



**Passenger Vessel
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SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

U.S. HOUSE OF REPRESENTATIVES

HEARING ON
CHALLENGES FACING THE COAST GUARD'S MARINE SAFETY PROGRAM

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Mr. Chairman and Members of the Subcommittee:

I am Peter Lauridsen, Regulatory Affairs Consultant for the Passenger Vessel Association (PVA). I have filled this role for the past 19 years. Prior to my association with the PVA, I served the Coast Guard for twenty-nine years, retiring as Deputy Chief of the Office of Marine Safety, Security, and Environmental Protection at Coast Guard Headquarters. During my career in the Coast Guard, most of my assignments were in the marine safety specialty.

The Passenger Vessel Association is the national trade association for U.S.-flagged passenger vessels of all types. It represents the interests of owners and operators of dinner cruise vessels, sightseeing and excursion vessels, passenger and vehicular ferries, private charter vessels, whalewatching and eco-tour operators, windjammers, gaming vessels, amphibious vessels, water taxis, and overnight cruise ships. PVA has been in operation for 36 years. It currently represents about 600 vessel and associate members. Its vessel-operating members range from small family businesses with a single boat to companies with several large vessels in different locations to governmental agencies operating ferries. Its associate members are key suppliers to the passenger vessel industry, including marine architects, vessel builders and decorators, insurance companies, publishers, food supply companies, computer software vendors, marine equipment suppliers, engine manufacturers, and others.

The Passenger Vessel Association is deeply concerned that changes in the Coast Guard after September 11, 2001, have severely damaged the service's ability to work cooperatively with the U.S.-flag marine industry, particularly the U.S. passenger vessel industry. PVA believes that all too frequently, the Coast Guard does not recognize the U.S. mariner and the U.S. vessel operator as an ally and partner but instead views our industry segment as a hindrance, an afterthought, and even a threat. Our industry and the Coast Guard traditionally have benefited from an excellent working relationship that grew from many years of mutual respect and cooperation. This positive atmosphere is quickly falling by the wayside in favor of a law enforcement and security mentality that results in negative feelings and punitive relationships.

This is an unfortunate and dramatic change in the philosophy exhibited just a few years ago in the "Prevention through People" program and its guiding principle of "Honor the Mariner." This previous program established a level of mutual respect between the industry and the Coast Guard that is being eroded daily.

The simple fact is that the vessel-operating members of the Passenger Vessel Association and their thousands of employees depend totally upon the Coast Guard for the successful operation of their businesses. As a result of the scheduled frequencies of Coast Guard inspection of U.S. passenger vessels and because most of our vessels operate only on Coast Guard-patrolled domestic waters, the U.S. passenger vessel industry arguably comes into contact more frequently with the Coast Guard than any other segment of the commercial maritime industry. Our members rely on the various

safety activities of the Coast Guard for inspection of their vessels (as required by law), issuance of legally-mandated licenses and documents to their employees in a timely fashion, and review and approval of the plans for construction of their new vessels. PVA members need Coast Guard personnel to be knowledgeable about the regulations that apply to U.S. passenger vessels, and generally interact with them on a day-to-day basis in a respectful, not confrontational, fashion.

When the Coast Guard fails to meet these expectations, the effect is to impose economic roadblocks that harm PVA members' ability to conduct their legitimate businesses, hire fellow Americans as employees, and contribute to the economies of their localities. This is an important (but often unstated) component of the Coast Guard's marine safety efforts: they facilitate maritime commerce, including the transportation of passengers.

All too often in recent years, the Coast Guard's performance in these functions (which one can generally characterize as part of its legacy "marine safety" mission) has fallen short.

A telling example is the recently issued document entitled *U.S. Coast Guard Strategy for Maritime Safety, Security, and Stewardship*. Its discussion of the legacy marine safety program is disappointing in its brevity, characterization, and direction. Only a single page of this 54-page "charter" is devoted to marine safety! This in a nutshell (unwittingly) illustrates that marine safety functions have been shouldered to the side by the security emphasis of recent years.

Another example is the longstanding inability of the Coast Guard to timely issue licenses and merchant mariner documents to U.S. citizens required by law to obtain them to work on vessels. This problem predates the September 11 terrorist attacks, but the emphasis on security has exacerbated the problem. Your subcommittee's hearing last year focused light on the issue, and even the Coast Guard has acknowledged the deficiencies. However, the major overhaul of the program now underway will not solve the problem unless sufficient budget assets and staff are committed to it over the long run.

Even if we see eventual improvements in the licensing and seaman documentation arena, the U.S. passenger vessel industry needs a similar enhancement of the program of annual safety inspection of vessels. Without competent and timely inspection of U.S. passenger vessels, they do not operate, and mariners with and without credentials have no jobs. All too frequently in recent years, the cadre of Coast Guard vessel inspectors seems to have more work than they can perform in a commercially reasonable time frame. The ensuing delays in Coast Guard processes damage the private vessel operators who must have these inspections in order to continue to do business.

The Coast Guard's organizational strength and value has always been the ability to adapt its considerable personnel expertise and array of legal authorities to the needs of the country. These assets have served it well when the service moved to the new

of Transportation, aided in Viet Nam, responded to the *Exxon Valdez* spill with enhanced environmental response, interdicted Cuban migrants, emphasized the war on drugs, and upgraded maritime defense. Each new emphasis has required a ramp-up and redistribution of resources. Many of these phases drew on the marine safety programs for the expertise of its personnel and its pool of human resources. The marine safety programs would adapt and over time would be restored under the direction of strong programmatic leadership.

PVA is not so confident that the marine safety programs of the Coast Guard can withstand a continued unprecedented emphasis on homeland security. Without prompt remedial action, PVA fears that the Coast Guard's marine safety functions will suffer long-lasting and perhaps irreversible degradation.

The trauma of September 11 was so dramatic that it changed the very character of the Coast Guard – and continues to do so. The marine safety programs furnished much of the expertise and personnel needed to ramp-up maritime security. This time there is less restorative capability to bring back and maintain the legacy marine safety capabilities that support the very existence of the U.S. passenger vessel industry.

For several years, the marine safety program has suffered from a “brain drain” of experienced and talented personnel. The emphasis on security prompted the exit of many experienced Coast Guard marine safety personnel for the private sector. Other Coast Guard marine safety personnel were turned into security experts and assigned to homeland security functions within the service.

A fundamental problem is that the new organizational structure of the Coast Guard (the "sector" concept) has "capped" the traditional marine safety career specialist in the field at about the Lieutenant Commander/Commander level. Thus, the relatively more junior marine safety officers report to more senior officers who increasingly are drawn from other mission areas of the Coast Guard. Sectors seem to exist principally for the facilitation of response to natural and man-made disasters. Marine safety functions (the inspection of vessels, the investigation of incidents, vessel plan approval, and other similar legacy services) are not enhanced or facilitated by the single all-encompassing Coast Guard area commander concept.

The face that industry sees on the waterfront is now a distinctly military one – guns, boots, and an aura of martial law. Prior to September 11, the Coast Guard's proud military heritage was softened on the waterfront because it was seen first as an organization of seasoned marine safety professionals. Regulation of private industry is not an inherently military function. Today's Coast Guard in many ways is a stranger on the working waterfront.

With the advent of the Maritime Transportation Security Act of 2002 and the ensuing change in Coast Guard attitudes and emphasis, the U.S. passenger vessel industry has experienced increased punitive measures, such as notices of violations, potential instant shutdown of operations, exercise of severe remedies delegated to the lowest levels

of command, and a no-questions-asked philosophy by Coast Guard personnel. Even worse, this confrontational attitude has bled over to legacy safety programs and plays havoc with safety regulation.

The restoration of this vital marine safety program requires an identifiable career progression that preserves a professional corps with program expertise that can lead to the highest levels of policymaking. In Coast Guard headquarters, areas, and districts, each unit needs a leadership position held by a professional marine safety officer identifiable as such. This will enable more junior Coast Guard marine safety personnel to aspire to the position and to see a clear career path to it. It will enable the U.S. maritime industry to know there is a single person at the top of the chain of command who speaks with full knowledge of the industry's capabilities and needs.

For the sake of the passenger vessel industry, the Coast Guard must once again embrace and practice the concepts and principles of Prevention through People. There is a sense of urgency. The pool of Coast Guard mentors for new marine safety personnel is shallow, and the martial law mentality is strong. In the near future, the ability to recover may disappear.

The men and women of the Coast Guard are intelligent, motivated, and deliver a great service to the country. They have every right to be proud of their service, and the members of PVA are proud of them. That service, however, is not being fulfilled consistently in the safety regulation role. As a result, their clients--the owners and operators of the domestic passenger vessel industry--are paying the price in unnecessary compliance costs, delays, lost income, loss of customer good will, and a loss of confidence that this part of the Coast Guard will right itself before the situation becomes unsalvageable.

By pointing out our concerns about the current overshadowing of the marine safety program, PVA is hoping that this subcommittee will work with Coast Guard leaders to remedy the situation. Furthermore, we respectfully suggest that a revived marine safety program will actually be helpful for the new security missions. A marine safety program that embraces Prevention through People will once again emphasize a strong relationship between the Coast Guard and the maritime industry. Whenever such a relationship exists, the watchfulness of the professionals in the U.S. marine sector can be employed to complement the Coast Guard in its security responsibilities, as well as in the promotion of marine safety and the facilitation of commerce on the water.