Statement of
The Honorable Elijah Cummings
Hearing On
"Coast Guard Budget and Authorization for Fiscal Year 2009"
February 26, 2008

Today, the Subcommittee on Coast Guard and Maritime Transportation convenes to examine the fiscal year 2009 budgets of the United States Coast Guard and the United States Maritime Administration. The President has requested $8.8 billion to fund the Coast Guard in fiscal year 2009 – an increase of approximately $459 million over the fiscal year 2008 enacted budget. Included in that overall budget request is a request of $1.2 billion for the Coast Guard's capital account – of which just over $990 million is requested to continue the Deepwater acquisitions program.

Admiral Allen, the Commandant of the Coast Guard, is not able to be with us today. We are joined instead by Vice Admiral Robert J. Papp, the Chief of Staff of the Coast Guard. We are also honored to be joined by Master Chief Charles W. Bowen, the Master Chief Petty Officer of the Coast Guard.

Last year, the Coast Guard achieved many notable accomplishments. In August, the Coast Guard celebrated the saving of a million lives through actions taken both by the service and by the precursor agencies that were folded into the modern Coast Guard. In 2007, the Coast Guard also removed 355,755 pounds of cocaine with an estimated street value of more than $4.7 billion from circulation – either by directly seizing the drugs or by causing those who were attempting to smuggle the drugs to the United States to destroy them before the Coast Guard could seize them. This was an achievement that I marked by hosting a press conference attended by Vice Admiral Papp in my district in Baltimore, a city that knows first-hand the harm caused by illegal drugs.

While we commend the Coast Guard for these achievements, the service must always be striving forward to meet emerging challenges, and the post-9/11 world has certainly brought significant challenges. Commandant Allen has often said that he is a transition Commandant and he noted in his 2008 "State of the Coast Guard Address" that the service is at an "inflection point." Before I speak in more detail about the specific elements of the Coast Guard's transition, let me note that I firmly believe that the transition must include growing the Coast Guard from an active-duty force of just under 42,000 individuals, and it must include modernizing the assets which the Coast Guard utilizes to conduct its missions.

The Coast Guard is undertaking a critical new effort to improve its ability to manage major acquisitions. A new acquisitions directorate has been created under the leadership of Rear Admiral Gary Blore. The President's fiscal year 2009 budget requests $9 million for 65 new acquisitions positions to increase the professional staff in that directorate.

I support this request and believe that the establishment of the acquisitions directorate was a significant step toward creating within the Coast Guard the systems that can ensure both that taxpayer money for Coast Guard acquisitions is spent effectively and efficiently and

that the Coast Guard can be held – and can hold its contractors – fully accountable for the use of these funds.

That said, I continue to believe that the head of the acquisitions function should be a civilian with long professional experience in acquisitions management, as called for in the *Integrated Coast Guard Reform Act*, H.R. 2722, which passed the House by a vote of 426 to 0.

The Subcommittee also continues to be deeply concerned about the achievement of balance between the Coast Guard's critical new homeland security missions and its traditional missions as it enters this new era. As security responsibilities are implemented, safety responsibilities must also be fully met.

The Coast Guard indicates that it has requested 276 new billets for marine inspectors and investigators in the marine safety program. These positions are to be funded with an increase of $20 million in operating funding. The budget also requests $2.6 million to pay for support to be obtained on a contractual basis to help the Coast Guard complete nearly 100 pending rulemakings.

Obviously, completing the regulatory backlog is a top priority for the Subcommittee. Of particular and personal concern to me is the completion of the rulemaking, pending since 2005, that will increase weight standards used to calculate stability on small passenger vessels – a proposal that grew out of the tragic capsizing of the LADY D in Baltimore harbor in March 2004 that killed five passengers and seriously injured four more.

The addition of billets to marine safety is long overdue, and the Subcommittee is eager to understand how these billets will be filled, whether by civilians, uniformed military personnel, or some combination of these two, and how individuals filling these billets will be trained to the required standards for an investigator or an inspector position.

In light of the recent report on marine safety issued by Admiral James C. Card, we are also eager to understand what steps the Coast Guard will take to ensure that all inspectors and investigators meet the highest professional standards, and to ensure that marine safety is not treated as a stepchild to operations or other Coast Guard missions.

We will also hear today from the United States Maritime Administration regarding its fiscal year 2009 budget request. The Administration is represented by Administrator Sean Connaughton. The President has requested just over $313 million for MARAD's fiscal year 2009 budget, which is a slight decrease of just $21,000 below the enacted fiscal year 2008 budget. MARAD is responsible for promoting the U.S. maritime industry. In fulfillment of that charge, I note with particular interest that MARAD has been taking significant steps to promote the development of short sea shipping, which is a priority for this Subcommittee.

The *Energy Independence and Security Act,* which passed Congress last year, included a critical new Short Sea Shipping Initiative which makes vessels built under the Jones Act in the United States eligible for assistance from the Capital Construction Fund administered by MARAD. I look forward to hearing from the Administrator what MARAD is doing to implement this program.

It is critical that our nation takes every possible step to make water a mode competitive with roads and rails by supporting the development of short sea shipping. To that end, I strongly believe we should exempt these voyages from the Harbor Maintenance Tax, as would be accomplished by H.R. 1499. I look forward to continuing to work with Congressman Rangel, Chairman of the Committee on Ways and Means, to advance this legislation.

As we examined in a Subcommittee hearing last year, MARAD is also studying the extent of shortages in the maritime labor force and we look forward to working with MARAD this year to develop a legislative initiative to promote maritime education and training programs. MARAD has recently developed innovative programs with shipping lines to provide training opportunities for American maritime academy cadets on-board both their U.S. and international vessels. I applaud MARAD for its many creative new initiatives to fulfill its charge of promoting the U.S. maritime industry.

Finally, the Subcommittee had planned to examine the fiscal year 2009 budget request for the Federal Maritime Commission (FMC) today. At this time, the FMC Chairperson's position is vacant and the four current Commissioners are collectively exercising executive authority and managing the Commission's business. Due to the illness of a Commissioner, we have postponed that part of today's hearing until March. However, as the Subcommittee begins the work of reauthorizing the FMC, we eagerly look forward to examining the Commission's recent work.