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U.S. COAST GUARD MISSION PERFORMANCE

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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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UNITED STATES COAST GUARD MISSION PERFORMANCE

Thursday, September 14, 2006

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

The subcommittee met, pursuant to call, at 10:00 a.m., in Room 2167, Rayburn House Office Building, the Honorable Frank A. LoBiondo [Chairman of the subcommittee] presiding.

Mr. LOBIONDO. Good morning. The Subcommittee on Coast Guard and Maritime Transportation will come to order.

The Subcommittee is meeting this morning to review the Coast Guard's recent mission performance and, in particular, the Service's efforts to balance its assets and personnel to carry out each of its homeland security and non-homeland security missions. The Subcommittee has held several hearings to review mission balance and performance during my time as Chair, and I hope that we will hear from the witnesses on how the Coast Guard is working to successfully meet its goals for each of its many important missions.

Following the terrorist attacks of September 11th, the Coast Guard was given substantial additional responsibilities to secure U.S. ports, vessels, and coastal waters. At the same time, the Subcommittee was concerned about the efforts these additional homeland security responsibilities would have on the Coast Guard's capabilities to accomplish its traditional missions. Section 888 of the Homeland Security Act of 2002 prohibits the Secretary from "substantially or significantly" reducing the missions of the Coast Guard or the Service's capability to perform these missions. This is obviously critical since the lives of mariners, recreational boaters, and others often depend on the Coast Guard's ability to perform these traditional missions.

Events in recent years have reminded us of the critical importance of the Coast Guard's traditional missions. The Coast Guard Search and Rescue mission was prominently displayed in the response to Katrina and Rita on the Gulf Coast last year. Likewise, the Coast Guard has carried out activities to prevent and respond to oil spills as part of the Service's Marine Environmental Protection mission, including two major oil spills, one in the Delaware River and one in Alaska. We, as a Nation, simply cannot afford to allow any erosion of the Coast Guard's ability to accomplish these non-homeland security missions.

The Homeland Security Act of 2002 also requires the Office of Inspector General for the Department of Homeland Security to con-

duct an annual review of the Coast Guard's mission performance, with a particular emphasis on examining the Service's performance of non-homeland security missions.

In July of 2006, the report for fiscal year 2005 was published and has important conclusions. The report indicated that the Coast Guard's mission resource hours, the number of flight hours for aircraft and underway hours for boats and cutters, has increased for both its homeland security and non-homeland security missions. It concluded, however, that the Coast Guard is within 4 percent of its statistically projected maximum level of resource hours.

As a result, the Inspector General found that the Service "will be unable to increase its total resource hours without the acquisition of additional aircraft, cutters, and boats." The report is saying that we have reached the end of the road, we can't squeeze anything more out of these rapidly failing legacy assets. Consequently, it is again evident that Congress must accelerate the production of new Deepwater assets and the program itself.

I am truly concerned about the pace of Deepwater recapitalization. I again take this opportunity to urge my colleagues to support funding levels that will not only allow the Coast Guard to acquire the assets they need, but will allow the program to be accelerated and brought online over the next 15 years rather than the 25 year projected time line in the revised plan.

The report also revealed that, despite success in increasing mission hours, the Coast Guard still has room for improvement in its performance. Although the report seems to indicate problems that need to be addressed, I am mindful that the Coast Guard has only a limited number of assets and personnel. I hope that the witnesses' testimony will address whether the Coast Guard and the Inspector General feel that the performance measures are accurately reflecting the job that the Service is doing, and I thank the witnesses for coming this morning and look forward to their testimony.

Mr. Taylor, would you like to make any opening remarks?

Mr. TAYLOR. I think Mr. Baird did.

Mr. LOBIONDO. Mr. Baird, would you?

Mr. BAIRD. No.

Mr. LOBIONDO. Okay, we would like to welcome this morning Rear Admiral Joseph Nimmich, the Assistant Commander for Policy and Planning of the United States Coast Guard, and Edward Stulginsky from the Deputy Assistant Inspector General for Audits, Department of Homeland Security. Thank you for being here.

Admiral, please proceed.

TESTIMONY OF REAR ADMIRAL JOSEPH L. NIMMICH, ASSISTANT COMMANDANT FOR POLICY AND PLANNING, UNITED STATES COAST GUARD; AND EDWARD STULGINSKY, DEPUTY ASSISTANT INSPECTOR GENERAL FOR AUDITS, DEPARTMENT OF HOMELAND SECURITY

Admiral NIMMICH. Chairman LoBiondo, distinguished members of the Committee, thank you for this opportunity to discuss Coast Guard mission performance and balance.

Mr. Chairman, as you well know, the Coast Guard is an amalgamation of authorities, capabilities to protect our maritime nation.

Through 216 years of thoughtful consideration and legislative initiatives, we, I mean the Administration, the Congress, and Coast Guard, have collectively built an organization to help guarantee, at once, the safety, security, and the prudent stewardship of the maritime domain.

The Nation's need for a prepared and ready Coast Guard is not static. New challenges emerge as others are mitigated. The Coast Guard must be steadfast in its character, but adaptive in its methods. Our mandate and responsibility, indeed our passion, is serving the Nation with the best leadership, authorities, and capabilities we can muster.

The Committee provides the oversight to ensure the Coast Guard balances these mandates, and I am here today to provide you with status of our efforts.

Let me take a moment to update you on a few recent cases that serve to illuminate our steadfast character, adaptive methods, and our commitment to balance as we strike across our roles of safety, stewardship, and security.

When you discuss mission balance, there is no better example than Hurricane Katrina. You are well aware of the extraordinary lifesaving stories, but what you may not be aware of are the other Coast Guard missions that were conducted simultaneously: Aids to Navigation Unit surveyed, marked, and cleared waterways for reopening, ensuring the maritime transportation of relief supplies, commercial use of waterways was restored within days; the Coast Guard was mitigating the effects of what amounted to the second largest hazardous spill in our Nation's history; safety, security, and stewardship concurrently, without the need for any declaration or a rush to change authorities. Congress has already ensured alignment and investment in the right authorities for the Coast Guard.

The Katrina response was not an anomaly. Rather, it provided many examples of multi-mission performance in a hazard of exceptional proportions. Literally every day there are significant examples of Coast Guard mission execution providing safety, security, and stewardship in the maritime domain. Just recently we have responded to the Calcasieu River spill near Lake Charles, a 2 million gallon spill of waste oil from a holding system. It shut down a 20 mile stretch of the Calcasieu River and the intercoastal waterway in Southwest Louisiana. The potential impact on one of our largest refineries was to be shut down. The Coast Guard led a partnership with industry and government which worked to prioritize vessel movements during the cleanup operations, keeping the refinery open and ensuring effective cleanup.

Rescue 21 is living up to its purpose. In a single afternoon over the 4th of July weekend, our sectors Tampa-St. Pete received seven calls on the Rescue 21 system. Six of those were not received on our legacy system, which was being run in parallel as a measure of effectiveness.

Mr. Chairman, you have already seen, this past November, we received a limited distress call from a mariner off the New Jersey coast. He reported his position and we moved in that direction. After using the Rescue 21 reconstructive direction finding capability, we redirected the assets over 20 miles, successfully recovering

three men in the early stages of hypothermia from the 60 degree water.

In recent days we have had four seizures of drugs, over 11,000 pounds and 22 suspected drug smugglers.

Just last week, a Coast Guard C-130 observed a Republic of the Marshall Islands flagged vessel illegally hauling nets in the Howland-Baker U.S. economic exclusive zone. Coast Guard Cutter Walnut, a buoy tender, pursued, boarded the vessel, and seized 500 tons of tuna on board.

And to my right you see the pictures of the Cargo ACE. As a result of shifting cargo and ballasting, the vessel went to an 80 degree list and threatened the total loss of its vessel, its cargo, and over 2,000 gallons of fuel and petroleum products. Coast Guard-led Unified Command ensured the rescue of all 23 crew members and a salvage plan was instituted which mitigated all potential pollution. The vessel is safely on its way to the United States.

Steadfast in our character, adaptive in our methods, the Coast Guard's preparation in response to all hazards and threats is built upon our principles: clear objectives, effective presence, unity of effort, on-scene initiative, flexibility, managed risks, and restraint. Underpinning our drive towards mission balance and effective mission execution, through the blending of legislative authorities and deliberate design of our capabilities, the Coast Guard is agile, effective force serving all our Nation's maritime needs. Our holistic approach to mission execution provides the necessary focus: steadfast in character, adaptive in methods.

Thank you for this opportunity, and I look forward to answering your questions.

Mr. LOBIONDO. Thank you.

Mr. Stulginsky?

Mr. STULGINSKY. Good morning, Mr. Chairman and members of the Subcommittee. I appreciate the opportunity to discuss the Coast Guard's mission performance for fiscal year 2005.

My testimony today focuses on a review of the Coast Guard's performance of its homeland security and non-homeland security missions, and addresses three issues: first, the total number of resource hours devoted to Coast Guard missions has increased; second, despite increases in resource hours, there is room for improving mission performance; and, third, barriers to improving mission performance still exists.

Regarding mission hours, prior to fiscal year 2001, the non-homeland security missions represented the largest percentage of resource hours within the Coast Guard, using 62 percent of all resource hours. Following September 11th, 2001, the Coast Guard dedicated a larger percentage of resource hours to homeland security missions than for non-homeland security missions, steadily increasing from 38 percent to 63 percent of total resource hours used by fiscal year 2004. In fiscal year 2005, the percentage of resource hours dedicated to non-homeland security missions increased for the first time since fiscal year 2001.

Mr. LOBIONDO. Excuse me. Could you pull your mic a little closer?

Mr. STULGINSKY. Sure.

Coast Guard data also showed the total number of mission hours have increased every year since fiscal year 2001. This has allowed the Coast Guard to increase hours used on non-homeland security missions to within 3 percent of pre-September 11th hours. Not only are the total non-homeland security mission hours approaching baseline levels, but individual missions that comprise the non-homeland security category are also approaching the pre-9/11 levels in the post-9/11 environment.

My second point is that, despite steadily increases in mission hours, the Coast Guard is not meeting all of its performance goals. The Coast Guard has been much more successful in meeting its goals for its non-homeland security missions, meeting five of six goals during fiscal year 2005. For example, the Coast Guard met the 2005 goal for Search and Rescue by saving over 86 percent of mariners who were in distress. For fiscal year 2005, the Coast Guard met two of four goals for its homeland security missions. Since fiscal year 2001, three missions—a legal drug interdiction, undocumented migrant interdiction, and other law enforcement—have met goals in only two of the five years.

In addition, the Coast Guard only recently developed a performance measure for Ports, Waterways, and Coastal Security mission. This mission is by far the largest user of resource hours of any Coast Guard mission. The key concern regarding this newly established risk-based performance measure is its subjectivity and, as such, the measure may restrict the measure's usefulness for evaluative purposes.

My last point is that the Coast Guard faces major barriers to improving or sustaining mission performance. These barriers include: that growth and resource hours has leveled off; the Coast Guard has limited and finite assets to respond to a crisis; and, three, the Coast Guard lacks a comprehensive performance management system

The first barrier to improve performance is that growth in total Coast Guard resource hours, although significantly greater than baseline levels, has leveled off. The increase in total hours from fiscal year 2004 to fiscal year 2005 was less than 1.5 percent, and total resource hours for the Coast Guard are reaching a maximum. Based on resource hour data, coupled with Coast Guard's limited and finite level of aircraft, cutter, and boats, the Coast Guard will be unable to increase its total resource hours without the acquisition of additional aircraft, cutters, and boats.

The second barrier is that the Coast Guard has a limited and finite number of assets, and, therefore, available resource hours to respond to an extended crisis. With no additional reserve assets for use in catastrophic situations, the Coast Guard must use resource hours normally dedicated to other missions to respond to crises and to meet often drastically changing mission priorities. For example, in the aftermath of Hurricane Katrina, the Coast Guard deployed over one-third of its aviation assets from all over the Country to the Gulf Coast to aid in search and rescue operations. In moving these assets to the Gulf Coast, the Coast Guard did incur additional risks throughout the rest of the Country, such as fewer counter-drug, fisheries enforcement, and migrant interdiction operations conducted in the Caribbean and off the coast of Florida.

Lastly, in September 2004, we reported that the lack of a comprehensive performance management system impedes the Coast Guard's ability to gage its performance, allocate resources effectively, and target areas for improved performance. In addition, we stated that the workload demands on the Coast Guard would continue to increase and require experienced and trained personnel, contradicting recent declining experience levels among its personnel. We also stated that sustaining a high operating tempo, due to growing homeland security and national emergency demands, would further tax the Coast Guard's infrastructure, including its aging cutter and aircraft fleet.

For all Coast Guard missions, the Coast Guard has been sustaining performance through increases in resource hours. Much of the credit is due to the dedication and perseverance of the men and women of the Coast Guard. We remain concerned, however, that the Coast Guard is nearing its resource hour capacity, a situation that could significantly limit the Coast Guard's ability to "squeeze out" any more resource hours from its existing assets to ensure the capability and readiness to respond to the effects of future environmental crises or major terrorist attacks. To improve performance, the Coast Guard must ensure that a comprehensive performance management system is implemented and that its personnel have the training, experience, equipment, and infrastructure needed to perform its homeland security and non-homeland security missions.

That concludes my statement. I would be happy to answer any questions the Subcommittee may have.

Mr. LOBIONDO. We thank you very much. We are going to start with Mr. Filner.

Mr. FILNER. Thank you, Mr. Chairman. And I would just like my opening statement to be made part of the record.

Mr. LOBIONDO. Without objection.

Mr. FILNER. Ever since we created the Department of Homeland Security, we have expressed our hope and our understanding that the Coast Guard would continue its traditional missions while adding on the new homeland security missions. And as the report that the Inspector General referred to, there seems to be a reduction in the traditional missions and the resources given. For example, in the President's proposed budget, we are cutting funding or he proposes to cut funding for Marine Safety programs and for Search and Rescue missions. So the balance of that Coast Guard mission is of concern to us, and there are some areas within that safety mission of yours that I just want to ask some questions about and see if you have the resources to continue to do that in the manner that you have traditionally done it.

As you know, by law, all vessels over 65 feet and all towing vessels over 26 feet have to have so-called AIS, or automatic identification system, onboard as of January 1st of last year if the vessel operates on the navigable waters of the United States. But the Coast Guard regulations only requires AIS if the vessel operates in an area where the Coast Guard operates its vessel traffic service. So I guess my first question is when is the Coast Guard going to enforce the law and require these collision avoidance systems on all the vessels, regardless of where they operate?

Admiral?

Admiral NIMMICH. Yes, sir. We continue to refine the regulatory framework by which AIS requirements are driven down. Initially, it was indicated only in the VTS areas because that is the only area we had to be able to ensure enforcement by observing it. As we expand the nationwide AIS coverage, we are equally expanding the regulatory framework to ensure that those requirements are met, sir.

Mr. FILNER. So you are going to get to this at some point. But the law says as of January last year they had to have these systems. Why aren't we enforcing the law as it exists?

Admiral NIMMICH. Sir, we have not completed the coverage of the Country and AIS enhancement that we can see whether they have it or not. So you can't enforce something that you don't—can't see. So as we enclose the Country in the AIS capture net, we are expanding the enforcement of that.

Mr. FILNER. Well, I think this was meant for the safety of the vessels themselves, right?

Admiral NIMMICH. Yes, sir, it is.

Mr. FILNER. And, I mean, it sounds like you are saying that you are not going to enforce the law until you have the capability to enforce the law. But our question is what resources do you need so you can enforce the existing law?

Admiral NIMMICH. You have given us the resources to complete the AIS enhancement around the Country. We have gone out with the request for proposals on that and we are continuing to close that net, sir. The law exists, and if we are on board a vessel and board them, but without boarding them, until the AIS is closed, I can't tell you that they in fact are abiding by the law or not abiding by the law.

Mr. FILNER. So when do you expect to be able to completely enforce the law?

Admiral NIMMICH. By the end of 2007, early 2008, sir.

Mr. FILNER. Three years after the law. I will come back to that. Let me ask you a couple other things.

By law, all vessels over 65 feet and towing vessels over 26 feet, the same as the previous requirement, must have an electronic chart system onboard, and that begins next year. Have you yet, or when is the schedule for prescribing these requirements for the electronic charts so that they can operate in compliance with the law?

Admiral NIMMICH. I can't answer that, sir. I will get you an answer for the record.

Mr. FILNER. So you don't know when you will be able to enforce the law that is supposed to be enforced next year?

Admiral NIMMICH. I will have to go back to our law enforcement office to identify what their enforcement regime is or protocols are, and I don't have that currently in front of me, so I will answer that for the record.

Mr. FILNER. Well, I am informed—by the way, these answers are a little bit disconcerting because if you look at another active that we passed in 1988, the Commercial Fishing Vessel Safety Act, which required such things as stability tests, We are now 18 years and you still haven't prescribed those standards, as I understand it. Does the Coast Guard have the resources or the capability of

regulating these marine safety standards, or does it have to be done, say, by the Department of Transportation, which does other safeties for other modes of transportation?

Admiral NIMMICH. Sir, we continue to enforce the marine safety regulations to the capacity that we have. We are continuing always to refine and improve the regulatory framework and the capacity that we have to do it, and we do very closely look at the fishing industry as one of our areas to ensure that there is compliance.

Mr. FILNER. Well, Mr. Chairman, if the testimony is that one law 18 years old, another law 3 years old, another law about to take effect, and they don't have the resources or the capability of enforcing this, I think that is a pretty big concern that we have to look at, sir.

Admiral NIMMICH. Mr. Chairman, if I may, I would be glad to bring our law enforcement expertise over to report back to Mr. Filner on the activities on those three events.

Mr. LOBIONDO. I think that would be very important, Admiral.

Mr. FILNER. Thank you.

Mr. LOBIONDO. Admiral, the OIG report indicates that the Coast Guard is within 4 percent of its statistically projected maximum level of resource hours and that, as a result, the Coast Guard will be unable to increase its total resource hours without acquisition of additional assets. With the vessels and aircraft deteriorating at the expected gap where less assets will gradually be available and Deepwater assets still are not online, we have got a chart that we put up showing this gap—

Admiral NIMMICH. Yes, sir, I am familiar with the chart.

Mr. LOBIONDO.—with the patrol boats, how are we going to do this? It looks like it is impossible.

Admiral NIMMICH. Sir, it is the allocation of scarcity that the Coast Guard has faced since 1790. We have never had 100 percent of the mission assets that we have always thought we would need to make every mission completely successful. We balance that through a risk-based decision-making process where we look at the best impact that we can have across what the highest risk the Country faces. So we allocate those assets to those highest risks. The newer assets that we get have more capacity or more capability—not capacity, but more capability. Asset hours are not an appropriate single reflection of our ability to perform. As we bring new assets on, like our 47 footers, our 87 footers, they have more capability than the assets they replaced. So a pure asset hour to asset hour comparison is not a fair assessment of our ability to perform.

Additionally, sir, we are doing better at partnering with our other law enforcement entities, trying to identify where we have similar requirements, similar authorities, and not duplicate effort, but ensure that each of us knows what the other law enforcement entity is providing.

So through those methods we will try to mitigate as much of the gap as we can. But I can't tell you that there won't be some degradation in performance during those gap periods.

Mr. LOBIONDO. It seems it will be unfortunate that we won't really know about them until there is something really bad that gets reported because of our inability to respond.

Okay, let me move on. Other than mission hours, what are the best methods of measuring the Coast Guard's mission performance? You touched on this a little bit.

Admiral NIMMICH. Yes, sir. As you know, we have a series of mission indicators and standards that we try to meet. I will use the example of Search and Rescue. As the IG indicated, we met our Search and Rescue standard last year, at 85 percent of mariners in distress. As we identify improved systems like Rescue 21, which is not an asset hour, but gives us the ability to more effectively respond, we take those asset hours and use them in other places.

At the same time, we continue to modify and monitor our performance, and have increased our standard to 87 percent because we think we can do better. Our standards are always set as a stretch goal. We don't anticipate always meeting every standard every year. We continue to try to find ways to do business better, but we also challenge ourselves to provide more capacity and more product to the Country. In terms of Search and Rescue, we have increased our goal because we were meeting our goal. The Rescue 21 allows us to be more efficient.

Mr. LOBIONDO. How will the Coast Guard's taking over of the enforcement of the no-fly zone in the National Capitol Region affect its other missions, in your view?

Admiral NIMMICH. Sir, if you note in our 2007 budget, we have a request in there for the procurement of green aircraft. Those green aircraft will come in and go through our PDM lines to become standard Coast Guard aircraft. In the meantime, while they are being upgraded, we will use seasonal variations in our workload to address it, as well as continuing the HITRON contract to its next—we were anticipating not exercising the last option year, and we will exercise that option year to give us that capacity that we were going to fill back with standard Coast Guard aircraft.

Mr. LOBIONDO. Thank you, Admiral.

Mr. Oberstar?

Mr. OBERSTAR. Thank you very much, Mr. Chairman, for calling this hearing.

Mr. LOBIONDO. Thank you for joining us.

Mr. OBERSTAR. I very much appreciate your vigilance over Coast Guard activities, and Mr. Filner as well, and our colleague, Mr. Taylor, whose eye is always on the coast and the Coast Guard.

Admiral, this past summer, beginning of August, the Coast Guard published a notice in the Federal Register of establishing 34 zones in the Great Lakes where they would undertake live fire training missions for your various training purposes, the first time anything like that has been undertaken on the waters of the Great Lakes. I received a number of expressions of concerns from people throughout the Lakes, from Cleveland all the way to even in Lake Ontario, all the way to Lake Superior, and, along with others, appealed to the Coast Guard for an extension of time of the comment period on the notice.

But then, this week, the Coast Guard sends a vessel out off two harbors in Security Zone 6 and starts firing within view of a pleasure craft, who had been notified about this but didn't realize it was going to be within eyesight. And they called the local newspaper

and then the reporter got on the story and started calling around to people, asking their comments, and what is going on here.

Isn't it inconsistent, with extension of comment period, for the Coast Guard then to go and undertake within the comment period the activity upon which comment is to be received?

Admiral NIMMICH. Yes, sir. We have not done a very good job of being able to communicate both the need and our desire for fixed Security Zones. We have, starting in 2004, when we made an agreement with the Canadian Coast Guard that we would arm our vessels as part of our homeland security mission and the need to make sure that all of our borders had the capacity to deal with any type of an issue that would impact the national security, we went about not only arming the boats, but you have to train, and you have to train in the environment in which you are going to use those boats. We have been conducting live fire exercises since the beginning of January of this year.

The purpose of the fixed Security Zones was to move away from random Security Zones that we create when we have to do a live fire, to a zone that is more aware for the public that a live fire could occur there. You have to activate the zone, the fixed zone in order to create that live fire.

We have been discussing this for the last year or so. We were not very forthcoming with the notice of rulemaking on that. Based on your input and Representative Hoekstra, we have in fact extended the deadline, and I am happy to report that the operational commander is in holding for our listening sessions within the Great Lakes, one in each sector that he has throughout the Great Lakes.

Mr. OBERSTAR. It seems he has also been holding a shooting session while the comment is going on.

Admiral NIMMICH. Yes, sir, but we have been shooting since the beginning of January.

Mr. OBERSTAR. But that is inconsistent with a comment period, to then go out and do the thing upon which comment is invited.

Admiral NIMMICH. But the comment, sir, is not about whether we should shoot. The comment is on a fixed zone. We have to shoot in that environment. And the comment was to create fixed zones rather than, every time we go out for a live fire, that we have to create an arbitrary zone that the public may have less knowledge of than publishing and putting on the charts that there is a fixed zone where we fire.

It is confusing. The operational commander has canceled the live fire that he had for today, and it is under review at this point in time.

Mr. OBERSTAR. The Air National Guard and, before them, the U.S. Air Force, when they had an active mission in Duluth, had firing zones over land and over Lake Superior. Those zones were published, noticed to the public, comment period was established, public comment was received, and when it was all received and evaluated, only then did the Air National Guard and the active Air Force begin their training missions.

Then, when they decided they needed to change this zone and shift it a little bit—of course, this is parenthetical to my point—they were going to go over Luomo's Chicken Ranch, and the owner called and said, do you realize how much of a liability the Air Force

is going to have if they run those airplanes over my chicken farm? I have got 100,000 of them. They will scare the hell out of them; they will all roll over and die. The Air Force and the Air National Guard sent teams down to look at the chicken ranch and decided that they would move the zone.

And then they moved it over the Boundary Waters Canoe Area Wilderness. I said, do you realize you will be violating the air space reservation over the wilderness and you might scare the hell out of canoeists going out in that area? And they adjusted it again.

They seemed to be much more responsive to public opinion than the Coast Guard in undertaking this activity. I urge you to withhold the live fire activities until further comment such as concerns from environmental groups, the Izaak Walton League and others, who are concerned about—including the mayor of Duluth—about lead deposits in these zones and what the effect might be on aquatic life? Have you made that evaluation?

Admiral NIMMICH. Yes, sir, we have done two environmental assessments that are available online. They are being made available as part of the comment period. Both of those show that the impact has minimal effect on those large bodies of water in terms of safety to human life or the environment that they are in.

But I do want to stress that the operational commander, who is responsible for the readiness of his units—and these units on the Great Lakes, although they are operating on the Great Lakes today, may be asked to operate in the New Orleans environment tomorrow, and they need to be able to be sent as a completely prepared unit—he has canceled the gun execs that he had planned for today.

Mr. OBERSTAR. Well, I appreciate that. I will have to take a look at the environmental impact statement. Some people seem to think that Lake Superior is so big it can absorb any amount of material deposited in that water. I will remind you that the Great Lakes are one-fifth of all the fresh water on the face of the earth. Lake Superior is equal to the volume of the other four Great Lakes combined. That whatever you deposit on the bottom of that lake, 135 feet below the surface, is below the thermoclime, and waters do not turn over, and that pollution, whatever it is, polluted material or inert material, is going to stay there.

Admiral NIMMICH. Sir, I will make sure we provide your staff those two studies that were done. And I am also proud to tell you that I do understand a significant portion of Lake Superior. I had the honor to sail on Lake Superior for over two years.

[The information received follows:]

The study that was conducted is titled, "Preliminary Health Risk Assessment for Proposed U.S. Coast Guard Weapons Training Exercises", and is publicly available as part of electronic docket number 25767. The docket can be found at http://dms.dot.gov

Mr. OBERSTAR. Well, that is terrific; you do have an appreciation of that. So then why couldn't you just—why couldn't the Coast Guard operate these training missions on a regularized schedule so that people who are using the lakes will be on notice not to enter and to stay within some safe distance of the safety zones?

Admiral NIMMICH. Sir, the problem with standardized schedules, as you well know, is the weather on Lake Superior and on all the

lakes. You can schedule it for a day. We had this gunner exercise you are referring to scheduled for earlier, the week before, when there would have been even less traffic in the area, but the weather didn't permit it. So you are constrained by weather. There are multiple factors of why you can't say you are specifically going to shoot on a specific time or period.

Mr. OBERSTAR. Well, you could still announce it and then announce that we have to change the date. It would seem to me a regularized schedule at least puts the public on notice, and I would like you to give that some further consideration.

Admiral NIMMICH. Yes, sir, we will take that into consideration.

Mr. OBERSTAR. You referenced agreement with the Canadians. There has long been a prohibition by Canadian government on armed vessels entering Canadian waters. What is the nature of your agreement with the Canadians, does it permit armed Coast Guard vessels enter into Canadian waters?

Admiral NIMMICH. The 1817 agreement, which was actually made with the United Kingdom, that has transferred over to the Canadians, talks about not having any arms on the Great Lakes at all. Our agreement is to have U.S. vessels armed in U.S. waters.

[The information received follows:]

> The United States and Canada reached an understanding in 2003 interpreting the 1817 Rush-Bagot Agreement. This understanding provides that U.S. Coast Guard vessels may be armed in U.S. internal waters of the Great Lakes. However, U.S. Coast Guard vessels located in the Great Lakes will have any such armament dismantled and safely stowed when they are in Canadian waters or ports.

Mr. OBERSTAR. So you have not reached an agreement about entering Canadian waters, but only the agreement of 1817 with respect to all waters.

Admiral NIMMICH. Sir, I will confirm that for the record, that in fact we can—whether we can or cannot enter Canadian waters with armed vessels.

Mr. OBERSTAR. Thank you. Could you provide the Committee at this moment an update on the inquiry into the incident with the Healy in Alaskan waters?

Admiral NIMMICH. Sir, as you know, we had the very unfortunate death of two of our Coast Guard members on a diving operation off the Coast Guard Healy in the Arctic. As a result of—

Mr. OBERSTAR. Excuse me, Admiral, but that occurred the night before the hundredth anniversary of the Two Harbors Lighthouse, where a Coast Guard contingent from Duluth came to participate, and I asked for a moment of silence because I had been notified of the death just the night before, and the commander of the Duluth Coast Guard unit had been in command of the HEALY and had trained one of the Coast Guard personnel, a young woman, and certified her diving capability, and he was shaken, he was in tears over that incident. So I would like to know where the inquiry stands.

Admiral NIMMICH. Yes, sir. The investigation is still in process. Admiral Allen has assured that the Committee will have it at the earliest opportunity. But I am not able to speak to the investigation, it has not been made available to me, sir.

Mr. OBERSTAR. Well, one of the issues is that the first story was that they were diving to try to understand why a commercial vessel

was stuck in the ice, and then that story was retracted and the story promulgated was that they were on a training mission. Well, either a vessel was stuck in the ice or it wasn't.

Admiral NIMMICH. Sir, as you know, a lot of the first reports are often erroneous, with the desire to get information out as soon as possible. Admiral Wooster quickly assessed the situation. He felt that because of the impact on the crew, he had lost confidence in the commanding officer, so he has relieved him during the period of the investigation. And I don't want to conjecture on things that I don't have knowledge of between now. It really requires me to wait for the investigation to be completed. But we will provide that at the earliest opportunity.

Mr. OBERSTAR. Thank you. I very much look forward to seeing that report, as will Chairman Young, with whom I discussed the matter yesterday.

One final point is I think one of the objectives of this hearing is to understand the Coast Guard's distribution of resources in personnel, equipment, and funding to meet its balance its homeland security mission requirements with its traditional historical line missions of safety and service to sailing. But the Coast Guard is spending more time on missions than it has historically done, and that much of that time, maybe even a preponderance of that time, is spent on homeland security.

One of the issues that Chairman Young and I and others on this Committee—I think Mr. LoBiondo also raised—when the Homeland Security Department was being created, was that, first of all, the Coast Guard should not be included in this mish-mash Department of Homeland Security. Secondly, there should be a clear delineation of its homeland security function from Search and Rescue, Safety at Sea, buoy tending, and all the rest that the Coast Guard does so superbly. And when that is done, adequately resources allocated to the Coast Guard to carry out this additional function.

And over the years that I have served in Congress, in 1974—1975, actually sworn in in 1975—we have added 27 missions to the Coast Guard, but we have never fully funded those missions. And this is another one that has not been adequately funded. It seems to me that our concerns are being borne out, our prediction of inadequate resources for the Coast Guard to carry out this function are bearing out, and you are in the unenviable position of having to defend the Coast Guard's performance against a diminishing resource base.

You may want to take the Fifth Amendment on that, I don't know.

Admiral NIMMICH. Sir, what I would point out is that we continue to monitor all of our missions and the performance, the effectiveness, not necessarily the asset hours that are reflected on each mission. We continue to work very closely. If you take boating safety, you don't see hours reflected in the IG's report for what the auxiliary does to ensure that boaters are trained, that we have reduced the number of accidents and reduced the number of deaths that way. We take a holistic approach to how we look at our mission sets and try to partner and utilize our assets, but also other methodologies of getting the performance that the American public ex-

pects from us. And we do the best we can based on a risk-based approach with what we are giving.

Mr. OBERSTAR. You are doing the best you can under the limited circumstances.

Thank you, Mr. Chairman, for the extended time.

Mr. LOBIONDO. Thank you, Mr. Oberstar.

Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

Admiral, I would like to shift gears and ask you a couple of planning questions based on the events of last year about this time.

One of the things that hit me that will be no more than—the generals and the admirals that appear before Armed Services have pretty well convinced me that we are probably going to live to see a weapons of mass destruction attack on the United States. Given that so many of our major cities are on the waterfront somewhere—Los Angeles, New York, Miami, New Orleans. And given what happened last year with Katrina and the shortages of fuel, ice, berthing, what kind of lists has the Coast Guard prepared to hand over to the DOD or the Department of Homeland Security as far as resources that are available?

And I will start with the analogy what really happened in the case of Mississippi, the dire need for fuel. You know, there wasn't electricity for 200 miles in any direction for a few days. So that means every gas station is out, all the jobbers are out, many of the waterfront facilities, their pumps went under water, so the case of Murphy Oil in New Orleans, the place is just scattered.

And one of the things that hit me—your roads are blocked with trees. Even the ones that are opened are usually open down to one lane, a lot of zigging and zagging, almost impossible to get a tanker truck through. And it hit me later that, geezum, there are companies in the business of underway replenishment of ships that have their own generators onboard. And instead of fighting to get these trucks down one at a time at the eyedropper approach, one barge load of diesel, one barge load of gasoline would have kept every emergency vehicle going for a month.

So, to that end, since you are in the position or since the Coast Guard is in the positions of licensing these operations, what kind of list do you keep on them? To what extent do you coordinate with Homeland Security that these things are available? To what extent do you coordinate with the coastal counties, Orleans Parish, Harrison County, Mississippi to let them know that these sort of things are available when their local jobbers go out?

And in addition to that, I am fairly certain that you also license quarter boats. I remember a conversation I had both with Admiral Mullin, the CNO, and with Lieutenant General Steven Blum, the Chief of the Guard Bureau when I am making that call to them we need help, I found it really interesting that both of them, within the first couple of sentences, said where can I put my people. And for a couple of reasons. Number one, it meant that they had lost contact with the bases down there. But also what a serious consideration that is when you are trying to get people in there in a hurry so that they can go to work, rather than spending their time putting together their own barracks or their own housing.

So to what extent do you keep track of the quarter boats, of the river boats like the Mississippi Queen and the other boats that have berthing available? To what extent do you keep track of the underway refueling services? And how do you pass that information off to the Department of Homeland Security? And the other thing I really found about FEMA is that they are all rookies. There is a very, very small core of professional FEMA employees. They call on people from AG, they get people out of Forestry, they get people all over the place, none of whom knew their job. And they are certainly not going to know about these assets unless you hand it to them and say if you need fuel, you call this guy; if you knew berthing, you call this guy.

There used to be—I don't know if it is still there. There used to be a barge that would travel the Mississippi River delivering water to the ships. My God, we are flying in bottles of water in helicopters from upstate. What would one barge load of potable water have done for some of these communities?

So, again, a little bit different than what you wanted to talk about today, but I don't get that many opportunities to see you face-to-face, and I think these are things that we ought to be addressing now, before it happens.

Admiral NIMMICH. Congressman Taylor, I am very comfortable answering the question for you. And you have actually asked me what I see as two different elements of it. One is how do we support FEMA with that information and those resources that we have, and to help DoD bring those resources to the battle. And it is actually supporting FEMA through several of the emergency support functions, ESF-1 on transportation, ESF-10 on hazardous materials, all of the different ESFs. And we have Coast Guard personnel that are trained and go into all of those different segments.

Mr. TAYLOR. Admiral, if I may.

Admiral NIMMICH. Yes, sir.

Mr. TAYLOR. Just in case there is a county emergency operator watching this or watching this tonight on C-SPAN, and you are going to ESF. You have to shoot over most congressmen's head, shoot over my head, I beg you shoot over his head.

Admiral NIMMICH. An Emergency Support Function Coordinator.

Mr. TAYLOR. Okay, so, again, for the guy who is in charge of emergency operations for Harrison County, Mississippi, Jackson County, Hancock County, Orleans Parish, what can you bring to the table so that he has got a number to call to say, you know what, I need a barge load of fuel?

Admiral NIMMICH. Sir, we do that on a regular basis. All of the training exercises that we have held in Mississippi with your Emergency Operations Centers, they set up these emergency support functions and Coast Guard personnel sit in them with the knowledge of what we can bring to the fight. And if you look back—

Mr. TAYLOR. Okay, let's go back a year. Did you do that last year? Because I don't think you did.

Admiral NIMMICH. Yes, sir, we did.

Mr. TAYLOR. I am going to—in the case of Hancock County, Mississippi, I know you didn't.

Admiral NIMMICH. Not at the county level; at the State level, sir.

Mr. TAYLOR. Again, let me walk you through this. In Bay Saint Louis, Mississippi, I couldn't call a golf board, I couldn't call my governor—I could call you—because the local links were down. So I really do think you have to disseminate it on a county by county basis. No one could have imagined that on one day the Biloxi Bridge would be gone, the Bay Saint Louis Bridge would be gone, the I-10 Bridge over Lake Pontchartrain is gone. All these roads that we thought would be there under any circumstance are gone. So we got bit one time by the unimaginable. We sure as heck better be prepared for it next time.

Admiral NIMMICH. Yes, sir. And not to be too overly confident here. One of the things you are asking me to do as a Federal entity is to circumvent the State and go to the county level, and I can't do that. I have to work through the State infrastructure to support that county. Governor Barbour would not particularly want the Coast Guard to go into the county EOC; he wants us in the State EOC to ensure that we can support the County.

Mr. TAYLOR. But, Admiral, I am just telling you there was no communication between the State EOC and Hancock County. I know that for an absolute fact. So you are setting yourself up for that mistake again.

Now, I am a big believer if the dog bites me once, it is the dog's fault. If the dog bites me a second time, it is my fault.

Admiral NIMMICH. Yes, sir.

Mr. TAYLOR. I am telling you of something that happened.

Admiral NIMMICH. Yes, sir.

Mr. TAYLOR. And I am asking you to keep it from happening again, and you are telling me, in effect, you are going to let it happen again.

Admiral NIMMICH. I understand what you are telling me, sir.

Mr. TAYLOR. I mean, how hard is it to put together a list of these? Are the folks we have underway replenishment capabilities, with their own generators onboard and their own pumps onboard?

Admiral NIMMICH. We can provide that list without having a Coast Guard representative at any county that would like the list, sir. But the other issue you have got is the infrastructure to be able to utilize that. When you are talking about the City of New Orleans, the Iwo Jima can tie up at the pier and provide generator capabilities, water capabilities. When you are talking about the shoreline of the Mississippi, to get that from there to part of the infrastructure is a much more difficult process. It can be done, but it is a much more difficult process, as you know, sir.

Mr. TAYLOR. And it also reminds you that we hijacked the Iwo Jima and got it off a ship because of our district needs. So, again, if your plan is just for one of these things, I mean, we have been through this.

Admiral NIMMICH. Yes, sir.

Mr. TAYLOR. And, to the best of my knowledge, no one died for lack of medical care, but we came mighty close. To the best of my knowledge, no one died of starvation. We came mighty close. To the best of my knowledge, no one died of dehydration. We came way too close on all of these things. And I do think we can do better, and you have those resources at your fingertips. All I am asking is that you share that information with the folks who are going to

need it in an instantaneous basis the next time this happens. I think that is a pretty reasonable request.

Admiral NIMMICH. I think that is reasonable, sir, and we will be glad to provide the information we have with every one of the counties, yes, sir.

Mr. TAYLOR. Thank you, sir.

Mr. OBERSTAR. Would the gentleman yield?

Mr. TAYLOR. I am well over my time. I think you need to ask the Chairman.

Mr. OBERSTAR. I just want to ask what is the interface between the Coast Guard, FEMA, and the State and the county in the issue that the gentleman from Mississippi raised.

Admiral NIMMICH. Yes, sir. The way the interface works is FEMA is the responsible entity of the Federal Government to coordinate the Federal response. They do that through a series of emergency support functions such as transportation, such as medical, such as commodities, and moving commodities or restoring infrastructure. The Coast Guard supports those ESFs, as well as doing our normal efforts that are required by our legislation, not by anything else. The search and rescue that you saw in New Orleans, those are Coast Guard functions that we do whether there is a declared emergency or not. The Coast Guard supports FEMA and works through FEMA to provide those services, sir, and it normally provides from the Federal Government through the State entity, and the State directs where the Federal Government should provide those resources down to the county level. It is the Federal Government support the State the way it is supposed to work, sir.

Mr. TAYLOR. Mr. Chairman, you have been very generous and, Admiral, you have been very generous with your time, but, again—the last time I am going to mention this—you flew in a crackerjack reserve captain by the name of Ed Stanton either the day after the storm or the day after that, and he did a very good job with the resources he had. But not to belabor it, if he would have showed up with a list, say starting from Panama City and maybe going as far as Houston, of saying these guys are in the underway replenishment business. We all know the storm is not going to hit everywhere. In this instance we knew that most of Coastal Louisiana was out, all of Coastal Mississippi was out. But if we had the name of a guy in Pensacola or Panama City, or maybe even Mobile that could have brought in barge loads of fuel, we would have been a week ahead of ourselves in the recovery.

Admiral NIMMICH. Yes, sir.

Mr. TAYLOR. And, again, if it is a weapon of mass destruction, it is going to be even worse.

Admiral NIMMICH. What we have done—and I think you keep referring back to the capacity of the Department of Defense, and being able to bring that capacity more rapidly to the fight or to the event. And what we have done—and I say we, this is Homeland Security through FEMA—have created prescripted mission assignments, and those prescripted mission assignments not only identify where those assets are, but how we can expedite DoD's process to be able to get them to the fight as quickly as possible.

Mr. TAYLOR. Former Congressman Paul McHale has that job at the DoD, and he is a very sharp guy. But I have got to tell you,

when I brought this up with him a couple months ago, he really wasn't aware of these capabilities. And that is why I am asking you, because you are aware of them, to work with him—

Admiral NIMMICH. Yes, sir, we will continue to work—

Mr. TAYLOR.—so we are better prepared next time.

Admiral NIMMICH. Yes, sir.

Mr. TAYLOR. Thank you, Mr. Chairman.

Mr. LOBIONDO. Thank you, Mr. Taylor.

I would like to ask unanimous consent that Mrs. Kelly be allowed to sit on the Committee for the hearing. Without objection.

Mrs. Kelly.

Mrs. KELLY. Thank you very much, Mr. Chairman.

Admiral, I want to congratulate you on a lot of the very good work that the Coast Guard does. We, two weeks ago, reenacted the crossing of the Hudson River with George Washington, and there were five boats oared by volunteers crossing, and the Coast Guard did an excellent job, because the boats are very, very tippy and the river is very swift where Washington chose to cross. So I thank you for not only the quality of support there, but also for the many things that I know you do on the high seas to keep us all safe along the coast.

You and I have discussed this river, and right there where Washington crosses is the Indian Point Nuclear Facility. In May you agreed with my assessment that the tugboat that the Coast Guard is using right now is simply inadequate to provide proper support for protection of the nuclear facility. That nuclear facility that I represent is the Nation's top nuclear target as far as the terrorists go, we all know that. Since then, since May, as you are aware, this Committee passed the 2007 Coast Guard reauthorization bill which included language, that I authorized, clarifying the Coast Guard's role as the lead Federal agency for protection of nuclear power facilities on navigable waterways. The provision also provided for the coordination between the Coast Guard and the Nuclear Regulatory Commission to try to better safeguard these facilities and other facilities like Indian Point.

The nuclear facilities that are located near navigable waters truly need an upgrade from the Coast Guard in their protection, and I believe that this provision that we passed is going to go a long way toward protecting a segment of our Nation's energy. And I am going to continue to work with this Committee and Chairman LoBiondo, as I have before, to make sure we champion and support the Coast Guard's Deepwater program and make sure it is included in the negotiations with the Senate.

But, sir, since 9/11, we know how difficult it can sometimes be for two Federal agencies to coordinate plans. And while I have great confidence in the Coast Guard, I can't say the same for the Nuclear Regulatory Commission. So I would like to ask where we are today with how the Coast Guard is going to implement the changes that we called for in our resolution and the vote that we passed.

Admiral NIMMICH. Yes, ma'am. I was just confirming to make sure I had a correct assessment that the authorization act for 2007 that was passed by the House is in conference with the Senate right now.

Mrs. KELLY. That is just what I said, Admiral.

Admiral NIMMICH. I am sorry. It has not been enacted as of yet.

We appreciate your leadership and your support. Clearly, the Committee has expressed their concern and we look forward to continuing to work to ensure that the Committee is comfortable with the security of the power plants. But with regard to Section 212, I need to stress that it is our role to support the Nuclear Regulatory Commission. They are still the primary agency by which security of nuclear power plants resides. And we believe that we already have a lot of cooperation with them and will continue to provide and receive assistance from other Federal and States. As you know, the State has taken some significant efforts there and we continue to support them.

Mrs. KELLY. Well, the State—the New York naval militia has two brand new boats, but you and I agreed, when you were here before, that what was needed was a boat that was capable of sustaining a fixed piece of artillery that was no less than 25 millimeters, because that is the only thing—that or more—that can stop a speeding boat intent on blowing up especially the edge of the nuclear plant, the river edge. So who is supposed to—help me here. Who is supposed to be asking for this? Is that the Nuclear Regulatory Commission or is this something you could just go ahead and do, get us a bigger boat and put some fixed armament on it? Because right now all we have got is sidearms.

Admiral NIMMICH. Yes, ma'am. And we work with the Nuclear Regulatory Commission to identify the security needs of the Indian Point Power Plant, and they have not indicated or we have not come to an agreement on what the waterborne security requirements necessarily need to be there.

Mrs. KELLY. Well, I have just spoken with the new chairman of the Nuclear Regulatory Commission, and I will bring that up again with him, and maybe we can get the two of you together. Thank you very much.

And I appreciate so much, Mr. Chairman, your allowing me to sit in on this.

Mr. LOBIONDO. Once again, Mrs. Kelly, we are more than happy to accommodate you.

Admiral, one more question on the no-fly zone for the Capitol Region. Question at the request of Mr. Hoekstra, who sits on this Committee and, of course, is Chair of the Intelligence Committee: Next spring, what is going to happen with the seasonal helicopters? Most importantly, he is concerned about out of Muskegon, Michigan, how we are going to meet the mission and what is going to happen to that seasonal helicopter that is being used.

Admiral NIMMICH. Yes, sir. As I had indicated in how we are responding to the standup of the National Capitol Region protection, we are using seasonal assets that we will bring in to stand up the initial. Those will—across the board we will balance our aircraft fleet to ensure that we meet all of the requirements that we have attested and that we have set out for ourselves. So we will look at through our training commands, through other air stations to ensure that we meet all of the requirements that we have, that the Committee has given us to meet with aviation standards.

Mr. LOBIONDO. But I am assuming to meet the mission right now there is one of the helicopters out of Michigan that is being borrowed, is that—

Admiral NIMMICH. That is correct, sir.

Mr. LOBIONDO. So you are just going to have to—he is going to have to trust us that by next summer it gets back to him?

Admiral NIMMICH. We will take additional aircraft out of the PDM line, our maintenance line and out of our training commands to backfill them if we have not gotten enough aircraft up to refill that right away, sir.

Mr. LOBIONDO. Okay. Thank you.

Mr. Stulginsky, just one or two quick questions. We are talking about this mission capability, and I have got just a serious concern. Will you once again just talk to me a little bit about, in your view, is the Coast Guard sustaining its full range of missions?

Mr. STULGINSKY. If you look at how they are accomplishing their performance measures, they are. If you look at the mission hours associated with each one of those missions, we see Coast Guard in the non-homeland security missions approach the pre-9/11 mission hours. So it appears from the data available that they are meeting their missions.

Mr. LOBIONDO. I guess pretty tough to project a couple years from now, in your opinion, what that will look like?

Mr. STULGINSKY. It is. You know, as we mentioned in our report that Coast Guard has very little bench strength to call on, so there are no more assets available to apply to the missions. Coast Guard is having difficulty maintaining their cutters, for example. They are operating a lot of hours. It will be up to Coast Guard to do the maintenance necessary to keep them operating. It is going to be a challenge in the future, yes.

Mr. FILNER. Would the Chairman yield for a moment?

Mr. LOBIONDO. I will turn it over to you.

Mr. FILNER. Just to follow up on the Chairman's question. You said are they meeting their mission goals. I am just looking at your report and it says the Coast Guard met only 26 percent of its performance goals in fiscal year 2005 for its homeland security mission. Let's see. And then, over time, only Aids to Navigation and Marine Environment achieve the established goals of the five year period; and seven of the remaining missions did not consistently meet goals. So how can you say that they met the goals?

Mr. STULGINSKY. The gap between the actual performance and the goal is very narrow.

Mr. FILNER. Is what?

Mr. STULGINSKY. Is very narrow. For example, in Migrant Interdiction, their goal was to apprehend—

Mr. FILNER. The goal was to save three lives. They only saved two. The third person is going to have a little bit of a problem with it.

Mr. STULGINSKY. Yes, but they are meeting their Search and Rescue goal. But Migrant Interdiction their goal was 88 percent; they are roughly about 86 percent. So they are two percentage points—

Mr. FILNER. How about Drug Interdiction, what was the goal?

Mr. STULGINSKY. Drug Interdiction, less than 19 percent, making it through the gap.

Mr. FILNER. The goal? I am sorry, what was the goal for Drug Interdiction?

Mr. STULGINSKY. Percentage of cocaine moved—the total estimated cocaine entering the U.S. through the maritime means, less than 19 percent.

Mr. FILNER. The goal is to interdict less than 19 percent?

Admiral NIMMICH. Sir, the goal on drug interdiction is a withdrawal rate, it is a percentage of the expected flow that we think we can interdict in the maritime environment is, I believe, 19 percent withdrawal rate.

Mr. FILNER. I mean, we only—when Admiral Collins was commandant and he testified that they had interdicted 15 percent, and you are close to the goal. But why should we, as a Nation, set such a low goal for the interdiction of cocaine? Who set that goal?

Admiral NIMMICH. The Office of National Drug Control Policy reviews our budget and certifies our goals, sir.

Mr. FILNER. Do you think that is a high enough goal for this Nation?

Admiral NIMMICH. Sir, it has been an established goal that we have tried to achieve with the resources we have, and we continue to have record years of cocaine seizures.

Mr. FILNER. Well, I don't know how you can say that with a straight face in that, if you set a goal low enough, you will reach it. But, I mean, I find it very disconcerting, to say the least, if not more troubling that you are satisfied with such a low goal, and we can't even reach that one.

Mr. LOBIONDO. Mr. Taylor, do you have any follow-ups?

Mr. TAYLOR. Admiral, I am going to beat this dead horse one more time. And I want to start with an incident that I actually saw. We had a lot of people die, and it overwhelmed the local funeral, and there was no electricity, and the local mortician comes to me, you have got to find me a place to put these bodies. About this time, the ice trucks started coming in, so I said, well, turned to the EOC guy, go buy an ice truck.

Well, the ice truck guys, being human beings, knew that they were making pretty good money, were going to make pretty good money for a while, and if they started putting bodies in their truck, it could never be used for ice again, and they didn't want to sell. Luckily, the head of the Mississippi Emergency Management—and I mean by sheer luck—shows up about that time and we kind of bullied one of the guys—I don't think we had the legal authority—we kind of bullied one of the guys into selling us a truck. There is no other word to use. So that is my little experience with people wanting to make a few bucks in the case of an emergency, and that is a pretty serious scenario.

We all know that if another storm or an attack upon one of the major cities, there is going to be a spike in the price of oil. Based on what I saw, it is human nature for people who have that commodity to want to hang on to it until the price goes up and then sell it. It is human nature.

So my question to you is what laws, if any, are on the books to where, if that scenario, where we have got to get fuel from Pensa-

cola to Mississippi or from Mississippi to Louisiana, Louisiana to Texas, in the event of a natural or manmade disaster, what laws are on the books to where you could call up that fleet replenishment company and say I want you to send X number of barges, X number of barrels of diesel, X number of barrels of gasoline to Houston, New Orleans, Biloxi, fill in the blank? Do you have the legal authority to make that happen? And if you don't have it, I would ask your legal team to give me some draft legislation so that we are prepared for that scenario, because it is going to happen. I don't want it to happen, but I can bet you it is going to happen.

Admiral NIMMICH. Congressman, I can't tell you what the legal authorities are or aren't, but we will research that and give you an answer. But what I can tell you is that the Coast Guard has been very proactive in working with industry to establish a recovery framework, and that is what you are really asking for, is when the infrastructure breaks in one place, how do we use the infrastructure in other places to mitigate the influence that is going on there.

We held a symposium the 1st and 2nd of August with some of the best and brightest in the Country, and we are working with them to identify a cooperative recovery framework that we would be able to use after any natural disaster or any manmade disaster of that magnitude.

[The information received follows:]

No, the Coast Guard does not have the authority to direct vessels or the delivery of fuel in order to prevent fuel price spikes or for similar economic or supply-related reasons.

Mr. TAYLOR. Okay. Given the seriousness of this, what is a reasonable amount of time for you to get back to me, what legal authority do you have, and if you don't have it, some suggested legislation so that we can make this part of a future Coast Guard authorization?

Admiral NIMMICH. Sir, we will respond within two weeks.

Mr. TAYLOR. Great. Thank you very much.

Mr. LOBIONDO. Is that it, Mr. Taylor?

Okay, we obviously have some pretty big challenges that we have to be concerned with for the Coast Guard and its missions, but, Admiral, I thank you for the job you continue to do. We will certainly be paying more attention to this.

And this Subcommittee stands adjourned.

[Whereupon, at 11:27 a.m., the subcommittee was adjourned.]

THE HONORABLE BOB FILNER
RANKING DEMOCRAT
SUBCOMMITTEE ON COAST GUARD AND
MARITIME TRANSPORTATION
OVERSIGHT HEARING ON
COAST GUARD MISSION BALANCE
September 14, 2006

Thank you Mr. Chairman for scheduling today's hearing on Coast Guard Mission balance.

Since the transfer of the Coast Guard from the Department of Transportation to the Department of Homeland Security we have seen a reduction of resources in traditional Coast Guard missions and an increase in homeland security missions of the Coast Guard. In the President's proposed budget for Fiscal Year 2007, the Administration is proposing to cut funding for marine safety programs from $502 million to $453 million and by cutting funding for search and rescue missions from $629 million to $569 million. Meanwhile, funding for port security would increase from $1.2 billion to $1.4 billion.

The Automatic Identification System (AIS) was developed as a collision avoidance system to help protect ships from colliding in our waters. The law requires all commercial vessels over 65 feet and all towing vessels over 26 feet to have an AIS system on board. However, the Coast Guard regulations only require AIS systems for those vessels that operate in a Vessel Traffic Service area. As a result, if a towing vessel operates above Baton Rouge, Louisiana they are required by law – but not Coast Guard regulation, to have an AIS system on board. It's time for the Coast Guard to recognize that this system was developed to prevent marine casualties – and not as a means of tracking vessels for homeland security purposes. Just because the Coast Guard can't track a vessel on the Mississippi River above Baton Rouge – doesn't mean that the vessels aren't required by law to have an AIS transponder.

Similarly, Congress has required these same vessels to have electronic charts on board beginning on January 1, 2007. However, the Coast Guard has not yet prescribed any regulations telling them what type of electronic charts they must have on board. Just because the Coast Guard doesn't prescribe the standards for electronic charts doesn't mean that vessel owners don't have to have them. Congress wrote this statutory requirement to prevent accidents like the one where the captain of the towing vessel MAUVILLA got lost in the fog and struck a railroad bridge on September 22, 1993. Shortly thereafter, the Amtrak train SUNSET LIMITED crossed the bridge and plunged into the waterway killing 45 people. Electronic charts with GPS can prevent these types of disasters. The Coast Guard needs to provide the resources necessary for their marine safety program to prescribe these regulations on time for the industry to comply by the statutory deadline.

While creation of the new "sectors" may help maritime security, I am very concerned that we may have a helicopter pilot signing a passenger vessel certificate of inspection stating that he has found the vessel to be safe. The FAA certainly wouldn't have a ship's captain signing an air worthiness certificate of a commercial aircraft.

If the Coast Guard is not committed to carrying out their statutory responsibilities for programs like marine safety, then perhaps it is time that these functions be transferred back to the Department of Transportation. Vessel safety inspections, licensing of mariners, and documentation or registration of ships are exactly the same functions that are carried out by the Department of Transportation today for the aviation industry and the railroad industry. Those safety responsibilities for these other modes of transportation were not transferred to the Department of Homeland Security because they are not directly related to security. In fact, these safety missions of the Coast Guard were not transferred to the Coast Guard until after World War II. Previously they were carried out by the Bureau of Marine Inspection and Navigation.

Thank you, Mr. Chairman, for scheduling this very important hearing. I look forward to working with you to ensure that there continues to be adequate support for all of the Coast Guard's non-homeland security missions as well as their homeland security missions.

STATEMENT OF THE HONORABLE FRANK A. LoBIONDO,
CHAIRMAN
SUBCOMMITTEE ON COAST GUARD AND MARITIME
TRANSPORTATION HEARING ON THE REVIEW OF COAST
GUARD MISSION PERFORMANCE
SEPTEMBER 14, 2006

The Subcommittee is meeting this morning to review the Coast Guard's recent mission performance, and, in particular, the Service's efforts to balance its assets and personnel to carry out each of its homeland security and non-homeland security missions. The Subcommittee has held several hearings to review mission balance and performance during my time as Chairman, and I hope that we will hear from the witnesses on how the Coast Guard is working to successfully meet its goals for each of its many important missions.

Following the terrorist attacks on September 11th, the Coast Guard was given additional responsibilities to secure U.S. ports, vessels and coastal waters. At the same time, this Subcommittee were concerned about the effects these additional homeland security responsibilities would have on the Coast Guard's capabilities to

accomplish its traditional missions. Section 888 of the *Homeland Security Act of 2002* prohibits the Secretary from "substantially or significantly" reducing the missions of the Coast Guard or the Service's capability to perform these missions. This is absolutely critical since the lives of mariners, recreational boaters, and others often depend on the Coast Guard's ability to perform these traditional missions.

Events in recent years have reminded us of the critical importance of the Coast Guard's traditional missions. The Coast Guard's Search and Rescue mission was prominently displayed in the response to Hurricanes Katrina and Rita on the Gulf Coast last year. Likewise, the Coast Guard has carried out activities to prevent and respond to oil spills as part of the Service's Marine Environmental Protection mission, including two major oil spills in the Delaware River and in Alaska. We, as a nation, simply cannot afford to allow any erosion of the Coast Guard's ability to accomplish these non-homeland security missions.

The *Homeland Security Act of 2002* also requires the Office of the Inspector General for the Department of Homeland Security to conduct an annual review of the Coast Guard's mission performance, with a particular emphasis on examining the Service's performance of non-homeland security missions.

In July 2006, the report for fiscal year 2005 was published and has important conclusions. The report indicated that the Coast Guard's mission resource hours — the number of flight hours for aircraft and underway hours for boats and cutters— has increased for both its homeland security and non-homeland security missions. It concluded, however, that the Coast Guard is within 4% of its statistically projected maximum level of resource hours. As a result, the Inspector General found that the Service "will be unable to increase its total resource hours without the acquisition of additional aircraft, cutters, and boats." The report is saying that we have reached the end of the road — we can't squeeze anything more out

of these rapidly failing legacy assets. Consequently, it is again evident that Congress must accelerate the production of new Deepwater assets.

I am truly concerned about the pace of the Deepwater recapitalization program. I again take this opportunity to urge my colleagues to support funding levels that will not only allow the Coast Guard to acquire the assets they need, but will allow the program to be accelerated and brought online over the next 15 years rather than the 25 years projected in the revised plan.

The report also revealed that, despite success in increasing mission hours, the Coast Guard still has room for improvement in its performance. Although the report seems to indicate problems that need to be addressed, I am mindful that the Coast Guard has only a limited number of assets and personnel. I hope the witnesses' testimony will address whether the Coast Guard and the Inspector

General feel that the performance measures are accurately reflecting the job that the Service is doing.

I thank the witnesses for coming this morning, and I look forward to their testimony.

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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

REAR ADMIRAL JOSEPH NIMMICH

ON THE

COAST GUARD MISSION BALANCE

BEFORE THE

SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U. S. HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2006

Introduction

Good morning Mr. Chairman and distinguished members of the Committee. It is my pleasure to appear before you today to discuss the Coast Guard's continuing efforts to provide the Nation a flexible, responsive and balanced mission performance across the Service's eleven legislatively mandated mission programs. By discussing how Coast Guard mission organization, organizational strategy and risk methodology support balanced mission planning and execution, I hope to promote greater understanding and support for the Nation's oldest continuous sea going service.

National Value Proposition – Military, Multi-Mission, Maritime U.S. Coast Guard

The Coast Guard's world of work takes place on our oceans, seas, lakes, rivers, bays, sounds, harbors and waterways. This is the maritime domain and it is unique. Distinct from land borders characterized by clear legal boundaries, our oceans represent the last global commons. The fact that we live in an interconnected world is nowhere more apparent than in the maritime domain. The maritime domain is fundamental to our own and the international community's economic prosperity. As such, maritime safety and security are not just issues of U.S. national interest and security, but of global stability. The maritime domain is enormously complex and hosts an unparalleled variety of users. From the world's largest cruise ships and tankers to commercial fishermen and weekend boaters, the profiles of maritime users are as varied as the jagged coastlines surrounding our country.

Thankfully, the Nation has built a Coast Guard that is able to operate successfully in this complex and unique environment. The Coast Guard that you oversee and that we have collectively built has a relatively straightforward purpose – to guarantee the safety, security and prudent stewardship of the U.S. maritime domain by exercising authorities and deploying capabilities. The Coast Guard must be ready to act. Enabled by awareness and equipped to sustain an effective presence, the Coast Guard responds to challenges presented in the complex and dynamic maritime environment.

The Nation's needs are not static, though. New challenges emerge as others are mitigated. The Coast Guard must be steadfast in its character, but adaptive in its methods. Coast Guard capabilities, competencies, organizational structure and processes must change accordingly. Our mandate and responsibility, indeed our passion, is serving the Nation as the lead Federal agency for maritime homeland security with the best leadership, authorities and capability we can muster. To do this, we must be, and are, military, multi-mission, and maritime.

It is this inseparable bond that not only defines who the Coast Guard is, but provides the framework upon which the ability to provide historically high levels of service to the American people rests. When you support one facet of the service, you support the entire service. This holistic approach to mission execution, with its inherent flexibility and surge capability provides the necessary focus for a Coast Guard that is more relevant to the Nation than ever. It allows examination of Coast Guard mission execution with respect to its performance targets and the degree to which the Coast Guard continues to mitigate risk in the maritime domain across all mission areas. The post-9/11 environment demands that we concentrate on identifying emerging threats, reducing risk in the maritime domain, and striving to achieve our performance goals in each and every important mission area.

The Coast Guard successfully ensures that both Homeland Security and Non-Homeland Security missions are properly executed. Through a balanced allocation of resources, we met eight of our eleven mission goals in Fiscal Year 2005. Of the three missions that missed their targets, two still had strong positive results. Living Marine Resources fisheries compliance achieved 96.4% against a 97% target. Undocumented Migrant Interdiction achieved 85.5% against a 88% target. Defense Readiness' combat readiness rating achieved 69% versus the 100% target. To achieve these results overall, the Coast Guard allocated approximately 46% of its mission resources toward its Safety, Protection of Natural Resources and Waterways Management goals and allocated approximately 54% of its mission resources toward its Security and Defense goals.

Coast Guard Maritime Strategy

The Coast Guard generates public value through its roles and missions that ensure maritime **safety, security and stewardship**. These roles and missions are *enduring* - long standing responsibilities, accrued to the Coast Guard over two centuries of service because they are inherently governmental, serve the collective good, and can be accomplished most effectively by a single Federal maritime force.

These *enduring* roles and missions are also *converging* in how they complement each other in serving the public good. The Nation's response to the terrorist attacks of September 11th and Hurricane Katrina, and the increasing pressures on our waterways and marine resources, are having a profound impact on the development of new management regimes for the U.S. maritime domain and borders. In this time of dynamic change, the Coast Guard's multi-mission nature, which has always been a strong value proposition to the nation, is taking on new dimensions and significance.

- The Coast Guard's work in marine safety is closely coupled with, and reinforces, new initiatives and standards for vessel and facility security.

- Waterways management capacity and expertise are essential to maritime preparedness and port resilience, rapidly restoring commerce and economic stability after massive damage, man-made or natural.

- Combating maritime terrorism systemically couples supporting Coast Guard missions and operations to contribute to the layered defense of the nation against maritime acts of terrorism.

- Coast Guard missions to protect our marine environment and resources are complemented by our safety and security missions, and ensure that uses of our waters and resources are balanced and sustainable.

- The sovereignty enforced by the Coast Guard as it secures the nation's maritime borders from drugs, contraband, illegal migrants and robbery of our natural resources also presents a barrier to criminals and terrorists by layering our security far from shore and with overlapping authorities.

- In moments of international crisis, the Coast Guard can flow non-redundant and unique warfighting capabilities to the Department of Defense.

- Finally, all Coast Guard forces can respond to natural disasters and emergencies, scaling up to a Katrina-level response when our communities are in danger, regardless of the cause.

No Coast Guard mission can be viewed in isolation. All improve and strengthen our economic and national security. The maritime border is unique and complex. It is a system that is at once an international border, an international highway, a coastal beltway, a rich sea to be farmed of fish, a productive mine of mineral resources, a playground for boating, and a construction site for communications and energy infrastructure. The water is different. It requires that we understand that our national interests in maritime **safety, security and stewardship** cannot be pursued in isolation from each other

There are eleven specific statutorily-mandated Coast Guard mission-programs.[1] Many of these mission-programs benefit more than one role, but each directly supports the roles of **safety, security and stewardship**. Table 1 shows the primary alignment of Coast Guard mission-programs to these roles.

Table 1

Safety *Saving lives & protecting property*	**Security** *Establishing & maintaining a secure maritime system while facilitating its use for the national good*	**Stewardship** *Managing the sustainable & effective use of its inland, coastal and ocean waters & resources for the future*
Search and Rescue	Illegal Drug Interdiction	Marine Environmental Protection
Marine Safety	Undocumented Migrant Interdiction	Living Marine Resources
Aids to Navigation	Ports, Waterways & Coastal Security	Ice Operations
	Defense Readiness	Other Law Enforcement

Our mission performance balance is guided, first and foremost, by national policy. The Coast Guard Maritime Strategy recognizes the complementary nature of the mission themes of safety, security, and stewardship of the global commons.

Challenges to maintaining America's maritime sovereignty are looming, and the key strategic actions the nation must take lie in three areas: improving *operational capability*, building *maritime awareness*, and developing new legal and international frameworks – *maritime regimes* – that reconcile increasing uses of the maritime domain with the need to protect our nation and all partner nations. When finalized, the Coast Guard Maritime Strategy will explain how the Coast Guard uses shore-based, maritime patrol and deployable forces to effectively engage across the full spectrum of requirements and threats.

Table 2 provides a summary of major activities supporting key strategic actions.

[1] The term "mission-program" is used by the Coast Guard to identify one of its 11 statutorily mandated missions that guide Coast Guard budget presentations as well as strategic planning, programming and performance.

Key Strategic Actions

Improved Operational Capability	Build Awareness	Create Comprehensive Regime
"Strategic Trident" Force Structure √ Multi-mission, shore based √ Maritime patrol & interdiction √ Deployable, specialized Control & Push Borders √ Advanced Interdiction & Extended Offshore Operations √ Command & Control integration & collaboration √ WMD detection "All Hazards . All Threats √ Adaptive force package √ Interagency unity of effort √ Response & Recovery	Global Maritime Intelligence Integration √ Fusion efforts √ Collection capability Maritime Domain Awareness Gaps √ Vessel Tracking √ Common Operating Picture (COP) √ Port/Coastal surveillance √ Information sharing Leverage Partnerships √ Interagency Enabled Command Centers √ National Maritime Intelligence Center (NMIC)	Maritime Domain Management √ Understanding the "unregulated" (e.g. recreational boating) √ Risk-based standards (e.g. Screening systems, Credentialing, Critical infrastructure) International Engagement √ International Maritime Organization (IMO) √ Regional Cooperation/Bilateral agreements Ocean/Artic Policy √ Open Ocean Commerce

Throughout the Coast Guard's history, its leaders have sustained mission balance by using their best professional judgment to maximize public risk reduction for every given public resource within their control. Mission balance is re-evaluated every day and at all levels of the Coast Guard as fully empowered members makes decisions that range from high-level resource allocation decisions all the way to a coxswain's response to a mayday call.

Effectively balancing mission performance remains critical to overall Coast Guard success. Supporting this need, we continue the task of improving our decision-making processes by making it more repeatable, more rigorous and more transparent. The Coast Guard recently completed its second National Maritime Strategic Risk Assessment to inform our annual budget and planning guidance. We are building an annual Operational Planning Process that will help create better annual Mission Planning Guidance to field commanders. The Coast Guard is pursuing these and other endeavors to ensure and sustain optimal mission balance. We are doing so more consciously now than ever before.

Mission Planning Guidance

The Coast Guard operationalizes risk-informed mission balance by issuing annual Mission Planning Guidance to field commanders. This direction guides the apportionment of resources and allocates assets to best support national and service-wide goals. This internal guidance highlights both general and specific areas of emphasis to balance mission performance levels by weighing priorities across all missions against expectations of operational performance. This document that anchors operational decisions to higher strategic performance measures, while maintaining the flexibility operational commanders have in daily, tactical, risk-based, decision making.

Finally, our Mission Planning Guidance serves as a principal means to convey organizational strategic direction across the Service. It provides greater insight into the strategic landscape ahead, to ensure personnel are better prepared to execute their day-to-day work while planning for the unexpected.

Coast Guard Results

Coast Guard forces are flexible, rapidly employable and able to respond to crises with a full range of authorities and capabilities. The Coast Guard has adapted to growing mission demands to enhance maritime security while continuing to meet other mission requirements. For example, in 2005, the Coast Guard:

Secured the maritime border:

- Completed verification of security plans, required by the Maritime Transportation Security Act (MTSA), for U. S. port and facilities and vessels operating in U. S. waters;
- Completed 31 foreign port security assessments in order to improve our awareness of foreign port compliance with international requirements;
- Prevented more than 338,000 pounds of cocaine (an all-time maritime record) and over 10,000 pounds marijuana from reaching the United States; and
- Interdicted nearly 9,500 undocumented migrants attempting to enter the country illegally by sea, the second highest number of any average in the past 20 years.

Enhanced national maritime preparedness:

- Began comprehensive security reviews of waterside nuclear power plants;
- Created formal processes for addressing security concerns and requirements involving the siting of new shore-side Liquefied Natural Gas facilities; and
- Established a new Area Maritime Security Exercise program requiring annual local exercises and designed to assess the effectiveness of the Area Maritime Security Plans and the port community's preparedness to respond to security threats and incidents. Funding appropriated for fiscal year 2006 will bolster this effort significantly.

Strengthened partnerships:

- Established a National Maritime Security Advisory Committee in order to provide a strategic public-private forum on critical maritime security topics;
- Launched America's Waterways Watch, a citizen involvement program that leverages the Coast Guard's relationship with the maritime public;
- Deployed the Homeport information sharing web portal, which allows for collaboration and communication in a controlled security environment (for sensitive but unclassified material) among Area Maritime Security Committee members, all levels of law enforcement and port stakeholders at large;
- Conducted more than 268,000 security patrols, 5,800 air patrols and 10,000 security boardings; and
- Provided security escorts to over 10,000 high value vessels.

Saved lives and property:

- Saved over 33,000 lives in the wake of Hurricanes Katrina and Rita, the largest search and rescue operations in United States history;

- In addition to hurricane response, responded to more than 32,000 calls for maritime rescue assistance; and
- Saved the lives of over 5,600 mariners in distress.

Protected the environment:

- Boarded more than 6,000 fishing vessels to enforce safety and fisheries management regulations, a 30 percent increase over 2004;
- Conducted more than 3,000 inspections aboard mobile offshore drilling units, outer continental shelf facilities and offshore supply vessels; and
- Responded to 23,904 reports of water pollution or hazardous material releases from the National Response Center, resulting in 4,015 response cases.

Facilitated maritime commerce:

- Kept shipping channels and harbors open to navigation during the Great Lakes and New England winter shipping season;
- Ensured more than 1 million safe passages of commercial vessels through congested harbors through the capabilities of our Vessel Traffic Services; and
- Maintained more than 50,000 federal aids to navigation along 25,000 miles of navigation channels.

Supported national defense

- Safely escorted 169 military sealift movements at 13 different major U.S. seaports, carrying more than 20 million square feet of cargo; and
- Maintained an active patrol presence in the Arabian Gulf in support of U.S. Central Command and allied naval units.

Conclusion

Mr. Chairman and members of the Committee, the Coast Guard continues to execute all of its missions, while improving maritime domain awareness. Our Commandant, Admiral Allen, has emphasized the interwoven nature of safety, security and stewardship in the maritime environment. We are a military, multi-mission organization whose field commanders are fully empowered to move assets and make the decisions necessary to lead regional response efforts as (or before) a disaster unfolds. I hope my testimony contributes to the understanding of how the Coast Guard provides the Nation with a flexible, responsive and balanced level of organizational performance across each of our eleven missions.

STATEMENT OF
THE HONORABLE JAMES OBERSTAR
OVERSIGHT HEARING
COAST GUARD MISSION BALANCE
SEPTEMBER 14, 2006

Mr. Chairman, I would like to thank you for scheduling this very important hearing. Many Members of this Committee were opposed to transferring the Coast Guard to the Department of Homeland Security because we were concerned about the impact that the transfer would have on non-homeland security missions of the Coast Guard. We included statutory requirements that sought to protect these historic and important programs from budgetary cuts.

This year's Coast Guard budget proposed by the Administration clearly shows that our worst fears have come true. The Administration proposes to cut funding for 2 programs that have saved more American lives than any other program in the Coast Guard – search and rescue and marine safety. This is unacceptable.

Today's hearing on "mission balance" in the Coast Guard will allow the Subcommittee to look at these problems in detail. During the past 2 years, I have seen the lack of resources dedicated to marine safety result in delay after delay in regulatory projects for safety programs and the setting of pilotage rates for Great Lakes pilots. We were told that the regulations for inspection of towing vessels would

be out this spring, then they were going to be out before Admiral Collins retired, now they are going to be out sometime before the end of the year. Given the Administration's lack of support for marine safety, I simply don't know where the Coast Guard is going to get the personnel to physically inspect each of the thousands of towing vessels that operate in the United States each year.

This Committee established a statutory deadline on January 1, 2007 for electronic charts on all commercial vessels over 65 feet, all towing vessels over 26 feet, and all passenger vessels if they operate anywhere on the navigable waters of the United States. We have yet to see any Notice of Proposed Rulemaking on this regulation. The law is clear – any of these vessels that don't have an electronic chart by next January 1 will be operating in violation of the law. But what type of chart display should they have? We don't know – because the Coast Guard hasn't prescribed the safety regulations yet.

Last year I raised the possibility of transferring marine safety programs back to the DoT. It is time for this Committee to consider transferring some of the marine safety programs of the Coast Guard back to the Department of Transportation. Conducting safety inspection of vessels, testing and issuing license to mariners, and documentation and registration of vessels the same types of responsibilities carried

out by the Department of Transportation for the other modes, such as aviation and railroads. Aviation and railroad safety programs were not transferred to the Department of Homeland Security when it was created because they are not directly related to homeland security. If the Coast Guard is not able to devote the resources necessary to marine safety – we can move those programs back to an agency that is willing to ensure the safety of our nation's transportation system – DoT.

Thank you Mr. Chairman.

STATEMENT OF EDWARD M. STULGINSKY

DEPUTY ASSISTANT INSPECTOR GENERAL FOR AUDITS

U.S. DEPARTMENT OF HOMELAND SECURITY

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION

U.S. HOUSE OF REPRESENTATIVES

SEPTEMBER 14, 2006

Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to discuss the Coast Guard's mission performance during FY 2005. Our statement today focuses on our annual review of the Coast Guard's performance of its homeland and non-homeland security missions.

We recently reported on the U.S. Coast Guard's mission performance, as required by Section 888 of the Homeland Security Act of 2002.[1] The Act directs the Inspector General to conduct an annual review that assesses the performance of all Coast Guard missions, with a particular emphasis on non-homeland security missions. To address these requirements, we reviewed the Coast Guard resource hours used to perform the various homeland security and non-homeland security missions, as well as performance goals and results, from FY 2001 through FY 2005. My testimony today addresses three issues:

- **First: The total number of resource hours devoted to Coast Guard missions has increased.** Coast Guard data show that total mission hours have increased in every period from FY 2001 through FY 2005. Since FY 2001, more resource hours have been dedicated to homeland security missions than for non-homeland security missions. However, after an initial drop in FY 2002, non-homeland security resource hours have increased every period, and have now returned to within 3 percent of baseline levels.

- **Second: Despite increases in resource hours, there is room for improvement.** The Coast Guard has been more successful in meeting goals for its non-homeland security missions, meeting 5 of 6 goals during FY 2005 and 22 of 28 goals (79 percent) since FY 2001, where measurable goals and results existed, but still leaving room for improved performance. The Coast Guard achieved 2 of 4 goals during FY 2005 and 30 percent of its homeland security goals (6 of 20) since FY 2001, which did not include the Ports, Waterways, and Coastal Security (PWCS) mission. The performance goal for the PWCS mission, by far the largest user of resource hours of any Coast Guard mission, was just established for FY 2005.

- **Third: Barriers to improving mission performance still exist.** Growth in total resource hours has leveled off. Since resource hours are based on the limited and finite number of available assets, the Coast Guard will be unable to increase total resource hours without the acquisition of additional aircraft, cutters, and boats. Consequently, the Coast Guard has a limited ability to respond to an extended crisis, and therefore must divert resources normally dedicated to other missions. To improve performance within their overall constraints, the Coast Guard must ensure that a comprehensive and fully defined performance management system is implemented, and that experienced and trained personnel are available to satisfy increased workload demands.

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[1] Public Law 107-296, November 25, 2002.

Total Mission Hours Have Increased

Coast Guard data shows that total mission hours have increased in every year from FY 2001 through FY 2005. The Coast Guard uses mission hours—generally the number of flight hours (for aircraft) and underway hours (for boats and cutters)—as a form of measurement to determine the amount of time dedicated to each of its non-homeland security and homeland security mission areas. During our review, we analyzed the total number of resource hours reported by the Coast Guard prior to September 11, 2001, ("baseline") through FY 2005. We did not, however, verify the resource hour data reported by the Coast Guard, nor did we validate that the Coast Guard had accurately classified resource hour use for each mission. Coast Guard missions, as defined by Section 888 of the Homeland Security Act of 2002, include non-homeland security missions and homeland security missions as follows:

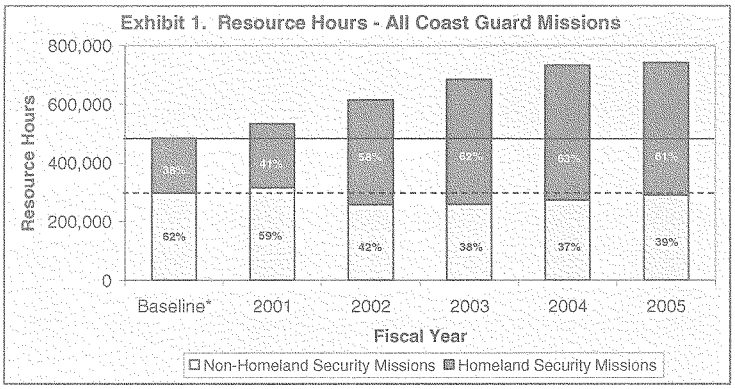
Non-Homeland Security Missions

- Search and Rescue
- Aids to Navigation
- Ice Operations
- Living Marine Resources
- Marine Safety
- Marine Environmental Protection

Homeland Security Missions

- Illegal Drug Interdiction
- Undocumented Migrant Interdiction
- Other Law Enforcement
- Defense Readiness
- Ports, Waterways, and Coastal Security

Our analysis did not include resource hour data for the marine safety and marine environmental protection missions because these missions are personnel intensive and are largely carried out without using Coast Guard aircraft, cutter, and boat assets. We assessed total resource hours for the remaining nine individual missions in order to identify the changes in each. Increases in resource hours have occurred every year from FY 2001 through FY 2005, as depicted in the following chart, Exhibit 1.



* Coast Guard-calculated baseline (annual average based on eight fiscal year quarters preceding September 11, 2001) from which changes in resource hours since the September 11 attacks could be estimated.

Prior to FY 2001, the non-homeland security missions represented the largest percentage of resource hours within the Coast Guard. Following September 11, 2001, the Coast Guard dedicated a larger percentage of resource hours to homeland security missions than for non-homeland security missions, as depicted in Exhibit 1. While total resource hours grew each year, the percentage of resource hours dedicated to homeland security also grew until FY 2005, when the percentage of resource hours dedicated to non-homeland security missions increased for the first time. This shift in resource hours may be attributed to the Coast Guard's response to Hurricane Katrina, when over one-third of all Coast Guard aviation assets were deployed to the Gulf Coast.[2]

In addition, in FY 2005, total non-homeland security resource hours returned to baseline levels. After an initial drop in non-homeland security resource hours in FY 2002, the non-homeland resource hours have increased every year, and in FY 2005 were within 3 percent of baseline levels. Not only are the total non-homeland security mission resource hours approaching baseline levels, but individual missions that constitute the non-homeland security category are also approaching the pre-9/11 levels in today's post-9/11 environment.

Despite Increases in Mission Hours, Performance Still Leaves Room for Improvement

The Coast Guard is not meeting all of its performance goals, despite steady increases in mission hours. The Coast Guard uses outcome-oriented performance goals and measures to assess results of each Coast Guard mission in achieving current year goals, and to report past performance. Managers and executives use performance results to help gauge performance against resources appropriated by Congress for each Coast Guard mission,

[2] Non-homeland security aircraft resource hours for the 4th Quarter of FY 2005 were more than 60% greater than the 4th Quarter FY 2004 level.

which are aligned with the Department of Homeland Security's strategic goals. Performance measures are also used to monitor actions and enable executives to make decisions regarding future priorities.

As Shown in Exhibit 2, the Coast Guard has been much more successful in meeting its goals for its traditional non-homeland security missions, meeting 5 of 6 goals during FY 2005 and 22 of 28 goals (79 percent) since FY 2001. For homeland security missions, the Coast Guard met 2 of 4 goals during FY 2005 and 6 of 20 (30 percent) since FY 2001.

Exhibit 2, Non-Homeland Security Missions Performance Goals and Results							
Mission	Measure	2001	2002	2003	2004	2005	Total Met
Search and Rescue	Percentage of mariners' lives saved	× Not met	× Not Met	✓ Met	✓ Met	✓ Met	3 of 5
Aids To Navigation	5-year average collisions, allisions, and groundings	✓ Met	✓ Met	✓ Met	✓ Met	✓ Met	5 of 5
Ice Operations	Days of waterway closures 8 for severe winter 2 for average winter	✓ Met	× Not Met	✓ Met	× Not Met	✓ Met	3 of 5
Living Marine Resources	Percentage of fishermen complying with federal regulations	✓ Met	✓ Met	✓ Met	× Not Met	× Not Met	3 of 5
Marine Environmental Protection	5-year avg. annual oil spills exceeding 100 gallons and chemical discharges per 100M tons shipped	✓ Met	✓ Met	✓ Met	✓ Met	✓ Met	5 of 5
Marine Safety	5-year average annual fatalities and injuries	N/A	N/A	✓ Met	✓ Met	✓ Met	3 of 3
SUBTOTAL Non-Homeland Security		4 of 5	3 of 5	6 of 6	4 of 6	5 of 6	22 of 28
Homeland Security Missions Performance Goals and Results							
Mission	Measure	2001	2002	2003	2004	2005	Total Met
Illegal Drug Interdiction	2001-2003: Cocaine seizure 2004-2005: Cocaine removal rate	× Not Met	× Not Met	× Not Met	✓ Met	✓ Met *	1 of 4
Undocumented Migrant Interdiction	Percentage of migrants interdicted or deterred	× Not Met	✓ Met	× Not Met	✓ Met	× Not Met	2 of 5
Other Law Enforcement	Foreign vessel incursions into U.S. EEZ	× Not Met	× Not Met	✓ Met	× Not Met	✓ Met	2 of 5
Defense Readiness	Percentage of units meeting C-2 combat readiness level	× Not Met	× Not Met	× Not Met	× Not Met	× Not Met	0 of 5
Ports, Waterways, and Coastal Security	Risk-based measure developed; baseline for 2005 and future targets established.	**	No Measure	No Measure	No Measure	Measure Baselined	
SUBTOTAL Homeland Security		0 of 4	1 of 4	1 of 4	2 of 4	2 of 4	6 of 20

* FY 2005 actual results are pending publication of the noncommercial maritime flow in the Interagency Assessment of Cocaine Movement.

** Ports, Waterways, and Coastal Security (PWCS) program was formally established after the events of September 11, 2001.

Of the 11 Coast Guard missions (6 non-homeland security and 5 homeland security), only 2, Aids to Navigation and Marine Environmental Protection, achieved the established goals for the entire 5-year period. In addition, the Marine Safety mission met its goals for the 3 years for which goals were established and results were available. Seven of the remaining missions did not consistently meet the goals, including Living Marine Resources, Search and Rescue, Ice Operations, Illegal Drug Interdiction, Undocumented Migrant Interdiction, Other Law Enforcement, and Defense Readiness.

Lastly, the Coast Guard only recently developed a risk-based performance measure for the Ports, Waterways, and Coastal Security (PWCS) mission. The PWCS mission is by far the largest user of resource hours of any Coast Guard mission. Yet it has taken the Coast Guard 3 years to develop a performance measure, thereby not measuring performance for the largest portion of Coast Guard resources since FY 2002. A key concern regarding this newly established risk-based performance measure is its subjectivity. The measure introduces many layers of subjectivity involving the human scoring of scenarios, and the potential for inconsistent or "uneven" evaluations based on different human input. Therefore, the ability of this measure to accurately depict performance of the PWCS missions—and remain consistent over time—has not been clearly established. As such, the measure may not be representative of the PWCS mission performance, and may restrict the measure's usefulness for evaluative purposes.

Barriers to Improving Performance Still Exist

The Coast Guard faces three major barriers to improving or sustaining its mission performance:

- Growth in resource hours has leveled off;
- Limited and finite assets to respond to crises; and
- Lack of comprehensive and fully-defined performance management system.

Growth in Resource Hours Has Leveled Off

Growth in total Coast Guard resource hours, which are significantly greater than baseline levels, has leveled off. The increase in total resource hours from FY 2004 to FY 2005 was less than 1.5 percent and total resource hours for the Coast Guard are reaching a maximum. Based on total resource hour data as displayed in Exhibit 1, coupled with Coast Guard's limited and finite level of aircraft, cutters, and boats, the Coast Guard is within 4 percent of its statistically projected maximum level of resource hours. Given that resource hours are based on the limited and finite number of available assets, the Coast Guard will be unable to increase its total resource hours without the acquisition of additional aircraft, cutters, and boats.

Limited and Finite Assets to Respond to Crises

The Coast Guard has a limited and finite number of assets, and therefore available resource hours, to respond to an extended crisis. With no additional reserve assets for use in catastrophic situations, the Coast Guard must use resource hours normally dedicated to other missions to respond to crises and to meet often drastically changing mission priorities.

For example, in the aftermath of Hurricane Katrina, the Coast Guard deployed over one-third of its aviation assets from all over the country to the Gulf Coast to aid in search and

rescue operations. As a result, this had a significant effect on resource hours—more than a 60 percent increase in hours used for non-homeland security missions in the 4th Quarter of FY 2005, versus the 4th Quarter FY 2004. During a November 2005 congressional hearing,[3] the Commandant noted that in moving these assets to the Gulf Coast, the Coast Guard did incur additional risk throughout the rest of the country, such as fewer counter-drug, fisheries enforcement, and migrant interdiction operations conducted in the Caribbean and Florida Straits. The Commandant noted that this is of particular concern due to the age and condition of the Coast Guard's assets.

The Coast Guard's limited capacity is further exacerbated by extended crisis operations, because the heavy use of these assets during the operations results in significant maintenance and reconditioning of those assets during the following months. This loss of resources following extended crisis operations can affect readiness for other missions. Extended crisis operations also result in deferred training, further depleting resource hour availability. During his November 2005 testimony, the Commandant also noted that while the Coast Guard is well positioned for immediate and effective first response, its limited "bench strength," i.e., reserve capability, makes it impossible to sustain these operations for an extended period of time.

Lack of Comprehensive and Fully Defined Performance Management System

In September 2004, we reported that the lack of a comprehensive and fully-defined performance management system impedes the Coast Guard's ability to gauge its performance, allocate resources effectively, and target areas for improved performance.[4] In addition, we stated that the workload demands on the Coast Guard would continue to increase and require experienced and trained personnel, contradicting recent declining experience levels among its personnel. We also stated that sustaining a high operating tempo, due to growing homeland security and national emergency demands, would further tax the Coast Guard's infrastructure including its aging cutter and aircraft fleet. The Coast Guard's Short-range Aids-to-Navigation (ATON) program is a case in point.

The Coast Guard's ATON program uses a fleet of seagoing and coastal buoy tenders, ice-breaking tugs, inland construction tenders, river tenders, harbor tugs, self-propelled barges, and small boats to maintain a system of about 50,000 federal signal stations with buoys, lights, and daybeacons. The fleet is also used to perform a number of non-ATON-related missions such as search and rescue; ports, waterways, and coastal security; marine environmental protection; defense readiness; and law enforcement. We are concerned that the non-ATON-related workload demands and an aged ATON fleet may be undermining ATON program performance. For example, between FYs 2002 and 2005, the ATON fleet logged 510,000 resource hours for all Coast Guard missions, of which 103,000 hours (20 percent) were devoted to non-ATON-related missions (6 percent non-

[3] Joint hearing before the House Homeland Security Subcommittee on Science and Technology and the Armed Services Subcommittee on Terrorism, Unconventional Threats and Capabilities regarding "Responding to Catastrophic Events: The Role of the Military and National Guard in Disaster Response," November 9, 2005.

[4] OIG Report Number OIG-04-43.

homeland security missions and 14 percent homeland security missions). During the same period, the ATON availability rate dropped from 98.3 percent to 97.6 percent—well below the target rate of 99.7percent.

Further, over 20 percent of the buoy inventory and the bulk of the ATON fleet are aged and in need of replacement or rehabilitation. Of particular concern are reports that the ATON fleet has significant safety, supportability, environmental compliance, and habitability concerns that have existed for decades. The Coast Guard estimates the cost of rehabilitating and replacing these ATON assets could exceed $500 million; however, to date, the Coast Guard has done little to mitigate or eliminate these concerns. The Coast Guard will have to address these ATON issues to avoid further deterioration of the navigation availability rate and to maintain the ability of the ATON fleet to perform its non-ATON-related missions.

For all Coast Guard missions, the Coast Guard has been sustaining performance through increases in resource hours. Much of the credit is due to the dedication and perseverance of the men and women of the Coast Guard. We remain concerned, however, that the Coast Guard is nearing its resource hour capacity, a situation that could significantly limit the Coast Guard's ability to "squeeze out" any more resource hours from its existing assets to ensure the capacity and readiness to respond to the effects of future environmental crises or major terrorist attacks. To improve performance, the Coast Guard must ensure that a comprehensive and fully defined performance management system is implemented and that its personnel have the training, experience, equipment, and infrastructure needed to perform its homeland and non-homeland security-related missions.

Mr. Chairman, this concludes my statement. I would be happy to answer any questions the Subcommittee may have.

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