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Accountability \* Integrity \* Reliability

United States Government Accountability Office  
Washington, DC 20548

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June 29, 2007

Congressional Committees

Subject: *Information on Port Security in the Caribbean Basin*

Referred to as our “third border,” the Caribbean Basin has significant maritime links with the United States.<sup>1</sup> Given these links and the region’s proximity, the United States is particularly interested in ensuring that the ports in the Caribbean Basin—through which goods bound for this country’s ports and cruise ships carrying its citizens must travel—are secure.

Section 233 (c) of the Security and Accountability for Every Port Act of 2006 (SAFE Port Act)<sup>2</sup> requires GAO to report on various security-related aspects of Caribbean Basin ports. Our specific objectives were to identify and describe the

- threats and security concerns in the Caribbean Basin related to port security,
- actions that foreign governments and local stakeholders have taken in the Caribbean Basin to implement international port security requirements and the challenges that remain,
- activities reported to be under way by U.S. government agencies to enhance port security in the Caribbean Basin, and

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<sup>1</sup>We defined the Caribbean Basin using the boundaries established in the U.S. trade programs known collectively as the Caribbean Basin Initiative (CBI). In 1983 the Caribbean Basin Economic Recovery Act (Pub. L. No. 98-67, 97 Stat. 369 (1983)), enacted the CBI into law. The CBI was substantially expanded in 2000 through the U.S.-Caribbean Basin Trade Partnership Act (Pub. L. No. 106-200, 114 Stat. 251 (2000)), and currently provides 24 beneficiary countries with duty-free access to U.S. markets. These countries are Antigua and Barbuda, Aruba, Bahamas, Belize, British Virgin Islands, Costa Rica, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Montserrat, Netherlands Antilles, Nicaragua, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. For the purposes of this letter, however, five additional countries were included: Colombia, Cuba, Mexico, Suriname, and Venezuela.

<sup>2</sup>Pub. L. No. 109-347, 120 Stat. 1884 (2006).

- potential economic impacts of port security and terrorist attacks in the Caribbean Basin.

To determine the threats and security concerns in the Caribbean Basin related to port security, we interviewed officials from federal agencies, international organizations and associations, and various stakeholders (such as facility operators and government officials of Caribbean countries) involved in port security in the region. To determine the actions taken by Caribbean Basin countries to implement international port security requirements and the challenges they face, we visited several Caribbean nations and reviewed information provided by agencies and organizations working in the region. To determine the activities under way by U.S. government agencies to enhance port security in the Caribbean Basin, we met with agency officials and reviewed pertinent documents. Finally, to identify the potential economic impacts of port security in the Caribbean Basin, we met with officials from the countries we visited, as well as from U.S. agencies and international organizations, and reviewed various analyses by a government agency and nongovernmental researchers. Because the mandate gave us a limited time frame within which to complete our work, this report is descriptive in nature and does not provide a detailed analysis of the actions taken or efforts made regarding port security in the Caribbean Basin. Enclosure II describes our scope and methodology in more detail.

Between March 29 and April 13, 2007, we briefed your offices on the results of our work to address these objectives. This report summarizes the information provided during those discussions and provides the detailed handouts in enclosure I. Additional information received from the agencies since the briefings were presented is contained in the body and agency comments section of this document.

We conducted our work from October 2006 through June 2007 in accordance with generally accepted government auditing standards.

## **Summary**

While intelligence sources report that no specific, credible terrorist threats to maritime security exist in the Caribbean Basin, the officials we spoke to indicated that there are a number of security concerns that could affect port security in the region. Caribbean ports contain a variety of facilities such as cargo facilities, cruise ship terminals, and facilities that handle petroleum products and liquefied natural gas. Additionally, several Caribbean ports are among the top cruise ship destinations in the world. Given the volume and value of this maritime trade, the facilities and infrastructure of the maritime transportation system may be attractive targets for a terrorist attack. Our prior work on maritime security issues has revealed that the three most likely modes of attack in the port environment are a suicide attack using an explosive-laden vehicle or vessel, a standoff attack using small arms or rockets, and the traditional armed assault. Beyond the types of facilities and modes of attack

to be considered, officials we spoke to identified a number of overarching security concerns that relate to the Caribbean Basin as a whole. Among these concerns are (1) the level of corruption that exists in some Caribbean nations to undermine the rule of law in these countries, (2) organized gang activity occurring in proximity to or within port facilities, and (3) the geographic proximity of many Caribbean countries, which has made them transit countries for cocaine and heroin destined for U.S. markets. Other security concerns in the Caribbean Basin mentioned by U.S. agency officials include stowaways, illegal migration, and the growing influence of Islamic radical groups and other foreign terrorist organizations.

Foreign governments and local stakeholders in the Caribbean Basin have taken a number of steps to implement the International Ship and Port Facility Security (ISPS) Code, although challenges for further progress remain.<sup>3</sup> The U.S. Coast Guard has visited a number of Caribbean Basin countries to observe the security and antiterrorism measures put in place at their ports to determine the degree to which the ISPS Code has been implemented. Final reports from these visits have been issued for 14 of the 29 Caribbean Nations included in this report. Most of the countries were found to have “substantially implemented the ISPS Code.” Even so, the Coast Guard also found that facilities within some countries needed to make improvements or take additional measures. According to a Coast Guard official, while the Coast Guard cannot require the facilities to make improvements to respond to Coast Guard's findings, improvements have been made in order to avoid potential difficulties in conducting trade with the United States. We also visited five countries in the region and found that security measures were generally in place, although there were areas of concern, such as maintaining access controls, conducting security plan exercises, and maintaining security records.<sup>4</sup> Our discussions with facility operators as well as government officials and a regional association during these visits revealed that challenges exist, such as obtaining additional training for their security personnel and funding for the further enhancement of port security measures in the region.

Several U.S. agencies reported being involved in activities in the Caribbean Basin that could help enhance port security in the region. Through its embassies, the Department of State serves as the lead coordinator of the activities of other U.S. federal agencies in the Caribbean nations. The State Department has also been involved through the Organization of American States to coordinate and fund projects to improve maritime security. The Coast Guard is involved in the region through its International Port Security Program to assess the effectiveness of anti-terrorism measures in place in other countries. The Coast Guard monitors the implementation of ISPS Code requirements in these countries and provides them with best practices to help them improve port security. The Coast Guard also has a Port

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<sup>3</sup>The International Ship and Port Facility Security Code was adopted under the auspices of the International Maritime Organization (IMO) by the Conference of Contracting Governments to the International Convention for the Safety of Life at Sea (SOLAS). In accordance with the SOLAS Convention as amended in 2002, the code establishes requirements for contracting governments of countries where ports are located, contracting governments of countries where ships are registered, operators of port facilities, and operators of vessels traveling on the high seas. Individual nations can set higher standards for facilities on their soil and for vessels registered in that country. As of November 30, 2006, there were 156 contracting governments to the SOLAS Convention.

<sup>4</sup>Of the five countries we visited, the Coast Guard had issued final reports of its country visits to four of them, while one had just been visited.

State Control (PSC) program in which officials board and inspect foreign vessels arriving at U.S. ports to ensure that the vessels are complying with security standards. To address a potential mass migration event from a Caribbean nation such as Haiti or Cuba, the Department of Homeland Security (DHS) has developed a plan that involves dozens of federal, state, and local agencies. Customs and Border Protection, another DHS component, has provided training assistance to a number of Caribbean nations and is also operating its Container Security Initiative in the Bahamas, the Dominican Republic, Honduras, and Jamaica. Under this initiative, Customs and Border Protection staff are placed at foreign seaports to screen containers for weapons of mass destruction. Related to the security of containers in the ports, the Department of Energy (DOE) also has efforts under way in the Caribbean Basin related to its Megaports Initiative, which provides equipment to scan containers for nuclear and radiological materials. This initiative is currently operational in the Bahamas and is expected to eventually operate in other countries as well. The U.S. Agency for International Development (USAID), already active throughout the Caribbean because of its role in administering assistance programs, also has directly contributed funds toward a project to help Haiti comply with the requirements of the ISPS Code. The Department of Defense (DOD), through its Southern Command (SOUTHCOM), is active in the Caribbean through its Enduring Friendship program, which seeks to achieve regional security cooperation and build maritime security capabilities. Finally, there are several interagency efforts under way in the region to help secure cargo and counter illicit trafficking, migration, and narcoterrorism operations. For example, one effort involves coordinating the efforts of Coast Guard, Customs and Border Protection, Immigration and Customs Enforcement, and the U.S. Attorney's Office to target illegal migration and narcotrafficking near Puerto Rico and the U.S. Virgin Islands.

Although the potential economic impact of port security (or lack thereof) in the Caribbean Basin is difficult to determine, our review of analyses performed by a government agency and nongovernmental researchers identified a number of factors that could influence the economic impact of port security and a terrorist attack in the maritime domain. These factors include (1) the target of the attack, (2) the tactics employed and objectives of the attack, (3) the amount of destruction caused by the attack, and (4) the ability to recover from the disruption or loss of facilities resulting from the attack. As part of an effective risk management approach—a framework that can aid in determining which vulnerabilities should be addressed in ways within available resources—government officials and port stakeholders must determine which security measures to implement by considering their benefits and costs with these factors in mind. To address the risk posed by vessels seeking entry into the United States from foreign ports that do not maintain effective antiterrorism measures as determined through the country visits completed under the International Port Security Program, the U.S. Coast Guard is authorized to take certain actions such as boarding vessels or conducting inspections of vessels. These actions can result, for example, in costs to shippers and others because of time lost while the vessel is boarded or being inspected. From July 10, 2006, when the Coast Guard began data measurements of its activities with these vessels, to April 2007, only two vessels have been subjected to a boarding offshore by Coast Guard officials prior to gaining entry to a U.S. port solely because they arrived from a Caribbean Basin port facility deemed by the Coast Guard as not maintaining effective antiterrorism measures. To determine the potential costs of such boardings, we talked with a

variety of maritime stakeholders in the region, such as facility operators and a shipping association, who indicated that such boardings have not been a significant source of delay or financial loss for their businesses. Thus the economic impact on the maritime industry—of actions taken to date by the Coast Guard in response to security problems at Caribbean Ports—appears to be insignificant.

## Agency Comments

We provided a draft of this report to the Department of Defense, the Department of Energy, the Department of Homeland Security and its component agencies (the Coast Guard, Customs and Border Protection, and Immigration and Customs Enforcement), the Department of State, and the U.S. Agency for International Development for their review and comment. We received technical comments from the Department of Defense and the Coast Guard, which we incorporated where appropriate. The Department of Homeland Security and the U.S. Agency for International Development provided formal written comments, which are presented in enclosures III and IV. These comments and the supplemental comments provided by the Coast Guard, Immigration and Customs Enforcement, and the Department of State are discussed below. The Department of Energy did not provide comments on the report.

In its comments, the Department of Homeland Security suggested that additional information be included on other Customs and Border Protection programs and initiatives under way in the region. CBP officials subsequently provided the following information on two of these programs:

- **The Caribbean Corridor Initiative:** Established in April 2005, this is a multi-agency initiative that targets drug trafficking in the Eastern and Central Caribbean areas. The mission of this operation is to identify, disrupt, and dismantle South American drug trafficking organizations that utilize the maritime domain to smuggle narcotics into and throughout the Caribbean. The agencies that are part of this initiative include Customs and Border Protection (CBP), Immigration and Customs Enforcement (ICE), the Drug Enforcement Administration, the Federal Bureau of Investigation, the U.S. Coast Guard Investigative Services (USCIS), and the U.S. Attorney for the District of Puerto Rico. Under this initiative, CBP has provided training to countries in the region on the use of cargo scanning technologies and identifying fraudulent documents.
- **The Secure Freight Initiative:** Formally initiated in December 2006, this initiative will fuse commercial data from the supply chain, information on the vessel and crew, information about cargo movement and integrity, and an integrated foreign and domestic radiography and radiation detection scan to create an enhanced risk assessment for the maritime domain.

Coast Guard officials commented that the individuals involved in the recent JFK International Airport terrorist plot were from Trinidad and Guyana and are believed to have been in contact with that the radical Islamic group Jamaat al Muslimeen, which has been active in Trinidad. Related to the security of domestic U.S. ports, waterways and coastal areas, Coast Guard officials also noted that operational activities conducted by the Coast Guard and its federal, state, and local partners are guided by a Coast Guard operations order called Operation Neptune Shield, which contains a classified set of requirements establishing the Coast Guard's homeland security activity levels with performance minimums that escalate as the maritime security (MARSEC) level increases. Operational activities covered by this order include patrols to provide deterrence and response, boardings of vessels, escorts of selected vessels during transits, deployment of antiterrorism and counterterrorism assets, and enforcement of security zones among other things.

ICE officials commented that the Caribbean Basin region continues to remain as a major center for drug trafficking, money laundering, and potential major staging area for terrorist operations. They stated that commercial vessels departing from Colombia, Venezuela, Panama, Haiti, and the Dominican Republic pose a direct threat to U.S. law enforcement assets assigned to the detection and monitoring of narcotics traffic and national security as well. ICE officials also stated that steps have been taken to monitor and detect high-risk shipments and containers coming from the region. In addition to these security concerns, ICE officials noted that the United States depends greatly on critical energy infrastructure located in the region and that any destabilization of this infrastructure could negatively affect the U.S. economy.

The Department of State stated in its comments that the threat by an explosive-laden vehicle to a cruise ship port facility or directly to a cruise ship should be a matter of great concern to U.S. government authorities and that U.S. citizens can be particularly vulnerable in this area. According to the State Department, such an attack can cause loss of life to American cruise line passengers and considerable economic impact on American cruise line and tourist industries in the United States. In addition, the State Department stated that compliance with the International Ship and Port Facility Security Code does not necessarily mean that a port is secure from a terrorist attack. The State Department noted that it and its contractors have witnessed open gates, poor screening of vehicles, and inadequate physical protections at ports with cruise line activity. The State Department stated that these deficiencies, coupled with poorly trained security personnel, can make cruise line terminals and cruise ships vulnerable to attack. According to the State Department, poor training of port security personnel is also an overarching security concern.

The U.S. Agency for International Development expressed agreement with the contents of this report.

We are sending copies of this report to the Secretaries of the Departments of Defense, Energy, Homeland Security, and State, as well as the Administrator of the U.S. Agency for International Development, and other interested congressional committees. We will also make copies available to others upon request. Additionally, this report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or your staff have any further questions about this report, please contact me at (202) 512-9610 or [CaldwellS@gao.gov](mailto:CaldwellS@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this letter. Individuals making key contributions to this report include Richard Ascarate, Jonathan Bachman, Charles Bausell, Steven Calvo, Wayne Ekblad, Geoffrey Hamilton, Christopher Hatscher, Ryan Lambert, and Nicholas Larson.

A handwritten signature in black ink that reads "Steve Caldwell". The signature is written in a cursive style with a long, sweeping flourish extending to the right.

Stephen L. Caldwell  
Director, Homeland Security and Justice Issues

## **List of Committees**

The Honorable Robert C. Byrd  
Chairman  
The Honorable Thad Cochran  
Ranking Member  
Committee on Appropriations  
United States Senate

The Honorable Max Baucus  
Chairman  
The Honorable Charles Grassley  
Ranking Member  
Committee on Finance  
United States Senate

The Honorable Joseph I. Lieberman  
Chairman  
The Honorable Susan M. Collins  
Ranking Member  
Committee on Homeland Security and Governmental Affairs  
United States Senate

The Honorable Daniel K. Inouye  
Chairman  
The Honorable Ted Stevens  
Vice Chairman  
Committee on Commerce, Science, and Transportation  
United States Senate


The Honorable David R. Obey  
Chairman  
The Honorable Jerry Lewis  
Ranking Member  
Committee on Appropriations  
House of Representatives



The Honorable Charles B. Rangel  
Chairman  
The Honorable Jim McCrery  
Ranking Member  
Committee on Ways and Means  
House of Representatives

The Honorable James L. Oberstar  
Chairman  
The Honorable John L. Mica  
Ranking Republican Member  
Committee on Transportation and Infrastructure  
House of Representatives

The Honorable Bennie G. Thompson  
Chairman  
The Honorable Peter T. King  
Ranking Member  
Committee on Homeland Security  
House of Representatives



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# Port Security in the Caribbean Basin


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**Presented to the Cognizant Committees  
as Required by the SAFE Port Act of 2006**

**April 13, 2007**

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## BRIEFING OVERVIEW

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- Objectives, Scope, and Methodology
- Background
- Summary of Findings
- Security Concerns in the Caribbean Basin
- Implementation of Port Security Standards
- U.S. Activities to Enhance Port Security
- Potential Economic Impacts of Port Security and Terrorist Attacks

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## **OBJECTIVES, SCOPE, AND METHODOLOGY**

### **Source of Work**

Section 233 (c) of the SAFE Port Act of 2006 requires GAO to report on various aspects relating to the security of ports in the Caribbean Basin.

The Act requires GAO to provide this report to the following cognizant committees:

U.S. Senate:

- Committee on Appropriations
- Committee on Finance
- Committee on Homeland Security and Governmental Affairs
- Committee on Commerce, Science, and Transportation

House of Representatives:

- Committee on Appropriations
- Committee on Ways and Means
- Committee on Transportation and Infrastructure
- Committee on Homeland Security

The act, signed into law on October 13, 2006, requires GAO to report its findings no later than 180 days (6 months) after enactment.

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## **OBJECTIVES, SCOPE, AND METHODOLOGY**

### **Objectives**

- (1) What are the threats and security concerns in the Caribbean Basin related to port security?
- (2) What actions have been taken by foreign governments and local stakeholders in the Caribbean Basin to implement international port security code requirements and what challenges remain?
- (3) What activities are under way by U.S. government agencies to enhance port security in the Caribbean Basin?
- (4) What are the potential economic impacts of port security and terrorist attacks in the Caribbean Basin?

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## OBJECTIVES, SCOPE, AND METHODOLOGY

### Scope and Methodology

- Interviewed officials from U.S. agencies (Coast Guard, Immigration and Customs Enforcement, Department of Defense, Department of State, and the U.S. Agency for International Development) to determine key threats and security concerns in the Caribbean Basin, identify the agencies' roles in support of port security in the region, and obtain estimates of the potential economic impacts of port security in the region. Reviewed agency briefings on regional maritime security issues and Coast Guard reports on the countries' implementation of the International Ship and Port Facility Security (ISPS) Code. We also reviewed previous GAO work on U.S. federal programs related to cargo security in the region.
- Interviewed officials of organizations such as the Organization of American States, the Caribbean Shipping Association, and Caribbean-Central American Action to obtain their views on port security in the region and the potential economic impacts of problems in security.
- Visited 5 countries in the Caribbean Basin to meet with facility operators and government officials to discuss and observe the degree to which security measures were in place. The facility types visited included container, bulk cargo, energy, and cruise ship-ferry terminals. We also accompanied Coast Guard officials during their visit one country to observe the security measures in place at that country's ports.
- The selection of the countries and facilities for visits was based on criteria designed to provide diversity with respect to location, type of facility, cargo handled, and proficiency of implementation of the ISPS Code based on Coast Guard reports and observations.

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## OBJECTIVES, SCOPE, AND METHODOLOGY

### Scope and Methodology (cont.)

#### Limitations:

- Given the time frames required by the mandate to complete this work, this work is descriptive and not evaluative of the actions and efforts related to port security.
- While this briefing describes the activities of U.S. agencies in the Caribbean Basin, GAO did not review the extent or effectiveness of the coordination between these agencies.
- The criteria for selection were meant to be illustrative of the countries and facilities visited, and may not necessarily be representative of the condition of the facilities within the region as a whole.
- With a few exceptions, we have not observed the implementation of the ISPS Code at ports in other regions of the world. Consequently, we are unable to make comparisons of the Caribbean Basin's implementation of the ISPS Code relative to that in other regions of the world.

*We conducted our work between October 2006 and April 2007 in accordance with generally accepted government auditing standards.*

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## BACKGROUND: Caribbean Basin Defined

- The Caribbean Basin can be geographically defined using the boundaries of the Caribbean Basin Initiative:
  - The Caribbean Basin Initiative was launched in 1983 to promote economic growth and diversification in the region. The initiative provides 24 beneficiary countries and territories in the region with duty-free access to the U.S. market for most goods.
  - For the purposes of this briefing, the Caribbean Basin also includes the countries of Mexico, Cuba, Colombia, Venezuela, and Suriname.
- The region has been referred to as the “Third Border” of the United States.

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## BACKGROUND: The Caribbean Basin



Source: GAO; Map, Map Resources (presentation).

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## **BACKGROUND:**

### **Importance of Port Security in the Caribbean Basin**

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- Caribbean nations are important partners on trade, health, and education issues. However, a number of factors exist in the region that may pose an additional threat to the United States.
  - Effective implementation of the ISPS Code may be particularly important in Caribbean ports, given various concerns, such as
    - their proximity to the United States
    - illicit trafficking and migration activities
    - substantial numbers of U.S. tourists and cruise ships in the region
    - relatively high levels of poverty and corruption.
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## **SUMMARY OF FINDINGS**

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- Intelligence sources report that no specific, credible terrorist threats to maritime security exist in the Caribbean Basin. However, officials we met with identified several concerns in the region related to port security such as corruption, the rise of radical Islamic groups, drug trafficking, and illegal migration, among others.
  - Based on Coast Guard visits to selected countries, measures meant to comply with ISPS Code standards appear to have been widely implemented in the region, although deficiencies are still being identified in areas such as access controls and security plan exercises. GAO's visits to countries in the region corroborated these findings.
  - According to Coast Guard officials, the level of implementation of the ISPS Code in the Caribbean Basin varies widely among countries. For example, one country within the region has not substantially implemented the ISPS Code, while another country has exceeded it in some respects. However, according to a Coast Guard official, the region as a whole is further along than sub-Saharan Africa in implementing the ISPS Code but has not implemented the ISPS Code as much as most European countries.
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## SUMMARY OF FINDINGS (cont)

- Several U.S. agencies are involved in activities in the Caribbean Basin that could help enhance port security in the region. These activities include programs to monitor the implementation of ISPS Code requirements, efforts to train regional security officials, and programs to monitor the security of cargo transiting from the Caribbean Basin to the United States, among others.
- While the Coast Guard reported that it has boarded vessels as a result of arriving from a Caribbean Basin port facility that was not in compliance with the ISPS Code requirements, such boardings are rare and have not had a significant adverse economic impact, according to industry representatives.
- Although the potential economic impact of these actions is difficult to determine, analyses by government agencies and others indicate that there are several factors that may determine the impacts, including the economic impact of a terrorist attack in the maritime domain. Such factors include the type of attack, the target, and the level of resulting damage or casualties.

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### Objective 1

## SECURITY CONCERNS IN THE CARIBBEAN BASIN: A Variety of Port Infrastructure

**Caribbean Basin ports contain a variety of facilities such as:**

### **Container Cargo Facilities**

- Their central location relative to the Panama Canal and the North and South American continents has enabled Caribbean ports to become important transshipment points for cargo containers.

### **Cruise Ships and Terminals**

- The Caribbean and the Bahamas are the top cruise destinations in the world and served nearly 7 million North American cruise passengers in 2006.

### **Critical Energy Infrastructure**

- The region is a significant supplier of oil and gas to the United States.
  - Trinidad and Tobago supplies about 70 percent of imported Liquefied Natural Gas to the United States.
  - Countries such as Venezuela and Mexico are also major suppliers of petroleum to the United States.

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## Objective 1



### **SECURITY CONCERNS IN THE CARIBBEAN BASIN: Potential Threats and Types of Attacks**

According to intelligence officials, there are currently no specific credible threats to port security for these facilities.

Our previously issued work in port security has revealed three types of general attack scenarios that are considered most likely in the port environment:

#### **Suicide Attacks**

- Attacks carried out using an explosive-laden boat or vehicle that is rammed into a vessel or facility.

#### **Standoff Attacks**

- A rocket, mortar, or rocket-propelled grenade is launched against a target from a sufficient distance to evade defensive fire.

#### **Armed Assaults**

- Attacks on vessels and infrastructure.

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## Objective 1



### **SECURITY CONCERNS IN THE CARIBBEAN BASIN: Additional Concerns for Security**

In addition to the attack scenarios above, agency officials we interviewed identified other security concerns in the region:

#### **Corruption and Organized Gang Activities**

- Corruption and its threat to the rule of law is a concern in the region.
- Some nations have identified organized gang activity within their port infrastructure.
- Creation and sale of fraudulent documentation may be used to finance illicit activities.

#### **Geography**

- There are many isolated islands in the region in proximity to the United States, a fact that makes enforcement against illicit trafficking difficult.
- The many island nations in the Caribbean also present unique challenges for controlling access and smuggling from the waterside.

#### **Vessel Cargo**

- Soft-top containers and break-bulk cargo make it difficult to safeguard cargo.

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## Objective 1



### **SECURITY CONCERNS IN THE CARIBBEAN BASIN: Additional Concerns for Security (cont.)**

#### **Stowaways**

- Principal sources of stowaways aboard vessels include the Dominican Republic and Haiti.

#### **Drug Trafficking**

- The Caribbean accounts for about 35 percent of illegal narcotics transported into the United States annually.
- The region is often used as a transshipment point from South America.
  - Shifting trafficking patterns make enforcement a constant challenge.

#### **Illegal Migration**

- Traditional patterns are through the Florida Straits and the Bahamas as well as toward Puerto Rico and through Central America and Mexico.
- There are reports of increased use of third countries to carry out smuggling. For example, smuggling of Chinese and Middle-Easterners to the U.S. Virgin Islands and St. Martin has increased via countries neighboring the Caribbean Basin such as Suriname.

#### **Islamic Radical Groups and Foreign Terrorist Organizations**

- Islamic groups have a presence in some Caribbean Basin countries. For example, Trinidad and Tobago is home to the terrorist Muslim extremist group Jamaat-al Musilmeen.
- Other groups such as Hezbollah, have a presence in countries neighboring the Caribbean Basin, such as Venezuela and Colombia.

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## Objective 2



### **IMPLEMENTATION OF PORT SECURITY STANDARDS: International Port Security Standard**

**The international standards for security in the port and maritime environments are contained in the International Maritime Organization's (IMO) International Ship and Port Facility Security (ISPS) Code:**

- Developed after the September 11, 2001, attacks
- Amended the 1974 Safety of Life at Sea (SOLAS) Convention
- Established measures to enhance the security of ships and port facilities and provide a standardized, consistent security framework
- Implemented by individual countries, which self-report to the IMO the facilities within the country that have an approved security plan
- Requirements are performance-based, so compliance can be achieved with a variety of ways or approaches

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## Objective 2



### **IMPLEMENTATION OF PORT SECURITY STANDARDS: International Ship and Port Facility Security Code**

Using a risk management approach, the ISPS Code requires facilities to conduct an assessment to identify threats and vulnerabilities. The ISPS Code also suggests that an assessment be done of physical security, structural integrity, communication systems, and other areas within a port facility that might be a likely target.

On the basis of the assessment, the ISPS Code requires port facilities to develop security plans. For example, the ISPS Code requires port facility security plans to address, among other things:

- measures designed to prevent unauthorized access to the port facility,
- procedures for responding to security threats or breaches of security, and
- measures designed to ensure effective security of cargo and the cargo-handling equipment at the port facility.

The ISPS Code also suggests that port facility security plans include, among other things:

- the capability to monitor the security of the facility, and
- details on the necessary communications systems to allow the effective continuous operation of the organization and its links with others.

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## Objective 2



### **IMPLEMENTATION OF PORT SECURITY STANDARDS: Coast Guard Observations of Implementation**

**Through its International Port Security Program, the Coast Guard reports that it has visited and observed the implementation of the ISPS Code at 21 Caribbean Basin countries as of April 2007.**

- During country visits, the Coast Guard focuses on physical security measures and access controls, as well as policies/procedures and proper training to determine the level of implementation of the ISPS Code.
- The conditions of the visits, such as timing and locations, are negotiated between the Coast Guard and the host nation.
- In addition to making the country visits, Coast Guard officials make annual visits to the countries to obtain additional observations on the implementation of security measures and ensure deficiencies found during the country visits are addressed.
- Coast Guard also conducts its visits with Customs and Border Protection when possible for CBP's Container Security Initiative (CSI).

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## Objective 2

### **IMPLEMENTATION OF PORT SECURITY STANDARDS: Coast Guard Findings of Implementation**

#### **Findings of the International Port Security Program in the Caribbean Basin:**

- Of the 14 countries for which final reports have been issued, 12 were found to have “substantially implemented the security code.”
- The Coast Guard recently visited another Caribbean Basin country for which it had found that the country had not yet fully implemented the ISPS Code, and that country will be subject to a reassessment.
- At the facility level, the Coast Guard found several facilities needed to make improvements or take additional measures. To date, one facility in the Caribbean Basin has been designated as “not maintaining effective antiterrorism measures.” According to Coast Guard officials, the deficiencies noted at this facility have been corrected.
- According to a International Port Security Program official, the level of ISPS Code compliance in the Caribbean Basin varies widely among countries. Some countries have substantially implemented or even exceeded Code requirements, while other countries have not substantially implemented the ISPS Code. Generally, the region as a whole has not implemented the ISPS Code as much as in Europe, but is further along than Sub-Saharan Africa, according to a Coast Guard official.

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## Objective 2

### **IMPLEMENTATION OF PORT SECURITY STANDARDS: GAO Observations of Implementation**

**In general, the facilities we visited in five countries had security measures in place designed to carry out provisions of the ISPS Code such as:**

- Perimeter fencing and access controls
- Closed circuit television to monitor areas and discourage corruption
- Radios and cell phones for security personnel
- Land and waterside patrols to monitor restricted areas



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## Objective 2



### IMPLEMENTATION OF PORT SECURITY STANDARDS: GAO Observations of Areas of Concern

While we observed that actions were taken to implement the ISPS Code, we also observed areas of concern at some facilities:

- **Access controls**—at one facility, a guard came to the guard station entrance only when signaled by our escort, and fences were collapsed in some places and had holes in others.
- **Security plan exercises**—although ISPS Code guidance suggests conducting an exercise at least once each calendar year, one facility had just begun planning its first exercise since the implementation of the ISPS Code in July 2004.
- **Security records**—some facilities had not always kept updated records as required to show security incidents, exercises and drills, or training.

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## Objective 2



### IMPLEMENTATION OF PORT SECURITY STANDARDS: Challenges Cited by Regional Stakeholders Involved in Security

Despite the efforts to implement the ISPS Code, challenges were cited by port facility operators, government officials, and a regional association toward further advancement of port security in the Caribbean Basin:

- **Training**—port facility operators and government officials stated they needed additional training--both basic ISPS Code training as well as courses in more technical areas such as access control and bomb detection.
- **Funding**—port facility operators and government officials expressed the need for additional funds to utilize more technologically advanced and reliable security systems or to make further enhancements to current security plans.
- **Support and maintenance for equipment**—embassy officials noted that some nations lack the necessary resources or skills to effectively operate and maintain assets such as patrol boats.
- **Varying implementation of security measures**—Caribbean stakeholders expressed concerns about wide variation in how security measures are implemented between ports in the region.

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### Objective 3



## U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Several Federal Agencies Are Involved

### Department of Homeland Security (DHS):

- Coast Guard, Customs and Border Protection (CBP), and Immigration and Customs Enforcement (ICE)

### Department of Defense (DOD):

- Southern Command (SOUTHCOM)

### Department of State:

- Bureau for International Narcotics and Law Enforcement (INL)

### U.S. Agency for International Development (USAID):

- The Maritime Security Alliance for Haiti

### Department of Energy (DOE):

- National Nuclear Security Administration (NNSA)

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### Objective 3



## U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Coordination and Cooperative Security Efforts

There are many activities and programs U.S. federal agencies are carrying out to address security concerns within the Caribbean Basin. The Department of State, through its embassies, is the lead coordinator of the activities U.S. federal agencies are involved in within the respective countries. GAO did not review as part of this work the effectiveness of the coordination between these agencies.

The embassies also coordinate among U.S. agencies and countries for cooperative efforts. Examples of some of the cooperative activities U.S. agencies are carrying out with countries in the region include:

### Conferences and Training

- In the Dominican Republic, the Coast Guard and SOUTHCOM have worked with the national government to provide conferences on port security.

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### Objective 3



## U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Coordination and Cooperative Security Efforts (cont.)

In addition, there are cooperative and intergovernmental efforts under way between U.S. agencies and foreign governments:

#### Bilateral and Intergovernmental Efforts

- The Coast Guard and other federal agencies also exchange law enforcement information with several partner nations such as the Dominican Republic, as part of bilateral agreements to fight illegal migration and drug trafficking.
- According to Coast Guard officials, another intergovernmental effort--Operation Bahamas, Turks and Caicos (OPBAT) -- is a multi-agency, international operation that coordinates operations of the Drug Enforcement Administration, Coast Guard, State Department, DOD, ICE, and the governments of the Bahamas and Turks and Caicos to stop narcotrafficking to the United States.
- According to program officials, the Coast Guard is also working with the OAS Inter-American Committee for Counter-Terrorism to facilitate port security capacity-building projects in Latin America, including Central America and the Caribbean. The Coast Guard also reported having assisted INL in identifying countries in need of port security training and technical assistance.

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### Objective 3



## U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Coast Guard International Port Security Program

As mentioned previously, the Coast Guard's International Port Security Program assesses the effectiveness of anti-terrorism measures in foreign ports. In addition, the program also provides a means for the Coast Guard to carry out other tasks to facilitate the implementation of security code requirements. For example:

- Coast Guard officers make periodic visits to promote bilateral relations, and share best security practices to help ensure a comprehensive and consistent approach to maritime security in ports worldwide.
- Countries can make reciprocal visits to U.S. ports to observe U.S. implementation of the ISPS Code, obtaining ideas for implementation of the ISPS Code in their ports. To date, four Caribbean Basin countries -- the Dominican Republic, Mexico, Colombia, and Guatemala -- have completed reciprocal visits to U.S. ports, and Trinidad and Tobago is currently scheduled to visit in June 2007.

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### Objective 3



## U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Coast Guard Port State Control Program

Port State Control is the primary means in which a government may exercise oversight of vessels operating under the flag of a foreign country.

- This program, established in 1994, is intended to ensure that all applicable foreign cargo and passenger vessels entering a U.S. port are in compliance with domestic and international safety and environmental regulations.
- The program expanded in 2004 to include enforcement of applicable security standards.

Coast Guard personnel assign a score to each incoming vessel based on identified risk-based criteria to prioritize vessel inspections and armed security boardings. This targeting process considers risk factors such as:

- flag state (country in which vessel is registered),
- vessel owner or operator,
- security compliance history,
- history of recent ports called,
- ship type (i.e., tankers, container vessels, bulk-cargo vessels, etc.) or
- information obtained during Coast Guard country visits such as which port facilities have not implemented effective antiterrorism measures.

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### Objective 3



## U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Coast Guard Port State Control Program (cont)

### Program Results:

- The Coast Guard routinely conducts a variety of inspections and boardings of vessels arriving from the Caribbean through a combination of risk-based targeting, random selection, and intelligence-based threats.
- Coast Guard District Seven—which receives the greatest number of vessels operating in, or arriving from, the Caribbean Basin — conducted 1,352 security compliance examinations in 2006. Among these, 25 Caribbean vessels were found to have major security deficiencies that required a detention or other major control action.
- Coast Guard District Seven also requires all vessels with a last port of call in Haiti to conduct a security sweep for stowaways prior to entry into the port. A similar requirement for vessels arriving from the Dominican Republic was recently lifted.

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## Objective 3

### U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Operation Plan Vigilant Sentry

#### Background:

- A multi-agency contingency plan, developed in 2003, to address a mass migration event from Cuba, Haiti, or other Caribbean nation.
- Dozens of federal, state, and local agencies would be involved, including USCG, DOD, CBP, ICE, and regional partners, among others.
- Migrants from Haiti, the Dominican Republic, and Cuba made up 89 percent of the total migrant interdictions in 2006.



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## Objective 3

### U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Operation Plan Vigilant Sentry (cont.)

#### Plan Components

- At-sea rescue and interdiction operations in response to a migration event
- Deterrence and dissuasion of potential migrants
- Land-based law enforcement operations
- Migrant processing, protection, and detention procedures

#### Roles and Responsibilities

The Homeland Security Task Force-Southeast (HSTF-SE) is a standing group of multiple DHS representatives that, when fully activated, is responsible for providing the framework for coordinating a unified response to a mass migration event.

- The Director of the HSTF-SE has the authority to direct and reallocate all DHS personnel and assets within the HSTF-SE area of responsibility as necessary to address the key components of the plan.
- The DHS Secretary is responsible for activating the plan, authorizing vessel movement restrictions, and changing parole and detention policies for migrants landing on U.S. soil.
- The President may issue a determination that a mass migration event constitutes a threat to national security, thereby authorizing assistance and assets from DOD. Upon a governor's request, the President may also issue a declaration for emergency assistance under the Stafford Act.

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### Objective 3



## **U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Operation Plan Vigilant Sentry (cont.)**

### **Unified Support '07 Exercise Program**

- To test the elements of the mass-migration plan, a series of exercises was conducted in 2006 and 2007, culminating in a full-scale exercise completed in March 2007.
  - Hundreds of response personnel from nearly 40 federal, state, county, and local agencies participated in the full-scale exercise.
- According to USCG officials, the exercise effectively served to familiarize the various agencies with their potential roles and clarified communication protocols.
- An updated plan, incorporating a number of revisions, is currently being reviewed and is scheduled for final approval by the DHS Secretary.

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### Objective 3



## **U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Department of Defense– Enduring Friendship Program**

### **Background:**

- An initiative to achieve regional security cooperation and build maritime security capabilities for partnering with other nations to combat illicit trafficking and other activities.
- Contingent upon funding, assistance to partner nations will be targeted based upon illicit trafficking volume and level of political support.

### **Program Results:**

- As of January 2007, capability assessments for all nations were completed according to DOD officials.
- Panama and the Dominican Republic are conducting training and are scheduled to receive communication equipment and interceptor boats, according to DOD officials.
- Intelligence seminars and training activities have also been conducted in Jamaica, Trinidad and Tobago, and Guyana.
- To fully fund the security requirements identified, DOD officials estimated a total program cost of approximately \$155 million until completed.

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### Objective 3



## **U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Department of State**

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The U.S. Department of State works with Organization of American States (OAS) to coordinate and fund projects to improve maritime security in the Caribbean Basin:

- Within OAS, the Inter-American Committee Against Terrorism spent \$320,000 from INL (State Department) during fiscal year 2006. According to officials, this money, along with funding from other countries, is used to:
    - conduct crisis management tabletop exercises at port facilities,
    - conduct port security assessments,
    - provide training and follow-up evaluations, and
    - make recommendations to host countries concerning the implementation of security measures.
- 

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### Objective 3



## **U.S. ACTIVITIES TO ENHANCE PORT SECURITY: U.S. Agency for International Development**

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USAID administers assistance programs in the following Caribbean Basin countries: Colombia, the Dominican Republic, El Salvador, Guyana, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, and Panama. USAID also provides assistance to other small island nations.

- According to USAID officials, USAID provides assistance to strengthen competitiveness and expand investment, promote democracy and effective political institutions, and integrate disaster risk reduction into national policies and budgets. In addition to these efforts, USAID has a number of health, education, and environmental related assistance programs.

To enhance port security in Haiti, USAID has contributed a total of \$2.35 million across fiscal years 2004-2006 toward the Maritime Security Alliance for Haitian Ports (MSAH). Caribbean Central American Action, the coordinating entity for MSAH, created a public-private sector coalition, to help ensure that Haiti become fully compliant with all of the ISPS Code requirements.

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### Objective 3

## U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Customs and Border Protection

### Training to Country Officials

According to CBP officials, CBP has provided training assistance to countries such as Grenada, Jamaica, the Dominican Republic, and St. Lucia in areas such as seaport border enforcement, border control best practices, and examination of fraudulent documents.

### Security of Container Cargo

Through its Container Security Initiative (CSI), CBP places staff at foreign seaports to screen containers for weapons of mass destruction.

- Nonintrusive inspection and radiation detection technology are used to screen high-risk containers before they are shipped to U.S. ports.
- CSI is operational in seaports located in Honduras, Jamaica, the Dominican Republic, and the Bahamas.

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### Objective 3

## U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Department of Energy

### Megaports Initiative -- National Nuclear Security Administration

- A DOE program to install radiation detection equipment for containers at foreign seaports.
- The equipment is used by foreign personnel at seaports to screen containers for nuclear and radiological material.
- Operational in the Bahamas with agreements reached to eventually include ports in Colombia, the Dominican Republic, Honduras, Jamaica, and Panama.



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## Objective 3



### U.S. ACTIVITIES TO ENHANCE PORT SECURITY: Cooperative Interagency Efforts

In addition to their individual activities and programs described previously, U.S. agencies report that they are also working together through interagency efforts in the region:

#### Joint Interagency Task Force South (JIATF-South)

- A joint interagency command of SOUTHCOM that includes the Army, Air Force, Navy, Marine Corps, Coast Guard, as well as agencies such as CBP, ICE, the Drug Enforcement Agency, FBI, and CIA. Colombia, El Salvador, and Mexico are among 12 partner nations that have liaison officers at JIATF-South.
- Serves as coordinator for fusing intelligence and efforts to counter illicit trafficking and narcoterrorist operations in the Caribbean and South America.

#### Caribbean Border Interagency Group (CBIG)

- CBIG serves to coordinate the operations of the Coast Guard, CBP, ICE, and the U.S. Attorney's Office targeting illegal migration and narcotrafficking near Puerto Rico and the U.S. Virgin Islands.
- Intended to increase the maritime domain awareness and sharing of intelligence between agencies

#### Secure Freight Initiative

- Announced in December 2006, this initiative between DHS and DOE scans containers from foreign ports for radiation and risk factors before they are allowed to depart for the United States.
- Honduras is one of six countries to be included in the first phase.

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## Objective 4



### POTENTIAL ECONOMIC IMPACTS OF PORT SECURITY: Economic Importance and Flows of the Caribbean Basin

The Caribbean Basin is a region of economic significance to the United States. According to industry and trade statistics:

- Hundreds of billions of dollars worth of merchandise trade was conducted between the United States and Caribbean Basin countries in 2006.
- Approximately 6.8 million out of nearly 10 million North American cruise passengers cruised within the Caribbean Basin in 2006.

Given these economic links, a successful terrorist attack on or in the port infrastructure of the Caribbean Basin could have a substantial economic impact, especially on the Caribbean Basin countries.

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## Objective 4



### **POTENTIAL ECONOMIC IMPACTS OF PORT SECURITY: Factors Influencing the Potential Economic Impact of an Attack**

Our review of various analyses performed by a government agency and nongovernmental researchers of terrorist scenarios in the maritime environment has identified some of the possible factors that could affect the outcomes, and potential economic impacts, of an attack:

- type of weapon used and its destructive capability -- i.e., explosives or Weapons of Mass Destruction (WMDs),
- maritime facility or asset targeted (i.e., cruise ship, critical infrastructure, container terminals, powerplants, or refineries),
- objectives of an attack (i.e., human casualties, economic losses, environmental damage),
- type of attack or tactics used by the terrorists (i.e., explosives in suicide boats, ramming with vessels, exploding fuel tankers, WMDs in cargo ships), and
- ability to recover from the disruptions resulting from the attack (i.e., repair damage or reroute economic activity)

However, because terrorist attacks are highly unpredictable, the potential economic impacts of a terrorist attack are highly variable as well.

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## Objective 4



### **POTENTIAL ECONOMIC IMPACTS OF PORT SECURITY: Costs and Benefits of Port Security Measures**

As part of an effective risk management approach, decision-makers such as port security stakeholders and government agencies must consider the costs and benefits of the security measures considered to determine the benefits derived from them relative to the costs associated with implementing them.

- The ongoing costs of security are the direct and indirect costs incurred to reduce the chance of a terrorist attack:
  - Direct costs are the expenditures on the necessary equipment and manpower needed to provide the additional protection. For example, costs incurred to install fences or hire and train security guards.
  - Indirect costs are those that may result in an increase in transaction costs that security measures often impose on third parties. In the case of port security, the secondary costs would include increased transit times and other compliance costs associated with security standards. The maritime industry may pass along some of these higher security costs to its customers.
  - The costs of security are incurred by many port stakeholders. For example, port facility and vessel operators who implement the measures, government agencies that oversee compliance with security requirements or implement security programs, and transportation stakeholders such as truckers who might face delays due to the added security measures.
- The benefits of security are the net outcomes from implementing the security measures. For example, implementation of security measures could lower costs to society at large if the measures foil a terrorist attack and thereby prevent a costly disruption as well as saving lives. Other benefits may include lower insurance premiums resulting from a reduced level of theft.

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## Objective 4



### **POTENTIAL ECONOMIC IMPACTS OF PORT SECURITY: Vessels Visiting Ports without Effective Antiterrorism Measures**

As an example of the actions the Coast Guard can take to reduce security risks, the Maritime Transportation Security Act of 2002 (MTSA) authorizes specified types of action to be taken against vessels seeking entry into the United States arriving from foreign ports that do not maintain effective antiterrorism measures:

- According to the Coast Guard, so far they have identified only one port facility in the Caribbean Basin has been identified as not maintaining effective antiterrorism measures.
- The facility was posted in June 2006 on the Coast Guard's High Interest Vessel (HIV) list that is used for targeting which vessels are boarded prior to gaining entry to a U.S. port.
- As a result of this targeting, two vessels that visited this facility were subjected to an offshore Coast Guard law enforcement boarding.

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## Objective 4



### **POTENTIAL ECONOMIC IMPACTS OF PORT SECURITY: Costs of Vessels Visiting Ports without Effective Antiterrorism Measures**

There is a lack of information on the potential economic impact of these actions the Coast Guard has taken:

- We met with stakeholders such as the Caribbean Shipping Association, facility operators, and government officials in the Caribbean to discuss the potential economic impact of these boardings.
  - These stakeholders stated that Coast Guard vessel boardings for security did not pose a significant problem or source of delay for their businesses.
  - Consequently, information has not been tracked on the costs resulting from such boardings.
  - The Coast Guard has also not estimated the potential economic impact of taking these actions.

It would appear that given the infrequency of actions and anecdotal evidence, the economic impact of Coast Guard actions in response to security problems at Caribbean Basin Ports has been small to date.

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## Enclosure II: Objectives, Scope, and Methodology

The objectives of this review were to identify and describe (1) the threats and security concerns in the Caribbean Basin related to port security, (2) the actions that foreign governments and local stakeholders have taken in the Caribbean Basin to implement international port security code requirements and the challenges that remain, (3) the activities under way by U.S. government agencies to enhance port security in the Caribbean Basin, and (4) the potential economic impacts of port security and terrorist attacks in the Caribbean Basin.

To determine the threats and security concerns in the Caribbean Basin related to port security, we interviewed officials from federal agencies, international organizations and associations, and various stakeholders (such as facility operators and government officials of Caribbean countries) involved in port security in the region. The federal agencies we met with included the Coast Guard, Immigration and Customs Enforcement (ICE), the Department of Defense's Southern Command (SOUTHCOM), the Department of State (State), and the U.S. Agency for International Development (USAID). We also received agency briefings on regional maritime security issues and reviewed Coast Guard reports on the implementation of the International Ship and Port Facility Security (ISPS) Code<sup>5</sup> by various Caribbean nations. Finally, we met with officials from international organizations and associations that are active in the region—such as the Organization of American States (OAS), the Caribbean Shipping Association (CSA), and Caribbean-Central American Action (C-CAA)—to obtain information and viewpoints on the state of port security in the region and the actions taken to implement international requirements for maritime security.

To determine the actions taken by Caribbean Basin countries to implement international port security requirements and the challenges they face, we used the relevant data and information provided by the agencies and organizations detailed above. We supplemented this information by conducting site visits to facilities in five Caribbean Basin countries. The selection of the countries and facilities for these visits was designed to provide diversity with respect to location, type of facility, cargo handled, and proficiency of implementation of the ISPS Code based on Coast Guard observations. The specific facilities visited included a cross section of port facility types, including bulk cargo, container, petroleum and natural gas, and cruise ship-ferry terminals. While in these countries we met with facility, private sector, and governmental officials to discuss and observe the security measures implemented. During these visits, we also discussed the challenges faced in attempting to further enhance maritime security in their countries and the assistance that they felt was needed to do so. In addition to these visits, we accompanied the Coast Guard on its official country visit to one of the countries in the Caribbean Basin to observe the maritime security measures implemented at that country's port facilities.

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<sup>5</sup>Developed after the attacks of September 11, 2001, the ISPS Code is the international standard for security in port and maritime environments. The ISPS Code amended the 1974 Safety of Life at Sea (SOLAS) Convention and established measures to enhance the security of ships and port facilities and provided a standardized, consistent security framework.

To determine the activities under way by U.S. government agencies to enhance port security in the Caribbean Basin, we met with officials and reviewed documents from the Coast Guard, CBP, the Department of Energy (DOE), SOUTHCOM, State, and USAID. During interviews with some of these officials, we also discussed and obtained updated information on the programs and plans in place to respond to issues such as mass illegal migration.

To determine the potential economic impacts of port security and terrorist attacks in the Caribbean Basin, during our visits to countries in the Caribbean we met with officials and reviewed documents from the Coast Guard, State, and USAID, the C-CAA, CSA, and OAS, and government officials and facility operators. We also reviewed analyses by a government agency and other nongovernmental researchers.

Because the mandate gave us a limited time frame within which to complete our work, this report is descriptive in nature and does not provide a detailed analysis of the actions taken or efforts made regarding port security in the Caribbean Basin. For example, while these briefing slides describe the activities of U.S. agencies in the Caribbean Basin, we did not perform a detailed assessment the effectiveness of these efforts or the extent to which interagency coordination was being accomplished. Additionally, we were able to visit the port facilities in only a few countries. Thus, the results of these visits may not necessarily represent the condition of the ports within the entire Caribbean Basin. Finally, with a few exceptions, we have not had the opportunity to observe the implementation of the ISPS Code at ports in other parts of the world and are therefore unable to compare how it is being implemented in the Caribbean Basin to how it is being implemented in other regions of the world.

We conducted our work from October 2006 to June 2007 in accordance with generally accepted government auditing standards.



## Enclosure III: Comments from the Department of Homeland Security

U.S. Department of Homeland Security  
Washington, DC 20528

US GAO

2007 JUN 12 PM 1:16



Homeland  
Security

June 11, 2007

Mr. Stephen L. Caldwell  
Director  
Homeland Security and Justice Issues  
U.S. Government Accountability Office  
441 G Street, NW  
Washington, DC 20548

Dear Mr. Caldwell:

Thank you for the opportunity to review and comment on the Government Accountability Office's (GAO's) draft report GAO-07-804R entitled *Information on Port Security in the Caribbean Basin*. Technical comments have been provided under separate cover.

GAO found that intelligence sources report that no specific, credible terrorist threats to maritime security exist in the Caribbean Basin. However, the officials GAO spoke to identified several concerns in the region related to port security, such as corruption, the rise of radical Islamic groups, drug trafficking, and illegal migration, among others.

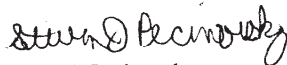
GAO states in its report that because the mandate gave GAO a limited time frame within which to complete its work, this report is descriptive in nature and does not provide a detailed analysis of the actions taken or efforts made regarding port security in the Caribbean Basin. However, we recommend that GAO consider including in its report some additional information regarding Customs and Border Protection (CBP) programs that describe CBP's traditional and current role in this area.

The Department recommends that GAO explain in greater detail and update information for some of CBP's programs that will have a dramatic impact on port security in the Caribbean Basin, including the Container Security Initiative, the Secure Freight Initiative, the Regional Carrier Liaison Group, and the Business Anti Smuggling Coalition. We also recommend that the report discuss the Caribbean Corridor Initiative, a multi-agency initiative established to target drug trafficking in the Eastern and Central Caribbean areas. If the intent of the report is to capture activities sponsored by the U.S. Government that have contributed, directly or indirectly, to enhance port security and have a secure and safe supply chain, we recommend that these programs be included in the report.

[www.dhs.gov](http://www.dhs.gov)

Thank you again for the opportunity to comment on this draft report and we look forward to working with you on future homeland security issues.

Sincerely,



Steven J. Pecinovsky  
Director  
Departmental GAO/OIG Liaison Office

**Enclosure IV: Comments from the U.S. Agency for International Development**



**USAID**  
FROM THE AMERICAN PEOPLE

JUN 13 2007

*Office of the Counselor to the Agency*

Mr. Stephen L. Caldwell  
Director  
Homeland Security and Justice  
U.S. Government Accountability Office  
441 G Street, N.W.  
Washington, D.C. 20548

Dear Mr. Caldwell:

I hereby provide the U.S. Agency for International Development's (USAID) formal response on the draft GAO report entitled Information on Port Security in the Caribbean [GAO-07-804R]. I am pleased to note the high level of inter-agency cooperation as evidenced in the report and its accurate description of USAID's presence and activities to enhance port security in the Caribbean Basin.

Thank you for the opportunity to respond to the GAO draft report and for the courtesies extended by your staff in the conduct of this review.

Sincerely,

A handwritten signature in black ink, appearing to read "Mosina H. Jordan".

Mosina H. Jordan

**Related GAO Products:**

*Maritime Security: Observations on Selected Aspects of the SAFE Port Act.* [GAO-07-754T](#). Washington, D.C.: April 26, 2007.

*Transportation Security: TSA Has Made Progress in Implementing the Transportation Worker Identification Credentialing Program, but Challenges Remain.* [GAO-07-681T](#). Washington, D.C.: April 12, 2007.

*Customs Revenue: Customs and Border Protection Needs to Improve Workforce Planning and Accountability.* [GAO-07-529](#). Washington, D.C.: April 12, 2007.

*Port Risk Management: Additional Federal Guidance Would Aid Ports in Disaster Planning and Recovery.* [GAO-07-412](#). Washington, D.C.: March 28, 2007.

*Transportation Security: DHS Should Address Key Challenges before Implementing the Transportation Worker Identification Credential Program.* [GAO-06-982](#). Washington, D.C.: September 29, 2006.

*Maritime Security: Information-Sharing Efforts Are Improving.* [GAO-06-933T](#). Washington, D.C.: July 10, 2006.

*Cargo Container Inspections: Preliminary Observations on the Status of Efforts to Improve the Automated Targeting System.* [GAO-06-591T](#). Washington, D.C.: March 30, 2006.

*Combating Nuclear Smuggling: Efforts to Deploy Radiation Detection Equipment in the United States and in Other Countries.* [GAO-05-840T](#). Washington, D.C.: June 21, 2005.

*Container Security: A Flexible Staffing Model and Minimum Equipment Requirements Would Improve Overseas Targeting and Inspection Efforts.* [GAO-05-557](#). Washington, D.C.: April 26, 2005.

*Homeland Security: Key Cargo Security Programs Can Be Improved.* [GAO-05-466T](#). Washington, D.C.: May 26, 2005.

*Maritime Security: Enhancements Made, but Implementation and Sustainability Remain Key Challenges.* [GAO-05-448T](#). Washington, D.C.: May 17, 2005.

*Cargo Security: Partnership Program Grants Importers Reduced Scrutiny with Limited Assurance of Improved Security.* [GAO-05-404](#). Washington, D.C.: March 11, 2005.

*Maritime Security: New Structures Have Improved Information Sharing, but Security Clearance Processing Requires Further Attention.* [GAO-05-394](#). Washington, D.C.: April 15, 2005.

*Preventing Nuclear Smuggling: DOE Has Made Limited Progress in Installing Radiation Detection Equipment at Highest Priority Foreign Seaports.* [GAO-05-375](#). Washington, D.C.: March 30, 2005.

*Protection of Chemical and Water Infrastructure: Federal Requirements, Actions of Selected Facilities, and Remaining Challenges.* [GAO-05-327](#). Washington, D.C.: March 2005

*Homeland Security: Process for Reporting Lessons Learned from Seaport Exercises Needs Further Attention.* [GAO-05-170](#). Washington, D.C.: January 14, 2005.

*Port Security: Better Planning Needed to Develop and Operate Maritime Worker Identification Program.* [GAO-05-106](#). Washington, D.C.: December 2004.

*Maritime Security: Substantial Work Remains to Translate New Planning Requirements into Effective Port Security.* [GAO-04-838](#). Washington, D.C.: June 2004.

*Container Security: Expansion of Key Customs Programs Will Require Greater Attention to Critical Success Factors.* [GAO-03-770](#). Washington, D.C.: July 25, 2003.

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U.S. Government Accountability Office, 441 G Street NW, Room 7125  
Washington, D.C. 20548

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U.S. Government Accountability Office, 441 G Street NW, Room 7149  
Washington, D.C. 20548