

U. S. Department of  
Homeland Security

United States  
Coast Guard



Commandant  
United States Coast Guard

2100 Second Street, S.W.  
Washington, DC 20593-0001  
Staff Symbol CG-0921  
Phone: (202) 366-4280  
FAX: (202) 366-7124

**DEPARTMENT OF HOMELAND SECURITY**

**U. S. COAST GUARD**

**STATEMENT OF**

**ADMIRAL THAD W. ALLEN  
COMMANDANT**

**ON THE**

**CHALLENGES FACING THE  
COAST GUARD'S MARINE SAFETY PROGRAM**

**BEFORE THE**

**SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION**

**COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**

**U. S. HOUSE OF REPRESENTATIVES**

**2 AUGUST 2007**

## INTRODUCTION

Good afternoon Chairman Oberstar, Chairman Cummings, Ranking Member LaTourette, and distinguished members of the subcommittee. I am pleased to appear before the Subcommittee today to discuss the challenges facing the Coast Guard's Marine Safety Program.

The Coast Guard is the principal federal service charged with marine safety, security, and stewardship. We protect the Nation's vital interests - the safety and security of the Nation's citizenry, its natural and economic resources, and the territorial integrity of its maritime borders - wherever those interests may be at risk. The Coast Guard has accrued these roles and missions over two centuries of service because they serve a collective good and are most efficiently and effectively accomplished by a single federal maritime force.

The Coast Guard relies on the interconnected and complementary nature of its marine safety and security authorities. These authorities:

- Support the nation's standing as the world's premier provider of maritime oversight and services;
- Ensure unity of effort by aligning the Federal government's capacity to act in a national disaster;
- Empower the Coast Guard to fulfill all of its statutory responsibilities, and optimize the effectiveness of our service to the maritime public;
- Enhance industry's interface with government.

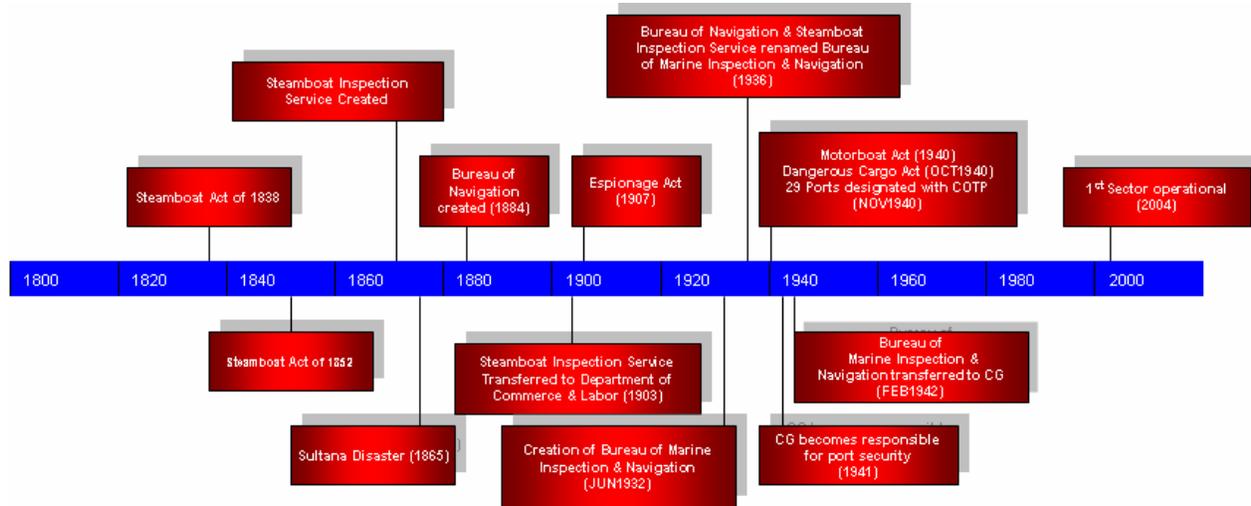
The Maritime Transportation System is the engine that drives our nation's economy, and Coast Guard decisions and actions have direct impacts on the efficiency of the system and the nation's economic security. Throughout our history, the maritime industry has benefited from the Coast Guard's multi-mission nature and our ability to strike a balance between maintaining both the safety and security of our nation's ports.

One of the Coast Guard's greatest strengths is our multi-mission character, which allows us to provide the best service value to the American public. We must leverage our multi-mission structure and ethos through proper allocation of our own resources, while also partnering with industry, labor and other maritime stakeholders to ensure the safety and security of our waterways. The Coast Guard is ***committed to providing efficient, consistent, high quality services*** to mariners and maritime organizations in all of our mission areas.

The attacks of September 11<sup>th</sup>, 2001, necessarily focused greater attention on security. ***Both*** commerce ***and*** security requirements have grown since then, placing greater challenges on both industry and the Coast Guard. The Coast Guard acknowledges the concerns of industry and others that our operations in the wake of these events have placed greater emphasis on our security missions, sometimes at the expense of marine safety activities. We recognize the need to identify and address conditions that have contributed to these concerns. The Coast Guard is open to critiques of the services we

provide to the nation and the public. We welcome stakeholder input as we strive to strike a proper balance between marine safety, security, and stewardship and improve our service delivery to the maritime community and the American public.

## HISTORY OF THE COAST GUARD’S MARINE SAFETY PROGRAM



The marine safety mission remains the bedrock of the Coast Guard’s value to the nation, and it underpins our security and environmental missions. History has shown that safety and security are truly two sides of the same coin.

The safety inspection of merchant vessels documented under the flag of the United States has been authorized in varying degrees by Congress and required by law since 1838. In July of 1838, Congress passed a law to “*provide better security of the lives of passengers on board of vessels propelled in whole or in part by steam*”. The law was passed after several steamboat fires and boiler explosions highlighted the need for maritime safety laws.

The 1838 law proved inadequate as steamboat disasters increased in volume and severity. The 1847 to 1852 era was marked by an unusual series of disasters primarily caused by boiler explosions. These disasters resulted in the passage of the *Steamboat Act of May 30, 1852*. Under this law, the organization and form of a federal maritime inspection service began to emerge.

The Steamboat Act required testing of boilers and steam safety valves. The law further required that both pilots and engineers be licensed by the local inspectors. However, the law exempted freight boats, ferries, and tugboats, which continued to operate under the superficial inspection requirements of the law of 1838. Again, disasters and high loss of life prompted congressional action through the passage of the *Act of February 28, 1871*.

This act retained the useful function of the prior acts and added new requirements which provided a comprehensive Marine Safety Code, on which our present marine safety code has been built. The organization created by the *Act of 1871* became known as the

Steamboat Inspection Service. This new law sought to protect the crew as well as the passengers and applied to all steam vessels. Furthermore, it established a Supervisory Inspector General directly responsible to the Secretary of the Treasury, extended licensing requirements to all masters and chief mates, provided for the revocation of licenses, authorized periodic inspection and gave the Board of Supervisory Inspectors the authority to prescribe nautical *Rules of the Road*.

In June of 1932, the Steamboat Inspection Service was merged with the Bureau of Navigation, itself created in 1884 to oversee the regulation of merchant seamen, on June 30, 1932.

In 1934, the passenger vessel MORRO CASTLE suffered a serious fire off the coast of New Jersey, which ultimately claimed the lives of 124 passenger and crew. The casualty prompted new fire protection standards for vessels and paved the way for the Act of May 27, 1936, which reorganized and changed the name of the Bureau of Navigation and Steamboat Inspection Service to the Bureau of Marine Inspection and Navigation.

Marine inspection and navigation duties under the Bureau of Marine Inspection and Navigation were temporarily transferred to the Coast Guard by executive order on February 28, 1942. This transfer of duties fit well with the Coast Guard's port safety and security missions, and was made permanent in 1946. The consolidation of duties marked the first time in the nation's history that all functions of marine safety fell under the jurisdiction of one agency. These functions make up the main body of authorities held today by Coast Guard Officers in Charge, Marine Inspection (OCMIs). Accrual of these new authorities allowed the Coast Guard to take a holistic approach to marine safety while overseeing almost all regulatory aspects of merchant marine personnel and ship safety, and began our long-lasting commitment to, and unique expertise, in that field.

Prior to taking over marine safety duties, the Coast Guard was primarily involved with port safety and security. During World War I, the Coast Guard served under the Navy and enforced rules and regulations that governed the anchorage and movements of vessels in American harbors. The Espionage Act, passed in June 1917, gave the Coast Guard increased power to protect merchant shipping from sabotage. This Act vested the Coast Guard with a wide range of responsibilities, including the safeguarding of waterfront property, supervision of vessel movements, establishment of anchorages and restricted areas, and the right to control and remove people aboard ships. In order to be successful in all of these missions, the Coast Guard worked directly with local shipping companies and pilots' associations to ensure that our nation's ports remained safe and secure, but also afforded appropriate avenues for commerce. These waterfront partnerships have continued for 90 years, and remain the foundation of our effort to balance marine safety and security.

The tremendous increase in munitions shipments during World War I, particularly in New York, required an increase in personnel to oversee this activity. The term "Captain of the Port (COTP)" was first used in New York. This officer was charged with supervising the safe loading of explosives. During the war similar posts were established in other U.S. ports.

After World War I, the COTP officers were retained to regulate peacetime port activities, and the position continued to be known as the COTP. In the 20 years following the war, the Coast Guard's responsibilities concerning anchorage regulations and vessel movements in American harbors grew. In April 1939, with the outbreak of World War II imminent, the Coast Guard once again was called to enforce new marine safety regulations in the form of anchorage regulations.

During World War II, the port-security mission grew through various laws and agreements to give the service broad wartime responsibilities. In June 1940, President Franklin Roosevelt proclaimed that the Coast Guard would assume the functions that other government agencies had previously overseen because the increased traffic in American ports had blurred the authority of the various federal, state, and local agencies responsible for port security and safety. The Coast Guard developed these new waterways management regulations and enforcement strategies through leveraging our partnerships with local pilots' associations and the shipping industry.

The Dangerous Cargo Act of October 1940 and the restructuring of anchorage regulations during that same month clearly laid out and expanded previous regulations and provisions. The responsibilities of each COTP increased and in November of 1940, 29 ports were designated to have Coast Guard Captain of the Port offices. This created a regime for enforcing the laws and regulations which governed the movement of vessels, the loading of dangerous cargoes, and the protection and regulation of anchorages. This also provided a central Coast Guard office for the local shipping industry to interface with the Coast Guard to address local concerns.

Early in 1942, those responsible for port safety realized that the peacetime regulations that governed the movement of explosives would have to be amended to sufficiently handle wartime conditions. One of the more visible duties of the Coast Guard was the protection of piers and docks. The service began this job with the understanding that it could not be solely a Coast Guard operation. To perform this tremendous task, COTPs had to coordinate operations, and their personnel supplemented municipal and private personnel. The protection of waterfront property and facilities was accomplished using military, naval, and Department of Justice intelligence personnel; private organizations and companies; municipal and state police forces; and commercial organizations such as underwriter associations.

To protect vessels and important installations within each port facility, the Coast Guard created security zones around the dock areas. Within these areas the COTPs assigned roving guards and enforced the integrity of the zones with Coast Guard personnel and barricaded streets. The men watching the waterfront generally performed their service on foot but used vehicles in isolated spots.

While pier and facility guards were important, harbor patrols were just as significant as those from shore and consumed much of the manpower of the COTP offices. This particular task used various patrol craft to watch the multitude of vessels and harbors full of vessels. These small harbor craft worked in tandem with offshore patrols and the Coast Guard Beach Patrol to watch the vast shore lines.

Balancing both harbor safety and port security, harbor-patrol craft watched for fires, detected unauthorized persons and pleasure craft with improper papers, reported accidents, removed menaces to navigation, rendered assistance, patrolled anchorages and restricted areas, and escorted ammunition and dangerous cargo ships out of the harbor. Most of this duty consisted of identifying and checking personnel aboard vessels. Coast Guard harbor patrols often questioned the occupants of small craft and checked cargoes for proper documentation. Parties of Coast Guard Personnel also inspected ships' equipment for safety and made recommendations for replacing firefighting equipment or called fire hazards to the attention of owners.

By the end of the war, nearly 200 COTP and assistant COTP offices had been established in the United States and overseas. The COTPs' valuable service to ensure the steady movement of supplies was of inestimable value, and was built upon the ability to address both safety and security requirements in the complex port environment.

After World War II, the Coast Guard continued to grow and improve our multi-mission capability, while striving to balance the safety and security of our ports. The U.S. Coast Guard became a model marine safety agency for the world, playing a major role in the development of international standards that improve the safety and security of the world's maritime transportation system. In the 1970s, the Coast Guard, through its leadership at the International Maritime Organization (IMO), began an effort that led to significant improvements to the international safety and environmental protection standards for shipping. In addition, the Coast Guard also took action to improve international compliance with these standards since not all Flag States were fulfilling their responsibility to ensure their ships met the international standards. IMO standards had improved, enforcement had not. Indeed, by the late 1980s, the number of substandard ships entering our ports posed increased threats to maritime commerce and environment. In response, the Coast Guard began a concerted "port state control" effort in 1994 to ensure ships calling in U.S. ports met international standards for safety and operations. Largely due to the success of what came to be known as the Coast Guard's Port State Control (PSC) program, the IMO adopted new standards to expand the authority of port states when conducting safety inspections onboard foreign vessels.

These inspections were originally intended to supplement Flag State exam programs, but experience taught that port state inspections were essential to ensuring the safety of vessels engaged in worldwide commerce, especially if these exams were organized on a regional basis. Since ships move cargo from port to port and country to country, it was found to be to every nation's advantage if inspections could be closely coordinated. To facilitate information exchange, the Coast Guard developed the Maritime Information Exchange and Port State Information Exchange systems to share vital safety information with fellow port states and shipping companies. The results of safety inspections and ship specific information are still recorded and made public in these systems. This transparency of information helps to ensure that as many ships as possible are inspected while at the same time prevents ships from being delayed by unnecessary, redundant inspections. These information systems were developed jointly with the maritime industry to facilitate safe commerce.

To make best use of both Coast Guard and industry time and resources, and to further enhance marine safety, the Coast Guard developed a boarding priority matrix in the 1990s. This matrix is still used today to prioritize ships for port state control inspections based on their relative risk. The matrix was constructed around the past performance of each ship's Flag State, classification society, operating company, ship type, and the ship's prior compliance history. Whenever a substandard ship is detained, the Coast Guard reports the action via an internet based system to alert shippers to potential risks associated with shipping on the substandard vessel. To ensure global alignment against substandard vessels, detailed information on detentions is also reported to an international database shared by PSC regimes around the world

When our nation found itself at war again after 9/11, the PSC program was immediately expanded to address emerging security concerns for our nation's ports. The pre-arrival boarding matrix integrated both safety and security background checks. High risk vessels were boarded at-sea and pre-arrival notice requirements were expanded to ensure the Coast Guard could complete adequate safety and security screening prior to a vessel's arrival. The validation of mariners' documents became an integrated security check conducted jointly with U.S. Customs and Border Protection agents. The PSC exam was quickly expanded to validate vessels for compliance with the requirements of both the Maritime Transportation Security Act (MTSA) of 2002 and the International Ship & Port Facility Security Code (ISPS), which was negotiated through the IMO and serves as the international counterpart to the MTSA.

Implementation of the MTSA and ISPS Code was achieved by working closely with our industry and agency partners. The Coast Guard has a long history, spanning over 70 years, of regulating various aspects of the commercial shipping industry, including marine safety, security, and environmental pollution. The Coast Guard accomplishes this through the promulgation of federal regulations in Titles 33, 46, and 49 of the Code of Federal Regulations (CFR) and follows the Administrative Procedure Act (APA) in the processes and methods that it uses in rulemaking projects.

The Coast Guard firmly believes in the principle of "notice and comment" in the APA, and the transparency of rulemaking processes. As such, the Coast Guard engages in public meetings and hearings, supports Federal Advisory Committees (convened under the Federal Advisory Committee Act (FACA)), and reaches out to stakeholders from all segments of the private and public sector, including industry, federal, state, and local agencies and tribal governments.

Today, as never before, the Coast Guard relies on the interconnected and complementary nature of its marine safety and security authorities to ensure our nation's waterways remain both safe and secure. The following table illustrates the impact that losing these particular authorities could have on maritime safety, security and environmental stewardship:

Potential Impacts of Loss of Authorities

Authority	Security	Safety and Environmental Stewardship
<p><b>Lead U.S. agency at the International Maritime Organization (United Nations)</b></p>	<p>International Ship and Port Facility Security Code (ISPS). Security issues at IMO have been addressed by the Maritime Safety Committee. Should a new agency become lead for safety, would introduce 2 U.S. agencies with leadership roles at MSC meetings.</p>	<p>International Convention for the Safety of Life at Sea (SOLAS). U.S. If a new agency were designated as head of delegation for the IMO Maritime Safety Committee, U.S. influence at IMO on these critical issues could be significantly degraded. Additionally, several IMO sub-committees report to both the Marine Environment Protection Committee and the Maritime Safety Committee. The U.S. could lose a very strong international influence without continuity of leadership through all of the IMO's bodies.</p>
<p><b>Officer in Charge of Marine Inspection (OCMI)</b></p>	<p>Security relationships have understandably evolved from historical safety relationships. Separating safety and security functions would unavoidably harm security because those relationships would be severed, or at the least significantly degraded. Day-to-day exposure of port activities, from both a safety and security perspective, would be lost, and mariners and facilities would be subject to regulation from multiple agencies with adjacent, sometimes overlapping jurisdictions. Shore facilities could be subject to a security inspection from one agency, and a safety inspection from another agency, both in the same day.</p>	<p>Separating the authority to deem a vessel a safety or environmental hazard from the authority to control that vessel's movement introduces delays, opportunities for miscommunication, increases the risk for a safety or environmental incident and adds a new and overlapping bureaucracy with oversight of the marine industry. Mariners could be subject to multiple boardings from different federal agencies for purposes now typically served by only one.</p>
<p><b>Captain of the Port (COTP)</b></p>	<p>If the COTP authority to direct the movement of vessels were transferred it would degrade security by removing a critical function from both intelligence and response capabilities. This would decrease the timeliness of response, and increase the risk of a transportation security incident. It could also create a disconnect between primacy over domestic port facility inspections (new agency) and foreign port facility visits (Coast Guard).</p>	<p>If the COTP authority to direct the movement of vessels were transferred it would increase the risk posed by safety or environmental incidents, as that authority would be segregated from the capability to respond. In the event of overlapping jurisdiction, mariners could be subject to multiple boardings from different federal agencies for purposes now typically served by only one.</p>

## MARINE SAFETY MISSIONS TODAY

### *Domestic Marine Safety*

At the core of the Coast Guard's marine safety mission is the domestic inspection and certification of U.S. flag vessels. The inspected fleet currently numbers over 11,700 vessels and includes a wide range of service types as indicated in the table below:

<b>Coast Guard Inspected Vessels</b>	
Vessel Type	Number Inspected
Passenger (Inspected)	6,020
Tank Barge	3,691
Offshore Supply Vessel	872
Freight Ship	317
Freight Barge	193
Industrial Vessel	131
Tank Ship	117
Oil recovery	77
Mobile Offshore Drilling Unit	68
Passenger barge (Inspected)	50
Other	246
All vessel Services	11,782

The Coast Guard is also actively involved with ensuring safety on a large population of fishing and towing vessels. Coast Guard marine safety personnel conduct examinations of these vessels for lifesaving, firefighting, navigation and pollution prevention equipment. The Coast Guard leverages Reserve and Auxiliary marine safety personnel to assist with these examinations. In CY2006, over 16,200 examinations were conducted on fishing vessels and 4,400 were completed on towboats.

Improving towing vessel safety is a high priority for the Coast Guard and we are working closely with maritime stakeholders to pursue rulemaking that will mandate inspection and certification. Once the regulations are in place, the Coast Guard will be responsible for inspection and certification of the 7,200 towboats that operate and move critical cargoes on our inland and coastal waterways.

The Coast Guard also conducts annual safety inspections on over 3,200 regulated facilities. Facility inspectors also conduct random security spot checks, which provide additional opportunities for inspectors to identify safety concerns. Ensuring the safety of facilities is increasing in complexity and scope as the energy industry looks to add port infrastructure to receive cargoes like Liquefied Natural Gas (LNG).

The Coast Guard is also responsible for the investigation of reportable commercial vessel casualties. Coast Guard marine safety personnel investigate about 4,100 marine casualties and 5,200 pollution incidents per year, focusing on finding the root causes and preventing future occurrences. Safety recommendations from past investigations often lead to new regulations (both domestic and international) and marine safety policies. Coast Guard investigators can issue tickets or civil penalties for safety related violations.

Administrative actions can also be taken against a merchant mariner's credential if a Coast Guard investigation reveals evidence of negligence, misconduct, incompetence, or illegal drug use. The Coast Guard also works closely with the National Transportation Safety Board to investigate major marine casualties that require additional expertise or an independent investigator.

The Coast Guard also issues licenses and documents to over 200,000 U.S. merchant mariners. The overall industry demand for these services is increasing due in part to the recent addition of U.S. flagged cruise ships, which serve the Hawaiian Islands.

The Coast Guard partners with industry to develop appropriate standards and guidance for the construction, maintenance, and repair of commercial ships. In order to ease the burden on small businesses, several industry standards, such as standards from the American Standards for Testing Materials (ASTM), National Electric Code (NEC), National Fire Protection Association, and American Bureau of Shipping have been incorporated by reference directly into Coast Guard regulations. All lifesaving equipment used onboard inspected vessels must be type approved by the Coast Guard to ensure it meets rigorous safety standards. However, for small businesses developing novel technologies, the Coast Guard will approve equipment on a limited case-by-case basis, ensuring the equipment is safe and allowing emerging technologies to be put to appropriate use.

In 2003, the Coast Guard began to consolidate field activities for its Commercial Vessel Safety, Port and Environmental Safety, Marine Environmental Response, Port Security, Waterways Management, Bridge Administration, Search and Rescue (SAR), Recreational Boating Safety missions under one local Sector Command. Sector Commanders serve as the Captain of the Port (COTP), Federal Maritime Security Coordinator (FMSC) and unless otherwise delegated, the Officer in Charge Marine Inspections (OCMI), SAR Mission Coordinator (SMC), and Federal On-Scene Coordinator (FOSC). This organizational change eliminates the historical segregation of prevention and response activities at the local level.

Through the merger of Marine Safety Offices, Coast Guard Groups, and Activities, the Coast Guard has created an organization that brings together field activities, authorities, and resources in order to provide the most effective organization and the best value to the public. The Sector Command combines responsibilities and authorities previously shared by two or more commands into a single operational unit with a command and senior staff of highly competent experts. The Coast Guard Sector provides for rapid, coordinated response to emergencies, whether natural (such as Hurricane Katrina) or man-made, along with integrated daily operations to enforce regulations governing marine safety, security, and environmental protection. The Coast Guard is vigorously shepherding this new construct of sectors through a constant review and improvement cycle. Factors under review include the delicate balance of assigning the proper mix of specialties.

Coast Guard Sectors serve as one-stop-shops for marine safety, security, and environmental protection for major seaports and regions. They bring multi-mission capabilities to life on the front lines of the maritime environment, where Sector Commanders are actually allocated some authority equal to District Commanders. This

decentralized construct is the key to our operational success and serves as our model for the future. The Coast Guard Sector's ability to provide an *immediate* safety and security assessment at the onset of any maritime event, disaster, or casualty affords critical synergy to operations essential to marine safety, security, and environmental protection.

For example, OCMI authority gives the Coast Guard jurisdiction over the construction, certification, operation, and maintenance of nearly all U.S. Flag vessels operating on U.S. navigable waters. As such, Coast Guard personnel can directly act to deem a vessel unsafe to operate. They do this regularly as military professionals – at any hour of the day-in an orderly, courteous, and deliberate manner.

### *International Marine Safety*

The Coast Guard's OCMI authority also allows for the examination of certain foreign flagged vessels (which make up the majority of deep draft vessels calling in U.S. ports). The Coast Guard places a large emphasis on foreign vessels and now averages over 10,000 PSC safety and environmental compliance exams each year. Statistics indicate that the PSC program's goal of eliminating substandard shipping is working. In CY2006, only 1.35% of the foreign vessels examined in the U.S. were detained by the Coast Guard for serious safety or environmental deficiencies. That detention level was an all-time low and well below the 7.12% level recorded just 10-years ago.

The Coast Guard's COTP authority allows for the operational control of all vessels (and the facilities that receive them) in U.S. navigable waters. Thus, the COTP can initiate PSC detentions for safety violations discovered under the OCMI authority and take actions to control a vessel's movement until safety violations have been corrected. Together, these authorities create a powerful synergy. Our maritime law enforcement authorities and capabilities go hand-in-glove with the regulatory and investigative functions of the Coast Guard's marine safety and environmental protection authorities.

Coast Guard personnel are recognized as international experts in marine safety, security, and environmental protection. The Coast Guard represents the U.S. at the International Maritime Organization (IMO) and is viewed as the U.S. expert and lead agency on all maritime matters while serving as the point of entry for the U.S. maritime community into the United Nations. In fact, many nations model their maritime organizations after the U.S. Coast Guard.

In February 2004, the Coast Guard entered into a Mutual Recognition Agreement (MRA) with the European Community (EC) to promote uniform regulations for the certification of marine equipment. The MRA's twin objectives are to facilitate US-EC trade in marine equipment and to promote bilateral cooperation on international marine equipment regulations. The MRA allows a manufacturer to reach multiple markets on the basis of compliance with one set of regulations, instead of multiple. This leads to a direct cost reduction in terms of testing and certification.

## **MARINE SAFETY AREAS OF EMPHASIS**

Recognizing that Coast Guard decisions and actions have direct impacts on the efficiency of the Maritime Transportation System and the nation's economic, we partner with the maritime industry to strike a balance between safety and security. Sector commanders and Coast Guard Headquarters personnel routinely engage local industry and participate in local contingency planning and exchange information to facilitate safe and secure commerce. Through our partnership action teams, our Federal Advisory Committees (Appendix A), and our daily operations, we have heard the maritime industry's concerns about our post-September 11, 2001 mission balance. The most prominent concerns include reduced access to senior Coast Guard leadership, delays in the issuance of merchant mariner licenses, a perceived reduction in Coast Guard marine inspector experience, and confusion over the Coast Guard rulemaking process. We are taking aggressive action to address these concerns.

### *Senior Leadership Accessibility*

Coast Guard marine safety personnel interact with industry regularly through their daily operations and partnership activities. Sector leadership is heavily involved in local safety-focused partnerships including Area Committees, Harbor Safety Committees, Federal Advisory Committees, Coast Guard Industry Days, Industry Training Programs, and Partnership Action Teams. Such involvement ensures that the Coast Guard continues to strike a balance between safety, security, environmental protection, and the facilitation of commerce, while meeting our statutory requirements.

The Coast Guard has a defined process to address conflicts that arise in the regulatory and enforcement arena. Whenever there is a disagreement, the first step is for industry to talk to the local Coast Guard marine inspector or boarding officer. If resolution is not feasible at that level, an informal discussion with the local Sector Commander or the appropriate Sector Department Head is encouraged. For any matter that cannot be resolved through informal discussions, the regulations afford the maritime industry and all mariners the right to appeal a Coast Guard decision. The process for filing an appeal is a formal process which follows clear incremental steps established in the regulations. The path and time to complete the appeal process is dependent on the circumstances and nature of the situation. However, throughout the entire appeal process, Coast Guard guidance stresses the importance of working with industry to strike a proper balance between safety, security, and facilitation of commerce.

In order to emphasize the criticality of working with industry, I sent a message to the entire Coast Guard in May 2007 emphasizing the importance of responsiveness to the maritime industry. I will continue my practice of visiting with industry representatives across the country to reinforce this commitment, and ensure that local Coast Guard units are engaged with their maritime stakeholders and responsive to industry concerns.

### *Merchant Mariner Licensing and Documentation Program*

The Coast Guard is taking aggressive steps to improve the Merchant Mariner Licensing and Documentation (MLD) Program. Centralization of application processing will provide a greater opportunity to focus our efforts and gain economies of scale while reducing backlogs, ensuring credentials are only issued to qualified persons, and ensuring uniformity in interpretation of the regulations. Centralization started with the movement of certain licensing evaluation and issuance functions from Regional Examination Center (REC) New Orleans to the new home of the National Maritime Center (NMC) in West Virginia. Transferring these functions from the rest of the RECs throughout the country will continue over the next two years. The implementation of the Transportation Worker Identification Credential (TWIC) and continued growth in demand for merchant mariner credentials present challenges to the program. The timing of the NMC restructuring, however introduces opportunities to ensure that the TWIC and MLD programs work in concert with each other, and we are working very closely with our partners in the Transportation Security Agency (TSA) to that end.

The restructuring and relocation of the NMC from Arlington, Virginia, to a new 60,000 square-foot facility in Martinsburg, West Virginia, should be completed by the end of 2007. The new NMC will house approximately 250 government and contractor employees. In September 2006, NMC began issuing credentials to merchant mariners from its temporary offices in West Virginia. One hundred employees are currently working at this site while 50 employees remain in Arlington. Applications from mariners in the New Orleans region of the Gulf Coast, and other areas of the country as dictated by workload, are being processed by the NMC in West Virginia. In June of 2007, the NMC assumed responsibility for REC Anchorage and Juneau applications and REC Baltimore will transition in September. Technology enhancements are being implemented as part of this restructuring. Some of the many advancements:

- Applicants can now pay their user fees online;
- Mariners will soon have the capacity to obtain the status of their applications via the internet;
- Applications are being accepted in electronic format;
- A mariner help desk and toll-free phone and an email center has been established to assist the marine industry with their inquiries;
- Electronic fingerprinting technology for processing 10-print Integrated Automated Fingerprint Identification System criminal records checks has been employed by all of the Coast Guard's RECs since early 2005.

Growing demand for merchant mariner credentials will continue to challenge the MLD Program's ability to improve efficiency and provide timely service to industry, thus minimizing backlogs. We anticipate improvements at all service levels as the NMC restructuring progresses, similar to service improvements we experienced with the centralization of the vessel documentation program into the National Vessel Documentation Center (NVDC). Issuance of TWICs will require close coordination with the Transportation Security Administration (TSA) to ensure that backlogs and the time required for the Coast Guard to process a merchant mariner application does not increase. Present plans envision an electronic data transfer from TSA to the Coast Guard that will allow parallel processing by both agencies. The Coast Guard will also work with small business, and all port stakeholders to develop safe and reasonable requirements for TWIC readers to minimize the impact of these security requirements on industry and commerce.

### *Marine Inspector Training, Qualification, and Staffing*

Increased mission requirements in the aftermath of the events of September 11, 2001, led to new challenges to our field units. This has also highlighted the need to identify whether there were any gaps in the expertise of Coast Guard Marine Inspectors. A comprehensive performance analysis was completed in October 2006 that enabled us to identify and document job performance requirements and the performance support necessary to equip our people to perform the associated jobs and tasks, including marine inspection. In direct response to requests from Coast Guard field units for revised training and qualification tools, a 2 two year, contractor-supported, collaborative effort was started among Coast Guard Headquarters, the Coast Guard Training Center Yorktown, and various field units. This project has thus far resulted in new and revised advanced training courses, launched in Fiscal Year 2007, and new Performance Qualification Standard (PQS) workbooks

New or revised domestic vessel inspection and foreign vessel examination training workbooks will be completed during the summer of 2007. Generally, qualification in new inspector competencies is based on a progressive path comprised of knowledge-based correspondence courses; job exposure; formal training (C schools); additional, specialized formal training (qualification-specific); and finally, structured on the job training, managed through revised training manuals. While Chief Warrant Officers will continue to serve as the “backbone” of the marine inspection program, this training and qualification process is designed to serve the qualification needs of all levels of personnel at a Sector (i.e., enlisted, warrant, officer, civilian, active duty, Reserve). Specialized courses taught by contractors are also under review with revisions anticipated in Fiscal Year 2008.

In order to keep pace with industry trends and technological advances, I have placed a renewed emphasis on the Coast Guard’s Industry Training Program. Industry training allows marine safety professionals in various specialties to serve for extended periods with maritime companies that are leaders in their respective fields. The partnership helps the Coast Guard to stay current on new issues, understand the challenges facing the marine industry, and foster close working relationships with our key stakeholders.

### *Coast Guard Rulemaking Process*

The Coast Guard currently has 85 active rulemaking projects. The priority of each project is set through a scoring protocol that considers such elements as executive branch interest, legal and legislative requirements, impact on Coast Guard resources, and stage of development. The primary list receives final approval at the annual meeting of the Marine Safety and Security Council (MSSC), which is comprised of Coast Guard Flag Officer from the marine safety, security, legal, and response operations disciplines.

Examples of high priority marine safety-related rulemaking projects that involve significant outreach and public involvement include ballast water discharge standards, dry cargo residues, and the development of an inspection program for towing vessels. For each of these projects, we have held numerous public meetings, worked with the affected industry, and sought input from affected states, local governments, and other stakeholders through public notices and regional meetings.

The Coast Guard has recently instituted a successful Quality Standards System in order to standardize and identify improvements to our regulatory development process. We will continue to seek improvement to our processes. Every month, the Coast Guard reviews the status of all rule making projects and takes action as necessary to ensure projects remain on schedule. The Coast Guard works closely with our Federal Advisory Committees to seek input on regulations.

## **CONCLUSION**

We are aware of the concerns of Congress and the industry, as they echo ongoing internal efforts to improve our mission balance. The Coast Guard is taking aggressive steps to face the challenges of balancing maritime safety and security. We have revitalized our partnership efforts with the maritime industry, improved our marine inspector training programs, streamlined our merchant mariner licensing program and rulemaking processes, and sent a consistent and clear message throughout the Coast Guard that we must be vigilant in partnering with our stakeholders to reach the desired balance of safety and security. We acknowledge much work remains to be done. The Coast Guard and the Department of Homeland Security (DHS) will work with the Executive Branch, Congress, and other federal, state, local, private, and international partners to identify and address service gaps in our marine safety, security, and stewardship missions. We will do so thoroughly and decisively.

Throughout history, the Coast Guard has always answered the call to duty. The character of Coast Guard men and women has been tested from the rooftops of New Orleans to the Bearing Sea one thing remains constant: The Coast Guard's enduring value to the Nation resides in its multi-mission authorities, resources, and capabilities; and our unique ability to balance the two sides of the safety-security coin. The importance of this ability in mission execution cannot be overstated.

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

## Appendix A: Marine Safety Advisory Committees and Partnerships

<b>FEDERAL ADVISORY COMMITTEES</b>	
<b>Committee/Partnership Name</b>	<b>Description</b>
<b>Commercial Fishing Industry Vessel Advisory Committee (CFIVAC)</b>	Advises on matters and actions relating to the safe operation of vessels to which Chapter 45 of Title 46 U.S.C. applies, including navigational safety, safety equipment and procedures, marine insurance, vessel design, construction, maintenance and operation, and personnel qualification and training.
<b>Chemical Transportation Advisory Committee (CTAC)</b>	Advises with respect to the water transportation of hazardous materials in bulk.
<b>Great Lakes Pilotage Advisory Committee (GLPAC)</b>	Advises on matters relating to Great Lakes pilotage. The Committee is composed of seven members who must have at least 5 years practical experience in maritime operations.
<b>Houston/Galveston Navigation Safety Advisory Committee (HOGANSAC)</b>	Advises on such matters as communications, surveillance, traffic management, anchorages, and other related topics dealing with navigation safety in the Houston/Galveston area. It also provides advice on the development and operation of the Houston/Galveston Vessel Traffic Service.
<b>Lower Mississippi River Waterway Safety Advisory Committee (LMRWSAC)</b>	Advises on such matters as communications, surveillance, traffic management, anchorages, and other related topics dealing with navigation safety on the Lower Mississippi River. It provides advice on the development and operation of the New Orleans Vessel Traffic Service.
<b>Merchant Marine Personnel Advisory Committee (MERPAC)</b>	Advises on matters concerning personnel in the U.S. merchant marine, including, but not limited to training, qualifications, certification, documentation, and fitness standards. The committee consists of not more than 19 members.
<b>National Boating Safety Advisory Council (NBSAC)</b>	Advises on major boat safety matters related to the Federal Board Safety Act of 1971, including all new regulations and standards issued under the Act and the need for formulating and prescribing regulations establishing minimum safety standards for recreational boats and associated equipment.
<b>Navigation Safety Advisory Council (NAVSAC)</b>	Advises on matters relating to the prevention of collisions, rammings, and groundings, including but not limited to: Inland Rules of the Road, International Rules of the Road, navigation regulations and equipment, routing measures, marine information, diving safety, and aids to navigation systems.
<b>National Offshore Safety Advisory Committee (NOSAC)</b>	Advises on safety matters and other concerns relating to the Outer Continental Shelf activities.
<b>Towing Safety Advisory Committee (TSAC)</b>	Advises on matters relating to shallow-draft inland and coastal waterway navigation and towing safety.
<b>National Maritime Security Advisory Committee (NMSAC)</b>	Advises on matters relating to national maritime security.
<b>INDUSTRY PARTNERSHIPS</b>	
<b>Passenger Vessel Association (PVA)</b>	To improve the communication and working relationship between the Coast Guard and the domestic passenger vessel industry. Its objectives, for both parties, are to promote passenger, personnel and property safety within the domestic passenger vessel industry and the protection of the environment within our nation's waterways.
<b>American Petroleum Institute (API) &amp; Chamber of Shipping of America (CSA)</b>	To formalize a commitment to use Prevention Through People (PTP) principles to address the human element in tanker operations in US waters. Its objectives are to improve vessel and personnel safety within the tanker industry and enhance the protection of the environment within our nation's coastlines.
<b>American Waterways Operators (AWO)</b>	To strengthen the communication and working relationship between the Coast Guard and the barge and towing industry. Its objectives, for both parties, are to improve vessel and personnel safety within the barge and towing industry and enhance the protection of the environment along our nation's waterways

<b>Cruise Line International Association (CLIA)</b>	To strengthen the communication and working relationship between the international passenger vessel industry and the CG and to establish a program of cooperative meetings between the industry and the CG. The objectives for both parties, is to provide a mechanism for cooperative ICCL/USCG activities which support the two organizations common goals of promoting passenger and crew safety, security and environmental protection.
<b>INTERTANKO</b>	To strengthen the communication and working relationship between the CG and the tank ship industry. The objectives are to promote vessel safety and to prevent damage to the environment from tank vessel incidents.
<b>Baltic and International Maritime Council (BIMCO)</b>	To strengthen the communication and working relationship between the CG and the cargo shipping industry. The objectives are to promote vessel safety and to prevent damage to the environment from cargo vessel incidents
<b>American Pilots Association (APA)</b>	To strengthen the communication and working relationship between the CG and the APA, its member state pilot associations and state pilots throughout the US. The objectives are to promote vessel safety and to prevent damage to the environment from commercial vessel incidents.
<b>Chamber of Shipping of America (CSA)</b>	To further efforts to prevent maritime and personnel casualties and pollution incidents resulting from mariner fatigue and loss of alertness.
<b>Lake Carriers Association (LCA)</b>	To promote the common interests of U.S. Flag Vessel Operators on the Great Lakes
<b>American Association of Port Authorities (AAPA)</b>	Advocates governmental policies that strengthen and expand opportunities for member ports, advances professionalism in all facets of port management and operations, promotes information sharing and relationship building among members, achieve greater understanding of the essential role and economic value of ports.
<b>Small Business Council of America (SBCA)</b>	To enact favorable federal tax and employee benefits laws for small businesses and their owners.
<b>Offshore Marine Service Association (OMSA)</b>	To strengthen the communication and working relationship between the CG and offshore marine transportation companies.