

**UNITED STATES COAST GUARD'S ROLE IN
BORDER AND MARITIME SECURITY**

HEARING
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE
ONE HUNDRED NINTH CONGRESS
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UNITED STATES COAST GUARD'S ROLE IN BORDER AND MARITIME SECURITY

THURSDAY, APRIL 6, 2006

U.S. SENATE,
SUBCOMMITTEE ON HOMELAND SECURITY,
COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:30 a.m., in room SD-192, Dirksen Senate Office Building, Hon. Judd Gregg (chairman) presiding.
Present: Senators Gregg, Stevens, Allard, Byrd, and Murray.

OPENING STATEMENT OF SENATOR JUDD GREGG

Senator GREGG. We'll get started here. Senator Byrd is on his way. When he gets here, we'll yield to him for an opening comment.

The hearing today involves the Coast Guard. We appreciate Admiral Allen coming by to talk to us about the status of the Coast Guard.

We all admire the work of the Coast Guard. It is an agency which has done many wonderful things, extraordinary things in our national defense and in the protecting of people at risk on the seas; and it probably—was the one agency of the Federal Government—or maybe the Federal, State, and local government—which requited itself extraordinarily well during the Katrina events, and, as a result, enhanced even further its reputation for getting things done and doing them well.

The issue which we want to talk about today is the role of the Coast Guard in border security. The Coast Guard had to take on a large new responsibility here, as have a lot of other agencies in the post-9/11 world. And the question is, What does the Coast Guard need in order to succeed in that responsibility? And our view is that we should give you the resources you need, because you seem to handle the tasks which you're assigned extraordinarily well; but what we need is to know what those resources are.

The problem, of course, is that, as well as having to do this new responsibility, you have to continue to do what has been your traditional role; and that has dramatically expanded the burden and the cost of operating the Coast Guard. How can we make sure that sort of tooling up and expansion is done without wasting money, but, rather, making sure it's effectively used; this is a critical issue for us as a committee.

But I do want to reinforce the fact that we greatly admire what the Coast Guard does, and the fact that you've assumed this new responsibility of protecting our Nation from potential threat, especially coming by—over sea, in a very positive and constructive way.

And, with that, should—when Senator Byrd comes, we'll take a break and hear his thoughts, but we should proceed with you, Admiral.

Senator Cochran submitted a statement to be entered into the record.

[The statement follows:]

PREPARED STATEMENT OF SENATOR THAD COCHRAN

Mr. Chairman, I commend you for holding this timely hearing this morning. For over a week now, the members of the United States Senate have been debating border security and immigration reform. Despite our differences of opinion on immigration policy, effective border and maritime security are concerns shared by many.

I look forward to hearing from Admiral Allen today, as he discusses the Coast Guard's important role in border and maritime security.

I want to thank him for his service to the Gulf Coast Region as the Principal Federal Official overseeing the relief and recovery efforts.

I also want to thank the entire United States Coast Guard for its service to the Gulf Coast Region in those most difficult first hours and days after Hurricane Katrina. Members of the Coast Guard valiantly rescued people from rooftops and cars and trees, many times in complete darkness. Admiral Allen, on behalf of the State of Mississippi, thank you for your leadership in those efforts.

As this Committee and the full Senate begins the fiscal year 2007 Homeland Security Appropriations process, I ask the members of this committee to carefully consider Admiral Allen's comments and responses to questions regarding Coast Guard funding and asset recapitalization.

I look forward to working with Chairman Gregg and Senator Byrd to address these important national concerns.

Thank you, Mr. Chairman.

**STATEMENT OF VICE ADMIRAL THAD ALLEN, CHIEF OF STAFF,
UNITED STATES COAST GUARD**

Admiral ALLEN. Thank you, Mr. Chairman. We appreciate the opportunity to be here today. And it's a pleasure to discuss the Coast Guard's role in border security. We appreciate the committee's interest in border security.

Since Alexander Hamilton called for maritime security, in Federalist Paper 12 in our founding, in 1790, this has been a primary focus of the Coast Guard, and it's part of our military and maritime multi-mission service and the value we've provided to this country for over 200 years.

I would tell you that effective border security necessarily includes effective maritime border security. But we face considerable challenges, and we have to manage risk as we move forward. And, with your permission, I do have a statement for the record, but I'll make a few brief opening comments, and then go to the questions, if that's all right with you, sir.

Senator GREGG. That would be good. We do have a vote scheduled at 11 o'clock. And I know Senator Byrd's going to want to comment and ask questions, so that would be a good way to approach it, I think.

Admiral ALLEN. Thank you, sir.

I might just start off by making a couple of comments.

First of all, the maritime domain presents a fairly unique set of challenges, not only for the Coast Guard, but for everybody in the world right now. The oceans are our last global common. It's basically an interconnected framework of legal structures, with diverse uses, and, quite frankly, unfettered access. By "legal structures," I mean structures that have evolved over thousands of years, con-

cepts like right of innocent passage, access to ports, force majeure, and so forth. On the diverse uses, obviously we have trade and natural resources, transportation, and even recreation. And by “unfettered access,” what I really mean is, we are bounded by our oceans, but we’re really not protected by them. There are no bright lines in the water, like there are for our land borders, and access is not limited to technology. We’re not restricted to railroads, roads, or airports to enter this world of work, and it makes an extremely challenging environment.

If you look at the chart over here, sir, you look at the juxtaposition of the maritime border with the land border. Now, we’ve rounded out those lines to make it about a little over 12,000 miles constituting the maritime border of this country. If you were actually to follow the bays and the curves and the Great Lakes and the rivers of this country that are navigable waterways, you would have about 95,000 miles.

When we look at the risks associated with securing our maritime borders, there are basically three elements of risk that we look at, sir: threat, vulnerability, and consequence.

On the threat side, it could be anything from a jet ski with an improvised explosive device to an LNG tanker. It could be underwater swimmers. It would be something from the land side, in terms of a truck- or a vehicle-borne explosive device. And, as we found out on 9/11, even an air event can be a maritime event, as we were instrumental in the response on 9/11, and especially in evacuating the people who were trapped in Lower Manhattan.

Regarding vulnerabilities, you can already see the extent of our coastline. Notions like freedom of navigation allow vessels to pass very close to our coastline without any requirement to notify us, and without any means for us to know they’re there, and we’re taking steps to change that.

Regarding consequences, 95 percent of all foreign trade comes into this country by vessel, and constitutes \$750 billion a year, related to the GDP. An article that ran the other day in the press said that if the L.A./Long Beach Port was closed down for any length of time, it would constitute a loss of \$115 million a day.

Managing these challenges is one of the main duties of the Coast Guard in this post-9/11 environment, and we are about doing that.

MANAGING CHALLENGES IN A POST 9/11 ENVIRONMENT

Right now, we’re basically breaking that task down into three different functional areas. One is awareness, trying to understand what’s out there. It started right after 9/11 by improving our advanced notice of arrival, our awareness of vessels that are calling in this country. We set up a National Vessel Movement Center to do this. We now have requirements for automated identification systems for large vessels approaching this country. We’ve significantly improved our intelligence infrastructure with Maritime Intelligence Fusion Centers and Field Information Intelligence Support Teams at the port level; and we are partnering with the Navy.

We’re also developing a domestic international security regime. Most of this is pursuant to the provisions of the Maritime Transportation Security Act and the new International Ship and Port Security Code.

And we're also trying to increase our operational presence. We've fielded 13 Maritime Security Safety and Security Teams. We have a number of new small boats out there. We have improved radiation detection, new patrol boats, and patrol boats that we got from the Navy.

Our new Deepwater acquisition, which is attempting to replace our legacy assets with new, better, more effective platforms for our people to use, are part of this. Our Deepwater assets are part of a layered defense. It allows us to project capability far offshore to intercept, board, and defeat threats at the greatest distance from the United States.

We are enhancing our communications and our sensor packages. It improves our ability to communicate. We now come up on SIPRNET chat rooms to coordinate drug seizures; where, before, it took us minutes, and sometimes hours, to do voice relays to make one of those takedowns.

And, finally, we've approved—we've incorporated post-9/11 requirements into our Deepwater baseline, including improved force protection; chemical, biological, radiological, and nuclear protection for our large cutters. We have an increased intelligence capability. And we're including airborne use of force in our Deepwater assets.

However, even as we're doing this, we need to constantly adjust the timing and delivery of our capability to reduce operational gaps. And if I could point you to these two slides here, these are included in reports that were recently submitted with our budget to the Congress. We are attempting, at this time, to fill two gaps that are significant in our ability to not only defend our maritime borders, but to mount effective responses offshore.

Up to the upper left is a patrol-boat gap. As you can see, historically, we had dropped down below that, and we have anticipated, through the Deepwater Project, to move to our baseline of 174,000 hours. Our original plan was to accelerate the design of the fast-response cutter. And that was based on a composite design. We are now having some problems with that design, and I think we need to look at an alternative to fill that gap sooner.

In the aviation gap, the solution ultimately will be the CASA-235 airframe. We need to move that in as fast as we can, but we're also looking at a manned covert surveillance aircraft to help mitigate that gap. But in the long run, our new CASA aircraft will be the major source of those hours, sir.

Be happy to entertain any questions at this time, sir.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL THAD ALLEN

Introduction

Good morning Mr. Chairman and distinguished members of the committee. It is a pleasure to be here today to discuss the Coast Guard's role in border security. Senator Byrd, on behalf of the entire Coast Guard, please accept our sincere condolences on the recent loss of your wife.

Thanks in great part to the attention of this committee and the particular interests of Chairman Gregg and Senator Byrd, securing our borders has become a top priority initiative. This hearing is a testament to the continued priority this committee places on border security, and a recognition of the reality that the Coast Guard is at the nexus of port and border security.

Effective border security depends on maritime security

Securing the borders of the United States is a multifaceted challenge ranging from the remote deserts of Arizona and the rugged hills of Montana to the vast expanse of ocean off American shores. As aggressive steps are taken undertaken to secure the land border, smugglers and migrants—and potentially terrorists—will undoubtedly look for other points of entry to exploit. Effective border security requires an integrated approach that crosses land, air and maritime domains, lest one door be closed only to open another.

The United States is intrinsically connected to and immensely reliant on the oceans. The maritime domain under U.S. jurisdiction is larger than its total landmass, and provides the shipping lanes, fisheries and energy resources that sustain our Nation. The maritime domain is also an avenue for those wishing to smuggle people and illicit drugs into our communities—and an avenue that could be exploited as a means to smuggle weapons of mass destruction and/or terrorists into our country. In 2005 alone, the Coast Guard:

- Intercepted 9,500 undocumented migrants attempting to enter the United States illegally by sea, a 100 percent increase over 2001; and
- Prevented more than 338,000 pounds of cocaine (an all-time maritime record) and more than 10,000 pounds marijuana from reaching the United States.

The U.S. maritime domain is unique in its scope and diversity. With more than 350 commercial ports and 95,000 miles of coastline (including bays, lakes and rivers), the challenge in distinguishing between legitimate and illicit activity is complex to say the least. We are bounded by the oceans but we're not protected by them. There is no single fence, sensor or screening technology adequate to ensure maritime safety and security. The maritime domain is dynamic and requires an integrated, layered approach to security. This entails efforts across all operating areas, from ports and coastal areas to extended offshore operations, and must include extensive domestic and international partnerships.

The thick blue line in figure 1 shows the expanse of our maritime borders.



Figure 1

The Coast Guard is the lead Federal agency for securing our maritime border

The Nation has built a Coast Guard able to operate successfully in this complex and unique environment. Single-purpose agencies such as the Revenue Cutter Service, the Lifesaving Service, and the Lighthouse Service have been integrated over the last century into the uniquely effective and efficient Service we are today. The Coast Guard you exercise—the Coast Guard that we have collectively built—has a relatively straightforward purpose: exercise authorities and deploy capability to guarantee the safety and security of the U.S. maritime domain. That is who we are, what we are charged to do, and represents the core character of the Service. We are military, multimission and maritime.

Maritime risks

Secretary Chertoff has emphasized that the three variables of threat, vulnerability and consequence serve as the appropriate model for assessing risk and deciding on the protective measures we undertake as a Nation. I agree and in terms of threat, vulnerability, and consequence, the maritime realm presents unique challenges.

—*Threat.*—While the 9/11 Commission noted the continuing threat against our aviation system, it also stated that “opportunities to do harm are as great, or greater, in maritime or surface transportation.” From smuggling to piracy, suicide attacks to the threat of weapons of mass destruction, the threats are many and varied. Much of the current public discourse focuses on container security, which is appropriate given the recent headlines. However, a container is only as secure as the ship and crew that carries it. In fact, the greatest observed maritime threat remains smuggling. There are a wide variety of maritime threat scenarios and vectors beyond the confines of a single container. For example, a formal Coast Guard risk assessment revealed that small boats actually pose a higher risk. These small boats, traditionally used to smuggle drugs and migrants, can also be used to carry out *Cole*-type attacks on United States interests, bring in weapons of mass destruction (and other types of weapons) and/or to sneak terrorists into our communities.

—*Vulnerability.*—Our Nation is vulnerable to seaborne infiltration. There are dozens of nations in Central and South America and the Caribbean close enough that maritime trafficking of migrants, drugs, or other illegal commodities remains a constant threat. As on land, we know that there are numerous professional migrant smuggling rings that operate in the maritime realm. Some operate in the Caribbean or from nations further south such as Ecuador. Meanwhile, Haiti and the Dominican Republic are the launching point for thousands of illegal migrants each year; and Cuba, one of the designated State Sponsors of Terrorism, sits just south of the Florida Keys. There are no highways or deserts to cross between Cuba and the United States—only 90 miles of ocean, easily crossed in two hours or less in a high-powered speedboat—and we see hundreds of such smuggling attempts every year. The proximity of U.S. population centers to the maritime domain and the diversity of maritime users present significant and wide ranging vulnerabilities. Effectively addressing these vulnerabilities requires maritime strategies that detect and defeat threats as far from the U.S. shores as possible.

—*Consequence.*—Contributing nearly \$750 billion to the U.S. gross domestic product annually and handling 95 percent of all overseas trade each year—the value of the U.S. marine transportation system and the consequence of any significant attack cannot be overstated. Neither can the range of maritime terrorist attack scenarios we can envision—whether it’s the recurring consequence of migrant and drug smuggling, to more severe events such as attacks on commercial vessels or ports, the infiltration of terrorists or their sympathizers into our Nation, or in the worst case, delivery of weapons of mass destruction into our communities. The economic consequences to any disruption would be severe. A recent Congressional Budget Office (CBO) study estimated the economic consequences (to Gross Domestic Product (GDP)) of a one-week shutdown of a single major port to be as much as \$150 million per day.

The Coast Guard has put in place a variety of systems to methodically assess each of these components of risk such that we can target resources appropriately. It is also these broad risks and the complexity of the global maritime environment that led the President to issue in September 2005 the National Strategy for Maritime Security (NSMS). This strategy is unprecedented in its dedicated focus on the maritime domain and the necessity for its global security. The NSMS addresses the full range of maritime threats and is not limited to terrorism.

Securing the Maritime Border Now and in the Future

Leveraging its longstanding partnerships and unique maritime authorities and capabilities, the Coast Guard has significantly enhanced nationwide maritime security. Significant challenges remain and much more work needs to be done, but we’re focused on the right priorities:

—*We are More Aware.*—Before 9/11, we had no mandatory ship-tracking requirement for large commercial vessels. Since 9/11, vessel reporting requirements have been expanded, we have forged an international agreement to accelerate the requirement for Automatic Identification System (AIS) capability, which provides real-time information on vessel positions and movements, and established a National Vessel Movement Center to coordinate the screening of vessel and crew arrival information. The Coast Guard has also become an integrated

member of the intelligence community—strengthening our organic capability with Maritime Intelligence Fusion Centers and Field Intelligence Support Teams, while also strengthening our partnership with the Office of Naval Intelligence.

- We have Implemented a Comprehensive Domestic and International Security Regime.*—Before 9/11 we had no formal international or domestic maritime security regime for ports, port facilities, and ships with the exception of cruise ships. Partnering with maritime stakeholders, we now have both a comprehensive domestic security regime and an international security convention in place.
- We have a More Effective Operational Presence.*—Before 9/11 we were short-handed and could not have met today's mission requirements without our Reserves and Auxiliary. Since 9/11 we have:
 - Established 13 Maritime Safety and Security Teams;
 - Deployed more than 80 new small boats (RB-S) and boat crews;
 - Provided radiation detection capabilities to our boarding teams; and
 - Acquired 15 Coastal Patrol Boats and accepted transfer of five Navy 170-foot Patrol Crafts to increase operational presence in our ports.

Our overarching strategy is to, through a layered security architecture, “push out our borders.” Our unambiguous goal is to meet threats far offshore in order to avoid hostile persons, vessels or cargoes entering our ports or coastal regions. In the maritime realm, a goal line defense is no defense at all. This principle is exemplified daily as we intercept drug and migrant laden vessels as far away as the Galapagos Islands and last spring, when Coast Guard units, working with an interagency team, intercepted a suspect cargo ship over 900 miles east of Cape Hatteras, NC. In this case, the threat was determined to be unfounded but our ability to push the borders out is an essential element in protecting our homeland.

The Coast Guard faces challenges in the maritime domain similar to the Border Patrol in securing the land border—with a limited set of resources, locate amid vast geographic areas and huge amounts of legitimate activity those seeking to do us harm. The phrase “finding a needle in a haystack” is an apt description of the challenge. The foundation of our maritime strategy relies on three key priorities:

- Achieve Maritime Domain Awareness;
- Establish and Lead a Maritime Security Regime; and
- Deploy effective and integrated operational capability.

These are not stand-alone goals, but rather part of an active system of layered maritime security. For example, the Maritime Transportation Security Act (MTSA) led to the establishment of domestic and international AIS carriage requirements for certain commercial vessels. But without investment in systems to collect, analyze and disseminate the AIS signals we lose the opportunity to assess threats early. Similarly, the detection, identification and interdiction of small vessels (that certainly do not advertise their position) used by smugglers throughout the Caribbean and Eastern Pacific requires persistent surveillance capabilities. In the end, Coast Guard assets must be capable of mounting a dependable response to identified threats lest we have information but not the capability to act. Put another way, having airborne sensors identify and track suspicious vessels is of little use without surface forces able to respond.

Coast Guard assets and systems are required to operate across a diverse operating area including within our ports, in the littoral region, and far offshore. Thanks to the strong support of the administration, Congress and this Committee in particular, a number of initiatives are underway to transform Coast Guard capabilities. Several are worth highlighting as each will have a broad and substantial influence on our ability to mitigate current and future maritime risks.

Integrated Deepwater System.—The centerpiece of the Coast Guard's future capability is the Integrated Deepwater System, recently revised to a 25-year \$24 billion acquisition program and reflective of post-9/11 mission requirements. The Integrated Deepwater System was designed to secure the Nation's maritime borders just as the newly-announced Secure Border Initiative will help deliver a system to secure the land borders. In the end, they will complement each other in delivering a comprehensive system of border security.

A critical dimension of the Deepwater Program's assets and systems is their ability to fill operational gaps. As was addressed in the Coast Guard's operational gap analysis report submitted to Congress with the fiscal year 2007 budget request, the action plan to deliver the operational capabilities and requirements specified in the revised Deepwater implementation plan is a 25-year effort. This long-term plan requires a fine balance between removing legacy assets from service to realize system cost savings while maintaining sufficient system capacity so as to not exacerbate current operational gaps. The plan results in modest near-term operational hour

shortfalls followed by the steep, long-term gains in operational capability and capacity as new Deepwater assets enter service in greater numbers.

—For example, figure 2 shows the current gap in patrol boat hours; it is affected most adversely by the difficulties encountered in the 123-foot conversion program. Unfortunately, the conversion of our legacy 110-foot patrol boats has not provided the bridge to the future Fast Response Cutter (FRC) that we had hoped. As a result, we have taken steps to advance the design and construction of the FRC order to restore this critical capacity as quickly as possible.

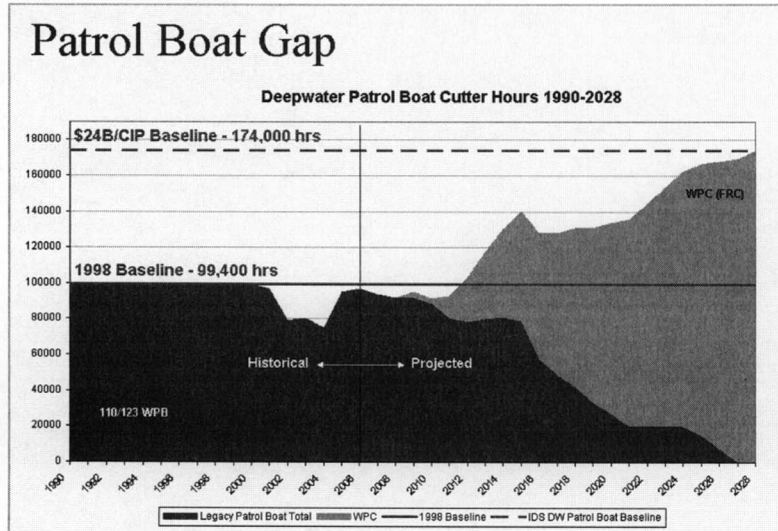
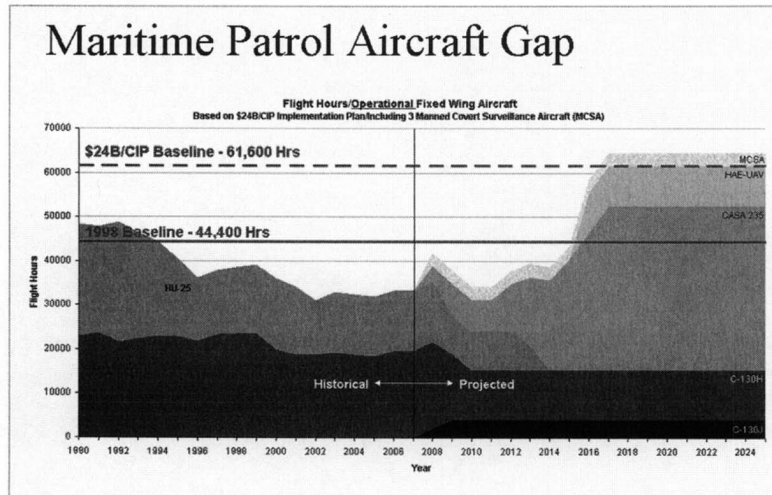


Figure 2

—Similarly, figure 3 shows the pre-existing Maritime Patrol Aircraft (MPA) gap. The revised Deepwater implementation plan strives to mitigate this gap by keeping more legacy C-130H aircraft in service longer while adding new Maritime Patrol Aircraft (CASA-235's) to the Coast Guard air fleet. Additionally, the Coast Guard and Customs and Border Patrol are working together to fill the gap with a manned covert surveillance aircraft projected to serve as a surveillance platform in the Caribbean risk vectors.



The Coast Guard will continue to mitigate operational gaps in the near term, while striving for the future Deepwater fleet that will exceed current legacy capability and capacity. The requirements and capabilities reflected in the post-9/11 revised Deepwater implementation plan will be delivered methodically and prudently over the next 25 years.

Just as important as building capacity to fill the operational gaps cited above is ensuring these assets are able to serve as the “eyes and ears” to allow the Nation to see, hear and communicate activity occurring within the maritime domain. The Coast Guard’s sustained presence along our maritime borders is unique. More capable Deepwater assets, linked to each other and multiple agencies through Deepwater’s net-centric command-and-control system will significantly improve information sharing, collaboration, and interoperability in the maritime domain.

Vessel Tracking.—Securing our vast maritime borders requires improved awareness of the people, vessels and cargo approaching and moving throughout U.S. ports, coasts and inland waterways. The most pressing challenges we now face involve tracking the vast population of vessels operating in and around the approaches to the United States, and detecting and intercepting the small vessels used for migrant and drug smuggling, which can easily be used by terrorists seeking to do us harm. It is against this threat that we need to continually improve, and we are taking significant steps in the right direction. The Coast Guard needs as much information as possible about vessels operating in the maritime domain, particularly their location and identity, in order to enable effective and timely decisions and identify friend from foe. In support of this requirement, the Coast Guard has:

- Established the Automatic Identification System (AIS) to provide continuous, real-time information on the identity, location, speed and course of vessels in ports that are equipped with AIS receivers. AIS is currently operational in several major U.S. ports, and the Coast Guard’s Nationwide Automatic Identification (NAIS) project will expand AIS capabilities to ports nationwide; and
- Initiated development of a long-range vessel tracking system to receive information on vessels beyond the scope of the existing and planned AIS system. Long-range vessel tracking systems are designed to extend tracking capabilities up to 2000 nautical miles offshore.

Personnel Security and Credentialing.—The Coast Guard has made a number of critical improvements to the security and vetting procedures surrounding the issuance of merchant mariner documents. This effort has been bolstered with funding provided in fiscal year 2006 to restructure the merchant mariner licensing program by centralizing security and vetting functions in a new, enhanced National Maritime Center. Future efforts will focus on:

- Working on an accelerated schedule with the Transportation Security Administration to draft rules on implementing the Transportation Worker Identification Credential (TWIC). Enrollment in TWIC is expected to begin on September 1, 2006; and

—Continuing to explore technologies that will allow Coast Guard boarding teams to access existing databases and information sources such as US VISIT.

Maritime C4ISR Enhancement.—Existing Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems and operational concepts must be reoriented and integrated with current and emerging sensor capabilities and applicable procedures. Similar to the Nation's air space security regime, the maritime security regime must integrate existing C4ISR systems with new technologies and national command-and-control systems and processes. For example:

- The Common Operating Picture (COP) and corresponding Command Intelligence Picture (CIP) must continue to grow and expand to Federal, State, and local agencies with maritime interests and responsibilities. The COP provides a shared display of friendly, enemy/suspect and neutral tracks on a map with applicable geographically referenced overlays and data enhancements. The COP is also a central element of the Deepwater solution tying Deepwater assets and operational commanders together with dynamic, real-time maritime domain information. This link is essential to ensure effective command and control of all available Coast Guard assets responding to a myriad of border security threats.
- An expansive and interoperable communications network is critical for maritime security operations and safety of life at sea. In the coastal environment, the Coast Guard's Rescue 21 system will provide the United States with an advanced maritime distress and response communications system that bridges interoperability gaps, saves lives and improves maritime security.
- Hurricanes Katrina and Rita demonstrated the need for robust and resilient port and coastal command and control. Through test-beds at command centers in Miami, FL, Charleston, SC and elsewhere; and joint harbor operations centers established with the U.S Navy in Hampton Roads, VA, and San Diego, CA; the power of partnership, technology and co-location has been proven. The Coast Guard will continue working to expand on these successes and export them to other ports nationwide.

WMD Detection and Response.—The Coast Guard is an active partner and ardent supporter of the Department's Domestic Nuclear Detection Office for their work in identifying new technologies to enhance our seaborne radiation detection capabilities. Similarly, many of the capability enhancements included in the revised Deepwater implementation plan are designed specifically with this threat in mind. We know the trauma that infiltration of WMD could cause our Nation, and intend to remain as vigilant as possible in preventing this from ever happening. Since 9/11, the Coast Guard has outfitted all of its boarding teams with personal radiation detectors, and we have in our inventory hand-held isotope detectors and other equipment that can be employed depending on the nature of the threat. We work closely with the Federal Bureau of Investigation, Customs and Border Protection, and the Department of Energy to respond immediately to any indications of radiation encountered aboard a vessel at sea or in port. Of course, this is really a last line of defense.

As I mentioned in my introductory remarks, there is no single solution to maritime border security. It requires a layered system of capabilities, established competencies, clear authorities, and strong partnerships. The cost of allowing blind spots in our awareness, security regimes or operational capabilities is too high.

Conclusion

Mr. Chairman, we can and should be proud of the positive steps we've taken to enhance maritime security. I credit the innovation, resourcefulness and devoted service of Coast Guard men and women for much of our progress to date. They have made tremendous strides with assets and systems designed for a different era. I am convinced we can do even better as we deliver more capable and reliable operational assets and systems. If we give Coast Guard men and women the training and equipment to do the job, they won't let us down.

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

Senator GREGG. Thank you, Admiral.

We're joined by Senator Byrd. If you would like to make an opening statement, and then questions, we have a vote at 11 o'clock.

STATEMENT OF SENATOR ROBERT C. BYRD

Senator BYRD. Good morning, folks. Thank you, Mr. Chairman.

I thank our chairman for holding this hearing today. I would agree with him on almost anything—

We both agree that, in order to have effective border security, the Department of Homeland Security should be focusing its resources not only on our land borders, but also on our relatively undefended coastlines and rivers.

I welcome the next Commandant of the United States Coast Guard. And I thank him for leading the hurricane recovery efforts on the gulf coast. We know that, as security at our land borders is tightened, illegal aliens, drug runners, and terrorists will turn to our waterways for entry into this country, our homeland.

According to Coast Guard statistics, the flow of illegal aliens through our waterways has more than doubled in the last 10 years, and will continue to grow. The administration has concluded that international migration, quote, “will be one of the most important factors affecting maritime security through the next 10 years, and that a significant commitment of security resources is necessary.”

Now, the budget does not match this rhetoric. What is known as the Secure Borders Initiative is being promoted, but the initiative makes no mention of securing our wide-open waterways and coastlines from illegal migration.

The Coast Guard is facing a crisis in its ability to maintain assets that perform border and maritime security missions. Recent budget requests by the administration have allowed this crisis to fester. The condition of Coast Guard ships and planes is declining rapidly. These assets spend more and more time out of service. For example, total patrol-boat hours in 2004 were 25 percent lower than in 1998. Current Coast Guard maritime patrol airplanes can only provide half of the hours required to meet operational commitments.

At the same time, funding constraints require maintenance on these aging assets to be deferred more and more every year. From fiscal years 2001 to 2005, the Coast Guard deferred over \$121 million in maintenance needed for its naval fleet and \$159 million in maintenance needed for its air assets.

The President says that we live in a post-9/11 world. Frankly, the Coast Guard’s fleet of ships and planes is fit for the last century. To properly secure the maritime domain, the Coast Guard needs a fleet fit for this century.

And so, I was troubled to learn that the fiscal year 2007 Deepwater budget is flat as far as the eye can see. Deepwater won’t be completed until 2026—I won’t be here—20 years from now—only in spirit. If we do not invest in the Coast Guard now—now—it could become the FEMA of 2010.

Admiral Allen, my dear wife’s mother was an Allen from Virginia. You’ve heard of Sidney Allen, haven’t you? He shot up the courthouse down there, huh?

Admiral ALLEN. Yes, sir.

RESOURCES REQUIRED TO SECURE MARITIME AVENUES

Senator BYRD. All right.

Admiral Allen, we are here today to discuss the resource requirements that the Coast Guard needs to secure our maritime avenues.

In 2004, Commandant Collins characterized the Coast Guard's assets as being in a declining readiness spiral.

Your testimony on operational gaps indicates that the Coast Guard continues to face significant challenges. I look forward, with our very able chairman, to an open and frank discussion on the assets you need to carry out your mission as it relates to border and maritime security.

Thank you.

Thank you, Mr. Chairman.

Senator GREGG. Thank you, Senator.

And I agree with the Senator from West Virginia, as I often do. He's very generous to me. But he's absolutely right on his assessment, I believe, of where the Coast Guard is. And my concern is the same as the Senator from West Virginia, which is—it doesn't appear to me that what we've got in the pipeline for you is what you need in order to do your job, and the charts sort of explain that.

I guess my first question to you is, How much of that is a function of resources that you need? And how much of it is a function of the things like the cutter issue, which is that you're changing design midstream? So that even if you have the resources, you can't buy the ships, because you haven't decided what type of ship you want—or, in this case, boats—I guess they aren't ships. Well, they started out as boats, maybe they're going to turn out as ships. But, in any event—so, break that out for us. You've got these charts here that show us what we need to add in capital investment. And I look on capital investment as something we should be able to do around here fairly simply, because it's just buying things that you need, to make sure you can do the job right.

So, tell us what you need in resources, on top of what is in the budget, as proposed, and in the supplemental, as passed, where you receive some additional funds—or, not as passed, but as it came out of committee. And then, tell us what the difference is between additional money and resolving some of these issues around what the character is of the item you're buying, whether you're agreeing on the type of cutter, the type of aircraft.

Admiral ALLEN. Yes, sir.

You characterize the problem exactly right. It's an issue of resources, and it is an issue of requirements. And a couple of things have happened simultaneously that bring us to where we're at today.

As you know, the original Deepwater contract was awarded based on requirements that were suitable for 1998. And we know, in a post-9/11 environment, our cutters and aircraft have to operate in a much more—different area and operational threat environment regarding force protection, CB—chemical, biological, nuclear weapons, and so forth. What we have tried to do is rebaseline those requirements.

I think the requirements are fixed now. We submitted a report last year. We certainly don't intend to have any great deviation from those requirements in the future. And it's more of an issue of how you take those requirements and build those in to the current plan, and have those reflected. And that's what's causing some of the problems. As we've gone in and asked for these requirements

to be included in designs, that's created some challenges for our integrated Coast Guard systems partners. Most notably, we're currently looking at the fast-response cutter composite ship that was supposed to increase speed, give us a stern launch boat capability, increase our sensors and communications capability. Those are the new requirements, that don't exist in our current fleet, that we need. However, that design that we're looking at right now has some issues with it, and we'll complete a review in another 3 to 4 weeks on it.

Notwithstanding that, there is a gap in those patrol boat hours. And whether it's the fast-response cutter or some other craft that can meet those requirements, we do need those resources now.

Regarding funding, it was originally envisioned, when this contract was awarded, that we would be working with about \$500 million a year to source this program. We are now up close to a billion for the foreseeable future, so there has been an increase in resources provided to the program. That has allowed us to simultaneously bring new assets online, and also conduct maintenance on the older ones, especially the 210 and the 270 fleet, which are undergoing mid-life renovations at our Coast Guard Yard. So, it's a matter of balancing the additional money against the repair of the legacy cutters, but bringing those new requirements in as fast as we can, sir.

Senator GREGG. Well, how much additional money would you need so that we could get this done, so that Senator Byrd could be here in charge of launching the last ship—

Admiral ALLEN. Well, I think—

Senator GREGG [continuing]. With the Deepwater Program?

Admiral ALLEN [continuing]. In the current year, sir, not a lot of additional money is needed. I think some key decisions have to be taken. And one is whether or not we're going to proceed on the current course with the fast-response cutter or go with some kind of off-the-shelf design and get something with the money we already have appropriated and what is planned and requested for 2007 on target, if you will, for the right platform we need.

Senator GREGG. Well, you know, the—as Senator Byrd mentioned, it's going to take until 2026, I think he said, to build out the Deepwater Program. I mean, that just doesn't seem reasonable. How do we accelerate that? What do you need for resources to—

Admiral ALLEN. Well, sir, we previously answered that accelerating the program would actually cut the overall cost of the program by a couple of billion dollars a you move it toward 2016. That would get those resources in faster. The current program does what we need it to do, but it does it over a longer period of time. It can be shortened, and we could bring the assets on faster, sir.

Senator GREGG. So, give us a number.

Admiral ALLEN. I can provide it for the record, but I think by moving it up to around—and I would like to make sure I've got it right for the record, but I think by moving this completion up closer to 2016, you actually move the cost down between \$1 and \$1.3 billion—\$1 and \$3 billion, because you're spending the money sooner, and you're getting those assets online quicker, you're not involving the costs of extending the—

[The information follows:]

FUNDING REQUIRED TO COMPLETE DEEPWATER ACQUISITION

A preliminary estimate of \$21 billion in funding would be required to complete the Deepwater acquisition within the next 10 years. The required funding levels for fiscal year 2007 and future years are provided in the table below.

(Millions of dollars)

Fiscal year	Required Funding
2006 & prior	3,128
2007	934
2008	1,569
2009	2,890
2010	2,440
2011	2,480
2012	2,086
2013	2,077
2014	1,999
2015	864
2016	577
TOTAL	1.004

Senator GREGG. Well, I think that's what I would like to do. I know it's what Senator Byrd would like to do. And if it's within the resources of this committee, we will do it. So, we'd need that number—

Admiral ALLEN. Yes, sir.

Senator GREGG [continuing]. If you can get it to us.

CARGO INSPECTION AT FOREIGN PORTS

Secondly, and then I'll turn to Senator Byrd and then to Senator Allard, how are we doing on inspecting cargo as it leaves the ports around the world and heads toward us, and then capturing cargo before it hits us—

Admiral ALLEN. Yes, sir. Well, that's—

Senator GREGG [continuing]. That's dangerous?

Admiral ALLEN. Yes, sir. As you know, the responsibility for that largely lies with the Customs and Border Protection Service, and largely through their Container Security Initiative, which places inspectors in foreign ports at the point of embarkation to make sure we know what's manifested in those containers. It allows us to screen the cargo and the other manifest data through the National Targeting Center to single out containers that might be of an issue. In addition to that, through the International Ship and Port Security Code, the Coast Guard are conducting assessments of foreign ports to make sure they're compliant with the national standards.

Yeah, I'm sorry.

Senator GREGG. What's your assessment of what—how we're doing in this exercise, in determining whether cargo headed towards us is safe?

Admiral ALLEN. Well, I think we're doing better than we were, but we can do better, sir. I think the more we can put into the Container Security Initiative and advanced clearance of those manifests and dealing with the containers issue at the point of embarkation, the more the Coast Guard can go in and look at these ports and make sure they're in compliance with the International Ship

and Port Security Code, we'll all enhance that now, that's all based on the resources we have right now. It could be accelerated, with more resources, sir.

Senator GREGG. Senator Byrd.

SECURING WATERWAYS AND COASTLINES FROM ILLEGAL MIGRATION

Senator BYRD. Mr. Chairman, as I indicated in my opening statement, the administration is now promoting what it is calling the Secure Borders Initiative. However, the initiative makes no mention of securing our wide-open waterways and coastlines from illegal migration. When we strengthen security at the land borders, those who wish to enter this country illegally will pursue other entry points.

The Coast Guard needs a 21st century fleet of ships and planes. Unfortunately, today the Coast Guard has a fleet fit for the last century. The Coast Guard's fleet of cutters is currently the 37th oldest of the world's 39 like-sized naval fleets.

The charts in your testimony compare Coast Guard asset performance to a 1998 baseline. The President says that we live in a post-9/11 world, but the Coast Guard is measuring its performance against a pre-9/11 baseline.

Admiral Allen, why are you using a pre-September 9/11 baseline?

Admiral ALLEN. Well, sir, that was the baseline when the contract was awarded. That was adjusted last year to reflect post-9/11 requirements, and that currently has been memorialized in the plan, as reported to Congress with our budget in fiscal year 2007. As I stated to the chairman, the challenge now is to getting those new requirements designed into those holes that were already scheduled to be built, so that we—when those hours come out there to fill that gap, they're more effective hours. In other words, it's not the same vessel that we would have bought in 1998; it's a vessel we need for 9/11. You're absolutely correct, sir.

The challenge right now is to make sure those requirements, by a technical means, are included in the contract and then put into those designs so we have those platforms out in the hands of our people to make them more effective. And that is the challenge before us today, sir, and that's the one we're working hard on.

RAPIDLY DECLINING CONDITION OF COAST GUARD ASSETS

Senator BYRD. The condition of Coast Guard ships and planes is declining rapidly. These assets spend more and more time out of service. For example, total patrol boat hours in 2004 were 25 percent lower than in 1998. Current Coast Guard maritime patrol airplanes can only provide half of the hours required to meet operational commitments. At the same time, funding constraints require maintenance on these aging assets to be deferred more and more every year.

From fiscal years 2001 to 2005, the Coast Guard deferred over \$121 million in maintenance needed for its naval fleet and \$159 million in maintenance needed for its air assets. The Coast Guard's 110-foot patrol boats, which you use to interdict illegal aliens and drugs, are in a "declining readiness spiral," according to Commandant Collins. Coast Guard patrol boats are operating in theater less today than they were in 1998. Total patrol boat hours were

only 75,000 in 2004, compared to the 1998 baseline of approximately 100,000 hours. Under the Deepwater plan, this gap won't be closed until 2012, at the earliest. The administration's National Strategy for Maritime Security calls for a, quote, "significant commitment of security resources," close quote, to deal with illegal sea-borne immigration.

Admiral Allen, the Coast Guard is facing a crisis. The fiscal year 2007 budget pushes the development of the fast-response cutter to the right. Indications are that the five patrol crafts that are on loan from the Navy will be returned in 2008. Six 110s are operating in Iraq and may not be returned.

You have an opportunity at this hearing to tell us what can be done right now to turn this situation around if additional resources were to become available. Now, new 110-foot patrol boats help the short-term gap that you that have discussed in your testimony?

Admiral ALLEN. Yes, sir. I agree with you completely. The patrol-boat gap has to be addressed. And, currently, the design of the FRC won't get us there on time. And, you're right, it is scheduled to move to the right. I think we need to address this near-term crisis on patrol boat hours with some unique and innovative thinking. I think we need to go for some kind of a Paracraft design or a design that can be manufactured more quickly and put in the hands of our people. And we fully intend to explore that with our integrated Coast Guard systems partners shortly. We should receive a complete technical evaluation of the design issues with the FRC sometime in the next 3 to 4 weeks. But it is our intent right now to proceed very aggressively to look at an alternative bridging craft to get us through this period, and get it online as fast as we can.

And to the extent that there is money that is available for the FRC, I think that money needs to be applied to get that new patrol boat out there as soon as we can get it, sir.

Senator BYRD. So, you've said sometime in the next 4 weeks.

Admiral ALLEN. That's for the final technical evaluation of the FRC. We're not precluded, nor have we stopped going ahead to discuss what we might do to fill the patrol boat gap. We do need some kind of candidate craft that will fill that gap, sir, and we intend to do that.

Senator BYRD. All right.

Have I more time? Yes.

I thank you. And—thank you, Mr. Chairman.

Senator GREGG. Thank you.

COAST GUARD'S ROLE IN NORTHERN COMMAND

Senator Allard.

Senator ALLARD. Mr. Chairman, thank you. I find this hearing fascinating. It's been a few million years since we had a coastline in Colorado, the State I represent. But I would tell you that the image that I have of the Coast Guard—and I think most people in Colorado—is that you do a great job, and we appreciate your sacrifice and effort to help secure the borders of this country.

I—we also have located, in Colorado, Northern Command—

Admiral ALLEN. Yes, sir.

Senator ALLARD [continuing]. Which is the military joint command to secure our country. What role does the Coast Guard play with Northern Command, if any?

Admiral ALLEN. Well, sir, we play a significant role, but, I might add, before I answer, that we have some very dedicated Coast Guard auxiliaries and reservists that live in your State that—

Senator ALLARD. You do.

Admiral ALLEN [continuing]. Contribute greatly to the Coast Guard.

Senator ALLARD. You—

Admiral ALLEN. I'd be glad to give you a brief, at some time, if you'd like that, sir.

Senator ALLARD. Yeah. And I think I've met some of those individuals. We have a few people in the Navy, too. And I always love to ask them if they anticipated being stationed in Colorado or Nebraska.

But, no, they're great professionals.

Admiral ALLEN. Yes, sir.

Senator ALLARD. Yeah. Go ahead.

Admiral ALLEN. Thank you.

We have had a very close relationship with U.S. Northern Command since it was founded. Immediately following 9/11, as you remember, the homeland defense mission in this country was given to the Joint Forces Command, down in Norfolk. At that time, I was the Atlantic area commander, in command of our forces on 9/11, and I actually worked collaboratively with General Kernan and General Eberhart as they put together the terms of reference to actually build NORTHCOM. We detailed officers into the staff that actually put together the plans to stand it up. I provided a Coast Guard liaison officer very early on, and we now have Coast Guard people out there that jointly staff U.S. Northern Command, and we have a very good working relationship.

While I was exercising my duties as principal Federal official for Hurricane Katrina response, I was in touch constantly with Admiral Keating and Lieutenant General Inge regarding the requirements I had down there in my dealings with General Honore. So, I can tell you, we have a very close relationship with NORTHCOM, and we certainly will continue to do that, sir.

Senator ALLARD. Well, I'm glad to hear that. A lot of technology involved with Northern Command.

Admiral ALLEN. Yes, sir.

Senator ALLARD. A lot of it is satellite driven and whatnot. Do you feel that you have adequate technology there to work with the military in meeting your requirements, or your responsibilities that might be delegated through Northern Command?

Admiral ALLEN. Well, we're—by statute, the Coast Guard has to be interoperable with the Navy, so, in a time of war, if we need to be shifted, we could. So—

Senator ALLARD. Yes.

Admiral ALLEN [continuing]. We do have interoperability, from a communications standpoint, with our DOD forces.

One of the interesting things that the Deepwater solution is going to bring to the Coast Guard is some of the even higher-level technologies that are commonly used by DOD right now, and put

them right on our cutters at sea out there, and things like SIPRNET chat rooms, ability to transfer a common operating picture, so you could virtually have Coast Guard headquarters, Northern Command, and a CO of a Coast Guard cutter in the Caribbean actually looking at the same screen at the same time, sir.

Senator ALLARD. Yeah.

Admiral ALLEN. And that's one of those——

Senator ALLARD. Well, that——

Admiral ALLEN [continuing]. The things we're really trying to bring onboard with the Deepwater Project.

Senator ALLARD. Yeah. And I come off Armed Services Committee, and I know we've been working and trying to use the satellite system, provide that type of technology for the soldier on the field, as well as the boat or the ship on the waters.

Admiral ALLEN. Absolutely, Senator.

Senator ALLARD. And I think it's——

Admiral ALLEN. Yes, sir.

UPDATING THE LORAN NAVIGATIONAL SYSTEM

Senator ALLARD [continuing]. Fabulous technology, and I think it will help us do a good job.

On the navigational side, we have a company in Colorado called Loran, which is your older navigational systems. And I think pretty much that sort of technology is getting outdated. And I think you're replacing it with a GPS system, which I think has to be done. But do you—do you need to keep Loran around for a backup system, or do you think you—the technology's got enough backup and—the new technological systems has enough backup in there that you don't need to have Loran anymore as a backup system? What is your thoughts on the technology changes that are going on navigational equipment?

Admiral ALLEN. Yes, sir. And it's an excellent question.

Our current Loran-C system has been around since the early 1960s. Quite frankly, GPS provides superior positioning systems.

Senator ALLARD. Sure.

Admiral ALLEN. There was some residual discussion about whether or not the use of Loran signals to—for timing purposes, universal time, might have some residual value. We have discussed that within the interagency and the Federal Government, and I think the consensus is that it's time to go ahead and decommission the Loran system in the country. GPS provides an adequate navigation system in place of that.

Sometimes it's hard to do away with those things you've been doing for a lot of years.

Senator ALLARD. Exactly.

Admiral ALLEN. I was the commanding officer of a Loran station in Southeast Asia right at the end of the war, but that's how old that technology is. And some of the stuff still runs on vacuum tubes. And the cost it would take to upgrade that technology, when there is a more effective means of providing navigation services, probably dictates that we not do that, sir.

Senator GREGG. Senator——

Senator ALLARD. Thank you, Mr. Chairman.

Senator GREGG. Thank you. There is a vote on. Senator Byrd asked courtesy of being able to ask questions so he'd get started towards the vote. Is that all right with you, Senator Murray? And then we'll go to Senator Murray.

Senator BYRD. I thank the Senator.

CLOSING THE OPERATIONAL GAP FOR PATROL BOATS

Senator GREGG. Go ahead.

Senator BYRD. Quickly, thank you.

Admiral, you have said that you are aggressively pursuing a new native craft to close the operational gap for patrol boats.

Admiral ALLEN. Yes, sir.

Senator BYRD. What would it cost to add additional patrol boats now?

Admiral ALLEN. Well, I think we need to look at the current plan in Deepwater and how much money is available for patrol boats. But my guess is that we can get something down in a fairly affordable range working with our ICGS partners in a—using the design that's already been proven out there. And I'm talking about driving this thing down to something where we can get a patrol boat for somewhere between \$20 and \$30 million, max.

Senator BYRD. Thank you.

Admiral ALLEN. Excuse me?

Senator BYRD. Thank you, Admiral. We want to help.

Thank you, Mr. Chairman.

Senator GREGG. Thank you.

Senator Murray.

FUNDING REDUCTIONS TO COAST GUARD'S TRADITIONAL MISSIONS

Senator MURRAY. Yes, thank you, Mr. Chairman. I know there's a vote on, and we need to get over to the floor, but I wanted to come—I was in another hearing—and just thank you, and all the men and women in the Coast Guard, for the tremendous job they've done. And your leadership has certainly been noted. And I know you're going to become Commandant in May, and you're coming at a time when we need you. And I think you're going to be doing an excellent job. I look forward to working with you on that.

I did want to come to this committee, because I am concerned—and I think we all learned from Katrina, the tremendous multiple missions that the Coast Guard has. And I remain concerned that, although the Coast Guard funding looks pretty good in the budget, under the President's budget request there are more than \$230 million in cuts to Coast Guard's traditional missions, maritime safety, including search and rescue, important to my end of the world, cut by \$143 million; natural resource protection, cut by \$56 million; maritime mobility is cut by \$32 million.

Admiral, I know this hearing is focused on border and port security, but if the budget doesn't provide you with proper funding for all your missions, we're simply asking the Coast Guard to do more and more with less and less. And if you could share with this committee, if it turns out that you need more funding for these traditional missions, would Homeland Security funds be used, or do we just do less in those mission areas?

Admiral ALLEN. Thank you for the question, Senator.

The way we portray those costs in those budget is through an algorithm. We take historical hours that are applied to missions, and then we have a way, through what we call a mission cost model, to actually load those hours. We actually keep track of every hour that an airplane, a small boat, or a cutter operates, and then we're able to load the costs onto that. And so, these are projections based on historical data, how we might spread the budget, as it's presented. I can tell you right now that we will not diminish our search-and-rescue readiness posture. Our field commanders are empowered out there to apply resources to the highest need available. And they know search and rescue comes first. So, while we spread these algorithms out for costing purposes in the budget, I can commit to you right now, there will be no diminution in our search-and-rescue missions.

Now, beyond that, our field commanders are allocated resources, and are given the autonomy to apply those to the highest need within their areas of responsibility. And you're very familiar with—in our 13th District, how that happens. So, while we project those things in the budget, that is just a projection, and it may not bear the exact same reality of how we actually execute those hours out there.

But, overall, it's a tradeoff that our field commanders make. We know search and rescue's going to come right off the top. And so, to the extent that you're operating in a constrained environment, the rest of the missions are going to be debited somewhat to make sure you hit the top line.

VESSEL AND FACILITY SECURITY PLANS

Senator MURRAY. Okay. And, really quickly, under the Maritime Transportation Security Act, Coast Guard was charged with ensuring the implementation of 3,500 vessel security plans and about 10,000 facility security plans. I did not see, in your written testimony, any reference to that. Can you please update the committee on the progress of those plans across the country?

Admiral ALLEN. We sure can, ma'am. And I can tell you right now, we have about 1,200 people that are on task, both looking at facility plans, vessel plans, and the inspections, to make sure those plans are complied with, sir.

Senator MURRAY. Are they being regularly reviewed, then, by—

Admiral ALLEN. They're reviewed on an annual basis, and then there are spotchecks conducted.

Senator MURRAY. Okay.

I would appreciate that. And if you can give us any additional information, Mr. Chairman, I will submit my other questions for the record, as I see Senator Stevens is here, as well.

But, thank you, and please pass on my thank you to the men and women of the Coast Guard. They do an excellent job. Appreciate it.

[The information follows:]

FACILITIES SUBJECT TO MTSA/ISPS

The Coast Guard has identified 3,064 facilities subject to MTSA/ISPS requirements. All of these facilities have approved facility security plans in place and during the 2005 calendar year each facility was visited under the Coast Guard's annual facility security inspection program.

There were 11,000 Coast Guard approved security plan submissions for vessels subject to MTSA/ISPS regulations. As part of annually required inspected vessel safety inspections, approximately 8,500 security verification exams were conducted between July 1, 2004 and April 1, 2006. The Coast Guard intends to complete security verification exams on all MTSA regulated U.S. vessels by 31 December, 2006.

Admiral ALLEN. Thank you, ma'am.

Senator GREGG. I'm going to head—I have to vote.

Senator Stevens has some questions, and he'll wrap this up.

Admiral, again, thank you. Thank you for your service. Thank you for the extraordinary job you did in Katrina, and that your team did in Katrina.

And at some point, I'd like to get a written response as to whether or not we've straightened out, between you and the FBI, who's in charge when your SWAT teams go onto a—into a situation like occurred in the exercise in Connecticut.

Admiral ALLEN. Yes, sir. I would just respond briefly that I am personally working with John Pistole, the Deputy Director of the FBI, and I can tell you we are much closer than what it would appear in the press.

MAINTENANCE FOR NEW ASSETS

Senator STEVENS [presiding]. Well, Admiral, I had a call from my staff to tell me I could call you and tell you're nomination is cleared. I decided to let you find it out in normal course, but I'm delighted we finally got those people straightened out that were holding up your nomination.

I have a couple of questions. One is this. In the recent years, a large portion of your budget has gone to maintain legacy assets. And the question is, What about new assets? And I would like to ask you to give us a reply to this question, What percentage of the fiscal year 2007 Deepwater budget will be used for legacy asset maintenance? Is it going to continue to increase? is what I want to know.

MARITIME BORDER SECURITY BETWEEN ALASKA AND ASIA

Second—and I've talked about this before, but we have a very large maritime—long maritime border. We harvest 60 percent of the fish consumed by the Americans comes from that area. This is an area that needs protection. And when 9/11 took place, the Coast Guard vessels disappeared, went down to protect Los Angeles and San Francisco. My people tell me that, while you have some assets back, the emphasis and the primary focus of the Coast Guard is still upon the southeast and southwest borders, and not upon the maritime border between Alaska and the nations of Asia.

Now, what is being done to secure those borders? Are we going to bring some of these assets back and restore the patrols? Are we going to use the Predator or some means of UAVs for the future?

Admiral ALLEN. Yes, sir. I'll start from the back and work forward, if I can there. As you know, we've done two Predator tests in Alaska in the previous two summers. We're doing another Predator test this coming summer; and that will be in conjunction with Customs and Border Protection, to see if we can come in alignment with the joint requirements as regards to unmanned aerial vehicles. So, we continue to have—

Senator STEVENS. Let me interrupt you. Those are dissimilar. One is onshore, the other is out there on the maritime border. As far as keeping the vessels that are invading our waters—these enormous vessels now coming in, harvesting the fish of the deep ocean, those are the assets we're interested in.

Admiral ALLEN. Yes, sir. And we are, too. We feel that unmanned aerial vehicles are a way to give us better coverage up there, so we can detect those incursions. We also, as you know, are decommissioning the *Storis* and putting a 378-foot cutter in Kodiak, which is a much more capable platform, also helo capable, to be able to more effectively work the boundary line and also the Gulf of Alaska. It's our intent to maintain the commitments for the footprints we have with the cutters that are already up there, and sustain our presence up there, sir.

Senator STEVENS. All right. Well, I want you to know, I'm going to seek your help. I intend to go to the United Nations and talk to them about some way to control these marauding international vessels now that are fishing in the deep waters of the ocean. They are really vacuum cleaning the bottom, they're intersecting our migratory fish. And I do believe that it's time that we tried to get some international cooperation in that regard, as we did with the drift nets. Now, your agency was very helpful to us in identifying the drift nets when they came across the maritime boundary into U.S. waters. I want to start getting some statistics on how many of these vessels are coming into our waters and how long they stay in our waters. They're not coming to our shores. They're just coming into the waters, international waters on our side of the maritime boundary; and we believe they're intersecting our migratory fish, particularly the salmon.

Admiral ALLEN. Yes, sir.

Senator STEVENS. We need a restoration of this—the security forces on that border. I think it's as important to the country as what you're doing with regard to individuals coming into the country illegally. These vessels are coming into areas we've declared to be the exclusive U.S. zone for fishing. And we need some enforcement of that zone. That's all there is to it.

So, I'd look forward to working with you on it. But I would like to know, What will be—for the record—What will be the assets that are available for the maritime boundary in Alaska for this year?

Admiral ALLEN. Yes, sir. If I could, I'd provide that for the record, sir.

[The information follows:]

PATROLLING THE MARITIME BOUNDARY LINE

The following Coast Guard assets will be available for patrolling the maritime boundary line (MBL) in Alaska this year.

Coast Guard assets based within Alaska:

—*High Endurance Cutters*.—CGC¹ Alex Haley (WHEC-39)

—*Medium Endurance Cutters*.—CGC² STORIS (WMEC-36)—CGC ACUSHNET (WMEC-167)

¹CGC MUNRO is scheduled to move homeports from Alameda, CA to Kodiak, AK in the third quarter of fiscal year 2007.

²CGC STORIS is scheduled to be decommissioned in fiscal year 2007.

—Number of C-130 aircraft.—4.³
 Coast Guard Pacific Area assets based outside of Alaska:
 —High Endurance Cutters.—10.¹
 —Number of C-130 aircraft.—9.

ADDITIONAL COMMITTEE QUESTIONS

Senator STEVENS. Thank you very much.
 Admiral ALLEN. Yes, sir.
 Senator STEVENS. Thank you very much.
 Admiral ALLEN. Yes, sir.
 Senator STEVENS. Appreciate your courtesy, Admiral.
 Admiral ALLEN. Thank you, sir.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR JUDD GREGG

ACCESS TO THE US VISIT DATABASE

Question. What would it cost to make the database accessible to boarding teams?

Answer. The costs are unknown at this time. As the Coast Guard learns more about the requirements for the US VISIT/IDENT system during the operational prototypes, we will have a better understanding of costs.

Question. Does the Coast Guard currently have access to the US VISIT database?

Answer. Yes. However, the equipment currently available is not designed for use in a maritime environment, thereby limiting its effectiveness. We are working with US VISIT program managers to improve the equipment.

Question. What is needed to make the USCG's access to this system seamless?

Answer. Coast Guard units conducting patrols need improved database connectivity and better portable equipment to use the US VISIT/IDENT system. We are working with US VISIT/IDENT to improve the at-sea connectivity and portable equipment so that Coast Guard boarding teams have seamless access.

Question. Why does the USCG need access to this system?

Answer. Currently, the Coast Guard has no electronic means of identifying people who are trying to illegally enter the country via maritime routes. Having the ability to collect biometrics and access US VISIT/IDENT, will enable the Coast Guard to identify and stop felons and potential terrorists from entering the United States.

Question. Do the boarding teams? Why not?

Answer. Yes, a few boarding teams are prototyping the equipment. There are some unique challenges for the Coast Guard in using the US VISIT/IDENT equipment and database. Having real-time access to the database requires T1 line connectivity. Coast Guard units patrolling on the water have limited data connectivity, making real-time access to the US VISIT/IDENT database challenging. Additionally, there are limited technologies for biometrics collection in a maritime environment (i.e. challenges in obtaining rugged, compact, water proof, transportable equipment).

We are working with US VISIT/IDENT to resolve equipment and database connectivity issues.

INTELLIGENCE REPORTS

Question. How does the Coast Guard share its intelligence reports with other parts of DHS and the rest of the Intelligence Community?

Answer. The Coast Guard has standard connectivity through telephone (both classified and unclassified systems), standard Internet connectivity, video teleconferencing and connectivity at secured levels of classification. Coast Guard intelligence products are routinely posted and shared with other DHS and Intelligence Community members through these means.

In addition, the Coast Guard is an active member of the DHS Information Sharing and Collaboration (ISC) Program. As a member of this program, we are part of the overall initiative within the Department that seeks to improve information shar-

³AIRSTA Kodiak remains programmed for five C-130's, but one is currently located in Elizabeth City, NC and being used to prototype the SELEX airborne radar. This fifth AIRSTA Kodiak C-130 is scheduled to return on or about September 2007.

ing and collaboration within each of the directorates of the Department, DHS elements, across the cabinet level departments and agencies, and with our State, tribal, territorial, local and private sector partners responsible for securing the people and infrastructure of this country.

Question. Do you share or post your entire reports or just their conclusions?

Answer. It is common practice for the Coast Guard's Intelligence Coordination Center (ICC) to share intelligence reports with other DHS agencies and the Intelligence Community through messages and/or posting on a web-site, accessible through various classified systems. These products are generally posted in their entirety, typically including analysts' comments and conclusions.

USCG'S ROLE IN DETECTING AND RESPONDING TO WMDs

Question. What is Coast Guard's role in detecting and responding to WMDs?

Answer. The Coast Guard has a non-redundant radiological and nuclear material detection program that is tailored for the maritime environment and has the ability to detect, localize, characterize and identify radioactive and nuclear materials at sea through the use of personal portable search tools.

Alarm and detection resolution procedures include utilization of Customs and Border Protection's (CBP) Laboratory Scientific Services (LSS) and Department of Energy—Radiological Assistance Program regional response teams. Response to a WMD incident would be conducted in accordance with the National Response Plan.

The Coast Guard works with the Domestic Nuclear Detection Office (DNDO) in protecting our Nation from WMDs that are radiological and nuclear (RadNuc). The Coast Guard is key in domestic maritime interception and investigation of illegal transport and usage of RadNuc materials. Working with DNDO and its interagency network including CBP, the Coast Guard plays an active role in determining appropriate action when a vessel with WMDs approaches the United States.

ARMED AIRCRAFT

Question. When do you anticipate arming your entire fleet?

Answer. The Coast Guard plans to modify all helicopters to support Airborne Use of Force (AUF) missions in a plug and play manner, however, not all helicopters will be actually armed at all times. To conserve costs, the Coast Guard intends to train and arm regional units which can deploy nationwide to support AUF missions in a matter of hours. The Coast Guard's AUF plan is planned to be fully implemented by fiscal year 2010.

Question. I understand that aircraft armed with the airborne use of force package are 100 percent effective in stopping smuggling vessels.

What percentage of your aircraft is currently armed?

Answer. The percentage of currently armed Coast Guard helicopters is as follows:

	Total	Operational	Armed	Percentage
HH-60J	41	34	9	22
HH-65	95	84
MH-68 (HITRON)	8	8	8	100
CG TOTAL	144	126	17	11

Question. If more funds were available, could the process of arming the fleet be sped up?

Answer. Yes.

REVIEW OF OPTIONS RELATED TO DEEPWATER

Question. The Coast Guard is currently reviewing its options relative to contract renewal, competition, or in house management. Describe for me the advantages and disadvantages of using an integrator.

Answer. The Deepwater Systems Integrator (Integrated Coast Guard Systems (ICGS)) provides several notable advantages relative to Integration, Contract Management, Private Sector Expertise, and Buying Power. Some examples are:

—*Integration.*—A System Integrator ensures discipline by enforcing commonality across the system. A review of system level requirements reveals 85 percent commonality in C4ISR alone. This permits all assets to share near real time information through a Common Operating Picture.

—*Contract Management.*—In 2003, a crisis in the safety and reliability of the HH-65 required the acceleration of the HH-65 re-engining plan. Under expedited circumstances, ICGS obtained replacement engines, installation kits, and

re-engineing expertise that led to the first re-engine operational aircraft in less than 8 months and a plan, now being executed, to re-engine all 84 operational aircraft by June 2007, approximately 2 years before the originally scheduled delivery of the first MCH.

—*Private Sector Expertise.*—ICGS is a partnership of Northrop Grumman and Lockheed Martin. These defense industry powerhouses apply both “state-of-the-art” and “state of the market” (i.e. non-developmental) technological expertise to Coast Guard requirements.

—*Buying Power.*—ICGS can take advantage of economies of scale with commonality and volume purchases of equipment and subsystems across asset lines that position the Coast Guard for lower life cycle operating costs due to standardization.

A System Integrator takes a “Top Down” approach that leverages cooperation and coordination across the System of Systems, instead of the traditional “Bottom Up” approach that looks at each asset individually. Without a Systems Integrator, interoperability across the enterprise would be extremely difficult to achieve. Interoperability is a key foundation of the system’s ability to meet mission performance requirements. Independent development of architecture and interfaces would result in assets (cutters and aircraft) that would not be able to effectively communicate with each other. Such an asset-centric approach invariably introduces increased costs and reduced efficiency.

SUCCESS OF DEEPWATER PROGRAM

Question. Given some of Deepwater’s design flaws, delays, mission requirements changes, etc., how would you rate the success of the Deepwater program to date?

Answer. Overall the Deepwater Program has been successful. There have been some challenges that both the Prime Contractor and the Coast Guard have worked hard to overcome, but the successes have outweighed the challenges. In fact, recent GAO testimony cited the Coast Guard’s continued improvement in the management of major acquisitions, foremost of which is the Deepwater Program. Visible operational successes include the 300 people saved by the re-engined HH-65 helicopters after Hurricane Katrina and the record drug seizures that were greatly facilitated by the C4ISR upgrades to the Coast Guard’s fleet of legacy assets. In addition, the first Maritime Patrol aircraft just rolled off the production line and the first National Security Cutter, our largest asset, is approximately 49 percent complete and is scheduled for delivery in early 2008. As asset design and production timelines continue to advance, the successes will continue to multiply.

INTELLIGENCE’S ROLE IN MARITIME SECURITY

Question. What is the role of intelligence in maritime security?

Answer. The role of intelligence in maritime security is to enhance Maritime Domain Awareness (MDA) and provide information on actual or potential threats relative to terrorism, drug trafficking, alien smuggling or other unlawful activity in the maritime realm.

The Coast Guard Intelligence and Criminal Investigations program collects, processes and analyzes information from around the United States and abroad in order to provide actionable intelligence to field commanders and enable informed decision making by the Coast Guard and other government agencies.

Program activities have been enhanced to assist in identifying maritime threats. These include:

- Creation of Field Intelligence Support Teams (FISTs) in various key U.S. ports;
- Development of a Maritime Intelligence Fusion Center (MIFC) under each Area Commander, to provide actionable intelligence to Coast Guard operational commanders, while also sharing that analysis with interagency partners;
- Development of a joint support effort, COASTWATCH, with the Office of Naval Intelligence, to screen arriving ships and crews; and
- Permanent presence on the FBI National Joint Terrorism Task Force (JTTF) and select regional JTTFs.

BANDWIDTH CHALLENGE

Question. Admiral, during a recent ship visit my staff was impressed by the ingenuity of your staff in creating an integrated, interactive common operating picture. However, it seems that the crew’s ability to access this information was limited by bandwidth.

Is the bandwidth challenge a technical issue, a funding issue, or a combination of both?

Answer. Bandwidth limitations are due to a combination of both funding and satellite availability. Currently, the Coast Guard uses commercial satellites for underway connectivity because of the limited availability of Department of Defense satellite bandwidth in certain areas of operation. Satellite technology is costly. Because of this, the Coast Guard closely monitors and strategically allocates available bandwidth to best support critical underway operations.

Question. What would it cost to increase bandwidth and what would be the resultant impact on Coast Guard operations if the ships were equipped with greater bandwidth?

Answer. The Coast Guard Integrated Deepwater System (IDS) C4ISR Implementation Plan provides for a common C4ISR design for all IDS assets that will improve the Coast Guard's overall Surveillance, Detection, Classification, and Identification capabilities. Therefore, full funding of the Coast Guard's fiscal year 2007 request of approximately \$60.8 million for deepwater C4ISR upgrades is critical to achieving more timely information sharing between Coast Guard cutters, DHS, DOD and other law enforcement entities. Improved information sharing will improve awareness permitting more effective identification and prosecution of all maritime threats, as well as improving our overall disaster and threat response capability.

INTELLIGENCE RESOURCES

Question. What are the specific resource shortfalls?

Answer. A critical element of the assets and systems making up the Deepwater program is their ability to fill operational gaps. As was addressed in the Coast Guard's operational gap analysis report submitted to Congress with the fiscal year 2007 budget request, the action plan to deliver the operational capabilities and requirements specified in the revised Deepwater implementation plan is a 25-year effort. This long-term plan requires a fine balance between removing legacy assets from service to realize system cost savings, while maintaining sufficient system capacity to not exacerbate current operational gaps.

The plan results in near-term operational hour shortfalls followed by the steep, long-term gains in operational capability and capacity as new Deepwater assets reach full follow-on production capacity. The current gap in patrol boat hours has been complicated by the unsatisfactory results of the 123-foot conversion program. Unfortunately, this solution of converting our legacy 110-foot patrol boats has not provided the bridge to the future Fast Response Cutter (FRC) that we had hoped. As a result, we have taken steps to advance the FRC by 10 years from the original plan in order to restore this critical capacity as quickly as possible.

The Coast Guard will continue to mitigate operational gaps in the near term, while striving for the future Deepwater fleet that will exceed current legacy capability and capacity. The capabilities call forth in the post-9/11 revised Deepwater implementation plan will be delivered methodically and prudently over the next 25 years.

Question. I understand that USCG is not able to act on all actionable intelligence because of a shortage of resources. Is this true?

Answer. Given the variety of missions the Coast Guard conducts on a daily basis, there are periods when the Coast Guard does not have enough cutters and aircraft patrolling to respond to all drug and migrant smuggling intelligence reports.

Question. What percentage of your actionable intelligence are you not able to act on?

Answer. The Coast Guard receives numerous intelligence reports on a daily basis across all missions areas with varying degrees of reliability and credibility. For this reason, it is challenging to determine the percentage of actionable intelligence reports the Coast Guard is unable to act on. However, Coast Guard operational commanders use these intelligence reports daily to make risk-based decisions on how and where to utilize all of their assets.

For the counter-drug mission alone, the number of actionable events is collected in the interagency Consolidated Counterdrug Database (CCDB). The CCDB information indicates that detection and monitoring assets (primarily Maritime Patrol Aircraft) detected 31.5 percent of known smuggling events in the Transit Zone between January 2000 and June 2005.

Question. How do you prioritize which intelligence reports you act on and which you do not?

Answer. The Coast Guard attempts to act on all tactical intelligence reports. However, Operational Commanders must make risk-based decisions using their professional judgment and considering the reliability of the intelligence, available assets, other missions and timeliness of the required response.

Question. What activities are we not interdicting due to a lack of resources?

Answer. Under the leadership of the Administration and Congress, the Coast Guard has significantly enhanced nationwide maritime security, leveraging its long-standing partnerships and unique maritime authorities and capabilities. However, “you don’t know what you don’t know” and hence challenges remain for the Nation in maritime border security.

There are dozens of nations in Central and South America and the Caribbean close enough that maritime trafficking of migrants, drugs, or other illegal commodities remains a constant threat.

As on land, we know that there are numerous professional migrant smuggling rings that operate in the maritime realm. Some operate in the Caribbean or from nations further south, such as Ecuador. Meanwhile, Haiti and the Dominican Republic are the launching point for thousands of illegal migrants each year; Cuba, one of the designated State Sponsors of Terrorism, sits just south of the Florida Keys. There are no highways or deserts to cross between Cuba and the United States—only 90 miles of ocean, easily crossed in 2 hours aboard a high-powered speedboat—and we see hundreds of such smuggling attempts every year. The proximity of U.S. population centers to the maritime domain and the diversity of maritime users present significant and wide ranging vulnerabilities. Effectively addressing these vulnerabilities requires maritime strategies that detect and defeat threats as far from the U.S. shores as possible.

DUBAI PORTS WORLD ISSUE

Question. In the wake of the Dubai Ports World issue, are you making any changes to the way Coast Guard intelligence is handled?

Answer. While the Coast Guard Intelligence Program is committed to continuous improvement, our after-action review of the intelligence support provided with respect to the proposed acquisition by Dubai Ports World (DPW) did not indicate a need to change any significant aspects of our process.

RADIOLOGICAL MATERIALS AT SEA

Question. What is the Coast Guard doing to locate WMDs, in particular radiological materials, at sea?

Answer. The Coast Guard has the ability to detect, localize, characterize and identify radioactive and nuclear materials at sea through the use of personal portable search tools. Alarm and detection resolution procedures include utilization of Customs and Border Protection’s (CBP) Laboratory Scientific Services (LSS), co-located at the National Targeting Center (NTC). Department of Energy—Radiological Assistance Program regional response teams provide 24/7 follow-on expert response if needed.

The Coast Guard is working with DNDO in developing the latest detection equipment to improve the capability to optimally detect, locate, and identify radiological and nuclear (RadNuc) materials that may be onboard a given vessel. The Coast Guard uses its ability to locate RadNuc materials at sea, in conjunction with the DNDO interagency partners, to detect and deter the illegal usage and transportation of radiological material.

USCG’S ROLE IN WMD EFFORTS WITH OTHER ORGANIZATIONS

Question. How do the Coast Guard’s WMD efforts relate to those of the Domestic Nuclear Detection Office? Customs and Border Patrol? The FBI? The Department of Energy?

Answer. Coast Guard WMD procedures and capabilities are uniquely designed and intended for operating in the maritime environment; they were developed in close coordination with Customs and Border Protection to ensure complementary efforts. In addition to providing training assistance, the Department of Energy—Radiological Assistance Program regional response teams serve as the Coast Guard’s 24/7 follow-on expert response capability if needed. Four Coast Guard Liaison Officers are detailed to the Domestic Nuclear Detection Office; Coast Guard response protocols include notification and interagency coordination procedures for interacting with the Federal Bureau of Investigation for all WMD/terrorism-related incidents.

In addition, DNDO is assisting the USCG by looking at the development and testing of next generation RAD/NUC detection equipment and specifically looking at that equipment’s potential performance in the maritime environment.

ACCELERATION OF PROGRAM COMPLETION BY 10 YEARS

Question. If funding were available to accelerate the Deepwater program toward a 2016, rather than 2026, completion date, how would Coast Guard spend those additional funds in fiscal year 2007?

Answer. It is estimated that at least \$1 billion per year would be needed to accelerate the program to a 2016 completion date. The additional funds would be allocated among the various Deepwater acquisitions projects to build the system in the most efficient manner possible. The administration does not have any specific plans for spending additional funds on the Deepwater program, however, and believes the funding level for Deepwater requested in the President's 2007 budget represents the best acquisition strategy for the Coast Guard in light of competing homeland security priorities.

EXPEDITED PROCUREMENT OF AIRCRAFT

Question. Could procurement of aircraft be expedited if additional resources were available?

Answer. Additional aircraft could be procured if additional funds were available. The EADS CASA production facility has the capacity to build more aircraft to Coast Guard specifications.

UNIQUE MARITIME SECURITY CAPABILITIES

Question. What unique maritime security capabilities does the Coast Guard bring to the table among Federal agencies?

Answer. Serving as the Nation's maritime 9-1-1 emergency service, defender, regulator and "cop on the beat," the Coast Guard is unique in the Federal Government. Using its Title 10 and 14 authorities, the Coast Guard can function in a national defense or law enforcement role.

The Coast Guard has a vast array of highly skilled personnel, assets and infrastructure to leverage in maritime security. Its vessels range from small boats to patrol boats to large, flight-deck equipped cutters. Its aircraft include shipboard and land-based helicopters, as well as fixed-wing aircraft. It is converting many of its helicopters to include Airborne Use of Force (AUF) capability. The Coast Guard also has a robust command and control network across the Nation, ensuring Coast Guard units are ready to respond at a moments notice.

The Coast Guard has also added special capabilities specifically for maritime security, such as Maritime Safety and Security Teams (MSSTs) and the Maritime Security Response Team (MSRT). Embedded within these deployable teams are specialized sub-capabilities, including: Integrated Anti-Swimmer systems; Explosive Detection Dog Teams; Close Quarters Combat capability; and surface interdiction capability.

During the response to Hurricane Katrina, the Nation saw the value of a ready, aware and responsive Coast Guard. Rescuing more than 33,000 people in a 2-week period, Coast Guard men and women from around the Nation contributed to this historic operation. Of course that was the most visible Coast Guard achievement in 2005; from record-breaking drug interdictions to continued implementation of the Maritime Transportation Security Act, the Coast Guard again demonstrated tremendous value to the Nation.

No one can predict the timing of the next catastrophic event akin to Katrina, or whether it will be natural or man-made. Nonetheless, history tells us it will come. When it does, it will be vital that we have done all we can to build a Coast Guard that is prepared to answer the call, supremely aware of the maritime environment and poised for dependable response.

IMPACT OF TIGHTENING LAND AND AIR SECURITY

Question. What is the likely impact of tightening land and air security on maritime security?

Answer. Most criminal actors, whether terrorists, smugglers or others, will exploit the path of least resistance. In this case, if air and land security are perceived by actors as more difficult to overcome than maritime security, they are more likely to consider and use the maritime domain to advance their criminal ends.

EVIDENCE OF ENTRANCE

Question. Do you have any evidence that terrorists have tried or are currently trying to enter this country by sea?

Answer. Yes. An unclassified example is Ahmed Ressam (AKA Bennie Norris the "Millennium Plot" bomber), who entered the United States on Dec. 30, 1999 via

ferry from Canada. Additional examples, relating to known or suspected terrorists or associates of terrorists attempting to enter the United States by sea, can be provided in a classified response.

KNOWN MARITIME TERRORIST THREATS

Question. Will you describe the types of known threats and targets that exist in the maritime domain?

Answer. Maritime threats typically involve some type of exploitation of the maritime environment by terrorists, criminals, or other adversaries for criminal or other prohibited enterprises. Examples include: smuggling (all types, including black market), piracy, hijackings, environmental crimes, living marine resource exploitation, illegal seabed exploitation, etc. The threat may also consist solely of using maritime conveyances to transport people, weapons, and/or materials to a location ashore where a terrorist or other criminal act is planned. Maritime targets are generally people, conveyances, cargos, and/or critical infrastructure in or near the maritime realm.

Examples of maritime terrorist threats and their targets include:

- Bombing a passenger vessel—Superferry 14 which was bombed by elements of the Abu Sayyaf Group.
- Small boat attacks on off-shore oil facilities—Attack against Kwar Al Amaya oil terminal and Al Basrah oil terminal in Iraq.
- Small boat attacks on maritime security/naval forces—Attacks by the Liberation Tigers of Tamil Eelam against Sri Lankan Navy forces, attack on U.S.S. *Cole*, and targeting of U.S. vessels by Jemaah Islamiyah in Singapore.
- Small boat attacks on commercial vessels—Attack on the French Supertanker LIMBERG.
- Raids and kidnap for ransom operations on Island resorts—Abu Sayaaf group attacks on dive resorts in Indonesia and the Southern Philippines.

CONNECTION BETWEEN MIGRANT AND DRUG SMUGGLERS AND TERRORISTS

Question. What kinds of connections do you see between migrant and drug smugglers and potential terrorists?

Answer. There are strong connections between drug smugglers and several South American groups currently designated as terrorist organizations, such as the Revolutionary Armed Forces of Columbia (FARC) and the United Self-Defense Forces of Columbia (AUC). There have also been isolated instances of individuals with potential connections to Islamic extremists using maritime conveyances controlled by traditional migrant smuggling organizations.

SECURITY OF MARITIME BORDERS

Question. As you may know, I have been a strong advocate of tightening up our land border security so that we know who is coming into and leaving this country.

What gaps do you see in the security of our maritime borders?

Answer. Our maritime borders are vulnerable to exploitation by criminal or other enterprises. Examples include: smuggling (all types, including black market), piracy, hijackings, environmental crimes, living marine resource exploitation, seabed exploitation, etc.

Intelligence gaps exist within the maritime borders. In addition to the obvious challenges of securing over 95,000 miles of coastline, bad actors have traditionally been extremely innovative in adapting their modes of operations in response to tightening of security within the land borders. Some of the most critical maritime gaps include: subsequent movement of people and drugs in response to changing security conditions; the use of small recreational vessels for illegal purposes; and the dependency on self-reporting by the maritime industry to provide the majority of the information available on the crew and cargo of commercial vessel traffic.

HIGHEST MARITIME RISKS

Question. What are some of the highest risks in the maritime domain?

Answer. Transfer scenarios dominate the strategic terror-related risk map. These scenarios involve the movement of terrorist actors and/or weapons of mass destruction through the maritime domain/across the maritime border by large commercial vessels or small commercial/recreational vessels.

The Coast Guard conducts an annual terror-related risk assessment, taking threat inputs from the National Intelligence Community through the Coast Guard Intelligence Coordination Center, target vulnerability and consequence data from its Maritime Security Risk Assessment Model (MS-RAM) and other sources. As part

of this process, the Coast Guard identifies critical risk scenarios (in general, those involving the potential loss of more than 1000 lives or similar magnitude damages). The Coast Guard identified over thirty such scenarios, which distill to these nine “meta-scenarios:”

- Transfer of terrorists into the country via the maritime domain
- Transfer of weapons of mass destruction into the country via the maritime domain
- “U.S.S. *Cole*-Style” attacks on specific types of large vessels
- Attacks on assets protected under other plans (dams, locks and levees)
- Aviation attacks on maritime assets (small aircraft used as a weapon)
- Stand-off weapons attacks against specific ships (anti-tank missile)
- Vehicle born improvised explosive device attacks on “roll-on, roll-off” type ferries
- Biological attacks (smallpox on a cruise ship)
- Rogue ship threat against offshore petroleum terminal

This year’s assessment is ongoing. Major changes are not expected; transfer/exploitation scenario dominance is expected to continue.

The Coast Guard is also about to embark on its second biennial National Maritime Strategic Risk Assessment cycle, addressing risk across the entire spectrum of Coast Guard mission performance.

CLOSING THE GAP: POLICY ISSUE OR FUNDING ISSUE?

Question. Is closing these gaps and addressing these risks a policy issue or a funding issue?

Answer. As we have witnessed since the terrorist attacks of 9/11, addressing maritime security risks requires both policy and investment efforts.

Border security is a national effort. The challenges of border security require significant policy coordination between Federal stakeholders, as well as meaningful and productive engagement with State, local and tribal authorities. Adaptive threats will invariably reappportion to exploit our weaknesses, necessitating holistic and well-coordinated border security solutions. An integrated approach to policy and strategy will assure appropriate, balanced security risk management. Hard choices must be made. The choices must be informed by good risk management practices from objective setting, to assessment, to analysis of alternatives, to management selection based on expected risk-reduction return-on-investment, to implementation and monitoring.

As Lead Federal Agency (LFA) for maritime homeland security, the Coast Guard is leveraging its relationships with other Federal, State, local and tribal authorities, as well as international, industry, academic and think-tank partners, to evolve toward a smarter, more coordinated approach to maritime and border security policy.

Funding an effective maritime security strategy is also a significant issue. With over 12,000 miles of coastal border to secure and a strategic imperative to push out the border—to identify, meet and defeat threats as early and far away as possible—the Coast Guard is moving aggressively to shore up the foundations of our maritime strategy:

- Achieving Maritime Domain Awareness
- Establishing and Leading a Maritime Security Regime
- Deploying an Effective Operational Capability

Well-coordinated risk management policy will help ensure border security performance success, appropriate readiness, and responsible resource allocation and use.

Question. If a funding issue, what do you need to tighten up our maritime borders?

Answer. With over 12,000 miles of coastal border to secure, and a strategic imperative to push out the border—to identify, meet and defeat threats as early and far away as possible—the Coast Guard is moving out aggressively to shore up the foundations of our maritime security strategy.

Funding at the level requested in the President’s Budget will support major Coast Guard competency, capability, partnership and capacity-building initiatives. The following list illustrates major initiatives funded in the 2007 budget for each of the Coast Guard’s priorities:

- Achieving Maritime Domain Awareness
- Maritime C4ISR Enhancement (several programs)
- Vessel Tracking Initiatives (including Nationwide AIS)
- Maritime Awareness Global Network
- Counter-Intelligence program
- Establishing and Leading a Maritime Security Regime

- Personnel Security and Credentialing (including Transportation Worker Identification Credential)
- Maritime Transportation Security Act initiatives and programs
- Deploying an effective operational capability
- Integrated Deepwater System
- Integrated Command Centers (Command 2010)
- Specialized deployable counter-terrorism capabilities
- Maritime Security Response Teams (MSRTs)
- Airborne-Use-of-Force capabilities
- Boats to meet ports, waterways, and near-coastal security demands (Response Boat—Medium)

IC DATABASE ACCESS

Question. Does the Coast Guard have access to all appropriate Intelligence Community databases, like the FBI's Guardian program, US VISIT, etc? If not, why?

Answer. The Coast Guard has direct or second party access to a variety of law enforcement and intelligence community databases; the scope of Coast Guard access has been expanding in ways that improve the effectiveness and efficiency of our Intelligence Program.

There are databases the Coast Guard does not have direct access to due to legal or policy restrictions and/or IT connectivity reasons. Whenever the Coast Guard identifies databases important to analysis, indications and warnings to which that we do not have access, we seek to obtain appropriate access by coordinating directly with the agencies managing the databases.

USCG AS THE LEAD IN MARITIME SECURITY

Question. In addition to FBI, the Coast Guard works closely with CBP and others. What makes the Coast Guard best suited to be the lead Federal maritime agency?

Answer. The Coast Guard is the only Federal agency focused by statute, regulation and longstanding policy on law enforcement and security operations in the maritime domain. This role is reflected in numerous Congressional enactments.

As both a military Service and a Federal Law Enforcement agency, the Coast Guard possesses the appropriate capability, capacity, competencies and authorities to lead U.S. maritime security efforts. Additionally, the Coast Guard projects a credible presence throughout the maritime domain, and it has longstanding relationships with other Federal, State and local agencies, as well as with the maritime industry itself. Its position as a member of the Intelligence Community further adds to a unique mix of attributes that the Coast Guard brings to maritime security.

LEAD IN MARITIME INTELLIGENCE

Question. Does Coast Guard have the lead Federal role in maritime intelligence?

Answer. There has been no designation of a lead Federal role in maritime intelligence. The Coast Guard, Office of Naval Intelligence (ONI), National Counterterrorism Center (NCTC), Federal Bureau of Investigation (FBI), Customs and Border Protection (CBP), and many other departments and agencies all play important roles in the maritime intelligence realm.

Together with ONI, however, the Coast Guard has been developing the foundation of the Global Maritime Intelligence Integration (GMII) capability, leveraging existing facilities and shared tools at the National Maritime Intelligence Center in Suitland, MD. This effort will lead to more collaborative efforts in maritime intelligence.

OVERLAP ISSUES: INTEROPERABILITY OR REDUNDANCY

Question. What areas do you see where interoperability could be approved or where overlap should be eliminated among Federal agencies?

Answer. The Coast Guard regularly works with our interagency partners to improve interoperability and coordination. For example, two DHS/DOD Memorandums of Agreement (MOA) have been signed which will facilitate the exchange /transfer of DOD and USCG assets as appropriate during Maritime Homeland Defense and Maritime Homeland Security events. The interim Maritime Operational Threat Response (MOTR) plan also represents a giant leap forward, by clearly delineating responsibilities related to security threat response in the maritime domain. Codifying MOTR in its final form would permanently institutionalize these interoperability and coordination improvements. Another opportunity for improvement is in the area of integrating command centers, either USCG /DOD integration (e.g., Joint Harbor

Operations Centers), or integrating various Federal and/or State/local agencies into Coast Guard Sector Command Centers.

MARITIME BORDERS

Question. What could the Coast Guard do to tighten our maritime borders and better track the migration of folks into this country immediately?

Answer. The U.S. Coast Guard is tasked by Executive Order 12807 to interdict undocumented migrants as far away from U.S. territory as possible. To accomplish this, the Coast Guard places assets in areas with historically high migration activity; primarily the Florida Straits, Windward Passage (between Cuba and Haiti), and the Mona Passage (between the Dominican Republic and Puerto Rico). Larger cutters capable of holding up to 300 migrants are positioned further away from the United States, while smaller patrol boats form a second tier of defense closer to shore.

When operationally required, the Coast Guard will surge assets for a short duration to tighten our maritime borders. This is routinely done to counter and deter higher activity of migrants during seasonal or other fluctuations. The Coast Guard also surges resources to deter a mass migration when there are indications and warnings that point to the likelihood of such an event (e.g., in February 2005, following the ouster of President Aristide in Haiti). However, we can not maintain such a surge for an extended period without having a negative effect on other missions.

Continued support for technology improvements and assets that improve Maritime Domain Awareness is critical for migrant interdiction and border enforcement. The following list provides a few examples:

Technologies:

- Biometrics.*—The Coast Guard, in conjunction with our DHS partner agencies, is pursuing biometrics capabilities to better track and identify undocumented migrants interdicted at sea. However, this project will take some time as it is challenging to find/develop a system that can both function at sea and be interoperable with existing DHS and FBI systems.
- Vessel Tracking.*—The most pressing challenges we now face involve tracking the vast population of vessels operating in and around the approaches to the United States, and detecting and intercepting the small vessels used for migrant and drug smuggling, which can easily be used by terrorists seeking to do us harm. The Coast Guard needs as much information as possible about vessels operating in the maritime domain, particularly their location and identity, in order to enable effective and timely decisions and identify friend from foe.

Assets:

- Deepwater.*—The Integrated Deepwater Program will deliver more capable cutters, aircraft, and sensors to the Coast Guard that can be used over a number of mission areas.
- Integrated Command Centers.*—Through test-beds at command centers in Miami, FL, Charleston, SC and elsewhere; and joint harbor operations centers established with the U.S. Navy in Hampton Roads, VA, and San Diego, CA; the power of partnerships, technology and co-location has been proven. The Coast Guard will continue working to expand on these successes and export them to other ports where feasible.

NEEDED RESOURCES FOR MARITIME BORDERS

Question. What additional assets and resources would you need to accomplish this?

Answer. With over 12,000 miles of coastal border to secure, and a strategic imperative to push out the border—to identify, meet and defeat threats as early and far away as possible—the Coast Guard is moving out aggressively to execute our maritime security strategy.

Funding at the level requested in the President's Budget will support major Coast Guard competency, capability, partnership and capacity-building initiatives. The following list illustrates major initiatives funded in the 2007 budget for each of the Coast Guard's priorities:

- Achieving Maritime Domain Awareness
- Maritime C4ISR Enhancement (several programs)
- Vessel Tracking Initiatives (including Nationwide AIS)
- Deploying an effective operational capability
- Integrated Deepwater System
- Integrated Command Centers (Command 2010)
- Continued research and expansion of biometrics capability.

USCG'S ROLE IN THE INTELLIGENCE COMMUNITY

Question. What is the Coast Guard's role in the Intelligence Community?

Answer. The Coast Guard has been a member of the Intelligence Community (IC) since 2001 pursuant to the National Security Act of 1947, as amended. The program's overall goals are to optimize organic Coast Guard resources and leverage other national capabilities to provide tailored, actionable and decisive information in furtherance of Coast Guard missions, and contribute to the information requirements of the President, the Department of Homeland Security and our partners in the intelligence and law enforcement communities.

In general terms, the Coast Guard's role in the IC is to:

- Collect, retain and disseminate foreign intelligence and counterintelligence to meet homeland security objectives;
- Provide input into the IC decision making process on collection and analysis/production issues; and
- Provide unique access to intelligence and law enforcement information, and share amongst IC and law enforcement partners.

IMPROVEMENT OF MARITIME BORDER SECURITY

Question. Which aircraft would you choose to expedite to improve maritime border security and how much would that cost?

Answer. Acquisition of CASA-235 MPA aircraft provides a rapid capacity and capability increase to maritime border security. The current cost to acquire CASA-235 aircraft is \$44 million per aircraft, which includes missionization, initial sparring and logistics.

POTENTIAL OVERLAP BETWEEN FBI AND USCG

Question. The Department of Justice Inspector General and the FBI seem concerned that the Coast Guard Maritime Safety and Security Teams (MSST) might duplicate FBI Hostage Rescue Teams and SWAT teams.

Admiral, would you care to comment on this assertion of overlapping responsibilities between the Coast Guard and the FBI and the unique role of the Coast Guard's MSST?

Answer. The Maritime Safety and Security Teams (MSST) were created following the terrorist attacks of September 11th to provide enhanced, tailored force packages for maritime homeland security operations, ranging from being the maritime "cop on the beat" to emergency response in our port and coastal regions. MSSTs periodically conduct local training and operations with regional Coast Guard commanders, FBI units and other interagency partners. They are a very flexible and agile force for maritime homeland security operations.

Additionally, the Coast Guard's Maritime Security Response Team (MSRT) was developed with Department of Homeland Security's (DHS) support and oversight. This team not only meets DHS requirements as an interoperable unit, but also serves as a supporting unit to the Department of Defense for its maritime homeland defense mission and to the FBI for operations in the port, coastal and offshore environments. Using the Coast Guard's unique Title 10 and Title 14 authorities, the MSRT provides the Nation a robust maritime response force for maritime homeland defense and security missions.

ANNUAL FLIGHT HOUR GAP

Question. How do you plan to address the 17,000 to 27,000 annual flight hour gap over the next 9 years?

Answer. As always, the Coast Guard will carefully assess and manage risk to employ available air assets to the highest mission priorities. Your full support of the President's fiscal year 2007 budget request which funds the purchase of the sixth CASA MPA aircraft and the missionization of MPAs 4, 5, and 6 is critical to filling the MPA gap as soon as possible. Once operational, these aircraft will each contribute 1,200 annual MPA flight hours. Additionally, the pending procurement of up to 3 Manned Covert Surveillance aircraft as provided in fiscal year 2005 and fiscal year 2006 appropriations will provide additional needed MPA hours to apply toward this gap.

RESPONSE CAPABILITIES

Question. Do you have enough cutters and aircraft to respond to all intelligence reports of drug trafficking or illegal migrant activity in the maritime regions?

Answer. Given the competing priorities of mission demands on the Coast Guard's daily operations, there will always be periods when the Coast Guard does not have

enough cutters and aircraft patrolling to respond to all drug and migrant smuggling intelligence reports.

MARITIME BORDER SECURITY OPERATIONS

Question. How will the significant lack of patrol boats affect maritime border security operations?

Answer. Maritime border security is conducted everyday by our cutters, boats and aircraft deployed in ports, coastal zones and on the high sea. One element of overall service efforts, patrol boats serve as the “cops on the beat” within the maritime domain.

As you know, the Coast Guard has identified a capacity gap within our patrol boat fleet. As this gap is filled through our existing plans and the implementation of Deepwater, additional capacity will be added and deployed, improving our presence and providing additional capabilities. Until that time we will make the best use of our existing patrol boat fleet, along with major cutters and boats, to maximize our patrol efforts.

Question. If additional funds were available to address this gap, how would you use those funds?

Answer. If additional funds were available to address the patrol boat gap the Coast Guard could use it to accelerate acquisition of new patrol boats. We have issued a Request for Information (RFI) from industry to see what existing proven Commercial Off the Shelf (COTS) patrol boats designs are available to meet our patrol boat needs, and anticipate spending a portion of unobligated patrol boat appropriations on acquiring some of these vessels. We expect to receive responses to this RFI by mid May 2006.

110 FOOT PATROL BOATS

Question. Would it make any sense to buy more 110 foot patrol boats since you already have a good working design, especially if there are questions about the FRC design?

Answer. Acquiring additional 110 foot WPB’s would not meet the full range of current operational requirements. While the 110 foot WPB has been a successful asset, it does not possess the space to provide a robust C4ISR suite. The small boat launch and recovery system is labor intensive and the small boat does not meet current operational requirements. A Request for Information (RFI) has been issued to evaluate commercially available patrol boat platforms. This information would determine if other existing patrol boat designs could meet current operational requirements.

PORT INSPECTIONS

Question. The Coast Guard is currently on target to inspect foreign ports every 4 years.

Is that time cycle appropriate?

Answer. The Coast Guard visits countries to ascertain whether the country is maintaining effective anti-terrorism measures in its ports. The current pace of country visits is consistent with the Maritime Transportation Security Act and current funding levels.

Question. How do you determine which ports you inspect on any given year?

Answer. The Coast Guard prioritized all countries with which it trades with to determine the general order in which countries should be visited. The prioritization was based on the amount of maritime trade the U.S. conducts with the country and the general maritime security situation regarding the country. When determining the ports to visit within a country, the Coast Guard attempts to view a representative sample including small, medium and large ports; ports that conduct substantial trade with the United States; and ports with a variety of activities (e.g., container, liquid bulk, dry bulk, passenger, and general cargo).

Question. What role does intelligence play in your port inspections?

Answer. Coast Guard inspections in the ports are done for a number of different reasons related to the maritime safety, security, and/or environmental protection. Inspections involving a security purpose may be based in whole or in part on information provided by the Coast Guard Intelligence Program. Moreover, intelligence generally informs the situational awareness of all Coast Guard personnel conducting inspections, patrols or other activities in port areas.

Coast Guard Intelligence conducts Port Threat Assessments (PTA). PTAs provide the local Sector Commander threat analyses for the Nation’s military and economic strategic ports compiled from foreign, national and local intelligence reporting and from law enforcement information, incorporating everything from criminal enterprises to environmental activists and extremist/terrorist-related activity.

PTAs involve a qualitative evaluation of classified intelligence reports, interviews with Federal and local law enforcement officials, and interviews with private sector security managers. Threat analyses are based on a compilation of national and domestic security intelligence along with criminal database information.

PTAs are prepared by the Coast Guard's Intelligence Coordination Center (ICC). They are the most complete and up-to-date local domestic port threat assessments available to field commanders for use in critical planning and resource allocation. We utilize open source material, as well as classified information provided by the Coast Guard's Intelligence Coordination Center and the Area Intelligence staffs, to assist with the prioritization of port selections. In addition to assisting in the prioritization, this information helps to identify security issues for which to be alert when conducting port visits. It also provides situational awareness to help maintain personnel safety.

IMPLEMENTATION OF AIS

Question. The testimony States that AIS has been implemented at several major ports.

What is your timeframe to expand AIS nationwide?

Answer. The Nationwide Automatic Identification System (NAIS) project is pursuing a three increment implementation approach so maritime security stakeholders will begin receiving useful capability to fill in current operational gaps as quickly as possible.

Upon DHS approval of Milestone Two, targeted for 4th Quarter, fiscal year 2006, the first increment will capitalize on existing preliminary and prototype efforts installed in 2005 and 2006 to expand receive only AIS capability (vessel tracking) in all critical ports identified in the fiscal year 2007 budget justification.

The current estimated schedule [Initial Operating Capability (IOC) and Full Operating Capability (FOC) dates] for implementation of the individual increments is as follows:

Increment	1	2	3
Description	receive only at critical ports and coastal areas.	receive and transmit nationwide.	long-range receive
IOC	1st Quarter, fiscal year 2007 ...	4th Quarter, fiscal year 2009 ..	1st Quarter, fiscal year 2010
FOC	4th Quarter, fiscal year 2007 ..	4th Quarter, fiscal year 2013 ..	4th Quarter, fiscal year 2013

Question. What resources are required to fully implement this system?

Answer. The total Acquisition, Construction and Improvement (AC&I) cost estimate for Nationwide Automatic Identification System (NAIS), as reported in the fiscal year 2007 to 2011 Five-Year Capital Investment Plan is \$196,200,000.

MARITIME BORDER SECURITY OPERATIONS

Question. Patrol boats are an integral part of the Coast Guard's fleet and are critical to maritime border security. USCG is currently short several boats, due to the Iraq mission and 123-conversion problems and may be plagued with further shortfalls if the rumors are true and the Navy asks for its 5 Patrol Coastal craft back in 2008 and if the FRC is further delayed. USCG is already operating with fewer patrol boat hours than it had in 1998, and at about half the number of hours called for by the Deepwater Plan to meet the mission requirements.

How does the USCG plan to address this shortfall?

Answer. The USCG plans to address this shortfall through continued negotiations with the Navy in an effort to extend the current WPC-179 Memorandum of Agreement (MOA) beyond fiscal year 2008. If agreed upon with the current number of PC-179s, this would reduce the patrol boat hour gap by 12,500 hours per year.

Also, when the six 110 foot WPBs serving in southwest Asia in Operation Iraqi Freedom are returned to the continental United States, they will provide an additional 12,000 patrol boat hours per year.

The Coast Guard has submitted an Industry Request for Information for proven patrol boat designs. Once the responses to this request are received in May 2006, we will consider this information for a risk mitigator to filling our patrol boat gap.

Accelerated schedule for implementing TWIC

Question. The testimony States that you are working with the Transportation Security Administration (TSA) on an accelerated schedule for implementing the Transportation Worker Identification Credential (TWIC). As you know, this Committee has supported the TWIC program but has been frustrated by implementation delays.

After years of delay, when do you expect that this program will be ready for implementation?

Answer. The Transportation Worker Identification Credential (TWIC) is a top Departmental priority, and I have directed my team to move forward with the program as quickly as possible. The Transportation Security Administration (TSA) recently published a "request for qualifications" seeking firms who are appropriately experienced and interested to help deploy certain components of the TWIC program. This is a first step toward operational deployment of the TWIC program that will require workers with unescorted access to U.S. port facilities and vessels to undergo security threat assessments and obtain a biometric TWIC credential. This deployment will follow completion of an accelerated rulemaking conducted jointly by TSA and Coast Guard.

Question. What is the Coast Guard's role in this program?

Answer. The Transportation Security Administration and the United States Coast Guard (USCG) are cooperating in a joint rulemaking that requires all workers requiring unescorted access to secure areas of Maritime Transportation Security Act (MTSA) regulated facilities and vessels to apply for and obtain a Transportation Worker Identification Credential.

The USCG would be responsible for enforcing this proposed rule at the MTSA regulated facilities and vessels.

DEPLOYMENT OF US VISIT

Question. Why is only one maritime port equipped to handle exits?

Answer. US VISIT's biometric exit process is at 2 seaports: San Pedro and Long Beach terminals in Los Angeles, California; and Miami, Florida. These seaports were part of the pilot program for the exit solution. Upon approval to proceed with the national deployment of the Exit Solution, US VISIT will deploy at all remaining ports where US VISIT is currently operating for entry (excluding preclearance operations at foreign airports).

Question. Which kinds of maritime ports are currently subject to US VISIT? Cruise ship ports? Fishing ports? Ferry ports? Yachting ports?

Answer. Under the law, all sea ports are subject to US VISIT. However, several issues pose challenges to the deployment of US VISIT at all sea ports of entry. Unlike airports, there are no regulatory requirements for a Federal Inspection Services (FIS) inspection area for sea ports of entry. Additionally, a number of ports lack connectivity necessary for accessing government databases. Therefore, we are currently only deployed at those cruise ports and ferry terminals that been upgraded to include an FIS area.

For those terminals not covered by US VISIT, Customs and Border Protection officers will board the ship and conduct an inspection onboard. US VISIT, in conjunction with Customs and Border Protection, is exploring the use of new mobile devices that could perform the biometric and documentation screening functions. Subject to funding, US VISIT plans to use these devices to expand coverage to the cargo crew population.

There are a number of small, private and community seaports (yachting) where US VISIT is not in operation. These smaller ports do not have pre-existing infrastructure to support the technology necessary to conduct biometric entry processes in the same manner as is now done at the cruise terminals. US VISIT believes any mobile devices developed for the larger sea ports of entry could also be used in these smaller seaports.

Question. I understand that US VISIT is deployed in several ports of entry and only one exit port. What percentage of maritime ports is currently covered in the program?

Answer. US VISIT's biometric entry process is at 13 sea ports of entry, including: Galveston, Texas; San Pedro/Long Beach, California; Miami, Florida; Port Canaveral, Florida; San Juan, Puerto Rico; Seattle (2 terminals), Washington; Tampa, Florida; Vancouver, Canada; Victoria, Canada; West Palm Beach, Florida; Port Everglades, Florida; New York City Seaport, New York; and Port Canaveral (2 terminals), Florida. There are 64 sea ports of entry, and US VISIT entry procedures covers 20 percent of those ports.

US VISIT's biometric exit process is at 2 sea ports of entry: San Pedro/Long Beach terminals in Los Angeles, California; and Miami, Florida. There are 64 sea ports of entry, and US VISIT exit procedures covers 3 percent of those ports. For further statistics on volume and types of ports (cruise vs. cargo), please consult Customs and Border Protection.

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

UTILIZATION OF FISCAL YEAR 2006 RESOURCES

Question. Specifically, how you, and the Deepwater Contractor intend to utilize the fiscal year 2006 funding?

Answer. The \$68 million appropriated in fiscal year 2006 will be utilized to procure two aircraft (aircraft number 4 and 5) and missionization and logistics required to place the aircraft in a "mission ready" status.

UTILIZATION OF RESOURCES

Question. If the funds will not be dedicated to the acquisition of the fourth and fifth MPA, why not?

Answer. The fiscal year 2006 funds will be dedicated to the acquisition of the fourth and fifth MPA.

RESOURCE REQUIREMENTS

Question. The President's fiscal year 2007 budget continues funding for the important Integrated Deepwater Systems program to update the operational ability of the United States Coast Guard. This essential program will bring the Coast Guard's capabilities in line with 21st century technology and equip the Coast Guard with the necessary tools to protect our Nation's coast line and shipping channels.

My question is whether this year's funding request by the President is sufficient to carry out this retooling and refitting in a timely manner.

Answer. The fiscal year 2007 budget request of \$934 million represents a nearly 25 percent increase from fiscal year 2005. It is consistent with the \$24 billion/25-year implementation plan presented in the revised implementation plan report submitted to Congress.

Question. Does Congress need to accelerate the funding of Deepwater to accomplish its mission sooner?

Answer. The administration believes the funding level for Deepwater requested in the President's 2007 budget represents the best acquisition strategy for the Coast Guard in light of competing homeland security priorities. Furthermore, GAO and other studies and have shown that accelerated funding for an acquisition project as large and complex as Deepwater will generate only marginally better results relative to the significant additional costs of acceleration.

Question. Specifically within the Deepwater program is the CASA CN-235 300M, Maritime Patrol Aircraft. This plane is a crucial piece of the Coast Guard's overall mission. It will bring state-of-the-art technology to any aerial mission the Coast Guard undertakes. The communications, navigational and surveillance capabilities of this plane will allow the Coast Guard to monitor high interest vessels, locate distressed mariners, interdict drug traffickers, and monitor environmental disturbances as well as a host of other tactically important situations.

Seeing the critical nature of this aircraft, is the Coast Guard being sufficiently funded to get this plane missionized and ready for operation?

Answer. Yes. The Deepwater fiscal year 2007 Plan Update provided to Congress balances several important considerations, including current priorities and operating expenses to employ these assets when delivered. To ensure the aircraft are "ready for operations," factors such as time to train the flight crews and maintenance personnel, as well as to prepare the air stations to host the aircraft when they arrive must be addressed. The plan provides the funds to be "ready for operations" in the most effective manner.

FISCAL YEAR 2007 BUDGET JUSTIFICATION

Question. In fiscal year 2006, the Coast Guard was appropriated \$68 million for the acquisition of two additional aircraft for a total of five. However, I am now hearing that these funds may be used for the acquisition of one aircraft, rather than two, with the additional funds to be used for spare parts and other missionization requirements. I am concerned about this change in direction, particularly given that the fiscal year 2007 budget requests funding for one plane as well as funding for spare parts and other missionization requirements for the previously acquired aircraft.

Therefore, the purchase of only one plane with the fiscal year 2006 funding seems inconsistent with the fiscal year 2007 budget justification.

Answer. The \$68 million appropriated in fiscal year 2006 will be utilized to procure two aircraft (aircraft numbers four and five) and one mission system. Since this appropriation did not include the spare parts essential for safe and efficient oper-

ation of an MPA fleet, the \$77.7 million requested in fiscal year 2007 will support the procurement of spares for six aircraft, mission system for the fifth aircraft, and a sixth aircraft with mission system. The funding requested in fiscal year 2007 complements the funds appropriated in fiscal year 2006, ensuring we will have six “ready-to-fly” aircraft.

DEVIATION FROM THE FISCAL YEAR 2006 BILL

Question. Could you explain for me the deviation from the fiscal year 2006 bill for the acquisition of two planes?

Answer. The Coast Guard intends to procure two Maritime Patrol Aircraft with fiscal year 2006 funds, which does not deviate from the intent of the 2006 appropriation.

TIMELINE FOR MPA OPERATIONS

Question. Following on that line of questions, when should we expect the full complement of aircraft to be under contract?

Answer. We expect to have aircraft four and five on contract by the end of fiscal year 2006.

Question. When should we expect the first MPA to be operational?

Answer. The first MPA should be operational in early 2007 (calendar year). This initial aircraft will be assigned to Aviation Training Center Mobile in order for Coast Guard personnel to become familiar with the aircraft, develop and refine training curriculum, and establish the CASA MPA Training Branch in preparation for training future CASA MPA aircrews.

Question. Is there a timetable for the additional four aircraft to be fully missionized and operational?

Answer. The planned schedule for CASA MPA aircraft availability is:

- Aircraft #1 Delivery (missionized)—2nd QTR fiscal year 2007
- Aircraft #2 Delivery (missionized)—3rd QTR fiscal year 2007
- Aircraft #3 Delivery (missionized)—4th QTR fiscal year 2007
- Aircraft #4 Delivery (not yet on contract)—3rd QTR fiscal year 2008
- Aircraft #5 Delivery (not yet on contract)—4th QTR fiscal year 2008
- Aircraft #6 Delivery (not yet funded)—2nd QTR fiscal year 2009.

TIMELINE FOR OUTFITTING AND OPERATION

Question. If the CASA CN-235 300M is so crucial to the Coast Guard’s mission is the timeline for its outfitting and operation adequate for your needs?

Answer. Coast Guard mission execution is dependent on adequate MPA hours to cue end-game prosecution. As a result, the current MPA hour shortfall (between hours available and hours needed to satisfy mission requirements) is of key concern and will remain a focus of our recapitalization priorities. The CASA CN-235 300M replaces existing assets, provides the needed MPA capability, and is being implemented on a timeline consistent with the Revised Deepwater Implementation Plan.

Question. Does the Coast Guard need this aircraft sooner?

Answer. The revised Deepwater implementation plan reflected in the President’s fiscal year 2007 Budget Request reflects the best balance of capital asset acquisition within available resources.

Question. Is the funding laid out in this plan satisfactory for the operational needs of the Coast Guard?

Answer. The funding stream supporting the current implementation plan will deliver the Deepwater “system” of assets and capabilities by 2027. When complete, it will satisfy the totality of current and reasonably foreseen operational needs. Until that time, the Coast Guard will continue optimizing available resources to recapitalize and modernize its fleet as quickly as possible, while avoiding degradation to mission performance.

Question. Should this timeline be accelerated to properly ensure the security of our critical shores and waterways for the safety of commerce and the protection of our citizens well being?

Answer. Our strategic goal and imperative, as outlined in the President’s National Strategy for Homeland Security, is to detect, identify and intercept threats as far from the U.S. homeland as possible. In the maritime domain, the Coast Guard’s Deepwater assets and capabilities are a critical centerpiece of that effort. With the post-9/11 revised implementation plan, the Deepwater acquisition will deliver a system of maritime capabilities much better suited to the current and future threat environment. The revised implementation plan will deliver that system by the year 2027 based on current funding levels.

The administration believes the funding level for Deepwater requested in the President's 2007 budget represents the best acquisition strategy for the Coast Guard in light of competing homeland security priorities. Furthermore, numerous studies and have shown that accelerated funding for an acquisition project as large and complex as Deepwater will generate only marginally better results relative to the significant additional costs of acceleration.

QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

MARITIME PATROL AIRCRAFT

Question. Would additional maritime patrol aircraft improve your detection capacity in the transit zone?

Answer. Yes, Maritime Patrol Aircraft are critical to successful counter-drug operations.

EXPEDITING FULL OPERATING CAPABILITY

Question. Could you reach full operating capability faster if additional resources became available?

Answer. The fiscal year 2007 request reflects the project's funding needs for the current acquisition phase. Once the Nationwide Automatic Identification System (NAIS) project transitions to the production phase, the project will pursue deployment and funding strategies to implement AIS capability, as quickly as possible, consistent with service priorities across all capital acquisitions projects.

POTENTIAL INLAND RIVER THREATS

Question. The Port of Huntington in West Virginia is the largest inland river port in the United States and the 6th largest of all U.S. Seaports in terms of tonnage. Fifty percent of all cargo types entering the port are hazardous and there are hundreds of chemical, energy, and other critical infrastructure facilities along the waterways. The Mississippi River system extends well into the interior of the United States and potentially could provide access for someone wishing to threaten a city or facility that lies on the waterway.

What capabilities does the Coast Guard have to track the movement of people and cargo and to detect or deter potential threats on the inland rivers system?

Answer. The Coast Guard's Inland Rivers Vessel Movement Center (IRVMC) in Huntington, WV, was established to track the movement of barges carrying Certain Dangerous Cargoes (CDC) through High Density Population Areas (HDPAs) of 100,000 or more people. Twenty HDPAs and over 3,000 miles of navigable rivers are monitored by IRVMC. In addition, the Vessel Traffic System (VTS) in Louisville, KY also provides vessel tracking capability.

Threat detection and deterrence activities within the inland river system are a part of the Coast Guard's homeland security mission. These activities include: aerial surveillance of activity in and around militarily and economically strategic ports, enforcement of waterborne fixed and mobile security zones around critical infrastructure, and vessel escorts of some certain dangerous cargo (CDC) movements.

Further, Coast Guard assets operate everyday on the inland rivers. For example, our River Tenders operate throughout the inland river system performing the Aids to Navigation mission. The personnel that operate these assets are local experts who know and operate daily on the river system. Additionally, our boarding teams and response boats conduct waterside facility inspections, enforce security zones, and respond to emerging threats as well. As the maritime "cop on the beat," these small boats deter threats and patrol as directed by the three Coast Guard Sector Commanders that oversee operations along the entire inland river waterway system.

MARITIME AIR PATROLS

Question. How about Maritime Air Patrols?

Answer. Joint Interagency Task Force—South (JIATF-S) is responsible for detection and monitoring operations in the transit zone, including Maritime Patrol Aircraft (MPA) requirements and scheduling. The Coast Guard, along with other U.S. agencies and foreign governments, provides both surface and air assets to support JIATF-S detection and monitoring operations.

The Coast Guard has increased MPA support to the JIATF-S over the past several years. In fiscal year 2002, the Coast Guard provided less than 3,000 hours; in fiscal year 2005, we provided over 4,000 hours. Maintenance problems and availability issues of MPA provided by other agencies, particularly P-3s from Customs

and Border Patrol (CBP) and the United States and Dutch navies, have resulted in an overall decrease in MPA available for the counter-drug mission even though Coast Guard mission hours for JIATF-S have increased.

Currently, the Coast Guard has approximately 32,000 total MPA hours available for all missions annually, including JIATF-S counter-drug support. The Coast Guard's Deepwater plan will provide approximately 61,000 total MPA hours which meets the current and future MPA requirements for the Coast Guard.

Full funding of the Deepwater project within the fiscal year 2007 President's Budget Request is critical to closing the MPA gap. The plan funds the acquisition of a sixth CASA CN-235 medium range MPA, and equipment to support active operations of CASA's 3 through 6. This year's request includes, in particular, funding to support the stand up of a second CASA-equipped Air Station.

GO-FAST BOATS

Question. The Coast Guard should be commended for their work in counter drug operations. In fiscal year 2005, the Coast Guard and Customs and Border Protection exceeded results from previous years by removing over 338,000 pounds of cocaine from the Caribbean and Eastern Pacific Ocean transit zones.

However, the drug flow problem is far from solved. The Government Accountability Office recently reported that the Joint Interagency Task Force-South (JIATF-South) "has detected less than one-third of the known and actionable maritime illicit drug movements in the western Caribbean Sea and eastern Pacific Ocean."

According to the recent GAO report, Coast Guard and CBP officials believe that budget constraints and other homeland security priorities will result in a reduction of assets in the transit zone.

I understand that you rely on 33 foot Go-Fast boats, 110 patrol boats, and maritime airplanes to interdict drugs. What is the optimal number of Go-Fast boats and how does that compare to your current fleet?

Answer. Coast Guard small boats are vital to our maritime border security mission, providing a layer of security in our ports and coastal regions. Currently, our 33 foot boats (manufactured by SAFE Boats International) are primarily used to intercept smuggling vessels in selected locations along the U.S. southern border. As important as small boats are to Coast Guard missions, they are not the primary assets used for counter-drug operations due to their operational limitations in the high seas transit zones.

The Coast Guard's overall counter-drug strategy focuses on the transit zone which generally encompasses known transit routes from source countries in the Caribbean Sea and eastern Pacific Ocean. Joint Interagency Task Force-South (JIATF-S) is responsible for monitoring these operations; the Coast Guard provides major cutters (Deepwater), airborne use of force helicopters (AUF), maritime patrol aircraft (C-130/HU-25), and law enforcement detachments (LEDETs) embarked on United States and Allied Naval vessels to support these operations. The Coast Guard's Deepwater project sets forth the service's way forward in achieving the optimal asset mix for the future.

DRUG ENFORCEMENT MISSION

Question. Based on the Coast Guard's latest mission hour report provided to Congress, Coast Guard emphasis on drug enforcement continues to decrease. Today, the number of hours the Coast Guard spends on its drug enforcement mission is approximately 38.5 percent less than pre-September 11. Your fiscal year 2007 budget for drug interdiction is \$18 million below current levels.

Why is your budget for Drug Interdiction going down in fiscal year 2007?

Answer. The challenge of aging cutters and aircraft, coupled with the increasing demands of homeland security missions, require the Coast Guard to develop an allocation of its resources to ensure the most effective mitigation of risk in executing each of its 11 mission programs.

Despite the fact that funding and resource hours allocated to Drug Interdiction has gone down, the Coast Guard removed 338,206 pounds of cocaine (including nearly 303,662 pounds seized) during fiscal year 2005, a new record for drug seizures in the maritime environment. While actual time spent on the mission has remained relatively static, the Coast Guard has been able to improve performance by achieving operational efficiencies in executing its Drug Interdiction operations.

The Coast Guard continues to have unprecedented success in the counterdrug mission by pursuing the three principles of its 10-year Strategic Counter Drug Plan known as STEEL WEB:

- Pursuing more tactical, actionable intelligence, then responding with flexible intelligence-driven operations;
- Leveraging technology by fast tracking new tools and bringing more capable assets to the fight; and
- International engagement with our counterdrug partner nations, which speeds up the seizure and disposition process and gains U.S. jurisdiction to help feed the intelligence cycle.

These methods have not only allowed the Coast Guard to be more successful in its efforts to deter drug smuggling into the United States, but also made these efforts to more efficient.

As the new Deepwater assets come online, this upward trend in seizure success will continue even further, while also allowing for the success in other mission areas as well.

110 FOOT PATROL BOATS

Question. The Coast Guard's 110 foot patrol boats, which are used to interdict illegal aliens and drugs, are in a "declining readiness spiral," according to Commandant Collins. Coast Guard patrol boats are operating in theater less today than they were in 1998. Total patrol boat hours were only 75,000 in 2004 compared to the 1998 baseline of approximately 100,000 hours. Under the Deepwater plan, this gap won't be closed until 2012 at the earliest. The Administration's National Strategy for Maritime Security calls for a "significant commitment of security resources" to deal with illegal seaborne immigration.

The Coast Guard is facing a crisis. The fiscal year 2007 budget pushes the development of the Fast Response Cutter to the right. Indications are that the five patrol crafts that are on loan from the Navy will be returned in 2008. Six 110s are operating in Iraq and may not be returned. You said that you could procure an off-the-shelf patrol boat for \$20–30 million a piece.

How many are needed in the short-term to close the operational gap?

Answer. Assuming that any replacement patrol boat was able to operate 2,500 hours per year, the Coast Guard would require five such boats to close the current gap. If we return the U.S. Navy PC-179s at the end of fiscal year 2008 per the current Memorandum of Agreement and do not simultaneously gain back the 6 110 foot patrol boats currently deployed in support of Operation Iraqi Freedom, we would experience an additional loss of 12,500 patrol boat hours.

PORT SECURITY PLAN REVIEW

Question. Secretary Chertoff has stated repeatedly that it is important to prevent terrorists and terrorist weapons from entering the United States by eliminating threats before they arrive at our borders and ports. Yet, there are only 34 Coast Guard employees to review foreign port security plans in the 140 countries that conduct maritime trade with the United States. The Coast Guard estimates that it will take four to five years to audit all 140 foreign port security plans. Earlier this week, the Senate Appropriations Committee approved my amendment to add \$23 million to the fiscal year 2006 Emergency Supplemental to hire additional Coast Guard inspectors to review domestic and foreign port security plans.

How will this funding help you accelerate the review of port security plans?

Answer. This funding would result in a temporary increase in the level of effort of foreign port security assessments, domestic port security assessments, as well as implementing spot inspections of MTSA regulated facilities.

DESIGN REVIEW OF THE FAST RESPONSE CUTTER (FRC)

Question. The Coast Guard recently made the decision to postpone the design review of the Fast Response Cutter (FRC) and review whether to continue with the development of the FRC or procure another ship to replace the current fleet of patrol boats. Admiral, the Coast Guard has already pushed the production schedule for the FRC to the right by one year during a time when the capabilities of your existing patrol boats are in a declining readiness spiral.

What implications does postponing the design work on the FRC have on the \$41.5 million requested in the fiscal year 2007 budget?

Answer. The Fast Response Cutter (FRC) schedule requires the FRC to be "ready for operations" in 2009. Continuing with the current "new design" FRC will likely change the schedule for "ready for operations" to 2010. That is one of several reasons the Coast Guard is currently exploring options (i.e., an off-the-shelf design) to keep the FRC on schedule to be "ready for operations" in 2009. Implementation of this accelerated option is critically dependent on the \$41.5 million requested in fiscal year 2007 in order to achieve that delivery date.

MARITIME DOMESTIC AWARENESS

Question. The Coast Guard's Deepwater program includes the use of Unmanned Aerial Vehicles. UAVs provide a wide-area of surveillance capabilities and operate at a fraction of the cost of manned aircraft.

However, under the current budget plan, the Coast Guard won't acquire UAVs until 2016, at the earliest.

Why is the Coast Guard waiting such a long time to acquire an asset that can improve your capability to enhance maritime domain awareness?

Answer. The Coast Guard plan calls for the acquisition and employment of an Unmanned Aerial Vehicle (UAV) well before 2016. The Deepwater plan calls for the use of two types of UAVs. The delivery of the Vertical Unmanned Aerial Vehicle (VUAV) is scheduled to complete Operational Test and Evaluation in December 2011, and will operate off the National Security Cutter and the Offshore Patrol Cutter. The second unmanned aviation asset, the High Altitude Endurance Unmanned Aerial Vehicle (HAEUAV), is scheduled for delivery in 2016. The HAEUAV will be a land-based UAV with high altitude and long endurance capabilities.

UAVS ALONG THE SOUTHERN BORDER

Question. In fiscal year 2006, this Subcommittee included funding for Customs and Border Protection to utilize UAVs along our southern border.

How would the Coast Guard best use UAVs if funding became available?

Answer. The best use of funds for a UAV in the Deepwater program would be to support continuation of the VUAV acquisition which is currently in System Design and Development. The goal is to fund the VUAV so that it can be completed and utilized as a component of the National Security Cutter force package. The concept of operations calls for the National Security Cutter to be employed with a Multi-Mission Cutter Helicopter (MCH) and VUAV. While the Coast Guard and Customs and Border Protection have some similar UAV requirements, a critical difference is for the maritime UAV to have a vertical launch and recovery capability in order to operate with Coast Guard cutters at sea.

INSTALLATION OF RECEIVERS

Question. The Maritime Transportation Security Act, which President Bush signed on November 25, 2002, required vessels entering U.S. ports to have an Automatic Identification System (AIS) on board by the end of 2004 that would identify the ship, the size of the ship and the type of cargo on the ship when they arrived at U.S. ports.

Many of our strategic ports still do not have technology to receive these signals.

Your testimony indicates that we need to "push out our borders." The AIS system represents an important cog in a layered security architecture. Yet, your budget for AIS in fiscal year 2007 is only \$11.2 million, less than half of the amount provided in fiscal year 2006. The total acquisition cost to outfit all strategic ports is estimated to be \$230 to 250 million. Less than a third of the total cost has been funded to date.

According to a March 10, 2005 Coast Guard report on efforts to install a shore-based universal Automatic Identification System in ports nationwide, full operating capability would be achieved in fiscal year 2008. Yet, your fiscal year 2007 budget now indicates that the project will not be completed until 2011.

Why is the Coast Guard moving so slow to install these receivers?

Answer. The implementation approach and timeline currently being planned by the Nationwide Automatic Identification System (NAIS) project is based on meeting operational requirements, with due regard for technical, cost and other risk factors required for a complete command, control, communication, computer and information technology project. A three stage incremental implementation is being pursued so that maritime security stakeholders will receive useful capability that begins to fill in operational gaps more quickly than would be otherwise possible. Upon Milestone Two (alternative selection approval from DHS) targeted for 4th Quarter, fiscal year 2006, the first increment will capitalize on existing preliminary and prototype efforts installed during 2005 and 2006 to expand receive only AIS capability (vessel tracking) in all critical ports identified in the fiscal year 2007 budget justification. With the first increment underway, the fiscal year 2007 budget request of \$11.2 million, along with existing unobligated project funding, will be used to award a NAIS contract in fiscal year 2007 to initiate design, logistics and deployment of follow-on increments that provide a more robust, fully interoperable AIS capability with complete coverage of all U.S. waters and approaches. Previously reported project completion dates were based on preliminary project management estimates. As the final

requirements have matured and more has been learned, the project schedule was updated to reflect realistic timeframes for project completion. Currently, full system operating capability is expected to be delivered by 2013.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN
DEEPWATER RECAPITALIZATION PROGRAM

Question. What affect would a decrease in funding from the President’s Budget Request of \$934.4 million have on the continuation of this recapitalization program?

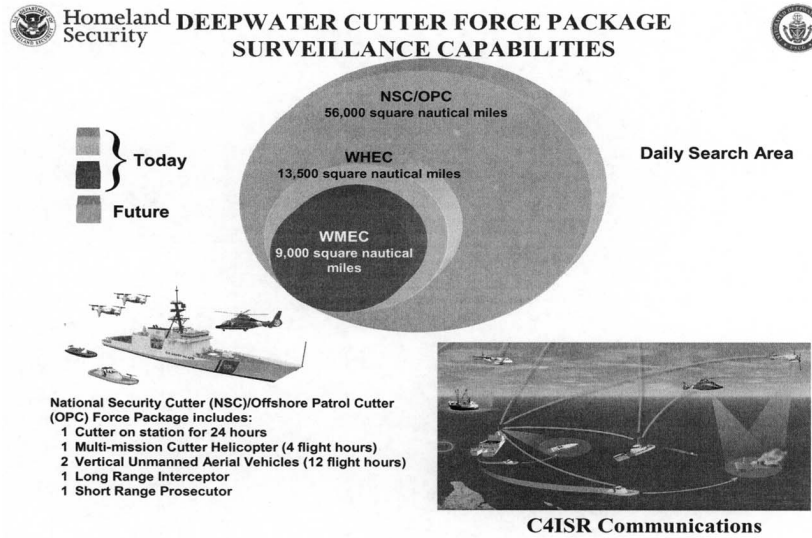
Answer. The following Deepwater projects are categories in the fiscal year 2007 budget. Each requires full funding to ensure success of the recapitalization program. A key to success is the synchronization of asset acquisitions to produce “force packages” connected by a common network. This enables a synergy of operational system performance as depicted on the enclosed graphic. If the planned synchronization is delayed due to less than full funding in fiscal year 2007, then the planned capabilities will be have at least a one year delay, will be more costly to acquire in the future, and the operational performance improvements planned for the near term will be lost. More specifically:

Budget category	Inaequate funding impacts
AIR:	
CASA MPA	Would delay “mission ready” status of aircraft’s 4 & 5, delay delivery and missionization of MPA #6; and further delay two air stations from receiving post 9/11 capabilities.
VUAV and MCH (HH-65C)	Will delay delivery of assets, limit major cutter “force package” capabilities, limiting surveillance capability to that achieved by legacy surface assets.
HH-60 projects	Any project under funded or out of sequence will delay the entire upgrade and conversion sequence of the HH-60; this medium range helicopter is larger and more capable than the CG HH-65s.
AUF projects	Delayed funding for Airborne Use of Force upgrades means that Homeland security patrols will continue to be conducted largely by unarmed aircraft that lack the capability to respond appropriately on “actionable intelligence”.
C-130H Conversion projects	The C-130H will continue to operate with aging, obsolete avionics and a troublesome radar that has provided degraded reliability for several years.
C-130J Fleet Introduction	Will delay delivery of asset(s) or prevent “mission ready” status—prolonging the shortage of maritime patrol aircraft operating hours.
SURFACE:	
NSC	Each day of delay means NSC has an opportunity cost of not surveilling 42,500 square nautical miles compared to legacy WHEC-378. ¹
FRC	Delay/loss of enhanced operational capabilities of the patrol boat fleet required by the post 9/11 requirements.
Mission Effectiveness Project for Legacy 210 Foot and 270 Foot.	With no Offshore Patrol Cutter (OPC) in the current budget, 210- and 270-foot cutters have to be extended until OPC is delivered. Inadequate funding will likely result in decreased legacy asset operational availability.
Cutter Small Boats (Long Range Interceptor and Short Range Prosecutor)..	Small boats are part of the Cutter “force package” providing intercept and boarding capability from the parent cutter. Delayed funding decreases “force package” operating area.
C4ISR	Will delay delivery of assets—some components are essential to asset operation. C4ISR is the key to being AWARE in the maritime region. Reduced awareness increases the Nation’s risk for possible attacks from terrorists and more criminal activities.

Budget category	Inadequate funding impacts
Logistics	Unable to operate as designed will mean higher annual operating costs. Readiness will be lower. Suboptimal "homeports" due to lack of shore facilities; forcing use of "Ports of Convenience".
Systems Engineering & Integration	Higher risk for lack of synchronization of Deepwater assets . . . will not operate together. Higher risk that optimal contractor testing will not be conducted. Uncertain if OT&E will detect . . . increased risk of failure during future operations.
Program Management	Unable to accomplish inherently government work necessary for success. Increased risk of failure during operation and delay in deploying due to insufficient planning.

¹ All flight deck capable cutters will benefit from VUAV/MCH force package surveillance capabilities.

The graphic below illustrates the synergistic linkages between assets in the Deepwater system highlighting how reduced funding in any one area reduces overall system performance outcomes. The full success of the major projects is dependent on the assets in these budget categories being fully funded.



Question. In fiscal year 2006, Congress provided \$933.1 million for the Coast Guard's Deepwater recapitalization program. The President's fiscal year 2007 Budget Request proposes \$934.4 million for the Deepwater program.

How important is full funding of the President's Request to the continuation of this recapitalization program?

Answer. It is critically important that full funding for the Deepwater recapitalization program be provided. Any reduction will cause a delay in one or more assets or systems that the Coast Guard needs to accomplish the responsibilities that DHS expects. Reduced funding will mean reduced readiness; our Nation needs a mission-ready Coast Guard.

RESPONSE TO CONGRESSIONAL DIRECTION

Question. How will the Department and the Coast Guard address Congress' frustration with the Coast Guard's poor responsiveness to congressional direction?

Answer. The Coast Guard has internal processes in place to track all Congressional deliverables, to include reports, Questions for the Record (QFRs), Questions and Answers (Q&As) and all other direction from Congressional staffs, ensuring all

are responded to in a timely and effective manner. In addition, the Coast Guard and DHS have condensed their turnaround times allowed for all inquiries to further ensure timely responses.

One example as a result of the Coast Guard's improvement in this arena was in the submission of the fiscal year 2007 President's request—four Congressional Reports (Deepwater Implementation Plan Review, Operational Gap Analysis, Patrol Boat Availability and Report on Maritime Security and Safety Teams) were submitted in concert with the President's request—a significant effort to execute, but done successfully as a result of greater cooperation and efficiency between DHS, OMB and the Coast Guard.

Other examples of the Coast Guard's efforts to alleviate Congress' concerns include more granularity in the fiscal year 2007 budget submission (the fiscal year 2007 request grew by over 175 pages from the fiscal year 2006 submission, providing more justification on usable segments within AC&I projects, greater detail on new initiatives such as the National Capital Region Air Defense mission, and so on).

The Coast Guard has also been more proactive in providing status reports of continuing initiatives through Congressional Staff briefings, substantial interaction between Congressional staffs and the Coast Guard's own Congressional Affairs staffs, and sponsorship in field unit visits.

STATUS OF HH-65 HELICOPTERS

Question. Could you update the committee on the progress of the re-engining of the 95 HH-65 helicopters?

Answer. Twenty-nine re-engined HH-65s have been delivered as of March 2006; 5 each to CG Air Stations Atlantic City, Savannah and New Orleans; 3 to Air Station San Francisco; 8 of 9 to Air Station Miami; 1 to Aviation Training Center Mobile; 1 to Air Station Los Angeles; and 1 to NAVAIR.

Completion date of the 84 operational HH-65s remains June 2007. This date was changed from the earlier projected delivery date of February 2007 primarily due to extraordinary Hurricane rescue and relief efforts in 2005 that caused unforeseen wear and tear on our rotary wing aircraft. Aircraft inducted for the re-engining project have needed additional depot-level maintenance caused by this increased wear and tear. The remaining 11 non-operational aircraft (aircraft on the programmed depot maintenance line at Coast Guard Aircraft Repair & Supply Center, Elizabeth City, NC) are scheduled to be completed by November 2007.

CONCLUSION OF HEARING

Senator STEVENS. This will terminate the hearing.

[Whereupon, at 11:15 a.m., Thursday, April 6, the hearing was concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]