United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EDT
Tuesday, March 15, 2011

MARITIME SECURITY

Updating U.S. Counterpiracy *Action Plan* Gains Urgency as Piracy Escalates off the Horn of Africa

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Report Documentation Page

Form Approved
OMB No. 0704-0188

1. REPORT DATE	2. REPORT TYPE	3. DATES COVERED
15 MAR 2011		**00-00-2011 to 00-00-2011**

4. TITLE AND SUBTITLE	5a. CONTRACT NUMBER
Maritime Security: Updating U.S. Counterpiracy Action Plan Gains Urgency as Piracy Escalates off the Horn of Africa	5b. GRANT NUMBER
	5c. PROGRAM ELEMENT NUMBER
6. AUTHOR(S)	5d. PROJECT NUMBER
	5e. TASK NUMBER
	5f. WORK UNIT NUMBER
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) **U.S. Government Accountability Office,441 G Street NW,Washington,DC,20548**	8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)	10. SPONSOR/MONITOR'S ACRONYM(S)
	11. SPONSOR/MONITOR'S REPORT NUMBER(S)

12. DISTRIBUTION/AVAILABILITY STATEMENT
Approved for public release; distribution unlimited

13. SUPPLEMENTARY NOTES

14. ABSTRACT

15. SUBJECT TERMS

16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT	b. ABSTRACT	c. THIS PAGE			
unclassified	**unclassified**	**unclassified**	**Same as Report (SAR)**	**25**	

March 15, 2011

MARITIME SECURITY

Updating U.S. Counterpiracy *Action Plan* Gains Urgency as Piracy Escalates off the Horn of Africa

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Highlights

Highlights of GAO-11-449T, a testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

Somali pirates have attacked 640 ships and taken more than 3,150 hostages since 2007. A few U.S.-flagged vessels have been affected—most recently the SV *Quest*, a private yacht on which four Americans were killed in February 2011. The growing frequency and severity of attacks renew the urgency to address the piracy threat. As Somalia is unable to repress piracy, the U.S. National Security Council (NSC) developed the interagency *Countering Piracy off the Horn of Africa: Partnership and Action Plan* in December 2008 to prevent, disrupt, and prosecute piracy in collaboration with international and industry partners. In September 2010, GAO issued a report evaluating the extent to which U.S. agencies (1) have implemented the plan, and the challenges they face, and (2) have collaborated with partners. This testimony is based on the September 2010 report and its objectives, and work GAO conducted in March 2011 to update report findings.

What GAO Recommends

GAO is not making new recommendations in this statement. GAO previously recommended that the NSC (1) update its *Action Plan*; (2) assess the costs and effectiveness of U.S. counterpiracy activities; and (3) clarify agency roles and responsibilities. A National Security Staff (NSS) official provided a statement that an interagency group is reviewing U.S. piracy policy, costs, metrics, roles, and responsibilities. Agencies also commented to clarify information in this statement.

View GAO-11-449T or key components. For more information, contact Stephen Caldwell at (202) 512-9610 or caldwells@gao.gov, or John Pendleton at (404) 679-1816 or pendletonj@gao.gov.

What GAO Found

As GAO reported in September 2010, the U.S. government has made progress in implementing its plan for countering piracy, in collaboration with industry and international partners. However, piracy is an escalating problem, and the U.S. government has not updated its plan as GAO recommended. The United States has advised industry partners on self-protection measures, contributed leadership and assets to an international coalition patrolling pirate-infested waters, and concluded a prosecution arrangement with the Seychelles. Many stakeholders credit collaborative efforts with reducing the pirates' rate of success in boarding ships and hijacking vessels, but since 2007 the location of attacks has spread from the heavily patrolled Gulf of Aden—the focus of the *Action Plan*—to the vast and much harder to patrol Indian Ocean. Also, from 2007 to 2010 the total number of reported hijackings increased sevenfold, and, after dropping in 2008 and 2009, the pirates' success rate rebounded from 22 percent in 2009 to almost 30 percent in 2010. In addition, the number of hostages captured and the amount of ransom paid increased sharply, and pirate attacks have grown more violent. The *Action Plan*'s objective is to repress piracy off the Horn of Africa as effectively as possible, but as pirate operations have evolved, changes to the plan have not kept pace. The United States has not systematically tracked the costs of its counterpiracy efforts and is unable to determine whether counterpiracy investments are achieving the desired results. According to a statement by an NSS official, the United States is reviewing U.S. piracy policy to focus future U.S. efforts. These recent steps are encouraging because the growing frequency and severity of piracy off the Horn of Africa provides a renewed sense of urgency for taking action.

GAO's September 2010 report found that U.S. agencies have generally collaborated well with international and industry partners to counter piracy, but they could take additional steps to enhance and sustain interagency collaboration. According to U.S. and international stakeholders, the U.S. government has, among other things, collaborated with international partners to support prosecution of piracy suspects and worked with industry partners to educate ship owners on how to protect their vessels from pirate attack. However, agencies have made less progress on several key efforts that involve multiple U.S. agencies—such as those to address piracy through strategic communications, disrupt pirate finances, and hold pirates accountable. For instance, the departments of Defense, Justice, State, and the Treasury all collect or examine information on pirate finances, but none has lead responsibility for analyzing that information to build a case against pirate leaders or financiers. In September 2010, GAO recommended that the NSC identify roles and responsibilities for implementing these tasks, and develop guidance to ensure agency efforts work together efficiently and effectively. In March 2011, an NSS official stated that an interagency policy review will examine roles and responsibilities and implementation actions to focus U.S. efforts for the next several years. It is too early to assess this effort's effectiveness in bolstering interagency collaboration in U.S. counterpiracy efforts.

Chairman LoBiondo, Ranking Member Larsen, and Members of the Subcommittee:

I am pleased to be here today to discuss the U.S. response to piracy off the coast of Somalia. The killing of four Americans in February 2011 by Somali pirates has renewed a sense of urgency to address the growing frequency and severity of piracy off the Horn of Africa. Piracy threatens ships and mariners transiting one of the world's busiest shipping lanes near key energy corridors and the route through the Suez Canal. Since 2007, 640 ships have reported pirate attacks in this area, and Somali pirates have taken more than 3,150 hostages and, according to the Department of Defense (DOD), received over $180 million in ransom payments. While few U.S.-flagged vessels have been attacked—notably the MV *Maersk Alabama* in April 2009, and the SV *Quest* in February 2011—pirates have attacked or attempted attacks on chemical and oil tankers, freighters, cruise ships, fishing vessels, and even warships. In addition to jeopardizing the lives and welfare of the citizens of many nations, piracy contributes to regional instability and creates challenges for shipping and freedom of navigation. This illicit but profitable activity has raised concerns that piracy ransom proceeds may undermine regional security and contribute to other threats, including terrorism. See figure 2 in appendix I for a map depicting the vast area in which incidents of Somali piracy are occurring.

Since 2008, the international community has taken steps to respond to the growing piracy problem, including patrols by the United States, the North Atlantic Treaty Organization, the European Union, and others in waters near Somalia; the establishment of a multinational naval task force with a specific mandate to conduct counterpiracy operations; and several United Nations Security Council resolutions such as the one that led to the formation of a multilateral Contact Group to coordinate international counterpiracy efforts.[1] Recognizing that vibrant maritime commerce underpins global economic security and is a vital national security issue, the United States has also developed policies and plans to collaborate with its international partners and to mobilize an interagency U.S. response. In December 2008, the National Security Council (NSC) published the

[1]See, for example, S.C. Res. 1851, U.N. Doc. S/RES/1851 (Dec. 16, 2008).

Countering Piracy off the Horn of Africa: Partnership & Action Plan.[2] The *Action Plan* seeks to involve all nations, international organizations, industry, and other entities with an interest in maritime security in taking steps to repress piracy off the Horn of Africa. The interagency initiatives of the *Action Plan* are to be coordinated and undertaken by DOD, as well as the U.S. Departments of Homeland Security, Justice, State, Transportation, and the Treasury, and the Office of the Director of National Intelligence, subject to the availability of resources. The international community, shipping industry, and international military forces also have been instrumental in efforts to prevent and disrupt acts of piracy off the Horn of Africa and facilitate prosecutions of suspected pirates. Our recent report on this subject, published in September 2010, includes more information on the U.S. agencies and many of the key international and industry partners involved in the response to piracy off the Horn of Africa with whom the United States collaborates and coordinates.[3]

My statement today is based largely on our September 2010 report, in addition to more recent work we conducted in March 2011 to update the findings in that report. Today, as with our report, I would like to focus on two issues: first, the extent to which U.S. agencies have implemented the *Action Plan* and challenges they face in doing so, and second, the extent to which U.S. agencies have collaborated among partners in counterpiracy efforts. For our September 2010 report, we examined counterpiracy plans, activities, collaborative practices, and data; met with officials at six U.S. agencies and the Combined Maritime Forces in Bahrain; and interviewed industry and international partners. Details on the scope and methodology used for that review can be found in appendix I of the report. Selected updates for my statement today include a review of data on the nature and extent of pirate attacks, hostages taken, and ransom payments made since our published report. We assessed the reliability of the attack and hostage

[2]The White House NSC is the principal forum used by the President of the United States for considering national security and foreign policy matters with his senior national security advisors and cabinet officials and is part of the Executive Office of the President of the United States. The function of the NSC is to advise and assist the president on national security and foreign policies. The NSC also serves as the president's principal arm for coordinating these policies among various government agencies. On May 26, 2009, President Obama merged the White House staff supporting the Homeland Security Council (HSC) and the National Security Council into one National Security Staff (NSS). The HSC and NSC each continue to exist in statute as bodies supporting the president.

[3]GAO, *Maritime Security: Actions Needed to Assess and Update Plan and Enhance Collaboration among Partners Involved in Countering Piracy off the Horn of Africa*, GAO-10-856 (Washington, D.C.: Sept. 24, 2010).

data by reviewing the data and interviewing knowledgeable officials as well as relevant subject matter experts; though the sources and methods used to develop the ransom data are classified, we compared it to information provided by other sources. We found these data to be sufficiently reliable for providing a context for piracy off the Horn of Africa. We also contacted officials from Coast Guard, DOD, Justice, State, Transportation, and the Treasury on actions taken since our last report. We also provided a copy of this testimony to the NSS for comment. We conducted this work in accordance with generally accepted government auditing standards.

Since the publication of our report, the piracy situation off the coast of Somalia has continued to deteriorate. According to a variety of sources,[4] pirates are expanding their area of operations—north toward the straits of Hormuz, east toward the coast of India, and south to the coasts of Mozambique and Madagascar—principally through the increasing use of larger vessels known as "mother ships." In addition, the total number of reported pirate attacks has increased from 30 in 2007 to 219 in 2010. In addition, pirates are taking an increasing number of hostages and escalating the level of violence and abuse toward those captives. Officials also have cited reports of pirates using seafarers on the hijacked mother ships as "human shields" to fend off attacks from naval vessels. Pirates also are holding out for higher ransoms, which is leading to longer negotiations and, hence, longer periods of captivity for those taken hostage. Finally, officials report that pirates continue to show evidence of organization, with well-defined networks and hierarchies of financiers, senior leaders, and seagoing pirate crews. Appendix I provides maps and graphics demonstrating several of these trends.

[4] Sources include documents and statements from U.S. government and foreign officials, international organizations, and shipping industry representatives involved in counterpiracy operations and analysis. For a listing of such sources, see appendix I of our September 2010 report.

The United States Has Taken Steps to Implement Its Counterpiracy Plan but Needs to Evaluate Its Efforts and Update Its Plan

As we reported in September 2010, the U.S. government has made progress implementing its *Action Plan* for countering piracy, in collaboration with international and industry partners. However, the effort faces several implementation challenges, and piracy remains a persistent problem. At the time of our September 2010 review, U.S. agencies had not evaluated the costs or effectiveness of their counterpiracy efforts or updated the *Action Plan*. In commenting on our testimony statement, the NSS told us that an ongoing interagency review is examining the U.S. piracy policy needed to guide U.S. efforts. We continue to believe that actions are needed to update the *Action Plan* to respond to the evolving pirate threat, and enhance and sustain interagency collaboration in U.S. efforts, but currently it is too early to assess the interagency effort.

In collaboration with their international and industry partners, U.S. agencies have taken steps across the three lines of action established in the *Action Plan* to: (1) prevent attacks by reducing the vulnerability of the maritime domain, (2) disrupt acts of piracy in ways consistent with international law and the rights and responsibilities of coastal and flag states, and (3) ensure that those who commit acts of piracy are held accountable for their actions by facilitating the prosecution of suspected pirates. [5] The *Action Plan* establishes the U.S. role in countering piracy as a collaborative one, seeking to involve all countries and shipping-industry partners with an interest in maritime security. The NSC also establishes some limits to the scope of the plan by focusing on immediate measures to reduce the incidents of Somali piracy, rather than longer-term stabilization of Somalia that the *Action Plan* asserts is needed to fully repress piracy.

The United States has advised industry partners on self-protection measures, contributed leadership and assets to an international coalition patrolling pirate-infested waters, and concluded a prosecution arrangement with the Seychelles.[6] However, the U.S. government has made less progress on tasks related to seizing and destroying pirate vessels and equipment and delivering suspected pirates for prosecution, and disrupting pirate revenue and bases ashore. Figure 1 summarizes the results of our assessment. For more detailed information about U.S.

[5]The flag state is the country in which the vessel is registered.

[6]The U.S. government previously had concluded a prosecution arrangement with Kenya to accept transfers of suspected pirates. According to officials at State, Kenya terminated its arrangement with the United States and other partners in September 2010, but continues to consider accepting transfers of suspects on a case-by-case basis.

agencies' efforts to implement the *Action Plan* and our analysis of their progress, see appendix II of our September 2010 report.

Figure 1: Interagency Progress in Implementing the National Security Council's *Countering Piracy off the Horn of Africa: Partnership and Action Plan*

Tasks	GAO assessment[a]	Status
Prevent pirate attacks by reducing the vulnerability of the maritime domain to piracy		
Establish and maintain a Contact Group	●	U.S. government helped establish in January 2009; Coast Guard and Maritime Administration lead working group on industry self-protection.
Strengthen and encourage the use of the Maritime Security Patrol Area	●	U.S. government has made progress working with international and industry partners, but has limited influence on commercial vessels that are not flagged with the United States.
Updating ships' security plans	●	Coast Guard has approved piracy annexes to ship security plans for 100 percent of U.S.-flagged vessels over 500 gross tons identified as transiting high-risk waters off the Horn of Africa.
Strategic communication	◐	U.S. government has issued counterpiracy statements and supported international efforts; however, governmentwide plan not finalized and lack of U.S. presence on land in Somalia inhibits full implementation.
Disrupt acts of piracy consistent with international law and the rights and responsibilities of coastal and flag states		
Support a regionally based Counter-Piracy Coordination Center (CPCC)	Not applicable[b]	U.S. government has no plans to support the establishment of a CPCC since it would duplicate the reporting and monitoring functions performed by other organizations.
Seize and destroy pirate vessels and related equipment, and deliver suspected pirates to prosecuting states	◐	U.S. and international forces have seized more than 100 pirate vessels and their related equipment but only delivered 39 percent of captured suspects for reasons including difficulties in meeting evidence standards and/or securing prosecution venues.
Provide interdiction-capable presence	●	U.S. Navy and Coast Guard contribute assets and leadership to coalition forces patrolling off the Horn of Africa with an average of four to five ships in the region each day.
Support shiprider programs and other agreements	◐	The United States has supported an arrangement to bolster regional capabilities to counter piracy, but U.S. agencies have not established shiprider programs because they question the benefits to facilitating prosecutions.
Disrupt and dismantle pirate bases ashore	○	Action not authorized by the President at this time; lack of U.S. presence in Somalia hinders implementation.
Disrupt pirate revenue	◐	In April 2010, President Obama signed an executive order that blocks assets of certain designated individuals, including two suspected pirates.[c] But, U.S. efforts to track financial assets or transactions are hampered by a lack of government and financial institutions in Somalia.
Facilitate the prosecution of suspected pirates by flag, victim, and coastal states, and, in appropriate cases, the United States to ensure that those who commit acts of piracy are held accountable for their actions		
Conclude prosecution agreements	◐	U.S. government concluded an arrangement with the Seychelles and is attempting to conclude others; but faces challenges in finding additional regional partners that are willing and able to prosecute.[d]
Support the exercise of jurisdiction under the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation	◐	The United States exercised jurisdiction under the Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation to prosecute one pirate in the United States.
Support the use of other applicable international conventions and laws	◐	The United States is using other laws to exercise jurisdiction and prosecute 25 suspected pirates for attacks on U.S. vessels.
Enhance regional states' capacity to prosecute	◐	U.S. agencies provide assistance to countries in the region for law enforcement and judicial capacity building and reform, the focus of which includes, but is not limited to, piracy. Naval Criminal Investigative Service special agents have testified in Kenyan courts, and provided training and operational support to officials in the Seychelles.

● Substantial progress

◐ Some progress

○ Little or no progress

Source: GAO.

[a]We assessed "substantial progress" for those tasks where all components specified by the NSC were implemented; "some progress" for tasks where components were partially implemented or agencies had taken steps toward implementation; and "little or no progress" where agencies had made minimal or no effort toward implementing the components of the task.

[b]We did not rate U.S. government progress on this task because, according to DOD officials, there are no plans to establish a Counter-Piracy Coordination Center since it would duplicate existing international efforts.

[c]Executive Order 13536 blocks all property and property interests within U.S. jurisdiction of persons listed in the Annex to the order and provides the authority for the Secretary of the Treasury, in consultation with the Secretary of State, to designate additional persons that threaten the peace, security, or stability of Somalia, including those who support or engage in acts of piracy off the coast of Somalia. Property and property interests within U.S. jurisdiction include property in the possession or control of any United States person in the United States or overseas. United States person is defined as "any United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States (including foreign branches), or any person in the United States." According to Treasury officials, as of March 2011 this order listed two individuals connected to pirate activity.

Many stakeholders anecdotally credit international, industry, and U.S. government efforts with preventing and disrupting piracy off the Horn of Africa, but despite these efforts from 2007 through 2010 pirates greatly expanded their area of operations, the number of pirate attacks increased, the number of hostages captured rose substantially, and the size of ransom payments grew. Appendix I includes graphics illustrating the following developments:

- **Area of Operations**. Pirates have expanded their area of operations—north toward the straits of Hormuz, east toward the coast of India, and south to the coasts of Mozambique and Madagascar—and now threaten an area of approximately 2 million square miles, an area much larger and harder to patrol than the Gulf of Aden alone. (See figure 3 in appendix I.) Pirates are expanding their reach principally through the increasing use of vessels known as "mother ships." Mother ships are often acquired or commandeered by acts of piracy and are used to store fuel and supplies and to tow skiffs. These mother ships enable pirates to launch attacks farther off shore and to operate in rougher seas. A year after the NSC issued its *Action Plan*, reported pirate attacks in the Gulf of Aden dropped from approximately 83 percent of the 111 reported pirate attacks in the region to 53 percent as Somali pirates expanded their area of operations to the broader Indian Ocean. We reported in September 2010 that countering piracy in the Indian Ocean is more challenging due to the great expanse of water, and it requires a different approach than that used in the Gulf of Aden. One U.S. Navy analysis estimated that 1,000 ships equipped with helicopters would be required to provide the same level of coverage in the Indian Ocean that is currently provided in the Gulf of Aden—an approach that is clearly infeasible.

- **Pirate Attacks**. The total number of reported pirate attacks increased from 30 in 2007 to 219 in 2010. (See figure 4 in appendix I.) Since 2007, there have been at least eight reported attempted attacks on U.S.-flagged vessels, two of which involved pirates successfully boarding or hijacking vessels—the attacks on the MV *Maersk Alabama* and SV *Quest*. Although we reported in September 2010 that total attacks in the first half of 2010 had declined as compared with the same period in 2009, since the issuance of our report, total attacks in 2010 reached levels similar to 2009. Additionally, while we previously reported the rate of successful attacks had dropped from 40 percent in 2007 to 22 percent in 2009, the rate had rebounded to almost 30 percent at the end of 2010. Pirates have maintained the same success rate of attacks for January and February 2011.

- **Hostages Captured.** Somali pirates captured more than six times the number of hostages in 2010 than in 2007. (See figure 5 in appendix I.) Such data show that piracy remains a persistent problem. Moreover, in a February 2011 meeting of agency and international partners, officials stated that, since the time of our report, the level of violence has increased, the average length of time hostages spend in captivity has grown, and more incidents of hostage abuse have been reported. Officials have also cited reports of pirates using seafarers on the hijacked mother ships as "human shields" to fend off attacks from naval vessels.

- **Ransom Payments**. From 2007 to 2010 the estimated amount of total ransom payments paid to pirates each year by the shipping industry grew from about $3 million to more than $75 million, with the average amount of ransoms paid per vessel increasing from $300,000 in 2007 to more than $4 million in 2010, according to DOD. As ransoms continue to rise, pirates continue to have an incentive to carry out attacks. Furthermore, negotiation periods are lengthening, and hostages are being held for greater lengths of time. Officials now report the average length of time needed to negotiate ransoms has increased from 2 to 6 months. In addition, pirates have shown evidence of organization—with well-defined networks and hierarchies of financiers, senior leaders, and seagoing pirate crews—leading some U.S. officials to express concerns that funds generated by piracy may attract extremists or terrorists located in the region. However, as of July 2010, U.S. agencies monitoring piracy had found no credible link between pirates and extremist or terrorist organizations.

U.S. agencies have reported taking some steps to respond to the changing methods and location of pirate attacks, including weekly updates on piracy incidents to mariners and naval forces, and efforts among coalition partners to improve coordination in the Somali Basin. At the time we published our September 2010 report, the *Action Plan* did not specifically address certain aspects of pirate operations, such as the expansion to the broader Indian Ocean or how to apprehend leaders of pirate organizations and their financiers, and U.S. government officials told us that there were no plans to reassess or revise the *Action Plan*. As a result, we recommended that the Special Assistant to the President for National Security Affairs, in collaboration with the Secretaries of Defense, Homeland Security, Justice, State, Transportation, and the Treasury re-assess and revise the *Action Plan* to better address evolving conditions off the Horn of Africa and their effect on priorities and plans. In following up with cognizant departments on the current status of their counterpiracy efforts, all of the departments provided comments to clarify information in this statement, and an NSS official provided the following information:

> As part of a broader U.S. approach toward the region, the Maritime Security Interagency Policy Committee (MSIPC) is conducting an ongoing review of U.S. piracy policy.[7] During this review, the MSIPC is focusing on the *Countering Piracy off the Horn of Africa: Partnership and Action Plan* and as part of this effort, departments and agencies are examining and developing metrics, roles and responsibilities, and implementation actions to serve as the focus of U.S. efforts for the next several years. In addition, the level of effort and opportunity costs associated with counterpiracy work is continuously monitored. The MSIPC has been focused, most recently, on addressing the costs associated with bringing suspected pirates either to the United States for prosecution or transferring them to third party nations.

We also reported in September 2010 that as pirates operations had evolved, the U.S. government had not systematically tracked the cost or effectiveness of its counterpiracy activities to determine whether its investment had achieved the desired results or should be revised. Specifically, we found that government agencies were not tracking:

[7]The Maritime Security Interagency Policy Committee (MSIPC) is a high-level interagency group that is focused on maritime issues.

- **Costs of Counterpiracy Efforts**. The *Action Plan* did not specifically charge the interagency group responsible for monitoring implementation with tracking the cost of U.S. activities and neither the interagency steering group nor the federal agencies involved were performing these tasks. We also reported that DOD provided a partial estimate of counterpiracy operations undertaken by the U.S. Central Command which totaled about $64 million in fiscal year 2009[8] and that a key cost of counterpiracy operations was the diversion of ships, crew, aircraft, intelligence assets, and other forces from other global missions such as counterterrorism and counternarcotics efforts. (See our September 2010 report for a list of selected types of costs incurred by the U.S. government to counter piracy.)

- **Measures of Effectiveness**. The *Action Plan* did not define measures of effectiveness that could be used to evaluate progress toward reaching its objectives or to assess the relative effectiveness of the *Action Plan's* tasks to prevent, disrupt, and prosecute acts of piracy. Agency officials have cited several challenges associated with measuring the effectiveness of U.S. efforts, including the complexity of the piracy problem, difficulty in establishing a desired end-state for counterpiracy efforts, and difficulty in distinguishing the effect of U.S. efforts from those of its international and industry partners. Nevertheless, we reported that identifying measures of effectiveness and systematically evaluating agency efforts could assist the U.S. government in ensuring resources are being targeted most effectively, weighing its investment of resources against its other interests in the region, and determining whether adjustments to plans are required.

As a result, in our September 2010 report, we also recommended that the NSC, in collaboration with the same federal departments, identify measures of effectiveness to use in evaluating U.S. counterpiracy efforts; and direct the Counter-Piracy Steering Group to identify the costs of U.S. counterpiracy efforts including operational, support, and personnel costs; and assess the effectiveness of U.S. counterpiracy activities. In commenting on the draft of our September 2010 report, DOD stated that the interagency group charged with monitoring implementation of the *Action Plan* was not tracking costs and effectiveness because it was not specifically charged to do so in the *Action Plan*. Officials from Coast Guard, Justice, State, and the Treasury also were not aware of any

[8]We did not independently verify the data that support DOD's $64 million estimate.

systematic efforts to perform these functions. When preparing for this hearing, State officials informed us that the Secretary of State has since directed an internal review and re-evaluation of State's approaches and actions to counter piracy to determine the options for more effectively addressing this regional threat and its widespread consequences. According to State officials, identifying costs and effectiveness, as we recommended, is to be a critical component of this evaluation. Similarly, the NSS statement indicated that the policy review underway by the MSIPC is examining and developing metrics, and addressing the costs associated with U.S. action toward prosecuting suspected pirates. While recent steps to begin implementing our recommendations are encouraging, it is too early to tell what impact, if any, these efforts will have on the United States' ability to respond to the dynamic nature of piracy. We continue to believe that with continual evaluation of U.S. efforts the United States may be in a better position to achieve its ultimate goal of repressing piracy.

U.S. Agencies Have Worked Collaboratively with Partners but Could Take Key Steps to Enhance and Sustain Collaboration in Counterpiracy Efforts

As we reported in September 2010, U.S. agencies have generally collaborated well with international and industry partners to counter piracy; however, U.S. agencies could implement other key practices to further enhance and sustain collaboration among U.S. interagency partners. Industry partners play an important role in preventing and deterring pirate attacks because they are responsible for implementing self-protection measures on commercial vessels. Our September 2010 report includes more detail on the extent of this collaboration, but we will highlight a few examples here:

- **Collaboration with International Partners**. U.S. agencies, primarily State and DOD, have collaborated with international partners through two organizations established to counter piracy off the Horn of Africa. First, the Contact Group on Piracy off the Coast of Somalia (Contact Group) serves as an international forum for countries contributing to the counterpiracy effort to share information that has facilitated international, military coordination and established a trust fund to support prosecution efforts. As part of the Contact Group's efforts, the Coast Guard and the Maritime Administration co-chair a working group on shipping industry coordination, which has reviewed and updated best management practices for industry self-protection, and is developing guidance for seafarer training regarding pirate attacks. Second, in 2008, as the leader of the Combined Maritime Forces, the U.S. Navy, along with other international partners, established Shared Awareness and Deconfliction meetings that are

intended to provide military coordination and information sharing for naval patrols of pirate-infested waters.

- **Partnering with Industry**. U.S. agencies, primarily the Coast Guard and the Maritime Administration, have worked with industry partners to facilitate collaborative forums, share information, and develop joint guidance for implementing counterpiracy efforts. Most recently, the Coast Guard issued an updated version of Maritime Security Directive 104-6 in January 2011 amending the area at high risk of piracy and the Maritime Administration issued an advisory in February 2011 that addressed the piracy threat to yachts and recreational craft. For those ship owners who choose or are required to carry armed security teams, the Coast Guard and State have worked to identify viable methods for doing so in accordance with applicable U.S., international, and port-state laws.[9] In addition, the Maritime Administration has developed training courses to inform vessel crews about how to help prevent piracy and steps to take if taken hostage.

U.S. government agencies have incorporated other key collaborative practices, including developing an overarching strategy and establishing mechanisms to share information with partners. As we reported in September 2010, the NSC's *Action Plan* serves an overarching strategy to guide U.S. interagency efforts and provides a framework for interagency collaboration.[10] Furthermore, in certain circumstances, such as a pirate attack on a U.S.-flagged vessel, the U.S. government uses the existing Maritime Operational Threat Response process[11]—part of the *National Strategy for Maritime Security*—to facilitate a discussion among U.S. agencies and decide on courses of action. For example, this response

[9]According to Maritime Administration officials and shipping industry representatives, challenges remain that have made it difficult to for U.S. vessels to transit the area with security teams carrying weapons onboard, including restrictions in national or port-state laws in the region.

[10]GAO, *Interagency Collaboration: Key Issues for Congressional Oversight of National Security Strategies, Organizations, Workforce, and Information Sharing*, GAO-09-904SP (Washington, D.C.: Sept. 25, 2009).

[11]The Maritime Operational Threat Response is an interagency process used during maritime security incidents. The response is coordinated by a Global Maritime Operational Threat Response Coordination Cell, a Department of Homeland Security office located at the U.S. Coast Guard headquarters, and follows documented protocols that, among other things, provide guidance on conducting coordination activities.

process was activated for both the MV *Maersk Alabama* and SV *Quest* incidents.

Although the NSC and U.S. agencies have taken these collaborative steps, we reported in September 2010 that the NSC could incorporate two other key practices—assigning roles and responsibilities and developing joint implementation guidance—to further enhance interagency collaboration in counterpiracy efforts.[12] As of July 2010, the NSC had assigned roles and responsibilities for implementing one of the 14 *Action Plan* tasks, providing persistent interdiction to be performed by the U.S. Navy and Coast Guard. Establishing roles and responsibilities can help agencies clarify which agencies will lead or participate in activities, help organize their joint and individual efforts, and facilitate decision making. Agencies could enhance collaboration by developing joint guidance to implement and coordinate actions on several *Action Plan* tasks. Effective joint guidance also addresses how agency activities and resources will be aligned to achieve goals. In the absence of clearly identified roles and responsibilities and joint implementation guidance, agencies involved in countering piracy have made comparatively more progress in implementing those *Action Plan* tasks that fall firmly within one agency's area of expertise, such as Coast Guard's enforcement of U.S.-regulated commercial-vessel compliance with maritime security requirements and DOD's interdiction efforts.

In contrast, there are several tasks in the *Action Plan* for which multiple agencies have relevant authorities, capabilities, or interests, and on which less progress has been made. The NSC has not identified roles and responsibilities for implementing these tasks, and officials have acknowledged that the agencies have not developed joint guidance to ensure their efforts work together efficiently and effectively. For example:

- **Strategic Communication**. Multiple agencies are responsible for communicating with various audiences about piracy, but there is no governmentwide strategic communication plan in place to guide agency efforts. According to State officials, State has drafted a governmentwide counterpiracy strategic communication plan for interagency review but as of March 2011, the department had not finalized this plan.

[12]GAO, *Results-Oriented Government: Practices That Can Help Enhance and Sustain Collaboration among Federal Agencies*, GAO-06-15 (Washington, D.C.: Oct. 21, 2005), and GAO-09-904SP.

- **Disrupting Pirate Revenue**. Multiple agencies collect or examine information on pirates' financial activities, including DOD, Justice, State, and the Treasury. However, officials agree that information their agencies gather on pirate finances is not being systematically analyzed, and it is unclear if any agency is using it to identify and apprehend pirate leaders or financiers. U.S. efforts to track and block pirates' finances in Somalia are hampered by the lack of government and formal banking institutions there. According to Justice officials, as of July 2010, the United States had not apprehended or prosecuted any pirate leaders or enablers as provided for in the *Action Plan*.

- **Facilitating Prosecution of Suspected Pirates**. Agencies face challenges facilitating prosecution of suspected pirates without defined roles and joint guidance. For example, after pirate attacks on the USS *Ashland* and USS *Nicholas*, which resulted in the apprehension of suspects, the U.S. government lacked interagency procedures for transferring suspects and sharing costs among the agencies involved, according to U.S. officials.

In September 2010, we reported that by enhancing interagency collaboration, the NSC can reduce the risk of leaving gaps in its counterpiracy efforts or the risk that agency efforts may overlap, which could waste resources that could be applied to combat other threats to national security, such as terrorism. We also recommended that the NSC, in collaboration with the same federal departments, clarify agency roles and responsibilities and develop joint guidance, information sharing mechanisms, and other means to operate across agency boundaries for implementing key efforts such as strategic communication, disrupting pirate revenue, and facilitating prosecution. Doing so could also help agency officials—who must balance their time and resources among many competing priorities—more fully and effectively carry out their roles in helping to repress piracy and avoid duplication of effort. Agency officials we contacted to prepare for this hearing were unaware of efforts to clarify agency roles and responsibilities or develop joint guidance for implementing key efforts. Commenting on our testimony statement, however, the NSS provided a statement indicating that an ongoing MSIPC policy review is examining roles and responsibilities and other implementation actions to guide U.S. counterpiracy efforts. The recent statement from the NSS official is encouraging and we continue to believe that actions are needed to enhance and sustain interagency collaboration in U.S. counterpiracy efforts, but currently it is too soon to know the impact of the MSIPC review.

In closing, Mr. Chairman and Members of the Subcommittee, while U.S. agencies have taken a collaborative approach in counterpiracy planning and have taken many steps, the U.S. government faces escalating challenges to meeting its objective of repressing piracy. These challenges include inherent limits on the United States' ability to influence industry and international partners and to encourage other states to prosecute suspected pirates. In addition, the United States must address the problem of piracy in an environment in which counterpiracy efforts compete with other high-priority U.S. interests in the region, and, as the NSC has acknowledged, longer-term efforts to stabilize Somalia are needed to fully address the root causes of piracy. Such challenges, along with the growing frequency and severity of piracy off the Horn of Africa, provide a renewed a sense of urgency to implement our recommendations to update the counterpiracy *Action Plan* and take other steps to prevent, disrupt, and prosecute acts of piracy.

Mr. Chairman, this completes my prepared statement. I would be happy to respond to any questions you or other Members of the Subcommittee may have at this time.

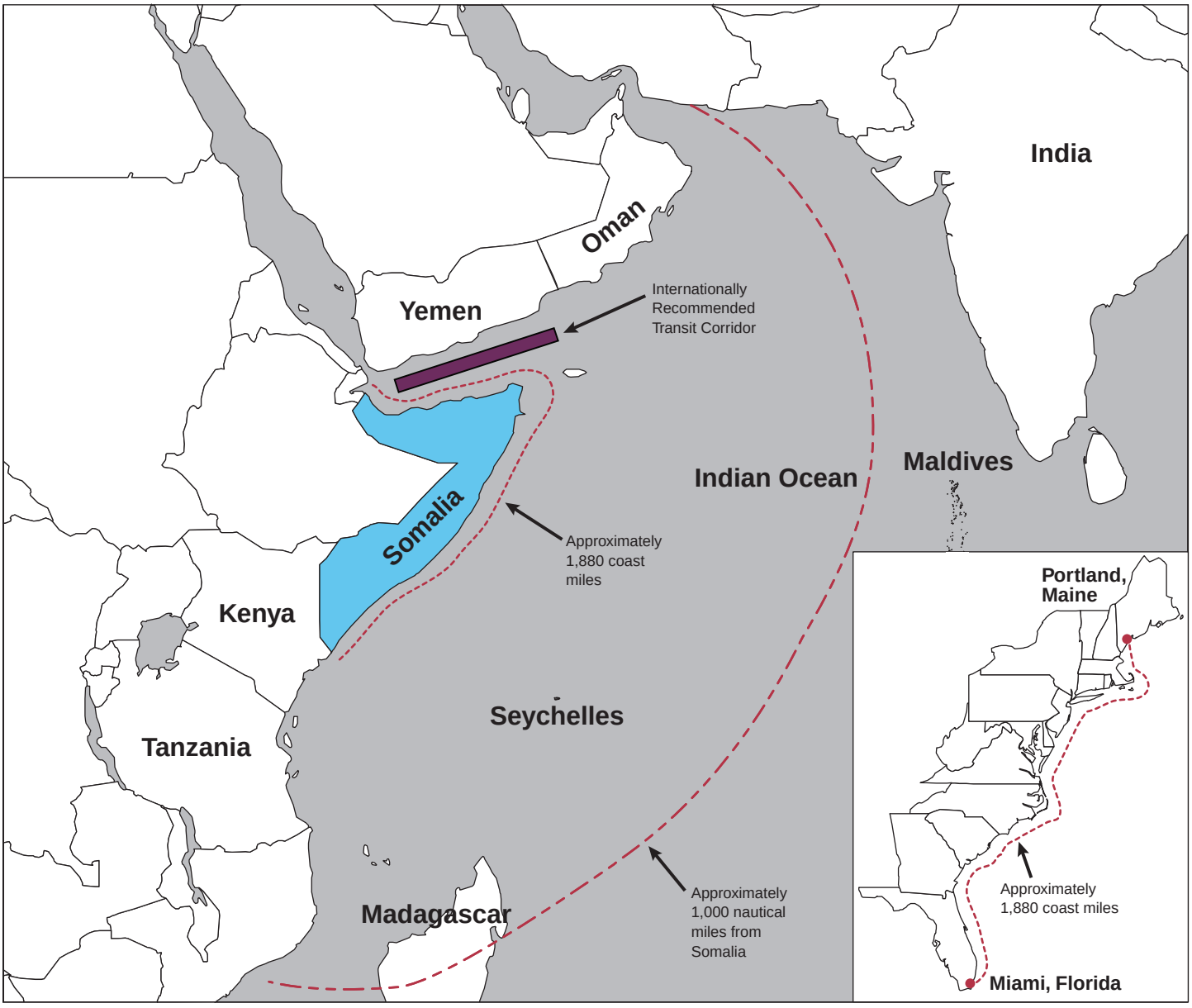
GAO Contacts and Staff Acknowledgments

For questions about this statement, please contact Stephen L. Caldwell at 202-512-9610 or caldwells@gao.gov, or John H. Pendleton at 404-679-1816 or pendletonj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. In addition to the contacts named above, Susan Ditto, Geoffrey Hamilton, Dawn Hoff, Brandon L. Hunt, Farhanaz Kermalli, Ronald La Due Lake, Patricia Lentini, John Mingus, Amie Steele, and Suzanne Wren made key contributions to this report. A full list of staff acknowledgements for the September 2010 report can be found in appendix VI of that report.

Appendix I: Maps and Statistics on Piracy off the Coast of Somalia

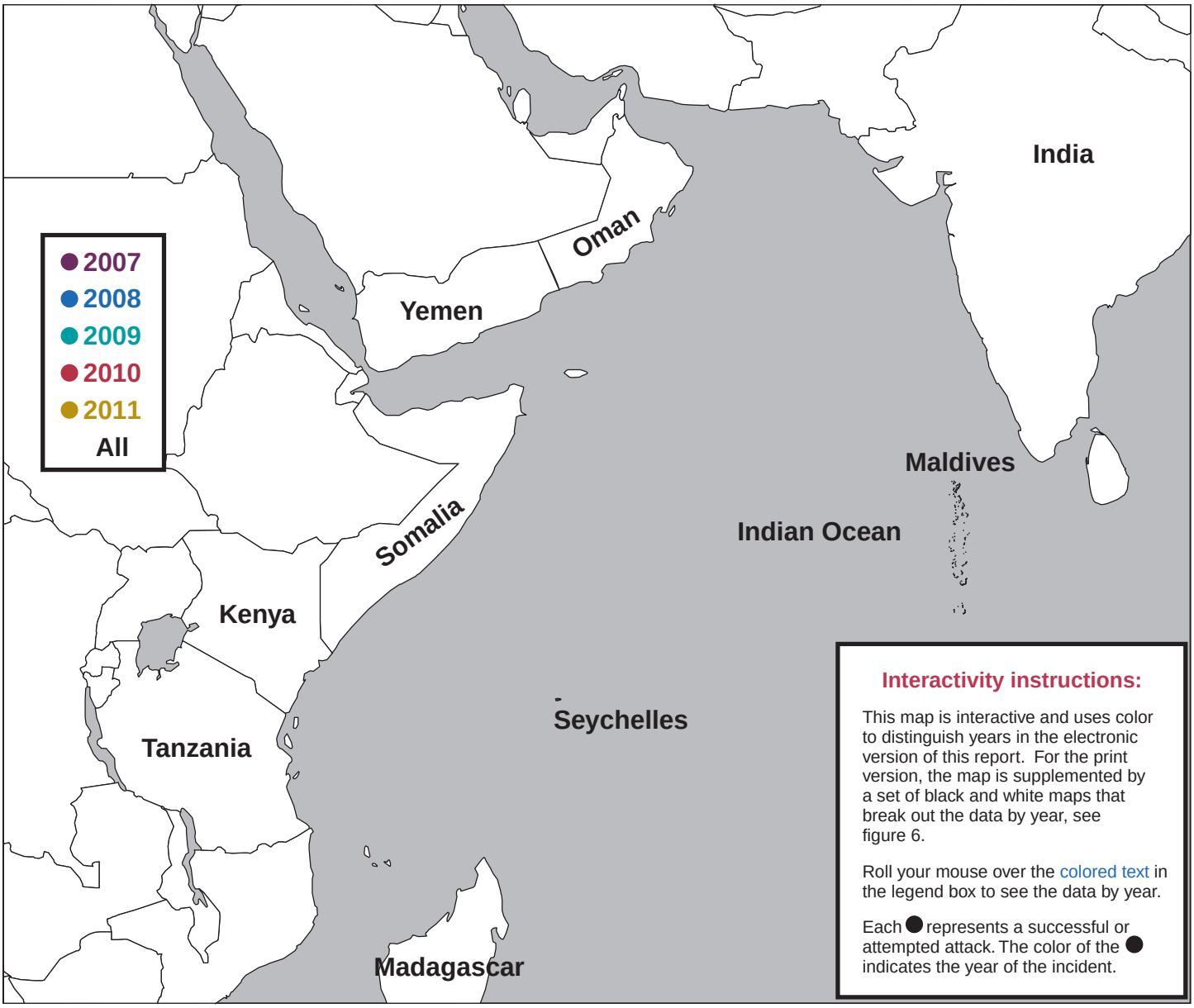
This appendix provides several examples of the vast area in which pirates operate and how piracy off the coast of Somalia has continued to escalate. Pirate attacks have expanded from being close to the eastern Somali shoreline in 2007, to targeting ships in the Gulf of Aden in 2008, and since 2009 expanding east into the Indian Ocean, south toward Madagascar, and north toward Oman. In addition, pirates have captured more ships and taken more hostages each year from 2007 through 2010.

Figure 2: Somalia and a Comparison to the Eastern Coast of the United States



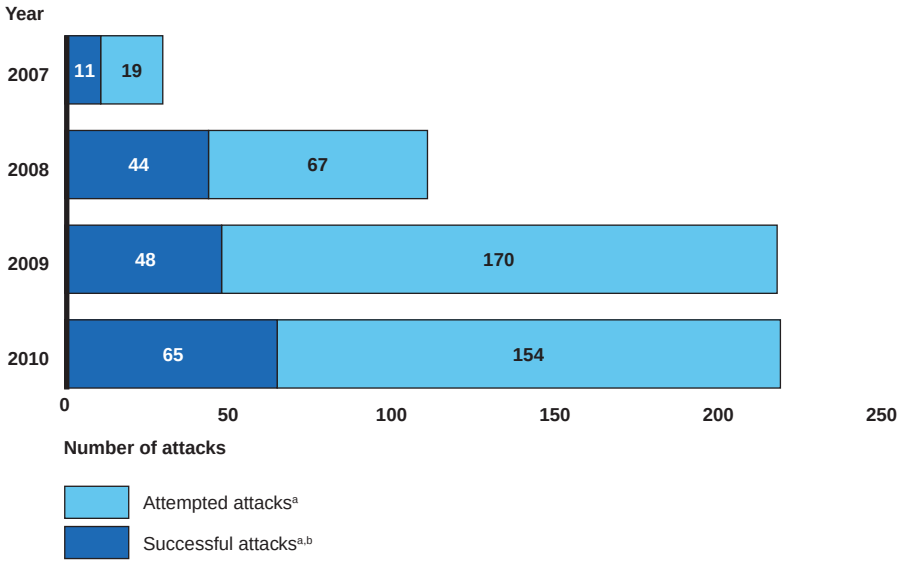
Source: GAO (data), Map Resources (map).

Figure 3: Successful and Attempted Pirate Attacks off the Coast of Somalia, January 2007 to February 2011



Source: GAO analysis of International Maritime Bureau data (data); Map Resources (map).

Figure 4: Successful and Attempted Pirate Attacks off the Horn of Africa, 2007 to 2010



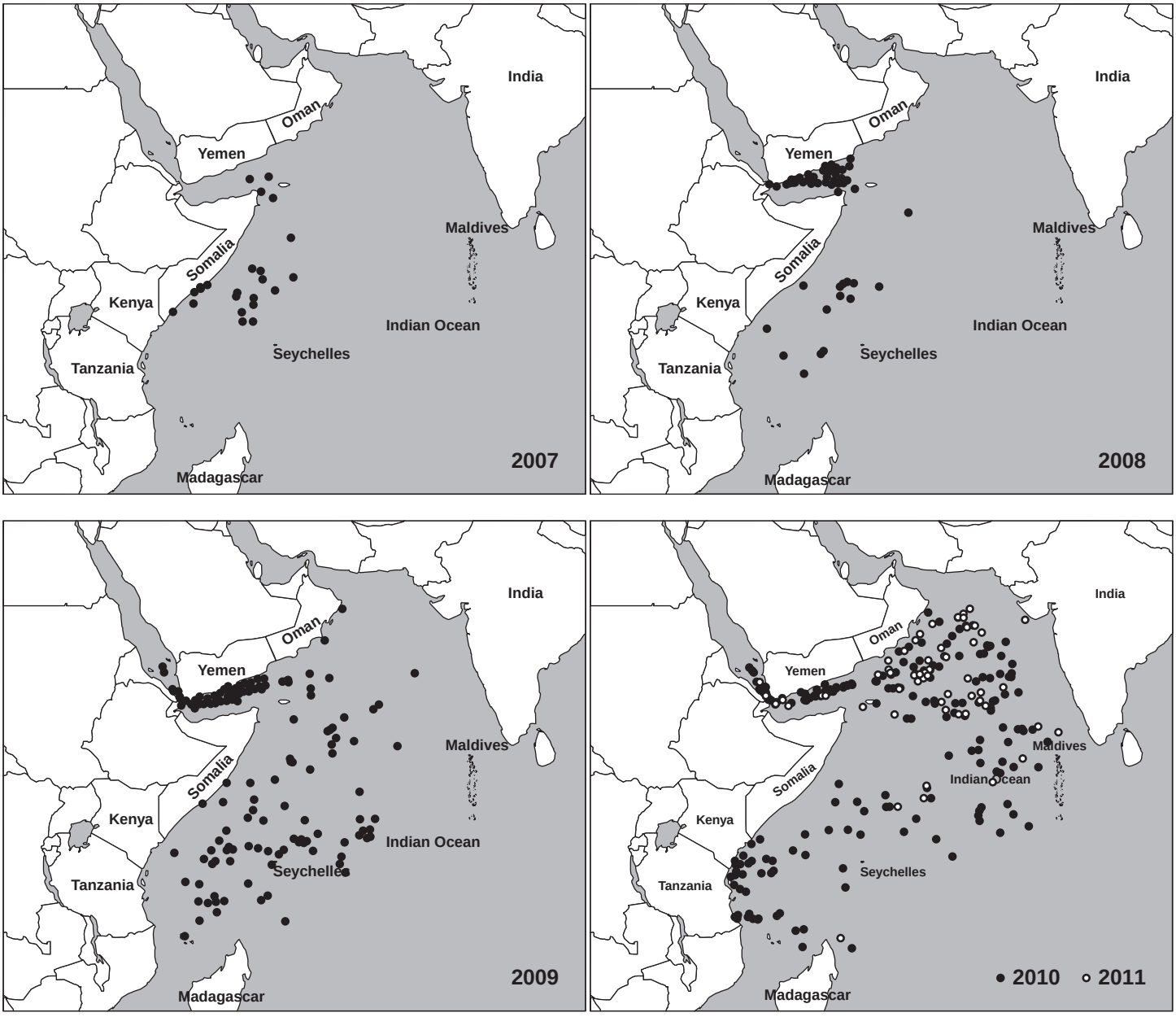
Source: GAO analysis of International Maritime Bureau data.

Note: Successful attacks include those that resulted in vessel boardings or hijackings. The types of vessels attacked included: bulk carriers, container ships, fishing vessels, passenger ships, research vessels, roll-on roll-off ships, supply ships, tankers, tugs, and yachts. These numbers are based on information provided by individual vessels and therefore may be understated.

Figure 5: Total Hostages Captured by Somali Pirates, 2007 to 2010

Source: GAO analysis of International Maritime Bureau data.

Figure 6: Successful and Attempted Pirate Attacks off the Coast of Somalia, January 2007 to February 2011



Source: GAO analysis of International Maritime Bureau data (data); Map Resources (map).

Related GAO Products

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