was seconded to the then Department of Transport Office of Transport Security as a Maritime Adviser primarily responsible for the implementation of the ISPS Code on Australian Ships and the issue of International Ship Security Certificates prior to the 1st July ,2004.

The maritime industry is not isolated or shielded in any way from terrorist activities, Limburg and USS Cole are two well known examples.

We should pause here perhaps and give some thought to the theme of this session, "Port Security:Trade and Safe Transportation in the Hemisphere". Only a few years ago, the ISPS Code was introduced with a singleness of purpose; to ensure ships and ports were protected as best as possible from a terrorist attack. Now we are attempting to find a benefit from our endeavours and that is "how can our efforts enhance trade and safe transportation".

This single thought forms a significant similarity between the goals of both the OAS and APEC and adds to the importance of cooperation as I hope will become apparent throughout my presentation.

The shipping industry has always seemed to rise to the occasion, possibly resigned to the fact that when one certificate and its associated implementation has been dealt with, another awaits just around the corner.

I will not dwell on Australia's implementation of its security regime for too long, however I do need to set the background so please bear with me. The ISPS Code is implemented in Australia by the Maritime Transport and Offshore Facilities Security Act and Regulations (MTOFSA), which deals with some 70 ports and their associated facilities and service providers in addition to dealing with the Maritime Security Identity Cards and Maritime Security Guards.

In 2005 the offshore industry was included in the Act and Regulations.

There are also currently some 60 Australian Regulated vessels, very few engaged in international trade however.

Being an island nation most of Australia's imports and exports are seaborne, making the security of our ports of paramount importance.

Consider also that a greater percentage of ships that are in, or en route to, our ports at any one time are under a foreign flag and of course we are not privy to many of the security arrangements these vessels may, or may not , have.

Australian Trade

(SLIDES 2-6)

Globalisation remains one of the profound influences on Australian trade policy. Trade liberalisation has underpinned Australia's economic growth and living standards over the last fifty years. The Australian Government is committed to open markets and free trade, which it pursues through the World Trade Organization, regional forums such as the Asia Pacific Economic Cooperation, more commonly referred to as APEC and bilateral efforts.

The value of Australia's merchandise trade to APEC members rose 9 per cent to $249 billion from 2005-06 to 2006-07 and accounted for 71 per cent of Australia's world merchandise trade.

APEC accounted for 69 per cent of Australia's trade in goods and services with the world in 2006 – 69.1 per cent of exports and 68.8 per cent of imports.

It is not difficult to appreciate the importance of other APEC Economies to Australia.

APEC Region

APEC refers to its members as Economies. APEC has 21 members of which 5 are also members of the Organization of American States. They include: Canada; Chile; Mexico; Peru; and the United States. Other prominent members of APEC include: Australia; China; Japan; the Russian Federation; and Singapore.

What really interested me was the number of members of APEC who are observers at the OAS. It clearly shows Australia is not isolated from either organisation both in terms of destination ports and transit passages.

Isolated approach to maritime security

(SLIDE 7)

Given these facts we must ask ourselves about considering port security, or indeed maritime security in isolation.
What did the implementation of the ISPS Code mean for Australia?

It meant that all our ships with an international interface had International Ship Security Certificates and it meant that our ports, facilities and service providers with an international interface also complied with the requirements of the Act and Regulations.

But did the implementation of ISPS in our own countries give us the confidence in knowing that the same level existed in others, or indeed did we have any understanding of issues peculiar to another administration that may make their implementation different to our own.
I venture to suggest the answer is No.

Did we consider only the elements of the ISPS Code when dashing to meet the requirements of implementation by July 1 2004? My evidence would suggest that the answer to this one is Yes and that the only consideration in terms of trade facilitation was that there would be none unless a port had implemented the Code, and there would be no entry to a port for a vessel without an ISSC.

Reflect on my previous remarks regarding safe transportation and trade facilitation. Perhaps safe transportation was more readily achievable in certain aspects. Many ships had already initiated vigorous anti piracy measures which were readily adaptable to compliance with the ISPS Code.

Benefits to trade are a little more difficult to define, however I hope this will become more apparent before I finish, as , I hope, will be the advantages to be gained from greater cooperation between world organisations such as OAS and APEC .

National approach

Many issues remain for us in Australia and will continue to be developed further as time goes on. Some of these are training standards, consistency of plan approvals, consistency in audit results, targeting of inspections, greater industry involvement and so forth.

Where does the national philosophy fit in terms of regional involvement? Were Australia to trade solely with itself using its own ships then there would be no need for maritime security. This is quite obviously not the case and so it is now timely to examine at least the benefits of a regional approach to maritime security.

Bogor Goals

(SLIDES 8 & 9)

At the November 1994 APEC meetings in Bogor Indonesia, well before the events of 2001, Leaders set out the goals which still provide the guiding principles behind APEC activities.

"We, the economic leaders of APEC, came together at Bogor, Indonesia today to chart the future course of our economic cooperation which will enhance the prospects of an accelerated, balanced and equitable economic growth not only in the Asia-Pacific region, but throughout the world as well"

Those goals include:

To find cooperative solutions to the challenges of our rapidly changing regional and global economy;

To support an expanding world economy and an open multilateral trading system;

To continue to reduce barriers to trade and investment to enable goods, services and capital to flow freely among our economies;

To ensure that our people share the benefits of economic growth, improve education and training, link our economies through advances in telecommunications and transportation, and use our resources sustainably.

Regional approach
(SLIDES 10&11)

As you may be aware, the APEC Transportation Working Group is obviously multi modal, having a number of expert groups under its purview. It is interesting to note though that only the Maritime Experts Group (MEG) and the Aviation Experts Group (AEG) have security sub groups. In the case of maritime this is the Maritime Security Experts Group, MEG-SEC as we know it, currently under the Chairmanship of Canada with myself as Vice Chair.

The importance of maritime security is such that recent administrative changes have allowed the MEG-SEC maximum meeting time outside of plenary at the TPTWG meetings.

I will give you examples of our current projects and then outline two which I think will, or have had, a very positive effect on regional port security and have displayed the potential to facilitate regional trade.

- Establishment of a Points of Contact list. This list is not so much for contact in emergency situations but rather to facilitate ordinary issues dealing with maritime security. Frankly it is not used to its fullest extent and could be better utilised as a communications tool. This maybe something MEG SEC might consider somewhere down the track.

- Establishment of a Technical Assistance Spreadsheet. This was prompted by a need for the sharing of information between those providing assistance and training. For instance, I was fortunate enough to attend a training seminar in Indonesia a couple of years ago only to find that a couple of my own colleagues had recently done a similar thing only under the auspices of an International Maritime Organization (IMO) programme. There are many such programs and consequently much duplication of effort and again there is a need for greater communication between various organisations to achieve a more efficient and more beneficial training and assistance regime. As a matter of fact, the Chair of MEG-SEC has initiated discussions with the CICTE Secretariat to establish a

common training matrix between APEC and the OAS to ensure a more effective approach to training while avoiding duplication.

- Seafarer ID. This was a questionnaire designed to identify how APEC Economies determined the ID of visiting seafarers. The aim eventually was to establish a benchmark whereby other Economies would have the confidence in knowing that the ID of seafarers was established in a manner that could be trusted. Again this is perhaps something that could be shared?

- Port Worker ID. A similar project as above with similar aims.

- Drills and Exercises.

- Model Visit Program.

It is these last two projects that I wish to elaborate on as perhaps having the potential to be of most benefit to Trade and Safe Transportation.

The initial phase of the APEC's Drills and Exercises training program has just been completed. To further our work in this area, MEG-SEC is in the final stages of developing a drills and exercises manual and best practices to assist all APEC Economies in this important element of ISPS implementation. I would like to spend some time firstly though dealing with APEC's proposed Model Visit Program (MVP)

Reaching the benchmark
(SLIDE 12)

The Model Visit Program

Although Industry and the APEC Economies have actively implemented the requirements of ISPS Code, the diverse nature of the maritime industry has resulted in many economies having differing methodologies, standards and levels of compliance. The model visit program is aimed at overcoming some of these challenges with the intention of promoting a level of consistency across the APEC region by identifying economies needs and developing an assistance program for the region. It is if you like an "assisted self assessment exercise".

The model visit program is based on the maritime security arrangements of the ISPS Code and uses the IMO MSC/Circ 1192 voluntary self assessment tool as a guide. The Model Visit Program is designed ultimately to provide Economies with an assistance package which will enable them to be confident that they fulfil their obligations under the ISPS Code. Additionally the model visit program will provide an opportunity to:

- share experiences;

- identify best practices;

- strengthen cooperative relationships;

- identify future areas for cooperation; and

- promote a common understanding of the ISPS code.

It is important to note that this is not an audit and the results of any observations made by the visiting team remain the sole property of the visited Economy. It is then up to that administration to release or otherwise elements of the report. Importantly though, the administration can request, through MEG-SEC ISPS Code Implementation Assistance Program, the provision of assistance which will provide them with the confidence I just mentioned.

More importantly perhaps is that any assistance which may be provided will be done on the "train the trainer" principle, with the administrations own personnel ultimately providing their own training, or become part of a team providing such training to others.

The Pilot of this program was recently run in Papua New Guinea and was considered to be very successful. The point was also made by the PNG representative that they did not simply want instructors to come and go, they wanted their own instructors who would then perpetuate the training, perhaps with a follow up visit at some point in the future to ensure things were on track.

The principle of the Model Visit Program involves sending a team of three from various APEC Economies, one of whom would be the Team Leader, along with a Host Economy Representative.

Visits to as many relevant facilities as possible, preferably in a number of ports, is made in a period which should not exceed five days.

Material such as local legislation is sent to the Team some weeks prior to the Visit so that team members have a working knowledge of the visited Economy's administration of ISPS.

At the completion of the visit discussions are held with the Host who will suggest areas that might be of benefit in providing further assistance in the form of training and or equipment. My preferred approach is to concentrate on the training aspects as being the more permanent and effective form of assistance.

As I said, elements of the report remain the confidential property of the Economy and requests for assistance can be made without revealing what in audit terms might be deemed a deficiency.

The Pilot was successful and showed that this program had the potential to improve compliance in the Region. Not only that but there will be involvement by all Economies, each adding its own strengths and hopefully sharing information which will lead to the improvement of their own weaknesses.

A report on the Pilot and a manual for the conduct of Visits, including improvements to the original based on the experience of the Pilot, will be presented to the next TPTWG for consideration.

Perhaps we could also share these outcomes with the OAS.

Setting the benchmark
(SLIDES 13-21)
Drills and Exercises

This is no doubt a prime example of putting the cart before the horse!

It would be reasonably expected that the drills and exercises training might have come as a result of the outcomes of the Visit Program, however Papua New Guinea (PNG) requested assistance in this area prior to the acceptance of a trial of the visit program. It is nevertheless a good example of what might come out of the Visit Program.

Australia initiated a project through MEG-SEC at the request of the PNG Department of Transport for the development and delivery of a capacity building activity to facilitate an exercise and drills program for PNG.   This project formed part of the continuing support to the implementation of maritime measures, with an emphasis on the International Ship and Port Facility Code (ISPS Code). The project involved the development of a training framework, the completion of a drill and exercise program and an assessment of the effectiveness of the program at a later time. This would give PNG a robust template for the conducting of further activities themselves and has also provided a base template from which other economies can conduct training in this area.

The program consisted of four stages and was conducted over several days.

- Stage one – Scope the type of activity to be conducted, determine the complexity and infrastructure requirements;

- Stage two - conduct desktop planning exercise and develop exercise scenario objectives;

- Stage three - conduct exercise; and

- Stage four – undertake assessment analysis and report findings

Stage four is probably the most important- the follow up stage, and this was carried out some four months after the initial training and was aimed at the original participants demonstrating their ability to run such a program on their own as well as demonstrating that drills and exercises had been carried out and that more of their own people had been trained.

We were very pleased to note the standard that had been reached and the effectiveness that the development of their own program had been.

Perhaps the most interesting aspect was that in developing maritime security measures, the main aim had not been stated as the suppression of terrorist acts, but rather the reduction of theft and damage of cargo and the strengthening of access requirements to ports and facilities.

I think this is a critical factor to consider. Giving confidence to trading partners that effective measures are in place to ensure the security of cargo under normal conditions must be a major aspect of trade facilitation .Ship operators also have the confidence in knowing that the ports they visit are adequately protected, and those who would wish to create mayhem are prevented from doing so by the knowledge that ships are sufficiently well vetted so that the risk of being detected is too high to contemplate illegal activities.

The slides will also show that these programs are not always carried out in perfect conditions and that allowance must be made for local conditions. The measures we might adopt in major Australian ports would doubtless be considerably different

End results

Ladies and Gentlemen, these are but a few initiatives designed to enhance the intent of the ISPS Code.

I would like to impress on you though that these initiatives are designed not as an exercise where a project is delivered and forgotten about, but where the emphasis is on continuous evolvement by the host Economy itself. This not only ensures that the programs are continued under local conditions but that they are also carried out by those who are best placed to understand local conditions, the locals themselves.

Every Economy has its strengths and weaknesses and the intent of the Visit Program is also to determine what those strengths are and not simply dwell on perceived weaknesses.

What do we hope to achieve?

(SLIDE 22)

Our hope is that the Visit Program will be accepted and that over the next few years full participation will be achieved with all Economies being able to contribute by sharing their best practices whilst being able to seek assistance in those areas which need improvement, without the stigma and an "us and them" atmosphere that an audit can sometimes create.

Benefits to security and trade
(SLIDE 23)

"Fear of the unknown" is an often used phrase, and it is true that actions can be prompted by fear which may not be warranted.

It is my belief that understanding how our neighbours tackle the problem of security creates the opportunity not only for mutual assistance, but builds the confidence necessary not to impose costly restrictions on trading arrangements between nations and to facilitate the passage of ships that we know to be safe and secure.

Conclusion

I spoke earlier of the limited value of an inward looking security program.

I hope I have managed to show you some benefits of a regional approach.

It does not require much imagination to see that cooperation between like Organisations would bring an even better result and ideally global cooperation would bring such a barrier to potential terrorist activities as to ensure that Trade and Safe Transportation in the Hemisphere is achieved.

Thank you.