



## Assumptions, Then And Now: Are We Losing The War On Pollution?

by Clay Maitland- *Founding Chairman, NAMEPA*

Two centennials are approaching: that of the loss of RMS TITANIC, in April 1912, and the coming of the First World War in August, 1914. The TITANIC centennial will probably be more widely noted, but both tragedies can now be seen to have undermined our basic faith that human skill, and reason, would triumph over all obstacles; that “the system worked”. These assumptions were thoroughly shaken in the years after 1912, followed by the lingering horrors of World War I, the Great Depression, and World War II.

Today, in many ways, we have come to adopt a firm belief in the possibility of “constant improvement”; technology and human organization can, we believe, give us cleaner sources of energy, safer transportation and renew our badly damaged water and air. Our faith is largely based on the success of our regulators over the years, and the ability of nations to cooperate in achieving commonly agreed upon standards and goals. It is hard to believe that there was a time when air travel was considered very risky, and one wrote one’s will before a voyage at sea. Our new confidence in the perfectibility of technology can be seen in such concepts as ballast water management, where the actual “science” and engineering may not have been perfected, or even invented. But, as in 1912 and 1914, events will conspire to challenge and test our assumptions, or presumptions.

It is difficult to imagine that our systems of environmental regulation could fail; port state control, flag state control, and the international treaties anchored upon SOLAS and MARPOL have been in place for so many years, with such successful results, that a return to the bad old days is unthinkable. Yet the United States and Europe face the risk that the problems of today will erode the progress that has been made. The industrialized world is facing sharply increasing claims on its resources, even as those resources are growing less quickly than they once were. These claims come from a population that is growing and aging at the same time; the slowing growth of available resources is part of a slowdown of economic expansion that, it can now be seen, has been present for at least a generation. A

number of factors, varying by country, have slowed growth, and the slowdown has been deepening everywhere, as a result of the worst financial crisis and global recession in 70 years. This combination of factors gives rise to the risk that more sacrifices lie ahead for the public in the democratic societies of “the West”. Recent economic stagnation, persistent unemployment and political paralysis have given rise to growing resistance to governmental regulatory intervention, often misnamed as “big government”. Frustrated populations are less likely to embrace what they see as “no-growth” initiatives, which may also be portrayed as sacrifices for which there is no visible reward.

Under these circumstances, decisions that are necessary for “continuous improvement” of our oceans and air may well be postponed or rejected. This, of course, is not what happened after the TITANIC sinking, which gave rise to the North Atlantic Ice Patrol, advances in wireless communication, lifeboat drills, watertight compartmentation and the first convention on safety of life at sea. The lengthening shadows of what we still call “the recession” – maybe we need to find another name for it – are creating pressure within every business, to save money. Safety and protection of the marine environment, by their very nature, cost money.

As I have said, regulatory success in recent years has depended upon the regulators themselves: governments, for the most part. Most agencies, particularly in Europe and the United States, are facing severe budget cuts. It is difficult to see any sign of political will – as distinct from rhetoric – to improve and expand oversight of international and national laws; how well they work, and how they are enforced, is not something that can be reviewed and improved without employing and training the protectors, inspectors, and overseers. A perceptible decline in enthusiasm for prevention, as well as response, has been described and commented upon during recent U.S. Congressional hearings. The war on terrorism is more popular than the war on pollution.

The industrialized world is facing sharply increasing claims on its resources

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# Our Student Drawing Contest Winners!

This year, NAMEPA and Immersion Learning were joined by The Jason Project as we explored the theme of marine debris with over 500,000 students. The winners (artwork pictured here) will receive gifts and a monetary award. All the finalists will receive a 2012 calendar composite of their work.

Next year's theme is "Wrecks of the World" in recognition of the centennial of the Titanic sinking. Let us know if there are schools that you know would like to be involved!



**International Marine Debris Art Contest  
2012 Calendar**

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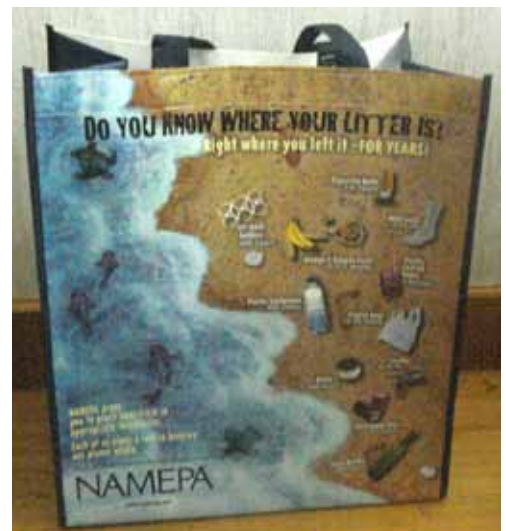
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## Marine Debris Bags

Back by popular demand!! We are going to reprint our popular Marine Debris bags! Now is the time to get your logo on the back, and demonstrate your support for combating marine debris!! Contact Carleen Lyden-Kluss for details at [executivedirector@namepa.net](mailto:executivedirector@namepa.net)



# 2011 Beach Clean-up

NAMEPA members participated in the annual "International Coastal Cleanup" and collected and catalogues debris which will be entered into the Ocean Conservancy's annual Marine Debris report.



## Strategic Alliances

In today's world of strained resources, NAMEPA is fortunate to have forged strategic alliances with key groups that help all of us achieve our goal to "Save our Seas".

Our friends and partners include:

- The United States Coast Guard**
- The USCG Auxiliary**
- NOAA**
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- BIMCO**
- INTERTANKO**
- Sea Research Foundation**
- Ocean Conservancy**
- American Salvage Association**
- SUNY Maritime College**
- The Propeller Club**
- AMVER**
- and others.

If you know of a group that would dovetail with our goals, please let us know!

Thank you to all our sponsors and supporters!

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- TORM**



# Analysis Of Corporate Risk and Responsibility in The Maritime Industry

by Dr. Steve Coan, *Sea Research Foundation*

The economist Milton Friedman wrote, and I paraphrase, that corporate responsibility begins and ends with maximizing profits for shareholders. He was particularly troubled by the notion of corporate philanthropy. He believed that when businesses with concentrated capital take on public issues or social causes, they create a kind of tyranny because their actions exceed the capacity of individual citizens and may well be at odds with the desires of individual stockholders.

Milton Friedman did not envision a day when a product or service would be viewed not so much on the basis of material quality and pricing, but on the social actions and perhaps even the philanthropic outreach of the producer and delivery agent. He could not have fathomed that the entire supply chain would be evaluated by consumers relative to social capital and investment.

Today I want to talk to you about corporate risk assessment as it pertains to public image, the idea of self-regulation and an alternative idea, which is public-private partnership in pursuit of common goals.

There are multiple examples of self-regulatory actions in the maritime industry on ocean noise, whale strikes, wastewater discharge and transportation of invasive species in ballast water, to name a few.

But maritime industries have been unusually restrained in publicizing environmental initiatives and in courting the environmental advocacy sector. In fact, in looking at the websites of six publicly traded international shipping companies, collectively employing nearly half a million people, there is no evidence of concern for social issues nor any investment in social causes, community development or environmental protection. Without such public engagement, or partnership, the industry cannot effectively self-regulate or gain the market benefits of improved environmental performance.

To be sure, all sectors of the maritime industry are highly price-sensitive. Right now, pricing may well be the single most obvious driver relative to sales of distribution services. But today, consumers are willing to pay more for the imprimatur of environmentalism. Hybrid vehicles, available only at a premium price, are an excellent example of this phenomenon. Walmart stores carry organic milk at twice the price of traditional products. Staples and Office Max have found a ready market for recycled paper which costs nearly 20 percent more than non-recycled paper.

Consumers are looking for concrete, proactive steps to balance their demand for product with a more sustainable environment. They do not want to see others exploited for the purpose of securing goods and services at a lower cost.

A cynic could argue that the modern consumer wants it all: lots of product, low cost and no guilt. While there is some truth to that, the reality is that quality is being equated with social responsibility and brands that do not promote social responsibility can be tarnished. Iconic brands that have been accused of being socially irresponsible in recent years include McDonald's, Walmart, Eddie Bauer and The Gap, to name a few. The charges are that low prices have been achieved by socially reprehensible employment and environmental practices.

The combination of mass media attention to causes, especially employment and environmental issues, and the organizing power of social media tools have resulted in greater public disclosure of practices associated with production of

products. As a case in point, Home Depot stopped selling wood products from so called "old growth" forests that are fragile ecosystems, but only after a two-year grassroots campaign by activists. It is not if, but when, consumers begin to look beyond the supply chain to the distribution chain with regard to social

and environmental practices.

Many of you would counter, and I would concur, that the shipping industry is working diligently to become greener and doing so on an aggressive schedule. On the issue of emissions, the industry has taken the position that it is committed to realizing reductions of 15-20 percent over the next 10 years. By comparison with other industries, this is a staggering commitment.

What is missing then? Why should the industry be concerned? The answer is that many of these efforts leave the impression that they are being done in spite of, rather than in partnership with, other interested stakeholders. For example, the consumer is not being viewed as part of the customer chain, nor is the consumer being rallied to empower other elements of the customer chain to seek out brands that meet certain requirements. In essence, the industry is viewed as being absent and aloof, providing opportunities for other entities to fill the void. Let's look at some examples:

- The environmental group Oceana is calling for international regulation of emissions from ships. Several states in the U.S. are trying to pass such regulation. Even Lloyds of London acknowledges that this is a hot-button issue that is gaining significant international attention among environmental advocacy groups.
- The Environmental Defense Center, Center for Biological Diversity, Friends of the Earth, and Pacific Environment

NAMEPA has been quite successful in engaging myriad stakeholders in building relationships that can ultimately address key areas of difference on environmental and regulatory matters

have combined efforts and are lobbying the United States Department of Commerce to impose a 10-knot limit for all commercial ship traffic traveling through the four national marine sanctuaries in California. This is an area that impacts traffic to nearly every major port on the West Coast.

- Several weeks ago, Living Oceans, World Wildlife Fund, Sierra Club and several other environmental groups accused the shipping and oil industries of blocking an effort to establish a Pacific North Coast management plan in Canada. Funding for the establishment of that plan was in excess of \$8 million, provided by a private foundation.

These are legitimate organizations with millions of grassroots members and millions of dollars. They know how to work with international governments, the IMO, and the media. The fact is that they are not working with the industry, nor is the industry working with them. What is the public to believe? The reality is that there is only one side telling the story, because the maritime industry is largely talking to itself.

While it may appear that there are no competitive alternatives to maritime trade today, that reality could drastically change tomorrow as consumers demand to know how goods and services are being transported, the impact of transportation on the carbon footprint, and how vulnerable species and endangered waterways are being protected.

Michael Lenox of Duke University notes that in the mid-1990's the chemical industry joined together in the aftermath of the 1984 chemical disaster in Bhopal, India, to form a self-regulatory effort. The stock prices of the chemical industry as whole had dropped precipitously in the aftermath of that disaster. He cites several economic benefits of self-regulation that I want to extrapolate on, as they are apropos to the maritime industry.

First, although often viewed as someone else's problem, environmental damage is not an externality; it impacts the future of the shipping industry in a marketplace increasingly concerned with evaluating social worth as a component of the product chain, and it impacts the viability of shipping lanes and port efficiencies.

Second, self-regulation is not altruistic, nor is it a distraction to market-driven principles. In an industry with an average profit margin that is diminishing, such approaches may well become a competitive advantage over competing modalities and or players within the maritime industry.

Third, social and mass media allow for rapid organization of grassroots actions that can impede industry goals and or leave industry out of the discussion with regard to port issues, shipping channels, rights of way, animal strikes and other maritime issues. Discussions can no longer be carried out among a few, nor can issues be assumed to be out of the public eye. Everything is on Twitter, You Tube and Facebook today.

Fourth, self-regulation allows the industry to specify technology solutions related to regulation, rather than having impractical solutions imposed by regulators who do not understand operational challenges.

Lenox has done substantial studies of industry-led self-regulation. Interestingly, he found that laggards and free riders benefit exponentially from self-regulatory practices, while participant benefits diminish. He writes that only programs that

imposed sanctions were successful over the long term.

The fact is that self-regulatory measures are not effective when adopted with grand goals or in isolation. Alternatively, industries that actively engage stakeholders in the regulatory and compliance process have been shown to have success in helping to set common goals among industry leaders, government entities and key stakeholders. While the articulation of common goals does not address the issue of free ridership or laggards, it can have a powerful impact on influencing public policies, laws and regulations. Most importantly, the participation weeds out the laggards and free riders in a very public way and actively differentiates participants in advance of any adverse situation that could tarnish the industry.

For some industries that have aged images in the public mind, and the maritime industry is one of those, the issue of free ridership and laggards is far less of a threat than other variables pose. In essence, while competition within the maritime industry is fierce, the industry as a whole is facing other and more serious threats to its future from alternative modes of production and distribution that are being presented as environmentally friendly alternatives.

Consider that over half of the American public believes that protecting oceans should be a national priority. Interestingly, a related survey suggests that only 36 percent of Americans trust a government entity like the environmental protection agency to deal with ocean quality issues. A whopping 61 percent cited private entities such as aquariums, non-profit associations and research institutions as credible protectors of the oceans.

This suggests that individual corporations and the maritime industry as a whole would benefit greatly from engaging with the public in meaningful dialog and in working collaboratively and philanthropically with environmental groups, research scientists, engineers and others to develop objective solutions based on sound data rather than reactive measures.

Public-private strategies have worked well in other sectors of the economy. When the private sector embarks only on self-regulatory measures little or nothing happens. However, when the private sector engages in meaningful dialog with public-sector organizations, and non-governmental entities, significant progress can be realized on many fronts. Such efforts are not for the meek of heart. It takes a commitment to providing resources for dialog, willingness to cut through acronyms and trade-specific nomenclature, and well-articulated goals that are not unrealistic metrics but rather measurable achievements.

During its first four years, NAMEPA has been quite successful in engaging myriad stakeholders in building relationships that can ultimately address key areas of difference on environmental and regulatory matters in major port communities throughout the United States. But it is clear that the industry itself and individual corporations must make substantially more investment in these kinds of approaches in order to remain competitive, profitable, and finally, to act as good and responsible citizens of the world.

*~ Dr. Stephen M. Coan is President and CEO of Sea Research Foundation, which operates Mystic Aquarium, Institute for Exploration, Immersion Learning and the Jason Project. He has studied and worked with public-private partnerships for many years. [www.searesearchfoundation.org](http://www.searesearchfoundation.org).*

# NAMEPA Photo Gallery

## Corporate Risk Management and NAMEPA Awards Dinner, November 8th, NYC

Industry, students and regulatory agents gathered to examine risk management as a strategy for mitigating impacts on the environment. The seminar was topped with NAMEPA's Awards Dinner, recognizing the efforts of Royal Caribbean Cruises Ltd and the talents of students from the Charter School Academy of Philadelphia.



Public View panel, l to r; Stacey Mitchell-Environmental Crimes Division, Department of Justice, RADM James Watson, Dr. Steve Coan - Sea Research Foundation and Jeanne Grasso-Blank Rome.



Rob Lorigan, OSG; RADM James Watson, USCG; Michele Nadeem- Vice President, Global Corporate Communications, Royal Caribbean Cruises Ltd.; Clay Maitland, NAMEPA; Gene Seroka- President, Americas, APL Limited



Michele Nadeem-Royal Caribbean Cruises Ltd. and Joseph Hughes-The American Club.



John Lycouris, Eagle Ocean



Student finalists Marlita and Brendon with art teacher, Jim Lint.



Gene Seroka, APL Americas and Morten Arntzen, OSG.



The Rev. Canon James D. Von Dreele, Seamen's Church Institute of Philadelphia and South Jersey



Above the Rev, VonDreele, Clay Maitland and the new NAMEPA movie.

At right, Vasant Nair, Eagle Ship Management



Right, Linda Sturgis, USCG with USMMA cadets.



## Responder Immunity October 12th, NYC

Responder immunity has been compromised since the Deepwater Horizon incident. Coast Guard, responders and the legal community gathered to examine the risks and solutions to this untenable situation.



Jonathan K. Waldron- Blank Rome LLP and Clay Maitland, NAMEPA



LCDR Bill Grossman and Captain Linda Fagan



Carleen Lyden-Kluss with RADM Kevin Cook, USCG

## NAMEPA bids adieu to retiring IMO Secretary-General Efthimios Mitropoulos



**IOP (International Observer Program) in Seattle, June 24-26**



The goal of International Observer Program (IOP) is to expose international spill response teams to the US Coast Guard Incident Command System (ICS) in order to foster bilateral understanding and cooperation in the events of a large scale, international incident.



PREP exercises



Carleen and Clay with Capt. Scott Fergus.



IOP Participants



IOP participants on the Duck Tour.

**WMDO and Coast Guard Missions Conference in Tampa, October 27-28**

Piracy and the Coast Guard Missions Conference looked at solutions and strategies for effecting change and protect seafarers and the marine environment. Safety, security and stewardship were the themes explored.



Piracy Panel



USCG attendees



VADM Brian Salerno, USCG



John Kimball, Blank Rome LLP



RADM James Watson, USCG



RADM Paul Zukunft, USCG



Jeffrey Lantz- Director of Commercial Regulations and Standards, USCG



LCDR Loan O'Brian with RADM James Watson, USCG



Joe Cox- President, Chamber of Shipping of America

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Carleen Lyden-Kluss  
*Co-Founder & Executive Director*

## Assumptions, Then And Now

*Continued from page 1*

During the first week of August, 1914, a British statesman remarked: "The lights are going out in Europe; we will not see them lit again in our time." Winston Churchill reflecting on how things seemed to be when he entered Parliament in 1900, recalled that another statesman, of vast experience, had then told him: "Winston, in my career, it has been my experience that nothing ever really happens." Years later, Churchill remarked: "I wonder what he would have thought if he could have lived through the years after 1914?" Assumptions that things will continue as they have in the past are often, as we have found, unwise. If political inertia, resistance to higher taxes and economic stagnation become chronic, we may look back on recent years as those of a new "grand illusion"—the title of a once-famous book describing the years just before August, 1914 – our illusion having been a misplaced faith in the perfectibility of our systems.

One of NAMEPA's tasks has always been to "take the pulse" of our global regulatory framework. North America is not an island. The growing uncertainty of the "European experiment", and the possibility of weakening environmental commitment threatened by growing unemployment and political extremism indicate that people are becoming more resistant to being told what to do. We ignore these sentiments at our peril.

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## SAVE THE DATES

**Mark your calendars now for these 2012 NAMEPA events!**

February 23	EIM (Environmental Intelligence in Maritime) "Revisiting OPA 90– What works, what needs to be done?"—Houston
March 8	EIM Senior Leadership Roundtable—San Francisco
March 19-21	CMA (booth- come visit!)—Stamford, CT
April 20	EIM "Deepwater Horizon– 2 years later and beyond"—New Orleans
May 21	National Maritime Day and AMVER Awards—Washington DC
August 8	EIM Senior Leadership Roundtable—Anchorage
September 15	International Coastal Cleanup—Everywhere!
September	American World Maritime Day Observance: Titanic and the Arctic—Halifax
October 10	EIM "Corporate Risk Management"—New York
November	NAMEPA Marine Environment Summit, Expo and Awards—New York

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## It's never too late to be a NAMEPA Sponsor

We have a variety of sponsorships available for you to cement your commitment To Save Our Seas. From your logo on our popular marine debris bag, to a sponsored table at our annual Awards dinner, to having a presence at all our events, NAMEPA encourages you to climb aboard and be a sponsor!!! [www.namepa.net/downloads/partnership/sponsor](http://www.namepa.net/downloads/partnership/sponsor)

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## NAMEPA Needs YOU!

There has never been a better time to participate in a marine environment protection association than now. Please encourage your industry peers to join NAMEPA, and help "Save our Seas". This proactive, industry-led initiative demonstrates to all our commitment to preserving our seas for all to enjoy and present our industry in a positive light.

To expand its programs, and ensure its financial stability, NAMEPA is recruiting a qualified membership consisting of domestic and international companies, Associations/Academies, and individuals within shipping and the wider land-based industry such as banks, insurance companies, etc. who share the objectives of NAMEPA to "Save our Seas". There is an annual membership fee which is used to support the efforts of NAMEPA. We also offer a complimentary membership to active licensed seafarers.

We need you to help spread the word about joining NAMEPA. Contact Carleen Lyden-Kluss or Rose Lambert for membership applications.

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