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THE U.S. COMMISSION ON OCEAN POLICY
22 NOVEMBER, 2002**

Admiral Watkins, distinguished members of the Ocean Commission, ladies and gentlemen, Good Morning. It is a privilege and a distinct pleasure to be here with you today as you close out the public fact-finding phase of your work and begin to develop recommendations that will improve ocean and coastal governance for our nation.

A little over a year ago you heard from my predecessor, Admiral James Loy. Much has changed since then, but much has also remained the same. The nation, indeed much of the world, remains at a heightened level of alert over terrorist and other threats, both in the United States and abroad. At the same time, our ocean and coastal resources remain at risk from a variety of man-made threats – ranging from pollution to over-fishing to the safety consequences of over-crowding in our congested ports and waterways, to name just a few. You have heard much about these and many other issues. You have also heard concerns expressed about the adequacy of ocean and coastal governance structures and about the ability of various agencies, including my own service, to fulfill their statutory mandates.

You have heard a great deal about these and many other issues from Coast Guard witnesses in St. Petersburg, Florida; Washington, D.C.; and Anchorage, Alaska. And I know you have also visited a number of other Coast Guard facilities and have talked both formally and informally with Coast Guard members in the field.

In particular, I believe you have heard many concerns expressed about the adequacy of ocean and coastal governance structures and about the ability of various agencies, including my own service, to fulfill their statutory mandates.

I know several important studies have guided your deliberations, including the Marine Transportation System Report to Congress, the Report of the Inter-Agency Task Force on Coast Guard Roles and Missions, and the Report of the Inter-Agency Commission on Seaport Crime and Security. As you well know, these studies and others make many valid and pertinent recommendations about the issues that with which you are directly concerned. Each of them remains valid today, and some have even proven to be prophetic in their insights. I strongly urge your consideration of these reports.

Of course, the President's new National Strategy for Homeland Security has made a significant impact on our thinking with regard to national policy concerning the use of the oceans. Of particular interest to this commission, the

Homeland Security Strategy notes the importance of finding ways to balance our responsibility to uphold America's security against the terrorist threat with the imperatives of preserving our fundamental liberties and economic well-being.

I would imagine that foremost in your minds is the question as to whether existing agencies, particularly the Coast Guard, can assume the increased duties required to improve the security of our homeland, while attending to the host of other missions assigned to us. That issue is especially relevant now that the Homeland Security Bill has been passed, requiring that the Coast Guard be transferred to the new Department of Homeland Security. What will happen to our other missions, such as marine environmental protection and the enforcement of fisheries laws, in the process?

The answer to that question is complex, but let me say frankly that our capability to carry out our responsibilities as the lead federal agency for homeland security and attend to our other missions does not depend so much on where we are placed in the organization of the executive branch as it does on the capacity that we are afforded to carry out our responsibilities.

We can do all that we are being asked to do in the future—and we will do it all with the same operational excellence for which we are now known—if we are provided the appropriate means to do it.

Secretary Mineta, the President and Congress have been very supportive of our needs to strengthen our capacity in the FY03 budget. The President's plan for the Department of Homeland Security and his National Strategy for Homeland Security both provide commitment to continue to execute the non-homeland security missions, such as are found in our broad array of missions, including marine environmental protection and search and rescue.

There is no agency more capable or better suited to carry out American policy and its laws on the use of the oceans than the United States Coast Guard. The studies that you have examined confirm that fact beyond doubt. We are America's Maritime Guardians. That is the simple answer to the very complex question before us today.

When the nation is faced with new problems, it is simply good government to take maximum advantage of existing skills and competencies, rather than inventing new solutions from scratch. The modern Coast Guard, drawing on its dual status as a military service and a civil law enforcement agency and possessing unique skills and knowledge derived from its full mission set, is ideally suited to meet the Homeland Security threats now facing the nation in the maritime environment. To illustrate my point, consider the Coast Guard's commercial maritime and port safety knowledge and relationships. These attributes are directly applicable to port and shipping security and no other agency in government can bring this combination to bear on the problem.

Let me refer back to the 1999 Inter-Agency Task Force on the Coast Guard's Roles and Missions. This study was undertaken to ensure that the proposed multi-billion dollar expenditure to replace the Coast Guard's old and obsolescent offshore vessels and aircraft – what we call our Deepwater assets – would be in the nation's interests.

The Task Force considered every significant Coast Guard role, mission and function in order to determine if they serve vital national interests and if those interests would likely endure into the 21st Century. The panel was also asked to determine if the Coast Guard was the right agency for the jobs assigned to it.

After an exhaustive analysis, the Task Force concluded that the Coast Guard's then current portfolio of Roles and Missions did serve vital national interests and that those interests would continue well into the 21st Century. The panel also concluded that, with a few minor exceptions, the Coast Guard was the right agency to perform the assigned tasks. For those functions that could be assigned to other agencies, such as administration of bridges over navigable waters, there were no projected savings or other benefits to justify the cost and disruption of a transfer. Finally, the panel concluded that replacing the Coast Guard's Deepwater assets was in the national interest.

The events of September 11th do not change the validity of the IATF panel's findings on the Coast Guard's Roles and Missions – Coast Guard missions that were important before 9/11 remain important after 9/11. We understand this and have made this point in our interactions with the Office of Homeland Security and elsewhere in the halls of government. More important to this Commission and others who have an interest in the Coast Guard's pre-9/11 missions, we have been successful in having our arguments heard and understood. As noted in two different places in the President's National Strategy for Homeland Security, those things that the Coast Guard does for America that were important before 9/11 continue to be important. They must not get lost while the Coast Guard addresses urgent Homeland Security tasking.

It bears repeating that President Bush has publicly committed to resolving the Coast Guard's capital investment shortfall. The President's FY 2003 budget request represents the largest budget increase in Coast Guard history and will go a long way toward restoring the Coast Guard operational capability the nation needs. The FY '03 request represents the first installment, a down payment if you will, on a multi-year effort to grow the Coast Guard's capability to meet the new demands being placed on it. Many of the growth initiatives mentioned in these remarks will begin with the FY '03 budget. Hopefully, the Coast Guard's appropriations bill will receive quick action when the 108th Congress convenes.

I firmly believe the Coast Guard is the best-positioned agency for quickly responding to the kinds of ocean, coastal and port operational capabilities that

the Commission is likely to see as necessary. The Coast Guard already has the operational skills required, whether for enforcing fisheries laws or interdicting drugs, illegal migrants or weapons of mass destruction. Further, we do have a training system in place to pass our hard-earned operational expertise on to new members of the Coast Guard team. We also have the necessary naval and aeronautical engineering capability required to acquire and then maintain the kinds of surface and air assets required for effective offshore operations. Finally, we now have the Integrated Deepwater System contract in place to deliver the needed assets. For these reasons, the Coast Guard is the fastest path available to resolve the national shortfall in offshore operational capability.

The Oceans Act of 2000 identified the first objective for a coordinated and comprehensive national ocean policy as "...the protection of life and property." Accordingly, the Commission should consider the Coast Guard's Rescue 21 project and our efforts to address long-standing shortfalls in our coastal Search and Rescue capability. Rescue 21 will replace the National Distress System, our aging and hard-to-maintain maritime 9-1-1 rescue communications system which also doubles as our coastal command and control system. Using state of the art components, Rescue 21 will provide far more robust internal and external communication capability; significantly reduce coverage gaps in the existing system; and greatly improve our ability to quickly locate mariners in distress. Rescue 21 will also provide a sorely needed degree of communications interoperability between the Coast Guard and other members of the nation's Homeland Security and First Responder communities, including fire fighters, emergency medical support and federal, state and local law enforcement.

The Coast Guard also is rebuilding the numerical strength, experience levels and professionalism in our coastal small-boat stations. The material condition of our small-boats is also being improved, along with their equipment allowances. This boat force restoration effort was initiated in response to a series of fatal and near-fatal mishaps in the small-boat force and other unfavorable trends in SAR performance. Given that Coast Guard small-boats account for the majority of lives and property saved each year, and given that small-boats will be the Coast Guard's "police cruiser" for waterside Port Security operations, the importance of this effort cannot be overstated.

In the aftermath of 9/11, much of the Coast Guard's immediate response effort was directed at Port Security. Port Security has long been a Coast Guard responsibility, but it has been de-emphasized in recent years and our Port Security capabilities are not what they need to be. Building our Port Security capability is a post-9/11 priority for the Coast Guard. Accordingly, the Coast Guard will be establishing a number of Maritime Safety and Security Teams (MSSTs) in strategic locations around the country. These MSSTs will be composed of approximately 106 individuals each and equipped with weapons, communications, and air-transportable boats. Four were provided in FY '02 supplemental funding and 2 more are requested in the President's FY '03 budget

submission. In addition, each of the 45 Captains of the Port will receive additional staff to increase port security activities.

As has been previously briefed to the Commission, improving our Maritime Domain Awareness (MDA) is a high priority Coast Guard Homeland Security goal. Enhancing our MDA capability will also improve performance in fisheries, drug and migrant enforcement, search and rescue, marine safety and environmental protection. While requirements for enhanced MDA are still being developed, we know that sensors, communications and information collection and analysis capabilities will be required. Work has already begun on implementing those system elements for which requirements are defined and funding is available.

In addition to my request that the Commission support the Deepwater project, I ask for strong Commission support for the Coast Guard's other efforts to restore essential operational capability across the full mission suite – Rescue 21, the boat force restoration effort, MSSTs and other Port Security enhancements and our efforts to achieve true Maritime Domain Awareness.

I have already mentioned the applicability of the Coast Guard's maritime and port safety expertise to port and commercial shipping security, but the overlaps are more extensive and more subtle than that. The Coast Guard's Strike Teams, for example, were originally created to respond to oil and hazardous chemical discharges. This capability has long been viewed as an absolute necessity by environmental agencies and advocates. Now, however, the Strike Teams are recognized as a valuable national asset whose capabilities are potentially useful in responding to terrorist attacks, including chemical and biological attacks. The Coast Guard's Strike Teams handled site safety and "hot-zone" entry protocols at the various anthrax attack sites, including the Hart Senate Office Building and in Boca Raton, FL. Strike Team personnel also handled hazardous materials safety at the World Trade Center site and were on-scene from shortly after the attack until the very end of the clean-up phase. In both operations, Strike Team personnel earned high praise for their professionalism and dedication to duty. Due to their broad potential utility and their recognized contributions on the ground, Strike Team capabilities are being enhanced and both mission sets will benefit.

Similarly, illegal activities in the U.S. Exclusive Economic Zone are an affront to our national sovereignty, whether those activities are illegal migrant smuggling, other kinds of smuggling or illegal foreign fishing. Further, whether those attempting illegal entry are terrorists or merely economic migrants, whether the smuggled items are drugs or weapons of mass destruction, whether it is foreign or American boats that are illegally fishing, the capabilities that are necessary to counter these illegal activities are the same. Enhancing the Coast Guard's maritime law enforcement capabilities for one threat enhances them for all threats.

In protecting American lives, the Coast Guard understands that safety and security are opposite sides of the same coin. We must not forget that the potential for accidents is always present in our ports and waterways, whether terrorists are there or not. We must not do to ourselves by accident what terrorists would like to do to us intentionally. As but one of many possible examples, consider the following. The largest vessels in the Staten Island ferry fleet can carry up to 7,000 people. If a Staten Island ferry were to be run over by a large ship during rush hour, an accident that our Vessel Traffic Service in New York has prevented at least once that we know of, the death toll would rival, or even surpass, that of September 11th. Similarly, a serious cruise ship accident could take several thousand American lives and, in a normal year, our Search and Rescue activities save some 4,000 people. We have to keep these facts in mind as we go about prioritizing our efforts to protect American lives.

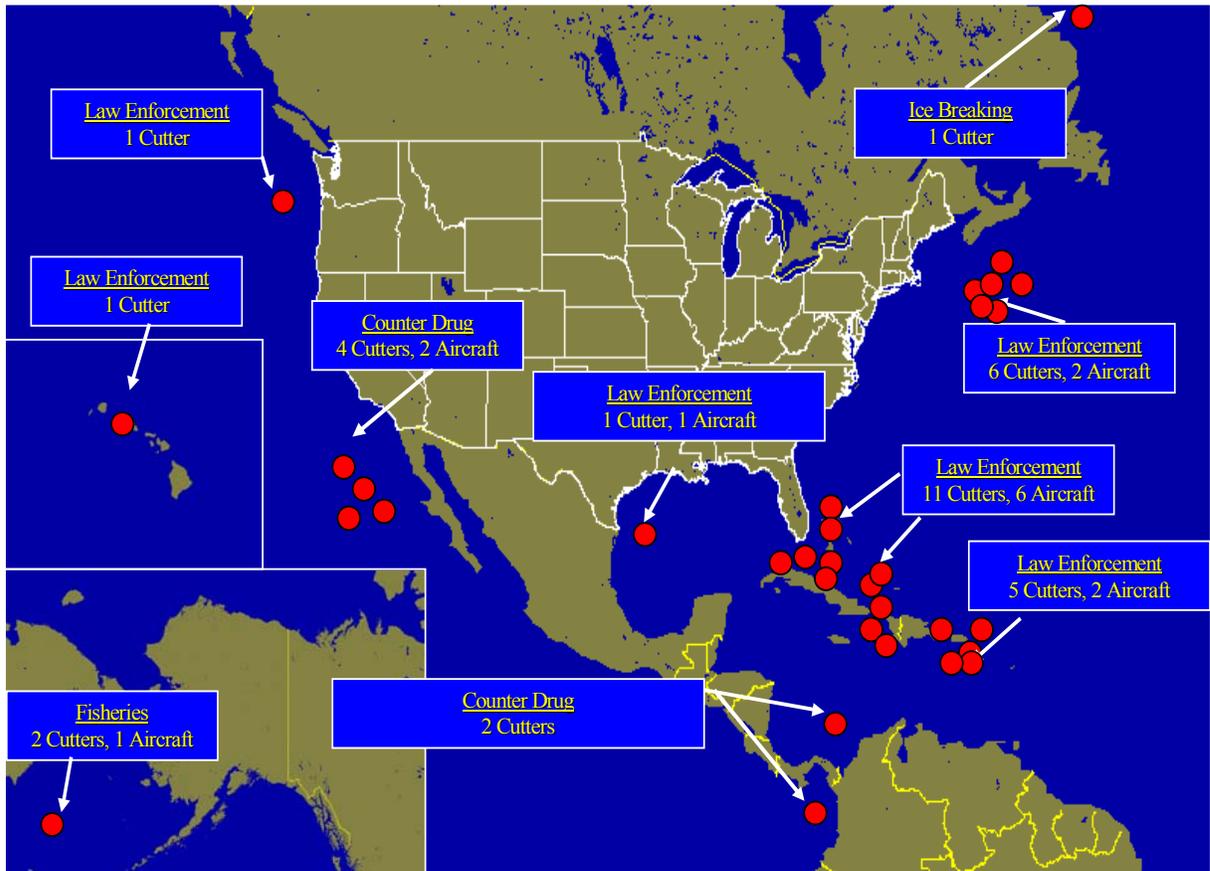
In performing missions and functions that are not immediately focused on safety of life issues, the Coast Guard has more flexibility in how it uses available resources. This is where the field commander's discretion comes into play as resources are shifted from one priority to another based on the changing operational and tactical situation. The charts that I have provided to you show one of the Coast Guard's main strengths – our ability to shift rapidly to emergent issues, whether those issues are oil spills, hurricanes or floods, mass migration events from Cuba or Haiti, whatever. We do this kind of rapid emergency response very well, and perhaps better than anyone else in the world.

As shown on the charts, the Coast Guard quickly redeployed its offshore law enforcement assets from their forward locations in the Caribbean and eastern Pacific to bolster its Port Security capabilities. Note, however, in the second chart that we left a fisheries enforcement cutter on the Maritime Boundary between U.S. and Russian waters off Alaska. This action reflects both our understanding of the importance and sensitivity of the Alaskan fisheries and the fact that this cutter is also a stand-by Search and Rescue asset. Finally, the current state chart shows that we have moved back to an offshore law enforcement posture much closer to that of September 10th than to that of September 17th. We are not yet where we would like to be in terms of fisheries and other offshore law enforcement activity, but we are where we can be with the available resources.

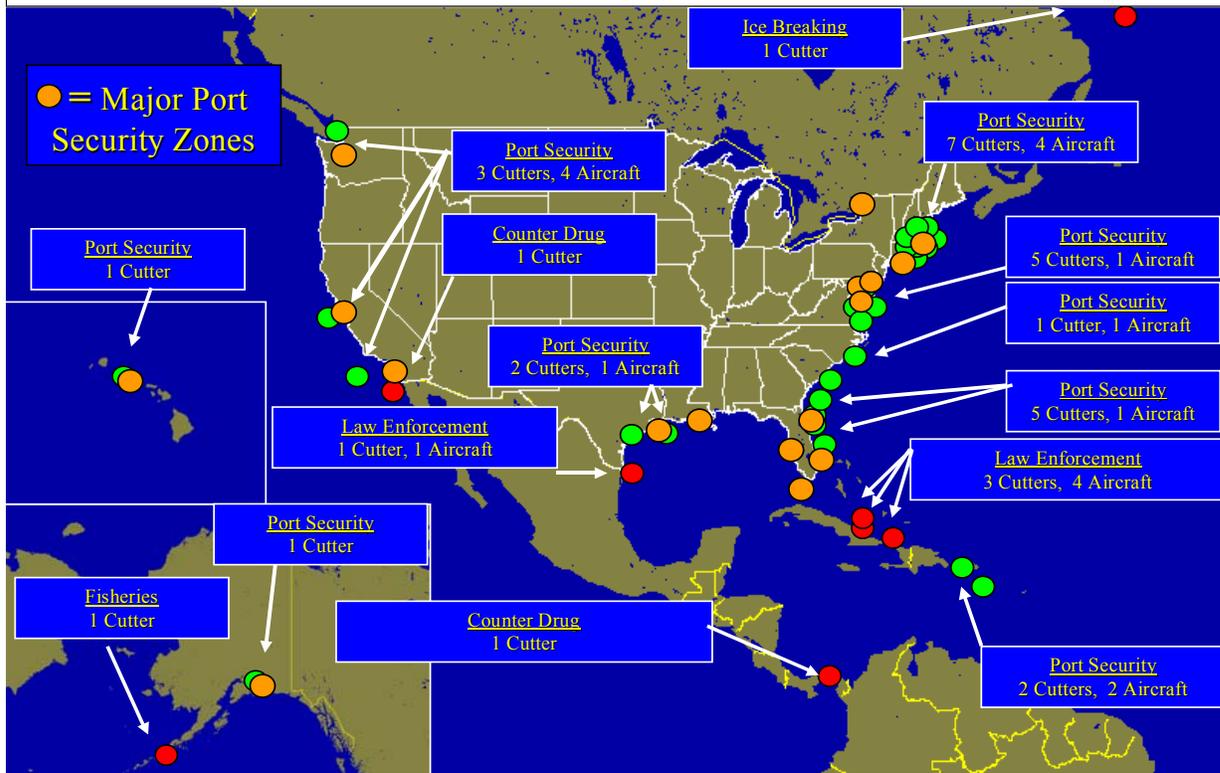
Giving field commanders the flexibility to shift priorities in the face of changing circumstances and surging to emergent issues are necessary tools for managing the Coast Guard's complex mission suite. However, there is a major difference between our previous surge operations and our post-9/11 surge requirements. Since World War II, Coast Guard surge operations have been limited, both in duration and in geographic scope. To meet the needs of the current situation, however, we had to surge our Homeland Security efforts essentially everywhere and we will have to maintain some level of surge for the

foreseeable future. In the short term, we met the need by shifting assets away from other missions and by asking our people to make Herculean efforts and sacrifices. However, heroic efforts are not sustainable for the long term – both people and equipment wear out – and the only viable solution is to grow the Coast Guard.

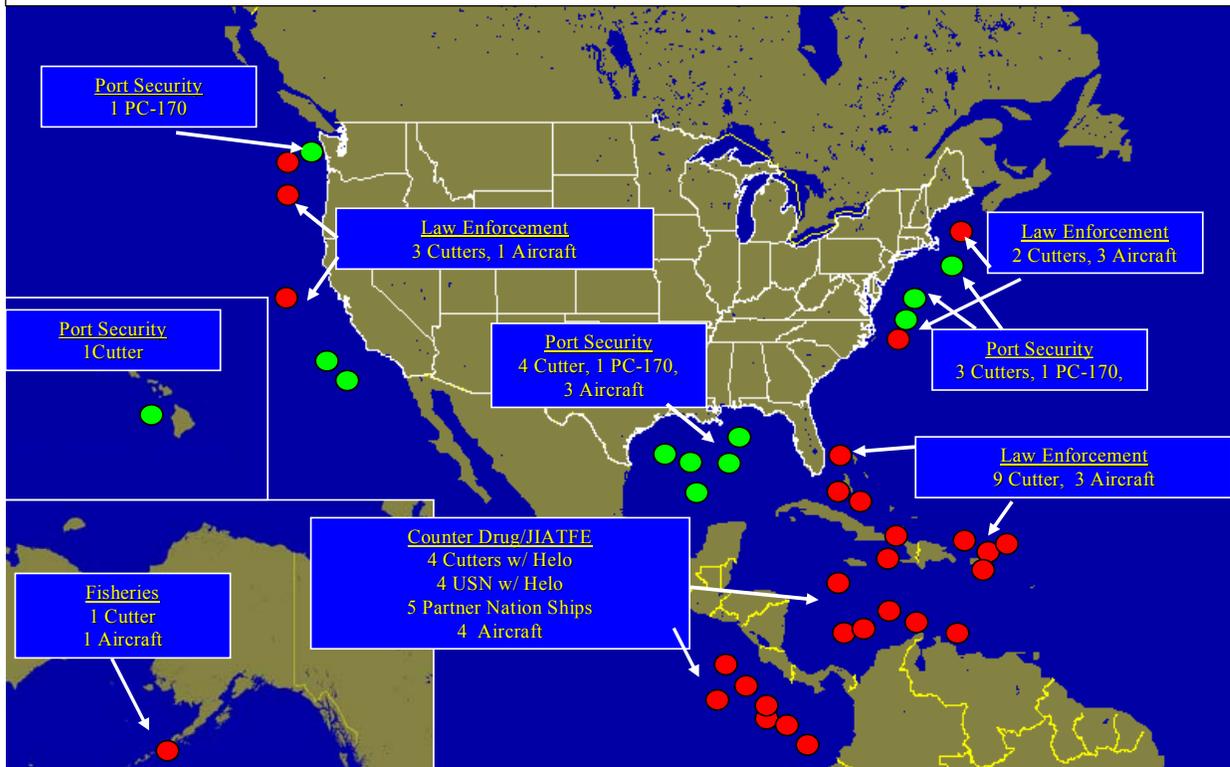
Coast Guard Resources Pre-Sept 11th, 2001



Coast Guard Resources Post-Sept 11th, 2001



Coast Guard Resources – Current State



Now, I would like to turn to a few issues that have arisen in your hearings around the country and offer some additional thoughts for your consideration.

A number of agencies and organizations have called for new protective measures and regulatory regimes, such as the creation of Marine Protected Areas (MPAs) of various types or imposition of new fisheries restrictions. Such measures may well be appropriate to address certain identified risks, but two cautions need to be borne in mind. First, if the at-risk species or eco-system is threatened by non-maritime sources, no amount of marine regulation will help. Most of the pollution that enters the sea, whether we are talking oil or plastics and other debris, comes from land sources. It may be easy and politically expedient to target regulations and enforcement on ships and boats, but “expedient” and “effective” don’t mean the same thing. I am not suggesting that ships and boats, or the activities conducted thereon, are never a problem. Clearly, at times they are the entire problem. Rather, I am suggesting that we must adopt a systems approach and make sure that we are tackling the right problem. In many cases, that problem is ashore.

Second, enforceability must be a key criterion considered before adopting any new regulatory regime. This applies to both the operational feasibility of effective enforcement and to the resource requirements. In other words, is it even possible to effectively enforce the regulations and do we, and I am using “we” in the collective sense, have the resources to carry out effective enforcement? For example, MPAs lying close to shore are probably suitable for enforcement activities using smaller, less capable assets. In such cases, enforcement might be better assigned to some other federal entity, such as a National Marine Sanctuary or the Federal Park Service, or a state agency, such as a state park or a department of natural resources. Enforcement areas lying further offshore will require more highly capable and long-legged assets. Assets of this kind are likely to be beyond the reach of other federal agencies and all of the states. This is the Coast Guard’s natural operational area, but the Coast Guard cannot take on new enforcement tasks unless we are adequately resourced for the job. When regulations are un-enforced, whether due to lack of resources or because the regulations are ill conceived, the outcome is increased cynicism and reduced respect for all regulations. Enforceability and enforcement resources must be considered as you make your recommendations.

In your hearings you heard a bit about the Marine Transportation System and I know Admiral Loy encouraged you to give your attention and support to the recommendations in the MTS Report to Congress. I would like to emphasize the importance of the MTS to the nation and the necessity of ensuring that ocean and coastal management decisions don’t affect the MTS in unacceptable ways. As confirmed in a recently released study by the U.S. Chamber of Commerce, marine transportation is absolute essential to our national security, our economy and our very way of life. Further, the marine transportation system, by which I mean not just ports and waterways but also the intermodal rail and highway connectors by which cargo moves from port to destination, is approaching serious capacity limits.

With all of these thoughts in mind, I would like to be of service to you today by offering a number of items for your consideration that I think are especially relevant and important to your deliberations. To begin with, I’d like to share with you a few concerns that I have that relate specifically to the Coast Guard. Then, I’d like to leave you with some broader issues to consider, as well, which relate to developing our nation’s capacity and capability to conduct operations in the ocean environment.

First, as we transition to the new Department of Homeland Security, the Coast Guard must build its core competencies and its capacity to meet the increased requirements of maritime homeland security. The security of our homeland is paramount. That is the first order of good government. As the lead federal agency for maritime homeland security, we intend to follow that order. The Coast Guard must grow to meet the demands of a growing nation. We are at the same level of personnel strength as we were in 1967, when we transferred

to the Department of Transportation. Now, the nation needs us as never before to conduct the full range of roles and missions that you are well familiar with. Our capability to meet all of our future responsibilities will depend mainly on one thing: capacity.

Second: We must re-capitalize the aging assets of the Coast Guard to give us the capabilities that we need for the 21st Century. We were already underway last year in our efforts to do so with programs such as Deepwater and Rescue 21. The events of September, 2001 have pointed up the urgency of these programs. We now need to accelerate the acquisition process to meet our pressing needs for newer and better integrated systems.

Third: The value of the Coast Guard as a maritime, multi-mission, and military service has never been more apparent than it is today. The events of the past year have demonstrated the truth of the findings of the Interagency Task Force on Roles and Missions. From the perspective of good stewardship, it is imperative to maintain our flexibility to respond to a wide variety of missions. That flexibility to respond is the key to our effectiveness, our efficiency, and our productivity.

And Fourth: We have a great deal of work ahead of us, not only as we transition to the new department, but as we proceed to roll out the new Maritime Transportation Security Act. As the commission heard in the hearings in New Orleans, the Coast Guard is the lead federal agency with regard to Port Security. This act imposes significant security requirements on the Coast Guard and the shipping industry. This act is relevant to ocean and coastal policy in that it represents an additional level of complexity in the requirements placed on responsible users of our oceans, ports and coastal waters.

Now, concerning the broader policy issues that I spoke about earlier, I'd like to address the following six items:

First: The need for international cooperation has never been greater. I think it is imperative that we must fully embrace the global community to solve the many difficult problems before us concerning ocean policy. The Coast Guard is an active and highly effective leader within the International Maritime Organization. This has enabled the United States to further its agenda with respect to safety and environmental protection in international shipping. Unfortunately, we are not able to exercise the same kind of leadership role under the United Nations Convention on the Law of the Seas because we have yet to ratify that instrument. I recognize that this Commission has already adopted a resolution recommending that the U.S. accede to the Law of the Sea Convention and I encourage you to continue your strong support for that. Finally, it is imperative that our national oceans policy and statutes should reflect and be in consonance with international law, if they are to be most effective in dealing with global transportation networks or systems.

Second: We need a systems approach to oceans policy. We must make sure that we identify and address the real root causes for the ocean and coastal problems that we are trying to solve. Many of the pollution problems affecting coastal regions, for example, come from sources that are ashore, rather than ships on the water. We need a comprehensive interagency effort to solve these problems.

Third: We need a governing body that can set strategic direction and provide a mechanism to coordinate ocean and coastal policy, both at the national and the regional levels. Let me suggest that there are a number of existing models to consider in crafting such a governing structure. The most obvious is the Office of National Drug Control Policythere are others. Perhaps it is time to consider the feasibility of a National Oceans Policy Advisor. Clearly a policy coordinating mechanism is required and it must be positioned above the agency and departmental levels so as to ensure a comprehensive and cross cutting approach.

Fourth: To quote Poor Richard, "An ounce of prevention is worth a pound of cure." The truth of this adage applies equally to every aspect of ocean policy, from environmental protection to maritime security. We must put increasing emphasis on awareness and prevention. Previously, we have briefed you about the need to improve what we are calling "Maritime Domain Awareness" as a high priority in our efforts to increase maritime homeland security by focusing on prevention. I suggest that the concept applies equally to fisheries enforcement, illegal migration, marine safety, environmental protection, and search and rescue at sea. Prevention also comes quickly to mind with regard to the recent disaster off the coast of Spain, involving the M/V Prestige, an older single-hulled tanker. The enactment Oil Pollution Act of 1990, which required all tankers that transport oil to U. S. waters to be double-hulled, clearly demonstrates the value of preventive measures.

Fifth: The Marine Transportation System is vital to our economic security and our way of life. We are a maritime nation, even though that fact may escape the conscious thought of most Americans since the advent of the automobile and the airplane. It is important that we address the many important issues necessary to strengthen the MTS—issues such as the need to implement a systematic approach to planning and development to incorporate environmental and concerns; the need to further identify port vulnerabilities and design plans to address them; and the need to find ways and means to fund the growing needs of the MTS. With the proper investment, the MTS can meet projected future demands and maintain U.S. global leadership in maritime trade. It can also continue to provide the products and transit services that virtually every American has come to expect. In coordination with interagency partners, the Coast Guard is aggressively pursuing the development of a comprehensive legislative package (SEA 21) for dedicated funding of the MTS.

And last: Aquatic Invasive Species are a real threat to our environment and our economic security. We are developing regulations to require all vessels that enter our waters from beyond the Exclusive Economic Zone to submit a ballast water management report. We will also require those same vessels to conduct active Ballast Water Management. And, we are strongly advocating the establishment of a quantitative Ballast Water Treatment performance standard; protocols for testing, verifying and reporting on BWT technologies; and a program to help promote shipboard testing and operation of promising BWT technologies.

These are important measures that I think deserve your consideration and support. Thank you for the opportunity to share my thoughts with you. I hope you will find them useful in your final deliberations.

In closing, let me offer one final thought. The Coast Guard has long been known for its operational excellence. That is what we strive for every day. It is the motivation behind every successful search and rescue case, every fisheries boarding, every oil pollution case, every drug bust, every marine safety inspection...and it is foremost in our thoughts as we keep a vigilant watch over the safety and security of the ports and harbors of this great nation.

My ultimate goal—the one thing that is most important to me as the Commandant of the United States Coast Guard—is to maintain that standard of excellence in everything we do, and live up to our motto of being always ready.

I believe our national Oceans Policy demands it.

Thank you very much.

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