



## Welcome

Welcome to the latest Seacurus Monthly Bulletin. It has been rather odd few months on the piracy front as the monsoon and seismic activity have hit the HRA hard.

The piracy "down time" has provided some reflection and debate. From conferences, to universities there has been much discussion on what is going on in the Indian Ocean, and much concern about the heightened piracy threat elsewhere.

As West Africa becomes ever more problematic, there are issues in Asia too – and security in ports across a range of nations is seemingly suffering in the economic downturn.

While the winds lash the HRA, there have been political gales buffering the industry and a UN report has lined a few targets in its sights – not least government collusion, private security and the shipping industry.

As ever we hope you find the Seacurus Bulletin of interest, and please do feel free to distribute to your own colleagues or contacts.



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## Content

**UK Slammed** – UN report critical of the UK's involvement in the resolution to the problem of Somali Piracy.

**Guarded Response** – UN report raises further concerns about the use and potential abuse of armed guarding services.

**Flouting Armouries** – a necessary evil some may say but should market demand drive the need to flout licensing regulations?

**Cyber Battlespace** – we convey the warnings issued by the latest conference on the next big security threat to shipping "cyber attack".

**Monthly News Review** – round up of the most interesting piracy related news articles during the last month.

# UK Slammed

The United Nations (UN) Somalia Eritrea Monitoring Group (SEMG) released its latest report last month – to widespread condemnation. There were a number of concerns raised, across many different groups that the report is politically motivated and agenda driven – and does not provide the level of objectivity which one would (or perhaps should) associate with an organ of the UN.



While much of the report, which was allegedly leaked to the media by the group itself, focused on the political landscape there was a view taken on wider issues such as security and the business model of Somali piracy.

Within this, the report levelled harsh criticism at the United Kingdom (UK) business establishment and the British government. The UK was praised for what was termed, “leadership in global efforts to eradicate the problem of Somali piracy” and its commitment to a Regional Anti-Piracy Prosecutions Intelligence Co-ordination Centre (RAPPICC) based in the Seychelles, and its contribution to piracy naval task forces and hosting of EU (ATALANTA) and NATO (Ocean Shield) in Northwood.

However the report lambasted the UK for failing to pursue law enforcement investigations against alleged Somali pirates and their associates. Furthermore, according to the report, the British Government has blocked UN Security Council efforts to designate senior Somali pirate leaders for targeted sanctions. The report claims some sinister motives for these actions.

The apparent blocking of sanctions is, the report claims, done at the behest of, what they term, “powerful domestic interests in shipping, crisis and risk management consultancies, maritime law and insurance, and private maritime security companies (PMSCs)”.

The UN monitors claim that as these parties derive significant profits from the Somali piracy phenomenon, albeit indirectly, then they are driving a negative government agenda.

The report goes on to further condemn the “powerful domestic interests” as they are seen to have valuable information and intelligence on Somali pirate groups, negotiators and networks - including details of financial and communication arrangements. However this information is rarely, if ever, released for the purposes of criminal prosecution or the imposition of targeted sanctions, whether inside or outside the UK.

The report is likely to cause concern as nations wrestle with the issue of piracy, the inflammatory tone could push some to waver and make payments illegal. The issue of ransoms is a complex one, but while their payment may encourage pirates, without them hundreds of seafarers would never have been returned safely to their families.

There are some who see the report as a political pawn in a game of chess, and one of the reasons for the report having been “leaked”. The group which produced the report is supposed to provide its report only to the UN Sanctions Committee and the Security Council. Their findings are not intended for the public or media.

Sadly while the politicians argue, seafarers are still being held and are still suffering.

It is perhaps also regrettable that the report singles out the UK, a nation which has done so much to not simply fight piracy, but which has worked hard to apply pragmatic commonsense in keeping seafarers alive. As ever it appears easier to condemn those who actually do something, rather than the myriad countries which do nothing.

# Guarded Response

The UN Somalia Eritrea Monitoring Group (SEMG) report did not only focus on the issues within government and the political responses in the region, they were also involved in assessing the private security provisions in the area and off the coast.

Despite recognition that the increasing use of private maritime security companies (PMSCs) has substantially lowered the number of vessels successfully hijacked, the report lashes out against an industry it terms, “unmonitored and largely unregulated”.

According to the report, PMSCs working off the coast of Somalia may represent a new potential channel for the flow of arms and ammunition into Somalia and the region.

The “highly profitable”, as they termed it, business has expanded and the UN monitors are concerned that the absence of control and inspection of these armed activities, “inevitably creates opportunities for illegality and abuse, and increases the risk that the maritime security industry will be exploited by unscrupulous and criminal actors, eventually coming to represent a threat to regional peace and security, rather than part of the solution.” Despite the progress at sea, they have stated that in the long term the maritime security industry was more likely to exacerbate the problem of piracy, rather than contribute to any kind of solution.

It is the view of the report that the UN Security Council should consider options for the establishment of an international regulatory authority that regulates, monitors and inspects the activities of private maritime security companies (PMSCs) operating floating armouries and providing armed protection to vessels in international waters.



The UN Group said that some private maritime security companies were either ignorant or believed they could afford to flout regulation. It also said that due to very high profits PMSCs felt they could afford to dispose of weapons and ammunition at sea before disembarking at transit ports.

The accusations saw a vehement defence by the security industry – as it was argued that PMSCs were making every effort to facilitate a regulatory structure, and were working within the scope of the legal requirements handed to them.

Critics of the report claimed that much of the data and interpretation was woefully out of date, and of step. According to Ince & Co partner Stephen Askins, speaking to Lloyd's List, much of the report was based on 2011 information.

The report stated that the UN Security Council should consider the establishment of a regulatory authority to regulate and monitor the activities of PMSCs. Something which was deemed to be an interesting and potentially very expensive idea, and while it remained to be seen who would be expected to pay for such an authority.

A journalist from Somalia Report, speaking on the issue felt that the UN's characterisation of the security industry as a security threat was hard to believe. Having read the report he stated it was "intellectually and morally dishonest to attack the security sector on the same level as terrorists and pirates".

Somalia Report has viewed the use and support of armed security as the single most positive trend in the safety of mariners and ships. We do not think it honest or appropriate that an investigation on security violators should include security enhancers. Until we see factual evidence to begin questioning this tactic we remain convinced this has kept hundreds of would be victims out of pirate hands.

According to one anonymous observer, much of the criticism of PMSCs seemingly stemmed from a report the previous year. The UN group tried to contact around 30 companies operating in the area, and the response rate was so poor that the group seemingly shaped the concept that, "they are all up to no good". Of the 30 contacted in 2011, it was understood that only 5 responded to explain how they conducted operations.

Anyone who has had to compile a report will perhaps recognise the frustrations which such a lack of response can bring about –and it now seems that PMSCs will be forever tarred with the same brush by the wider UN – regardless of any ongoing efforts by the IMO to create a workable system of accreditation and accountability.

# Flouting Armouries

Another issue which keeps raising its head is the use of floating armouries by Private Maritime Security Companies (PMSCs). According to the UN group, some 18 vessels are acting as floating armouries, deployed mainly in the Red Sea, Gulf of Oman and the Mozambique Channel.

“Since proper inspection of such vessels is non-existent, there is no guarantee that minimum safety standards for the safety and storage of arms and ammunition are applied,” the report warned.

The report accepted that some countries bordering the Red Sea, Arabian Sea and Gulf of Oman are virtually inaccessible for armed PMSCs, imposing severe restrictions or prohibitions under national law, while other states, such as Somalia and Eritrea, have been placed under UN arms embargoes. Such constraints — as well as the desire of PMSCs to save time and money by avoiding port transits — have led to the emergence of privately-owned floating armouries.



It is felt that until the littoral states surrounding the high risk area are prepared to look at a common solution, then floating armouries will continue to be an issue. At the International Maritime Organization last September the Facilitation Committee attempted to resolve the problems of inconsistent rules, regulations and legislation around the rim of the high risk area. However, interest from the nations was minimal and, despite efforts from the IMO, the reticence of the littoral states to engage a serious barrier.

The use of floating armouries does appear to run contrary to the licensing provisions which many PMSCs are bound by. UK companies have to obtain an Open General Trade Control Licence (OGTCL), however this limits them to 48 firearms approved in its arsenal and the issue of floating armouries has still not been adequately addressed.

The majority of security companies operating in the region are from the UK, and for them there is a concerning cocktail of regulatory confusion increasing price pressure. There is a fear that the security industry could be locked in a worrying “race to the bottom”.

Currently it is estimated that of the 42,000 vessels transiting the HRA in 2011, approximately 60% of the transits involved vessel types that would potentially incur a higher risk of maritime piracy. This means approximately 25k transits of high risk vessels annually, on which owners would be likely to privately contracted armed security personnel (PCASP). It is estimated that on average between 51-55% of higher risk vessel transits were using PMSCs in 2011, meaning around 14,000 PMSC transits in 2011. Assuming a fairly constant average of 25,000 higher risk vessel transits per year, and estimating a high figure for market saturation (likely maximum number of transits using PMSCs) at approximately 80% of the higher risk vessel transits using PMSCs, the potential number of transits using PMSC at market saturation is around 20,000 transits.

In the near future, we are likely to see a closing gap between PMSC use and the market saturation point, leading to increased competition. As the saturation point is reached, it is likely that the increased pressures of competition will force many PMSCs to change the way they do business.

Those that can will continue to use and strive towards highest possible standards to differentiate themselves from their competitors. However, the shipping industry, which is already under great economic pressure, is likely to incite greater price competition across the PMSC industry. There are fears that many will be forced to reduce the quality as they struggle to compete – and this could heighten both operational and liability issues.

Some are already cutting corners, and anecdotal reports of corner cutting are emerging more frequently. Some companies are hiring firearms from Sri Lanka or Djibouti with men along acting as a deposit. If a man with a firearm costs \$3,000 per month, then with \$9,000 a company can provide a security team with no training or vetting. This is a real concern, and without appropriate regulation, the race to the bottom is on.

# Cyber Battlespace

While many fear pirates in skiffs, it seems that there are rather more technical threats facing shipping. Recently, Commander Muccin an Assistant Professor in Nautical Science/Marine Transportation at the United States Merchant Marine Academy spoke of his fears for a cyber attack on shipping.

The majority of activities in shipping rely on sophisticated electronic and communication systems, and that puts them in an extremely vulnerable position and exposes them to hacking similar to nuclear plants and other areas of national infrastructures.

A recent 2011 European Union (EU) Report on Maritime Cyber Security indicates that maritime cyber security awareness is currently low to non-existent. This report covers many of the challenges facing mariners in the 21st century and highlights trends as well as examines current initiatives while offering recommendations to address these risks.

Based on the high complexity of ICT aboard maritime vessels it is paramount to adequately support and maintain a proper maritime cyber defence system. One of the basic concepts should be a design methodology that incorporates security in all major maritime ICT components.

Current maritime security principally deals with physical security and it now needs to be expanded to encompass cyber security and defence. While for many this may feel like a separate side issue to the usual piracy debate, there is evidence that Somali based pirates are increasingly able to tap into online resources to both target vessels, to assist their boardings and to facilitate their negotiations.



At a recent conference attendees spoke of pirates checking names against crew lists which had been obtained before they boarded. This hints at a level of sophistication which sends a shiver down the spine.

Shipping needs to ensure that its ICT infrastructure made more secure and tamper proof. Measures that can be deployed include developing a holistic approach to cyber based risk

management, building a framework for cyber incident response, enhancing information sharing to improve incident response capabilities and improving cyber security across all infrastructures.

Much of this can be framed around proper training for all crew members as well as implementing the Electro Technical Officer (ETO) position and ensuring and performing systems audits on all equipment and systems to verify they have the latest security and software updates.

At sea some simple items that can be done to be more cyber secure and vigilant include whenever updating ECDIS charts to verify the source, request encrypted data and digital electronic signatures. These are simple steps that can help alleviate someone maliciously sending you incorrect navigational data that could easily put your ship in jeopardy or peril for example by moving one buoy out of position in a channel.

Much of the cruise industry currently has IT departments onboard vessels and the new changes in the 2010 STCW Manila Amendments have even introduced an ETO designation with approved training and Certificate of Competency (COC).

On board cruise ships and sophisticated offshore vessels an ETO is immensely important as they have huge electrical requirements, dynamic positioning and unmanned technology handling them. An ETO can, perhaps, be seen as a natural evolution of the traditional electrical officer. Amongst their responsibilities the ETO will have to maintain and repair radio communications, electronic navigation equipment, telephone and satellite communications and engine room electrical equipment. However, there is a concern that many are not trained in cyber security.

According to Muccin, the maritime community should get together and form a maritime cyber security collective that could establish strategy, policy and guidelines that would be beneficial in securing and protecting the maritime sector. With shipping blind to the threats and with pirates increasingly gearing up to use technology, the threats are clear. Internet usage today in Somalia only stands at 1.2%, but in the past few years the growth has been almost exponential.

With the enemy out at sea continually evolving now is the time for shipping to make preventive moves and on an individual basis all shipping companies should be self-evaluating their operations and infrastructure to ensure they are fully compliant with the latest security and protection systems to avoid future threats.

# Monthly Review

## Nigeria Death

One person was confirmed killed and scores missing in a midnight attack on a boat owned by the oil company, Agip, in Nigeria at the weekend. The boat- "MV Terra"- was said to be carrying Agip staff to the company's Clough Creek platform when suspected pirates struck. The pirates apparently ambushed the boat. The Master who was shot on the leg is being treated in an undisclosed hospital.

<http://goo.gl/WcPnG>

## Monsoon Area

During the most recent reporting period there have been no piracy incidents in the High Risk Area. Pirate activity can still take place during the South-West Monsoon. It should be noted that pirates are likely operating closer to shore to avoid severe conditions further out to sea. Pirate Attack Groups (PAGs) will likely continue to focus efforts in the Northern Arabian Sea, Gulf of Oman (GOO) as well as in the GOA, Southern Red Sea (SRS), and coastal waters.

<http://goo.gl/l6mMP>

## Licensing List

Lloyd's List latest investigation into the practices of PMSCs has revealed that only 50 private maritime security companies hold any form of licence from the Department of Business, Innovation and Skills. The Freedom of Information request and the information it reveals again raises the question of how many PMSCs are operating outside the law.

<http://goo.gl/ZGTRA>

## Self-Help Strategies

Seafarers and ship operators have a right to safe navigation, and if governments can't provide the necessary level of security, it is necessary to buy protection in the market, said Murray Hammick of defence contractor, Chenega Federal UK. He added " it is about stepping back and taking a long-term and strategic view of what it is that individual shipowners and operators need in order to allow them to carry on their business without interference by unlawful gangs at sea".

<http://goo.gl/73tTf>



### **Mombasa Death**

A British man believed to have worked in maritime security has died after a night out in the Kenyan port city of Mombasa. The man, reportedly in his 30s, collapsed when about to board a vessel in the Mombasa port, after returning in the early hours following a night spent with friends. According to police, the Briton was a maritime security officer on the ship "MV SVS Frobisher", which is owned by Specialised Vessel Services (SVS).

**<http://goo.gl/JjJ8Q>**

### **Reigniting Debate**

An incident that has been likened to the "EnricaLexie" case has led industry experts to call for the involvement of all affected parties in regulatory discussions on rules for the use of force. Last Monday, one Indian fisherman died while three others were injured after a security team on board USNS Rappahannock fired on a small motor vessel near Jebel Ali in the United Arab Emirates. The US Naval Forces Central Command said the fishing vessel had disregarded warnings and rapidly approached the ship.

**<http://goo.gl/VcBIJ>**

### **Winning War**

The threat of piracy in Somali waters is declining, the North Atlantic Treaty Organisation (NATO) anti-piracy commander Commodore Ben Bekkering said on Saturday (July 21st). "We are gaining more success in reducing the Somali piracy threats with our constant patrolling, but the international community must continue to exchange ideas and increase efforts to completely eradicate the problem," Bekkering said, according to the Times of Oman.

**<http://goo.gl/GQsw1>**

### **Blue Beret Recipe**

The Asian Shipowners' Forum has offered a detailed proposal for UN armed personnel to guard ships. There are two options on the table at the moment - one is for a full "Blue beret force" - while a slightly watered down version features calls for UN sanctioned teams. The ASF estimates the cost to create floating bases would reach \$12m, while annual operations would cost another \$12m. There is no indication who would foot the bill for this force.

**<http://goo.gl/g7F77>**

### **Old Laws**

In recent years, the U.S. government has dusted off 18th century law and put it to work in cases against Somali pirates. The Justice Department hasn't been shy about going after pirates — about 30 alleged pirates are incarcerated in the U.S. – but prosecutors are now adapting piracy laws from the 1700s to snag hostage negotiators too. The legal pressure may help explain a drop in pirate attacks so far this year.

**<http://goo.gl/JKkvw>**

### **Boat Shot**

A U.S. military vessel fired Monday at a small boat in the Persian Gulf after it came too close, killing one person on board and wounding three. The "USNS Rappahannock", fired on a "small, white pleasure craft" 10 miles from the Dubai port of Jebel Ali. The U.S. ship verbally warned the boat when it was 1,200 yards away and fired at least one warning shot before the decision was made to fire shots to disable the boat, the officials said.

**<http://goo.gl/Hcnq3>**

### **Legal Maze**

A US judge has dropped one piracy count against Somali Ali Mohamed Ali, in a case of international interest concerning the vessel "CEC Future" in 2008. Ali cannot be prosecuted for conspiracy to commit piracy, the judge says as there were no violations of U.S. law, none of the charged conduct has direct ties to the United States. Neither the alleged perpetrators nor the victims were American, the ship was Bahamian, and it was sailing on the high seas.

**<http://goo.gl/4H0RO>**

### **On A Mission**

The Mission to Seafarers is training its chaplains in trauma counselling for the victims of piracy around the world. The treatment of the victims is very cruel, even using their mobile phones to ring their families with threats if ransoms are not paid. The Mission to Seafarers is in a position to offer support to seafarers operating in dangerous areas, and to contact and support families of those who are detained.

**<http://goo.gl/szmja>**

### **Model Act**

The "Protection of Cyprus Ships against Acts of Piracy and Other Unlawful Acts" Law of 2012 has entered into force following publication in the Official Gazette. The Law incorporates the recommendations and guidance of the IMO regarding the use of privately contracted armed security personnel on board ships navigating in HRA and takes into account the provisions of UNCLOS.

**<http://goo.gl/b6UOI>**

### **Life Matters**

The journey towards maritime security accreditation and standards has been progressing at pace over the past few weeks. Lloyd's Register is set to head up the development of an ISO standard. Lloyd's Register is felt by many to be an obvious choice for the role in leading this development - in fact some have criticized them for not join the fray earlier, and they may have to put their "Life Matters" marketing to one side, as they tackle the lethal response.

**<http://goo.gl/9kEst>**

### **RN Warning**

The Commander of a Royal Navy warship has issued a stark warning to pirates operating in the Middle East. HMS Sutherland's Commander, Al Wilson, said there was a "very clear message" that piracy would not be tolerated by his ship, crew or other maritime forces and that tactics included destroying and confiscating any pirate paraphernalia. He said: "The destruction and confiscation sends a very clear message to the pirates".

**<http://www.thisisplymouth.co.uk/Stark-warning-pirates-ship-sails/story-16492614-detail/story.html>**

### **Cash Injection**

One Earth Future Foundation (OEF) has announced the launch of its Investing in Somalia program. This initiative will analyze economic development and investment in Somalia. The program supports and complements the work of another initiative of OEF- Oceans Beyond Piracy. The programme will see a minimum of \$1 million invested over the next two years in financial grants to encourage sustainable economic development in Somalia.

**<http://goo.gl/5T0m6>**

### **New Zone**

A new UK tripartite agreement on an 'at risk' piracy zone in the Gulf of Guinea has been created. The agreement by the national Warlike Operations Area Committee (WOAC) sets an 'at risk' zone demarcated to the west by the Greenwich Meridian Line and to the south by the two degree north line. Under the GoG agreement, ship operators not following BMP should pay staff extra for working the route, or allow them the right to refuse work in this zone.

**<http://goo.gl/JIfNV>**