



Statement of

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Before the

**House Subcommittee on Coast Guard and Maritime Transportation**

Regarding

**“International Piracy on the High Seas”**

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## **I. Introduction**

Chairman Cummings and members of the Subcommittee, thank you for the invitation to provide a statement on the current issue of piracy. Over the past year, piracy off the coast of Somalia, particularly in the 500 mile long Gulf of Aden (GOA) transit corridor, has become a major safety, security and economic issue affecting the 20,000 ships that transit the region annually. We thank the Committee for its interest in this issue and its recognition that, while this area of the world is roughly 8,000 miles from here and many nations have a vital interest in the freedom and security of maritime commerce, American import and export commerce, American military cargo, American aid cargo (e.g. World Food Program), and American ships and crews pass through this region daily. The United States has always had a strong economic and security interest in defending the right of freedom of navigation around the world, and it is highly appropriate that it contribute in meaningful ways to the international efforts in the GOA.

The World Shipping Council (“WSC” or “the Council”) is a trade association that represents the international liner shipping industry. In addition to serving as WSC’s President and CEO, I serve as the Chairman of the National Maritime Security Advisory Committee

(NMSAC), a Federal Advisory Committee Act committee providing advice to the Coast Guard and the Department of Homeland Security (DHS) on maritime security issues.

Liner shipping is the sector of the maritime shipping industry that offers regular service based on fixed schedules and itineraries. The World Shipping Council's liner shipping member companies provide an extensive network of services that connect American businesses and households to the rest of the world. WSC member lines carry roughly 93% of America's containerized international cargo.<sup>1</sup> Approximately 1,500 ocean-going liner vessels, mostly containerships, make 26,000 U.S. port calls each year. More than 50,000 container loads of imports and exports are handled at U.S. ports each day, providing American importers and exporters with efficient transportation services to and from roughly 175 countries. Today, U.S. commerce is served by more than 125 weekly container services, an increase of over 60% since 1999, moving roughly 17 million containers of American export and import commerce.

In addition to containerships, liner shipping offers services operated by roll-on/roll-off or "ro-ro" vessels that are especially designed to handle a wide variety of vehicles, including everything from passenger cars to construction equipment. In 2006, these ro-ro ships brought almost four million passenger vehicles and light trucks valued at \$83.6 billion into the U.S. and transported nearly one million of these units valued at \$18 billion to U.S. trading partners in other countries.

Liner shipping is the heart of a global transportation system that connects American companies and consumers with the world. More than 50 percent of the \$1.8 trillion in U.S. ocean-borne commerce is transported via liner shipping companies. The international liner shipping industry has been determined by DHS to be one of the elements of the nation's "critical infrastructure".

Liner shipping generates more than one million American jobs and \$38 billion in annual wages. This, combined with other industry expenditures in the U.S., results in an industry contribution to U.S. GDP that exceeds \$100 billion per year.

## **II. The Piracy Threat**

The U.S. National Security Council's December 2008 report, *Countering Piracy Off the Horn of Africa: Partnership & Action Plan*, states: "Maritime piracy is a universal crime under international law which places the lives of seafarers in jeopardy and affects the shared economic interest of all nations. The United States will not tolerate a haven where pirates can

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<sup>1</sup> A listing of the Council's member companies and additional information about the Council can be found at [www.worldshipping.org](http://www.worldshipping.org)

act with impunity; it is therefore in our national interests to work with all States to repress piracy off the Horn of Africa.”

Since early 2008, there have been more than 200 attempts by pirates in the GOA region to attack and hijack vessels. Of these, pirates have successfully hijacked an estimated 50 vessels<sup>2</sup> and taken almost a thousand crewmen hostage. The GOA pirates’ tactics are now well known and typically involve multiple, high-speed skiffs capable of up to 25 knots operating from a mother ship. Pirates generally have targeted large, slow moving ships that have a low freeboard (the distance from the waterline to the main deck). Statistics indicate that the highest risk vessels are those that operate at 15 knots or less and that have a freeboard of less than 8 meters. Attacks typically occur when visibility is at its lowest – at dawn and dusk -- and the skiffs approach the target vessel from its quarter. Pirates employ machine guns, rifles and rocket propelled grenades (RPGs) and attempt to slow or stop target ships by firing on them so the pirates can then use grappling hooks and portable ladders to get on board. Once a vessel is hijacked, the pirates typically request a large ransom payment for the safe return of the crew, vessel and cargo. The ransom payments demanded, which constitute much less than the potential for the loss of life or the value of the vessel and cargo, are paid by protection and indemnity (P&I) clubs (i.e. ship insurance providers) to prevent harm to the crew, cargo and vessel.<sup>3</sup>

Liner shipping vessels – containerships and ro/ro vessels – typically operate at speeds above 18 knots and can sustain speeds of 22-24 knots. Liner vessels are the world’s fastest large cargo vessels. Liner vessels are also unique in that they have a much higher freeboard than many other commercial ship types. These two factors have to date resulted in liner vessels being less vulnerable to successful hijacking by pirates in the GOA region. Although pirate skiffs can operate at 25 plus knots, it is more difficult for them to keep up with a container ship operating at such speeds because the smaller vessels are more significantly impacted by waves and wind.

Although no containerships or ro/ro vessels have been successfully hijacked in the GOA region, 19 liner shipping vessels have reported being the subject of attacks and hijacking attempts since February 2008. In six of these attacks, the vessels were fired upon by pirates using guns and/or RPGs. Thankfully no crewmembers were injured, but the pictures we have

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<sup>2</sup> Last week, pirates in the GOA hijacked their 50<sup>th</sup> vessel, a German liquefied petroleum gas ship (the 4,316 dwt *Longchamp*) with 13 crew in the Gulf of Aden. The *Longchamp* was reportedly en route to Asia from Europe escorted by a naval convoy when it was boarded by 7 armed pirates in the morning.

<sup>3</sup> Ransom payments typically take place on average two or more months after the vessel and crew are in captivity. The result is obviously substantial physical and mental strain on the crews, including health risks once stores and fresh water are consumed. The ship and its cargo are also in constant risk during this time, with both commercial and environmental consequences possible.

provided separately to Committee staff illustrate the potentially lethal force that was used in these efforts. In at least one of these incidents, naval force intervention (Russian) was helpfully involved in repelling the attack.

### **III. Actions Employed to Reduce the Risk of or Respond to an Attack**

As discussed above, high speed and high freeboard have been significant pirate attack risk-reduction factors. Consequently, many WSC member companies, which operate multiple different types of ships (e.g., tankers), have established internal guidelines directing vessels that cannot maintain 18 knots and have a freeboard less than 10 meters to avoid transiting the GOA region and re-route via the Cape of Good Hope and pass east of Madagascar. This route can add almost 3000 miles and up to 14 days to the voyage.

WSC member company liner vessels that do transit the GOA region, in addition to maintaining a transit speed of greater than 18 knots, are employing tactics to prevent attack and/or to respond to an attack. A cornerstone of any response to an attack by pirates is the Ship Security Plan (SSP), required by the International Ship & Port Facility Security (ISPS) Code, and its effective implementation. In this context, ship operating companies have developed and implemented preventative measures based on their own security assessments and with consideration of best management practices circulated by the International Chamber of Shipping, European Union, International Maritime Organization (IMO), and United States. Although the specific measures employed by member company ships are security sensitive, some of the common attack prevention measures are described below.

#### **Common Measures Employed to Prevent Pirate Attack:**

- Check in with the Marine Safety Center – Horn of Africa (MSC-HOA) and the United Kingdom Marine Trade Operations (UKMTO) office in Dubai to ensure Coalition naval forces in the region are aware of and tracking your position;
- Establish and follow procedures dictated in the Ship Security Plan and prepare a detailed piracy contingency plan;
- Transit the highest risk areas of the designated transit corridor at night;
- Post extra roving watches to monitor the decks;
- Adjust watch schedules to increase the number of personnel on the bridge and performing lookout duties;
- Pre-position and pressurize all fire hoses and train crew to direct hoses on pirates attempting to board;
- Position additional lights on deck and over the side to prevent pirates from boarding under cover of darkness;
- Perform piracy drills prior to arrival in the GOA region;
- Prepare an emergency communication plan so that MSC-HOA and UKMTO can be notified immediately if the vessel is attacked;

- Establish a safe, locked area for the crew to muster if attacked;
- Secure and control access to the bridge, manned engine room, steering gear room and crew quarters;
- Ensure all pilot ladders are stowed and secured on deck.

Because there are a large number of small fishing vessels operating the GOA region and these vessels look like those employed by the pirates, commercial ships have very little time during which to determine if an approaching vessel poses a risk. Consequently, employment of the preventative measures above does not completely mitigate the risk of being the subject of an attempted hijacking. Vessel operators have therefore developed and implemented additional tactics to reduce the likelihood that a hijack attempt will be successful.<sup>4</sup>

**Common Tactics Employed When Under Attack:**

- Activate the ship security alarm system (SSAS)<sup>5</sup>;
- Activate the emergency communications plan;
- Sound the onboard emergency alarm to notify crew to implement the piracy contingency plan;
- Maximize vessel speed;
- Execute zig-zag maneuvers to prevent a small boat from approaching the vessel;
- Man the fire hoses and discharge water over the side;
- Muster the crew in the designated safe area.

If, despite the above tactics, a vessel is successfully boarded by pirates, vessels have been directed to take the following actions: 1) attempt to notify MSC-HOA and UKMTO that the pirates are onboard; 2) cooperate fully with the pirates and offer no resistance; 3) keep the

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<sup>4</sup> To the best of our knowledge, commercial vessels generally do not employ armed guards onboard for the Gulf of Aden piracy situation for a variety of reasons, including: the use of firearms could further escalate the situation and innocent lives may be lost; some flag administrations discourage the use of armed guards with firearms; some port states reportedly restrict arms aboard commercial vessels; substantial unresolved issues of liability exist if someone is injured or killed in the line of fire; there are practical operational concerns such as command and control, rules of engagement, use of deadly force, weapons security, intra port/ship transfer of weapons and guards; questions regarding quality of civilian armed guards as well as with their training and experience for shipboard force protection operations; P&I insurance companies discouragement of the use of armed guards; the possibility of fire, explosion or sinking of a commercial vessel if an exchange develops between personnel aboard a commercial ship and the pirates; and concerns and liabilities arising from the fact that the ships transiting the GOA carry a variety of hazardous cargoes.

<sup>5</sup> The International Ship and Port Facility Security (ISPS) Code, which took effect July 1, 2004, mandated that passenger ships and cargo ships greater than 500 gross tons be equipped with a silent SSAS that sends an alert via satellite to the vessel's flag state administration and designated Company Security Officer. The alert provides the vessel's position and indicates that the vessel needs immediate security assistance. IMO standards require that flag states, upon receiving a Ship Security Alert, must notify appropriate coastal states in whose vicinity the ship is operating.

crew mustered in one location; and 4) secure the main engine (if the engine room is evacuated).

#### **IV. International Response to GOA Piracy**

The Council commends the U.S. Government, the European Union (EU), the United Nations, and the governments of other nations that are participating in the international effort to counter piracy in the GOA region. While the international shipping industry must and is playing a part in addressing the piracy threat in the GOA region, the long term solution to this regional breakdown of law and order requires the continuation of international cooperation, including the support of the U.S. Government. The United States -- the largest trading nation in the world and a nation that has a long tradition of protecting the freedom of navigation -- is working with the United Nations Security Council, setting up Combined Task Force (CTF) 151 comprised of naval assets from over twenty nations, and partnering with the EU Naval Force ATALANTA and MSC-HOA.<sup>6</sup>

The establishment of MSC-HOA as the primary conduit through which information is passed between commercial ships and Coalition naval forces has been a critical step. MSC-HOA has established a helpful website ([www.mschoa.eu](http://www.mschoa.eu)) through which ship owners and operators, ship management companies, international trade associations, and others may obtain the latest intelligence information and weather, sign on to participate in group transits through the region, review advice and updated preventative measures, and obtain contact information for the UKMTO, EU Naval Force, CTF 151 and others.

Furthermore, MSC-HOA and CTF 151 have established a system of four daily eastbound and westbound group transits, which vessels may join based on their anticipated transit speeds. Although the transits are not technically convoys because they are not accompanied by naval escort, the transits are monitored by military helicopters and naval assets that have been strategically positioned along the transit corridor. This type of approach demonstrates effective use of limited naval resources and enables a grouping of commercial vessels to work together to significantly reduce the risk that any one vessel will be attacked.

Coordination of the international naval response has significantly improved since the establishment of ATALANTA and CTF 151. Prior to their establishment, naval assets sought primarily to protect commercial ships flying their countries' flags. We have recently, however, seen examples in which a Russian naval ship came to the aid of a Danish ship, a Malaysian naval

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<sup>6</sup> To date, we understand that the nations that are contributing and cooperating in the international effort to address piracy in the GOA region include Canada, China, Denmark, Egypt, France, Germany, India, Iran, Italy, The Netherlands, Japan, Malaysia, Pakistan, Russia, Saudi Arabia, South Korea, Spain, Turkey, the United Kingdom, and the United States.

ship came to the aid of an Indian tanker, the French navy came to the aid of Panamanian and Croatian ships, and the Danish navy came to the aid of a Dutch vessel. We are also pleased that CTF forces are now actively boarding suspect vessels with joint U.S. Navy and U.S. Coast Guard boarding teams to actively counter the piracy threat and gain vital information regarding the pirates' tactics and techniques. These types of responses are commendable because they prevent the pirates from identifying and capitalizing on gaps in the protection effort, making it more difficult for the pirates to choose prospective targets.

At the same time, it seems clear that the pirates are demonstrating their capability to adapt to varying conditions, whether those conditions are weather related or whether they are preventive measures, as last week's capture of the *Longchamp*, which reportedly was involved in a naval convoy, demonstrates. We also note that as the pirates become financially stronger with their receipt of ransom payments, their opportunity to modernize their equipment also increases.

One of the more difficult problems for which a satisfactory solution has not yet materialized is what to do with pirates after they are apprehended at sea. Returning captured pirates to Somalia is not a desirable option and will not contribute to a solution to this problem. While we do not wish to minimize the complexity of the legal issues involved, we encourage the United States to continue to play a leading role in helping design an agreed legal framework that will try and imprison convicted pirates. UN Security Council Resolution 1851 recognizes the urgency and the need for governments to take measures to address this continuing problem. An international solution to this problem is required sooner rather than later. It should be an international priority. Any support this Committee can provide to the government's efforts to address this problem would be welcomed.

Part Three of the National Security Council paper, *Countering Piracy off the Horn of Africa: Partnership & Action Plan*, proposes that the United States conclude agreements with States in the region that will investigate, prosecute and punish captured pirates. We understand that the U.S. is concluding an agreement with Kenya in this regard, and we strongly commend that effort. We also support and encourage the U.S. to work with other governments to establish agreements with States in the region that will allow use of their territory to hold captured pirates until they can be transferred to States that are able and willing to prosecute them. Finally, we encourage U.S. and international efforts to work together to disrupt and dismantle pirate bases ashore and to deal with the political and economic forces that have made Somalia a breeding ground for illicit activity.

## **V. Conclusion**

Pirate attacks on commercial ships transiting the GOA region represent a serious threat to global commerce, to the lives of seafarers of many nations, and to the freedom of the seas. These attacks also burden an already struggling global economy by creating uncertainty regarding the safety, security and reliable delivery of international commerce. Pirate activity has reached such proportions that some vessels are re-routing around the southern tip of Africa or paying substantial war risk and other cost premiums to transit the region. Pirate attacks continue, as the facts of last week demonstrate. Ransom payments, while appropriate to save lives, ships and cargoes and to protect the environment, provide additional financial resources for the pirates' capabilities.

The solution to the problem will require coordinated, sustained efforts by the United States, the European Union, the United Nations, other nations and the maritime industry to protect ships from being hijacked while simultaneously addressing the root causes of the piracy itself—namely the presence of the failed State of Somalia in the region.

The liner shipping industry will continue to do its part to ensure that vessels operating in the GOA region are properly prepared to deploy appropriate preventative measures to reduce the likelihood of pirate attack. The Council and its member companies wish to commend the U.S. government for playing a significant role in this important effort, and we appreciate this Subcommittee's interest and oversight of these issues. We would be pleased to provide additional information that may be of assistance. Thank you.