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NUCLEAR MISSILE SYSTEMS AND IRISH CREDIT UNIONS

BY BRIAN HAYES

Twenty one years ago today, 25 January 1995, a group of Norwegian and American scientists launched a rocket off the North Western coast of Norway. The rocket was launched on a scientific mission to study the aurora borealis, colloquially known as the "Northern Lights". Unfortunately, the rocket flew in an identical air corridor to that of the US thermonuclear missile known as the Minuteman III if it were aimed at Moscow. The Minuteman III missile, which travels at 17,500 mph, is capable of flying from North Dakota to Moscow in approximately 30 minutes and delivering a thermonuclear warhead to within 200 metres of accuracy. Its warhead yield typically contains 170 kilotons and would vaporize everything in a 50 mile radius (the atomic bomb dropped on Hiroshima contained 15 kilotons). Minutes after the launch, the Russian early warning system in Murmansk Oblast, detected the rocket. At the height and speed of the rocket at that point, the system interpreted the rocket as being a US Navy submarine launched Trident nuclear missile. This escalated up the Russian Military Chain of Command under strict and rapid protocol. Russian nuclear submarines were ordered to prepare for retaliation strikes. A briefcase that would initiate a nuclear launch sequence was handed to the then Russian Premier, President Boris Yeltsin. As Russia stood poised to launch a full nuclear strike on the US, the trajectory of the missile changed, and the rocket fell back toward Norway and splashed into the icy sea. The Russian command and control structure stood down, and an incredibly dangerous moment in history passed. Commentators have stated that this event surpassed the Cuban Missile Crisis in terms of placing the world on the "edge of the abyss" with regard to nuclear war. Following this event, it emerged that the Norwegian and American scientists had informed the Russian Federation about the rocket launch, but the information was not adequately communicated to the Russian Missile Defence System, and was not acted upon.

While I am (likely to be) the first commentator to draw analogies between nuclear defence systems and Irish credit unions, there are some interesting aspects to this story. Nuclear missile systems contain the most robust and rigidly tested risk management systems on the planet. The risk appetite for system failures is nil. Accidents simply cannot be tolerated. It is estimated that the cost of production of missiles constitutes a tiny proportion of the nuclear missiles is not an expensive business relative to the totality of nuclear defence budgets. The bulk of the budget is spent on designing and calibrating systems to ensure that the missiles do not get accidentally

launched, detonated, or fall into the wrong hands. And systems to achieve that purpose are constantly being developed by the brightest of human beings (the proverbial rocket scientists). It is therefore interesting to note that in the highly complex and elaborate world of risk management for nuclear command and control systems, a simple communication error almost led to an unimaginable disaster.

As Irish credit unions grapple with the design and implementation of risk management systems, a clear lesson can be learnt from the Norwegian Rocket story; risk management systems, however well designed, rely on people communicating. And weaknesses in communication can be catastrophic.

Credit unions have had formalised risk management systems in place for roughly two years. Focus must be maintained on ensuring the communication of relevant risk sensitive information in a meaningful manner within a risk framework that informs decision making. That is the challenge. It is the simple things that always matter.

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