

TT CLUB



4th Philippine Ports and Shipping

Exhibition and Conference 2007

7th and 8th February 2007

Agenda

- Security Initiatives;
- Impact of Natural Catastrophes on Markets and Premiums;
- Importance of Emergency Planning.

Level of Risk?

- Pre 9/11 – emphasis was primarily aimed at minimising theft and pilferage;
- Degree to which Terminal Operators would “invest” in Security issues was optional;
- Now, we have a mixture of Mandatory Requirements, and Voluntary Initiatives



Current Initiatives

International Ship and Port Facility Code
(ISPS Code)

24 hour Advance cargo Manifest Filing
Requirement (AMS)

Container Security Initiative (CSI)

Custom's Trade Partnership Against
Terrorism (C-TPAT)



It is a real threat.....



•Achille Lauro



•Hyundai Fortune?



•USS Cole



•Limburg

Costs?

- Hourly Labour Wages for Security Guards;
- Costs for equipment:
 - Fencing;
 - Lighting;
 - Secured Gates;
 - Monitoring Equipment etc
- Local Construction and Installation costs;
- Port size and equipment needs (Container Terminal vs Bulk Terminal)



Cost of Inaction?

- Shutting down of the system;
- Complete closure of ports and terminals;
- Duplicative and lengthy cargo checks – at originating and receiving ports;
- Tens if not hundreds of billions of dollars
- Non Compliance
 - Delay;
 - Detention;
 - Refusal of entry;
 - Fines



Non-Compliance

“Use your best endeavours to comply with regulations.....relating to security”

“In the event of failure to do so..
.....Notice can be given that cover is suspended.....may reduce or reject a claim which results wholly or partly from failure to comply”

The image shows a scan of a 'Certificate of Liability Insurance' form. The form is titled 'AGENCY: CERTIFICATE OF LIABILITY INSURANCE' and includes sections for 'POLICY INFORMATION', 'COVERAGES', and 'TERMS AND CONDITIONS'. The 'COVERAGES' section contains a table with columns for 'COVERAGE', 'AMOUNT', 'EXCESS', and 'Deductible'. The 'TERMS AND CONDITIONS' section contains a list of conditions and exclusions. The form is a standard document used in the maritime industry to provide liability coverage for vessels.

The Silver Lining

- Reduced Delays;
- Increased Safety;
- Faster Processing Times;
- Better Asset Control;
- Decreased Payroll (due to IT improvements);
- Fewer Losses due to theft;
- Possible reduced insurance costs???
- Quality Management Systems;
- Lower Trade Costs



Accidents do still happen!



Typhoon Maemi



Indian Ocean Tsunami



Hurricane Katrina



Emergency Planning

- Windstorm Planning booklet;
- Background to dealing with an emergency remains the same;
- Available from TT Club Website:
- www.ttclub.com



Creating an Emergency Plan

- Overall Objectives:
 - to contain and control emergency locations;
 - to safeguard people in the operational area and neighbouring area;
 - to mitigate the effects and minimise damage to property and the environment;
 - to enable business to be resumed at the earliest opportunity;

Three Main Factors

- The hazard and nature and extent of the threat;
- The risk and the probability of occurrence;
- The consequence and the possible effect on people, the environment and the business;



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