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PANEL 3: THE CHANGING MARITIME ENVIRONMENT:

Moderator:

COMMANDER SCOTT BUNNAY (USN)
RAND
"Maritime Disorder and Governance of Ship Registries"

Panelists:

COMMANDER JOSH HIMES (USN)
Navy Fellow, Center for Strategic and International Studies
"Somali Piracy: Follow the Money"

COMMANDER JEFFREY RANDALL (USCG)
Federal Executive Fellow, The Brookings Institution
"America's Leatherman Tool: The Coast Guard's Law Enforcement"

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PROCEEDINGS

MR. MURPHY: Well, good afternoon again. My name is Martin Murphy and it's my great pleasure to introduce what some of us on this panel, at least, would argue the most important subject of the day, what is going on in the maritime environment and going on at sea. After all, you know, the sea has been important since the dawn of time and continues to be important now. One thing it is definitely not is manmade.

But I think there was something that the Major General said which sparked my interest and the interest, I think, of anyone who is connected with the sea, the fact that when she looked she could find no reference to maritime issues. Although it covers, what, 80 percent of the world's surface, it carries 90 percent of the world's trade; it is a remarkably invisible medium and one that people have commented on by calling those who do not see it "sea blind."

It's a naturally unforgiving environment, but it always has been politically challenging and the three speakers are going to talk about those challenges today.

Now, we're going to take it in the order of Commander Bunnay will be talking about maritime disorder and will be focusing particularly on the issue of ship registries and open registers. Commander Josh Himes will be talking about Somali piracy, again, a subject you cannot get away from. And Commander Jeffrey Randall will be talking about the role of the Coast Guard.

So, just quickly, you've got the bios but Commander Bunnay is currently assigned to the RAND Corporation, he was a naval aviator, served in both the United States and Vicenza, Italy. Nice town, Vicenza, that must have been a nice assignment. He's also done his time in Iraq. He's a graduate of the U.S. Naval Academy, has done his time in the Pentagon, and also holds a master of science degree in management technology from the University of Virginia.

Commander Himes, also in the Navy, a fellow at CSIS, he served in the Pentagon at the director of Intelligence and on the Joint Staff, and serving as the deputy director of intelligence at the National Military Command. He's also served overseas in Afghanistan

and at the Joint Analysis Center in Molesworth. He's also served at sea, and he told me just before we climbed on the podium, that his next assignment is in the Gulf with the Bush carrier strike group. I think in a couple of months, is it?

And finally we have Commander Randall, who's from the Coast Guard, and he will -- he is serving here at the Brookings Institution, served as the commanding officer of two Coast Guard vessels, the Staten Island and the Walnut, and he's done extensive work in fisheries and law enforcement. He's a graduate of the Coast Guard Academy and he undertook his postgraduate education at the University of Washington.

So, Commander Bunnay, you are first up.

COMMANDER BUNNAY: Thank you very much. Thanks to Brookings for hosting this and inviting some folks from some other places to come in and at least have our say, if you will. I spent a lot of time, almost 20 years, in the Navy flying and admittedly, a lot of what I've done before focused on power projection, one of the Navy's core missions, core capabilities, and been to Iraq a couple times, never flew over Afghanistan, and in coming to RAND, one of my goals was to kind of branch out and maybe get back to the core of what the Navy is about. So, that's why I -- I looked at maritime security partnered with -- on an ongoing RAND project that was self-funded on maritime security and wanting to get smart on a little bit of the things that the Navy does or that the maritime forces are concerned about outside of aircraft carriers off somebody's coast line, and as I've learned, there's a whole lot more to it.

In *Sea Power: A Guide for the 21st Century*, Geoffrey Till boils the sea's contribution to human development to four main attributes. He says it's a source of power and dominion, which the Navy, the Coast Guard, and the Marine Corps are pretty familiar with. He also talks to the resources it contains -- fisheries and oil, if you will, and we have dwindling fisheries, Deepwater Horizon, and the oil challenge/energy challenge to the future is going to come and potentially be solved from the sea. For its utility as a means of transportation and trade, already said that about 90 percent of the world's commerce applies to the world's oceans. And for its importance as a means of exchanging information.

And for the last bit I would say what the Navy is involved in right now off Japan, of humanitarian relief, what we did in the previous tsunami in Indonesia, it's just a way of exchanging ideas, helping other people, helps our nation, helps our Navy, and helps us move forward.

To address these last three issues that are not power projection, destroyers and cruisers off coast line conducting battle at sea, the cooperative strategy for the 21st century, the Navy, Marine Corps and Coast Guard combined strategy statement lists maritime security among the six core capabilities of the maritime forces.

Maritime security targets, the commons that enables commerce, promotes stability, guarantees freedom of navigation, all while squelching, or attempting to, elicit activity. To achieve this, we need much more than, again, cruisers, destroyers, aircraft carriers, submarines plying the world's oceans. Instead, a framework that addresses broad factors. The project I'm involved with at RAND addresses governance, society, economics, and the interactions, and just again, these broad factors -- broad factor analysis enable a comprehensive view of the dynamics that shape maritime behavior and provide a foundation -- or a better foundation for globally inclusive solutions.

The closest focus of my work has been on the governance problem and more specifically flag registries. What I've got out of the research I'll talk to you some high points now and then touch on it again in summation. One is illicit activity is viable and profitable where governance and accountability are weak. Second point is maritime forces must remain committed to fostering and sustaining relationships with international partners. And the last piece, kind of a resultant of the first two is persistent disorder will drive maritime forces to continually engage associated actors to diffuse threats and counter illicit activities.

For those of you unfamiliar with maritime environment flag registries, not to be confused with flags of convenience, where the project originally started was the derisive term, at least from an industry perspective, of flags of convenience where I can go out and get a flag or register my vessel anywhere in the country at the cheapest rate, and that -- you know, we were going to point the finger at flags of convenience for driving disorder and the

project has morphed from where we started to what I'm going to talk about today.

So, what are flag registries? Under the rules and accepted practices of the use of the sea currently codified in the United Nations Conventions on the Law of the Sea, or UNCLS, flag state emerges as the vehicle for governance at sea, so if you want to do governance at sea, flag states are going to do it, they can sign the treaties, they enforce laws and regulations.

This arrangement is historical. It finds its roots in the inextricable link dating from the 13th century between ship registration, flag, and nationality. Article 92 of UNCLS says, "Ships shall sail and be registered under the flag of one state only." The process of flagging a vessel provides the ownership, acts of rights -- rights of access and protection afforded by the state, but they also tax upon that ship the benefits with commensurate levels of oversight and responsibility. This relationship between individual owners and state forms the basis -- fundamental basis for denoting accountability and maintaining order at sea. In general, the flag registry system as it stands today assumes and is best equipped for participants that act in good faith, and most do.

A look back in history lets us know that the flag registries have changed over time. Command economic policies of the European monarchies provided preconditions to establish closely governed systems, not the world economy that people talk about today. Maritime, and maritime commerce in particular, form tight, inseparable system in which naval power protected the maritime assets that were the ultimate source of its effectiveness.

The traditional closed flag states of old governed through accountable relationships, possessed both the jurisdiction to enforce its will over the entire system and the ability to impose costs for deviations. Then, as now, in addition to legal accountability within the court, many other kinds of accountability were used in the governance process to include peer and reputational accountability.

The practice of open registries now accounting for approximately 55 percent of the world fleet was established in 1916 when Panamanian corporations with foreign owners were allowed to register their vessels (inaudible) the distinction. Closed registries

traditionally is an American-owned company -- or to register your vessel in America today you have to have American ownership to go under American flag. Open registries means you can -- the corporation or the owner of the vessel can live anywhere in the world and register their vessel in Panama, for example.

The United States was an early adopter of the open registry movement and with its close ties saw Panama as a very good solution. Businessmen and nation-states partnered to exploit the doctrine of sovereignty that has traditionally served to protect states from external accountability. Recognized the sovereignty of flag states, Article 91 of UNCLS affords nations the latitude to fix the conditions for the grant of its nationality to its ships. So, again, no single standard, but also expects there must be a genuine link between the state and the ship, so at least there's one standard that UNCLS puts upon states who grant its flag to a vessel.

John Mansell in his book *Flag State Responsibility* postulates, "A nation-state, in exercising its sovereignty, can make the conscious economic decision not to exercise certain aspects of its authority as a flag state in order to attract tonnage if it either does not or cannot conform to acceptable standards." In other words, they can lower their standards because they want the business. So, again, those are the flag states that have weak lower levels or weak levels of governance.

He goes on to state that "ironically, the sovereign act of a grant of nationality through registration can be a negation of sovereign responsibility," so as a sovereign nation they can choose to ignore whatever they want. That's partially what sovereignty means, that's not what people want it to mean, though.

So, the protection of sovereignty enables flag states to ignore UNCLS responsibilities. As flag states can also fix the requirement needed for a genuine link, the weak open registries often dictating few restrictions and no nationality ties, present criminals and unscrupulous actors the opportunity to exploit weaknesses and to escape accountability for transgressions in the global system that is equipped for participants to act in good faith.

While open registries change the mix of rights and responsibilities from a fixed set

of operating conditions to more of a business proposition, open registries are neither inherently weak nor do they automatically contribute to disorder. Instead, the combination of complexities in the open registry system, when accompanied by weak governance, facilitate maritime disorder in this singularly unique global environment. Merchant ships, I assert, are the most independent objects in any industry and although flagged, may operate without any allegiance to nation or cause.

Now, why exactly should the Navy -- U.S. Navy or maritime forces care about open registries? I return to my opening points. First, illicit activity is viable and profitable where governance and accountability are weak. The open registry system will not change, so we're probably going to have to live with weak registries. So, if we truly seek maritime security, we must confront the (inaudible) disorder at all levels. Kind of the partnering -- a bit of partnering, what we've heard about today, diplomatically through the interagency process, the U.S. is not a signatory of UNCLS, maybe that could be our first step. We need to partner with nongovernmental organizations, again, a recurring theme from, I think, the first presentation today.

With no global government, global governance involves strategic interactions amongst entities, all entities exercising influence, and there will also be traditional military operations. If we do those three, it provides the best chance to minimize disorder and from a navy perspective or military perspective, we want to be able to focus our resources and engage with the more powerful threats and adversaries out there.

Second part, the maritime forces must remain committed to fostering and sustaining relationships with international partners. Again, it's vital that engagement addresses governance. It's not just training their forces, it's from a nation perspective, how do they govern, how do they govern their economy, how do they govern their maritime industry. Some of our partners are strong open registries and we should work to bolster their efforts. Others may need help improving their registries.

The message we want to get across, if partner nations want any hope of enhancing security, promoting regional trade, and preserving the environment along with

dwindling resources off their coastline, they should progress towards adopting and enforcing international best practices, but the U.S. can't come in -- or Western powers can't come in without understanding the security challenges of our partners. West African nations don't have the resources, they don't have the perspective or history that we have, and if we try to shove our ideas down their throat, probably not going to be very successful. But I would say historically naval interactions and security cooperation efforts have a long history of forward overall international relations, so sailors have been ambassadors for a very long time.

Lastly, as disorder will persist in localized pockets throughout the globe, maritime forces will continue to receive tasking to counter associated threats and illicit activities. Josh is going to talk to you in a minute on piracy; so again, this low level threat that's very real is probably not going away. We need codified rules of engagement reflecting the full spectrum of a military warfare that leverage vetted and practiced tactics, techniques, and procedures to best prepare our forces to prevail in combat and also the ever-growing court of public opinion.

To finish where I started with another thought from Geoffrey Till, "The maintenance of good order at sea requires an improved level of awareness, effective policy, and integrated governance."

Thanks.

MR. MURPHY: Scott, thank you very much. Jeff.

COMMANDER HIMES: (inaudible) for being here. Commander Josh Himes, Navy over at CSIS. Going to touch on Somali piracy. Frankly, this wasn't a topic I intended to look at when I came here to CSIS and it's -- the walkabout analogy I thought was a good one because it's kind of the same way I feel.

As an intel officer being at CSIS I feel like I'm at an Asian buffet lunch every day. There are so many things to look at it's kind of hard to focus on one thing. So, this has become kind of a secondary topic, primarily out of some pent up frustration and emotion going back to 2005 serving in Bahrain at Navy Command there and kind of the first time where the Navy was more or less directed to try and deal with this is we saw the spike in the

Gulf of Aden off the east coast of Somalia, so my intent, basically, was to try and look at the problem maybe from a different perspective and determine what needs to be done that hasn't been done over the past five, six years to really have an effect here.

In addition, as Dr. Murphy mentioned, I'm on orders to head out to a strike group that will be operating in the Gulf this summer and I'll be responsible for the intel equities that are working down there, at least on the U.S. side, so as the saying goes, what my boss finds interesting, I find fascinating. So, that's where we are.

I'm going to try and break this into three pieces. You know, first my goal was just to scope the problem because, believe it or not, there's really not a lot of consistency on defining the actual breadth and depth of the problem, look at what I call the off shore triad of solutions which have been really the core of what we've been doing the past few years, and then look at what are the things ashore that need to be addressed, perhaps to really affect this.

So, that's where I've been going in the process, really, not a finished product until probably April, hopefully something for proceedings but I have to report at this point I'm more frustrated now than I was back in 2005 when this started and I'll give you a couple examples of why that's the issue.

I'm not the only one who's frustrated. A couple of comments, just recent comments just this month in March out of the State Department. Assistant Secretary Jose Fernandez, who has economics, energy, and business, used the then "clear and present danger to international maritime environment" to describe piracy. The next day Secretary Clinton, in front of the Senate Appropriations Committee, in pretty emotional language basically said, hey, I'm fed up with this. We need to do more to make it clear that everyone else needs to get on board.

So, there's definitely, I'd say, a growing level of frustration with the lack of progress. And a couple of data points just to -- you know, to expand on that. Somali pirates now hold 30 vessels, I believe. If you look back to the middle of last year I think it was 20. Hostage numbers have gone up into the 600s. Last year they were down in the mid 300s.

And we've seen increased concerns about violence, not just the Quest, which obviously made headlines, but threats against the Indian hostages, anything from South Korea that comes by just because of interdiction efforts and success at interdicting folks at sea.

Ransom levels, back when this really spiked in 2005, \$150, 200K, now we're talking averages upwards of 5-, \$5.5 million per ship. So, frankly, the return on investment if you're a Somali pirate has never been better getting your share. I know PowerPoint was -- not criticized, but addressed as a military only thing -- but if I could show you a picture of the Indian Ocean and the Gulf of Aden, it really gives a great example of where a problem that was 200 nautical miles off the coast has gone to 1,300 nautical miles off the coast in a span of five years, and you really get a sense of just how much this has grown in time. We even have folks like INTERTANKO now which runs the association that owns the majority of tankers saying, if this isn't dealt with in a different way, they're concerned, the potential for oil flows coming out of the Middle East between Asia and the West are going to be disrupted in a way that actually affects commodities.

We've seen new sophistication and efficiency using mother ships. I think a few years ago there were maybe two, three, now numbers -- a little bit varied -- but somewhere upwards of 15 to 20 mother ships. Practical impact there, typically in January, for example, when you have monsoon season, not a huge capability to get out in the Indian Ocean. I think there were seven incidents back in last January. This January the number is 37. So, clearly you've got a problem that's not going the right direction and now you have a pretty good agreement, I think, that you've got at least in the south, linkages to Al-Shabaab, perhaps just a tax, protection tax, but it looks like although that's been discussed with the intel community and for many years dismissed, it looks like that's probably a pretty reasonable assessment.

Having said that, not everyone agrees that this is really a problem that we need to be dealing with.

A couple of estimates on the total cost of piracy to the international economy, 7 to 12 is what's been thrown about of late, 7- to \$12 billion. But some would argue that's just the

cost of doing business when you're talking a, you know, trillion-dollar maritime shipping industry value, and frankly, if you look at the numbers, there's 25- to 30,000 ships that transit through that area annually. We're talking less than a third of a percent that actually are attacked and actually hijacked. And frankly, a lot of the ships that carry the international commerce we're concerned about are not vulnerable to Somali pirates whether they're moving too fast or just too large and not at risk.

The other piece you could look at is the money involved, different numbers but 150-, \$200 million in ransoms if you look at '09 or '10, but if you look at what's coming in from the Diaspora and remittances into Somalia, you're talking 1- to \$1.5 billion. They're coming in that way, so just in the scope of what's arriving in country you could also argue a much smaller fish than other things that we need to be looking at.

And lastly, not to give too many examples, but even just the breadth of the problem within Somalia, you have reporting that indicates that you've got external relationships in the UK and Dubai and Minnesota, other places where they're providing funding, possibly training, from Al-Shabaab and other elements. (inaudible) reported that back in 2008. Just in this February in commentary talking about organized militias with informants in foreign ports, networks of negotiators, money launderers, arms runners, again, collaboration with the militant Islamists and so on, and quite a bit of reporting along those lines, but at the same time, UK's SOCA, the Serious Organised Crime Agency, provided some briefings just two weeks ago at an ad hoc meeting on Somali finances and frankly came up with the fact that they don't have really any good solid evidence that indicates there's either an international or Diaspora connection of any substance that really is driving this business model.

Even looking at the construction in Nairobi in Eastleigh, in Little Mogadishu that everyone talks about, the number of actual linkages you could make back to people with money in Puntland or otherwise is pretty minimal.

Steig Hanson, another individual who spent a lot of time on the ground there, came up with the same conclusion after his interviews in 2009. So, even just coming to terms with

how difficult the problem is is not really bound at this point.

The offshore triad I mentioned, really three pieces that have been the focus of effort up to now, Navy task force, task forces that are out there, attempts to improve maritime best practices, and legal prosecution of those that are actually captured in the act or potentially in the act of piracy.

We can talk about those in Q&A just for the sake of time, but those are things that at this point are being tweaked and adjusted to be improved upon, but suffice to say, based on the numbers that I mentioned earlier, not really having the desired effect.

So, I would say, at this point, it's probably not a stretch to say that the offshore solution and the efforts that have been ongoing are getting to the problem. So, what I was hoping to get at, really, was what needs to be done or what could be done potentially ashore to address this. And as I mentioned before, there's a lot of frustration on this and we've gotten to a point -- you know, I was talking to someone yesterday even at CSIS who -- you know, an announced pacifist who said, why don't we just get these guys and shoot them when we catch them? And she's not the only one who said that. We had a Norwegian shipping magnate just last month who was roundly criticized in his home country for basically saying the same thing. Even the CEO of the Naval Institute, General Wilkinson, has come across mostly saying that that is probably something that needs to be done. I think his quote was, you know, "Taking the offensive, killing pirates at sea, in the harbors where they dock their vessels, and what are now their safe havens and homes in the coastal areas of Northern Somalia."

So, that's a common frustration, in fact, to get a maritime quote from the Senate, Senator Mark Kirk, who is also a naval reservist, in that discussion with Senator Clinton -- I'm sorry, Secretary Clinton, commented that, you know, his proposed solution was putting a round in the rudder and when they run out of food and water, too bad.

So, I think that talks to the need to get to a different solution. We've started to see some initiatives on the beach that I think are getting to where we need to go. Puntland right now has started to develop an anti-piracy militia using outside, non-state entities, not

necessarily aligned with the crisis group, though, but folks like Serason and others who have a history working with mercenaries.

The TFG was going to do this as well but it doesn't look like they've decided that's a good idea based on international pressure, although Puntland appears to be continuing with this. There's been reporting of a marine force that's starting to be built and I suspect the incident last week where there was an attempt to recover the Danish hostages probably included some of those elements.

Obviously there are some concerns that we can talk about in the Q&A, if anyone wants to go there, about having militias working independent and without the transparency of international coordination, but you can see how that would potentially have an impact on the other hostages, the 600+ that are currently held, as well as NGOs working on the ground and other things that would complicate that.

So, what that really leaves us is, how do you effect the actual business enterprise and at the end of the day that's really what this is. There was just a quote this week which I thought was pretty remarkable where a pirate out of Haradara basically said, "We need to free ships within a shorter period of time instead of keeping them for a long time and incurring more expenses in guarding them. We have to free them at a lower ransom so that we can hijack more ships." It reminded me of basically a car salesman trying to get his last year's inventory off the lot because he had new things coming, and so the fact that that's kind of the calculus ongoing right now, I think, is another example of a lack of progress.

So, as I looked at this what I really wanted to find out was whether the business model that's been going since 2005, you know, has kind of led to a McPiracy, if you will, or a franchise kind of environment that has gotten so broad and so vast that you can't really address it either at sea, which obviously we haven't really done, or even ashore because of the number of nodes that are out there. EU NAVFOR previously cited over 70 piracy camps that hold the pirate action groups. I've mentioned the number of mother ship that are out there. But really the question is, at the higher levels of the organization, is there still a -- what we would call a high demand, low density, construct that you could actually somehow

influence? And it appears that there still is some room there for maneuver.

There's some debate but it appears somewhere between 14 and 20 investors that really fund the core of this industry, maybe 50 pirate leaders who then are contracted out from those investors to the different pirate action groups which number in the 100s and then we get to the large numbers of foot soldiers, in the 1000s.

Additionally you have a limited number of professional negotiators, somewhere under 20, that are really the ones that provide the core for that negotiation and interpretation to those working the ransom negotiations.

So, in light of that is there a mechanism, (inaudible) process or otherwise, that can be used to influence this model? And from what I've seen, I would say yes, there is, but it's certainly not a silver bullet and it's certainly not a quick solution that's going to get you there quickly, and it's certainly not going to be done without regional and even local coordination.

And I would say three aspects of this, and I'll wrap up with this, there's a legal aspect that needs to be expanded. Right now the focus is on prosecuting the foot soldiers at sea. Until we get to a point where, one, you can take those foot soldiers and then build a case against those back on the beach that had them there and make that linkage between the event at sea and the coordinated business enterprise that's driving that, and somehow plea bargaining or other -- get back to those folks, you're really not going to have a successful legal piece.

Two, security aspect -- and I mentioned Puntland starting their own militia -- other initiatives that they have ongoing that are a little more coordinated with the crisis group and the UN that have some promise. We can talk about concerns about corruption but for the sake of time I'll leave that to the side -- that discussion has changed a bit in the past year or two as well.

And then, most importantly, I think, is this third financial aspect in which there's some initial efforts in the region to create financial intelligence units out of, you know, Kenya, Djibouti, Yemen, Seychelles, where you have elements that can actually start to build, you know, a forensic capability to address the environment within Somalia. It really needs to be

extended to Puntland and Galmudug specifically but I don't think we're there yet, but that's really where this needs to go. And hopefully within the next 6 months to 12 months, that's where things will be going because, frankly, you know, as long as you have a cash-based business cycle, you really can't get to the problem unless you're on the ground in that area.

Just two concluding thoughts. First, and this kind of goes back to the more kinetic recommendations, and part of this comes from Stephen Carmel, who's one of the senior vice presidents over at Maersk who said, "It's worth remembering, there's far worse business models than the current one that the Somali pirates use." And the concern about unintended consequences, if you take and change the crew from an asset to a liability, for example, in how you deal with this, if you look at the Southeast Asian model, crew really was kind of disposable and it was the cargo on the ship that is where you made your money. We certainly wouldn't want to see that kind of transition happen and we certainly wouldn't want to see Shabaab become the highest bidder for folks as a way of pirates making money either, so just one concern to keep in mind is how you effect that model.

But at the end of the day, you know, without something else other than that offshore triad to provide effective solution, I don't think we're going to get any further than we are right now.

MR. MURPHY: Josh, thank you.

MR. RANDALL: Okay, thank you, Scott, Josh, for making those presentations and, Dr. Murphy, it's a pleasure to have you here as well.

I'll go ahead and start because I end up being the one that ends up dealing with all these problems in the maritime domain generally. I am a career Coast Guard person and my background is in law enforcement and I unfortunately end up dealing with the outputs of some of these other issues that -- and maritime disorder that we have. And I think it's clear that, you know, from the previous two presentations, it's not always tranquil on our oceans and while maritime issues may not be -- well, while maritime issues may be about as popular as the tuna salad sandwiches that were out there at lunch, I think it's -- you know, it's not registering a large blip on the political radar in the Washington, D.C., area, but all I have to

say is, you heard the statistic, but let's shut down the ports for a day and see what happens.

And I think if you did something like that -- it's the same way if you had it cyber right there. If you had any kind of cyber incident, all of the sudden you'd get a lot of national attention directed on the issue. And unfortunately, this problem doesn't have a lot of salience until something actually goes wrong, and in the Gulf of Aden, we don't see it so therefore it's not necessarily as big on our radar as it should be.

But as the trends toward globalization continue, some of these nefarious actors are going to continue to expand and integrate their networks and their criminal enterprises on -- and utilize the oceans for those enterprises, and we, as the maritime forces, are going to have to deal with that.

And for about 200 years, the Coast Guard's been dealing with that. You know, from back -- we were going to avoid the reference to the Barbary pirates, but ever since the days of the Barbary pirates, you know, we've been dealing with issues on the ocean, and the Coast Guard has been a national police force, national maritime police force, and more recently, an international maritime police force dealing with a lot of these issues as we see more resource extraction, food and energy extraction, and then competing uses of our oceans.

And despite our relatively small size, our organization fills a pretty unique niche because not only can we have good mil-to-mil with DOD, we also have good mill to civilian relationships with our other interagency partners, and we work pretty seamlessly back and forth across that.

However, as the complexity of the maritime environment increases, some of these criminal enterprises and some of these actors that are going to be on the oceans, are going to take a little bit -- it's going to take a little bit more of an introspective look at our organization to prepare ourselves to deal with these threats that we're going to face in the changing maritime environment of the future. And, you know, my good Marine Corps friend here says, you know, you guys are like a Leatherman tool, you can reach in there and one time you might need a screwdriver, the next time you might need a pair of scissors, the next

time you might need the pliers or whatever, but you guys always have the right tool for the job.

And we're like 11 agencies in 1, but one of the things that we need to recognize as an agency moving forward is that our role in the maritime law enforcement realm is going to be in higher demand and what we need to do is we need to prepare for that by raising our capability, raising our proficiencies, and doing a few other things that I'll speak to as we go through this.

Fortunately, up to this point, we've been able to pull out the right tool, the tool has worked, we've been able to get through incidents like Katrina, the Haiti earthquake, Deepwater Horizon, with the tools we have in our toolkit. I just don't think, looking introspectively and having been involved in this business for almost 18 years now, not only as the guy who's jumped over the rail carrying the pistol, but as the guy putting forces over the rail on other vessels, both dealing with drugs, migrants, fisheries, across the whole realm, we're going to have to make some fundamental changes to our organization to deal with these, especially when you start dealing in the counterterrorism realm.

However, producing this is not going to be an easy task for us because, you know, when you have 11 different statutorily required missions, it's hard sometimes to get the right attention on a specific mission that you may need to improve when there's other competing demands out there. Deepwater Horizon is an example, very focused on our oil pollution response right now, probably a little less focused on some of our maritime enforcement responses. However, you know, as we move forward, I think you're going to see three trends that are going to affect the whole global maritime environment. First one is you're going to have increasing disparities around the world that are going to create pockets of disorder. The second one is, you're going to have increasing competition for the use of, and activities on, the ocean.

And then overlaid on top of that is going to be a constrained U.S. fiscal environment and a Coast Guard that's trying to recapitalize its fleet, cut personnel, and a lot of attention on spending internally that may dampen, if not lower, our desire and our zeal to

kind of go after some of these things.

And for those of you who don't know, you know, we talk about recapitalization for a little bit. Right now we have ships that are aging, we're trying to procure new ships, some of those procurements have been put off, but there is a persistent and increasing demand signal coming from the U.S. Government on providing forces, providing a maritime presence to counter some of these threats we're seeing.

And so what I did over the course of my time at Camp Brookings, I will call it, with the guidance of our camp counselors over there, I took a careful and fairly close examination of actually the study of crime and the study of a criminal's decision whether or not to commit a crime, and then various policing models, and I said, okay, how do I take these three things, kind of compact them all together, look at these kinds of trends that are going to be overarching in a global environment, and come -- move forward with something that the Coast Guard can use to retool itself a little bit to prepare for this changing maritime security environment.

And so, what I've done is I've identified kind of four areas where we can make some improvements, and these four areas are: technology, partnerships, training, and organizational culture, and let me touch on each one for just a couple minutes.

Technology. This isn't just buying gadgets. This isn't buying UAVs and this isn't doing this, this is just getting smarter about there are technologies out there that can help us be smarter in how we do business and I'll give you an example. When I was out in the Pacific there's some commercial oceanographic products that help you identify good fishing areas. You take that information and you overlay some vessel monitoring data on there it tells you where fishing vessels are, and then you can start so see patterns.

And so for our intel folks, this is basically pattern analysis and anomaly detection and so going back to the piracy example, you're trying to combat mother ships. If you have a fishing vessel that's acting as a mother ship and all of the sudden he's in an area that's not -- that doesn't look like it's supposed to be a good fishing area but there's a vessel there, now you have anomaly detection and that might be something you need to go work at.

The other thing is, is if you have the Pacific Ocean and you've got 80 percent of the earth's surface covered with water, in the Pacific alone you have 14 million square miles of ocean. If you can narrow down how many square miles you have to look to a few thousand square miles, you've greatly improved the efficiency and at \$3,100 an hour to run a cutter or \$10,000 an hour to run an airplane, you can get -- and in a constrained fiscal environment, getting more efficient is going to be absolutely necessary.

Second one is training. Within the Coast Guard we need to move from qualification to proficiency. This is something that's been echoed by our commandant in his recent Commandant's Direction, but this is something I felt for many years not only in weapons training but in just our law enforcement training. Post 9-11 we created a lot of high-end law enforcement capabilities. Unfortunately, now the atrophy of vigilance has set in, people are asking questions why are you maintaining this capability. What we may need to do is actually convert some of that capability into more deployable capabilities that we can put on navy ships, foreign naval vessels and even on our own Coast Guard ships to go out and combat some of these threats.

Third, we're going to need to build and improve partnerships. This isn't just within the interagency, but this is international and this is down to the state and local level. Now, the Coast Guard is fairly unique. We reach from the international level at the IMO and all these international organizations, all the way down to our state and local first responders on a daily basis. We provide tremendous value in that aspect, but we need to work on those partnerships because there is some perceived disparity in the kind of law enforcement qualification that we get under Title XIV that these guys get under their Title XVIII authorities, and so we need to bridge some of those gaps through partnerships to kind of help move us forward.

And finally, we've got to make some changes to the organizational culture, and this is the hardest part because we need to fully embrace this maritime law enforcement role moving forward and understand that it's going to play a greater role in our organization, and for some people, that's going to be a challenge, but we need to start thinking about it, we

need to start planning for it, and we need to start preparing ourselves to do that, and unfortunately, law enforcement tends to lag what actually happens in the criminal world, but through the application of intel-led policing models, through the application of some technology, through some partnerships and improvements in training, we can at least posture ourselves so we're not standing around after the event happens, whether it's a terrorist attack, whether it's increasing piracy, questions about why -- fisheries depletion, and asking ourselves how did we let this happen.

Instead, we can get ahead of the curve, try and get more proficient, more professional, and be ready to tackle these challenges, and because detecting, deterring and disrupting these complex criminal enterprises is going to require a proactive, professional, and highly capable Coast Guard law enforcement force.

And so with that, I'll go ahead and conclude and that way we can give it to our moderator and open it up for questions.

MR. MURPHY: Jeff, thank you for finishing off three splendid presentations.

Questions now, but before we open it to questions to the floor I've got a couple of questions I'd like to ask the panel if I may. The first one, I think, is really for Scott and Jeff, and the third question really is specific to Josh.

Scott, you talked about, you know, you didn't like the phrase "flags of convenience" but everyone understands what you mean if you'd used it. They're not entirely responsible organizations and you also said the United States is going to have to live with them.

But there are levers that any state and the United States can use to, if you like, discipline these people. I mean, what do you see as the role of port-state control in terms of raising standards in the merchant marine and winnowing out under performance?

And two, second question to Josh to give you a few moments maybe to think about it, to my mind dealing with the problem in Somalia is really about rebalancing the incentives and the disincentives for piracy. And you talked a great deal about the levers we can use to disincentives the behavior, but as I said, I think it's about balancing. What incentives would you recommend -- would you suggest might be available to us to change our behavior?

So, Scott and Jeff, if you could answer my question first.

COMMANDER BUNNAY: I'll talk to you -- Port State Controls, and that's a concept of, in the U.S., if you want to pull into the Port of Long Beach or the Port of Baltimore, you know, you need to have a track record, they're going to look at your vessel, do you have a good safety record.

If it's the first time you've ever been there and you're from a flag that's -- from a nation that's on a list that traditionally has poor safety records, they might do an inspection several hundred miles out and look, you know, for documentation and they're checking to see, before you come into U.S. waters, if they have a reasonable expectation if you're carrying anything -- any contraband or if nothing else, if you're going to leak oil into the Chesapeake Bay oyster beds. And I think that's a good way of protecting the U.S. and it's a good way of -- and the U.S. is going to have -- we have not necessarily our own rules, but we have our way of doing business.

There's a Tokyo and Paris memorandum of understanding, which is where nations have partnered, again, to raise the level of the entire industry. I think that's good at a local level but the challenge is in, you know, these pockets of disorder, whether it's in Southeast Asia or off Africa, are those nations part of the Tokyo MOU or Paris MOU? So, I think Port State Control is a good way to protect our waters or out to our economic exclusion zone, but as a nation or Coast Guard as a maritime force, when we're out, you know, far away from home in somebody else's waters, how do we help them -- and I -- you know, is it -- if a Paris MOU or Tokyo MOU is an industry best practices, how do we partner and lobby and help countries of Southeast Asia, countries of Africa, adopt these same high standards and then when a ship pulls in, are they actually going to turn that ship away?

So, I think the challenge is that those are good solutions, but again, the engagement piece is the best way to help these countries kind of adopt these practices and I don't -- I don't know how far along we are on that piece from a global scale.

COMMANDER RANDALL: Port State Control, I think, all it takes is, you tell a ship -- you put a cap -- a port hold on a ship and you'll start to get the kind of compliance you

want as a Port State.

I think a good example is OPA 90. When we started mandating double hulled tankers, we went at that kind of unilaterally as the U.S. and then it didn't take long when we started saying we're not going to let single hulled tankers come in, for everybody to start getting in line with double hulls and then it became an (inaudible) standard.

So, I think Port State Control is an effective mechanism when used properly. I think to the flags of convenience issue, I think through our role in the IMO, I think it's important for us to work with those type of registries to try and attack the problem from within because we don't need to go into all the reasons why people maintain flags of convenience, but I think through IMO and through some of those international partnerships we can get there and through Port State Control programs you can reinforce the behaviors.

MR. MURPHY: Thank you, Josh.

COMMANDER HIMES: This is a tough one, the incentives to change pirate behavior. You know, the UN's kind of approached this with three different legs, it's the deterrence piece, which is most of the offshore things we're doing, the security and law development, which we're starting to see onshore, and then the development piece of providing alternative livelihoods. And they've even gotten to a point working -- I think it was private sector and the UN and I think TFG involvement, coming up back in May of last year with kind of six key areas that they needed to develop to provide the right economic framework within Puntland to really provide alternatives for people to go into. Fisheries obviously was the first one since that, at least in theory, is what started this whole problem in the first place, providing an environment where you had a legitimate fishing industry. Transport infrastructure, livestock exports, telecommunications, alternative energies, and a banking sector, kind of, just pieces to building that development piece.

My concern with that -- or not concern, but my hesitance with that is those are really mid- to long-term solutions, that that's not going to provide a lot of near-term fixes, and certainly at the end of the day the return on the investment is not going to be near the same for the average Somali as the current options are. But certainly that needs to be part of that

incentive solution over time.

You know, having just been in Afghanistan last summer I've got a little bit of baggage with sub national governance and trying to find a right answer instead of a quick answer, and this is, I think, a similar problem where this is a decades kind of solution, not anything near-term.

MR. MURPHY: Thank you. Questions, please from the floor? A forest of hands go up. Well, one.

MR. DOYLE: Hi, John Doyle with the 4GWAR Blog. It's been said already that the Gulf of Aden, Indian Ocean, Red Sea, are too vast to patrol effectively. Some of the other solutions talked about today like the Puntland militia sound like they have a lot of moving parts that rely on a lot of players.

A simplistic question, but I've never really gotten a satisfying answer, what about using the existing naval resources, the international task force, for a blockade of the area? I realize blockade is sometimes seen as an act of war, but can you commit an active war against non-state actors in a failed state? And is it a feasible solution? Are there enough ships, enough air resources to even try something like that?

COMMANDER HIMES: I'll provide another unsatisfactory answer for you. The problem -- I mean, it really is a tyranny of distance just from whether it's feasible. I mean, you're talking Maine to Miami if you want to do a comparison with our eastern coast, and now you're talking upwards of a circle that's 1,300 nautical miles off the coast. You know, if you drew a line straight down from Karachi in the middle of the Indian Ocean, I mean, that's how vast we're talking. So, you know, an armada of 30 ships, I think, is perhaps realistic and, in fact, it's had in the Gulf of Aden, if you look at 2009 compared to 2010, the number of attacks dropped by over 50 percent, but that's a very small corridor that we're looking at.

So, the number of assets to do what we need to do now, it just doesn't exist. I mean, you could put the top five, six navies together and look at the assets and you can't get there from here, so it's just not feasible as an alternative.

As far as whether, you know, the act of war aspect of that and the legal piece, I

think frankly from UNCLS and now the translations to domestic law, you've got enough legal backing to be able to do some of these things. You know, since you start with pirates as the enemy of all mankind, I think is the UNCLS quote, so I think you've got legal positions there, but you certainly don't have a technical solution.

MR. MURPHY: I think there was a question here.

MR. McKERNAN: Hi, Mac McKernan, SECDEF corporate fellow. Seventeen years ago, when I was in Somalia on the ground and then I look at it today, I see one striking similarity and that is just a lack of governance. What I've heard today is a lot of talk about what we can do from the seaborne side but can any of you really talk about how we could solve the land-based side? I'm a firm believer that until we have rule of law and the people understanding and following that rule of law, that you're not going to have this end, particularly the piracy issues, and in fact as you talked about, the business model is too lucrative for them not to do so. You start shooting people there's going to be 10 others waiting to come out there.

So, if any of you could give us your thoughts on what we can do from a land-based side to build that rule of law.

MR. MURPHY: Josh, this looks like a natural for you --

COMMANDER HIMES: Sure.

MR. MURPHY: -- but maybe the other panelists would like to contribute?

COMMANDER BUNNAY: Yeah, I completely agree that, you know, it's a land-based piece that is where we need to go. I would argue, though, that it's not -- you know, the phrase thrown out, complete lawlessness, really isn't completely accurate. I mean, certainly at a national level if you look at the TFG and their inability to control anything outside of Mogadishu or some other aspects, there's not an overarching central government control, but if you look at the local level and even at the regional level, you've got governance that to some extent is working and functioning, and I think that's where the partnerships need to be.

I mentioned that Puntland is setting up this marine force that is, you know, in

coordination with a group that has some baggage from previous mercenary activity, but they're doing some of those things with a level of rule of law that may allow that to be successful. Now we need to, I think, put that in a better framework so that it's got a little better international backing, but there's elements there. Jack Lange is working at the UN setting up basically kind of the legal structure for ashore that needs to happen and so they've talked about additional prisons that will be funded from external entities and some additional legal capacity in Somalia, in Puntland, even in Tanzania where they're looking at doing an initial startup, that will get you some on land solutions, that get you some rule of law and security, but again, it's not quick and it requires a commitment that extends for a period of time, I think, to get you there.

COMMANDER RANDALL: I'll add one other comment and I'll just say piracy equals drug smuggling equals human smuggling equals all those. They're all connected, right, but the source of them, whether you're dealing with piracy at sea or you're dealing with drugs at sea or human smuggling at sea, it all comes from a source, and the source, whether you want to call it rule of law -- you can call it rule of law in a place like Somalia, but in other cases if you look at like Guatemala, Venezuela, Colombia, and countries like that, it may not necessarily be rule of law, but it may be lack of economic alternative because there may be a functioning government -- there's a functioning government in Mexico, but you still have cartel problems.

So, it's not a rule of law problem, it could be that there's -- it's a better economic opportunity than what else is available, and so you have -- I mean, it's a drivers question. What is the drivers of the behavior? And so you have to basically peel back the layers of the onion until you get back to the core and it may not smell so good what the problem is.

You still have to attack the problem at the seaside because maybe we don't want that -- those nefarious actors, but once you start squeezing it, the balloon just expands and then goes somewhere else. We put a lot of pressure on Colombia, now where's the problem? Venezuela -- for drugs -- so, you know, it's not an easy fix and as you -- as the world becomes more aware of what's out there but you don't have any increase in economic

opportunities in these countries, the problem just simply moves.

So, you have to attack it from both sides. You have to attack it on the shore side, you have to attack it on the water side, but the water side's far more expensive and far more resource intensive like trying to set up a picket, then maybe -- you know, you heard our folks this morning talking about foreign assistance. So, the answer is a combination of all of them. You've got to have all three. You have to have foreign assistance, you have to have, you know, governance, you have to have the enforcement on the sea to make the international rule of law apply to everybody.

MR. MURPHY: There's a question over there.

MR. EVANS: Hello, Steve Evans. I'm the acquisitions editor for Marine Corps University Press. I guess my question is mostly for Commander Himes. Recently the United States Department of State now has a dual-track policy towards what used to be Somalia where we can actually interact with the effective governments in the independent region of Somaliland, Hargeisa, and the autonomous region of Puntland. What kind of impact do you see -- or benefits do you see that are going to be derived from this new policy insofar as trying to cut down on the amount of piracy?

COMMANDER HIMES: Yeah, that's, I think, a key -- when Secretary Carson made that speech -- I think that was back in December -- about the dual-track approach, I really thought that what we were getting to was not putting all our eggs in the TFG basket, but actually looking at these other governments that are frankly much more functional and starting to provide some, you know, cooperative opportunities to build their capacity, and frankly, that's most of the piracy is in those other regions.

But I haven't just -- and I think we had someone from State here who may have another answer, but I haven't -- since that speech I have not gotten a positive sense that there's practical movement forward to really get down to that level of coordination. It may be coming, but I just haven't gotten the impression that the State Department is really pursuing that aggressively.

Now, the UNODC in their capacity and the monitoring group efforts have started to

go down that route, but I think there's still a lot of concern, frankly, about corruption from some of these other governments, complicity in the piracy business itself. I mean, back in '08 you had reporting that six of the ministers themselves that were in Puntland's regional government were, you know, on the books. You had certain towns where the piracy entities were probably paying the police force that was there because they weren't getting paid by the government.

So, I think a lot of that's changed and I think you see from Puntland more of an effort to be part of a solution instead of being complicit, you know, whether that's because -- I don't want to sound cynical -- whether that's because there's a better payoff by aligning with the international community long-term than there is with pirates or whether they realize that, you know, there's not a good end game, it seems like -- and I think the UN said this in some of the reporting lately that Puntland is definitely coming on board better to combat this problem.

So, I'd like to think the dual track approach is going to go somewhere, but I just haven't seen it materialize yet.

MR. MURPHY: You, sir.

MR. COHEN: (inaudible) Steve Cohen, Brookings, actually 21CDI, also. I spent a couple of days in Maldives last year, late last year, and it wasn't -- they asked me, they weren't sure themselves, the Maldivians, what command -- U.S. command that covered them whether it was CENTCOM or PCOM and I'm not sure myself. But the larger question is, are the way in which the regional command structure -- AFRICOM, PCOM, CENTCOM, does that complicate this business of dealing with piracy or is this like cyber warfare where the organization is less important than other things?

COMMANDER BUNNAY: You know, I haven't heard that as an issue. I think because you have a pretty -- at least on a tactical level, because you have the taskforce, you know, CTF 151 set up and the other, you know, European elements that are operating, at least from a maritime aspect I think it's pretty well -- the command and control works pretty well.

Most of the non-naval efforts, whether it's, you know, the legal jurisdiction or, you know, the security-building efforts, most of those aren't really, I don't think, going through the COCOMs so much, so I don't think that's really an effect either, but I'd have to look a little bit closer at that.

MR. MURPHY: Next question. Please don't prove to me that sea blindness exists. Ah, sorry, I beg your pardon.

CAPTAIN VASQUEZ: Good afternoon. Captain Larry Vasquez, a Navy fellow here at Brookings. I'm interested as to what the commercial companies are doing to protect their own interests and do they need to do more? And if they're not doing more, why aren't they doing more?

COMMANDER HIMES: Yeah, I kind of glossed over the kind of the existing piece and there may be some other thoughts on this, but the impression I get -- kind of two answers. One, you know, there's actually some good news stories, frankly, in the piracy piece in that, you know, the international cooperation at sea, frankly, this has probably been the best engine to do things that we probably would have never done otherwise -- you know, coordinating with the Chinese, for example, greater coordination with the Indian Navy -- so, there's been some goodness, frankly, in this problem. One other area I think there's been some good advances have been in best practices for the maritime shipping industry.

You know, you've got more or less consensus on what ships should be doing when they go to those areas, whether it's a certain speed, you know, visible deterrence, lookouts, other practices that have been promulgated by the IMO that are being followed by most -- some debates about armed guards, which we could go down that if you want, but I think in general shipping companies have gotten a little bit more aggressive in doing their practices.

Having said that, back in February, the IMO still said that there's an unacceptably high number of shipping companies that continue to ignore its recommendations because this point, that's what they are, they're recommendations. It's not as if it affects, I think, insurance rates, although there's probably some nuance there, and best practices aren't being followed by some companies.

So, there's probably room for improvement but I would say compared to where we were three or four years ago, there's been a marked improvement in those efforts.

MS. MARCONI: Yeah, Janice Marconi. With the Colombian narco subs there seems to be like a pattern of getting more modularized in their development to going from semi-submersible to almost totally submersible, to going further out. In fact, supposedly a couple years ago one was off of Italy, I mean, that's how far they've gone. Is there a similar technical trending or evolution on capability? Not necessarily speed but, you know, something?

COMMANDER RANDALL: I guess the best answer I can give you is we're working on it. You know, these things are made out of fiberglass and typical acoustics don't necessarily -- pinging them is not easy. You can do some other things to try and find them, but then you get in -- it's kind of like this goes back to the cyber question. Then what do you do? How do you force them to the surface? Can you force them to the surface? And then what does that entail?

So, you know, this is kind of like some of those -- the rules of engagement haven't necessarily been defined in all situations for those type of things, and so I think it's an evolving process. I know the legal frameworks are evolving constantly and there's a lot of discussion on how we're going to deal with that emerging issue or threat because the next question is, is are they going to start showing up in San Diego.

MR. MURPHY: We have time for one more question.

MR. SNYDER: Thank you. Chris Snyder Brookings. I'm just interested to have three sailors up there particularly about some strategy if you will. We have offshore balancing, obviously CNO pitching that. I know Jeff just -- from being your office mate, you're working on some strategy and vision for the Coast Guard. What you're presenting, and not just necessarily from Commander Himes, but I think for all three of you is, you know, what we're faced with from a maritime perspective is, you know, you've got a, whether it be a littoral insurgency all the way to high sea insurgency, call it piracy, whatever the term is. I mean, I think counterinsurgency is kind of more of a -- I guess a sexy term this day and age

-- is this -- is the Coast Guard or the Navy, are they looking at this as just a problem, a tactic, or is there a, no kidding, energies to develop strategies to counter this? And I'm talking more than just, you know, an operation, build a taskforce, things of that nature. But my assumption is this is not something that's going to go away. It's been around for many years and it looks like it's proving to be quite lucrative, so there's obviously a great business model here.

What is the Navy and the Coast Guard doing to counter that potentially?

MR. MURPHY: Scott, do you want to start?

COMMANDER BUNNAY: I'll start. I think one of the challenges, at least, this is from my perspective in the Navy is, you know, there's a high end threat out there wherever you want it to be, and we build cruisers and destroyers to do ballistic missile defense, are not cheap assets to either to operate, maintain, and to buy, and do you buy 313 or 326 fairly high-end pieces of theater gear and the equipment that we're buying is huge overkill for -- and I want to say, it's not low end tasking, but it's to go out and counterpiracy, you don't need an HS class destroyer or cruiser, and it may even make the challenge harder to do it, so I think the -- as a service, in my opinion, we have a high end threat that we can't ignore and that we need to be able to counter and deal with, and then we're going to multitask those same pieces of equipment into a mission that they're not necessarily built. I think what's going to -- what's coming in the Navy is a littoral combat ship, which is maybe by name designed to work in the littoral waters -- smaller, more maneuverable, and maybe a better platform that's going to be able to partner and some of the more constabulary law enforcement roles granted fairly far away from home.

So, what I would see happening is, you know, the threat to deal with maritime security is coming, and again, from a materials solution we're buying new pieces of equipment that will probably -- are better fits for the mission that we're doing, and I think tactics and doctrine will kind of follow once we see what those pieces of equipment can do.

COMMANDER HIMES: Really good question and I'm not sure the Navy's fully thought it through. I think the platform piece is important although I'll tell you, just expanding

past the maritime insurgency, if you will, I mean, even just looking at -- and I go here because this is kind of my focus this year -- looking at the Iranian Navy and the mismatch in assets we have there, there's other places where the high end assets maybe aren't the right ones to deal with the problem and maybe make it worse.

But I think kind of the bigger strategy piece that the Navy has really pushed, and this is part of, you know, cooperative strategy of the 21st century is having the right partnerships and alignments in a region so that it's not necessarily about what our platforms are but it's who we're working with who maybe bring better platforms to the fight.

I think a lot more discussion, for example, in the Gulf of Aden, needs to go into, you know, what's the Saudi Navy doing? What are the Omani's and the UAE doing? The Indians have come on board to a certain extent, but they're still kind of not aligned as far as C2, so I think that that partnership -- and I don't want to say the global, you know, 1,000-ship Navy because I don't know if we're using that terminology anymore, but that idea, I think, comes into play on these lower end persistent problems that have been discussed that, you're right, they're not going away any time soon.

COMMANDER RANDALL: Chris, you give me something to work on when I go to the Pentagon this summer. Work on the CNO stuff. I have a feeling that you're baiting me there.

I think -- here's how I'd answer that question. Are we working on it? Probably not as vigorously as we should. I think here's how we do work on it. I think we work on it by we've seen increased outreach, increased interest from the combatant commanders reaching down to the Coast Guard saying, these countries have navies that look like your Coast Guard. Come help us partner with these folks. Come help us work with these folks. Come be our -- come be the -- bringing a Coast Guard ship into one of these ports is a lot different than bringing an Aegis cruiser. It's a lower profile, lower level and there's a lot more interaction there, and so I think that's where we're headed.

The problem that we have faced as the Coast Guard in doing that is it often doesn't come with any additional resources and so when we're looking at going from 12 high

endurance cutters to 8, and maybe -- and fewer offshore patrol cutters than what we have in our medium endurance cutter fleet now, it's going to be tough, and so I think we can go there, but I think it's going to have to be resourced and it's going to have to become more of what we do to manage these global insecurities.

MR. MURPHY: Jeff, thank you very much indeed. All good things must come to an end and this session is now ending. All that remains is me to thank the panelists and ask you to join with me in showing your appreciation for their efforts. Thank you.