



Fighting Maritime Terrorism by Michael Richardson

The al-Qaeda terrorist network has attacked and sunk vessels in recent years or tried or planned to do so. It is also clear that international terrorists see the potential of using the maritime trading system to conceal weapons or agents or to provide funding or support for their operations.

Al-Qaeda has shown interest in cargo containers on ships to ferry agents, weapons, and terrorist-related material across the globe. Shortly before his capture in Pakistan in March 2003, al-Qaeda's director of global operations, Khalid Shaikh Mohammed, offered to invest \$200,000 in an export firm in exchange for access to the containers used by the firm to ship garments to Port Newark in the New York-New Jersey harbor complex. Khalid Shaikh Mohammed is the alleged mastermind of the Sept. 11 terrorist attacks.

Concern that terrorists could use container shipping to mount a catastrophic attack on the United States prompted the Bush administration to implement the Container Security Initiative (CSI). The CSI was first announced in January 2002 and is now operational in at least 16 major seaports in Europe, Canada, and Asia. Most of the 20 leading mega-ports that ship cargo containers to the U.S. are in Asia and Europe. The CSI identifies and checks a relatively small number of cargo containers for possible weapons of mass destruction or dangerous radioactive substances that terrorists might try to place inside. The checking of suspect cargo bound for the U.S. is based on intelligence profiling and is done at foreign ports, before the containers are shipped to America. U.S. officials call this "defense in depth."

As many as 15 million containers are in circulation, criss-crossing the globe by sea and making over 230 million journeys each year. Some 7 million containers arrive annually by sea in U.S. ports alone. Checks of containers reaching U.S. ports by sea increased to 5.2 percent of total arrivals by September 2003, from 2 percent two years earlier. Worldwide, less than 1 percent of shipped cargo is screened using X-ray and gamma-ray devices to check for explosives, radioactive substances, or other dangerous materials.

Officials and counter-terrorism experts have warned that the next step up in terrorism may be an attack using chemical, biological, radiological, or nuclear weapons. A ship or container is regarded as one of the most likely delivery devices for a nuclear or radiological bomb. The exposure in February of an extensive and long-running nuclear black market that funnelled weapons technology to Iran, Libya, and North Korea from Pakistan has heightened these fears.

Shipping is the heart of global trade. Most international trade – about 80 percent of the total by volume – is carried by sea. About half the world's trade by value, and 90 percent of the general cargo, is transported in containers. The most

dangerous possibility is that terrorists might use a powerful radiological bomb or even a nuclear explosive device, perhaps concealed in any one of the millions of cargo containers that move through the world's ports each year.

Somewhat less catastrophic would be a terrorist attack that did not use nuclear or radiological bombs but instead used ships carrying explosive, inflammable, or toxic cargo as weapons to close one or more key international ports, straits, or waterways. The damage to world trade caused by such action would depend on how long the blockage lasted, the extent to which it could be bypassed, and the costs involved.

The detonation of a nuclear or powerful radiological bomb in a major port-city would cut the arteries of maritime commerce if the device was believed to have come by sea. It would halt much of the world's trade and severely damage the global economy as governments scrambled to put extra security measures in place to protect their populations, cities, and economies.

What would happen to insurance rates if terrorists attacked, or worse still closed, a major port, strait, or waterway? Ship and cargo insurance rates would skyrocket. After terrorists used a small boat packed with explosives to set the French oil tanker *Limburg* ablaze off the Yemeni coast in October 2002, underwriters tripled premiums on ships calling at ports in Yemen. The exorbitant cost of insurance and the fear of further attacks made many vessels cut Yemen from their schedules or divert to ports in neighboring states.

A nuclear or powerful radiological bomb attack on a major port would send ship and cargo premiums to prohibitive levels. The bigger the attack, the greater the insurance shock would be. There is no insurance for a maritime-related terrorist attack using a nuclear bomb. The recovery costs would be unimaginable. They would also be very heavy if a radiological bomb were detonated in a mega-port-city. Whether private insurance payouts would be available to aid recovery from a dirty bomb explosion is doubtful.

If these are the major risks to seaborne trade, what are the most appropriate layered defenses?

Accurate and timely intelligence about any attempt by terrorists to make use of ships or cargo containers is vital. So, too, is the continuing crackdown on the al-Qaeda network's leaders, operatives, organization, finances, and recruiting. The tighter security measures mandated by the International Maritime Organization (IMO) for ports, port facilities, and vessels are also important. They will take effect from July 1 this year.

But other actions are needed to build a more effective web of layered defense and deterrence against maritime-related terrorism. These preventive measures should include:

First, tighter security over nuclear weapons, and fissile material, radioactive substances, equipment, and technology that could be acquired by terrorists and used to make nuclear or radiological bombs.

Second, a universal container initiative is needed to supplement the U.S.-driven CSI and provide better security throughout the global supply chain to prevent a nuclear or radiological bomb being placed in a container or on a ship involved in international trade. At present, containers bound for the U.S. are the main focus of checks, although Canada and Japan have accepted a U.S. offer to screen any suspect containers in U.S. ports before they leave for Canada or Japan.

The U.S. and the EU agreed in November 2003 to work out ways of ensuring the security of containers from all locations that are imported into, transhipped through, or transit the EU and the U.S. This would amount to a very large portion of the world's general cargo trade. Leading Asian traders should adopt a similar approach.

Third, security must take priority over secrecy in shipping.

Lifting the shroud of secrecy covering the ownership and control of vessels, and improving seafarer recruitment and identification, are critically important in preventing terrorists from using ships for their own purposes. Failure to do so will mean that terrorists can work within, and under the cover of, the new maritime security arrangements that have already been applied or will be in place by the end of 2004.

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