

Measure 30: Ship and port facility security

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<p><i>Policy package:</i> 4D: Safety, quality and the environment</p>
<p><i>Measure 30:</i> Ship and port facility security: tighten up the maritime safety rules in cooperation with the International Maritime Organisation and the International Labour Organisation, by incorporating the minimum social rules to be observed in ship inspections and a regulatory framework for safety controls for passengers embarking on ships offering European cruise (in order to combat the risk of attacks, along the lines of what is done in air transport).</p>
<p><i>What is the problem being addressed ?</i> The main objective of this measure is to implement measures to improve the security of European Community citizens and shipping in ports and at sea to counteract the threat of terrorism or other intentional unlawful acts against the ships, the crews, passengers or cargo. The measure incorporates measures agreed upon in the framework of IMO (International Maritime Organisation). In particular this concerns the SOLAS (International Convention for the Safety of Life at Sea) and ISPS code (International Ship and Port Security Code. However additional measures were defined to improve security levels for passenger ships (cruise ships in particular) and domestic transport. Implementation by Memberstates should be fast for international transport (July 2004) and somewhat later for domestic maritime transport (July 2005).</p>
<p><i>Measure's costs and/or benefits:</i> The costs of this Measure involve primarily costs to adapt to the new security measures. The total amount of cost is unknown but it both involves cost per vessel, education of personnel, organisation and equipment (which may differ per type and size of vessel) as well as cost of authorities (organisation of security checks, certification, administration costs etc.). Another relevant source of cost, not yet quantified, may become the increasing queuing at ports caused by security measures (e.g. requirements to scan a certain percentage of containers).</p>
<p><i>Legislative implementation at the EU level:</i> The proposal for Regulation of the European Parliament and of the Council on enhancing ship and port facility security (COM (2003) 229(01)) was favourably received and adopted by the EP (with a number of amendments) at session 17-20 November 2003. Some concerns were voiced with respect to cost aspects and cost sharing between maritime industry and the authorities, especially with regard to additional measures. Regarding the additional measures there was also a concern about competition distortion. In particular, the European Sea Ports Organisation (ESPO) generally supported the Commission's proposal because it provides an appropriate balance between the need for harmonization and the recognition of the port sector's diversity. At the same time, ESPO noted that the Regulation acknowledges that a security policy must not result in a proliferation of disproportionate and unreasonably expensive measures, but must be based on a realistic risk analysis instead. Subsequently there was in February 2004 (COM(2004) 76 final) a Proposal for a Directive of the European Parliament and of the council in enhancing port security that extends security measures also outside the immediate ports/ship interface. So the latter proposal complements the former proposal.</p>
<p><i>What are the objectives ?</i> Given the fact that similar type of measures are taken also in non-EU IMO-members (and the relatively low-security level of sea transport in the past) the overall security level of international shipping will undoubtedly improve in the next years. It is not believed that investments costs will substantially work against policies to increase the market share of sea transport, because in other transport modes also additional investments in security measures will be required in the next years. It must be said that the measure is a highly preventive one; at present sea transport is confronted with only a small number of security offences each year.</p>
<p><i>Interactions with other WP measures:</i> Of course this measure is related to a range of measures to improve security of transport for other modes as well, especially air transport following the events of 9/11.</p>

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Output indicators :

Key output indicators can be:

- Member states focal points operationally active;
- Number of security infringements (e.g. registered by means of security checks).

Outcome indicators: intermediate impacts on transport markets

Key market impacts will include:

- Adaptation costs of the industry per vessel type in equipment and personnel.
- Adaptation costs for port authorities and terminal operators
- Increased queuing and waiting time caused by security measures (decreased quality)

With regard to the latter indicator, White (2003) states that uncertainty causes the need for more security, which causes delays having a double effect: (i) from a management point of view: more *safety stock* is required, which implies a move away from JIT, and (ii) as far as design of supply chains is concerned: *less cross-border transport* will occur, which means a move away from globalization and no full exploitation of economies of specialization. White makes no calculation of effects himself, but refers to the American automobile sector, where border-crossing times for trucks hauling auto parts between Canadian suppliers and US assemblers have gone from 15-20 minutes to 3-8 hours since the measures introduced after September 11th, 2001 (example mentioned in SPECTRUM D3, 2004).

Outcome indicators: final impacts on transport users and non users

The main impact will obviously concern safety. The following indicators shall be considered:

- Annual number of security offences in the EU maritime transport (in ports and at sea). E.g. thefts, terrorism, sabotage etcetera);
- Number of victims and total monetary value of damage because of security offences in maritime transport.

These data should be available from police records.