Meeting Kickoff and Public Testimony

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Note: Minor errors in the transcript – names, acronyms, etc. – have been corrected by Commission staff. If you have any questions about this transcript, place contact the Commission office at: (202) 418-3442.

4 U.S. COMMISSION ON OCEAN POLICY

7 THIRTEENTH PUBLIC MEETING

13 FRIDAY, NOVEMBER 22, 2002

14 8:30 A.M. to 4:00 P.M.

19 Ronald Reagan Building and International Trade Center Amphitheater
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COMMISSIONERS:

Admiral James D. Watkins, USN (Ret.), Chairman
Mrs. Lillian C. Borrone
Dr. James M. Coleman, Ph.D.
Ms. Ann D'Amato
Mr. Lawrence R. Dickerson
VADM Paul G. Gaffney, II, USN
Prof. Marc J. Hershman
Mr. Paul L. Kelly
Mr. Christopher L. Koch
Dr. Frank E. Muller-Karger, Ph.D.
Dr. Andrew A. Rosenberg, Ph.D.
Mr. William D. Ruckelshaus
Dr. Paul A. Sandifer, Ph.D.

ALSO PRESENT:

Thomas R. Kitsos, Ph.D., Executive Director
1. Opening Remarks

2. Admiral Thomas H. Collins, USCG
   Commandant, United States Coast Guard

3. Introduction to Policy Option Presentation and Procedures

4. Reports of Three Working Group Chairs

5. Consideration of Policy Options

6. Wrap-Up Discussion

7. Public Comment

8. Adjourn
CHAIRMAN WATKINS: The 13th public meeting of the U.S. Commission on Ocean Public Policy. We are at a very key point in our deliberative process now as we move into the second phase of our work from fact finding to deliberative processes leading towards the production of a report which needs to be on the president's desk in June.

A few comments about the public comment period are necessary here. We welcome anyone to participate in these meetings, as we have over the past 14 months, for anyone interested to submit comments, ideas and recommendations on our work.
The Commission will take public comment today from 4:30 until 5:00 p.m. Individuals interested in making public comments to the Ocean Commission must complete a Public Comment Form in order to participate. These are at the desk at the entrance here to the Amphitheater.

Individuals interested in making public comments must fill those forms in and sign up. We will
terminate at the commencement of the period at 4:30 p.m.

today. In addition, we have established a link on our

Web site at www.oceancommission.gov to make it easy as

possible for people to send us additional comments. You

can also fax or mail comments to us. To sign up for the

comment period, then please go to the front desk and

fill out the sign-up form.

We are honored this morning to have a

presenter coming before the Commission, in fact we

anticipate this may be the last time we have an

opportunity to listen to presentations, we received

presentations from over 430 witnesses over these past 14

months from all over the country, including from the

Coast Guard.
On the other hand, we are very close to seeing the president sign a homeland security bill. The Coast Guard, as you all know, plays a very key role in that homeland security bill, and so we were anxious on the Commission to hear from the Commandant to see what he felt the impact would be on what I would call some of the traditional responsibilities of the Coast Guard in marine law and regulatory enforcement, particularly in
the near term as they make this transition.

It is always very difficult in the government,

having been involved myself in some of them, to be able
to keep things going, as you must in some areas, while

at the same time growing in new responsibilities in

other areas.

We wanted here in our responsibilities to

present a cohesive package to the president and Congress

on a national ocean policy to let them know exactly what

we might be interested in and perhaps provide some

assistance to the Coast Guard in carrying out their very

heavy new responsibilities they are picking up in

relation to the traditional ones.

With that I would ask Admiral Thomas H.
Collins, the United States Coast Guard, Commandant of the Coast Guard, to come forward. We have invited him to give us a presentation this morning on those aspects.

We look forward to your comments, Admiral Collins.

ADMIRAL COLLINS: Good morning.

THE COMMISSION: Good morning.

ADMIRAL COLLINS: Admiral Watkins, distinguished members of the Ocean Commission, ladies
and gentlemen, it is quite an honor to be with you, a
pleasure to be with you, as you mentioned, in closing
your public fact-finding phase of your work and begin to
develop the recommendations that will improve ocean and
coastal governance for our nation, truly noble work that
you have been tasked to perform.

I have provided, I will provide a written copy
of my testimony. I will provide more detail than my
brief remarks this morning. What I intend to do is
provide you a brief overview of where we are and some
observations not only on the reorganization, but other
ocean policy-related issues, and then clearly entertain
your questions.

A little over a year ago, you heard from my
predecessor, Admiral Jim Loy. Much has changed since

then, but at the same time much has also remained the

same. The nation and indeed the world remains at a

heightened level of alert caused by terrorism and other

threats both at home and abroad.

At the same time, our ocean and coastal

resources remain at risk from a variety of manmade

threats ranging from pollution to overfishing to safety
consequences of overcrowding in our congested ports and

waterways, and not just a few of a long list of concerns

I know that you are dealing with.

You have heard a great deal about these issues

from other Coast Guard witnesses as you alluded to,

Admiral, witnesses in St. Petersburg, Florida;

Washington, D.C.; and Anchorage, Alaska. I know that

you have also visited a number of Coast Guard facilities

and talked to Coast Guard members in the field.

In particular, I believe you have heard many

concerns expressed about the adequacy of ocean and

costal governance structures and the ability of various

agencies, including my own service, to fulfill their

statutory mandates.
I know several important studies have guided your deliberation including the Marine Transportation System Report to Congress, vintage 1999; the Report of the Interagency Task Force on Coast Guard Roles and Missions, 1998; and the Report of the Interagency Commission on Seaport Crime and Security.

As you know, these studies and others made valid and pertinent recommendations about the issues.
with which you are directly concerned. Each of them, 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 significant impact on our thinking within the Coast Guard with regard to national policy concerns relative to 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 terrorist threats with the imperatives of preserving our fundamental liberties and
I would imagine, and specifically mentioned by Admiral Watkins, that foremost on your mind is the question as to whether existing agencies, particularly the Coast Guard, can assume increased duties required to improve the security of our homeland while attending to the host of other missions assigned to us. That issue, again, is especially relevant now that the Homeland
Security Act of 2002 is close to being signed. It requires, as you know, the Coast Guard to be transferred to the new department.

What will happen to our other missions -- which is marine environmental protection and enforcement of laws and treaties, and search and rescue -- in the process of all of this? The answer to that question is complex. Let me say, frankly, that our capability to carry out our responsibility as the lead federal agency for homeland security, maritime component of 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

Manetta, the president and Congress have been very

supportive to our needs to strengthen our capacity in

the fiscal year '03 budget, yet to be passed, but
clearly well along and will be the first business of the

new Congress.

The president's plan for the Department of Homeland Security and the national strategy for homeland security will both, both provide commitment, written commitment, to continue to execute the non-homeland security missions such as found in a broad array of missions including marine environmental protection, fisheries enforcement, 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 confirmed that fact beyond a doubt. We are America's maritime guardian.
That is a simple answer to a very complex question before us. It is imperative to make sure that we acquire additional capability in the coming years as we take on the additional challenges before us. We welcome the support of both the president and the Congress in the '03 budget, which reflects a 20 percent increase in our operating expense appropriation and a growth of over
2,000 people on a 36,000 active duty base, pretty solid support I think you would admit.

I would like to be of service to you today, and I would like to follow up on the question of ability to do all our missions in detail with questions and answers. Before I do that, I would like to comment on other issues specifically relating to the Coast Guard and then leave you with some comments on broader issues to consider as well which relate to developing our nation's capacity and capability to conduct operations in the ocean environment -- all in support of national interests.

In a 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 that job. 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 personal strength as we were in 1967 when we were
transferred to the then new Department of Transportation. Now the nation needs us I think like never before to conduct the full range of roles and missions which you are well familiar with. The bill that is about to be signed by the president notes that. The president's national strategy on homeland security was promulgated on 16 July notes that. I also might stress that there are eight budget priorities in that document to implement homeland security. We are the only agency called out by name in those eight priorities, and it calls for the rapid recapitalization of the United States Coast Guard. That recapitalization takes the form of a capital acquisition
program known as Deepwater. We awarded that contract on 25 June. We have been working at it hard for several years. Rescue 21 is another major capital program. It is a coastal distress and emergency system of some import, and that was awarded this summer. We are well on our way, and up to this point have received significant support from the administration and the Hill for these projects.
I might add that the events of September 2001 and subsequent have pointed to the urgency of these programs. They were important before 9/11, but they are urgent now. We need to accelerate the acquisition process to meet our pressing needs for newer and better integrated systems.

The value of the Coast Guard as a maritime, multi-mission and military service has never been more apparent than it is today. Let me repeat those characteristics. They are fundamental characteristics of the Service. They have characterized us since 1790. They are incredibly powerful characteristics: maritime, multi-mission and military.

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, our productivity as it has been for the past 212 years.

The synergy among our missions and operating
systems makes us truly an effective and efficient instrumental to implement ocean policy, whether that be environmental, safety or security-related.

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. We have been for a long time.

This Act imposes significant requirements on our service and the maritime industry. It is relevant to ocean and coastal policy in that it represents an additional level of complexity and requirements placed
upon responsible users of our ocean's coastal ports and

waterways. I would submit that this piece of

legislation rivals the magnitude of OPA 90 and the roll

out of regulations following OPA 90.

The Coast Guard is also a major stakeholder in

a number of broader policy issues that warrant your

active consideration. I would like to briefly discuss

five of them. First, our nation's ocean policy must
include a solid dimension of international cooperations.

It is imperative that we fully embrace the global community to solve the many problems before us concerning ocean policy. Many of these are international systems.

The Coast Guard is incredibly active and a highly effective leader within the International Maritime Organization, for example. This has enabled the United States to further its agenda, first, with respect to safety and environmental protection and international shipping, and now with respect to vessel and port security.

I will be heading up a United States delegation to a diplomatic conference in London in early
December to "ink" the deal, so speak, on a new security protocol that we have rolled out in one year with IMO. That is unprecedented in terms of the speed in which an international body has dealt with this issue.

It is imperative that our national ocean's policy and statute should reflect and be in concert with international law, if they are to be most effective in dealing with global transportation networks or systems.
I strongly urge that your recommendations going forward recognize the international dimension of the work that we need to undertake.

Second, you must ensure that in addressing our ocean policy that we maintain a systems approach. We must make sure that we identify and address the real root causes for ocean and coastal problems that we are about to resolve, that we can make tradeoffs between the public goods involved.

Many of the pollution problems affecting coastal regions, for example, come from sources that are ashore rather than ships on the water. When we are dealing with the maritime component of the transportation system, you have to look at how it
interfaces with rail, highway, and so forth. We need a comprehensive interagency effort to address these problems so we truly take a system's approach, not a stovepipe approach to 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 regional level. I think the coordinating mechanisms...
is more important than setting up a separate department or agency. I think probably the Federal Government has all of the reorganization or creating a new department that it can consume currently.

The coordinating body, the coordinating mechanism, I think is the right focus. Let me suggest that there are a number of existing models to consider in crafting such a governing structure, most obvious is the Office of National Drug Control Policy, but there are others.

I know I wear a hat, the United States interdiction coordinator. We have made incredible progress in developing coordinating mechanisms across the federal government to deal with counter-drug efforts
that results on the interdiction side. There are

potential models there to look at. Perhaps, it is time
to consider the feasibility of the national ocean's

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 shift our focus from response towards awareness and prevention. We have got to be prepared for consequence management, but it is much nicer to be on the other side of the equation.

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 home and 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 tank vessel, Prestige, an older single-hull tanker. The enactment of the Oil Pollution Act of 1990, which required all tankers that transport oil to the United States borders to be double hulled, clearly demonstrates the value of prevention measures.
for our country. I will be glad to go into performance data on how a turnaround, a great performance trend, we have seen since the enactment of OPA 90 in this country.

Fifth, the marine transportation system is vital to our economic security and way of life. I think you have seen from the statistics about the volume of that system doubling by 2020. We are a maritime nation.

We are a maritime nation, even though that fact may escape the conscious thought of most Americans since the advent of the automobile the airplane.

We are a maritime nation: 95,000 miles of coastline, 25,000 miles of navigable waters, 361 major ports, 95 percent of the volume of trade comes into the United States by sea. We are a maritime nation. It is
important that we address the many important issues

necessary to strengthen the maritime transportation system. I think it is a very legitimate component of

your work and, without addressing it a major slice of

can not be addressed: issues such as the

need to implement a systematic approach to planning and

development, the need to further identify port

design plans that would address
them, and the need to find ways and means to fund the
growing needs of that system.

With the proper investment, the maritime
transportation system can meet projected and future
demands and maintain our global leadership in maritime
trade. It can also continue to provide the products and
the transit services that virtually every American has
come to expect.

In coordination with interagency partners, the
Department of Transportation is aggressively pursuing
the development of a comprehensive legislative package,
Sea 21, S-E-A 21, for a systematic approach to the
maritime transportation system. This vital legislation
will also ensure the protection and productivity of our
coastal and marine ecosystems.

Last, aquatics and invasive species are a real threat to our environment and to our economic security.

We are developing regulations to require all vessels that enter our waters from beyond the Exclusive Economic Zone to submit a balance water management report, and we will also require these same vessels to conduct active balance water management.
We are strongly advocating the establishment of a quantitative balance water treatment performance standard protocols for testing, verifying and reporting on the associated technologies, and a program to help promote shipboard testing and operation of promising technologies. All of these are important issues, both the Coast Guard specific and the broader maritime issues, and they deserve your consideration and your support.

I thank you for the opportunity to share my thoughts with you, and I hope you will find them useful in your final deliberations. We stand ready to provide input all along the way here.

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. Ten lives will be saved today, by the way. It is for every oil pollution case, every drug bust, every marine safety inspection, and it is foremost in our thoughts as we keep vigilant watch over the safety and security of the ports and harbors of this
1 great nation.

2 My ultimate goal, the one thing that is most

3 important to me as Commandant of the United States Coast

4 Guard is to maintain that standard of excellence in

5 everything we do and live up to our motto of "being

6 always ready." The move to the new department will

7 strengthen the ability for this agency to do that. I

8 believe that our nation's ocean policy demands it, and

9 we look forward to contributing to it.

10 Thank you very much. I will be happy to

11 entertain any questions you might have.

12 CHAIRMAN WATKINS: Well, you saw the little

13 name tag tents going up here, Admiral Collins, so we do

14 have a few questions for you. We really appreciate you
putting this together. You rang so many bells with us.

You might have seen us looking at each other, but it is encouraging for us at this point in our deliberations to hear you say such things as we need a governing body that can set strategic direction, provide a mechanism to coordinate ocean and coastal policy, both at the national and regional level. You don't know how synergistic that is with our feelings, and for you to
say it as a key member of the administration is very important for us to hear.

Also, your focus on maritime domain awareness, a major issue with us, and we are going to be addressing that even today in our open session with some of our programs and outreach and education, and so forth. We are also very tuned in to the concept of prevention, and we are going to be discussing that in open session again today. So, many of these things have been music to our ears this many.

We would like to get at the earliest possible time any kind of advance indication on your comprehensive legislative package, Sea 21. If we could get that through a contact on your staff, we would
appreciate it because we just need to know. Even though it may not be finalized in all of its aspects, we would like to know some of the key elements of that.

ADMIRAL COLLINS: Great. Admiral Pluta and his band of merry men are working that issue, and we will be glad to provide details on that.

CHAIRMAN WATKINS: All right. By the way, we thank you very much for providing us so much of the
human resources to help our Commission. Captain Ross has attended every one of our hearings across the country. He facilitated the interaction with your colleagues that have made presentations to us, and it has been extremely helpful. In particular, the Coast Guard has supported the Commission almost more than any other agency, and we really appreciate that very much.

ADMIRAL COLLINS: Thank you, sir.

CHAIRMAN WATKINS: We also are very anxious to have any of the latest information you have on advocating establishment of quantitative balanced water treatment, and so forth. The endangered species -- invasive species, rather, problem is a big one for us.

To the extent that component of invasive species can be
given to us, the latest information, we would appreciate it.

ADMIRAL COLLINS: Sure. I mean, I would just offer the services of Captain Brown to come over and speak to the Commission directly on that issue. He is the point person that is working all those issues, and we would be glad to give you a detailed brief of exactly the status of our rulemaking, where we are on that, and
the contents of that rulemaking.

CHAIRMAN WATKINS: Good. For the first question, Dr. Coleman.

DR. COLEMAN: Well, thank you, Mr. Chairman.

Admiral, thank you for very comprehensive testimony. In your testimony, you indicated that your personnel strength hasn't really changed over the past 35 years or so. What about the other infrastructure, your vessels? What about renewal upgrades and other support? Has that improved significantly over the same time period?

ADMIRAL COLLINS: Let me address that. Thank you for the question. Our personnel strength will start to increase beyond that 1967 level with the '03 budget.
As I mentioned, we will grow by over 2,000 people. On a base of 36,000, that is pretty good growth, with a good portion of a growth going into marine safety, continued sea planning and port security, homeland security-related issues.

We have in the 1990s, which was sort of the decade of the coastal system for the Coast Guard, we developed and replaced -- we are almost near the end of
a major acquisition to replace all of our buoy tending capabilities. The sea-going buoy tenders, the coastal buoy tenders are all new assets. We are retiring our 55-year-old buoy tenders.

I recommend, go aboard one of those. They are terrific, terrific platforms. Our motor lifeboat, a 47-foot motor lifeboat, we are buying over a hundred of those. We are pretty much towards the end of that acquisition. Coastal patrol boats are all new.

We have replaced all of the 82-foot patrol boats so that coastal environmental hardware set, with the exception of Rescue 21, which is the distress communications command and control system which was just awarded this September, have pretty much run their
course. We are right at the end of both procurements.

The big procurement that we started, of course, is the "big gulp" theory procurement is our Deepwater System, which was awarded 25 June. That is a $17 billion acquisition over 20 year program where we migrated from the legacy systems into new systems, investing in legacy systems as we need over the time.

That clearly is part of that capability
capacity issue that I talked to you about. It is a
tremendously flexible and scalable acquisition. It is,
I think, one of the most innovative acquisition
strategies in this town. It is performance-based, total
life cycle cost-based, allowing tradeoffs between the
cOMPONENT parts to get the most effective performance
and efficiency out of the system.

It drives us into a network-centric
environment that we have not been in. It gives us that
maritime domain awareness thing that we are sorely
lacking. It is a very, very flexible acquisition
vehicle, a great model I think going forward for the
whole Federal Government, and we are very, very excited
about that. It is funded currently, close to
$500 million in the '03 budget, and we expect that minimum level and up.

My effort is to put on the table for discussion the possibility of compressing that acquisition to move it away from a 20-, 21-, 23-year-old acquisition to a shorter time frame, and that is actively being discussed. So, much on the way.

Rescue 21, that contract was awarded to
General Dynamics in September, a $661 million acquisition to replace our VHF-FM high sites, eliminate the gaps around the country, go from analog to digital recording capability, direction-finding capability interoperable with state, local and federal entities.

It is a terrific, terrific investment. It looks good, and we just hope that we can maintain the funding stream over time to support these, I think, critical capital acquisitions, both for homeland security and all the other missions we do.

DR. COLEMAN: Thank you very much.

CHAIRMAN WATKINS: Dr. Sandifer?

DR. SANDIFER: Thank you, Mr. Chairman.

Admiral Collins, we are delighted to have you
with us, and I echo Admiral Watkins compliments on the
great job the Coast Guard has done. Several items in
your presentation are very much of interest to us, and I
would like to hit on two or three of these things and
see if you could respond to them.

In your oral testimony, you specifically
mention that some of the coastal pollution that you have
got to deal with comes from land-based uses rather than
vessels, but we have also seen quite a bit of issues related to pollution coming directly from vessels, cruise vessels and others. I am going to give you a litany of these things to look at.

Could you comment a little bit on the Coast Guard's activities and your proposed activities and additional efforts to deal with vessel-based non-point source pollution first?

ADMIRAL COLLINS: Sure, the vessel-based things, we have been working on that aggressively since the OPA 90 additional regulations response, carriage requirements, vessels required to have a response plan and a contractual relationship with spill clean-up firms and the like.
We continue to work on many, many issues including gray-water discharge from large cruise ships, and working with the state of Alaska particularly with a strong regime to provide for protection against that issue. Large cruise ships carry 3,000 to 4,000 people at a whack and sail in some of the more pristine areas of our country, and that is certainly the focus of it, but let me just give you an idea of what we have put in
effect and what the impact has been.

Since OPA 90, the average number of oil spills over 10,000 has dropped by approximately 50 percent.

The gallons spilled per million gallons of oil shipped has been reduced from an annual average of ten gallons spilled per million shipped for the years 1987 to 1990 to five gallons spilled per million shipped during the years '91 through '97, a 50 percent decrease.

There have been no spills over one million gallons since 1990. The total volume of tank-ship oil spills in the United States in 1989, and has remained below 200,000 gallons since 1991. I think this nation should and the shipping industry should feel very, very proud of what they have done. The tank-vessel Prestige
that sunk off the Spanish coast could not have come into
our country. It was not allowed into our country, given
the OPA 90 laws that we have. The last port of call was
about a 1998 to 1999 timeframe for that ship into our
waters, and after 2000 it was not allowed in our
country.

We have been ahead on the international
regimes, we have been ahead on these standards, and we
will continue to be very, very aggressive in applying
the existing laws and regulations.

DR. SANDIFER: Admiral, I do applaud what you
have done there. I think OPA 90 has made a tremendous
difference. For many of us, though, we would like to
see whether the Coast Guard will help lead the battle on
an equivalent to OPA 90 for other kinds of discharges,
sewage pollution, graywaters, being other things that
are of concern to us.

You also mentioned at some length in both your
oral and written testimony the work on balanced water
and invasive species. Again, we are very much
appreciative of the work that is being done by the Coast
Guard in general and by the various captains of the
ports around the country.

However, I am still concerned that while we are taking a strong lead in the international arena with vessels coming in and out of the EEZ, what efforts is the Coast Guard taking to look at vessels that principally transit within our own EEZ but go port to port where we may be crossing very significant biogeographical boundaries and also have the potential
to translocate serious invasive species?

ADMIRAL COLLINS: Sure. Clearly, as you well know, we have a combination of a voluntary and a mandatory system, the ballast water exchange in the country, the Great Lakes mandatory system, and the other voluntary. We submitted a report to Congress during the past year that addressed our experience under the voluntary regime. Our efforts are now to convert the voluntary guidelines to a mandatory program. That rulemaking to convert from the voluntary guidelines to mandatory program should be ready in the fall of 2003 and developing a program with overarching principles that the requirements are scientifically supportable. It makes your head hurt a little bit when
you start getting into this issue. It sounds like a

simple issue; it is not a simple issue.

How you treat this, the various technologies involved are substantial, and we want to do this thing right. Some people may think we are moving at a snail's pace. I hate to use that pun, but we are working very,

very aggressively with EPA, in a joint rulemaking with

EPA to move out on this issue.
So, our goal is to make it a mandatory regime.

Again, there are a number of concurrent regulatory projects underway to promote and foster the development of treatment technologies and to increase compliance,

and we will aggressively pursue that.

DR. SANDIFER: Thank you, Admiral. I wouldn't use the term "snail's pace," maybe a slow ship's pace.

I do appreciate the complexity of it. Thanks for your answer.

ADMIRAL COLLINS: (Laughter) You are welcome.

DR. SANDIFER: Thank you, Mr. Chairman.

CHAIRMAN WATKINS: There again,

Admiral Collins, we were just chatting with the executive director, if we can have an early lead, our
report is going to be reasonably finalized we believe,
as we continue our drafting process, it certainly has to be there by the time it goes in the "Federal Register"
in early May, late April.
You may be far enough into your process on rulemaking on invasive species at that time and can help us, again, to be supportive of your effort in that area.
It is one of the key issues we are not ready to address
in open session today, because we haven't had all of the

information.

ADMIRAL COLLINS: Sure. Again, let's make a
date to have my project officer on this subject visit
you and give you a detailed blow-by-blow at the right
time exactly how we are approaching this very complex
issue. To answer your earlier question directly, it is
probably our priority environmental issue that we are
working.

CHAIRMAN WATKINS: Well, we were overwhelmed
with the testimony brought before the Commission and we
are still working hard to get our answers in line, and
this will help us a great deal.

Mr. Chris Koch?
MR. KOCH: Admiral, thank you for being here today. I would like to simply reiterate what an accomplishment it is for the Coast Guard and yourself to accomplish what you are going to do next month at the IMO. I mean, we know with homeland security what the challenges are. For you to have pulled off a new treaty in 12 months is remarkable, and I think it shows the Coast Guard's international leadership. I think we all
should be very grateful to you for that success.

My question is on a different issue. As we have gone around, we have certainly heard praise for the Coast Guard wherever we go and praise for the multi-mission function of the Coast Guard. However, we have also heard places where because homeland security is getting the priority focus of the resources there is a question of whether or not you can fulfill the multi-mission aspect of the agency, particularly fisheries enforcement would be an example.

If you get the 2003 monies which are in the budget and hopefully a continuation of that trend in 2004, can you give us any information on how close you will be to being able to satisfactorily implement the
fisheries enforcement efforts that existed pre-9/11 and that are necessary?

ADMIRAL COLLINS: Sure. Chris, thanks for your comments, by the way, and thanks for the help of you and your organization in helping us get to that international protocol. We have just had a tremendous and very, very beneficial partnering role in effort with the maritime industry that stepped up to the plate.
aggressively. We thank you for that.

I think we are going to be, in terms of

resources in fisheries enforcement, within 5 percent,

6 percent, 7 percent of pre-9/11 levels. If you think

of our budget in terms of pie and slices of the pie, we

have rearranged the slices clearly in the wake of 9/11.

Homeland security is a priority mission for us. It is

the priority mission for the nation. We are going to

get that right, and failure is not an option, by the

way.

The size of the pie has grown. With the '02

supplementals and the '03 budget. A 20 percent increase

in our operating budget in one year is the largest

increase in our history in one year. We have got
incredible support from the President of the United States and from Governor Ridge and Secretary Mineta relative to the need to build out our capacity for all our missions.

You know, if you go into the report, the Homeland Security Strategy document, if you are a coastie, the words are really great, which say that all our missions have to be supported and they have to be
resourced. I mean, that is emphatically stated in that Homeland Security Strategy. It is stated in the bill that the president submitted over to the Congress.

It is stated in the bill that is going to be signed shortly, it says that all our missions have to be attended to, and "Oh, by the way, you are going to have an annual audit each year relative to those missions."

I think we are going to get close to those levels.

We also even when we were reduced immediate to 9/11 -- oh, by the way, it was the right thing to do because one of our greatest strengths is surging to threat with our assets, and after 9/11 it happened to be homeland security. We were spending on a per annualized basis about 1 percent of our budget on port security,
the next day we are allocating a resource base on the rate of 50 percent.

We build multi-mission platforms, and we train multi-mission people. That is great efficiency and effectiveness to respond to a wide portfolio of threats at any given time. I think that is good news.

Oh, by the way, the highest threat to living marine resources -- i.e., fisheries enforcement issues -
- we didn't walk away from. Even in a 9/11, we were full up on the maritime boundary line in the Bearing Sea. We didn't reduce our posture in the Bearing Sea very significantly because it was not only an enforcement issue, it is a search and rescue issue for our U.S. fleet there.

We have been very aggressive on the maritime boundary line. We have been very aggressive with the U.N. resolution against high seas drift nets, and we have maintained a presence there. We have also done things, I think, very innovatively to leverage the assets that we do have.

We have an incredible rapport with the Border Service in Russia. Actually, we had it before the end
of the Cold War, by the way, but it has grown over time.

We have a hotline between us and them in the Pacific.

We have a joint operations plan. We are now exploring

coordinated operations where we will have Russian

federal border guards on U.S. ships, to have their

language capability, the authority of their agency, and

so forth, to intercept wayward fishing vessels that want

to take our stocks.
It was a great National Geographic edition
maybe five years ago, you know, those great pullouts
that the have, and they charted the map of the world and
they had all of the fishery species around the world,
around the planet. They were denoted by a fish. Most
of the fishes were fishbone. The significance of the
fishbone was that there were fish at or below
sustainable levels.
The real robust stocks, where are they? They
are in Alaska, they are in the Western Pacific. That is
why there was a lot of excitement about the U.N.
resolution on Stradling Stocks in 1995, because let's
not let those stocks go the way of the other stocks of
the world. If you talk to Senator Stevens, he talks
about biomass. He probably knows more about biomass than anybody around. That is an important resource. We haven't walked away from those issues.

So, even in the context of reducing overall fisheries enforcement levels in the wake of 9/11 -- which we have ramped back up to, by the way, within 5 percent -- we still applied on a risk-based, threat-based way resources to the highest threat area.
Another example, a non-fish example, take migrants, illegal migrants, we had CNN coverage of the latest incident televised as only they can do, and do it very well. You know, the footage from helicopter of the Haitian migrants landing in the Key Biscayne. Now, some might say, "Well, how did they get through?"
The question is, with all due respect, through what? We had a four structure there of one ship down in Haiti, three flights a week, and two million square miles of ocean. Where were the ships? They were doing fish and they were doing counter-drugs in the deep Caribbean. What is there now? Six ships, three flights a week. We surged to that threat.
You must be adequately resourced so that you
can surge to the threat of the day across the missions,

still maintaining an adequate base level on a recurring basis, so it is sort of a bandwidth thing that you have got to flex to, and that is what we do.

We do it in an operational mode, by the way.

I don't do water order commands from Washington to my operation commanders. We have a distributed system, "Here is the mission profile. Here is the operational
guidance. Here is the program standards. Surge to the
threat in your AOR." It has been our model since 1790,
and I think it has worked extremely well. I hope I
answered your question.

CHAIRMAN WATKINS: Lillian Borrone?

MRS. BORRONE: Thank you, Mr. Chairman.

Admiral, it is a pleasure for me to welcome
you as well, and to also say how pleased I was to hear
and read in your testimony the term "ecosystem
management" and also your discussion of the need to look
at the entire marine transportation system and to be
able to support it.

Of course, there are questions in our minds.

I think you allayed some of the fears, but there are
still some concerns as you move into the Homeland Security Department that the Department of Transportation be able to maintain the capability to oversee those other components of the system and be able to reintegrate and work with you on that entire system concept. I think of course your discussion of a coordinating body is a very important mechanism to allow that to happen in the future.
I do have three questions for you. The first is in one element, and particularly as you talk about ecosystem management and system approach, you talk about the marine safety and security teams that are being established in regions around the country.

We have talked a lot in our own thinking about both the coordinating body at a national level and the need for regional coordination, and about the need for regional planning and cooperation, which really requires the federal agencies to be capable and trained in dealing at the regional level. As these teams are put in place, are they being trained to present not only the federal position, but to work in the regional setting to understand those issues?
ADMIRAL COLLINS: Do you want me to answer that one first?

MRS. BORRONE: Yes, you may.

ADMIRAL COLLINS: The recent bill that has been passed relative to port security calls for a planning regime not unlike, by the way, it is very OPA-90-like. It is a family of plans that starts with an overarching port plan and then also requires facility
plans and vessel plans relative to security, and to be
coordinated by a local coordinating entity, a Port Security Committee, headed up by the captain of the port.

What is nice about that, is that there are other models in existence. The stakeholders are the same that sit at the harbor safety committee table and others. The relationships are already there and built. It is not like you are going to see a stranger across the table. The relationships are already there. So, this planning regime and coordinating regime is there. They will be supported by port security assessments that are also required by that bill to be conducted around the country. We are already underway
doing that. There will be port security assessments that look at the vulnerabilities within each port and that will identify interventions, recommended interventions, but we are not going to from headquarters say, "Port X, go do this." It is going to be those reasonable port security committees that will take that as a source document, consider it, and do what makes sense. I think
that recent bill that has passed puts into motion a pretty robust planning regime.

Incidentally, if you are concerned for marine safety, a good deal of the 2,000 extra people that we are getting are going into increasing the staff of the Marine Safety Offices for Planning Contingencies, and so forth. I think they are going to be a stronger, stronger group.

The maritime safety and security teams are operational teams. They are the sort of pointy end of the spear type people. Relative to the planning and coordination people, they are the go-doers. They provide the waterfront security, they provide the protection around critical assets, they escort vessels
in and out of port, they provide sea marshals on a vessel when they do a boarding offshore.

We are in the planning stages of building canine teams into these that can go aboard and sniff out explosives. They want to build underwater capabilities into those teams so they can do underwater surveys of vessels before they come in.

These are sort of the multi-mission safety and
security teams. The word "safety" is important there.

There is a reason we didn't call them "security teams";

they are safety teams as well. Again, we build

multi-mission units, not single-purpose units, that can

do a wide range of things.

These are very potent teams with six funded

through '03 and six more, hopefully, in out years that

will have a position around the country. They are more

the operational side. The Port Security Committee will provide

for planning contingencies.

MRS. BORRONE: Thank you. My second is a

follow on to what Dr. Coleman was talking about, and

that has to do with recreational vessel users who, and

of course Dr. Sandifer also raised this issue, may not
be as vigilant as the large shipping companies are or
the cruise lines are in disposal of waste or other
products overboard.

I think one of the things we have been
contemplating is how do we better educate that public
community and how you might see, based on the program
level you have now, a need in the future to grow that
education and perhaps additional enforcement?

ADMIRAL COLLINS: I think this is one area that lends itself to a combination of both voluntary and governmental approach. We have a Coast Guard Auxiliary in this country -- they are terrific folks -- that volunteer their time, their boats, their effort, they do public education, they are on the water, they provide courtesy marine examinations.

They are about the same size as the active duty Coast Guard, by the way. They are all over the country and internationally. They are an incredibly potent force for us, a force multiplier, if you will, for us in many, many ways. I think they have been conscious of this, but this is something they can do as
they are out and about.

A lot of this is having presence in addition to awareness and education. They are out and about, seeing what is going on, being in tune with what is happening on the waterfront, as well as the educational part. Maybe that is a very powerful resource to have in addition to power squadrons around the country.

I think that probably maybe a combination of
both public and private voluntary type work is needed to ensure that there is a better level of awareness. Of course, marine sanitation devices, that kind of regulation has been something that, you know, it is our regulation and we enforce it in ports and waterways of the United States when we are there.

It gives me an opportunity to mention that some people say, "Well, you invest in security, and what about the safety and environmental?" I would submit that this is, again excuse the pun, not an oil and water thing. Investing in security is investing in safety and is investing in environmental things.

We are going to have with these additional 2,000 people in marine safety and security teams and
additional people on our coastal stations, we are going to have increased presence in the waters of the United States. These are multi-mission teams, and they can do both environmental oversight and safety and security issues.

MRS. BORRONE: I appreciate that, and I think any ideas you might offer on any funding requirements for educational purposes that go along with the power
squadrons and the Coast Guard Auxiliary efforts that could be woven into the efforts that others may already be taking would be helpful for us to contemplate as we think about our issue.

I guess my last question is really one that goes back to the coordinating body proposal. If it were to be one moving forward under a legislative concept, it might take a while. Do you see any interim mechanisms already in existence that would be good models for us to look at that are already being used to try to coordinate program relationships between agencies?

ADMIRAL COLLINS: Sure. Both within the Homeland Security Council and the National Security Council, I don't equate this to the magnitude and
breadth of the National Security Council which is a

fairly substantial mechanism itself, but within those

bodies they have policy coordination committees that are

standing bodies that are focused and committed to a

certain policy category. They own these issues. Some

have been effective and some maybe not so effective,

depend on how you look at it. But I think plugging

into existing structure, domestic councils -- I know
enough to be dangerous here about those structures.

(Laughter.)

ADMIRAL COLLINS: But I would say if there is an interim one, you look at existing structure, and is there a policy coordinating committee type entity that could fit under that umbrella to pull those things together, to have some oversight of budget that is submitted, like ONDCP.

One of the functions is to, on the drug side, scrutinize budgets submitted. Are they servicing the national strategy? They have a strategy document. Here is our drug strategy. Here is the budget servicing these, and is that overarching view. Those are the kinds of things that might lend themselves to an interim
approach.

MRS. BORRONE: Thank you.

ADMIRAL COLLINS: Thank you.

CHAIRMAN WATKINS: Admiral Gaffney?

ADMIRAL GAFFNEY: Thank you, Admiral, for your very comprehensive testimony. I know you didn't have time to cover every single issue that is important.

There are two that I would wonder if you might comment
on briefly, one is in support of your emphasis on systems approach and maritime domain awareness.

Might you mention something about the contribution an integrated and sustained ocean observing system might add to that in the way of pollution, S&R, surveillance signals, determining biomass for example? The second might be, would you comment specifically on in your recapitalization what kinds of investment you think would go towards capabilities in the High Arctic? Thank you.

ADMIRAL COLLINS: Well, in terms of this maritime domain awareness concept, it is very, very broad. If you are investing in a HUMINT team in a port for example, that is
part of MDA. If you are requiring earlier and more

comprehensive reporting from arriving vessels into the

United States, which we have done, that is part of MDA,

that is awareness. It has a policy and process part of

it, it also has a hardware and systems part of it.

Vessel traffic systems are part of maritime

domain awareness. Rescue 21 is a part of maritime

domain awareness. The international requirements for
AIS on ships, which we hope to accelerate with the Diplomatic Conference in December, is part of maritime domain awareness. Our Deepwater System is part of domain awareness.

For instance, you take the existing ship; helicopter; MPA, "maritime patrol aircraft" package now, pre-Deepwater, and compare it to a similar package of assets post-Deepwater, a 500 percent increase in surveillance capability, 500 in a similar number of platforms. It has to do with using technology smart.

So, that is very much a part of MDA.

VMS that has been used in various fisheries regulation regimes around the world. I am familiar with the one in Hawaii, terrific, a nowhere to run, nowhere
to hide system that leveraged the productivity of our aircraft fleet dramatically, and that is part of MDA.

Ocean systems support systems that will give you greater awareness of ocean conditions are I see a logical part of that, absolutely a logical part of that overall architecture that we are building out. We have a couple of contracts and we have team and we are working with the United States Navy, by the way. You
know, that smaller Naval force that is in the United States.

(Laughter.)

ADMIRAL COLLINS: We are working very, very closely on that concept of MDA, and have a working team together working on what that architecture should be. I should note we just have a superb relationship with the United States Navy. I think it is one of the strong suits that we bring as a bridge back into the Department of Defense and to do things very, very synergistically together that makes sense for the nation, and working on MDA is part of that. Thanks. Did I answer your question?

ADMIRAL GAFFNEY: Arctic?
ADMIRAL COLLINS: Arctic. Of course our

investment in Arctic, the latest one is in our latest

icebreaker. It wasn't a nickel and dime investment that

the nation made. That was a $348 million ship, the

Healy equipped for Arctic research has undertaken

several expeditions in that regard. That represents our

latest investment in Arctic research.

Of course, we tend to be the force provider
for the scientific community relative to needs and requirements. What is terribly important as we try to develop systems is to have the requirements definition. It is all about requirements, requirements, requirements. First comes requirements, then come systems.

The next major effort for us is what is going to replace our polar icebreakers, the Polar Sea and the Polar Star. To me if there is one major issue relative to ice breaking, it is what is the next generation of Polar Sea, Polar Star. That would be the number one issue, I would think, that the nation has to come to grips with.

As you know, the Healy that is a national
asset, as all of the Coast Guard is, but truly that is a national issue, not a parochial Coast Guard issue. That was requirements of all the scientific community. We came to understand real quick that the scientific community is not a monolithic thing.

(Laughter.)

ADMIRAL COLLINS: There are all kinds of different views. But we brought those together to
define the requirements of the Healy. I think if you
ask most members of the scientific community, they are
pretty happy with the product. We need to do the same
thing when we do the polar to get work on requirements
in a collaborative way.

What I think, if I could suggest a strong
recommendation, is let's get together to coordinate a
national definition of the next requirements for our
icebreaker so it provides the up front work for the
acquisition process.

ADMIRAL GAFFNEY: Thank you, sir.

CHAIRMAN WATKINS: Admiral Collins, we have
kept you here for an hour. We have three more
commissioners that would like to ask questions. I would
ask them to phrase their questions in a way that perhaps

you could answer for the record. We will be sending you

a letter thanking you, and also asking you additional

questions. I don't know what they plan to ask, but if

they can be put in that form, would you be willing to

respond to us in a fairly short period of time?

ADMIRAL COLLINS: Most definitely.

CHAIRMAN WATKINS: All right.
ADMIRAL COLLINS: And if I can answer in three words, I will do it today.

(Laughter.)

ADMIRAL COLLINS: That is probably impossible for me.

(Laughter.)

CHAIRMAN WATKINS: Dr. Muller-Karger?

DR. MULLER-KARGER: Thank you, Mr. Chairman.

Thank you very much for your testimony. I have two questions and they both can be answered -- in fact, I do prefer that they be sent in writing. See, I am interested in the details and the long-term policy, one is to follow up on Admiral Gaffney's question on MDA, but how it permeates other communities including
the research community and other resource management communities. Specifically, in your plans are you missing remote sensing tools, specific types of satellite tools that could help you in managing your resources better?

The second question is your first recommendation to the Commission is to strengthen the international aspects of ocean policy. I was wondering
if you had specific areas that you thought we could focus on in our report?

Thank you.

ADMIRAL COLLINS: Great. I would be glad to provide written answers to that.

CHAIRMAN WATKINS: Mr. Kelly?

MR. KELLY: Thank you, Admiral. I have two questions also. The first one deals with the growing interest in regional ecosystem management. This is a topic that we are looking at hard, as you know. When it comes to boundaries for regional management, there are a number of models out there, one that is suggested frequently are the regional boundaries of the fisheries councils.
But it has occurred to me that in an area, the Gulf of Mexico where I live, the Coast Guard has its largest district, the eighth district, which to a great extent in a parallel way takes into account a lot of these concerns. That district extends from the Gulf of Mexico all the way up the river systems just about to Chicago.

While we are now looking at regional
management on an ecosystem basis, you have in many ways
perhaps organized the Coast Guard in a similar way, but
along the lines of navigable waters, which in many cases
are probably parallel to ecosystems.

I know that I have been a participant in some
of the regional management of the security issue in the
Gulf of Mexico, and there the Coast Guard is leading a
multi-agency effort that also brings in a lot of
stakeholders. I was just wondering if over the years
there is anything you have learned in terms of regional
management and cooperation that might be useful to us as
we look at this concept?

The second question I have relates to
education and recruitment. One thing that we have found
in our numerous hearings around the country is that all
the participants in the overall maritime enterprise,
from science and education to marine operations, seem to
be faced with the same challenge of recruiting personnel
into their enterprise.

This becomes important, as you indicated on
the operations side, as we convert to digital systems and
we make advances in power systems and electronics in our
operations, we need more sophisticated education. This
is an issue that we are looking at.

With the growth that you are anticipating, I
was wondering to what extent will this impact the
activities of the Coast Guard Academy or the broader
concept of recruitment into the activity to meet these
needs?

ADMIRAL COLLINS: Great questions. I will be
glad to provide that. I might say that our institutions
are smoking. Our training institutions, our academy,
our Officer Candidate School, our boot camps are full up.
We are putting modular buildings up and we are running
people through. The good news is we are attracting
incredible young men and women with fire in the belly, a
feeling that they are joining something important and want to contribute to the well-being of this nation.

I had the pleasure to go up and sponsor a recoup company at Cape May just recently, at a training camp. I couldn't be more enthused or encouraged about the quality of our youth and how they want to contribute. I think there is a good story there, and I would be glad to answer your question.
MR. KELLY: That is encouraging and exciting.

Thank you.

CHAIRMAN WATKINS: Dr. Rosenberg?

DR. ROSENBERG: Thank you, Mr. Chairman.

Thank you, Admiral. I had the pleasure of working with the Coast Guard on fisheries enforcement in particular. I also have to appreciate your comment about science not being monolithic, and I was trying to think of what the opposite of monolithic was.

(Laughter.)

DR. ROSENBERG: I came up with multilithic or messilithic is a possibility.

ADMIRAL COLLINS: I think it is paleolithic.

DR. ROSENBERG: Paleolithic is another.
DR. ROSENBERG: I have two questions as well.

The first one concerns fisheries enforcement. I appreciate your comments about the levels that you are building back to in fisheries enforcement. Although, that concerns me in terms of improving needs for fisheries enforcement over the long-term.

My question relates to technology. You
referred to the vessel monitoring systems, and I have
been involved I think in all of the vessel monitoring systems around the country implemented by the National Marine Fishery Service. Does the Coast Guard feel that at this point for both fisheries enforcement and national security reasons that there should be a national vessel monitoring system program for fisheries?

I would submit that a call for such a national program from the Coast Guard might get a better reception than from the National Marine Fishery Service simply because people like the Coast Guard better.

The second question is related to technology
as well with regard to oil spills, and it is, whether we have a program to develop better oil spill response recovery and restoration systems? It is not clear to me that we have sufficient investment in technology to figure out how to do it better, although I am quite sure the Coast Guard will continue to respond with the tools that they have at hand. What is the plan for actually developing better tools?
Again, both of those might be in writing,

Mr. Chairman.

ADMIRAL COLLINS: I will be glad to provide the answers to those questions. I am enthusiastic about the VMS. It is an indispensable tool. For fisheries enforcement to have a fisheries regime without VMS is sort of blind. It is an incredible productivity enhancer. It builds capacity without building capacity in terms of big pieces of hardware, so it is a tremendous tool. In the U.N. Resolution on Stradling Stocks that is unfolding, it is an integral part of that, an indispensable part of that.

We would be glad to strongly endorse VMS.

CHAIRMAN WATKINS: Admiral Collins, you have
been a great finale to our public presentation. I can't
tell you how much your testimony has meant to us today.
It has brought together so many things that we have
heard across the country and we are putting our own
thoughts together on now, and they seem to be very much in
synch with each other. Thanks for coming.
We are going to be communicating more with you
as we continue our process. We want to stay current
with the ongoing initiatives that are going on within
your department, and with the Homeland Security
Department to make sure of the sensitivities that we
have to the work you are doing. Many thanks for coming
before us, and we look forward to our continuing
relationship with you.

ADmiral Collins: My pleasure. Good luck with
your noble work. We will be very, very much engaged
during the whole course of things, and anything that we
can provide and do and we certainly want to answer
promptly your questions, and will be glad to keep you up
to date on invasive species and other issues that we are
working. Thank you very much.

Chairman Watkins: Thank you very much.