



Caribbean Maritime Economic Security Program

May 2009

Strategic Importance of the Region

- **Approximately 90% of world trade moves in shipping containers**
- **Almost half of incoming trade (by value) to the U.S. arrives by ship**
- **The Caribbean Region serves as a major trans-shipment hub for the global movement of cargo, is susceptible to CONTAINER DIVERSIONS**
- **CARICOM countries largely dependent on trade with the United States**
- **2006 Imports from the Caribbean to the USA exceeded \$33 billion**
- **2006 Exports from the US to this region was \$25.8 billion**
- **2007 North American Cruise Industry revenue exceeded \$23 billion, with 43% of all US travelers going to the Caribbean (5.6 million)**
- **Region considered by many to be a “soft” target for criminal/terrorist activities**

Cruise Industry: Impact on United States

- **On average, a 2000-passenger cruise ship with 950 crew members generates approximately \$322,700 in onshore spending in a U.S. homeport city (where passengers embark on their cruise)**
- **Industry data show that 40% of embarking cruise ship passengers stay one or more nights in a port city either before or after their cruise**
- **On average, each overnight cruise visitor spends \$289 per visit on retail, dining, local transit and lodging**

Cruise Industry: Impact on CARICOM

- **In the Caribbean, tourism and the cruise industry are critical**
- **Tourism in the Caribbean generated more than 800,000 direct jobs and more than 2.4 million indirect jobs (equivalent to 15.5% of the total labor force)**
- **Tourism is not only the fastest growing industry in the Caribbean, but also the most competitive industry of the 21st century**
- **In general almost \$0.80 of every tourism dollar spent in the region comes back to the United States**
- **Economic recession and the impacts of any disaster, natural or otherwise can have a devastating effect on the local tourism sector but equally as important, US trading states**

Secure supply chain is critical to the safety and economic stability of the United States and the Caribbean



- Caribbean community is 3 - 4 days steaming time from major U.S. ports/markets on the East and Gulf Coasts (NY/NJ, Norfolk, Jacksonville, Miami, Tampa, Houston)
- The area provides immediate access to world-wide international shipping lanes
 - Panama Canal
 - Trans-Atlantic
 - U.S.-Bound

Existing Maritime Security Mandates

The International Ship & Port Facility Security Code (ISPS CODE)

The ISPS Code is an International framework involving the voluntary cooperation between the relevant government authorities and the shipping and port industries engaged in international trade to detect, deter and defuse security threats and implement preventative measures.

- **The Maritime Transportation Security Act of 2002 (MTSA)**
- **European Union Regulation #725/2004 of the European Parliament on enhancing ship and port facilities security (EU)**
- **Association of Southeast Asian Nations (ASEAN)**

- **CSI (2002)**
 - **“Container Security Initiative”, placement of U.S. Customs officers in select ports around the world**
 - Freeport, Bahamas
 - Caucedo, Dominican Republic
 - Kingston, Jamaica

- **C-TPAT**
 - **Customs-Trade Partnership Against Terrorism**
 - **A partnership between Customs and industry to secure the supply chain**

- **MEGA PORTS**
 - **The placement of radiation detection equipment and rapid communications, in select ports around the world to detect the presence of nuclear materials**
 - Freeport, Bahamas

None are regional in scope

Regional Security Landscape

Current Reality within CARICOM – No regional framework

- Porous borders –Total land space 287,367 mi
- Inadequate border control mechanisms
- Limited capabilities of law enforcement and security agencies
- Limited physical resources & maritime assets
- Insufficient funding for Customs and Maritime Security
- Inadequate Customs/Maritime Security training

- **Create a secure supply chain framework to protect the economy of the U.S. and its Caribbean trading partners**
- **Establish a regional standard for ISPS and WCO regulations similar to the U.S., European, and Asian models**
- **Through a cost effective initiative that first ascertains existing security conditions**
- **Important that security does not become a new trade barrier**

First Steps-CCAA Action Items

- **Compilation of Information Addressing the Existing Port Security Programs of the CARICOM Nations to Include:**
 - **Current agreements/partnerships between nations with regard to security services or training**
 - **ISPS-based port facility assessments conducted by third party organizations**
- **Review adequacy of ISPS Compliance efforts by nation**
 - **Verify if port security measures meet the minimum standards established by the USCG**
- **Review effectiveness of current Customs/WCO Security programs by nation**
- **Conduct Assessment of Existing Customs Resources and Procedures Dedicated to the Port Facilities of the CARICOM Nations**
 - **Review of statutes and authorities including identification of any conflicts between Customs and the port authority security forces and other border control agencies**
 - **Review of general customs procedures at each of the Ports/Terminals, including passenger processing and determining whether cargo is under proper customs control**

- **Compilation of ISPS Training Being Completed in the CARICOM Nations to Include:**
 - Have any CARICOM nations developed specific port security training requirements?
 - Are port facility guards private contractors or government employees?
 - What Port and Ship Security training has been conducted or sponsored (funded) by third party organizations in the Region such as the Organization of American States (OAS), Caribbean Central American Action (CCAA), U.S. Maritime Administration (MARAD), Florida Ports Council, Caribbean Shipping Association (CSA), and International Council of Cruise Lines (ICCL)?

- **Review of Supply Chain Security of the CARICOM Nations**
 - Develop trend analysis relating to the various security risks, as they pertain to each member state
 - Review the process for determining national security levels and subsequent public and private response requirements, including communications and information flow to all supply chain participants

- **Identify regional status: baseline (desktop review/physical regional review)-random country sampling**
 - **Legislation**
 - **Compliance**
- **Initial report and recommendations for governments and private sectors including identification of best practices**
- **Establish CARICOM database**
- **Develop minimum regional standards in fencing, lighting, access controls regulations and methodology**
- **Develop standards in training of port management and authorized private terminal personnel to address international, regional and local security concerns**

STRENGTHEN CARIBBEAN UNITED STATES REGIONAL SECURITY

End Game/Collective Action

- **Development of a shared advocacy, that support for the countries of the Caribbean is key as they attempt to fulfill U.S. and international security requirements that impact trade and development**
- **Create regional standards based on minimum requirements that can be implemented by all ports in accordance to relevant guidelines and local best practices sanctioned by regional governments**
- **Conduct honest compliance audits, including empty container screening programs**

End Game/Collective Action *(Cont'd)*

- **Train port management and authorized private terminal personnel to address international, regional, and local security concerns, standardizing training for port officer's, develop guard training guidelines, and conduct drills and exercises**
- **Set standards in training to insure that all service providers will deliver applicable trainings to ports in the Caribbean in accordance to the minimum requirements. Currently wide variety of vendors peddling often substandard programs**
- **Institutionalize a Caribbean regional maritime security authority that would effectively interact with national designated authorities, security service providers as well as international regulatory bodies**

- **\$2.5 million dollars over 18 months**
- **In the interim...**
 - **Regional training programs**
 - **Conferences/Seminars to identify and share best practices**

THANK YOU

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