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U.S. COAST GUARD LICENSING AND DOCUMENTATION OF MERCHANT MARINES

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HEARING

BEFORE THE

SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

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CONTENTS

TESTIMONY

	Page
Autin, Shull, Chief Operating Officer, SEACOR Marine, LLC	10
Bone, Rear Admiral Craig E., Assistant Commandant for Prevention, U.S. Coast Guard	3
Davis, Ronald, President Marine Engineers' Beneficial Association and Executive Board Member, Maritime Trades Department	10
Gedney, Captain Elizabeth, Director of Safety Security and Risk Management, Passenger Vessel Association	10
Sause, Dale, President, Sause Brothers, Coos Bay, Oregon, and Chairman of the Board, the American Waterways Operators	10

PREPARED STATEMENT SUBMITTED BY A MEMBER OF CONGRESS

Filner, Hon. Bob. of California	42

PREPARED STATEMENTS SUBMITTED BY WITNESSES

Autin, Shull	26
Bone, Rear Admiral Craig E.	31
Davis, Ronald	36
Gedney, Captain Elizabeth	44
Sause, Dale	54

U.S. COAST GUARD LICENSING AND DOCUMENTATION OF MERCHANT MARINERS

Thursday, July 20, 2006

HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION, WASHINGTON, D.C.

The committee met, pursuant to call, at 10:10 a.m., in room 2167, Rayburn House Office Building, Honorable Frank LoBiondo [Chairman of the committee] presiding.

Mr. LOBIONDO. Good morning. The Subcommittee will come to order.

Today we are having an oversight hearing on the United States Coast Guard's Merchant Mariner Credentialing Program. This program helps ensure mariners have the experience, training, physical ability and character to serve on vessels. Since September 11th, the program has another important role: helping our Nation to know who is working on our waterways.

The Coast Guard has had the responsibility for credentialing of merchant mariners for decades. However, the Service has recently been given substantially more duties to carry out the program. For example, the Oil Pollution Act of 1990 introduced a drug testing program for applicants, as well as a requirement that applicants submit a check of the National Driver Register, so that a mariner's driving record could be examined.

After September 11th, additional safety and screening procedures were put into place. There is now strict enforcement of the regulations concerning verifying the identity and nationality of applicants. Also, the merchant mariner document was replaced with a new card incorporating tamper-resistant and anti-counterfeiting features. It is apparent the evaluation process for mariner credential applications has become significantly more elaborate and time consuming for all involved, especially the Coast Guard. The Service has experienced a 25 percent increase over the past 10 years in the number of applications received annually.

In fiscal year 2004, over 84,000 credentials were processed by the regional examination centers, which also had to collect and account for $7 million in user fees. Despite this increased workload, staffing levels have changed little since 1982, except for the addition of some contract employees in recent years. The lack of an increase in personnel commensurate with the increase in workload is very troubling. Mariners and industry rely on the Coast Guard to process mariners' applications quickly, because a mariner is not permitted to work without a valid credential. Any backlog could have

a serious, in fact almost devastating effect, on the hard-working men and women, as well as our economy.

Although the program does not have as high a profile with the public as the Service's search and rescue or port security missions, it is nevertheless just as important and very critical.

I would like to thank the witnesses for coming this morning, and I look forward to your testimony. I am particularly interested in learning about the current status of the program, how the implementation of the TWIC card will affect the process and whether it will aggravate current backlogs. I also want to hear about the possible solutions to the problems.

Admiral Bone, it is great to see you once again. I am sure your experiences as Captain of the Port in New York and New Jersey have served you extremely well. Congratulations and best of luck on your new job.

I would note that given the extensive concerns of the witnesses on the second panel and their intent to express their concerns today, you clearly have your work cut out for you at this time. I would urge either you or a senior member of your staff to stay and to listen first-hand to what the second panel has to say. The Subcommittee will attempt to track this very carefully. Their concerns are longstanding and have a serious impact on the U.S. maritime industry.

Mr. Taylor, would you like to say anything in opening up?

Mr. TAYLOR. No, thank you, Mr. Chairman.

Mr. LOBIONDO. Mr. Boustany?

Mr. BOUSTANY. Thank you, Mr. Chairman, for holding this very important hearing. Admiral Bone, welcome. It is good to see you again. I want to thank you, Admiral Allen and the Coast Guard for the fine work that you continue to do.

I am pleased also that in the second panel we are going to have Mr. Shull Autin, who is COO with SEACOR Marine, to testify before the Subcommittee today. SEACOR operates one of the world's largest fleets of diversified marine support vessels and provides vital services to the offshore oil and gas industry in the Gulf of Mexico. SEACOR has facilities located in my district, and I am proud to have Mr. Autin testify on behalf of the Offshore Marine Service Association this morning.

Ensuring that the Coast Guard's mariner licensing and documentation program works efficiently is vital to maritime commerce in the Gulf of Mexico. Backlogs and delays in the processing of merchant mariner credentials not only impact those mariners who make their living in the Gulf of Mexico, but also the Nation as a whole that relies on the Gulf's offshore energy resources. One-third of our Nation's energy comes through Louisiana and our oil and gas industry is dependent on these supply vessels. They are the lifeline to our offshore energy supply.

Hurricanes Katrina and Rita dealt a major blow to our oil and gas infrastructure in the Gulf of Mexico. The Coast Guard's New Orleans Regional Examination Center was all but destroyed, forcing lengthy delays in the processing and renewal of hundreds of mariner credentials, adding stress to a system that was already facing major backlogs before these storms.

I can tell you, I dealt personally with a number of companies in Louisiana that were forced to operate in a state of flux for months, wondering if their mariners' licenses would expire. Mr. Chairman, I want to thank you for acknowledging this problem and including language in the 2006 Coast Guard authorization bill to accommodate the licensure of Gulf Coast mariners through the end of this year. I am eager to hear from Admiral Bone today regarding the Coast Guard's plan to take advantage of this provision and the impact it will have to help alleviate stress on the MLD program.

I am told, however, that the New Orleans REC has received nearly double the number of applications this June as compared to last June. Yet they only have about half the staff necessary to process them. It is no secret that the U.S. Coast Guard was the shining star in an otherwise dismal sky in the immediate days after both these hurricanes.

I have full faith and confidence in Admiral Thad Allen and Admiral Bone and the rest of the Coast Guard and the leadership that you all provide as we wait to see what the 2006 hurricane season will deliver. I am eager to work with the Coast Guard to address the delay in processing the merchant mariner credentials, so that we can make sure that maritime commerce continues to thrive in the Gulf of Mexico.

Mr. Chairman, thank you, and I yield back.

Mr. LOBIONDO. Thank you, Mr. Boustany.

Master Chief Coble.

Mr. COBLE. Thank you for the promotion, Mr. Chairman, but no opening statement.

[Laughter.]

Mr. COBLE. It is good to have you all with us today.

Mr. LOBIONDO. Mr. Fortuno.

Mr. FORTUNO. Thank you, Mr. Chairman. Thank you for today's hearing. Welcome, Admiral Bone.

As you know, for the insular areas, including Puerto Rico, the constant presence of the Coast Guard is of the utmost importance for our livelihood. So in that sense, I do have a keen interest in today's hearing and I welcome you again.

Thank you, Mr. Chairman. I yield back.

Mr. LOBIONDO. Thank you, Mr. Fortuno.

Admiral Bone, welcome. We are glad you could join us today. Please proceed.

TESTIMONY OF REAR ADMIRAL CRAIG E. BONE, ASSISTANT COMMANDANT FOR PREVENTION, UNITED STATES COAST GUARD

Admiral BONE. Good afternoon, Chairman LoBiondo, Ranking Member Filner and distinguished members of the Committee. I am Rear Admiral Craig Bone, Assistant Commandant for Prevention. It is a pleasure to appear before you today to discuss the mariners' credentials and Coast Guard plans for improving the mariner licensing and documentation program.

Over the past 15 years, the demand for services and the complexity of the mariner licensing and documentation program has grown and our mariners have not been provided the timely, efficient service they deserve when applying for mariner credentials. Based on

several studies and discussions with various stakeholders, including the Merchant Marine Personnel Advisory Committee, maritime labor unions, Towing Safety Advisory Committee, National Offshore Safety Advisory Committee, committees which witnesses at today's hearing belong to, and with whom the Coast Guard has collaborated with on many safety, security and credentialing issue, it was determined that the public would be better served if processing all of the application for merchant mariner credentials were centralized.

Accordingly, the Commandant approved a plan in March 2005 to centralize most functions related to the issuance of credentials. The existing 17 regional exam centers will be reduced in size and limited in their responsibilities. The RECs will focus on providing direct customer services, such as testing, fingerprinting, identity verification, acceptance of application packages and verifying all the paperwork is in order, and then conducting oversight of approved training courses.

The new centralized facility will be located in Martinsburg, West Virginia, and the first steps toward centralization, a 24 month process culminating in the summer of 2008, have already begun. A temporary space with 42 Government and contractor personnel will begin operations next month. This detachment of the Coast Guard National Maritime Center will initially focus on processing all applications received in New Orleans. A second temporary space located in the Martinsburg area will begin operations in November and will be devoted toward expanding the centralized processing of applications. These actions alone should provide for a smoother transition with the least disruption and inconvenience to the public.

The centralization effort has been fully funded and the Coast Guard is working with TSA to procure a permanent facility. Construction of the permanent facility is expected to be completed in August of 2007. REC New Orleans will be the first to relocate. As an interim step in the relocation, all existing applications held in backlog at REC New Orleans have been distributed to other RECs for processing.

We have also directed the RECs to give the highest priority to processing applications from applicants who are currently employed in the industry and are renewing their credentials. Applications for upgrades of mariner qualifications or for entry level qualifications are given similar high priorities to ensure continued supply of credentialed mariners is available to the maritime industry.

In an attempt to improve services, we will add additional contract personnel to augment the staffs of some RECs. To further assist RECs we are seeking to expand our capabilities through the use of Coast Guard auxiliarists and reservists. Specifically, they will be providing fingerprinting services, ensure identification of applicants and administer oaths in remote locations, thus reducing the need for some applicants to travel extensive distances to RECs.

Along with the centralization of REC functions, we are also planning for the implementation of the Transportation Worker Identification Card, or TWIC. TWIC is a common biometric credential for maritime workers, including all merchant mariners requiring unescorted access to secure areas of port facilities and vessels.

TWIC includes intelligence-based vetting upon enrollment, with perpetual vetting conducted to dynamically identify threats after card issuance.

The Coast Guard is working with the Transportation Safety Administration, TSA, to develop a unified process for issuing credentials to reduce the burden on the public.

In closing, the Coast Guard is actively taking steps to improve the merchant marine licensing and documentation program. I can tell you that I am personally committed to this and have the full support of the Commandant on this effort.

Centralization of the application processing provides the ability to focus our efforts and gain economies of scale. Centralization will offer uniformity in interpretation of the regulation and help reduce backlogs and make certain that credentials are only issued to qualified persons. The implementation of TWIC will further strengthen our security efforts and help ensure the integrity of maritime credentials.

I thank you for the opportunity to testify today. As requested, Captain Fink, the CEO of the National Maritime Center, will be staying to hear the second panel. I will be happy to answer any questions that the members have. Thank you, sir.

Mr. LOBIONDO. Mr. Coble, do you have questions?

Mr. COBLE. I have to go to another meeting.

Mr. LOBIONDO. You have to go to another meeting.

Mr. Boustany?

Mr. BOUSTANY. Thank you, Mr. Chairman.

Admiral Bone, as I mentioned in my opening statement, our 2006 Coast Guard authorization bill provided the authority to extend licenses that were up for renewal for our mariners in the Gulf Coast who were impacted by the hurricanes. As a conferee, I pushed for this provision. It was our intent to help to make sure that no mariner loses his or her job while the application is being processed. I know it has been a tough situation. The Coast Guard has really performed admirably throughout this hurricane effort.

Is the Coast Guard utilizing this new authority, and if not, when do you expect to do so, or do you expect to do so?

Admiral BONE. First, Congressman, we appreciate the flexibility that Congress did provide, and we are going to exercise that. We are drafting the guidance out to the field and the direction to the mariners and to the organizations. Just as you put it, the surety of, while there is a backlog and while there is this transition, allowing to make sure that our mariners can be and remain employed is of highest priority as well. This will be coming out shortly. We will notify you both the notifications as well as put it on Home Port, and the procedures that mariners will use to be able to identify themselves as being eligible for this.

Mr. BOUSTANY. Thank you, Admiral. It has been 10 months since the hurricanes, and I still have mariners back in my State who are telling me that the system is plagued with delays and I know you are working hard to address this. We will continue to work with you and hopefully we can get some resolution to this.

I know Coast Guard is moving forward, as you said, with the plan to centralize. Mariners in Louisiana have expressed the concern to me that the Coast Guard is going to get wrapped up in the

details of the move and they are going to end up having customer service sacrificed in the process. Can you talk a little bit more about what assurances you can give to the mariners so that they will continue to receive that kind of quality service that they have come to know from the Coast Guard?

Admiral BONE. Yes. What I would like to say, too, is that the quality of service will restore itself in the Coast Guard when it comes to merchant mariner documents. First off, we are reopening the storefront in New Orleans on the 9th of August. The personnel will be back in there and providing those services as I discussed before, really focused on the application process, the fingerprinting, the training centers, et cetera.

At the same time, by the middle of August, the National Maritime Center will be moving 42 people, of which 20 or 30 are additional contract staff, to assist in the processing of applications and the evaluation of those applications. The backlog has already been distributed to other RECs and they will also assist in any other backlog that RECs would have as time would permit. The focus initially, to take care of New Orleans which has the most severe backlog, and as you said, has experienced the most disruptive costs and is also experiencing significant growth in the maritime environment at the same time.

Mr. BOUSTANY. Thank you.

In industries where customer service is important, some companies have created advisory boards that provide inputs regarding levels of service and quality. Have you considered working with industry representatives in this sort of fashion?

Admiral BONE. In fact, we work all the time with MERPAC, and actually the Advisory Committee for merchant personnel. And again, what the union says well, it is with the industry, different sector components. I can tell you that industry is not short of mentioning the issues and concerns, and quite often it is not what we are asking to be done, it is how we execute it. We absolutely need that continued dialogue, and we need to continue to hear and be responsive to the industry's issues.

Mr. BOUSTANY. Thank you. Maritime industry has indicated that they do not feel that they have adequate time to provide input on the TWIC proposal. I have heard from a number of Louisiana companies and their employees, I joined my colleagues from the Louisiana delegation and sent a letter to Secretary Chertoff and the Commandant seeking an extension of the comment period and to request a hearing in New Orleans so that more of the industry could voice their concerns.

Our request on this was denied. Does this open the Coast Guard up to criticism that you are not willing to listen to industry concerns?

Admiral BONE. Well, first off, the TWIC, we have received over 1,800, maybe even 1,900 comments on the record. We are still evaluating all those comments. I don't think the Administration has taken a position yet with regard to the next course of action.

We want to make sure there is full consideration of those comments that are already received before a determination of next steps have been put in place. So I am not aware that TSA has made a statement in any way of where they are going with that

regulation process. We continue to work with them, and we are examining all of these comments that we have received to date. So I wouldn't say that a determination has been made what the next step would be.

Mr. BOUSTANY. I see my time has expired. Admiral, thank you very much for your answers. I look forward to continuing the work with you as we try to resolve some of these issues.

Admiral BONE. Thank you, Congressman.

Mr. LOBIONDO. Thank you. Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman. Admiral, I also want to really compliment the Coast Guard; what they did in the immediate aftermath of Katrina and the quick response and the leaning forward decisions that were made by a lot of people to get assets in the area where it needed to be, from places where it is less likely to be needed in those days.

But to that point, I think it is fair to say the failure to reestablish your Eighth Coast District documentation office, to take this long, that is not where you want to be. And I have had some charter boat captains in the Mississippi Gulf Coast, and I would imagine the folks down in the bayou country are probably experiencing some serious problems. And again, let's try to put ourselves in those shoes. Those guys are offshore for two weeks, they are home, they want to see their family. The last thing they want to do is squander what little time they have on shore at an office that isn't set up. So I cannot encourage you enough to follow up on the great work you did in the immediate aftermath of Katrina on the documentation side. It is important.

There are opportunities, unfortunately because of the BRAC Commission, I don't want to hear anybody say we need money for military construction. Because there are a lot of very nice buildings, some of which are brand new, available for you all to move into. I would be certainly willing to work with you on that. We have to get those offices up and running. If we are going to require those people to have those documents, then we need to be in a position to make the filling out of the forms and the taking the tests, it has to be easily accessible to the public.

It does lead to an interesting question. My other committee is the Armed Services Committee, and I really, through my many years of association with some very smart people in the Defense Department, I am convinced that it is just a matter of time until there is an attack on the homeland, of some sort, a weapon of mass destruction, chemical, biological, maybe electromagnetic pulse. All of which could jeopardize, and I think what we saw in Katrina, an attack on the homeland is going to look a lot like Katrina. We are going to lose communications, electricity is going to be out.

Which goes to my question, what sort of backup do you have for your data? I am told that your records in New Orleans East were destroyed. Well, there should have been a backup somewhere, and it should have been readily accessible in a much shorter period than 310 days that we have seen. Again, I am going to give you full credit. Your guys did the right thing in the aftermath of Katrina, when you had yeoman who normally are bookkeepers are rescuing people. You did the right thing then.

But we have to get back to work now. So what kind of backup did you have available for those records that were in New Orleans East? And if you didn't have a backup, what kinds of plans are in place so that we don't get stung by this again? And again, I am probably oversensitive to the whole idea of an electromagnetic pulse and how it is going to fry everything electronic. And I am even aware, and it was in the Discovery Channel last night, there are folks out there who have the limited ability to do an EMP in this room. And so I am not talking out of shop. I am convinced we are going to see that.

So how are you hardening your records for that inevitable scenario?

Admiral BONE. First off, we do have the commitment to restore those services, just as you asked. We are going to begin that process again in August. We have in fact distributed those personnel in Memphis, Houston and I think that in order to support, but we know that is a long way to go from New Orleans, and even Morgan City.

But in regard to your other question, which really comes to bear on was the backup, the reality for the licenses is the paper licenses were at the RECs. There was no imaging system and no other record, other than a data record. I am talking about a formal record of the documents. We are in fact putting into place an imaging system and we are starting with the New Orleans records in that imaging process as part of this, again, as we move forward and we utilize technology as part of the centralization process.

Mr. TAYLOR. Is that effort funded?

Admiral BONE. Yes. In the funding that Congress has provided us, this will be done. Again, over a period of time. It is not immediate.

Mr. TAYLOR. What is your target date for implementation?

Admiral BONE. Again, by 2008, as we move the RECs through and we move the work out, we will in fact be conducting the imaging on those licenses. The documents themselves, the MMDs themselves already have imaging being done centrally. But the licenses, which are again, a large number of documents, and the paperwork that went with those documents, were not provided that imaging background.

So it is one of those, as you move from systemically, we are looking to do it as time allows and as resources allow. But initially, it makes sense to us to do it as part of that transition of the REC.

Mr. TAYLOR. OK. Mr. Chairman, if you will permit.

Mr. LOBIONDO. Yes.

Mr. TAYLOR. I was fortunate enough to attend the Military Times awards last week. I have to tell you, I had the opportunity to meet Petty Officer Jackson, I believe he is a yeoman second class. Any kid who is going to jump into the Industrial Canal in New Orleans to save a drowning policeman who asks for the opportunity to go to office candidate school, my two cents is, you guys would be crazy not to give that young man that opportunity. So that is my two cents.

Admiral BONE. Thank you, sir.

Mr. LOBIONDO. Admiral Bone, let me pick up a little bit on questions that Mr. Boustany started with on the TWIC card. Once

TWIC is implemented, and we are assuming that is going to happen some time in this century, merchant mariner credentials will not be issued until the mariner has a valid TWIC card. When is it estimated that the requirement will start? Do you have any idea?

Admiral BONE. In fact, it is being done in parallel. As the TWIC card is put into place, when the TWIC card is put into place, there will be a parallel processing with the merchant mariner documents, so that in fact, a person can make application for a merchant mariner's document at the same time they make the application for the TWIC card. One doesn't have to follow the other in the processing.

But the actual issuance of the merchant mariner document, that credential won't be actually issued to an individual until we are assured that that person has cleared the security background. They are interlinked, I guess, in that regard. Until then, we will continue to provide the security background checks on MMDs that we currently do. I think one of the things that may be of interest is, prior to this we used the old fingerprinting system. We now use live scan, which moves it from six to eight weeks to process fingerprints now to basically two days maximum to get the results back. So there is no reason that these, if someone is cleared well, that we shouldn't be able to process in a reasonable period of time.

Mr. LOBIONDO. Are you talking at all about a grace period planned after that date, so that mariners seeking renewal won't suddenly be surprised and unable to work? Or are you going to take that under advisement or assess it as it comes along?

Admiral BONE. I think again, the merchant mariners themselves, all the current merchant mariners that have already had the background check done, they have had the background completed, that more than satisfies the TWIC card. So in that regard, those members themselves are already found to be in compliance with the background check. I guess I am not, the issue is new mariners are going to be fit into a different profile, because they haven't had that extensive background check completed yet. In the fact of a merchant mariner, they also have, as you said, the NDR check as well, being completed, as well as medical.

Mr. LOBIONDO. Any other panel members have any follow-ups for Admiral Bone?

Admiral, we thank you very much. As some of you may have been able to tell, we have a series of votes that have been called. So we are going to go into recess until after the votes, then we will pick up with the second panel. The Committee is in recess.

[Recess.]

Mr. BOUSTANY. [Presiding] The Subcommittee will now resume proceedings. We will call forth the second panel of witnesses. Gentlemen and ladies, if you will please come forward.

Welcome. It is good to see you all. We are pleased to have a very good panel here of four witness. I would like to welcome Mr. Shull Autin, Chief Operating Officer with SEACOR Marine, LLC, testifying on behalf of the Offshore Marine Service Association. Mr. Baird, would you like to proceed?

Mr. BAIRD. Mr. Chairman, I would like to welcome Dale Sause, head of Sause Brothers Marine, who is from Coos Bay, Oregon, and also Captain Gedney, who happens to be the mother of one of my former staff members. So I have two good friends here, and I look

forward very much to their testimony. I have promised them softball questions.

[Laughter.]

Mr. BOUSTANY. We also have Mr. Ron Davis, President of the Marine Engineers' Beneficial Association.

I am sure most of you, or all of you, are aware of the process. We will have a five minute period of time for each of you to give your testimony. You can submit extended statements into the record. I ask you to keep to that five minute period, and then we will go into questioning.

You have a light in front of you which will be green. When you get down to yellow it is one minute, and then when it turns red, your time is up. So I will ask you to try to observe that five minute rule.

With that, Mr. Autin, you may begin.

TESTIMONY OF SHULL AUTIN, CHIEF OPERATING OFFICER, SEACOR MARINE, LLC; DALE SAUSE, PRESIDENT, SAUSE BROTHERS, COOS BAY, OREGON, AND CHAIRMAN OF THE BOARD, THE AMERICAN WATERWAYS OPERATORS; RONALD DAVIS, PRESIDENT MARINE ENGINEERS' BENEFICIAL ASSOCIATION AND EXECUTIVE BOARD MEMBER, MARITIME TRADES DEPARTMENT; CAPTAIN ELIZABETH GEDNEY, DIRECTOR OF SAFETY SECURITY AND RISK MANAGEMENT, PASSENGER VESSEL ASSOCIATION

Mr. AUTIN. Good morning. Thank you first for giving us the opportunity to testify today.

My name is Shull Autin. I am the Chief Operating Officer of SEACOR Marine. I am also representing the Offshore Marine Service Association.

We share the Coast Guard's belief that the human factor is critical to maritime safety and that licensing is one of the most important ways that we ensure that our managers are up to the task. Unfortunately, ever since the hurricanes, problems with the licensing and documentation process on the Gulf Coast have hurt our ability to attract the best into our business.

We have surveyed OMSA members and we have found out that first, it can take up to three to five months for a newly hired crew member to receive an entry level merchant mariner document. Obtaining an upgrade in a license can also take up to five months. A license renewal, which should be a very simple process, may take six weeks to four months to complete. Anything involving a medical waiver may take up to a year from nine months.

This creates some terrible obstacles for American workers and for our companies. How can we hope to attract the best in our industry if we can't actually put them to work for five months after they have been hired? How can we tell our long-term employees they can't work because their licenses have expired while they were waiting for them to be renewed?

We believe that the Coast Guard has worked energetically to overcome the logistical challenges caused by the loss of the New Orleans Regional Exam Center and the destruction of thousands of mariner files. However, given the extreme delays in processing applications, it does not appear that the RECs have received the level

of resources that they need to make the minimal levels of customer service for the American mariners.

The Coast Guard's plan to reorganize the licensing process should help in the long run. But we really need to go into that process with our eyes open. Even the most successful private sector reorganizations frequently produce six months of disruption before the benefit emerges. And I can attest to that.

We have three suggestions. First, Congress gave the Coast Guard the authority to extend mariners' licenses that are up for renewal. We think the Coast Guard should use this power to help keep mariners on the job and to help clear up the backlog in other applications.

Second, we feel that an expansion of a program called the Streamline Evaluation Process, or SEP, should be done nationwide. This has been very successful in a pilot project of the Houston REC. Under SEP, companies take responsibility for making sure that their mariners' applications are error-free and letter perfect before they are ever sent into the Coast Guard. The Coast Guard is then able to expedite these applications and process them with a minimal amount of delay.

Third, we feel that the application itself needs to be simplified. The Coast Guard has reported that between 50 and 80 percent of all applications that come in directly from mariners contain errors or omissions that slow down the process. Clearly, our industry needs to do what it can to cut down on mistakes. But if nearly eight of out ten mariners can't successfully complete the application, maybe the application needs to be simplified.

In closing, let me also say that the proposed plan for the Transportation Worker Identification Cards is of great concern to the entire maritime industry. We suggest that Congress mandates that there will be one application, one background check and one reasonable fee for both the TWIC and the Coast Guard documents.

We also urge the agencies to phase in TWIC so the Coast Guard National Maritime Center reorganization can be successfully completed before mariners are required to obtain a TWIC. This can be done without threatening security, because mariners already undergo a background check that is more thorough than the proposed TWIC process. This would have the added benefit of reducing the total number of American workers that would be in the initial implementation of TWIC.

We consider the Coast Guard to be our close partners in safety, and we share their view on the importance of licensing and documentation. But we feel that the U.S. mariner needs to maintain a high level of professionalism and the ability that has allowed us to operate safely and securely is also important.

I very much appreciate having this opportunity to testify today, and I would be happy to answer any questions that you may have.

Mr. BOUSTANY. Thank you very much, Mr. Autin. We appreciate your testimony.

Mr. Sause, you may proceed. Thank you.

Mr. SAUSE. Good afternoon, Mr. Chairman and members of the Subcommittee. Thank you for the opportunity to appear before you this afternoon in my capacity as Chairman of the Board of the American Waterways Operators.

In my day job, I am President of Sause Brothers, headquartered in Coos Bay, Oregon. We are a family towing company, carrying forest products, building materials and petroleum to and from Alaska and Hawaii and up and down the U.S. west coast. We employ over 500 people, including 300 mariners who crew our vessels. My family has been in the marine transportation business since 1937.

Although I am testifying today on behalf of AWO member companies, I feel that I am here to speak also on behalf of the more than 30,000 mariners who work in our industry. These dedicated individuals are quite simply indispensable, both to our companies and to our Country. The licensing issues that we will discuss today affect not only the ability of AWO companies to operate vessels, but more importantly, the ability of these men and women to do their jobs and to provide for their families.

Mr. Chairman, this hearing is very timely. The towing industry is facing a critical shortage of vessel personnel. We are actively seeking ways to address and solve this personnel shortage, because the stakes are very high. Quite simply, without crews to man our vessels, we are out of business.

It is true the Coast Guard licensing system did not create this personnel shortage. However, it can and does exacerbate a situation that is reaching crisis proportions. The lengthy delays, bureaucratic quagmires and enormous backlogs at the Coast Guard regional examination centers are not just unpleasant statistics to us. They are the difference between working and not working, operating a vessel or tying it up.

When I talk to AWO members around the Country about this issue, I am struck by the emotional intensity of their response. People are frustrated, they are angry, they feel devalued. They wonder, if our work is as important as we say it is, why can't we establish a simple, efficient system for processing the documents that mariners need to do their jobs?

In many parts of the Country, delays have gotten so bad that the Coast Guard routinely advises mariners to submit renewal applications a full year before their licenses expire. The system is broken. A fix is desperately needed and long overdue.

My formal statements detail the difficulties that AWO members are experiencing as their crews engage in the licensing process. As those examples demonstrate, Mr. Chairman, the current licensing system is in dire need of better processes, better technology, better staffing and more uniform application of licensing requirements and medical standards. We believe that there are several actions that can be taken.

First, the Coast Guard has begun to implement a plan to consolidate the processing of licenses in one national center. This overhaul has been a long time coming, and AWO is pleased that the agency is finally moving forward to implement these needed changes.

Second, in May the Coast Guard issued a notice of proposed rulemaking that would consolidate and streamline the process for obtaining the merchant mariner credential. AWO believes that many of the features of the proposed rule will have a positive impact on the licensing system.

Third, the Coast Guard should move quickly to make common sense changes to the licensing regulations for towing vessel officers

as recommended by the Towing Safety Advisor Committee in their October 2005 report, so that the pipeline of future wheelhouse personnel coming into the towing industry is not shut off.

Fourth, we should address license creep. A mariner should be able to submit an application for renewal up to 12 months before his existing license expires and the renewal should become effective at the expiration of the full term of his existing license.

Mr. Chairman, if we can accomplish all four of these things, we will have gone a long ways toward improving the Coast Guard licensing system and reducing the deep frustration to so many in our industry feel today. But we will still be facing a vessel personnel shortage that threatens the viability of a critical segment of our Nation's transportation system.

We would ask Congress and the Coast Guard to recognize this and evaluate all of the proposed legislation and regulation that comes before you through the prism of personnel shortage problems. We would ask that you ask yourselves how would this proposal impact the ability of individuals to work in the maritime industry or maritime employers to crew their vessels. Will this action help the situation or make it worse? At a minimum, our goal should be to do no harm.

I can think of no clearer example of the need for this kind of harm analysis than the TWIC regulations recently proposed by the Coast Guard and TSA. The new proposal is devastating. AWO has characterized it as a blunt instrument that will impose substantial hardship on mariners and the companies that employ them. Its worst impact will be the serious barriers that it erects to bringing new mariners into the industry in a timely way.

We have therefore proposed that the final rule include an interim work provision for new hires, allowing new employees to work aboard a vessel on a probationary basis until the TWIC application is either granted or denied. This would address the need of companies to crew their vessels in a timely manner and the need of mariners to begin earning a living. It would also avoid the serious disruptions to the flow of commerce that could result if companies were forced to lay up vessels because of the delays in obtaining TWICs.

In summary, Mr. Chairman, the current state of mariner licensing, with lengthy delays and burdensome requirements on the mariners themselves, is exacerbating an already difficult personnel shortage situation facing the maritime industry. The Coast Guard is taking some steps to alleviate this. AWO and its member companies stand ready to work with this Committee and the Coast Guard to ensure high standards of safety and security while keeping mariners working, vessels moving and the commerce of the United States flowing.

Thank you very much.

Mr. BOUSTANY. Thank you for your testimony, Mr. Sause.

Mr. Davis, you may proceed.

Mr. DAVIS. Thank you, Mr. Chairman and distinguished members of the Subcommittee, for offering maritime labor the opportunity to discuss the unique issues that our members face in regard to mariner credentialing. I ask that our written statement be submitted into the hearing record.

My name is Ron Davis, and I am President of Marine Engineers' Beneficial Association. Today I am speaking on behalf of maritime labor as an executive board member of the Maritime Trades Department of the AFL-CIO. MTD represents 5 million workers in the maritime trades. These comments reflect the opinions of the seagoing maritime unions, including MEBA, the Seafarers' International Union of North America and its affiliates, as well as the International Organization of Masters, Mates and Pilots and the American Maritime Officers.

On a personal note, I come from a long line of merchant seaman, with family members sailing in both licensed and unlicensed capabilities. I have been a licensed mariner for almost 30 years. I originally began my seagoing career in the U.S. Navy, where I served during Vietnam. Following my service, I attended the MEBA Engineering School, where I sailed as an unlicensed seaman, then earned my license. I continued my career for the next 20 years, moving up through the various billets. I currently hold a chief engineer steam and motor license, which coincidentally is up for renewal as we speak.

My comments today can be briefly summarized in five major points. First, the current process for credentialing mariners can be improved by increasing funding to the Coast Guard specifically for credentialing, allowing them to continue their efforts to centralize data and systems to speed up mariner document processing.

Second, in regards to future changes in mariner credentialing and the creation of the Transportation Worker Identification Credential, the Department of Homeland Security should allow the existing U.S. merchant mariner document to serve as both the TWIC and a mariner credential for the purpose of identification and qualifications held by the mariner. Essentially, we propose keeping the MMD as is with the exception of adding a biometric identifier as mandated in the MTSA Act of 2002.

Third, licensed deck and engine officers should receive a license that can be displayed onboard vessels for inspection purposes. Fourth, the U.S. Coast Guard should continue to be the sole agency responsible for vetting and credentialing merchant mariners. And fifth, our proposed revised MMD should allow mariners access to their vessels docked at any port facility in the United States.

The members of our maritime unions serve in all aspects of the merchant marine. As a result, we work very closely with the Coast Guard on nearly every maritime issue. Without the dedication, hard work and patriotism that the Coast Guard demonstrates, the job would be much more difficult. I am pleased to say that maritime labor and the Coast Guard enjoy a very professional partnership.

The primary concerns seafarers have regarding the current credentialing process is the time factor. The Coast Guard has taken steps to address this concern. Recently, they have begun allowing credentials to be processed in regional exam centers outside the mariners' immediate area. This has been helpful in dealing with the backlog of MMDs.

In addition, in August the New Orleans REC will reopen. It is the largest and busiest center in the Country. We feel that increased funding for the Coast Guard and a focus on increasing the

speed of the credentialing process through the hiring of more personnel, the encouragement of document and data centralization and the development of best practices would go a long way to removing any inefficiencies in the current system.

DHS recently issued a notice of proposed rulemaking to streamline and consolidate the current merchant mariner documents into one merchant mariner credential. Maritime labor disagrees with the consolidation of merchant mariner documents. We believe that any issues with the current MMD can be resolved without requiring a complete revamping of the credentialing process.

For instance, in order to comply with the requirements of MTSA, a biometric identifier should be added to the current mariner document, and an officer should still receive a license for the purpose of displaying and verifying their qualifications. The license will be posted and open for inspection on any vessel.

Requiring members to obtain both an MMD and a TWIC adds an unnecessary layer of bureaucracy to the current system. Two background checks, one for an MMD and one for a TWIC, is expensive, repetitive and wasteful. We strongly recommend that the TWIC and MMD be combined so that mariners would generally need only one document containing identification and qualifications.

Maritime labor proposes there should be only one background check that mariners need to go through. And as Admiral Bone said earlier today, the Coast Guard background check now exceeds the TWIC requirements. It is important to note that DHS recognizes the proposed rule that credentialed mariners pose less of a security risk due to successful completion of security and safety background checks. They have been identified as a population who could potentially be lower on the priority list for the receipt of TWICs.

The Coast Guard already performs one of the most in-depth background checks for civilian employment. We firmly believe the Coast Guard should continue to perform this role. TSA should not play a role in mariner vetting and credentialing. They have no institutional experience with the unique issues mariners face. The Coast Guard does. TSA will have its hands full overseeing the documentation for port workers, who were never required to obtain a Federal identification card in the past.

There is also a problem with mariners gaining access to their vessels through port facilities in some States. We strongly urge Federal supremacy in regards to all mariner identification documents. Notwithstanding rights of individual States, the federally-issued MMD should be accepted for entrance into any port in the United States. If a mariner is thoroughly vetted and cleared by the Coast Guard to work aboard a vessel, then it only makes sense the mariner should have access to the vessel through the port facility.

Thank you.

Mr. BOUSTANY. We thank you for that testimony, Mr. Davis.

Captain Gedney, you may now proceed.

Captain GEDNEY. Thank you, Mr. Chairman and members of the Subcommittee. I am Captain Beth Gedney, Director of Safety, Security and Risk Management for the Passenger Vessel Association. PVA is the national trade association for U.S.-flag passenger vessels of all types.

PVA currently has more than 600 vessel and associate members. Some of those members include Cape May Lewis Ferry, Ship Island Excursions in Gulfport, Mississippi, Puerto Rico Ports Authority and Washington State Ferries, for example. PVA member vessels are operated by Coast Guard licensed officers. In addition, the deck hands of many of our vessels have merchant mariner documents.

The individuals who work on U.S.-flag small passenger vessels must be able to rely on professional, courteous and prompt service at the Coast Guard regional exam centers when they seek to obtain or renew their Coast Guard credential. PVA vessel member companies need a smooth functioning Coast Guard licensing process so that they can put their employees to work quickly and keep them working. Many of our members rely heavily on summer or temporary employees who they frequently hire with very short lead time.

For too many years, our members have reported the quality of service at many RECs has been unacceptable. At too many RECs, processing time takes weeks and months. Applications and supporting documents, far too often, are lost by REC employees, and the burden is then placed on the applicant to supply duplicates. Inquiries by phone are impossible because automated phone systems sometimes tell the caller that the mailboxes are full. If one is able to leave a message, calls are not returned. Counter service to walk-in applicants is not customer friendly.

These problems are not a function of increased emphasis on security after September 11th, 2001, nor did they arise after the hurricane flooded the New Orleans REC. These developments have made the problems worse, but they are not the root cause. My own effort to renew my license illustrates the deficiencies of the process. I drove the 75 miles to apply in person to renew my license at the Baltimore REC. The staff refused to credit my extensive marine experience, even though it had always been perfectly acceptable to the REC in Seattle, where I had worked previously. Instead, a take-home test was required.

I subsequently mailed all required documents. There was no special circumstances or complicating factors. I didn't need a medical waiver and I didn't have a criminal record.

My licensing user fee was immediately collected, but over the next eight months, I received no word from the Baltimore REC and my many inquiries received no reply. Last November, I described my experience to the head of the Charleston, South Carolina, REC whom I happened to meet at a conference. Two days later, my license arrived, dated November 1st, nearly eight months after the completed application was submitted. I have to assume the Charleston REC chief had communicated details of my case to Baltimore.

But more than 16 months after my completed application, I have never received the companion STCW documents. I still cannot sail on ocean voyages.

Plenty of other mariners have their own horror stories. How can such poor service be justified or tolerated, especially when the lack of a license or document can result in a mariner not being able to work? The basic problem is the Coast Guard has never given licensing the priority it deserves. Coast Guard has consistently failed

to provide the funding, personnel and training needed to make all RECs function well.

Licensing and documentation is simply too far down the Coast Guard's list of priorities. This is a disgrace, because this is the one Coast Guard function with which nearly every mariner interacts. Compounding the problem, of course, of quality service is the new Coast Guard policy requiring the mariner to initiate all credential transactions by means of an in-person visit to an REC. Under this policy, many mariners must travel hundreds of miles to a distant REC to undertake the credentialing process.

Attached to my written testimony is an article written by the PVA's past president who writes of his 1,000 mile two day road trip from northeastern Wisconsin to the Toledo, Ohio REC to renew his captain's license.

Finally, proposed rules on TWICs and merchant mariner credentials will add even more delays. A mariner will have to first apply for and receive a TWIC from a TSA contractor with an estimated wait of between 30 and 60 days, before the Coast Guard will process the application for a merchant mariner credential. These documents should be processed concurrently, not sequentially.

To the individual mariner and the vessel operating companies that want to hire an employee in a timely fashion, the REC is the face of the Coast Guard. By failing to allocate the necessary resources to enable better professionalism and customer service, the Coast Guard, as an organization, has been indifferent to, if not hostile to, the needs of American citizens who work in the maritime industry. The Passenger Vessel Association urges Congress to force the Coast Guard to upgrade its performance.

The Subcommittee should ask the GAO to undertake a review and analysis of the Coast Guard's mariner licensing and documentation program, including an analysis as to whether the program would be better if it were moved from the Coast Guard to the U.S. Department of Transportation. Thank you.

Mr. BOUSTANY. We thank you for your testimony, Captain Gedney.

We will start the questioning now, and we are all aware that one of the biggest challenges to the maritime industry is obtaining mariners to operate the vessels. What is the average delay for entry level mariners to get their credentials, and how does this compare to before Hurricanes Katrina and Rita? I welcome any of you to answer that.

Captain GEDNEY. In my experience, I spoke with Cape May Lewis Ferry just this week. To get an entry level mariner in right now it is taking from five to six weeks. They are saying that in their very competitive employment market, which most of us are experiencing, I believe, the applicant is long gone before the six weeks are over and they are working for someone else. Our employees are competing with restaurants and the entertainment facilities more than with other maritime employers. So it is I think particularly crucial for our industry.

Mr. BOUSTANY. Thank you, Captain Gedney.

Mr. AUTIN. In the Offshore Marine Services, we are seeing in some cases as much from three to five months. We are experiencing the same thing, people are not getting involved in our industry, be-

cause the time restraints are too long to get an entry level document, and they are going elsewhere, and we are not breeding the future mariner that is going to run one of our vessels.

Mr. BOUSTANY. Mr. Sause?

Mr. SAUSE. Our experience on the west coast mirrors these other examples. My son just went through a replacement documentation process that took over 90 days just to simply replace his MMD before he could go back. So we are seeing long, long delay times, anywhere from six to eight to twelve week periods to process.

Mr. BOUSTANY. Mr. Davis, do you have any comments on that?

Mr. DAVIS. No.

Mr. BOUSTANY. Thank you.

What other factors are contributing to the shortage of mariners, besides this? Are there other factors that you all see? What legislative changes might you propose that we undertake?

Mr. AUTIN. As far as processing mariners through the system?

Mr. BOUSTANY. Yes.

Mr. AUTIN. Well, one of the things, besides the other areas that we talk about, we feel that if the entire process of documentation and licensing could be done quicker, then we could get people through the system. Also, in looking specifically at the problems that we are facing with the renewal process, it should be very easy and efficient to renew a license, and it is not. It is our understanding that looking at the application between signatures and initials, there are some 11 blanks that need to be initialized. So we think just by simplifying that process that it could work.

Part of what Congress has done in the past has allowed the Coast Guard to give extensions, but the Coast Guard really hasn't relied on those extensions much.

Mr. BOUSTANY. Thank you.

Captain GEDNEY. If I could, Mr. Chairman.

Mr. BOUSTANY. Yes, please.

Captain GEDNEY. I believe a temporary document would go a long way to help, something where once an applicant has applied, some way for that applicant to get to work while they wait for the full process. And certainly as TWIC comes forward, that will become more important.

Another issue that is a problem for mariners is what we call license creep. You have heard the panel here say that their mariners are applying up to a year in advance. Then what happens is if your package does move through quickly, you end up losing that year on your license. A statutory change that I think the Coast Guard would appreciate as well would be the ability to date the new license the day your old license expires. Then you would get the full five year viability out of every document.

Mr. BOUSTANY. Could any of you highlight common errors made by mariners when applying for their credentials? Is there a common thread there?

Mr. AUTIN. One of them deals with the signature and the initial process being 11 different areas are required. It is our understanding from the Coast Guard, if any particular area is not signed correctly or is not signed, that will stop the process from going through. That is one example.

Mr. BOUSTANY. Are there any application form changes that you would recommend that might improve the process and reduce errors?

Captain GEDNEY. I think the application could indeed be renewed. Having to sign for every attestation on the document is certainly a problem. But I know the Coast Guard tells us that this is an 80 percent error rate. But mariners have been presenting themselves in person. We haven't been doing mail-in applications for over two years now. So I don't understand how, if a mariner is at the counter with their documents and everything is being checked before they leave the counter how it can still be the mariner's fault that that form is incomplete. I am hesitant that there are other issues.

Mr. BOUSTANY. Thank you. Anyone else?

Mr. DAVIS. Yes. I don't disagree with that, but basically I also have run into many people, including myself, in the process of renewal, where you do leave out a form or a piece of paper or something along those lines. And then the feedback or the time spent basically of being informed by the Coast Guard that there is something missing, there is a delay in that.

But I also think that it is important to focus on the TWIC aspect here, in that with these problems that these people are stating here, currently what is going on, if you add the TWIC on top of that, I think that the problems are going to be significantly more increased.

Mr. BOUSTANY. Thank you, Mr. Davis.

Mr. AUTIN. One additional comment, if I may.

Mr. BOUSTANY. Yes.

Mr. AUTIN. As a specific example, one of the requirements on the application is that the individual applicant has to attest that they do not have a past criminal record. This is after the background check is conducted. So the information is already available to the examiner at the time.

Mr. BOUSTANY. Thank you very much. My time has expired.

Mr. Filner?

Mr. FILNER. Thank you, Mr. Chairman. I ask that my opening statement be made part of the record.

Mr. BOUSTANY. Without objection, so ordered.

Mr. FILNER. As I listened to all of you, you have a common testimony, basically. Common sense recommendations. I assume, and they have been going on for some time. I am just wondering what your reaction has been when you give these same suggestions to the Coast Guard. I think you are on an advisory committee, Captain. It just seems to me these should not have to be talked about here. These are easy things to change. I don't know if you want to respond to this. But I mean, they either have a lack of resources or they are mismanaged or they have no culture of customer service or some combination of all those.

What has been your experience when you make these suggestions, and what do you think we can do in the policy matter of changing that?

Captain GEDNEY. I think that certainly the REC employees are hard-working, diligent, subject matter experts. But there is definitely a disconnect when the mariner is across the counter. And I

think the REC employees are doing the best they can with the assets that they have available. But as I said in my testimony, I don't believe that the highest level, the licensing program is a priority. I think that it needs more personnel and probably like everyone else, it needs more funding.

Mr. FILNER. How has the management responded to these requests? I am sure you have made these before your testimony today.

Captain GEDNEY. We certainly have.

Mr. FILNER. What has happened to them?

Captain GEDNEY. As problem areas have come to our attention and we discussed with the Coast Guard, the Coast Guard has responded by adding auxiliary personnel. They have added what they call tiger teams, so that extra personnel can go into these problem RECs and assist. But the problem is, when the extra personnel and the tiger team go away, the backup goes right back up again.

Mr. AUTIN. One of the things, the Coast Guard has responded in looking at reorganization and will reorganize. We really feel that the reorganization is going to help when it occurs. But from this point in the interim to the time that not only the reorganization occurs, but the reorganization is effective, that is the time period that we are looking at. Because we are at a point now where mariners are sitting at home, after picking this livelihood as their career, and unable to come to work because of the application process or because of the renewal process.

So we really feel that the work that is being put in by the Coast Guard in the future is definitely going to pay off. It is to get us from that point back to this point, or from this point back to that point. One of the specific things that we think can be done is the pilot program with the streamline evaluation process that has worked well selectively in Houston. But each REC has operated separately and there is not much going on to expand that project throughout the RECs.

Mr. FILNER. I missed the opening panel. Did the Admiral show recognition that these were problems? Is there an understanding that there are problems?

Mr. DAVIS. Congressman, if I could. In my conversations with the Admiral, he recognizes to me basically that he understands there are problems. But he feels that they are on their way to some solutions with that.

I think we have seen some positive results of this. We have seen essentially thousands of unlicensed seafarers that are going to sea for the first time on cruise ships in Hawaii that have, they were processing all their documentation through Baltimore, because that is where the maritime union schools are closest to, is the Baltimore REC. What the Coast Guard has done to help out, basically, is they have changed their procedure, and they have taken, when they have received these forms in Baltimore, they have decided that they have other RECs around the Country that are not as overwhelmed, and they are sending them out to other ones in different parts of the Country.

In addition to that, I guess they are setting up a central location in West Virginia, I believe, to begin processing at all one place to get consistency. So my response to that would be that we have seen

some significant improvement and significant cooperation from the Coast Guard in recent times.

Mr. FILNER. Well, this is not rocket science. We ought to be able to do this. Mr. Chairman, there is always a reluctance to micromanage. But given the widespread complaints that have taken place for so long, we may want to include in legislation mandated response times. And enforce that. If your unit can't do that, you don't get promoted or you don't get a pay raise. You may not even be able to take a collector user fee unless you get it back to people on time.

Captain, I hope you will take it back to the Admiral that I have dealt with many bureaucracies at different levels of Government. The only way a policy board has much effect is if it mandates accountability standards. You find a way to do it in a week or two weeks, or you are out. We have to say stuff like that, I think, in our legislation. Because this stuff, it is so reasonable.

All you are doing is asking for common sense stuff that any organization should be able to handle. If they don't handle it with the resources they have, tell us what resources they need. I mean, they ask for $50 million less, I think, in that safety budget than they did last year. Clearly, they are saying to us that they don't need the resources.

But I think we have to look at some accountability standards and time lines and reporting back here in a way that helps these people who are just trying to do their job. The working people, you are just trying to run a business. And it depends all on the Government bureaucracy that we should be able to mandate responsiveness to you.

Thank you, Mr. Chairman.

Mr. BOUSTANY. Mr. Taylor?

Mr. TAYLOR. Thank you, Mr. Chairman.

Captain, would it be inappropriate to call on you? Are you familiar with the licensing process? I know that not everyone in Coast Guard—would you mind coming to the table for a second? Please, these 53 year old eyes cannot read your name tag.

Mr. BOUSTANY. Mr. Taylor, he is not a witness in this panel.

Mr. TAYLOR. I realize, sir, but I am a former Coast Guard and I am going to be very respectful of the Captain. There are some questions that I do think—if I may.

Captain, I am just curious, if you could pinpoint for the Committee some of the things that you think are slowing down the process, based on your experience? I think that is a very fair question.

Captain FINK. There are many vacancies that

Mr. BOUSTANY. Captain, let me ask you to refrain for a moment until we resolve this. I hate to be a thorn in your side, but the gentleman is not a witness in this panel. And we should proceed with the questioning of the witnesses at this time.

Mr. TAYLOR. Mr. Chairman, if I may, I have been granted five minutes, the gentleman is here, the Coast Guard sent him here. He may be familiar with the problem, and I think that these gentlemen have outlined some problems. The Admiral touched on some problems. If someone knows what in particular is causing these problems, then I think we have a duty to the taxpayer to try to address it right now.

Mr. FILNER. If the gentleman would yield, I would support Mr. Taylor's request.

Mr. TAYLOR. You and I have similar constituents. All of them are finding that many of them lost their documents in the storm, they lost their vessel documents in the storm, they are having great frustration in replacing those documents. If there is something the Captain can tell us to enlighten this Committee, then heck, we have a responsibility to try to find out what that is.

Mr. FILNER. If I am not mistaken, Mr. Chairman, the Admiral said that, I think explicitly, that the Captain would be here to listen to things. And I assume that he knows, that he has some expertise.

Mr. BOUSTANY. Well, I think the appropriate thing would be to have Admiral Bone at least notified of this intent.

Mr. TAYLOR. OK.

Mr. BOUSTANY. And bring you back for questioning.

Mr. TAYLOR. OK. Mr. Chairman, we are not going to get into a spitting contest here.

Captain, for the record, based on your professional experience, for the record, I mean, in writing, when you get around to it, I would like to request of the Coast Guard what in particular can they point to as being a problem. Is it manpower? Has it been exacerbated by the need to call up port security units and send them to places like Kuwait? Were certain computers destroyed as a result of the hurricanes or other actions that have, we have taken too long to replace as a Nation? Again, if there are some things you can point to.

I worked briefly in one of those offices in New York in 1971. One of the things I really would like to know from the Coast Guard perspective, have we as Congress asked you all to look into too many people? Are there people who are so far down the food chain that maybe they don't need a full background investigation?

I would welcome those suggestions. I know we did a lot of things in the wake of 9/11 that we thought were prudent at the time. Maybe we as a Nation overreacted. And if it is your professional opinion that we did that, I would like to hear so.

So if the Chairman doesn't want to hear from you now, I am asking for the record, and I would like an answer in writing in a timely manner.

Mr. BOUSTANY. Captain, we don't want to put you on the spot here. I feel it is appropriate that Admiral Bone be part of this, with all due respect to him, sir. And I think the appropriate thing would be to relay those questions to Admiral Bone and respond to Mr. Taylor and the Committee in writing.

Captain FINK. Yes, sir.

Mr. TAYLOR. And my second question, Captain, would be, what other agencies, I would think that TSA has to perform similar type checks on pilots and flight crew personnel. Just in defense of the Coast Guard, I would be curious, how many people do they have to run background checks on, how many people do you have to run background checks on? What sort of resources do they have people-wise, what sort of resources do you have people-wise?

And again, the issue of the port security units, I know that that mission has evolved a lot since the days when I did it. But port se-

curity men used to do things like that, and now I know you have got port security men doing things like running Boston Whalers in Kuwait. Who has picked up that mission? Has that been assigned to civilians primarily, with Coast Guard oversight, uniformed personnel oversight? Is it still performed by uniformed personnel?

Again, these gentlemen have outlined some very valid concerns. And we want to help solve those problems. I believe everyone wants to solve these problems. We just need to know what we can do to help and where the bottlenecks are. So thank you, Mr. Chairman.

Mr. BOUSTANY. Thank you, Mr. Taylor.

I will ask unanimous consent if you all want another round of questioning.

We are pleased to welcome Mr. Diaz-Balart from Florida, and you are now recognized for five minutes for questioning.

Mr. DIAZ-BALART. Actually, Mr. Chairman, I just wanted to thank you for the hearing and at this point I have no questions. Thank you, sir.

Mr. BOUSTANY. I have one final question before we break up here. Congress gave the Coast Guard authority to grant temporary extension of existing merchant mariner credentials in the Coast Guard Hurricane Relief Act of 2005. It expired on February 28th of 2006. Similar authority allowing an additional one year extension was included as part of the Coast Guard and Maritime Transportation Act of 2006, which recently became law. Did the authority to grant mariners an extension that expired in February 2006 help reduce mariner shortage, the shortage of mariners? I would welcome anyone to answer that.

Mr. DAVIS. Mr. Chairman, from organized labor's point of view, we have been very fortunate in that we don't really have a shortage of personnel, even with the Iraqi situation going on and that sort of thing, we have always been able to find enough seamen.

But if I could, since the gentleman from Florida came in, if I could just raise one other additional point. That was in regard to the fact that there are a couple ports in Florida right now that require their own i.d. in order to get in and out of the port. One of the things in my statement was basically that we wanted to see the merchant mariner document supersede that, basically, with a biometric i.d., so that merchant mariners who go to various States, and sometimes could go to 10 States in 20 days, don't have to have 20 different i.ds, basically, to get through a port facility.

Thank you.

Mr. BOUSTANY. Thank you. Mr. Autin, do you want to respond to that?

Mr. AUTIN. Yes. It was such a short period of time that it was in place that it was very difficult to truly get quantitative numbers to see how effective it was. But just simply looking at it, it appears that if that was extended, it would give us help in the long run. We know of mariners, again, in our own company, that are sitting at home right now because they have extended beyond the grace period.

Mr. BOUSTANY. Did you all receive notice of the new Coast Guard authority when it was passed into law?

Mr. AUTIN. At the time?

Mr. BOUSTANY. Yes.

Mr. AUTIN. Yes.

Mr. BOUSTANY. You did, OK. How many mariners who wish to be in the work force and have expired licenses would therefore be affected by this extension? Do we have an estimate?

Mr. AUTIN. Well, just looking inside of SEACOR Marine, figuring that approximately 20 percent of our fleet needs to renew their licenses, our mariners need to renew their licenses on an annual basis, we predict that right now, in looking inside of SEACOR Marine, there is probably approximately six people that could benefit.

Mr. BOUSTANY. Thank you. Captain Gedney?

Captain GEDNEY. If I may, the hurricane not only has affected the one REC, but because of the movement and personnel, I believe it has affected all of the RECs. It would be helpful if the Committee could consider expanding the extension to assist all the mariners in the U.S.

Mr. BOUSTANY. Thank you.

I have no further questions. Mr. Diaz-Balart.

Mr. DIAZ-BALART. I want to thank Mr. Davis for bringing that up. It is an issue that I have heard a lot back home. You have longshoremen and others who, as you know, Florida has a number of deepwater ports. Some of them are very close together. Particularly, for example, if you look at Dayton-Broward. They have to have, in many cases, different i.ds, which, I am not an expert on these issues, but it would seem to me that if it is good for one port, knowing the security requirements that we have, it should be good for other ports, at least other ports in the State and hopefully other ports in the Country.

So it is an issue I think that is relevant. It is an important issue. There are people who have to have multiple i.ds. It would seem to me that there has to be a better way.

So I thank the gentleman for bringing that up, and thank you, Mr. Chairman, for recognizing me on that point. Thank you, sir.

Mr. BOUSTANY. Thank you.

Mr. Taylor, any additional questions? No?

Well, we want to thank the panel. Mr. Baird just arrived. Mr. Baird, do you have any questions for the panel?

Mr. BAIRD. Because I wasn't able to attend the rest of it, I just want to say that the opening remarks I found very troubling. I think we need to make sure, I am sure people have addressed this already, but we need to take some action. If it is harming our industry to the level that I think it may well be, I think we need to do whatever we can to try to modify it.

One of the frustrations I often have about these things is, what we really need is to have you folks here and the Coast Guard on the same panel and say, so what about what they just said, so we could do it the kind of problem solving way. But I hope that we will follow up as a Committee and do just that, based on what we have heard today. I thank the Chair and the Ranking Member for holding the hearing and thank our witnesses.

Mr. BOUSTANY. I thank the gentleman. That concludes the questioning. I want to thank the distinguished panel for your testimony and your wonderful answers. We appreciate your work and we will look forward to working with you to resolve some of these issues.

With that, the Subcommittee is adjourned.
[Whereupon, at 1:30 p.m., the subcommittee was adjourned.]

Testimony
Before the Coast Guard and Maritime Transportation
Subcommittee
Transportation and Infrastructure Committee

United States House of Representatives

July 20, 2006 Hearing Regarding
Coast Guard Licensing and Documentation

Mr. Shull Autin
Chief Operating Officer, SEACOR Marine, LLC.
Testifying on Behalf of the Offshore Marine Service Association

Good morning. Thank you for giving us the opportunity to testify today. My name is Shull Autin and I am the Chief Operating Officer of SEACOR Marine, LLC. SEACOR operates a worldwide fleet of offshore support vessels, tankships, harbor tug boats, and performs environmental spill response services.

I am also representing the Offshore Marine Service Association, the national trade association representing the owners and operators of vessels that support the offshore oil and gas sector, particularly in the Gulf of Mexico. Given the crucial role that OMSA members play in carrying supplies, equipment and workers to offshore facilities, we consider ourselves to be the lifeline of America's offshore energy supply.

Licensing/documentation is a critical part of maritime safety

The topic of today's hearing is an important one for our industry. We share the Coast Guard's belief that the human factor is a critical factor in ensuring maritime safety. Our people are certainly the key to our company and our industry's record of safety. We are very careful about determining the crewmembers that we will entrust with a supply boat that is worth several million dollars. In fact it has been said that, in our industry, we want each of our vessel captains to feel like he or she is the CEO of his or her own multi-million dollar corporation. The licensing and documentation system is meant to help ensure that our mariners are qualified to take on that role.

It is very important that we not allow the process to become so complex and cumbersome that it hurts our ability to attract and retain qualified mariners. Unfortunately, we are perilously close to that being the case.

The licensing/documentation process has become more complex

Over the past several years we have given our mariners more and more responsibility for safety, environmental stewardship and most recently security. Our industry supports all of these advances. But we must recognize that these new requirements have added to the complexity of the licensing and documentation system. And we have not put in place efficiencies or improvements to address those complexities.

The 2005 Hurricanes has resulted in extraordinary problems

The licensing system was showing signs of this strain long before the hurricanes hit last year, but with those storms, the licensing process has become overstressed to the point of failure.

The Coast Guard has been very energetic in trying to address the problems caused by the loss of the New Orleans Regional Examination Center. They have had to move their offices, address staffing needs and work through problems created by the destruction of thousands of mariner files.

Unfortunately, ten months have passed since the hurricanes and the system is a long way from being fixed. And despite all of the Coast Guard's good work to overcome the problems caused by the hurricanes, our sense is that the RECs have not received the level of resources that they need to meet minimal levels of customer service for American mariners.

Industry is experiencing unacceptable delays

Today, some OMSA members have boats tied to the dock because they cannot find qualified crews. The extraordinary delays in licensing and documentation are a large factor.

A survey of OMSA members produced reports that, from the point that the application process is started until the document is received, it may take between three and five months to process an entry-level Merchant Mariner Document or to receive an upgrade in a license. A renewal, which should be a much simpler process, can take from six weeks to four months. If the mariner has a medical condition and needs to seek a medical waiver, the renewal may take nine months to a year. Let me add that as the baby boomer generation ages and the average age of our senior captain increases, medical questions will become more common.

The negative impact of these types of delays on our industry is hard to calculate. Can you imagine telling an 18 year old to wait up to five months before coming to work? How can we possibly attract the best of the generation that is now entering the workforce with that sort of obstacle? And how do we tell a 30 year employee that he can't go to work because his license has expired?

The Coast Guard's reorganization should help in the long run

We think the Coast Guard's plan to fix the licensing and documentation system through a large reorganization is necessary and shows great promise. If it is as successful, the improvements they have described are worth supporting.

But we also need to go into this with our eyes open. In the private sector, even the most successful reorganizations carry with them about six months of absolute chaos and heartbreak before the good results emerge. In mariner documentation, we don't have the luxury of time. The system is in a crisis today and none of us can afford to focus on the future improvements and ignore the problems that mariners face today. That argues that the Coast Guard needs to move on two paths – addressing the backlog today while it prepares for the future.

We have three suggestions that we think can help:

Expand the SEP

First, expand a program called the Streamlined Evaluation Process or SEP. This was started as a pilot project at the Houston REC and has been very successful there. Under the SEP, companies take responsibility for making sure their mariners applications are error free and letter perfect before they are sent to the Coast Guard. The Coast Guard is able to expedite these applications and process them with a minimal amount of delay. One OMSA member reports that applications submitted through the SEP in Houston take less than a month to process and frequently as little as two weeks. We recommend that the Coast Guard expand this program to all processing centers nationwide.

Simplify the Application

Second, simplify the application itself. The Coast Guard has reported that between 50 percent and 80 percent of all applications that come directly from mariners contain errors or omissions that can slow down the processing. Clearly, the industry needs to do what it can to cut down on mistakes, but if nearly eight out of ten mariners can't successfully complete the application, maybe the problem is with the application itself. It can be confusing and it can require information that the Coast Guard may not actually need to request from the mariner. To draw a comparison, if McDonalds found that most of their customers couldn't successfully order from the menu, they would probably change the menu. We think that streamlining and improving the application forms could quickly produce improvements in processing times.

Extend expiring renewals

Third, the Coast Guard should take advantage of the ability to extend licenses and documents that you gave them as a part of the recently passed Coast Guard Authorization Bill. This would certainly keep mariners from losing the ability to work while their license renewal is being processed, which was the purpose of this change. But it will also help the entire licensing and documentation process because it will give the Coast Guard a little more breathing room as it works to reduce the backlog for other applications and to restructure its New Orleans REC.

TWIC may create additional problems

Finally, I wanted to touch on the proposed rule for the Transportation Worker Identification Card. We are very concerned about the proposal. According to the proposed rule, mariners would be required to apply for and receive a TWIC before they even begin applying for a Coast Guard document. They would undergo two different background checks, make two applications, pay two fees and endure unnecessary delays. Let's remember that the TWIC program is to be implemented even as the Coast Guard reorganizes and relocates its documentation function to West Virginia. All the warning signs are there that this approach could be disastrous for the American mariner.

We would suggest a couple of approaches aimed at making the system work smoothly. First, Congress should mandate that mariners should only have to fill out one application form, undergo one background check and pay one reasonable fee.

Second, the implementation of TWIC should be phased in, based on actual risk. Let's remember that our licensed and documented mariners have already undergone a background check that is more complete and more rigorous than the one that would be required under TWIC. In as much as the Coast Guard is heading into what is likely to be a disruptive reorganization process, let's not put mariners in the first wave of the TWIC rollout. Let the Coast Guard work through the growing pains of the reorganization first and then require mariners to go through the TWIC process. This would have the added benefit of reducing the total number of American workers that would be in the initial implementation of TWIC.

To recap, we consider the Coast Guard to be our close partners in safety and we share their view on the importance of the licensing and documentation process in making sure that the U.S. mariner maintains the high level of professionalism and ability that has allowed us to operate safely and securely.

- Despite all of the effort that has gone into restoring service following the hurricanes, the documentation and licensing function continues to be plagued by delays and problems.
- The reorganization and restructuring of the National Maritime Center that the Coast Guard is now starting is needed and has our support, but close attention will need to be focused on the process to ensure that service to mariners does not suffer in the short term, even as improvements are implemented for the long term.
- A number of steps could help improve short term effectiveness, including expansion of the Streamlined Evaluation Process, simplifying applications and taking advantage of the new power granted by Congress to extend expiring licenses and renewals.
- The proposed plan for Transportation Worker Id Cards is of great concern to the entire maritime industry. We suggest that Congress mandate that there will be one application, one background check and one reasonable fee for both the TWIC and Coast Guard documents. We also urge the agencies to phase in TWIC so that the Coast Guard National Maritime Center reorganization can be successfully completed before mariners are required to obtain a TWIC. This can be done without threatening security because mariners already undergo a background check that is more thorough than the proposed TWIC process.

I very much appreciate having the opportunity to testify today and I would be happy to answer any questions.

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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

REAR ADMIRAL CRAIG E. BONE
ASSISTANT COMMANDANT FOR PREVENTION

ON

U. S. COAST GUARD LICENSING AND DOCUMENTATION OF MERCHANT MARINERS

BEFORE THE

COMMITTEE ON TRANSPORATION & INFRASTRUCTURE

SUBCOMMITTEE ON COAST GUARD & MARITIME TRANSPORTATION

U. S. HOUSE OF REPRESENTATIVES

JULY 20, 2006

Good afternoon Chairman LoBiondo, Ranking Member Filner and distinguished members of the Committee. It is a pleasure to appear before you today to discuss the issuance of mariners' credentials.

A series of studies have shown that the public could be better served if the processing of all applications for mariners' credentials were centralized. Accordingly, in March 2005, a plan was approved by the Commandant of the Coast Guard to centralize most functions related to the issuance of credentials. The existing 17 Regional Exam Centers (RECs) will be reduced in size and limited in their responsibilities. In the near future, RECs will focus upon providing services such as testing, acceptance of application packages, public information and conducting oversight of approved training courses. Not only will this improve service, but it will promote consistency in interpretation of the requirements for the credentials. Martinsburg, West Virginia will be the home of the facility, and the first steps towards centralization have already started. REC New Orleans has begun its return to New Orleans, but only as a "storefront" office. Some employees from the REC are being transferred to the location of the centralized facility in Martinsburg to work with 20 new contract personnel. When REC New Orleans re-opens, all applications filed at that office will be forwarded to Martinsburg for evaluation and processing. This process of transferring the functions of all RECs will be completed by late summer 2008.

Along with the centralization of REC functions, we are also planning for the implementation of the Transportation Workers Identification Card, or TWIC. 46 USC § 70105(b)(2)(B) requires that individuals issued a license, certificate of registry, or merchant mariner's document shall be issued a TWIC. The Coast Guard is working with the Transportation Security Administration (TSA) to develop a unified process to reduce the burden on the public. The public comment period on the rulemaking to implement the TWIC recently closed and representatives from both agencies are now reviewing the comments and will address them when a final rule is published later this year. The Coast Guard will continue to conduct a criminal records check and a check of the National Drivers Register (safety screening), while TSA conducts a security screening. If these reviews show no information upon which to base a denial, and the applicant does not have to complete a Coast Guard examination, the entire merchant mariner document (MMD) process may be completed by mail. With the implementation of the TWIC, the Coast Guard MMD will no longer serve as the mariner's primary identification document. .

Under the current regulatory scheme, the Coast Guard may issue a mariner any combination of four credentials:

- Merchant Mariner Document (MMD);
- Merchant Mariner License (officer ranks);
- Certificate of Registry (COR); or
- Standards of Training, Certification, and Watchkeeping (STCW) endorsement.

The MMD, License, COR and STCW endorsements are qualification credentials. Only the MMD functions as an identity document, and none of the current mariner credentials contain the biometric information required under the Maritime Transportation Security Act of 2002 (MTSA). Because of this, the Coast Guard has drafted a proposed rule that would combine the elements of these four credentials into one certificate called the Merchant Mariner Credential (MMC). The MMC would retain the qualities of the MMD but serve primarily as the mariner's qualification credential, while the TWIC would serve as the mariner's identification credential. Mariners will be required to have a TWIC to be eligible for an MMC,.

To further ease the burden on mariners who now must appear at one of 17 RECs at least once in the application process, the Coast Guard and TSA have come to an agreement to share information submitted in the TWIC application process. As proposed in this MMC rulemaking, TSA would provide the Coast Guard with electronic copies of the applicant's fingerprints, proof of identification, immigration status photograph; and if applicable the individual's criminal record, and alien registration number. This information would then be used in reviewing the applicant's safety and suitability for the MMC and will eliminate redundancies in the security assessment of the mariner.

This proposed change is expected to result in cost savings to the public as much of the inland population currently must travel great distances to reach an REC. With centralization, all records will be imaged and the information maintained electronically as new applications are received. Active files will be maintained at the central unit; inactive files will be maintained at a Federal Records Center. The various RECs' backlogs are currently running from 7 to a 90-day delay. Centralization will reduce backlogs. Until centralization is complete, staff resources are being adjusted to assist RECs having the greatest backlogs.

The consolidation of qualification credentials and a further streamlining of other mariner regulations is a positive and meaningful development that will work to ensure mariners are not subjected to duplicative requirements.

Maritime security is an important part of our overall homeland security. Security cannot be delivered via a single, silver bullet solution. This is particularly true with regard to the maritime sector where a layered system of security is needed to deal with a global system in which security responsibility is shared; where there is a multiplicity of private sector entities that have primary responsibility for implementing and performing most of the frontline security duties; and where the interests of numerous foreign governments must be addressed.

The TWIC Program

National security interests and MTSA require that individuals seeking unescorted access to MTSA-regulated vessels and facilities be properly identified and undergo appropriate security vetting. Furthermore, facilities and vessels need a reliable tool for identifying those individuals who have been granted such access. For that reason, TSA has been developing the TWIC, which is a 21st century identification card for transportation workers. The TWIC card will include biometric technology that is intended to make it virtually impossible for the card to be used by anyone other than the person to whom the card was issued.

The TWIC maritime program has been designed to satisfy the following mission goals:

- Identify authorized individuals who require unescorted access to secure areas of MTSA-regulated facilities and vessels;
- Determine the eligibility of an individual for access through a security threat assessment;
- Ensure unauthorized individuals are denied access through biometric confirmation of the credential holder;
- Immediately revoke access for individuals who fail to maintain their eligibility;
- Apply privacy and security controls to protect TWIC information; and
- Fund the program entirely by user-fees.

To achieve these goals, TSA and the Coast Guard promulgated a joint TWIC notice of proposed rulemaking (NPRM) for the maritime sector. Per Secretary Chertoff's direction, the joint rulemaking process between the Coast Guard and TSA has been accelerated. Both the NPRM as well as the Coast Guard's rule on the Merchant Mariner Credential were published in the Federal Register on May 22nd. Under the joint rule, DHS, through the Coast Guard and TSA, formally proposes to require that all U. S. merchant mariners and all persons who need unescorted access to secure areas of a regulated facility or vessel obtain a TWIC.

We expect these cards will ultimately be issued to about 750,000 workers who require unescorted access to secure areas of MTSA-regulated maritime port facilities and vessels. TWIC cards will be required not only for port facility workers, but for anyone who seeks unescorted access to secure areas of a MTSA regulated facility or vessel, regardless of frequency, such as certain crew members, truck drivers, security guards and rail employees, as well as all U. S. merchant mariners who hold an active U. S. Merchant Mariner's License, Merchant Mariner's Document, Certificate of Registry or STCW endorsement.

Aligning Current Maritime Security Requirements with TWIC

Following enactment of MTSA in November 2002, the Coast Guard issued a series of general regulations for maritime security. Those regulations set out specific requirements for owners and operators of vessels, facilities and Outer Continental Shelf facilities that had been identified by the Secretary as posing a high risk of being involved in a transportation security incident. Accordingly, owners and operators of these vessels and facilities were required to conduct security assessments, create security plans specific to their needs and submit the plans for approval to the Coast Guard by December 31, 2003. All affected vessels and facilities are required to have been operating in accordance with their respective plans since July 1, 2004, a requirement which they successfully met, and are required to resubmit plans every five years.

Each plan requires owners or operators to address specific vulnerabilities identified pursuant to their individual security assessments, including controlling access to their respective vessels and facilities. Most significantly, MTSA regulations require owners/operators to implement security measures to ensure that an identification system is established for checking the identification of vessel and facility personnel or other persons seeking access to the vessel or facility. In establishing this initial identification system, owners and operators were directed to accept identification only if it:

- was laminated or otherwise secure against tampering;
- contained the individual's full name;
- contained a photo that accurately depicted the individual's current facial appearance; and
- bore the name of the issuing authority.

The issuing authority had to be a government authority or organization authorized to act on behalf of a government authority, or the individual's employer, union, or trade association. There was no requirement that the identification be issued pursuant to a security threat assessment because there was no existing credential and supporting structure that could fulfill the needs specific to the maritime environment at the time those regulations were created.

Now that TSA is completing the credential and supporting structure for TWIC, it must be integrated into this pre-existing security program though amendments to the current regulations. The steps we are taking will be yet another improvement or layer to the security of our port facilities and vessels. It is an effort which, when completed, will assure our citizens that those people who have unescorted access to secure areas of these port facilities and vessels have been screened to make sure that they are not a known security threat.

In closing, the Coast Guard is actively taking steps to improve the Merchant Marine Licensing and Documentation Program. Centralization of application processing provides the ability to focus our efforts and gain economies of scale while reducing backlogs, to ensure that credentials are only issued to qualified persons and ensure uniformity in interpretation of the regulations. The implementation of TWIC will further strengthen our security efforts and help ensure the integrity of maritime credentials.

Thank you for the opportunity to testify before you today. I will be happy to answer any questions you may have.

TESTIMONY OF RON DAVIS

EXECUTIVE BOARD MEMBER MARITIME TRADES DEPARTMENT

PRESIDENT, MARINE ENGINEERS' BENEFICIAL ASSOCIATION

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

HEARING ON LICENSING AND DOCUMENTATION OF MERCHANT MARINERS

JULY 20, 2006

TESTIMONY OF RON DAVIS
EXECUTIVE BOARD MEMBER MARITIME TRADES DEPARTMENT
PRESIDENT, MARINE ENGINEERS' BENEFICIAL ASSOCIATION

JULY 20, 2006

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

HEARING ON LICENSING AND DOCUMENTATION OF MERCHANT MARINERS

Thank you Chairman LoBiondo and Ranking Member Filner, and thank you to the rest of the Subcommittee for allowing me to speak before you today. I would specifically like to thank you for allowing us the opportunity to discuss the unique issues in regard to merchant mariner credentialing faced by those of us in maritime labor.

My name is Ron Davis, and I am the President of the Marine Engineers' Beneficial Association. I am here today to speak on behalf of maritime labor as an Executive Board Member of the Maritime Trades Department (AFL-CIO). The Maritime Trades Department represents 5 million workers in the maritime trades. These comments reflect the opinions of the seagoing maritime unions, including MEBA, the Seafarers' International Union of North America and its affiliates, the International Organization of Masters, Mates and Pilots, and the American Maritime Officers. The following testimony shall cover mariner documents and credentialing for both licensed and unlicensed seafarers; licensing of officers; points to consider on Transportation Worker Identification Credentials ("TWIC"); and how the TWIC implementation will be affected by proposed international credentialing regulations from the International Labor Organization (ILO).

The U.S. Merchant Marine is America's fourth arm of defense – a title given to us during World War II, but one which we have earned since this nation's earliest days. We are proud to fulfill that role in Operations Enduring Freedom and Iraqi Freedom and in any other theaters to which we are called. Our unions completely support strong security measures that protect our vessels and our ports. We have demonstrated that support in many ways, including widespread participation in various committees across the country as well as international bodies (such as the International Maritime Organization and the International Labor Organization) that are tasked with examining and improving shipboard and port security.

However, in the best interests of all concerned, we strongly believe that the recently proposed rules for implementing the Transportation Worker Identification Credential (TWIC) must be changed where they apply to seafarers. In short, we propose allowing the existing U.S. Merchant Mariner Document (MMD) to serve as both a TWIC (once a biometric component has been added to the MMD) and mariner credential (reflecting qualifications). Essentially, we propose keeping the MMD "as is" with the exception of adding a biometric identifier as mandated in the Maritime Transportation Security Act of 2002 for all U.S. mariners. Additionally, for purposes of displaying and verifying

qualifications, officers would be required to possess their U.S. Coast Guard license (the physical document itself).

On a personal note, I come from a long line of merchant seaman, with family members sailing in both licensed and unlicensed capacities. I have been a licensed merchant mariner for almost thirty years. I originally began my sea-going career in the US Navy, where I served during Vietnam. Following my service, I attended the Calhoon MEBA Engineering School where I sailed as an unlicensed seaman and then earned my 3rd Assistant Engineers' license. I continued my career for the next twenty years, moving up through the various billets. I currently hold a Chief Engineers' License, Steam, Motor and Gas Turbine Unlimited, which – coincidentally – is up for renewal as we speak.

The members of our maritime unions serve in a variety of shipboard and shoreside capacities in all aspects of the Merchant Marine. As a result we work very closely with the United States Coast Guard on nearly every maritime issue. I must say that without the exemplary dedication, hard work and patriotism that the Coast Guard demonstrates on a daily basis, our jobs would be much more difficult. Much can be said about the effectiveness and efficiency of the federal government, but when it comes to the US Coast Guard, there isn't another agency of our government that has consistently performed as well and with such limited resources. No matter what they are asked to do, the Coast Guard has performed, taking on new mission after new mission with the same "can-do" attitude we have come to expect from them.

While I have the opportunity to do so, I would like to personally thank the members of the Coast Guard, Commandant Thad Allen in particular, for the Coast Guard's response during Hurricanes Katrina and Rita. My commendation of the Coast Guard's performance has a very personal touch because prior to being elected President of the MEBA, I served as an official in the Gulf, working out of New Orleans, and living in Metairie, Louisiana. For all of us in maritime labor, the Gulf Coast is a major hub for maritime commerce and we represent more than a sizeable amount of seafarers in the region.

As we all know, and many of us watched on television, the response to Hurricane Katrina was one of the largest search and rescue operations in US history. The Coast Guard was able, using a variety of assets, to rescue nearly 35,000 people, including almost 10,000 hospitalized individuals and medical personnel. During the period, nearly 4,000 Coast Guard personnel were used in a variety of ways to respond to the crisis. It was a Herculean effort and would have been nearly impossible for any other branch of the government to have successfully undertaken. But that has always been the hallmark of the Coast Guard – doing the impossible. We must also recognize that it was the U.S. Merchant Marine – maritime labor – that weathered the storm and provided berthing, logistics and communication services for federal, state and local governments during and after the hurricane. Indeed, it was the combined effort of the private sector Merchant Marine and the U.S. Coast Guard that swung immediately into action—without any questions asked. This is the professional partnership that we enjoy.

Over the years, the Coast Guard has taken on a variety of difficult missions, not the least of which includes disaster response, drug interdiction, maritime border patrol and immigration enforcement, anti-terrorism and other national security missions, and port security both at home and abroad. This has made it much harder for traditional missions within the Coast Guard, like maritime security and merchant mariner credentialing, to gain the spotlight. I am pleased that we are able to discuss things like merchant mariner credentialing at the level of an oversight hearing, and I am happy to be able to present our concerns with the process here today.

Every US merchant mariner is required to obtain any combination of up to four credentials: the Merchant Mariner's Document (MMD), Merchant Mariner's License (License), Certificate of Registry (COR), and the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) Endorsement. Unlicensed seafarers usually possess an MMD which serves as his or her identification and qualification credential. An officer typically has a MMD which also serves the same dual purpose. Officers also possess a U.S. Coast Guard License, which is a qualification certificate issued to ship deck and engine officers. In addition, merchant mariners apply for, and pay for, STCW endorsements to show that we meet international standards and serve aboard vessels to which STCW applies.

The primary issue that most seafarers have when it comes to the current process of obtaining merchant mariner credentials is the time factor. However, the Coast Guard has begun to take steps to address this concern. Recently, the Coast Guard has begun allowing merchant mariner credentials to be processed in Regional Examination Centers (RECs) outside of the mariners' immediate area. This has been especially helpful in dealing with the backlog of MMDs being issued out of the Baltimore REC – a key center, with three of the maritime unions' schools being within that jurisdiction. I also understand that the New Orleans REC, the largest and busiest in the country, will be reopening on July 28th.

Maritime labor recognizes that if the TWIC rule goes into effect, we would be subject to multiple credentialing processes, including the STCW, MMD, COR, TWIC and licensing for officers. All of this credentialing, except for the TWIC, would be under the jurisdiction of the Coast Guard, while the TWIC would be under the control of the Transportation Security Administration (TSA).

In response to the mandates of the MTSA, the Department of Homeland Security (DHS) has issued a notice of proposed rule-making to streamline and consolidate the current merchant mariner documents into one Merchant Mariner Credential (MMC). Maritime labor disagrees with the consolidation of merchant mariner documents. Also, as mentioned, for the purposes of transparency and ease of inspection, we believe it necessary to maintain a license for deck officers and engineers that can be easily displayed in a public area onboard the vessel.

Maritime labor believes that this Transportation Worker Identification Credential adds a layer of bureaucracy on the current merchant mariner system that is unnecessary. Under the current system, merchant mariners are already subject to some of the strictest scrutiny in any private industry, with criminal background checks and various types of testing, including random drug and alcohol tests. Indeed, the recent DHS Notice of Proposed Rule-making states "As credentialed U.S. mariners pose less of a security risk due to the successful completion of security and safety background checks, they have been identified as a population who could potentially be lower on the priority list for receipt of the TWIC." To put this in perspective, 97% of the cargo entering the United States is brought into our country on non-US-Flag vessels using non-citizen crews who are not subject to such a thorough vetting and would not be subject to any of the rules regarding merchant mariner credentialing we are discussing today.

Maritime labor believes that it is critical that we not add an expensive and unnecessary duplication of effort between the Coast Guard and the TSA when it comes to credentialing for Merchant Mariners. The Coast Guard already performs much of the work that TSA would be required to do in order to issue a TWIC. Therefore, maritime labor strongly recommends that the TWIC and the MMC be combined so that merchant mariners only need one document that is usable as both a MMC and a TWIC, and only go through one background check that satisfies the criteria of both documents. Again, this could be achieved using the existing MMD system, with slight revisions. This revised merchant mariner document would serve the dual purposes of identification and qualification.

Maritime labor also firmly believes that the Coast Guard should continue to perform all vetting and background checks, and the process be accepted by the TSA as equivalent to the background checks required for issuance of a TWIC, and the results entered into the TSA TWIC database as an accepted document. To reiterate, such action would require an unlicensed mariner to apply for and carry one document, the MMD. Officers would be required to carry the MMD and a license for shipboard display.

As proposed by DHS, the TWIC is focused more on the shoreside rather than the shipboard worker, unlike our current merchant mariner document. TSA will have its hands full overseeing the documentation for port workers who were never required to obtain a federal identification card in the past. As we have stated, the Coast Guard already has functioning regulations and practices in place for merchant mariners.

Keep in mind, merchant mariners are unique in that we are the only group of persons under the proposed TWIC regulations that actually work in both national and international waterborne commerce – a sector that is, has been and should continue to be solely regulated by the Coast Guard. To this end, we strongly urge the committee to review the various provisions of law regarding the TWIC implementation to remove TSA's role in the credentialing process for merchant mariners.

Notwithstanding the rights of individual states, it is a critical federal responsibility to create and regulate a uniform system that both ensures national security and does not

hinder interstate and international commerce. A federally issued merchant mariner credential issued by the U.S. Coast Guard must be a validly accepted identification credential for entrance into any port in the United States. A merchant mariner who has been thoroughly vetted and cleared by the Coast Guard for shipboard employment should not be turned away at a port facility because the mariner credential is not recognized in that particular State for port access. Such an obstacle fails to understand the transitory nature of the merchant marine. In that same vein, port access and control procedures proposed for mariners far exceed the internationally required norms set out in international agreements such as the Safety of Life at Sea (SOLAS) Convention and the International Ship and Port Facility Security Code (ISPS).

Further related to the TWIC, the International Labor Organization adopted Convention C185 – Seafarers' Identity Document Convention (Revised), 2003 that establishes requirements for an internationally accepted identification credential with a biometric identifier that would comply with the Maritime Transportation Security Act of 2002. A tripartite delegation from the U.S. participated in the crafting of the ILO Convention. In fact, it would not be an overstatement to say that the U.S. was the driving force behind its adoption. Maritime labor strongly urges the Coast Guard and TSA to ensure that the new MMC and the TWIC - or as we propose, a revised merchant mariner document – comply with Convention 185. This would ensure that these documents would be acceptable to confirm our compliance with the convention, even if the United States does not intend to ratify. It would be foolish to expend the time and energy on revising the MMD only to have it fail to meet international scrutiny.

The Notice of Proposed Rule-making by DHS will also allow mariners to renew their MMC entirely through the mail. This can be done under labor's proposed MMD process as well. This option will reduce the backlog and provides convenient service to mariners regardless of how far they live from the nearest Coast Guard REC.

Our roles and responsibilities as Americans changed in light of 9-11. That's true for America's Merchant Marine, and it is certainly true for the U.S. Coast Guard – a premiere agency within our Department of Homeland Security. I've seen a change in the Coast Guard -- they truly have risen to the occasion when it comes to regulating our industry in the most efficient, safe and productive manner. Certainly the focus on security is to be expected and we understand that. But I have also seen a change in attitude from the Coast Guard with regard to the way it regulates merchant mariners. The Coast Guard remains tough and firm in enforcing the rules, but they are also listening better than ever to our concerns. And, when possible, the Coast Guard has modified proposals to better account for the impact their rules have upon merchant mariners. I think there is a new understanding between the Coast Guard and labor, one that I hope will continue far into the future.

Again, thank you for the opportunity to speak before you concerning the issue of Merchant Mariner Credentialing and allowing maritime labor to provide input into this process. I am happy to answer any questions you may have. Thank you.

THE HONORABLE BOB FILNER
RANKING DEMOCRAT
SUBCOMMITTEE ON COAST GUARD AND
MARITIME TRANSPORTATION
ON
OVERSIGHT HEARING ON
COAST GUARD LICENSING AND MERCHANT MARINERS'
DOCUMENT PROGRAM
July 20, 2006

Thank you Mr. Chairman for scheduling today's oversight hearing on the Coast Guard's responsibilities to issue licenses and merchant mariner's documents to U.S. seamen.

While the Coast Guard does a great many things wonderfully, administering the program to license and issue merchant mariner's documents to U.S. seamen isn't one of them.

This program has been broken for decades. The Coast Guard has continually failed to devote the resources and technology necessary to process applications for licenses and merchant mariner's documents in a timely manner.

This failure hurts the companies who are trying to hire mariners – but most importantly it hurts the mariner. In a time of labor shortages in parts of the U.S. maritime industry, if an individual has to wait for months on end to be issued a license or document before they can begin work, they will simply get a job on land.

The Coast Guard needs to become "customer service oriented" when managing this program. They have done so with their vessel documentation program. What it will take are program managers who are committed to serving the public – the mariners – in a timely and helpful manner.

As I said earlier this year, if the Coast Guard is not dedicated to carrying marine safety responsibilities and they want to focus entirely on homeland security then perhaps it is time to transfer the licensing and issuing of merchant mariner's documents back to the Department of Transportation. DOT continues to issue pilots licenses and railroad engineer licenses. This isn't any different.

Thank you Mr. Chairman for scheduling today's hearing. I look forward to working with you to ensure that this program is improved and that it meets the need of the public and our nation's mariners.

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SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
U.S. HOUSE OF REPRESENTATIVES

HEARING ON
U.S. COAST GUARD LICENSING AND DOCUMENTATION OF MERCHANT MARINERS

July 20, 2006

CAPTAIN ELIZABETH GEDNEY
PVA DIRECTOR OF SAFETY, SECURITY, AND RISK MANAGEMENT

Key Points

Licensing and documentation is important to PVA because members' vessels are crewed by Coast Guard-licensed officers and, in many cases, by deckhands with Merchant Mariner Documents.

For many years, the processing times and quality of service at many Regional Exam Centers has been unsatisfactory.

The Coast Guard has never given licensing the priority it deserves. The Coast Guard has consistently failed to provide the funding, personnel, and training that would be required to make all RECs function well.

The new Coast Guard policy requiring a mariner to initiate all credential transactions by means of an "in-person" visit to an REC is making existing problems worse.

The proposed rules on Transportation Worker Identification Credentials and Merchant Mariner Credentials should be amended to provide for concurrent (not sequential) processing of these two required items.

The Subcommittee should ask the Government Accountability Office (GAO) to undertake a review and analysis of the Coast Guard's Mariner Licensing and Documentation program.

Statement of Passenger Vessel Association

Mr. Chairman and Members of the Subcommittee:

I am Captain Beth Gedney, Director of Safety, Security, and Risk Management for the Passenger Vessel Association (PVA), based in Alexandria, VA. I am a graduate of the California Maritime Academy and have been a licensed mariner since 1979. In addition, I am serving my second term on the Coast Guard's Merchant Marine Personnel Advisory Committee (MERPAC).

PVA is the national trade association for U.S.-flagged passenger vessels of all types. It represents the interests of owners and operators of dinner cruise vessels, sightseeing and excursion vessels, passenger and vehicular ferries, private charter vessels, whalewatching and eco-tour operators, windjammers, gaming vessels, amphibious vessels, water taxis, and overnight cruise ships.

PVA currently has more than 600 vessel and associate members. Its vessel members have a wide range of operations, from small family businesses with a single boat, to companies with having multiple passenger vessels of all sizes in different locations, to governmental agencies operating ferries.

PVA associate members are key suppliers to the passenger vessel industry, including marine architects, vessel builders and decorators, insurance companies, publishers, food supply companies, computer software vendors, marine equipment suppliers, engine manufacturers, and others.

PVA member vessels are operated exclusively by Coast Guard-licensed officers and mariners. In addition, the deckhands on many of our vessels that operate along the coasts and in the Great Lakes must have Merchant Mariner Documents. These licensed and documented mariners are highly-experienced professionals who are essential to the smooth functioning of our members' companies and who are also fundamental to the safety of the traveling public.

The process of Coast Guard licensing and documentation is important to PVA because:

- The individuals who work on U.S-flag small passenger vessels must be able to rely on professional, courteous, and prompt service at the Coast Guard Regional Exam Centers (RECs) when they seek to obtain or renew their Coast Guard credential.

- The success of PVA vessel member companies hinge on a smooth-functioning Coast Guard licensing process so they can put their employees to work quickly and keep them working. Many of our members operate seasonally or dramatically increase their sailings during

certain peak times of the year. These members rely heavily on summer or temporary employees, who they frequently hire with a very short lead time.

As a result, if the Coast Guard RECs fail to perform, it hurts individual employees— who are hindered in pursuing their profession—and operators of small passenger vessels who are severely disadvantaged in their efforts to hire qualified employees in a timely fashion, and in a highly competitive hiring market.

Processing Times and Quality of Service at Many RECs has been Unsatisfactory for Years

For too many years, our members have reported that the quality of the service at many RECs has been unacceptable. At too many RECs, processing time takes weeks and months. Applications and supporting documents are, far too often, lost by REC personnel, and the burden is then placed on the applicant to supply duplicates. Inquiries by phone are impossible because automated voice mail systems inform callers that mailboxes are full; if one is able to leave a message, calls are not returned. Counter service to in-person applicants is not customer friendly.

It is simply not true that these problems are a function of an increased emphasis on security after September 11, 2001. The problems described above pre-date the terrorist attacks. Nor did the difficulties arise after the hurricane flooded the New Orleans REC; they pre-date Hurricane Katrina. These developments have made the problems worse, but they are not the root cause.

As one example, take the case of Ms. Terri Bernstein of BB Riverboats of Newport, KY, on the Ohio River. In the summer of 2005, she mailed to the Memphis REC her completed application for her captain's license. Eventually, she received her approval letter and immediately in March 2006, she traveled 600 miles to Memphis to sit for the required two-day test, which she passed. She presented herself to the counter to have her license issued, but was told that the staff did not have time that afternoon and that she should "go home." Weeks later, when she called back to inquire about the status of her license, she was told that the file could not be found. In a subsequent call, the REC staff claimed that no driver's license or social security card had been submitted (in fact, the originals had been submitted). Finally, four weeks after Terri passed the exam—nearly nine months after she applied, and only after the PVA intervened—her captain's license was issued (it is customary for the license to be issued immediately following passage of the test). Captain Bernstein was an enthusiastic new mariner when she successfully completed her exam and met all the requirements to become a vessel master. But after enduring the poor customer service provided by the Memphis REC over a period of nine months, her enthusiasm for her new profession was substantially dampened. The maritime industry cannot afford to lose enthusiastic new mariners such as Captain Bernstein, but poor service by the RECs threatens to deter future such applicants. Further, small passenger vessel companies are equally impacted by continuing poor REC performance.

Another illustration of the deficiencies in the Coast Guard process involves my own situation. For years, I completed my renewals and upgrades of my own captain's license in the Seattle REC. In 2005, I moved to Virginia, and needed to renew my license at the Baltimore REC. In February, I drove the 75 miles to apply in person (as required) at the Baltimore REC. An ensign, who had left me sitting in the hall for 45 minutes, refused to credit my previous 14 years of work as the Vice President of Marine Operations of a ferry company in international service, even though it had always been perfectly acceptable to the Seattle REC. Accordingly, I had to complete a take-home open-book exam for renewal. My years of service as vessel captain, personnel manager, crew trainer, and Safety Management System auditor were dismissed as insufficient or irrelevant.

As instructed, I completed my exam, and mailed it together with all other required documents in mid-March. There were no special circumstances or complicating factors (such as a medical waiver or criminal record) attendant to my renewal application. My credit card was immediately charged for my licensing user fee. Over the next eight months, I received no word from the Baltimore REC. When I attempted to inquire as to the status, I left several messages by phone for the REC employees, but received no calls or messages in return. Eventually, I even sent an email to the Chief of the REC directly but received no reply.

In early November, at a maritime industry meeting in Charleston, SC, after a Coast Guard representative made a presentation on the reorganization of the National Maritime Center, I described publicly my experience with the Baltimore REC. It turned out that the Chief of the Charleston REC was in the audience. She approached me after the presentation, and told me I should follow up with Baltimore, because my license must be "lost in the mail." When I returned to Virginia two days later, my license arrived, dated November 1, nearly eight months after my completed application was submitted! I have to assume that the Charleston REC chief had communicated the details of my case to the Baltimore REC.

Even though my license had finally arrived, the companion STCW document was not included. Without the STCW document, I can not sail on international voyages. After several more futile phone messages, and more emails to the Chief of the REC, I gave up. I still have not received my STCW certificate, more 16 months after my completed application was submitted.

I offer my case for purpose of illustration only. I know of plenty of other mariners with their own horror stories. How can such poor service be justified or tolerated, especially when the lack of a license or document can result in a mariner not being able to go to work?

We believe that the basic problem is rooted in the fact that the Coast Guard has never given licensing the priority it deserves. The Coast Guard has consistently failed to provide the funding, personnel, and training that would be required to make all RECs function well. The tasks of the RECs continue to expand (collection of user fees,

issuance of STCW certifications, tow boat licensing, U.S. cruise ships in Hawaii, and new security procedures). In other words, the tasks expand, while the funding and the staffing at the RECs remain stagnant.

In our opinion, licensing/documentation and service to individual mariners is simply too far down the Coast Guard's list of priorities. This is a disgrace, because this is the one Coast Guard function with which nearly every mariner interacts, and this poor initial experience sets the tone for future interactions on both sides for many years.

Every REC experiences cyclical highs and lows in its capability and performance. PVA members tell us that for some RECs, the times of their best service rarely rises above "acceptable." These centers are chronically resistant to any fundamental improvement. In others instances, poor service is rare and is probably attributable to some temporary circumstance. **However, the persistence of these cycles indicates a chronic underlying weakness inherent in the overall program's administration**. We understand that when service degrades too much and complaints become too frequent, temporary improvement may be brought about through the deployment of "tiger teams" or the shifting of workload from one REC to another. However, these stopgap measures have not proven to provide permanent improvement because they do not address the fundamental problems.

We believe that RECs suffer from a lack of visibility within the Coast Guard and a perception that licensing and documentation is an ancillary tasking principally involving managing a flow of paper. It's a stepchild within the Coast Guard. It provides no career path for officers and civilians to rise to the top of the marine safety, security, and environmental protection programs. It remains an afterthought in budgeting, personnel assignments, and strategic planning. This translates into poor customer service.

Our experience has shown that the mariners' grapevine always spreads the word about the best RECs. In response, applicants have chosen to travel significant distances to go to these centers (for example, to the New York City REC) rather than closer units. But why should a mariner have to avoid the nearby REC simply to obtain acceptable service?

New Policy Requiring In-Person Visits to RECs

Compounding the problem of poor quality service at RECs are self-imposed Coast Guard policies that burden an already stressed organizational structure. An example is the new Coast Guard policy requiring a mariner to initiate all credential transactions by means of an "in-person" visit to an REC. This policy was initiated by the Coast Guard in the name of "security" in January 2006 without any prior consultation with the maritime industry.

Under this policy, many mariners must travel hundreds of miles to a distant REC to undertake the credentialing process. In many cases, this requires two or more days off

the job, an overnight stay in the city where the REC is located, lodging, meals, and airfare or automobile expense. The cost to the individual can amount to hundreds of dollars. .

After the Coast Guard put in place this "in-person" policy, it opened a docket for public comment. We respectfully urge this subcommittee to review the 362 submissions to Docket 17455 to see first-hand how individual mariners have reacted to it. Attached to my testimony is an article written by PVA's Past President, Mr. Richard Purinton of Washington Island Ferry Line (located in Lake Michigan in northeastern Wisconsin). He writes of his 1,000-mile, two-day "road trip" to the Toledo, Ohio, REC to renew his captain's license. Multiply that experience by hundreds of mariners who have had similar experiences and the result is a significant drain on personal and company resources, while having a minimal impact on national maritime security.

TWIC Rulemaking Will Make Things Worse

Finally, the Coast Guard and Transportation Security Administration have proposed regulations that will only make a bad situation worse. Their proposed rule on TWICs (Transportation Worker Identification Credentials) and Merchant Mariner Credentials indicate that a mariner will have to first apply for and receive a TWIC from a TSA-approved contractor (with an estimated wait of between 30 and 60 days, according to the *Federal Register* notice), before being able to apply to the Coast Guard for a Merchant Mariner Credential. This is just one of the many flaws in the TWIC rulemaking. They elaborate on our concerns about the REC employees being expected to learn yet another new complicated task.

Conclusion

Issuing licenses and merchant mariner documents to mariners is considered "drudge work" by the Coast Guard. The excitement of staffing a smoothly-run REC pales in comparison to flying helicopters or aircraft, rescuing mariners in distress, apprehending drug runners or illegal immigrants, or navigating cutters.

To the individual mariner, however, and to the vessel-operating companies that want to hire an employee in a timely fashion, the REC is a critical face of the Coast Guard. By failing to allocate the necessary resources to enable better professionalism and customer service at the RECs, the Coast Guard as an organization has been indifferent to, if not hostile to, the needs of American citizens who work in the maritime industry. Recent and proposed changes prompted by the alleged need for more security are making the situation worse.

It shouldn't be difficult to provide acceptable customer service at the RECs. Mariners are paying for these services via user fees, and they deserve to get the service they are paying for. Private companies place a great deal of emphasis on developing and maintaining good customer service, because they know that if they don't, they will go out of business. But the Coast Guard has a governmental monopoly on the issuance of licenses and documents. It is our belief, and that of our members, that it has thus far failed to to devote the financial resources and personnel needed to do the job. PVA

urges Congress to exercise the vigorous oversight required to force the Coast Guard to upgrade its performance.

Recommendations

The Subcommittee should ask the Government Accountability Office (GAO) to undertake a review and analysis of the Coast Guard's Mariner Licensing and Documentation program. It should:

- Determine to what extent and for what reasons the workloads of the RECs have increased in recent years;

- Investigate whether the Coast Guard has in place any procedure to measure levels of customer service and performance provided by the individual RECs and by the licensing/documentation program as a whole;

- Provide a description of recent funding and staffing levels for the individual RECs and the licensing/documentation program as a whole;

- Provide recommendations as to funding and staffing levels required to bring the licensing/documentation program to a point where it can achieve and maintain a satisfactory level of service to mariners;

- Analyze the advisability of establishing a Quality Standards Division that is separate from the NMC structure;

- Analyze and suggest a solution to the problem of "license creep" (that is, the mariner's loss of time on an existing license or document because a renewed document becomes effective immediately rather than on the last date of the term of the original document);

- Analyze whether mariner licensing/documentation is a program that "fits" within the Department of Homeland Security or whether it might be more appropriately placed and more efficiently administered within the Maritime Administration of the U.S. Department of Transportation.

SPECIALREPORT: LICENSE RENEWAL

By Dick Purinton,
Washington Island Ferry Line
Washington Island, WI

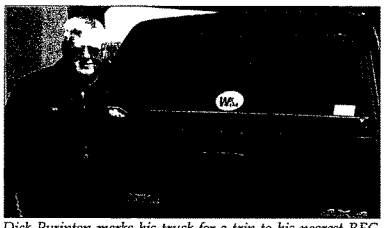
Road Trip–Coast Guard Style

I was hoping against hope I wouldn't actually have to make the sojourn to Toledo, Ohio, from our operation in Washington Island, WI, for my license renewal, but it wasn't to be.

Recent rules published in the *Federal Register* January 13, 2006, as an Interim Final Rule (IFR) regarding mariner licensing now require an in-person visit to a Coast Guard Regional Exam Center (REC). My thoughts were that surely someone from on high would see that an alternative was offered, or suspend the requirement until comments were in, all prior to my license expiration date of May 23. As winter passed to spring, my window for waiting was running out.

Then Erik Foss, a Washington Island Ferry Line captain of many years, told me he also needed to renew his license. He was planning to travel during his upcoming final week of vacation and wondered if I was interested in splitting the travel? (An individual air ticket was close to $700, and three overnights would still be required.)

We decided then to travel together in my pickup. Along with clean socks and underwear, I packed a valid passport, as well as a certified copy of my birth certificate. Only one was necessary, in addition to a driver's license with photo, but why chance the trip without correct I.D. information?



Dick Purinton marks his truck for a trip to his nearest REC, a mere 500 miles away from his ferry operation

Breezing along the Windy City's concrete.

One snag to a smooth departure was that our ferry schedule required me to leave Washington Island at 1 PM of the afternoon prior to our trip. After an overnight in Sturgeon Bay, I would pick up Erik at his home there, and we would start out early for the 500-plus mile drive to Toledo.

As we left Green Bay, WI, and the first of many fuel and fast-food stops, I started a book-on-tape, the first of four cassettes of *Cannery Row*. The final cassette ended as we crossed the Indiana/Ohio state line. During the intervening ten hours we had lots of time to talk, read a paper, and snooze, in addition to listening to the Steinbeck novel. The sun was setting by the time we checked into the Toledo Radisson (which offered a welcomed 50 percent discount for those on Coast Guard business!) and walked the river front, observing two eight-man shells rowing along opposite Maumee River shore.

We awoke early the following morning to head the line at the REC facility, and after sign-in were greeted by Tim Spears and Gay Nixon, two of REC Toledo's dozen personnel. Shortly after locating our files they began the I.D. verification and fingerprinting process. Gay warned us of computer log-in difficulties that morning, but then she was con-

(Left) This McDonald's in Green Bay was the first of many fast-food stops along the way (Middle) One of five fuel stops. (Right) Typical view for the 20-hour round trip.

nected quickly and the processing went quite smoothly from there, with a pair of laptops and digital fingerprinting units ready for accepting our prints.

The whole routine took maybe twenty minutes, tops, and it would have taken less time had it not been for my big hands and sweaty fingers. An alcohol spray cured the moisture problem and my prints were accepted on the third try and sent via Internet to the FBI for analysis and filing.

Rather than making the trip solely to satisfy a requirement, I had decided before leaving to set up an appointment with CDR Mark Stolnicki, Chief of the Toledo REC. We could have easily been heading west on the toll road again within thirty minutes, so efficient was the processing. But instead, we were greeted by CDR Stolnicki who spent ample time with us, answering questions and showing us the Toledo office facility, a rather close-quartered facility packed with desks, files, and smiling faces.

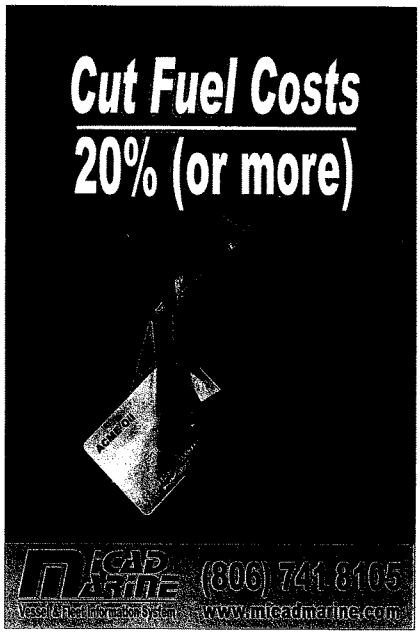
I returned home with great respect for the personnel of the Toledo REC for the job they're doing. I can't say the same for the nameless persons up the chain of command, some of whom are always about to retire or get transferred, who manage to outlast their tenure of responsibility to mariner licensing, and those who:

a) apparently didn't consider a mariner's 1000+ mile round trip with several overnights a hardship
b) apparently didn't consider it necessary to meet their customer part-way through site alternatives
c) were responsible for immediate implementation, citing in the *Federal Register* the following:

"Further, delay or suspension of the existing merchant mariner licensing process pending completion of notice and comment and publication of a final rule could have a severe impact on the professional lives of individual mariners....."

Contained within this statement are threats against our ability to continue work as mariners, to obtain a valid license before license expiration, and as companies, to confidently staff our vessels with qualified, licensed people while higher authorities sort out the rules....at least that's one conclusion I'm inclined to draw.

Another is that, as a mariner, I question the worth of partnership. I find it absolutely incomprehensible that our esteemed partner, the United States Coast Guard, whom we look to for oversight, but also for support in maritime commerce and affairs, would so casually choose to lighten more than $1000 from the pockets of each licensed master of this ferry company without so much as an official indication that alternatives might ever be considered. There have been months prior to the



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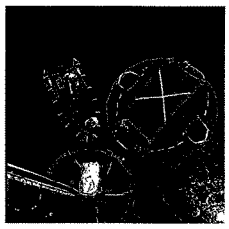

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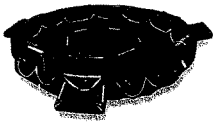

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(Left) CDR Mark Skolnicki, Commanding Officer, Toledo REC with files of pending license renewals. (Right) Captain Erik Foss and REC's Tim Spears, doing fingerprinting.

Federal Register Interim Final Rule during which mariner displeasure with the impending – but then unofficial – travel requirement was voiced in meetings I attended. This feedback appeared to fall on deaf ears, except for the oft repeated, "Be sure to voice your concerns by writing your comments when the time comes."

And so today I'm not about to bite my lip. I should be thankful, I suppose, that for this five-year license renewal cycle I've done my bit and am now among those waiting to receive my renewal license. Perhaps I ought to feel more patriotic, that my participation in a small way in an enhanced security licensing routine should somehow make us all safer. Instead, I'm afraid I view my lost time and money as an homage to a misguided tradition, that of "government first."

Now, I already pay a significant portion of my taxes to Homeland Security and support of the U.S. Coast Guard. This measure simply bypasses tax collection mechanisms for security and requires me to pay them out of pocket. Because the Coast Guard has not been bothered to get its act together and anticipate, or consider alternatives, I'm already bracing for five years from now, putting my spare change into a jar for another Toledo Memories excursion.

Licensing Lessons Learned

There are a number of things I can pass along in hopes others renewing their licenses might profit from them. In keeping them as concise as possible, I'll paraphrase, so if you have questions or doubts about anything, please contact your nearest REC staff for the latest, and best, interpretations and suggestions. Their answers, not mine, will represent an authoritative reply, although I've tried to repeat with accuracy the information passed along to me.

1. Establish a company file with license expiration dates. Staying on top of expiring company licenses will help your mariners stay current, and it could save you or your company from the ultimate disaster of being short a master at sailing time. Try to give notice to the individual mariner six or seven months in advance of their license expiration date to get them thinking RENEWAL.

2. Get applications in early. The renewal process can officially

Statement of

Dale Sause
President, Sause Bros.
Coos Bay, Oregon

and

Chairman of the Board
The American Waterways Operators
Arlington, Virginia

Before the

Subcommittee on Coast Guard and Maritime Transportation

Committee on Transportation and Infrastructure

United States House of Representatives

July 20, 2006

Good morning, Mr. Chairman, and members of the subcommittee. I am Dale Sause, President of Sause Bros., headquartered in Coos Bay, Oregon. We are a privately held towing company, carrying forest products, building materials and petroleum to and from Alaska and Hawaii and up and down the U.S. west coast. We employ over 500 people, including 300 mariners as crew on our boats. We own and operate a fleet of 35 tugboats and 25 barges. My family has been in the marine transportation business since 1937.

I am here this morning in my capacity as Chairman of the Board of the American Waterways Operators. AWO is the national trade association for the tugboat, towboat, and barge industry. The industry AWO represents is the largest segment of the U.S.-flag domestic fleet.

The tugboat, towboat, and barge industry is a vital segment of America's transportation system. The industry safely and efficiently moves over 800 million tons of cargo each year, including more than 60 percent of U.S. export grain; energy sources such as coal and petroleum, including most of New England's home heating oil and gasoline; and other bulk commodities that are the building blocks of the U.S. economy. The fleet consists of nearly 4,000 tugboats and towboats, and over 27,000 barges of all types. These vessels transit 25,000 miles of inland and intracoastal waterways, the Great Lakes, and the Atlantic, Pacific, and Gulf coasts. The tugboat, towboat, and barge industry provides the nation with a safe, secure, low-cost, environmentally friendly means of transportation for America's domestic commerce. The men and women who operate tugboats, towboats, and barges are "the eyes and ears" of our nation's ports and waterways and a vital partner with government in ensuring maritime security.

Although I am testifying today on behalf of AWO member companies, I feel that I am also speaking on behalf of the more than 30,000 mariners who work in the towing industry. These dedicated individuals are, quite simply, indispensable, both to our companies and to our country. Without them, companies like our family's would not be able to either meet the needs of our customers or realize a return on our capital

investments in boats and barges, and without them, a significant portion of our national commerce would not be able to move by water. The licensing issues that we will discuss today affect not only the ability of AWO companies to operate vessels, but, more importantly, the ability of these men and women to do their jobs and to provide for their families.

Mr. Chairman, this hearing is very timely because of the current state of the marine transportation industry with regard to vessel personnel and licensing. The towing industry, and I believe the domestic maritime industry in general, is facing a critical shortage of vessel personnel. We are having difficulty in finding an adequate number of licensed individuals necessary to crew our vessels. We are having difficulty in attracting new people to the industry and convincing those who do begin their employment aboard vessels to make their career on the water. At the entry level, turnover in our industry can reach fifty percent or higher. AWO members are actively seeking ways to address and solve this ongoing personnel shortage because the stakes are very high. Quite simply, without the crews to man our vessels, we are out of business.

It is true that the Coast Guard licensing system did not create this personnel shortage. Many factors contribute to the current situation: competition from landside employers is strong; and many individuals find that they do not wish to spend the time away from home and family that is frequently required in a career on the water. In addition, the path from entry level to being fully licensed as a master of a vessel, while rewarding, can be long and demanding. Not everyone finds himself or herself suited to a maritime career.

The Coast Guard licensing process, however, can and does exacerbate a situation that is reaching crisis proportions. Mr. Chairman, this is an issue that hits mariners, and their employers, right where we live. The lengthy delays, bureaucratic quagmires, and enormous backlogs at the Coast Guard Regional Examination Centers are not just unpleasant statistics to us. They have a significant negative impact on our lives. They're the difference between working and not working, operating a vessel or tying it up. When I talk to AWO members around the country about this issue, I'm struck by the emotional

intensity of their response. People are frustrated. They're angry. They feel devalued. They wonder: if our work is as important as we say it is – and moving 800 million tons of cargo annually is important work indeed – why can't we establish a simple, efficient system for processing the documents that mariners require to do their work? In many parts of the country, delays in the processing of mariner credentials have gotten so bad that the Coast Guard routinely advises mariners to submit an application for renewal a full year before their license expires! The system is broken. A fix is desperately needed, and long overdue.

Let me elaborate on what AWO members are experiencing as their crews engage the Coast Guard licensing process.

The processes used in the existing Regional Exam Centers force the industry to endure long and chronic backlogs, causing applicants to lose wages when the process is slowed for even minor issues, leading to a deep frustration. The renewal process has deteriorated since the inception of the present REC system, leading to concern that the proposed centralization to West Virginia, though intended to improve the system, will have the opposite effect. The REC's report that the failure rate for credential application preparation approaches 50 percent, suggesting a need to change the current forms in use, and to simplify and streamline them. Telephone calls and messages to RECs routinely go unanswered for lengthy periods, suggesting that attention needs to be paid to work loads, staffing levels, and staff turnover. There is extensive use of form letters which can be confusing or incomplete, and this leads to further letters and telephone calls that exacerbate the work load problem. Contract personnel handling applications are sometimes unfamiliar with the forms or the requirements, and requests for additional information are consequently sent out piecemeal, leading to further delays. When a REC supervisor can be reached, situations can often be resolved, but the length of time involved in this extraordinary effort should not be the norm, and guidance to the rank and file should allow faster, more efficient processing of applications without the need to routinely involve supervisors.

The technology used by RECs is viewed by many as archaic. Most small businesses use more sophisticated technology at the point of sale. The antiquated technology compounds the delay and backlog problems. Improvements in technology, including web-based application submission and web-based application tracking, should be introduced into the process. The use of inappropriate form letters and the resulting telephone calls to request clarification and to track progress of an application are all issues that could be dealt with more efficiently through technology. Improved technology can also help to create a fully integrated license and document system that is uniformly applied by all processors, reducing inconsistent results.

Medical issues frequently prolong application processing time. Revisions to mariner physical standards guidance have long been promised but are still not available to the public. Meanwhile, unpublished standards are being enforced at RECs. Mariners learn about these only after a problem develops with their applications. Further, the medical standards are not applied uniformly, resulting in contradictory results. The opinions of private physicians are sometimes ignored.

The current licensing process is in dire need of better processes, better technology, better staffing and a more uniform application of licensing requirements and medical standards.

The Coast Guard has proposed several measures to alleviate the current situation. First, it has begun to implement an ambitious plan to consolidate the processing of licenses in one national center, with "storefront" local offices for the submission of applications and other documents. Under the agency's plan, Regional Examination Centers would continue to provide face-to-face contact with mariners to receive applications, answer basic questions, review application for completeness, and administer required exams. The RECs would then forward complete application packages to the National Maritime Center for evaluation, credential processing, and records management. The NMC would operate a toll-free call center to answer detailed mariner questions about the status of their credentials. The plan would also include numerous technological improvements,

such as on-line payments of user fees, electronic imaging of mariner records, and electronic administration and grading of exams.

This overhaul of the mariner licensing and documentation program has been a long time coming, and AWO is pleased that the agency is finally moving forward to implement these needed changes, which should, in the long run, help to alleviate delays and backlogs. The problem is that the situation may well get worse before it gets better. Not only will the proposed improvements be phased in over a period of years, but the administrative stresses involved in the transition raise the specter of even more serious delays while the new system is being implemented. For example, civilian personnel who do not wish to move to the new National Maritime Center in West Virginia will not be replaced by qualified personnel overnight. In the meantime, and especially given the severity of the vessel personnel shortage, it will be essential for the Coast Guard to develop a transition plan and interim processes for handling applications to keep delays and backlogs to a minimum. These might include, for example, the temporary redeployment of personnel and/or the development of a prioritization system so that the most critical applications receive attention first.

Second, in May, the Coast Guard issued a notice of proposed rulemaking that would consolidate and streamline the process for obtaining a merchant mariner credential, such as a license, Merchant Mariner's Document, or STCW Certificate. AWO believes that many of the features of the proposed rule (for example, the opportunity to renew a credential by mail, instead of having to travel to a Regional Exam Center) will have a positive impact on the licensing system. With a few exceptions, we believe this rulemaking is a step in the right direction. [A copy of AWO's comments on the proposed rule is attached to this testimony.] However, the benefits of the proposed rule will not be realized overnight.

The Coast Guard should also move quickly to make common-sense changes to the licensing regulations for towing vessel officers, as recommended by the congressionally authorized Towing Safety Advisory Committee (TSAC). New licensing requirements for

towing vessel masters and mates or pilots took effect in 2001. These new requirements were developed cooperatively by the Coast Guard and TSAC to ensure high standards of safety and operator competence throughout the tugboat, towboat, and barge industry. AWO was an active participant in that process, and we fully supported the upgraded standards.

As with most complex regulatory undertakings, it's difficult to get it exactly right the first time. As the industry has begun to implement the new requirements, the need for additional modifications to ensure that the system works as intended has become apparent. Last fall, TSAC unanimously approved a report recommending a number of common-sense changes to the towing vessel officer licensing regulations. These include establishing a simpler process by which mariners from other segments of the marine industry can transition into the towing business, and eliminating unnecessary impediments to mariners progressing through the licensing structure. None of the TSAC-recommended changes would compromise the addition of a practical demonstration of proficiency, the major improvement that the new licensing requirements were meant to achieve. AWO urges the Coast Guard to act promptly to implement the recommendations contained in the October 2005 TSAC report, so that the pipeline of future wheelhouse personnel coming into the towing industry is not shut off as mariners see their prospects for career advancement stymied by cumbersome processes and lengthy waiting periods, regardless of the mariner's skill.

Another positive step that can be taken is to address "license creep". Currently, when a mariner submits an application to renew a license, the new term of the license begins when the renewal is issued. This puts the mariner in the difficult position of trying to predict exactly when the renewal will be issued so that he does not lose part of the five year term of his existing license. If he is too conservative in his guess, he loses a portion of the term remaining on his license – a term that was paid for! If he is too optimistic regarding processing time, his existing license could expire before the renewal is issued, with an even more serious consequence -- the inability to work. To address this situation,

a mariner should be able to submit an application for renewal up to 12 months before the existing license expires, and the renewal should become effective at the expiration of the full existing license term.

Mr. Chairman, if we can accomplish all of these things – overhauling the license and document delivery system, instituting the streamlined "merchant mariner credential," fixing the towing vessel officer licensing regulations, and solving "license creep" – we will have gone a long way toward improving the Coast Guard licensing system and reducing the deep frustration that so many in our industry feel today. But, we will still be facing a vessel personnel shortage that threatens the viability of a critical segment of our nation's transportation system. Faced with that situation, companies like our family's will continue to do everything we can to make our industry an attractive place for individuals to make a career. And, we would ask Congress and the Coast Guard to do your part by viewing all of the proposed legislation, regulation, or policy that comes before you through the prism of the personnel shortage problem. We would ask you to ask yourselves: "How would this law, or this rule, or this policy impact the ability of individuals to work in the maritime industry, or of maritime employers to crew their vessels? Will this action help the situation, or make it worse?" At a minimum, our goal should be to do no harm.

I can think of no clearer example of the need for this kind of analysis than the Transportation Worker Identification Credential (TWIC) regulations recently proposed by the Coast Guard and the Transportation Security Administration (TSA). In its current form, the TWIC proposal is, quite simply, devastating. AWO has submitted extensive comments to the docket on that rulemaking, calling it "a blunt instrument that will impose substantial hardships on mariners and the companies that employ them." The costs of the TWIC card for both the mariner and for the company employing him are excessive and burdensome. The process of obtaining a TWIC, involving multiple trips to enrollment centers located away from an employee's residence, along with at least a 30 to 60 day wait for processing, will further deter new employees and burden existing employees. A prospective employee, faced with a $149 cost for a TWIC, two trips to an

enrollment center and a 30 to 60 day wait, is likely to seek other employment opportunities. In its comments, AWO noted that the location of the proposed enrollment centers leaves out significant areas with substantial mariner populations, making the process of applying for and receiving a TWIC even more burdensome. The rule as proposed requires that an individual apply for and receive a TWIC before even applying for a Merchant Mariner Credential, further delaying the ability to obtain the credentials necessary for employment.

The agencies estimate that processing TWIC applications will take 30 to 60 days, which will seriously impede the ability of companies to bring new mariners into the industry in a timely manner. This will exacerbate the towing industry's already acute vessel personnel shortage problem and threatens to undermine the national economy by disrupting the movement of domestic waterborne commerce. AWO has urged TSA to do everything in its power to reduce the TWIC processing time, including more efficient background checks. During a mariner's initial trip to an enrollment center to apply for a TWIC, TSA could utilize the instant background check technology currently in place to allow for the purchase of a firearm, or similar procedures such as those used to grant temporary security clearances to military personnel applying for secret clearances. The National Instant Criminal Background Check System typically produces responses within 30 seconds. If no matching records are returned, an individual mariner should be allowed to work onboard a vessel for an interim period until his or her full background investigation has been completed and a TWIC card issued.

We have therefore proposed that the final rule include an interim work provision for new hires. Subject to procedures spelled out in a vessel security plan or Alternative Security Program (ASP), the rule should allow newly hired employees who have applied for a TWIC and met company-specific entry requirements to be placed in service on a vessel on a probationary basis until the TWIC application is either granted or denied. This would address companies' needs to crew their vessels in a timely manner and mariners' needs to begin earning an income as soon as possible. It would also avoid the serious disruptions to the flow of commerce that could result if companies were forced to lay up

vessels because of delays in obtaining TWICs for crewmembers. Tying the interim work provision to approved procedures contained in the vessel security plan or ASP would ensure that security is not compromised pending the issuance of a TWIC.

Finally, we must observe to the Subcommittee that this proposal falls squarely on the backs of American mariners – the same U.S. citizens who are designated as "the Coast Guard's eyes and ears" in America's ports and waterways. The proposed rule does not apply to foreign vessels calling at U.S. ports. Foreign crewmembers would not be required to obtain TWICs to enter U.S. waters. This leads to the absurd scenario of an American citizen crewmember seeking unescorted access to an American vessel being required to present a TWIC, have its validity confirmed and then verify his identity with a fingerprint scan, while on the other side of the pier, a foreign crewmember accessing a foreign vessel is subject to none of those requirements. That strikes us as an odd approach to enhanced maritime security.

In summary, Mr. Chairman, the maritime industry is facing a critical personnel shortage. The current state of mariner licensing – with lengthy delays and burdensome requirements on the mariners themselves – is exacerbating an already difficult situation. The Coast Guard recognizes this and is taking some steps to alleviate the problems, but more is needed and relief is still some time away. In the meantime, the Coast Guard and the industry must work together to address the immediate problems. Some specific actions that can be taken by Congress and the Coast Guard are:

- The existing licensing process must be improved by implementing more efficient procedures, better technology and more uniform standards applied consistently.
- Attention must be paid to work loads, staffing levels and turnover at the Regional Examination Centers. The ongoing process of consolidating the licensing process must be accelerated.
- The Coast Guard must have an effective "transition plan" to assure that the establishment of its new National Maritime Center in West Virginia does not actually worsen the licensing problem.

- The common-sense changes to the regulations for the licensing of towing vessel operators recommended last fall by the Towing Safety Advisory Committee should be implemented quickly.
- The problem of "license creep" should be resolved, through a statutory change if necessary.

Most importantly, the two ongoing rulemakings – TWIC and Merchant Mariner Credentialing – must be completed in a way that does not make the current difficult situation worse. The result of that would be disastrous not only for AWO companies and the mariners we employ, but for the nation as well. These proposals should be evaluated against the backdrop of the vessel personnel shortage confronting the industry today, and the goal of any changes must be, as the Coast Guard has already stated, to "do no harm."

Mr. Chairman, we very much appreciate the opportunity to appear before you today. AWO and its member companies stand ready to work with this committee and with the Coast Guard to ensure high standards of safety and security while keeping mariners working, vessels moving, and the commerce of the United States flowing. Thank you.

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Jennifer A. Carpenter
Senior Vice President
Government Affairs & Policy Analysis

July 5, 2006

Docket Management Facility
U.S. Department of Transportation
Room PL-401
400 Seventh Street, S.W.
Washington, D.C. 20590-0001

Re: Consolidation of Merchant Mariner Qualification Credentials (USCG 2006-24371)

Dear Sir or Madam:

The American Waterways Operators (AWO) is the national trade association for the domestic tugboat, towboat, and barge industry. The industry AWO represents is the largest segment of the U.S.-flag domestic fleet and comprises a vital segment of America's transportation system. The industry safely and efficiently moves over 800 million tons of cargo each year, including more than 60 percent of U.S. export grain; energy sources such as coal and petroleum, including most of New England's home heating oil and gasoline; and other bulk commodities that are the building blocks of the U.S. economy. The fleet consists of nearly 4,000 tugboats and towboats, and over 27,000 barges of all types. These vessels transit 25,000 miles of inland and intracoastal waterways, the Great Lakes, and the Atlantic, Pacific, and Gulf coasts. The tugboat, towboat, and barge industry provides the nation with a safe, secure, low-cost, environmentally friendly means of transportation for America's domestic commerce.

The industry would not exist to provide these essential transportation services to our nation without the 30,000 men and women who work on barges and towing vessels. These mariners are truly the lifeblood of our industry. AWO urges the Coast Guard to ensure that the new Merchant Mariner Credential (MMC) requirements are implemented in an effective, efficient way that not only "does no harm," as the Coast Guard has stated, but that improves the functioning of the licensing and documentation system for mariners and their employers. In this regard, we believe that the notice of proposed rulemaking (NPRM) includes a number of positive features that will make the system simpler and more user-friendly for mariners. We have also identified three areas of concern that we believe must be revised before the new rules are finalized.

Positive Features of the Proposed Rule

AWO commends the Coast Guard for its inclusion of the following provisions in the NPRM and strongly encourages their retention in the forthcoming final rule:

- **Allowing mariners to renew their credentials via mail** – including the option to take the oath in front of a notary public – is essential to reducing the backlog currently facing the Regional Examination Centers (REC).

- The **consolidation of licenses, Merchant Mariner's Documents, and STCW certificates into one document** will significantly reduce the costs associated with renewing multiple credentials. The single $45.00 fee will greatly reduce the financial burden faced by mariners with multiple credentials.

- The **institution of an information-sharing tool between the Coast Guard and the Transportation Security Administration (TSA)** is an efficient way to reduce the burdens placed on both agencies by the joint TWIC and MMC rules. AWO encourages the Coast Guard and TSA to ensure the timely transmission of relevant information between both agencies in order to reduce any time delays in processing both TWIC and MMC applications.

- **The five-year phase-in period** during which a mariner can renew his or her current credential and receive the new MMC will greatly reduce the backlog of applications now facing the RECs, as well as give mariners the opportunity to complete the process at time that is convenient for them.

- The **option to renew MMCs at any time prior to the expiration** of the old credentials is a common-sense feature that will make the process more convenient for mariners.

- The **possibility of increasing the number of MMC application and examination centers,** perhaps by using other established Coast Guard locations or purchasing mobile units in order to better accommodate more remote locations, should be vigorously pursued. AWO fully supports the creation of more REC-type locations for the processing of credentialing paperwork.

Provisions That Require Revision

While AWO is supportive of the intent and many of the specific features of the proposed rule, there are three areas that we believe impose unnecessary and inappropriate burdens and should be revised:

- Section 10.215(e) suggests that a **physician must document the physical ability of a mariner to do his or her job by traveling to a vessel** in order to oversee the "demonstration of physical ability." This is unnecessary and impractical for both the

mariner and the attending physician. While AWO agrees that it is essential that physicians clearly understand the specific physical standards that a mariner must meet to do his or her job safely, we believe this goal could be accomplished by including those standards on (or as an attachment to) the physical examination form that the physician must complete.

- The **hearing test thresholds** outlined in section 10.215(c), which requires a hearing test at 500, 1000, 2000 and 3000 Hertz, are unusually, and inappropriately, prescriptive. AWO recommends substituting a more performance-based approach that is tied to a mariner's duties and responsibilities on board a vessel.

- The proposed rule states that an individual must **apply for and receive a TWIC before submitting an application for a Merchant Mariner Credential**. Even under the existing system, delays in issuing Coast Guard credentials are often substantial and impose serious hardships on mariners and their employers. Instead, TSA and the Coast Guard should be able to begin processing both applications simultaneously. For example, while TSA is conducting the security checks necessary to issue a TWIC, the Coast Guard could be reviewing a mariner's medical information, an issue that often results in delays in the issuance or renewal of licenses. The Coast Guard could wait to issue the MMC until after the TWIC has been issued, but a mariner should not have to wait to apply for a credential, and the Coast Guard should not delay the process of reviewing the MMC application, pending the issuance of the TWIC.

Thank you for the opportunity to comment. The consolidation of mariner credentials is an extremely important issue and it is imperative that the system truly "honor the mariner" while ensuring high standards of safe vessel operation. With the three caveats detailed above, this rulemaking is a step in the right direction. AWO would be pleased to answer any questions or provide further information to assist the Coast Guard in preparing a final rule.

Sincerely,

Jennifer Carpenter

Jennifer A. Carpenter