

High seas security could tighten oil supply

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U.S. gasoline supplies could be in short supply this summer and pump prices might skyrocket even more because of a new law that would ban oil tankers from entering U.S. **ports** if the ships fail to meet security standards.

Beginning July 1, the United Nations is requiring all ships and **ports** around the world to comply with tough international anti-terror procedures that were adopted after the Sept. 11 attacks on the United States.

The new standards will kick in at the height of the busy U.S. summer driving season, when refineries are producing as much gasoline as possible. U.S. retail gasoline prices are already at near-record highs and expected to continue rising.

The United States depends on oil imports to meet almost 60 per cent of its daily petroleum demand.

But the U.S. Coast Guard said it does not plan any special treatment for oil and gas tankers and will ban ships from entering **ports** if necessary.

"We aren't taking any different stance on the oil and gas (shipments)," said agency spokeswoman Jolie Shifflet.

"Owners and operators of oil and gas tankers should expect to encounter the same kind of security inspections as all the other international vessels that are coming into the U.S."

While turning back a ship is the most severe response, the Coast Guard could also take less drastic action against violators, such as boarding and inspecting tankers.

The U.S. market needs every barrel of oil and gasoline it can get as the the Energy Department forecast last week that retail motor fuel prices this summer will reach a record high.

"The prospects for oil prices diminishing significantly prior to the driving season have weakened and there is a high likelihood of additional gasoline price increases," the department's Energy Information Administration said in its latest forecast.

The new security guidelines cover all goods, commodities and merchandise transported aboard ships. But U.S. motorists could feel an immediate impact at the pump if tankers carrying gasoline from **ports** that are not in compliance are banned from docking in American waters.

Shifflet would not say if the Coast Guard is worried that some major oil producing nations might not meet the security standards that are being overseen by the London-based International Maritime Organization.

OPEC members that are reportedly behind schedule in meeting the July 1 deadline include Saudi Arabia, Nigeria, Indonesia, Kuwait and the United Arab Emirates.

IMO officials could not immediately be reached for comment.

The new standards require ships and **ports** to develop plans for assessing threats that could cause significant loss of life or property damage and adopt security measures to mitigate those risks.