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BEFORE THE
HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION

Update on Efforts to Combat Piracy

April 10, 2013

Good afternoon Chairman Hunter, Ranking Member Garamendi and Members of the Subcommittee. I am pleased to have the opportunity to appear before you today to provide an update on the efforts to counter maritime piracy, which continues to be a serious threat to shipping, mariners and commerce around the world.

As you are aware, beginning in 2008, the incidents of piracy off the coast of Somalia and Horn of Africa increased dramatically. With more than 20,000 merchant vessel transits in this region each year, the opportunities have been plentiful for seizing vessels and holding them for ransom. According to the International Maritime Bureau (IMB), an organization which maintains global maritime piracy and crime statistics, 2010 was the worst year on record for Somalia piracy. Although data varies depending on the source, IMB notes that in 2010, there were 445 piracy attacks on merchant vessels in the Horn of Africa with 53 ships seized along with 1,181 seafarers captured. As more ships were captured, the average ransom payment to pirates increased to nearly $5 million per ship in 2011.

The threat to global shipping from piracy in the waters off Somalia has been substantial. Ten percent of the world's oil shipments pass through the Gulf of Aden along with roughly 50 percent of the world's container cargo traffic. A substantial amount of humanitarian food aid cargo also transits the region. On any given day, up to a dozen U.S. flag vessels are operating in the Horn of Africa, Gulf of Aden sea lanes.

Unfortunately, the problem of piracy is not confined to the Horn of Africa. In recent years, the Gulf of Guinea has also been experiencing a surge in armed attacks at sea, although it is of a different nature than the piracy in the waters off Somalia. In the Gulf of Guinea, the common practice is to board merchant ships, rob the crew and frequently steal cargo, particularly petroleum products which easily can be sold on the open market. Gulf of Guinea attacks are increasingly violent, and many mariners have been beaten or killed. According to IMB,

incidents in the Gulf of Guinea increased from 30 in 2011 to 34 in 2012. Other regions in the world where piracy is a threat include the Straits of Malacca, Indonesia, Malaysia, and the South China Sea.

Clearly there have been economic consequences from piracy. Shipping companies operating vessels in the Horn of Africa region have been forced to pay higher insurance premiums and additional crew wages, invest in costly modifications to vessels to protect against attacks, hire armed security guards and consume more fuel to maintain high speed while sailing through the high risk waters.

Perhaps the most important cost of piracy is a human one. Crews robbed and physically abused by pirates or held hostage for long periods of time frequently experience serious post-traumatic stress disorder. Some refuse to go to sea again, forfeiting their careers and livelihood. The toll on the seafarers and their families who have experienced piracy is profound.

Since the piracy crisis in the Horn of Africa erupted in the 2005 to 2008 timeframe, the United States has taken a leading role in promoting a collaborative international reaction. With strong U.S. support, the United Nations (U.N.), in 2008, passed several resolutions designed to counter piracy by authorizing combatants from other nations to enter Somali waters to suppress piracy. U.N. Security Council Resolution 1851 also encouraged the establishment of the Contact Group on Piracy off the Coast of Somalia (CGPCS). The CGPCS was established in early 2009 and now consists of five working groups: (1) Military Coordination and Regional Capacity Building, (2) Legal Aspects of Counter Piracy, (3) Industry/Government Coordination of Best Practices to Prevent Piracy, (4) Public Diplomacy Aspects of Combating Piracy and (5) International Information Sharing Between Governments and Industry to Disrupt Piracy. Since 2009, the CGPCS and its working groups continue to meet several times a year. They have provided numerous recommendations which have been implemented by the International Maritime Organization (IMO), governments and the industry to successfully reduce the threats of piracy.

In addition to serving three years as co-chair of the CGPCS working group on Industry/Government Coordination of Best Practices to Prevent Piracy, the Maritime Administration (MARAD) has specifically joined with our other federal agency partners and the international community in taking substantive actions that have resulted in a significant reduction in piracy in the Horn of Africa. With our unique knowledge of U.S.-flag and international shipping, maritime labor, the marine insurance industry and global maritime business, MARAD has been able to contribute considerable expertise to the interagency effort.

MARAD also serves on the U.S. Delegation to the IMO, led by the U.S. Coast Guard. Through international cooperation at the IMO, which includes substantial input from the U.S. Delegation, the IMO has issued numerous counter-piracy guidance recommendations. This guidance

includes the Best Management Practices (BMPs) developed by industry groups and guidance for both private maritime security companies (PMSCs) and privately contracted armed security personnel (PCASPs).

Through special advisories drafted with interagency support, MARAD has regularly provided operational advice to U.S.-flag operators and mariners. These advisories have included counter-piracy recommendations and situational awareness. They have been disseminated through the MARAD website and through communication with company security officers.

MARAD has also played a key role in the training of merchant mariners through the development of maritime security courses based on IMO guidance. Working with the U.S. Coast Guard, MARAD has developed courses that have been implemented for vessel security officers, company security officers and facility security officers. MARAD continues to certify maritime security training providers who meet the criteria established by the U.S. Coast Guard. In accordance with Section 502 of the Piracy Suppression Act of 2012, MARAD, in coordination with Department of Defense, Homeland Security and the U.S. Merchant Marine Academy, is developing training in the use of force against piracy. The development of the curriculum is on schedule for certification by September 2013.

Since 2009, MARAD has worked with the Military Sealift Command (MSC) in support of Anti-Piracy Assistance Team (APAT) visits to U.S.-flag commercial vessels which are expected to transit the high risk waters in the Horn of Africa. The APATs consist of personnel from MARAD and the Naval Criminal Investigative Service (NCIS). On a voluntary basis, U.S.-flag operators request an APAT visit. An APAT is dispatched to the vessel while in a U.S. port and the Team offers recommendations of how to improve a vessel's physical defenses against piracy. The Teams also review security tactics, techniques and procedures and make appropriate recommendations. Since 2009, over 60 APAT audits have been completed on U.S.-flag vessels.

MARAD has hosted several industry/government meetings per year since the inception of the piracy crisis. These have included collaborative meetings with both the American and international maritime community and appropriate federal agencies. MARAD regularly arranges unclassified piracy briefs for interested U.S.-flag operators. These briefs are provided by the Office of Naval Intelligence.

MARAD is the lead U. S. Government agency for a training initiative designed to address the safety and welfare of seafarers through cooperation with the Association of Southeast Asian Nations (ASEAN), which supplies 20 percent of the world's seafarers. This effort, known as the Expanded ASEAN Seafarer Training program (EAST), was announced by President Obama at the East Asia Summit (EAS) on November 20, 2012, in Phnom Penh, Cambodia, as part of the Administration's broader focus on rebalancing its engagement in Asia to reflect the economic and strategic importance of this dynamic region.

The EAST builds on a July 2009 U.S.–Philippines Memorandum of Cooperation (MOC) on Maritime Counter-Piracy Training and Education. Unlike most counter-piracy training programs and initiatives that focus heavily on the security dimension of piracy, EAST will focus on the often overlooked humanitarian side of piracy, addressing issues like surviving captivity, negotiating ransoms, preserving evidence, post-capture and release, in addition to understanding the cultural, political and criminal aspects of piracy. The training program will be officially announced at the ASEAN Regional Forum Ministerial Meeting hosted by Brunei in June.

Since 2010, piracy incidents in the Horn of Africa have continued to decrease. In 2012, IMB reported that there were 36 Somali pirate attacks compared with 176 for 2011. This resulted in only 5 ships being seized in 2012 as compared to 25 in 2011.

The tangible reduction in piracy off the Horn of Africa can be attributed to several factors including:

1. Coordinated and sustained international cooperation in many forums including the IMO and the CGPCS.

2. Industry developed and adopted BMPs to combat piracy including the "hardening" of vessels and the use of citadels for crew safety.

3. The presence and successful coordination of international navies operating in the Western Indian Ocean and Horn of Africa which includes vessels from Combined Maritime Forces (CMF), NATO, European Naval Forces (EUNAVFOR) – Operation ATALANTA, India, Russia, PR China, Japan, South Korea, Iran and Malaysia.

4. Military coordination, intervention and interruption of pirate groups ashore in Somalia and the UN-sanctioned and African Union-led military operations against Al-Shabab and other extremist groups have reduced the amount of ungoverned space in Somalia available to criminal groups that exploit lawlessness to operate.

5. The arrest and prosecution of more than 1,000 pirates by several countries around the world.

6. The actions of the Somali government ashore which is slowly beginning to exercise control over the country.

7. The use of armed security teams aboard vessels transiting the region. The use of private armed security, while uncommon just a few years ago, is commonplace today.

Piracy in the Horn of Africa region has declined since its peak in 2010. This is largely due to the coordinated and sustained response by governments and the maritime industry. Unfortunately,

the problem is far from resolved and piracy continues to be a threat not only in the waters off Somalia but also in the Gulf of Guinea and in other regions of the world. The good news regarding successes in reducing piracy in the Horn of Africa proves that the threat of piracy can be beaten; but not without continued vigilance.

MARAD is proud of its many contributions which have helped stem the tide of piracy. However, more work remains to be done and we will continue to make every possible effort to work with the maritime industry and our federal partners to fight piracy until this menace is driven from the oceans of the world.

Mr. Chairman, I appreciate the opportunity to discuss MARAD's role in addressing piracy and the Subcommittee's continuing support for maritime programs. I am happy to answer any questions you and the members of this Subcommittee may have.