



The Navigate
Response newsletter

June 2016



Kidnap and Ransom – the shipping industry nightmare



Navigate Response has recently been engaged in a couple of high profile kidnap and ransom cases involving the crew of vessels trading off the coast of Nigeria

Edward Ion, Director,
Navigate Response Asia

Thankfully both incidents are now concluded and the kidnapped crews returned safely to their families.

Quite aside from the extraordinary fear and strain placed upon captured crew, the act of kidnap and ransom places great stress on any shipping company.

The undoubted media interest in the breaking and then evolving story only adds to the stress.

The only saving grace for the shipping industry in K&R cases (as it's called in the lingua franca), is the fact that we (the industry) are the victim.

This in itself sets this scenario aside from most other media interest in shipping in which 90% of the time the industry gets blamed for things going wrong and is cast as the bad guy.

Can owners prepare for how to handle media interest in K&R cases? The situation is doubly delicate because even if an owner buys K&R insurance cover, it can be invalidated if that information gets out.

Nothing you or your media spokespeople say must jeopardise the behind the scenes negotiations.

So the number one golden rule when taking media calls on a K&R case is never to comment on the existence or otherwise of such insurance cover.

It is one of the rare instances in which Navigate Response advises an owner says nothing if they are asked about this cover in a K&R situation.

The recent cases were thankfully settled quite quickly. But Navigate has also worked on one case off Somalia when the entire crew and vessel were taken and which went on for months.

The tiresome thing about that particular case was that despite its long drawn out nature, certain media still called us every day asking exactly the same questions.

We gave exactly the same replies each time in a polite, professional and friendly manner. Nothing you or your media spokespeople say must jeopardise the behind the scenes negotiations.

For providers of kidnap and ransom insurance, the past few years have been good. According to Lloyd's List, Somali piracy alone generated some \$200m in annual premiums at its 2010 peak, according to one underwriter quoted in the paper.

Abductions for profit or politics have soared from Nigeria to Nicaragua. And the shipping industry is one of the easiest targets for the kidnap gangs.

High-profile cases have helped too: when hundreds of workers were taken hostage at an Algerian gas plant in 2013, insurers received a flurry of calls, according to the report in Lloyd's List.

Although they will never confirm it, most big companies now have some K&R coverage for their staff. Plans typically cover ransoms, the hiring of consultants and negotiators, lost earnings and other costs.

A lone businessman in Iraq might pay a premium of \$3,000-6,000, while



shipping companies have to fork out several million a year to cover large fleets in dangerous areas. All that meant that a market worth about \$250m in 2006 doubled in size by 2011.

Now the business is shifting. Somali piracy has dropped off; there have been few documented successful hijackings since May 2012.

And although the number of attacks in the Gulf of Guinea overtook those of East Africa in 2012, quieter shipping lanes there mean fewer potential customers.

By training clients to avoid trouble, and helping them out when they smell danger, insurers can cut pay-outs.

We see evidence that new markets are opening up. In Africa, India and Latin America the middle class has been growing—and so has the worry about being kidnapped. In the Philippines, for example, “express” kidnappings are on the rise, negotiators report.

Unlike the protracted wrangling more familiar to the shipping industry, this quicker version involves fast, targeted grabs, followed by shorter periods of detention and smaller ransoms.

To set themselves apart, some K&R consultancy advisors are offering “added value,” often aimed at reducing the risk of a kidnapping in the first place. Dealing with media in an open and transparent manner is part of this process.

By training clients to avoid trouble, and helping them out when they smell danger, insurers can cut pay-outs. Such measures not only ensure that clients get home in one piece, but lower premiums. Insurance alone does not reduce the chance of being snatched (discussing your policy can see it cancelled—kidnappers will target those with K&R cover).

But preparation, especially good media planning – knowing what to say, what not to say and when, just might improve the chance of getting out alive.

Navigate Response expands services in South Korea



Navigate Response and leading South Korean communications company, Insight Communications Consultants, have teamed up, extending Navigate’s reach in Asia. Michael Breen, Insight founder and chief executive.

South Korea is one of the most wired countries in the world, and information on almost any event is conveyed to the public in seconds. A slow or opaque communications response from a company when communicating with the public will only contribute to public distrust and ultimately increase interest in the incident thereby increasing costs for the company and damaging reputations. The speed of a company’s response must match the speed of the media!

South Koreans have a strong interest in the maritime sector since the country boasts one of the largest shipping and shipbuilding industries in the world. The country can be characterised as an island, surrounded on three sides by water and cut off from the rest of the Asian mainland by the heavily fortified border with North Korea. Most of the country’s trade thus depends on the seas, whether in exporting products or importing energy supplies and raw materials.

Despite the country’s advanced digital footprint, the media market is traditional in many respects. It is also very powerful, retaining in

today’s free Korea a role it enjoyed during military dictatorships – that of “educating the people.” Seoul alone has more than 20 daily newspapers and several specialised trade journals that cover the maritime industry. This means there is a comprehensive level of media scrutiny about maritime issues.

The speed of a company’s response must match the speed of the media!

Insight Communications, established in 2004, is unique among public relations agencies in South Korea in that it is the only one to be managed by former foreign correspondents from leading international media, while being staffed with seasoned professionals who have developed excellent contacts with the local media.

This means that Insight Communications can effectively deliver access to both Seoul-based international journalists and top local media outlets for client companies associated with Navigate Response.



Shipping incident community liaison



Dustin Eno,
COO & Crisis
Response
Manager,
Navigator
Response

Unknowns lead to fear, fear leads to anger, anger needs a target – someone to blame, and blame? Well blame destroys reputations, companies and the people who work for them.

I was recently on a flight which passed through some turbulence, enough to scare people, and within moments the cabin crew, followed shortly by the first officer, came on the PA system to provide simple instructions and an explanation of what was happening.

Was this necessary? No, but it cost the airline nothing and it had a significant calming influence on those less used to flying. Why? Because it removed the unknown.

Shipping incidents present a lot of unknowns, especially for local populations watching events unfold off their shores and wondering how bad things might get.

Fear, misinformation and speculation spread like wildfire. It's a funny thing about people, we default to assuming that the worst is true. Equally frustrating, we're much more likely to trust a friend (even if they have no experience with what they're talking about) than an expert on TV or the knowledgeable CEO of the company involved.

But trust can be earned and facts can prevail.

As the regional head of communications for a government disaster response agency in Northern Canada my job included communicating with the official sources of power – ministers, national news outlets, oil and gas majors, etc., but as demanding as these interests could be, they were never my first priority.

The people and communities directly impacted by the incident at hand were always my first concern.

This triaging didn't come from some sense of duty or altruism; it was pragmatic. By providing information to and connecting directly with the people that had the strongest emotional connection to the situation I had the best chance of mitigating fear and thereby reducing anger and blame.

The people and communities directly impacted by the incident at hand were always my first concern.

Connecting with local populations is an essential part of any crisis communications strategy. Make time for the small town local journalists even when the major networks are calling, establish a local partner who can guide you to the social media groups and other channels of communication favoured by the town, reach out to key figures of the community, host open town hall meetings, post on physical local bulletin boards, etc. Most importantly, return calls from concerned people who think they might be impacted.

Sometimes it feels silly. People really can ask the dumbest questions and have the most irrational concerns, but at the end of the day, most fears aren't rational.

The risk of a plane being brought down by turbulence is virtually zero, the environmental damage of fire retardant dropped from air tankers is non-existent, and the risk of a catastrophic oil spill from a bulk carrier following a soft grounding is miniscule, but for people who don't know what we know it's still scary and it's still nice to be told what's happening and to be reassured.



12 phrases to avoid in a crisis



Mark Clark,
Director,
Navigate
Response

Words have power, especially in a crisis. In the heat of an incident you won't have time to analyse every nuance, but at the very least, here's what you should avoid.

- 1 "This was very minor"** – What is minor? From who's perspective? In astrophysics the distance from the earth to the sun (approx. 92m miles) is considered minor. It's not up to you to define "minor" – best to leave it out.
- 2 "The company bears no responsibility"** – If you truly don't bear any responsibility you wouldn't be issuing a press release.

This simply looks like you're only interested in yourself and not providing a solution.

- 3 "No comment"** – Saying "no comment" is seen as an indication of guilt. The media hates a vacuum and there'll always be someone willing to comment, even if you aren't.
- 4 "There is no danger of any further damage"** – This is called tempting fate. You can't possibly guarantee what will or won't happen.
- 5 "We will provide compensation"** – This is the sort of phrase likely to have the lawyers quaking in their boots. Once you mention compensation the press will latch on and ask for more detail.
- 6 "We don't know"** – There are ways of saying 'don't know' without saying 'don't know'. For instance, try this– "At the current time we are working to establish the cause of the incident. When we have further information we will let you know"
- 7 "This was an isolated incident"** – Another very dangerous phrase especially at the early stages of a crisis. You certainly don't want to say this, and find out a week later that there's a whole heap of other problems.
- 8 "The employee has now been sacked"** – This translates into "We've thrown the person overboard to save our own skin". Even if you intend to sack the person, it is probably best not to put this information in your initial press release.

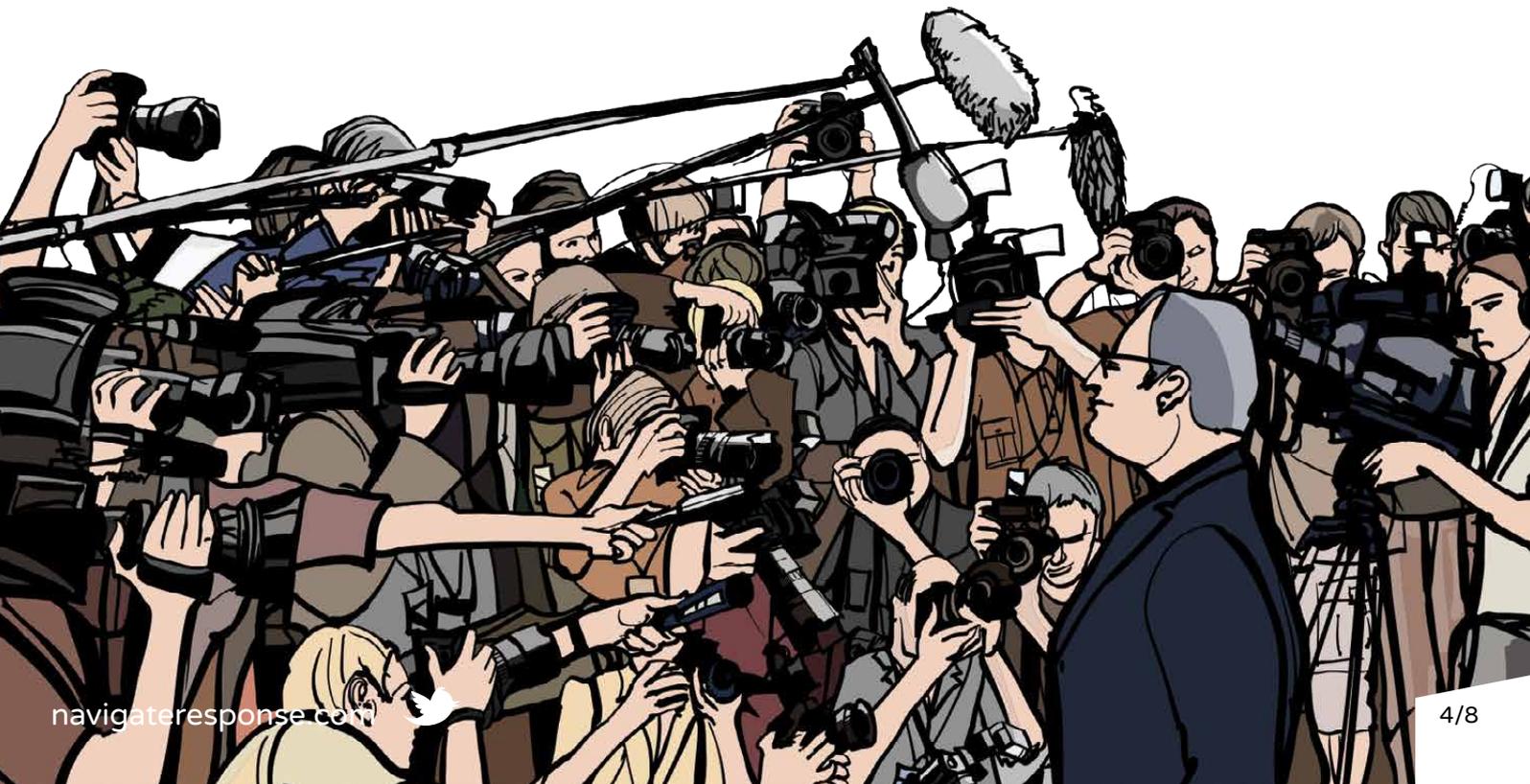
9 "We acted immediately" – Immediately could mean 'as soon as the incident occurred' or 'as soon as we were aware of the incident'. Act could mean 'we spoke about our response' or 'we stopped the incident from occurring'. Giving some context helps when explaining actions.

10 "There is no immediate danger" – Translates into 'You're all going to die, but not immediately'. Don't set any sort of time frame you can't quantify.



11 "There is a X% chance of success" – Anything less than 50% looks like a gamble, and anything over 50% looks like certain odds. Never speculate – this is very dangerous.

12 "Our emergency procedures were a success" – Good for you! Of course, the procedures for preventing the crisis failed, but at least you got it half right. Never sound self-congratulatory, even if you've done a great job – no one cares.



Working together in maritime incidents



How many agencies does it take to respond to a shipping incident?



Mark Clark,
Director of
Operations,
Navigate
Response

In January 2007, the container vessel, MSC Napoli, broke its back in foul weather whilst heading out from the UK. Considered a large ship at the time, her capacity of 4,419 TEU now seems relatively small.

Towed back into the English Channel, the ship's deteriorating condition raised doubts about its ability to reach suitable shelter and so the authorities decided to beach the ship in Lyme Bay.

Immediately there was a very long list of people to inform – regional authorities, local police, spill responders, elected politicians, rescue services, NGOs offering specialised advice, the national media (Sky TV were already on their way), and the list goes on.

As she beached, 103 containers fell into the sea and oil spilled from her bunker tanks. As the containers began washing up on the beach the looters descended. Despite warnings from the police, the containers were ripped open and everything from motorcycles to baby nappies were stolen. The beach soon resembled a scene from the movie 'Mad Max',

and the shipping company was completely unprepared.

No single agency or company can manage such a situation alone.

The UK's Salvage Control Unit provided the core strategic maritime response, the police set up a shoreline response unit to manage the land based organisations, and, as the Head of Communications for the MCA, I set up a media cell at a local hotel. Journalists gathered at the hotel which became a key source of information for the massive multi-agency response that was underway.

No single agency or company can manage such a situation alone.

Fast forward to today...

Today's large vessels are well over four times the size of the Napoli and the speed of public interest and scrutiny has increased exponentially.

Media responders, of course, are not responsible for managing the many parties and agencies involved, but having an eye to the scale of the operation is essential. Many of the parties involved will have their own press office and their own communications teams and each of these teams will be looking to protect or promote their agency's interests and agendas.

Maritime professionals (P&I Clubs, Salvors, oil spill responders, etc.) will usually keep their heads down,

but the same cannot be said of mayors, councillors, local contractors and government agencies (especially those with a direct ministerial connection). To many, their involvement (or indeed their exclusion) from your incident is a chance to get some valuable publicity and they may be keen to talk to anyone who will listen.

Protecting a company's reputation depends on being aware of, and as much as possible, managing all of parties who could become a source of information on the situation.

So how many agencies does it take to respond to a shipping incident? Lots, and every situation will be different. But, how many agencies does it take to damage a company's reputation? Only one. One press office. One politician. One communications team that is not accounted for and included in the press plan for any incident.



Even though most industrialised nations will have an established lead responder who will oversee the management of any situation. Communication plans must consider the wide range of other interested parties who will attend the scene and offer assistance. Their roles might include rescuing wildlife, removing debris or simply serving coffee and sandwiches to the clean-up teams.

Maintaining a flow of information is critical in an emergency response situation, but achieving this under pressure when there are many agencies to liaise with and satisfy is not an easy task. Despite, or perhaps because of the challenges, working with all communications teams connected to an incident must always be a priority.



Protecting commercial interests in a crisis

When a crisis strikes – be it a ship casualty, a port detention or anything else, in the office or at sea, that might threaten corporate reputation – there are a seemingly endless number of third parties who need to be communicated with quickly, concisely, regularly and effectively.



Toby Ingram,
Navigate
Response
Asia
Consultant

When it comes to protecting immediate and future business interests, the most significant concerns are the customers affected by the incident.

The customer, (cargo or asset owner, for example) will certainly be demanding to know the what, the why, the how, and most importantly the “What Are YOU Doing to Fix This?” They’re with you in the thick of this incident and their reputation is also on the line. In many cases they will also be receiving calls, not just the media, but from other stakeholders involved – and there will be many, as any shipping operation is highly collaborative and therefore highly delicate.

The basic content of any message crafted in the crisis room will be the same for all those involved, however, it is often necessary for them to be fine-tuned and individualised. The affected customer needs to understand, in brief and on a regular

basis, how the situation is evolving and what is being positively and proactively done to mitigate further risk and resolve matters.

The affected customer needs to understand, in brief and on a regular basis, how the situation is evolving.

But what of other customers? Those not directly connected to the incident, but those working with you on other business or contracts? They will also be keeping a close eye on the incident. Even if it has not been reported in the media or made its way on to general social media, your customers may still know what’s going on.

The shipping industry globally is really the shipping industry ‘glocally’ – everyone knows everyone else. Anyone who finds out will pass a message to someone else and that someone will pass it on again. This is how rumour and uncertainty spreads.

The goal should be to reassure customers before they have the chance to worry, and before they feel the need to get in touch and express those worries.

This should be done swiftly and on a personal basis. The message should be short, factual, and come from

the first line of contact. An email will usually suffice (though a phone call is better), simply explaining that an incident has occurred. You are taking the responsible step of letting the customer know a situation has arisen and every measure is being taken to resolve it.

In this way, your other customers will be reassured that you have planned responsibly in advance and that all due response mechanisms are already in place. This directly conveys an honest, transparent and professional approach to business relations, helps prevent speculation and uncertainty, and helps forestall customers’ worries about present and future interests.

Above all, it is important to know when this step is the right one to take. Each incident is different and has its own set of challenges. The decision to reach out to customers proactively to safeguard business relationships will hinge on several factors: the history of those relationships, the severity and specific type of the incident, and the advanced state of current projects or negotiations with those customers.

This decision should be made in close consultation with your externally appointed or retained crisis responder, who will be able to give an objective and rational recommendation on whether this is necessary.



Maritime Casualty Investigation



Clive Reed,
Reed Marine

There is often only one opportunity to collect evidence and the sooner that opportunity is taken, the better the quality of the evidence and the more useful it will be. Evidence is like fog, it will change and disappear once warmed by the heat of the incident.

To a certain extent the role of the Maritime Casualty Manager (MCM) encompasses the skills of a private investigator, espionage agent, public relations expert, lawyer, artist, technological wizard and last but not least, a mariner. To manage any casualty properly, the MCM must be able to find his way into the confidence of the crew, local authorities, and generally everyone who is affected or has an interest in whatever disaster has occurred – including the media. To do this, the MCM must be on site ASAP and remain there for as long as necessary.

There is a tendency to believe that all necessary evidence is captured by the Voyage Data Recorder, however, experience has shown that VDRs record everything that they are designed to in less than 50% of incidents, in many cases the VDR fails to record anything of significance at all. In any event, technology has moved on since VDR specifications were set out by IMO, much of the newly installed equipment on vessels (sometimes temporarily) record significant chunks of data that when pieced together give a clear view of events. One should not forget about data recorded elsewhere that can add to accuracy. Third-party evidence is also much more readily available than in the past such as AIS records, VTS records, camera phone videos, internet research etc.

Once all readily available facts and data have been gathered it can be analysed and interpreted to produce a coherent and relatively accurate narrative of events. Armed with this information it is possible to create reconstructions to defend and hopefully prevent public and media misconceptions about the blameworthiness of the vessel. Remember it is always the big, bad foreign ship that is to blame and anything that can be done to prevent a miscarriage of justice should be used - in many jurisdictions media and public opinion can have an astonishing effect on the legal process, especially with elected judiciary.

When I am involved in cases I will use every method appropriate to obtain the best and most comprehensive evidence possible within the shortest period of time. The obvious place to start is on board the vessel with the crew and any other witnesses. Knowing what questions to ask, what is important and what is irrelevant is a key skill. It is naive in today's world to think that any particular fact can be hidden, especially in sophisticated jurisdictions - rule of thumb: collect the facts and deal with them conscientiously.

Some of the equipment I use, which is of course incident and location dependent, includes drones, hidden cameras, multiple audio recorders and high-resolution cameras. Making use of vehicles available on site to improve access is extremely helpful. I have used a jet ski to travel three miles into the Atlantic to look inside a wreck to obtain powerful evidence with a Gopro Hero camera - I will soon have the use of a mini ROV capable of collecting images at up to 100 metres depth. Keeping pace with technology is insurance against surprises.

Once a clear picture has been established, then the "spirit of cooperation" can be employed with the local authorities who rarely have much experience in investigating and dealing with maritime disasters, yet they face enormous pressure

Much of the information that can be shared with the authorities is readily available (if they only knew how to obtain it) but a significant proportion has neutral significance and it would generally be fact not opinion. However, the value of obtaining the cooperation of the authorities cannot be over-emphasised. Once trust has been established, the authorities, and any other party including the media, will begin to share and confer with the MCM when new problems or information arises.

In summary it is vital in today's instant social media savvy world that a measure of control is obtained over any incident as soon as possible. This can only be achieved with the presence of an experienced MCM on site at the earliest possible opportunity following the incident.





Crisis communications for shipping

Navigate Response is the strongest global crisis communications network specialising in the international shipping, port and offshore industries; headquartered in London and Singapore, we operate a global network of 34 offices in 24 countries around the world.

Engaging Navigate Response ensures that you are prepared for the worst and allows you to focus on dealing with the operational side of an incident without being distracted by the pressures of the 24/7 media.

Navigate Response is recommended by P&I Clubs in the International Group.

Contact

24/7 incident line:
+44 (0)20 7283 9915
www.navigateresponse.com

United Kingdom

enquiries@navigateresponse.com
+44 (0)20 3326 8451

Singapore

asia@navigateresponse.com
+65 6222 6375

