

Townsville Ocean Terminal (TOT)

Report of Prospective Use of TOT by the U.S. Navy

Prepared by
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This Report concerns the utility, usefulness and attractiveness of a proposed Townsville Ocean Terminal (TOT) to be built at Townsville, Australia for potential use by visiting cruise ships and U.S. Navy Ships.

1 CURRICULUM VITAE

I, Robert J. Natter, am providing my professional views and opinions about the usefulness and suitability of the TOT so far as they relate to its use by visiting U.S. Navy Ships.

The views expressed herein are based upon my professional qualifications (attached) and experience and based upon numerous conversations, interviews and written communications with the U.S. Navy.

I have discussed and entered into written communication with appropriate United States Navy officials who would be responsible for any procedures and utilization of the TOT should U.S. Navy ships visit Townsville, Australia.

I have conferred and discussed the TOT with:

- Commander U.S. Pacific Fleet Hawaii-based staff
- Commander U.S. Seventh Fleet and his Japan-based staff
- Commander U.S. Seventh Fleet (C7F) Logistics Command Singapore-based staff
- Commander U.S. Navy Installations Command and his Washington, DC-based staff
- Commander U.S. Naval Facilities Command Washington, DC and Hawaii-based staffs
- Commander U.S. Navy Judge Advocate General (JAG) and his staff
- Other government and corporate organizations as requested by City Pacific Limited (CPL) and agreed to by the Consultant

2 BACKGROUND

My professional qualifications include having served as a U.S. Navy officer for over 36 years before retiring from active service in November 2003 in the grade of Admiral, the highest rank in the U.S. military.

While on active duty, my responsibilities included Command of the U.S. Seventh Fleet, which is responsible for all U.S. Navy interests and operations in the Western Pacific and Indian Oceans. The operations and port visits of all U.S. Navy ships and aircraft also fall within the U.S. Seventh Fleet Commander's responsibilities and oversight.

During my tenure as Seventh Fleet Commander I had occasion to visit Townsville and other Australian port cities in an official capacity.

I know very well the area/waters of the Townsville Port and the area of the TOT.

Prior to retirement from the U.S. Navy, I also served as Commander of United States Fleet Forces Command. The U.S. Navy's Fleet Forces Commander is responsible for the training, manning and equipping of all U.S. Navy ships and aircraft squadrons, including those deploying to Australian waters. Guidelines and standards for U.S. Navy ships and port security, together with safe ship operations originate from Fleet Forces Command through his various Commands.

Based upon my extensive U.S. Navy experience, the information gathered during my visits, and on conversations with current U.S. Navy staff it is obvious that Townsville is a very popular port where U.S. Navy ships are always well cared for and protected.

I have reviewed the following documentation in relation to the TOT:

- Plans of TOT Pier - detailing berth pocket of 350m in length, 45m in width and a dredged depth of 11.7m
 - Buchans Drawing No. ASK 261
 - Cullen Grummit & Roe Drawing No. HWH-001-002
- Plans detailing the TOT.
 - Buchans Drawing No. ASK 259
 - Buchans Drawing No. SK01 A and SK02A
- Plans of TOT Pier - incorporating security areas.
 - Buchans Drawing No. ASK 260

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- Executive Briefing of the TOT.
 - EIS Executive Summary of the TOT.
 - Queensland Police Service Submission dated 22 January 2008.
 - Townsville Port Authority Submission dated 1 February 2008.
 - Townsville City Council Submission.

I have studied the TOT with respect to its ability to accommodate U.S. Navy ships.

In addition, my discussions with the various responsible U.S. Navy Commanders and their staffs addressed the specific issues that are important for U.S. Navy ships visiting the TOT.

3 INVESTIGATION

There were a number of specific discussion areas wherein the views of current U.S. Navy officials were sought and which are addressed below:

3.1 Private Security Guards

The Queensland Police Service submission dated 22 January 2008 concerning the use of private security guards in the TOT directly adjacent to a visiting U.S. Navy ship was addressed.

Specifically, the U.S. Navy employs private security guards at many of its U.S. home bases and at ports and piers around the world including Australia. Contrary to the view expressed by the Queensland Police Service the U.S. Navy has no objection to the use of Private Security Guards at TOT. Interestingly, the Seventh Fleet Command ship U.S.S Blue Ridge was berthed at a private facility in Thailand on one of the days I talked with the Seventh Fleet staff regarding the TOT. Additionally, the first visit of a U.S. Navy nuclear powered submarine pierside in Australia a number of years ago actually occurred at a private facility with private security guards - Boyne Smelter in Gladstone Queensland. The U.S. Navy has no objection to the use of private security guards at an enclosed TOT. The U.S. Navy's view is that as long as police officials have access, if required, at the TOT and as long as security procedures are otherwise adequate, there is no objection to utilizing private security guards at the TOT.

3.2 Ship Exclusion Zones

3.2.1 I understand that the Royal Australian Navy (RAN) has provided advice in regard to its ship force protection measures especially the earthen berm. Following consultation with the U.S. Navy Commander Pacific Fleet Force Protection (CPFF) the U.S. Navy ship force protection advises that in general the U.S. Navy ship protection requirements mirror those of the RAN and that the addition of a berm would enhance ship protection.

3.2.2 Level of Risk

It is understood that the RAN determines on a case by case basis, the force protection measures to be adopted by ships visiting Australian and foreign ports. These measures are largely dependant on the assessed threat level and the risks in each port are assessed individually, there are no specific stand-off distances.

This is similar to U.S. Navy stand-off policy. It does not have specified distances and the measures vary depending on the country/port being visited. Specific measures at the different levels address keeping unauthorized craft away from ships by establishing visible security/exclusion zones. Generally this involves the use of lines-of demarcation (to assist in determining hostile intent) and/or water-barriers.

3.2.3 Stand Off Distances

I understand that under low threat levels the RAN normally seeks a minimum 50m, but preferably 100m of clear or controlled space around ships at berth. The main concern of the RAN is the landside controlled space and for this reason the RAN no longer seeks access to some berths in the Port Adelaide Inner Harbour or the Portside Wharf due to the close proximity of residential development and other public amenities. At heightened threat levels, ships may be directed to alternate locations or to sail from berths if the assessed risks of remaining alongside are considered too high.

The U.S. Navy similarly attempts to get the 100m waterside distance, but in many ports this may not be possible. The goal is to identify hostile intent in time to react. Weapons lock-out distances on some ships due to high freeboard makes it a challenge if the 100m cannot be established. This is of particular concern when armed picket boats cannot be employed or are not available from the host nation. The level of risks and mitigating actions are constantly reviewed and if shortfalls cannot be met, the visit may be cancelled (this rarely occurs).

3.2.4 Use of Land Berm

I note from the Project Specifications of the TOT a control space of approximately 80m to 100m is provided on the landside, with additional structures such as the berm, acoustic barrier, fencing and ram resistant gates.”

The berm is an excellent idea for landside protection from both a stand-off weapon concern and vehicle borne IED threat. The U.S. Navy policy on land stand-off is 400 feet in foreign ports (100 feet in the U.S.). The 80m to 100m, with the planned physical barriers, of the TOT meets this requirement.

3.2.5 Picket Boats

I understand the water police normally inform affected vessels and enforce collaboratively with the RAN the waterside exclusion zone.

This would be a normal procedure for the picket boat services and U.S. Navy we request host nations for a contract locally when U.S. Navy boats are not allowed as most nations in Pacific do not allow use of U.S. Navy picket boats.

3.2.6 Final Decision on Risk

Like the RAN the ultimate discretion in the US Navy as to whether to use a berth rests with the U.S. Navy ship's Captain.

The U.S. Navy process for any port is that sometime prior to the visit a Port Integrated Vulnerability Assessment is conducted under direction of C7F, performed by a team out the of Regional U.S. Navy NCIS office, in most

cases with C7F participation. Products are made available to operational units by C7F to use in the build of the individual Port Visit AT Plans. If the PIVA points out shortfalls from the optimum in any area, mitigating actions can be built into the plan.

3.3 Residential Housing Clusters Adjacent to TOT

As a related security and safety issue, the U.S. Navy's views regarding the number of private houses and their relative close proximity to the TOT were considered. The plans, as depicted in the TOT, appear compatible with the U.S. Navy's envisioned use of the TOT as a rest and relaxation port.

Both U.S. Navy and RAN ships regularly berth in relative close proximity to civilian houses. Two (2) examples:

- the Garden Island condominium houses directly across the small slips in Sydney Harbor where RAN ships home berth; and
- the civilian houses at Coronado, California, located very close to the U.S. Naval Air Station North Island, California piers where U.S. nuclear carriers and other U.S. ships regularly berth.

In both examples, the price and value of homes described above far exceed the median price of like homes in Sydney and San Diego, respectively.

I attach maps depicting the routine presence of RAN and U.S. Navy ships in close proximity to:

- condominium houses near Garden island in Sydney; and
- privately owned houses at Coronado, California.

3.4 Pier Length and Depth of Waters

Detailed plans showing the pier length and depth of waters are attached and have been considered.

The TOT will be a dedicated cruise/military vessel terminal with a berth of 350m in length, 45m in width and a dredged depth of 11.7m. The TOT length allows the U.S. Navy to moor end on end two [2] AEGIS class CRUISERS/DESTROYERS at any one time. This mooring arrangement allows direct ease of access to shore from the ships rather than what occurs at many ports where ships are moored side by side with sailors and ship services such as fresh water, sewage, electric power, and foot traffic being required to pass over one ship to gain access to the other. The end on end mooring will greatly ease the logistics for ships and safety for sailors, making Townsville an even more attractive port for visiting U.S. Navy ships.

3.5 U.S. Navy Ship Radars

U.S. Navy ship radars and any potential for danger to the housing residents from them were considered. The U.S. Navy as a standard operating procedure requires that ships entering port shut off power to its radars. The one exception to this is a ship's navigation radar, which ensures the safe transit of a ship entering or leaving port. That radar is similar in power and frequency to commercial ships' navigation radars, which are also operated while entering or leaving port. As a result of these procedures there would be no radiation danger to any person from a U.S. Navy ship anywhere within the TOT or on the adjacent Breakwater Cove residential development.

3.6 Fuel Lines to TOT

The availability of fuel by pipe line at the TOT for visiting U.S. Navy ships would be a bonus to U.S. Navy ships. The U.S. Navy would consider it a significant convenience if Marine Gas Oil (MGO) were available to U.S. Navy ships visiting Townsville. U.S. Navy ships normally use Diesel Fuel Marine (DFM). Nevertheless, the U.S. Seventh Fleet Logistics Command has an existing fuels exchange agreement with Australia whereby MGO is a suitable and acceptable substitute and is regularly used by U.S. Navy ships visiting Australia. If fuel were not available by pipeline to the TOT, the U.S. Navy would still visit while developing other fuelling alternatives in or out of port. Those alternatives include fuelling from trucks or barges in port or from U.S. Navy or Allied tankers at sea if available.

4 CONCLUSION

The overall plan and outline for the TOT appear to be detailed and very compatible for use by visiting U.S. Navy ships. The overall approach of combining an Ocean Terminal with close proximity yacht accommodations, civilian housing clusters, and entertainment venues appears very supportive of the U.S. Navy's desired use of Townsville as a rest and relaxation port for its visiting U.S. Navy ships.

Construction of an integrated facility enhances significantly the attractiveness of Townsville as a U.S. Navy visit port.

This view has been confirmed as recently as April and May 2008 of this year during my numerous discussions with the U.S. Navy Seventh Fleet Commander, his Chief of Staff and other staff officers and the Commander U.S. Pacific Fleet staff officers.

In my discussions with U.S. Navy officials support for the proposed TOT was very positive.

In my opinion, the TOT and the usefulness and suitability of the TOT so far as it relates to its use by visiting U.S. Navy Ships has merit.

5 STATEMENT

I have been instructed by CPL to investigate the TOT usage and proposal. No instructions have been given or accepted to adopt or reject any particular opinion in preparing this Report.

In preparing the Report, I have:

- made all the inquiries which I believe are desirable and appropriate and that no matters of significance which I regard as relevant have, to my knowledge, been withheld; and
- considered the development and the documents disclosed by all parties.

Robert J Natter
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July 30, 2008