



Risk Management: The New Corporate Social Responsibility

Several years ago, when NAMEPA was founded, some people told us that major oil pollution incidents were things of the past. Of course, "oil spill" was a term generally associated with tank vessels, and, some said (and no doubt still do, despite the example of the Cosco Busan), those problems are behind us.

Some people also said that corporate social responsibility, "green" practices, and "best practices" were meaningless, unnecessary, and a waste of time.

And, by implication, so was NAMEPA.

At some point after April 20, maybe 48 hours later, the "reset" button that we all keep in our minds was pushed.

Debates over the value of corporate social responsibility, or "green" environmental programs; about "best practices"; and the value of company or vessel-oriented safety management systems, now almost sound quaint; things from long ago.

NAMEPA has a part to play in what lies ahead. Our policy of encouraging industry, government and the environmental community to work together hasn't changed. Over the coming year, NAMEPA will organize and hold a number of meetings and exercises aimed at bringing reasonable people together to discuss not only the mistakes that have been made, but also strategies to avoid disaster in the future.

While the investigation into the cause of the Deepwater Horizon disaster is still ongoing, there is a focus on cost cutting measures that had been taken which could have lessened the integrity of the safety systems and procedures designed to prevent accidents from occurring. In the midst of the sometimes meaningless finger pointing, lack of seabed regulatory oversight seems also to be at issue.

Whether the long term effects of the oil spill in the Gulf of Mexico are measurable, it is likely that many lessons will be also be learned about the effect of the cleanup methods that are being used. It is important that our response to the crisis in the Gulf be determined by science, not by politics. While the short-term costs, and the damage done, are tragically visible to all, it is important to establish whether chemical

dispersants, the burning off of oil, and other methods of abatement and remediation be studied with care. This is a time to avoid making things worse than they were before, and to protect those living organisms and other resources that may survive the effects of the disaster by a more benign and educated approach.

Above all, it is important to listen to the scientists, and the people who live alongside the natural environment of the Gulf, and not to be rushed into a "quick fix" state of mind. Experience with earlier spills, going back to the TORREY CANYON in the late 1960s, teaches that this is a time for hard work and even harder analysis; a time for science, and, at long last, a time to spend money on the process of restoration and recovery. Finger-pointing accomplishes little or nothing.

During the balance of 2010, NAMEPA will sponsor at least two study sessions, one in New York and one in Houston, to examine the means of spill prevention and protection of our increasingly threatened marine biosphere. As before, NAMEPA will work with concerned organizations and individuals in the scientific and public sectors. In one new meaning of the word "green", we hope that the business community will keep an open mind about risk awareness and management; something not particularly in evidence in the events and actions taken before the well blowout and explosion of April 20.

We also will attempt to promote a more enlightened, proactive, attitude in the business community. As someone who has been in business for 40 years, I take a dim view of policies that blow a \$100 billion hole in one of the world's most famous companies. NAMEPA believes, as an organization, that spending money on proper risk management includes protection of the marine environment; supporting the marine environment is good business. Not worrying about risk, and taking measures to prevent an oil spill, cannot remotely be considered to be clever or thrifty in our new world of unlimited liability.

We accept that accidents do happen. However, we also believe that the effect of an accident, particularly an oil spill,

NAMEPA believes...
supporting the marine
environment is good
business.

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can be reduced if the proper measures are taken in advance. We believe that intelligent environmentalism, and the organizations that promote it, is a worthy cause, and should be encouraged and supported by the business community, and by government institutions. By actions, not by empty words or advertisements.

In the maritime industry, we believe that risk can be analyzed and predicted, at least in times of peace. This, however, can only be done if industry is prepared to build and fund a credible policy of risk management, including engineering, technology and the training of seafarers and managers. A number of major corporations, whose names are well known, have successfully done this; they have much to teach the rest of us in the business world.

Some suggestions to consider might include:

- Risk managers, and those charged with policies to avoid environmental and political costs, need to be empowered, much as the cost-cutters have been in the past, but hopefully to better effect.
- Suppliers, stakeholders and counterparties must be integrated into a maritime risk management plan, along with experts from the insurance industry, where risk avoidance has been studied for 300 years.
- Design, engineering and science require a policy of enlightened investment, with all the encouragement that government can give. The stick is as useful as the carrot.

Above all, business experience has taught us that senior management must walk the walk, not just talk the talk. Management at all levels must learn and understand the new culture, and the role that protection of the environment plays in ensuring the survival of the company, and therefore their jobs, in a world full of surprises.

The regulators and first responders are a part of the management and remediation regime, and we must work with them every step of the way.

NAMEPA's collaborative principle includes the community. The time to work with the people from all walks of life, who live from, on and by our oceans and lakes, is before trouble hits. That lesson was learned, we thought, with the EXXON VALDEZ, and again with the COSCO BUSAN. We are now learning it again.

Prevention, response and remediation must be the subject of drills and simulations, critique by outsiders as well as stakeholders, expert study and active exercises with government agencies, Coast Guard and other regulators.

Finally, and most important, let us all reread Vice Admiral Card's report, commissioned by Admiral Allen several years ago, which outlined all of the above points. It is even more relevant today than it was before April 20.

—Clay Maitland

NAMEPA is Founding Member of World Ocean Council



Carleen Lyden-Kluss and NAMEPA Treasurer Steve Coan at the SOS.

In June, over 150 business leaders from a range of ocean industries—including shipping, oil and gas, fisheries, aquaculture, mining and offshore renewable energy—participated in the World Ocean Council's inaugural Sustainable Ocean Summit (SOS) in Belfast, Northern Ireland. With the theme of "Reducing Risk, Increasing Sustainability: Solutions through Collaboration", the SOS covered a range of ocean stewardship issues including marine spatial planning, the Arctic, biodiversity, marine debris, and sound in the marine environment.

NAMEPA is a Founding Member of the World Ocean Council, which it has been helping develop for the past two years. It is noteworthy that a significant proportion of the organization's Founding Members are also members of NAMEPA (Blank Rome, DNV, Sea Research Foundation, and Torm amongst others.)

Save the Date: upcoming NAMEPA Events

Please note the NAMEPA events happening this Fall. We will be hosting two in our series of Environmental Intelligence in Shipping Series: Corporate Risk Management in New York on October 21st and Operational Risk Management in Houston on October 29th.

Also, November 17-18 we will be partnering with OCIMF, ITOPF, and INTERTANKO to produce a World Maritime Day Observance in Vancouver, BC. The focus will be on the environment and the seafarer.

NAMEPA's Marine Debris Bag on the Move

The hottest item in marine circles this year is NAMEPA's Marine Debris bag. It has been a feature at the Connecticut Maritime Association's Shipping Conference, our National Maritime Day observance, the Harbor Ops Conference in New York, Posidonia and a dinner cruise benefitting Seaman's Church Institute in Philadelphia (pictured here). This summer, the bags will be distributed to campers at Ivoryton's Incarnation Camp, the North American Maritime Ministry Association's Annual Conference in Vancouver, WA and more. They have also been sighted at IMO and an oil company golf outing in Texas!



The purpose of the marine debris bag was to educate about the slow rates of decomposition of litter. It also serves to raise the awareness of the shipping industry and NAMEPA.

Our supply of 5000 bags is nearly depleted, and we plan to reorder them. If your company would like to be a sponsor of the bag (\$500), please contact Carleen Lyden-Kluss or Rose Lambert. Let's keep the bags on the move!

National Maritime Day: Environmental Intelligence in Shipping and the Seafarer

May 18th marked NAMEPA's Observance of National Maritime Day with a seminar at the National Press Club in Washington DC. Speakers included RADM Duncan Smith (Ret.) of Blank Rome, RADM Kevin Cook of USCG, Jason Patlis of National Marine Sanctuary Foundation, Captain Anuj Chopra of Anglo-Eastern Ship Management, Joe Cox of the Chamber of Shipping of America, Father Sinclair Oubre of Apostleship of the Sea-Beaumont, George Tricker of the Seafarers International Union, and Philip Shapiro of Liberty Maritime Corporation.



AMVER Awards Recognize Voluntary Commitment to Safety at Sea

Nearly 80 shipping companies were recognized at the National Maritime Day event for their participation in the AMVER (Automated Mutual-assistance Vessel Rescue System) program during 2009.



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Carleen Lyden-Kluss
Co-Founder & Executive Director

Call for Environmental “Best Practices” Submissions

Beginning in July, NAMEPA will be featuring our members’ Environmental “Best Practices” on our website with links to your own. If you would like to participate, please contact Carleen Lyden-Kluss to discuss how to highlight your important environmental initiatives.

2nd NAMEPA Children’s Drawing Contest Winner

NAMEPA’s second Children’s Drawing Contest was held this Spring, recruiting artwork from students around North America between the ages of 5-13 and focused on the theme of the marine environment and the work mariners do to protect it. This year’s winner was Bailey K. McNamara from Westbury, NY.



Hail and Farewell

At the May Board of Directors meeting, the Board welcomed two new members: USCG VADM Vivien Crea (Ret.) and Navios Maritime President Ted Petrone. At the same time, the Board expressed its gratitude to outgoing Board members Tony Backos of Watson, Farley & Williams; Captain Bikram Kanjilal of Teekay; and Basil Mavroleon of Charles R. Weber for their invaluable contributions to the Board during their terms as Directors.

Please Mark Your Calendars For 2010 Events

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| September 7-8 | Setting the Green Course - GMEC (Global Maritime Environmental Congress), Hamburg, Germany |
| September 21-22 | Green Pacific Conference: Moving People and Cargo Safely, Efficiently and Responsibly, Seattle WA |
| September 25 | International Beach Clean Up |
| October 21 | Environmental Intelligence in Shipping Seminar: Corporate Risk Management, Harvard Club New York, NY |
| October 21 | NAMEPA Awards Dinner Harvard Club New York, NY |
| October 29 | Environmental Intelligence in Shipping Conference: Operational Risk Management, Hyatt Houston TX |
| November 17-18 | World Maritime Day Observance, Vancouver BC |

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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