Security still firmly at the top of the agenda
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NO segment of the international shipping business was as well prepared as the cruise industry for the new emphasis on security that followed the terrorist attacks of September 2001.

The major cruise lines had been only too aware of their vulnerability to terrorist attack ever since the Achille Lauro incident ushered in a new, and considerably more demanding, international security standard for cruise shipping in 1996.

And yet for all that, even the leading cruise companies have been surprised by the speed at which US and international authorities have responded to the perceived threat, and by the scope of the changes either already approved or under active consideration. Snappy sound-bite though it was, September 11 really did change everything.

Being realists by nature, cruise industry executives are only too aware of how high security now figures in the considerations of American holidaymakers. They also appreciate that the industry's reputation as a secure vacation alternative has been hard won, and could be lost with a single high-profile incident.

At the same time, they are as eager as their cargo shipping counterparts for the authorities to find a judicious balance between security and commercial considerations. And they are deeply concerned at the implications of major elements of the emerging new security regime.

The industry, already operating with approved security plans in place, was able to swing rapidly into crisis mode on September 11th. Michael Crye, president of the International Council of Cruise Lines, says: "On 9/11, we held a conference call of all the chief executives of our member companies. They agreed to go to the highest level of security that day. And they instituted a daily conference call with the security managers of all the lines, and all the agencies we deal with in the federal government. That went on for a long time. And it was a great benefit in working through the problems and inconsistencies in the way security requirements were being implemented from port to port."

Cruise companies worked to tighten security on the ground, introducing 100% screening of all luggage and 100% photo identification checks, and restricting visitor access to ships. Furthermore, industry representatives were participating in the debate on beefing up international security requirements at the International Maritime Organisation. Mr Crye notes that many of the upgrades made by the industry since 1996 as part of vessel security plans were subsequently incorporated into the new ISPS Code.

At the same time, he says, "there are a number of things in ISPS and the (US) Maritime Transportation Security Act that still need to be worked through".

This includes the issue of credentialing, which is as thorny an issue for the cruise lines as it is for cargo carriers.

"There are still questions about how we mesh the two, in order to make the international identification card a real document that is utilised and necessary, and about what privileges it will offer in terms of access."

The cruise companies typically do not use the crew list visas employed by the cargo carriers, preferring to secure C1-D visas for their crew members.

But that does not mean the industry has been immune from the kind of obstructionism experienced by container operators and tanker owners at the hands of US terminal operators and US federal agencies such as the Immigration and Naturalisation Service.

Mr Crye says it has become increasingly difficult to obtain visas for non-US citizens over the past 18 months, and particularly for targeted nationalities such as Indonesians.

International acceptance of the seafarers' identification card would cut red tape for the lines and ease the mounting frustration of crew members at their inability to get ashore in the US. Mr Crye adds that "most of the data that is going to be collected for the international seafarers' identification document is the same as that collected by a US consul when reviewing a visa request. It makes sense (for the consul) to rely for the most part on data from that i.d. card. We are pushing very hard for the US government to accept that."
The cruise lines also see potential problems in the government’s ability, or lack of it, to process in timely fashion the immense flow of information the industry is now required to transmit to it as part of the new manifest reporting requirements. The electronic reporting process is in the trial phase now, and is scheduled to be fully operational by March 1. Under the current arrangement, cruise lines must file a complete and accurate manifest within 15 minutes of its departure from port. The industry is pleading to be allowed to file promptly with 90% accuracy, following up with a more complete filing.

Mr Crye reasons that “the job of matching complete names, spell-checking and error-checking is quite a bit greater on a 5,000-passenger cruise ship than on a 15-crew member cargo ship”.

He adds that: “If a person is on a departure list, he will be with that cruise ship wherever it goes and if there is an issue we can certainly make people available to the US government.”

Another issue that set off alarm bells in cruise line corporate offices was the potential blacklisting of vessels that called at ports deemed insecure by the US. “It is going to be very important for the industry to communicate with and provide assistance to ports around the world, and to transmit the message that it is incumbent upon us all to ensure that security is maintained,” he said.

The Caribbean and Central America is likely to be one prime focus of those efforts, given the surge of cruise activity in the region in the wake of 9/11. Mr Crye said it was still too early to tell how developing world ports that are also cruise destinations were responding to the new security imperative. At the same time, he did concede that “there have been changes of itinerary due to perceived deficiencies in certain locations and potential threats”.

For an industry that appeared to dance on the financial precipice in the immediate aftermath of the 2001 terrorist attacks, the sharp increase in passenger liability incurred as a result of recent revisions to the Athens convention represents just one more thorny, and potentially very costly, complication.

Already, P&I Club premiums for cruise ships are surging and, as Mr Crye says, “the question of whether capacity will be there going forward seems an open issue”.

Indeed, the very status of the cruise companies as equal members in a mutual system is now open to question.

Among other objections to the new regime, Mr Crye also objects strongly to the ease with which a vessel’s insurers can be dragged unnecessarily into litigation.

More positively, he expresses some optimism that the newly minted Department of Homeland Security will work to the good of the industry, particularly on the issues of credentialing and streamlining access to the US for cruise ship passengers and crews. “They don’t have a lot of people there yet but they are hitting the ground running and seem to be very interested in the industry’s participation in their efforts.”

His one concern on this score involved the eternally vexed issue of funding, with many criticising the Bush administration for failing to provide sufficient financing for the new department.

“Absolutely, we share those concerns,” said Mr Crye. “We depend on the (customs and immigration) inspectors to do their job effectively and in a timely manner. We depend on the Coast Guard for waterside security in US ports. We depend on timely information, and that’s resource intensive.”