

WORLD MARITIME UNIVERSITY
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Good afternoon. I am honored to be in Sweden to participate in your graduation day. Secretary General and Mr. Chancellor Mitropoulos, Excellencies, Chairman of the Malmö City Board, Governors and staff, distinguished guests, graduates, ladies and gentleman - thank you for inviting me to speak here today. Congratulations to the World Maritime University for celebrating its Silver Jubilee this year – 25 years of academic excellence and service to the seafaring industry. It is a great opportunity for me to address this aspiring group of leaders within the maritime community.

Today, we celebrate your graduation and you should all be extremely proud of your accomplishment. As you transition to the next phase of your careers, I'd like to discuss some of the critical policy issues confronting the seafaring nations of the world. The global maritime community, under the leadership of the International Maritime Organization (IMO), has made tremendous strides in safeguarding the seas, and ensuring the safe and efficient transportation of maritime commerce. We have made progress but we must continue to look forward in uncertain times. We must dedicate ourselves to finding global solutions to global problems.

These are historic times in the governance of the world's oceans. As graduates of the World Maritime University, you will become part of those efforts. Over the next 20-30 years, we will encounter accelerating change across all environments – there will likely be more change in the next 20 years than in the previous 100 years. The maritime domain will become increasingly complex, and the incidence of major events and industry advances will increase and accelerate. There will be greater use and competition for resources in the seas, on the ocean floor and below it. As leaders in the maritime community, we are responsible for developing the legal and policy regimes to guide this process.

We in United States Coast Guard play a key role for our nation. Our service is responsible for the maritime safety, security, and stewardship of 95,000 miles of American coastline, 361 domestic ports, and 3.4 million square miles of Exclusive Economic Zone. I often say, the Coast Guard is one of the most unique agencies within the United States government. We are a member of the Armed Forces but we're not in the Department of Defense – we are in the Department of Homeland Security – and we have a broad spectrum of law enforcement, humanitarian and regulatory missions to accompany our national defense role. We conduct search and rescue, counter-narcotic and illegal

immigration operations. We also protect sensitive environmental areas, conduct marine safety inspections, and safeguard critical maritime infrastructure in our nation's ports.

While these responsibilities seem more than enough for one government agency to address, our responsibility to the United States – and to the international maritime community – extends much further. Our unique nature, our broad range of missions, and our ability to forge partnerships have drawn the interest of smaller navies, coast guards and maritime law enforcement agencies around the world. In the 21st century, the United States Coast Guard has gone global. Let me give you a few examples.

Coast Guard patrol boats protect Iraqi oil platforms as part of the international Combined Maritime Forces in the Arabian Gulf. We send training teams around the world to work with our partners to enhance local law enforcement, marine safety and port security capability. Recently, our Coast Guard cutter DALLAS became the first U.S. military vessel to conduct joint law enforcement operations in western Africa when they embarked a team from Cape Verde in June. During the same deployment, DALLAS delivered vital humanitarian aid to the Republic of Georgia following the conflict in that nation. Finally, we are establishing a

rescue station in the Marianas Islands and we are conducting forward operations in the Arctic.

Last month, the U.S. Coast Guard hosted the tenth annual meeting of the North Pacific Coast Guard Forum. This group, including senior Coast Guard leaders from Canada, China, Japan, Russia and South Korea, gathered to build our maritime partnerships and shared commitments to safety and security. The Forum works because it has a low barrier for entry and limited financial obligations. It's effective because we focus on operationalizing our ideas – moving them from the conference room to the sea. This cooperative effort produces results.

On September 12, the U.S. Coast Guard cutter MUNRO seized the Chinese fishing vessel LU RONG YU 2879 with seven miles of illegal driftnets onboard. This seizure was only possible because the MUNRO had a Chinese fisheries officer embarked who authorized the boarding. With the Forum as the legal foundation, we coordinated our operations and it produced results.

Together with our partners in Europe, we have created a similar version for the North Atlantic Ocean. That group of 18 nations just completed its second meeting last month in Greenland,

hosted by Denmark. We are well on our way to developing similar operational procedures to those in the Pacific.

The maritime challenges of the 21st century are clearly beyond any one nation's ability to resolve. As the Commandant of the U.S. Coast Guard, I understand our responsibility to the international community. We value a collaborative approach.

The oceans are the last “global commons”. Much of the vast expanses of the maritime domain remain unregulated. This is different than our land masses. From the American western frontier, to the deepest recesses of the Australian outback, and the furthest expanses of the Siberian tundra, mankind has pushed into these locations to create new opportunities. Legal regimes generally followed.

While the oceans have always been a critical part of civilization – providing food and connecting nations – they have not had the same level of governance. The seas have been a workplace, a recreational area, and a vital transportation route but now humanity is looking seaward from a new perspective. While we have stressed the seas through overfishing, pollution, and exploration; the world's oceans still offer mankind the promise of

new resources and untold possibilities. The seas are an increasingly critical link in the chain of global safety, security and financial stability. As leaders in the maritime community, we are charged with managing our oceans responsibly. The stakes are incredibly high.

Over 80% of the world's trade by volume is transported by merchant vessels. Between 2010 and 2020, the value of international maritime freight is expected to increase by 67% and international container traffic is expected double from 1998 levels. In 2006, 27 million containers were processed in U.S. ports alone – if you placed all of these containers end to end, they would circle the globe four times. There is no doubt that maritime transportation drives the global economy. And while commercial vessel traffic is vital, other uses are increasing dramatically.

Consider that cruise ships are now being used as floating condominiums, massive man-made islands have been created off of Dubai and the seafloor is now home to an increasing array of infrastructure. Even the world's biggest internet search engine, Google, is getting into the act. They are considering “water-based computer centers” – their massive servers would be placed on barges and anchored miles off the coast. They would use seawater

to cool these systems thereby saving millions in maintenance costs. By anchoring the barges offshore, they also would avoid paying property taxes. Would anyone have considered that a maritime issue 10 years ago? Offshore wind farms are another example.

There are over 150 coastal nations and each looks to the seas for protection, resources, and a continuation of their way of life. Mankind's innovative push into the world's oceans is sending a siren call – a warning - to the international maritime community. We must respond together.

We must understand that safety, security and environmental protection (what we call stewardship) are intertwined - a decision in one area impacts the other two. It has been clearly demonstrated that the IMO is the right structure to capture these dynamics, develop consensus and implement solutions that are acceptable to all. When the world has needed maritime guidance in the past, the IMO has stepped forward to develop solutions.

The IMO developed the Standards of Training, Certification and Watchkeeping (STCW) for mariners to ensure ships are operated safely. Future training enhancements offer the promise of

a more efficient maritime workforce and brighter prospects for all seafarers.

Following the terrorist attacks of 2001, the IMO adopted the International Ship and Port Facility (ISPS) Code. It was approved by 148 nations in 2004 and revolutionized maritime security protocols for large commercial vessels and port facilities. The ISPS was essential to keep international maritime trade flowing.

And this week, the IMO's Marine Environmental Protection Committee will consider a new set of regulations to reduce harmful emissions from ships. This will promote a progressive reduction in sulphur oxide which is both damaging to the atmosphere and a leading cause of respiratory illness. This groundbreaking environmental work sets the stage for the IMO to pursue further reductions in shipboard greenhouse gas emissions.

As you anticipate your own futures following graduation, consider some of the challenges that are looming like storm clouds on the horizon. Also, take note of how international cooperation can be the beacon that pierces these darkened skies.

Between 1990 and the present time, over 1,000 ships and crews are believed to have been abandoned. The abandonment of seafarers is truly a scourge – it's morally wrong and it's damaging to the maritime shipping industry. Due to increased port state control requirements or financial insolvency, some owners would rather leave their ship and crew in a host country than meet their own financial obligations. The host state generally does not have the means to provide prolonged care for these dislocated seafarers. The burden of responsibility should be placed back on shipowners.

The U.S. Coast Guard is working with the IMO and the International Labor Organization to create a fund to support abandoned crews. It would also hold shipowners accountable for failing to meet their humanitarian and financial responsibilities. Every nation-state would be provided with enough flexibility to create its own financial responsibility system. We will certainly do our part to keep this initiative moving forward.

The shrinking Arctic ice cap is another example of the expansion of the world's last global commons. At the top of the world, there are now hundreds of miles of open ocean where there was once impassable ice. We're seeing increased shipping,

tourism and exploration – along with jurisdictional claims from Arctic nations.

Next summer, the German shipping company, Beluga, plans to send an unescorted freighter through the Northeast Passage along the Siberian coast. They estimate this route will cut 3,200 nautical miles off the transit from Bremen to Shanghai. The business incentives are extremely high.

In response to the increased maritime traffic, the U.S. Coast Guard is developing the capabilities to operate in this harsh environment to protect the safety of life at sea. However, the issues have wider global ramifications. Without international agreements on the usage of these open waters and the resources within them, individual nations may act independently to protect their interests.

Piracy on the high seas or maritime crime along the coasts of underdeveloped nations is a very real threat to the maritime industry. The disruptions to shipping, either from attacks or having to reroute shipping around danger zones, cost owners millions of dollars. The coast of Somalia, especially the Gulf of Aden and the approaches to the Suez Canal, has been a haven for

piracy. From April to June of 2008, six vessels were hijacked, eight ships were shot at, and four other ships reported attempted attacks.

Two weeks ago (25 Sep) a Ukrainian freighter, loaded with 33 T-72 tanks, was intercepted by Somali pirates. Combined Maritime Force naval vessels are tracking this hijacked freighter to protect the 20-person crew and prevent the war-fighting material from falling into the wrong hands. We are hopeful for a positive and peaceful outcome. While some pirate groups are reported to make over 100 million a year in ransom money, this is more than a bribery tactic – it is a clear threat to global security.

In response, the IMO asked for an extension to the United Nations Security Council Resolution (1816) allowing counter-piracy operations inside Somali territorial waters. The IMO is asking local States to escort vessels involved in the World Food Program. Naval vessels from France, Denmark and the Netherlands have conducted escorts but this is not a permanent solution. The Combined Maritime Forces in the Arabian Gulf established a Maritime Security Patrol Area to safeguard commercial shipping through the Gulf of Aden but this is also a temporary measure.

The IMO is pursuing a regionalized approach to establish more permanent State involvement. An IMO facilitated meeting was scheduled to occur later this month in Sana'a, Yemen to formalize guidelines against piracy and armed robbery in the Gulf of Aden area. It was delayed due to the recent bombing at the U.S. Embassy but it will be rescheduled. Just last week, the Yemeni Coast Guard announced the creation of its own anti-piracy unit. It will be comprised of 1,600 specially trained sailors equipped with 16 high speed patrol boats. This is an extremely positive step to facilitate regional coordination.

Transnational criminals are continually seeking to exploit the vastness of the maritime domain. They are investing heavily in new technologies such as Self-Propelled Semi-Submersibles. These vessels resemble submarines operating just at the surface. In September, the U.S. Coast Guard, working with U.S. Navy assets, seized two of these vessels with over 14 tons of cocaine. These vessels are becoming more sophisticated with advanced steering, propulsion and exhaust systems enabling them to transit hundreds of miles. They are the conveyance of choice for narcotics smugglers but their usage has broader implications. To date, they have only been suspected of smuggling cocaine but

could easily be converted to transport terrorists or weapons of mass destruction. We must understand these vessels are built solely for illicit purposes and can threaten any coastal nation.

Some criminals may also use the openness of our marine transportation system to exploit small vessels in order to smuggle contraband, weapons of mass destruction or illegal aliens. Unlike larger vessels which are required to carry Automatic Identification System tracking devices, most vessels under 300 gross tons are unmonitored during their international voyages. They rarely report their arrivals or departures. Nations like Singapore, Ecuador and Ireland have initiated requirements for smaller vessels to use geographic transponders while operating within their territorial waters. Individual attempts to enhance situational awareness are effective but they do not close the international maritime security gap. Only global coordination can do that.

In November, the IMO's Maritime Safety Committee will consider adopting guidelines on small vessel security practices. Nations that follow these guidelines, which reflect international consensus, raise their status as favorable trading partners.

So how do we mitigate the risks from terrorists or criminals who value power more than a person's life? Or polluters and drift-netters who are more concerned with profit than the preservation of our environment? The answer is in this room; it's us – and the nations we represent.

The one consistent theme is the need for international cooperation. Unlike nation-states, transnational criminals, terrorists or polluters do not care about geographic borders. When it comes to international criminal activity or other global threats, we must find responsible ways to work across territorial boundaries. If we can develop partnerships at the intersection of our shared national interests, we can mitigate the risks posed by these global dilemmas. The key is to establish mutually agreed upon procedures before an event occurs – trying to finalize policy during an international incident is a recipe for confusion and failure.

We have created an interagency process in United States to deal with maritime threats. It is called the Maritime Operational Threat Response – MOTR. This one process helps us deal with safety and security issues before they threaten our coasts. Establishing MOTR was difficult but the results have been worth

it. The MOTR process is inclusive, fosters communication between key players, facilitates quick and well-informed decisions, and is adaptable to new threats. It is far from perfect but I believe the MOTR framework can be used as a model to address international safety and security issues.

You are about to enter an incredibly exciting time in the maritime industry. There are many challenges which demand collaborative action. As World Maritime University graduates, you will be a part of the solutions - solutions that mitigate risks and lead to new opportunities that benefit all mankind. On behalf of all the men and women in the U.S. Coast Guard, I look forward to working with you, your parent nations and our international governing organizations to protect our way of life and preserve a safe and prosperous future for our children.

Good luck and thank you.