

# Symposium Summary

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## VARIATIONS ON THE RISK MANAGEMENT THEME

*Thomas H. Wakeman III*

Initially when I became involved with this symposium, I thought risk management was something out of the ordinary. I thought it was a complex formal process that was implemented under special conditions or in specifically selected circumstances, like an accident. I did not realize that I already used it in my job.

Over the past 2 days, I have learned that there are many variations to the risk management theme. One observation is that I have a different way of seeing some of the material that has been presented. I found that I actually took a different point of view than my colleagues who sat at the same table and listened to the presentations. We each distilled what we heard in different ways and from different perspectives depending on our positions and responsibilities. I want to share what I heard.

What I heard from the first group, I heard as a manager. I learned that I can embrace risk management as a way to improve decision making, as a way to allocate resources, and as a vehicle to assess the utility of contingency plans. Everything has a risk aspect. It is just that, in my case, I count it in terms of dollars. How can I use risk management in a way to formally help me improve and provide credibility in decision making? So, for me, the first group was about how I could use risk assessment and management to improve my decision making.

What I took from the second group's presentation was that I must determine when the data are good enough to

make a decision and at what level of uncertainty. I sometimes fool myself about uncertainty when I make an absolute decision because then I have to defend that decision. But, I would like to know how good the data are and what their level of certainty is so I can know when to back down, because sometimes that is the best decision.

The third group illustrated to me that risk management is all about tradeoffs. Risk management is not just about the risk of a vessel collision on a waterway. There is the risk in a whole bunch of competing aspects of the vessel's movement. For example, megaships are an economic risk. If we don't take steps as a business and a labor conglomerate to address the coming of megaships in the Port of New York and New Jersey, then we run an economic risk. But at the same time, to service that megaship, we must address increased dredging requirements and increased congestion in the harbor because we are expecting a 300 percent increase in dinner boats and recreational users. If we don't deal with these aspects of megaship movement, that is a risk. There is an environmental risk. If we modify the harbor with deeper channels and new expanded terminals, what are the environmental tradeoffs? There is no free lunch. Someone has to make the decision, and risk management is an important tool to help improve the quality of that decision making. It also improves our ability to establish credibility in those decisions among competing demands and political realities. Political realities are part of the real world.

The fourth group illustrated to me that we need a change in our bureaucratic culture. The narrow communications of the stovepipe process used in federal agencies

or within individual regions doesn't work anymore in the global network. That change has to begin with something, and risk management appears to be a good place to start. What do I mean? Not long ago, I participated in a national contaminated sediment conference focusing on how to deal with the problem. The discussion began around 1980 regarding the issue of contaminated sediments and the need to deepen our harbors. The National Research Council came out with a report on the subject in 1984, another one in 1989, and another one in 1994. They all said the same thing. The sediments are contaminated, and the harbors need to be deeper. What are we going to do about it? Well, while we are struggling in ports on an individual basis about these issues, there is no national risk assessment of the tradeoffs regarding either the sediments or the requirements for dredging. It appears that all these things are too complex; if they were simple, we would hold only one conference and write one report. But, they are not, so I guess we have to be optimistic about it—we also could apply a risk management approach.

We've all been using risk management—some of us in a formal fashion, some of us in an informal fashion. But, to gain the good that can come from this symposium, the opportunities, we must synthesize the essential recommendations from our discussions. The foremost recommendation was that we need to have a more standardized process for the maritime industry. That was a strong theme that came from the first group's comments. We need to get a consistent set of methods, standards, and data definition, and this needs to be done up front and should include the en-

vironment, the stakeholders, and all the other good things we have talked about. So, this is very broad and encompassing, but it needs a methodology that is defined and that we can follow.

When you sift through the various things that were said about data, one thing that reverberated again and again was that we need to go ahead and get this incident reporting system in place, and it needs to have liability protection. I don't know exactly how to do that, but it is very clear that a comprehensive database is the starting point for doing things differently.

The third group said, "We have to look at the real world." The real world is about a lot of these things. For example, many ship crews don't speak English, and they are going to have a tough time filling out questionnaires. But the real world is also about competing demands. The stakeholders must participate and buy in to the process. They need to be educated about the value of the process. To do this, we have to have the ability to present it in a transparent fashion so people can understand what is being done.

The fourth group looked at federal entities. But, recognize that it is really a series of tiers—international, national, regional, and local—that do decision making and therefore need to use risk management as the tool. The synthesis of that group was that we need an entity that is responsible and accountable for gathering all the data and making them available widely to all the decision makers, regardless of their tier. The Coast Guard was mentioned as a possible agent.

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## AN INTEGRAL PART OF DECISION MAKING

*Peter F. Bontadelli*

One of the points I want to make is that the three of us come from slightly different points of view, like many of you in the audience. As a result, I think we might have heard some slightly different things out of the summations that came in this morning and in the groups we participated in. One issue stood out for me, and maybe it was an item that was said in our group, and that is that risk management and risk assessment, contrary to what may have come across, are not new. They are done every single day by every active mariner, every pilot, and every player in the field. What we haven't done is to put them down and analyze them and use them as integral parts of decision making. Although we can learn lessons from what has come from other industries, in the maritime

community we also have to rely on that expertise and opinion and find a way to integrate that as part of our data sets and in helping to shape the political framework in which the risk management decisions are made.

Group one emphasized that we need to pull out the information on methods and methodologies, and we need to find, coming out of this, a recommendation on how to accomplish that. That will be part of the follow-up that we will be working on.

The data information group was very clear on two points—not only the near-miss reporting, which is a great first step, but the fact that there are a lot of excellent data out there. However, there are real questions about the data. They probably need to be looked at from the standpoint of how useable they are, how reliable they are, what types of things can be put into the data, so that every time, individually at a port level, industry level, or government level, you start going through one of these, you aren't starting from scratch, as if there were no yesterday. Some of the points that Jerry made are critical to us. The fact