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THE PRESIDENT'S FISCAL YEAR 2013 BUDGET PROPOSALS FOR THE COAST GUARD AND NOAA

HEARING

BEFORE THE

SUBCOMMITTEE ON OCEANS, ATMOSPHERE, FISHERIES, AND COAST GUARD

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

MARCH 7, 2012

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ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

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THE PRESIDENT'S FISCAL YEAR 2013 BUDGET PROPOSALS FOR THE COAST GUARD AND NOAA

WEDNESDAY, MARCH 7, 2012

U.S. SENATE,
SUBCOMMITTEE ON OCEANS, ATMOSPHERE, FISHERIES, AND COAST GUARD,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Subcommittee met, pursuant to notice, at 2:39 p.m., in room SR–253, Russell Senate Office Building, Hon. Mark Begich, Chairman of the Subcommittee, presiding.

OPENING STATEMENT OF HON. MARK BEGICH, U.S. SENATOR FROM ALASKA

Senator BEGICH. We will go ahead and start the meeting. Thank you very much for being here.

Both Admiral Papp and Administrator Lubchenco, thank you very much for attending today's hearing on the Fiscal Year 2013 budget proposal both by Coast Guard and NOAA.

Let me first start this hearing by acknowledging the recent loss of some members of the Coast Guard family. The crew of the helicopter CG–6535 were lost last week while on training flight over Mobile, Alabama. Their loss reminds us of the risk that men and women of the Coast Guard take every day to protect us.

We are keeping in our thoughts and prayers the families and friends of Lieutenant Commander Dale Taylor, Lieutenant Thomas Cameron, Chief Petty Officer Fernando Jorge, and Petty Officer Third Class Andrew Knight.

Also last week, the Midwest suffered from a series of deadly tornadoes. We also are remembering the families of the 40 friends and neighbors lost in those storms.

These events remind us of the sacrifice made every day on our behalf. Today, the Coast Guard cutter ALEX HALEY, based in Kodiak, Alaska, is patrolling the Bering Sea in heavy seas, conducting fisheries law enforcement and search and rescue missions.

While she is out there, there is likely to see a crew of the NOAA ship OSCAR DYSON, also based in Kodiak. The OSCAR DYSON routinely spends more than 300 days a year deployed without multiple crewing.

All of these people are missing birthdays, first steps, piano recitals so they can protect us, our economy, and our environment. This

is what the Coast Guard and NOAA do every day. It is up to us here to ensure they have the tools they need to do their job well.

Both the Coast Guard and NOAA delivered for the American people in 2011. We are pleased to have again Admiral Robert Papp, the 24th Commandant of the Coast Guard, joining us today.

The Coast Guard continues to be successful in recapitalizing their ship and aircraft fleet. The third national security cutter, the STRATTON, completed her sea trials and will soon be commissioned. And the first of the Sentinel class of the fast rescue cutters, the BERNARD C. WEBBER, arrived in her home port of Miami, and we are looking forward to her sister ship coming to Ketchikan some day.

And in December and January, the world watched as the icebreaker HEALY helped deliver much-needed fuel to the iced-in City of Nome, Alaska. We are grateful for their assistance, and I am glad that the world got to see how important the Coast Guard icebreakers are to the people of Alaska.

I am also so pleased to see the administration finally making concrete plans to build a new heavy icebreaker. But I am most glad to see the Coast Guard has a 5-year capital investment plan for $860 million to actually build this asset, which is vital for America to realize its full Arctic potential.

I am also pleased to welcome NOAA Administrator Jane Lubchenco. NOAA has also had a big year. Matter of fact, even big as of just a few minutes ago, as we were just talking about.

You launched the Suomi NPP weather satellite, and look forward to it becoming fully operational. The high-resolution data will help us become a weather-ready nation, ready for tornadoes, hurricanes, flash floods, and winter storms.

It could not come at a better time with a record number of billion-dollar weather disasters last year. I will tell you, in our state, as I started to leave, it was snowing once again heavy volume.

Over and over again last spring and even just last week, we saw NOAA weather forecasts saving lives with advanced warnings. While the deadly storms in Alabama took a horrific toll last spring, thanks to NOAA forecasts, the schools and businesses were closed that day.

We saw the same impacts in Alaska, when a huge hurricane-force winter storm struck the western edge of our state. Thanks to accurate forecasts, coastal communities were prepared, and the loss of life was minimized.

Our marine fisheries also turned a corner in 2011. For the first time ever, all federally managed fisheries have an annual catch limit and accountability measures. This means we are implementing science-based management for all stocks and are on the road to end overfishing.

Alaskans have known the value of science-based fishery management for a long time. We are glad to see the rest of the country following our lead.

I could go on and on about the Coast Guard and NOAA and what they do for the American people and Alaskans every day. I know each service is facing a tough fiscal environment and has to make difficult choices about what to fund. I am particularly concerned

about how growth in NOAA satellite requirements is impacting the agency's key ocean science missions.

Thank you both for being here today to begin this process.

Finally, I would like to acknowledge my gracious Ranking Member, Olympia Snowe, for her many years of service. And you came to the Senate to get things done, and I know this is your last year. She thought it might be a little easier as she moves on, but we are going to keep her very busy.

There are a lot—matter of fact, we are going to increase her load. [Laughter.]

Senator BEGICH. But she is an incredible colleague, partner, and focused on the issues of the oceans, fisheries, and NOAA, and the many other works of the Commerce Committee.

Let me see if Senator Snowe has some comments, and then I will ask Senator Rockefeller.

STATEMENT OF HON. OLYMPIA J. SNOWE, U.S. SENATOR FROM MAINE

Senator SNOWE. Thank you, Mr. Chairman, for those gracious words.

Thank you very much for calling a very critical hearing today to address one of the most substantive areas of our concern in oversight of the Coast Guard as well as the National Oceanic and Atmospheric Administration budget requests. It is so important that we ensure the resources provided by the American taxpayers are put to their highest and best use in as cost-efficient a manner as possible.

After the tragic crash of the Coast Guard helicopter 6535 and the loss of four crew members during a nighttime training mission in Mobile Bay last week, we are reminded of the tremendous risk as well as the critical services provided by the Coast Guard. The brave men and women of this service risk their lives daily to secure the lives and property of our nation's mariners, and it is incumbent upon Congress to ensure that the assets that they rely on to carry out their work and return them to shore safely are equal to the task.

Yet once again, we find ourselves here to discuss how the Coast Guard will continue to carry out its diverse mission set with vessels such as the high-endurance cutter, which averages 43 years of service life, 25 years longer than their Navy equivalents.

In order to effectively answer the now-perennial question of how the Coast Guard can do more with less, Congress must have a clear picture of the risks involved in various acquisition strategies and programs.

As the Coast Guard assumes the role of lead system integrator for its major acquisition program, formally known as Deepwater, it is imperative that the service increase its capacity to manage this complex project and to communicate its actions with crystal clarity to Congress.

The administration's Fiscal Year 2013 request seeks 3.9 percent less than the Fiscal Year 2012 enacted discretionary spending level overall, but a staggering 18.6 percent reduction in the Acquisitions, Construction, and Improvement line.

The Fiscal Year 2013 operations budget request reflects an increase of only 0.5 percent over last year, yet fuel prices continue to climb. So we must ask whether this request is adequate to meet the increasingly complex needs of our nation's homeland security, marine safety, and environmental response.

Admiral Papp, the GAO has concluded that the Coast Guard out-year budget planning is unrealistic, leading to ongoing challenges for your capital investment planning and fleet mix analyses. Today, I look forward to hearing from you what steps the Coast Guard is taking in response to the GAO's recommendations and to understand how this year's request will impact the future of the Coast Guard's acquisitions program, especially with regard to the National Security Cutter and the Offshore Patrol Cutter programs.

This hearing is especially timely with regard to NOAA's budget as well, Dr. Lubchenco, as I am sure you understand, having just returned from the 37th Annual Maine Fishermen's Forum. I really appreciate the fact that you and your staff were able to hear directly from the New England fishermen the needs of their businesses now and for the future, and I am just delighted you were able to be there. I received a great deal of positive feedback from your attendance at that critical forum.

My colleagues and I have ongoing concerns about the enforcement and the administration issues identified by the Inspector General's update last month regarding the National Marine Fisheries Service's Office of Law Enforcement and the agency's mismanagement of the Asset Forfeiture Fund. However, reducing uncertainties in fisheries science is the central objective if we are to achieve a stable economic and regulatory environment for our nation's fishermen, and that is where our focus should be today.

As I understand you heard from many of the attendees at the Fishermen's Forum, cost-effective catch monitoring and strong enforcement remains a key priority for the industry. While the NOAA budget requests an increase of $2.9 million for the Observer program and increases for improved fishery surveys and stock assessment, this budget still may not have a net positive impact on fishery science.

For example, reductions to, or elimination of, key funding lines such as the Interjurisdictional Fisheries Act, which will be zeroed out, and the Atlantic Cooperative Coastal Act, which will be reduced by 14 percent, will accordingly force the elimination of key monitoring programs and resource management capacity at the state and local level.

Reductions to fishery management councils will likely mean fewer opportunities for stakeholders to weigh in on the management decisions that affect their livelihoods and could slow the already-lagging management process even further.

The President's 2013 budget proposal for NOAA requests $5.1 billion. Two-fifths of this proposal will go to the National Environmental Satellite Data and Information Service to fund an 8.7 percent increase over the 2012 enacted level, bringing this year's request to $2 billion.

Meanwhile, many other offices and programs would experience reductions or level funding. A number of valuable programs have been proposed for termination.

The administration's request relies far too heavily on the elimination of grant programs and federal-state partnership programs to pay for the increases, meritorious though they may be, required by other programs. Regrettably, NOAA's budget seems to minimize the exceptional value these small programs provide to our coastal community and its economy.

Every dollar spent in the Federal budget on competitive grants and federal-state partnerships is multiplied by matching funds. Many of the jobs in coastal communities are indirectly placed at risk by cuts proposed in this budget request.

In closing, I just want to emphasize how greatly I value the tradition we have here in the Committee and the Subcommittee in particular of working in a bipartisan fashion. I see the Chair of the Committee as well, who always operates in working across the aisle, and I am very pleased to work with you, Mr. Chairman, on addressing so many of these key issues that are important to our industry and, of course, to our Coast Guard.

I want to thank you both for being here today.

Senator BEGICH. Senator Rockefeller?

STATEMENT OF HON. JOHN D. ROCKEFELLER IV, U.S. SENATOR FROM WEST VIRGINIA

The CHAIRMAN. Thank you, Mr. Chairman.

I just want to say one sentence, and then the second one is really the question that I will not be able to make because I will not be here. First, I want to reiterate what the chairman said about the loss in terms of the Coast Guard and the losses that occur in so many ways, just the risk of duty, of saving lives.

You take care of people, and fate does not always take care of you. I guess that is true in most of our lives.

The reduced funding that the Coast Guard is up against does not please me. A 3.9 percent is not 8 percent, but it is an awful lot when you do not have anything to begin with, and you are trying to get a fleet together and put your operation exactly the way you want it to be.

There is new attention, I think, toward the Coast Guard. There certainly is on this committee. We really value it, and we cherish it. And we want to nurture it, help it in any way that we possibly can.

My second and last statement will just be a thought, and that was that earlier this year, the President proposed reorganizing aspects of the Federal Government. And I guess there is nothing wrong with that. There could be some good things about that.

He has not said it himself personally, but OMB officials have explained that NOAA would be consolidated within the Department of the Interior. I am appalled by that thought. I am appalled by it. And I want to serve notice that I will do everything I can to make sure that it does not happen.

And that is not because of territorial concerns, jurisdictional concerns. It simply does not make any sense. The work of NOAA is so integrated, obviously, into the oceans and the estuaries and into climate, the reporting of climate, the technology of that, fishing and all of its respects, the decline of fishing—of fish, if not fishing.

I just want to make sure that NOAA's day-to-day performance stays on track. It is an excellent group led by an excellent leader, and it just strikes me as yesterday, and Senator Lautenberg was here, we had four heads, like yourselves, sort of brilliant heads of other agencies—NSF, NIST—like that. They are all getting big increases, and I am really glad they are.

I am really glad they are because the National Science Foundation can do a great deal. NIST can do a great deal. NASA can do a great deal. And Dr. John Holdren, of course, is marvelous and presides over much good.

But I just—I cannot live with the thought of NOAA being moved to the Department of the Interior. I do not know whose idea it was. I do not know how we can stop it, but I pledge to you I will do everything I possibly can.

And that is just not to make you happy, Dr. Lubchenco, but it is to make the country better. To keep NOAA where it is, to keep it on track in a very distinguished operation.

I thank the Chair.

Senator BEGICH. Senator Lautenberg, did you have a quick opening before we go to individuals to testify?

STATEMENT OF HON. FRANK R. LAUTENBERG, U.S. SENATOR FROM NEW JERSEY

Senator LAUTENBERG. I will try to make it quick.

Senator BEGICH. I will leave it at that.

Senator LAUTENBERG. In any event, thanks, Mr. Chairman, for giving us a chance to sit with our friends from NOAA and the Coast Guard. And as Commandant Papp knows, I have been a fan of the Coast Guard for a long time. And I am always amazed at their ability to carry out functions that continue to expand their responsibility and very often in the face of cuts in resources to do it.

So carry on, Commandant. We like what you do, and especially, we like the fact that New Jersey is a home for the service. And I look at a couple of other States that are seaside, and Mr. Chairman, I know that in West Virginia, you got a giant-sized port that people do not think exists there.

[Laughter.]

Senator LAUTENBERG. Now do I get more time? Anyway, our oceans are not just beautiful environmental resources. They are sources of vital strength in America. And New Jersey, for instance, we have got coastal businesses generating almost 500,000 jobs and pumping $50 billion a year into the state's economy.

And during 2011—and I will not prolong this, Mr. Chairman—but I do want to say that during 2011, the Port of New York and New Jersey, largest on the east coast, supported more than 270,000 jobs, $37 billion in business income. And it has never been more important to support the agencies that safeguard our shores than at this time, as we try to grow ourselves back into a steadier economic presence.

And the Coast Guard plays such an important role in keeping our interests safe. And as I said, the agency is consistently asked to do more with less.

So I am disappointed that some steep cuts mandated by last summer's debt deal, which I opposed, forced a reduction in the

budget request for Coast Guard. The brave men and women of the Coast Guard never let us down, and it is critical that the resources be there that they need to complete the missions that we have assigned them.

The budget request for NOAA would provide a 3 percent increase for that agency's critical work. However, the budget proposes eliminating the fisheries lab at Sandy Hook. And it is a peninsula along the New Jersey coast, NOAA operates the labs that perform research on critical issues like ocean acidification, poisoning marine life, destroying ecosystems.

These are serious, critical issues, and we must not stand by and let it happen. Make no mistake, closing this lab will undermine NOAA's ability to carry out its mission to conserve and manage America's coastal and marine resources.

Mr. Chairman, I close with this. Sandy Hook is also a unique facility because it is so near one of the largest centers of population in our country, near New York City. It allows us to study the effect of human populations on the fisheries and ocean environments.

The administration has proposed moving Sandy Hook to a town with a small population, fewer than 1,000 people. And marine scientists at Rutgers recently said, and I quote, "These are much different areas. They are certainly not as urban. They do not face the same problems that we face here in New Jersey with, again, this large population."

So, Mr. Chairman, I have little to add, but I would ask consent to put my full statement in the record.

Senator BEGICH. Without objection.

Senator LAUTENBERG. Thank you.

[The prepared statement of Senator Lautenberg follows:]

PREPARED STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY

Mr. Chairman,

Our oceans aren't just critical environmental resources—they're also vital sources of America's economic strength.

In New Jersey, coastal businesses generate almost five hundred thousand jobs and pump fifty billion dollars into the state's economy each year. During 2011, the Port of New York and New Jersey—the largest on the East Coast—supported more than two hundred and seventy thousand jobs and thirty seven billion dollars in business income. This is why it's never been more important to support the agencies that safeguard our shores.

The United States Coast Guard plays an essential role in keeping our oceans safe, yet the agency is consistently asked to do more with less. I am disappointed that the steep cuts mandated by last summer's debt deal—which I opposed—have forced a reduction in the budget request for the Coast Guard. The brave men and women of the Coast Guard never let us down, and it's critical that we give them the resources they need to complete their missions.

The budget request for the National Oceanic and Atmospheric Administration would provide a 3 percent increase for the agency's critical work. However, the budget proposes eliminating the fisheries lab at Sandy Hook, a peninsula along the New Jersey coast. This NOAA-operated lab performs research on critical issues like ocean acidification, which is poisoning marine life and destroying ecosystems. Make no mistake: closing this lab will undermine NOAA's ability to carry out its mission to conserve and manage America's coastal and marine resources.

Sandy Hook is also unique because it is near New York City, which allows us to study the effect of human populations on fisheries and ocean environments. The Administration has proposed moving the Sandy Hook research to a town with fewer than one thousand people. A marine scientist at Rutgers University recently said,

"Those are much different areas; they're certainly not as urban. They just don't face the same problems we face here in New Jersey."

This proposal to eliminate the lab comes just a few months after the Administration recognized the lab for a half-century of significant scientific achievements. During that time, the lab has built vital research partnerships with New Jersey fishermen and local universities. Closing its doors would put an end to those valuable and longstanding relationships.

I've written to President Obama and urged him to reconsider his decision. I've also written to the Appropriations Committee—and I am hopeful we can all work together to make sure this lab is able to continue the important work it does.

I look forward to hearing from our witnesses about the valuable contributions they make to the protection of our oceans—and I stand ready to work with them to ensure their continued success.

Senator BEGICH. Thank you very much.

Let me, as without objection, Senator Rockefeller's statement will be in the record also.

[The prepared statement of Senator Rockefeller follows:]

PREPARED STATEMENT OF HON. JOHN D. ROCKEFELLER IV,
U.S. SENATOR FROM WEST VIRGINIA

The importance of National Oceanic and Atmospheric Administration (NOAA) in helping Americans and West Virginians prepare for and respond to dangerous weather was on display during last week's weather events. News reports indicate that agencies had nearly perfect predictions and issued timely warnings about the path of storms.

This is an example of the valuable role NOAA plays. In my state, we did not lose any lives, and I credit that in part to the fact that we were warned that severe weather was on the way. Yet, the storms caused tremendous property damage, and I am working with the Administration to secure Federal aid to facilitate speedy restoration for my state. Other areas of the country weren't as lucky. In the South and Midwest, a deadly rash of tornadoes ripped through communities. I offer my sorrowful condolences to the families who have been impacted.

A few weeks ago, a bill I authored was signed into law that will build a nationwide, wireless communications network designed to connect West Virginia's and our Nation's first responders during emergencies. After the recent weather events, I know we can all appreciate how critical it is to make sure our firefighters, police officers, and EMS workers have the tools they need to get the job done in times of emergency. I intend to work with NOAA to make sure this law is implemented with as few costly implications to their current satellites and radio operations as possible.

Last year, deadly weather killed more than a thousand people across the Nation and caused over $53 billion in property damage. These events demonstrate the need to further improve our weather and warning systems that help Americans make better decisions during emergencies.

I'm pleased the Administration is now working more aggressively to keep weather satellites on track and on budget, but I'm troubled by the proposed cuts to local forecasting jobs across the country, as well as the decision to forego several cost-effective weather technology innovations that would significantly improve storm predictions. The FY 2013 budget request for NOAA is $5.1 billion. I have questions about several of the proposed program terminations, particularly with regard to weather services and restoration programs.

We are also here today to discuss the President's request of $9.97 billion to fund the Coast Guard's operating expenses, ongoing surface and air asset fleet recapitalization, and other needs. The Coast Guard has served this Nation with distinction and honor throughout its nearly 220 year history. I love baseball, so I'm big on stats. Here are a few Coast Guard stats from 2011: Lives saved by Coast Guard Search and Rescue: 3,804; pounds of narcotics interdicted: 205,000; and number of crewmembers and passengers screened prior to arrival in U.S. ports: 28.7 million.

As evidenced by the stats I mentioned, Americans have largely come to expect an unmatched level of excellence and professionalism from the Coast Guard both at home and abroad. They deserve all the support we can give them.

Both the Coast Guard and NOAA are agencies that Americans depend on in times of need, they are crucial to our safety, and I look forward to our witnesses' testimony so we can learn more about their funding needs for the coming fiscal year.

Senator BEGICH. Let us start the conversation. First, we will start with Admiral Papp, Commandant of the United States Coast Guard. Please?

STATEMENT OF ADMIRAL ROBERT J. PAPP, JR., COMMANDANT, U.S. COAST GUARD

Admiral PAPP. Well, thank you, Chairman Begich.

Chairman Rockefeller, thank you as well, Senator Lautenberg, and then, finally, Ranking Member Senator Snowe. And thank you, ma'am, for your many years of service, both in the Senate and being such a great friend to the United States Coast Guard.

I want to thank you all for the very kind words about the crew of 6535.

There are a couple of things that only the Commandant of the Coast Guard can do, and that is usually associated with speaking for the entire Coast Guard family. Tomorrow, I will travel down to Mobile, Alabama, to the aviation training center to speak to the families of the lost crew members and also our greater Coast Guard family that will assemble there.

But the other thing is the Commandant of the Coast Guard needs to speak to the needs of our Coast Guard family as well, and doing the former really strengthens me even more to speak to the latter, which I am doing today.

Now, this is another storm for us to face, but we have weathered many storms over our 222 years in the Coast Guard, and we have adapted to operate in times of peace and conflict and continually responded to meet the emerging maritime challenges.

Today is no different. The Coast Guard men and women are confronting a diverse array of maritime threats—transnational smuggling, illegal fishing on the high seas, increasing human activity driven by the economic opportunity of ice-diminished Arctic Ocean, and the scourge of piracy.

Just this past weekend, the Coast Guard cutter NORTHLAND was on patrol off South America when its embarked helicopter sighted a vessel with three outboard engines and numerous bales located on deck. The go-fast vessel refused to stop, even after the helicopter fired warning shots.

So the marksman put some rounds into the outboard engines and stopped it, and we recovered 54 bales of pure cocaine. Sixteen hundred kilos, nearly 2 tons of cocaine taken out of the system, worth an estimated street value of $42 million if it reached our country.

Contrast this situation to when cocaine does make it ashore in Central America. It is broken down into much smaller loads, sometimes just a kilo, for transport and sale, and it makes it significantly harder for land-based law enforcement to interdict it. And as it travels, it creates a cascading wave of destabilization, crime, and social harm that spills across our Southwest borders and into our streets.

I provided a slide which shows some of the threat factors that the Coast Guard deals with. These threat factors mostly represent our sea lanes of trade from other countries which support American prosperity, but they are also there for transnational criminal organizations as well.

Illicit trafficking is just one of the many maritime threats our nation is facing, and if we do not have the tools to confront these threats, it poses a significant risk to America's maritime prosperity because 95 percent of our trade is carried out by sea. This is why responsibly rebuilding the Coast Guard and providing our hard-working Coast Guardsmen with the tools they need to do their job remains my absolute top budget priority.

Now the good news is since September 11, 2001, because of your support, we have taken numerous risks to mitigate our risks inside the ports and along the near shore environment. We have invested in more small boats, more capable aircraft, and more people to operate them. We have deployed a rescue distress communications system that is throughout most of the continental United States now, including the Great Lakes.

We have unified our field commands through the creation of sector commands to fully integrate and leverage our prevention and response activities. Using the authorities under the Maritime Transportation Security Act, we have enhanced our regulatory inspection and compliance programs, and we have built out a highly effective, deployable specialized forces security operations in groups that can move between the ports. We have also strengthened our partnerships with the many Federal, state, and local agencies that we operate alongside.

So while there will always be work to do, I can say without a doubt that in my nearly four decades of service in the Coast Guard, our shore, boat, and patrol forces are the best resourced that I have ever seen them. But we never want to wait until the threats get into our ports or on our shores before we deal with them. That is purely playing defense. What we need to do is play offense, too, and that is to intercept the threats before they reach our shores.

So back to the cutter NORTHLAND. The condition of our offshore forces, especially our major cutters, is a much different story. Despite our best efforts from our crews and the support of this committee, the state of our major cutter fleet, most of which is in excess of 40 years of age, is deeply concerning to me.

Our legacy high-endurance cutters are only achieving about 70 percent of their programmed underway hours because of major mechanical failures. Compounding this challenge is the fact that the United States Navy, whom we partner with to patrol offshore regions like the transit zone, is also reevaluating its fleet size and its patrol commitments.

Navy ships such as the Perry class frigates, which are critical to the counterdrug mission, are leaving the service. This is also cause for concern because the key to interdicting threats offshore is maintaining a persistent presence. If we do not have the major cutters that are capable of operating independently in the transit zone and along the trade routes, we cannot mount a response. It is just that simple.

Over the last year, over 700 metric tons of cocaine moved through the Western Hemisphere transit zone. But despite having actionable intelligence, every week we know that drugs are being missed on the water because we lacked a major cutter to disrupt and interdict the smugglers.

Other maritime threats were also on the rise. The expanding global population is placing pressure on our fish stocks and increasing the demand for fossil fuel. As a maritime nation and as an Arctic nation, we require major cutters to patrol and ensure stewardship of these other deep sea resources.

This is why we must continue to build our national security cutters such as the sixth, which is in this budget, as quickly as possible. I am extremely grateful to the President and the Secretary for supporting not only Number 6, but also giving us the money to kick off a replacement for our polar icebreakers.

Keeping these projects moving along lowers our costs. It maintains momentum that has allowed us to put national security cutters 4 and 5 on contract for nearly the same price. There are at least two other reasons for our recent acquisition successes. Number one, your strong support and encouragement and, number two, our highly capable acquisitions workforce.

And today, we are poised to build ships and aircraft like never before. What we need now is the money. And many of our acquisition programs are mature. We have overcome the learning curves. We have taken advantage of opportunities, and we are reaping the benefits of refined production processes and trained builders. In order to deliver our new assets as fast and inexpensively as possible, we need to keep the production lines running.

Beyond our major cutters, we have also delivered the first fast response patrol boat, and we have 11 more on order. We have delivered 13 maritime patrol aircraft. The last two arrived ahead of schedule. And we have also delivered 83 of our response boats medium to our boat stations.

The ships and aircraft we are building today will define the Coast Guard's ability and capability for the next 50 years, the capability we need to remain true to our motto, "Semper Paratus"—"always ready"—as we enter our third century of service to the Nation.

So I thank you for this opportunity to come and talk about the needs of our Coast Guard family, and I look forward to answering your questions.

Thank you.

[The prepared statement of Admiral Papp follows:]

PREPARED STATEMENT OF ADMIRAL ROBERT J. PAPP, JR., COMMANDANT, U.S. COAST GUARD

Introduction

Good morning Mr. Chairman and distinguished members of the Committee. Thank you for the continuing support you have shown to the men and women of the United States Coast Guard, including the funding provided in the Fiscal Year (FY) 2012 Consolidated Appropriations Act to recapitalize the aging fleet and sustain front-line operations.

This year marks our 222nd year of protecting Americans on the sea, America from threats delivered by the sea and the sea itself. Throughout this period, our unique authorities, capable assets and determined personnel have adapted to meet the Nation's evolving maritime safety, security and stewardship needs. We are locally based, nationally deployed and globally connected.

I am here today to discuss the Coast Guard's FY 2013 Budget Request. Before discussing the details of the request, I would like to take this opportunity to discuss some of the Coast Guard's recent operational successes, our value and role in the Department of Homeland Security, and in service to the Nation.

Over the past year, Coast Guard men and women—Active Duty, Reserve, Civilian and Auxiliarists alike—continued to deliver premier service to the public. In the Midwest, Coast Guard Disaster Assistance Response Teams were among the first responders to residential areas impacted by severe flooding. In the Western Caribbean, Coast Guard Medium Endurance Cutters and Seagoing Buoy Tenders interdicted and supported the multi-agency recovery of Self-Propelled Semi-Submersible vessels. These "drug subs" are designed for one specific purpose—to deliver multi-ton loads of pure cocaine bound for our shores, streets and schools. While the use of drug subs is increasingly popular in the Eastern Caribbean, these interdictions mark the first time we have encountered drug subs in the Western Caribbean. In the Arctic, the Coast Guard icebreaker HEALY and her crew broke their way through 800 miles of Bering Sea ice to enable the *Motor Vessel Renda* to deliver 1.3 million gallons of fuel to the 3,600 people of Nome, Alaska after extreme weather and ice formation precluded safe delivery of this vital commodity.

Last year, the Coast Guard responded to 20,510 Search and Rescue cases and saved over 3,800 lives; seized over 75 metric tons of cocaine and 18 metric tons of marijuana destined for the United States; seized 40 vessels, detained 191 suspected smugglers; conducted over 10,400 annual inspections of U.S. flagged vessels; conducted 6,200 marine casualty investigations; conducted more than 9,000 Port State Control and Security examinations on foreign flagged vessels; and responded to 3,000 pollution incidents.

I am pleased to advise you that the Coast Guard recently accepted delivery of the lead Sentinel Class Fast Response Cutter, the BERNARD C. WEBBER. Sixty years ago, on February 18, 1952, Boatswain's Mate First Class Webber and his three-man 36-foot motorized lifeboat crew rescued 32 souls, one by one, from the 503-foot *Tank Vessel Pendleton* after it broke in two in a Nor'easter off Cape Cod featuring 60-foot seas, 70-knot winds and blinding snow. Petty Officer Webber's seamanship, courage and leadership serve as an enduring reminder of the Coast Guard's value to the Nation.

The FY 2013 Budget represents a critical inflection point—the ships, boats and aircraft we are investing in today are vital to ensuring the Coast Guard remains ready to respond to maritime threats and hazards, well into the future. Indeed, these resources will not just shape, but in a large part will define the Coast Guard's next fifty years of capability. We are also exercising resource and operational stewardship while simultaneously preparing for the future. We recently completed a review of doctrine, policy, and our operations and mission support structure to ensure we are focusing resources and forces where they are most needed. This prioritization is reflected in our FY 2013 budget submission, which focuses on balancing current operations with our need to recapitalize for the future. However, we must do so in a manner that sustains our capability to safeguard lives, protect the environment and facilitate safe and secure commerce throughout our Maritime Transportation System—a system which carries 95 percent of all U.S. foreign trade and accounts for nearly $700 billion of the U.S. gross domestic product and 51 million U.S. jobs.

The Coast Guard's value and role:

- We protect those on the sea: *leading responses to maritime disasters and threats, ensuring a safe and secure Maritime Transportation System, preventing incidents, and rescuing those in distress.*
- We protect America from threats delivered by the sea: *enforcing laws and treaties, securing our ocean resources, and ensuring the integrity of our maritime domain from illegal activity.*
- We protect the sea itself: *regulating hazardous cargo transportation, holding responsible parties accountable for environmental damage and cleanup, and protecting living marine and natural resources.*

FY 2013 Request

In recognition of the current fiscal environment, the Coast Guard's FY 2013 Budget strikes the optimal balance between current operations and investment in future capability to sustain the Coast Guard's ability to execute its missions, and address the most pressing operational requirements. This budget request includes investment in new assets which are critical to ensure the Coast Guard remains capable of carrying out its missions today and well into the future. Accordingly, the Coast Guard's FY 2013 Budget priorities are to:

- Responsibly Rebuild the Coast Guard
- Efficiently Preserve Front-line Operations
- Strengthen Resource and Operational Stewardship
- Prepare for the Future

Highlights from our request are included in Appendix I.

Responsibly Rebuild the Coast Guard

The Coast Guard continues to focus resources on recapitalizing cutters, boats, aircraft, and Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance systems, critical to sustaining the ability to accomplish missions well into the future. This budget request fully funds the sixth National Security Cutter, strengthening the Coast Guard's long-term major cutter recapitalization effort to replace its aged, obsolete High Endurance Cutter fleet as quickly as possible. The FY 2013 investments are critical to replacing and sustaining aging in-service assets, and are key to maintaining future capability.

The Coast Guard Cutter WAESCHE conducts at-sea refueling operations for the first time in the ship's history.

Efficiently Preserve Front-line Operations

To ensure the Coast Guard remains ready to meet the Nation's safety and security requirements, the FY 2013 Budget request provides a balance between sustaining front-line operational capacity and rebuilding the Coast Guard. The FY 2013 Budget provides funding to operate and maintain Coast Guard assets and sustain essential front-line operations. Key investments include funding the operation of new assets delivered through acquisition programs and investment in military workforce pay and benefits.

Strengthen Resource and Operational Stewardship

The FY 2013 Budget meets essential mission needs while simultaneously preparing for new and exigent demands. Through a comprehensive internal review of doctrine, policy, operations and mission support structure, the Coast Guard has focused resources and forces where they are most needed, while recognizing the current fiscal challenges. The FY 2013 budget also proposes administrative and programmatic reductions to improve efficiency and service delivery, while continuing investment in Coast Guard activities that provide the highest return on investment.

Prepare for the Future

The Coast Guard continuously identifies and prepares for emerging maritime threats facing the Service and the Nation. The FY 2013 Budget request recognizes the criticality of the Arctic as a strategic National priority, given increasing presence and interest by other Nations, the preponderance of natural resources available in this region, and increasing maritime commercial and recreational activity.

Conclusion

The role of the Coast Guard has never been more important. As we have done for well over two centuries, we remain "*Always Ready*" to meet the Nation's ever-broadening maritime needs, supported by the FY 2013 request. I request your full support for the funding requested for the Coast Guard in the President's FY 2013 Budget. Again, thank you for the opportunity to testify before you today. I am pleased to answer your questions.

Responsibly Rebuild the Coast Guard

Surface Assets [$879.5M (0 FTE)]

The budget provides $879.5 million for surface asset recapitalization and sustainment initiatives, including:

- *National Security Cutter (NSC)*—Provides production funding for the sixth NSC; NSCs will replace the aging fleet of High Endurance Cutters, first commissioned in 1967. The acquisition of NSC–6 is vital for performing DHS missions in the far off-shore regions, including the harsh operating environment of the Pacific Ocean and Bering Sea, as well as providing for robust homeland security contingency response.
- *Fast Response Cutter (FRC)*—Provides production funding to procure Fast Response Cutters (FRC) 19–20. These assets replace the aging fleet of 110-foot patrol boats, and provide the coastal capability to conduct Search and Rescue operations, enforce border security, interdict drugs, uphold immigration laws, prevent terrorism, and ensure resiliency to disasters. Hulls #17—20 will be procured in FY 2013 using FY 2012 and FY 2013 funds, maintaining FRC production at the current rate.
- *Offshore Patrol Cutter (OPC)*—Continues initial acquisition work and design of the OPC. The OPC will replace the Medium Endurance Cutter class to conduct missions on the high seas and coastal approaches.
- *Medium Endurance Cutter (MEC)*—Completes the Mission Effectiveness Program for the 270-foot MECs at the Coast Guard Yard.
- *Survey and Design*—Initiates survey and design work for a mid-life availability on the 175-foot Coastal Buoy Tender class.

Air Assets [$74.5M (0 FTE)]

The budget provides $74.5 million for the following air asset recapitalization or enhancement initiatives, including:

- *HC–144*—Funds production of the 18th HC–144A Maritime Patrol Aircraft. The HC–144A fleet will provide enhanced maritime surveillance and medium airlift capability over the legacy HU–25 aircraft that they replace. The HU–25s will all be removed from service by the end of their planned service life, in FY 2014.
- *HH–65*—Funds sustainment of key components requiring recapitalization.

Asset Recapitalization—Other [$76.5M (0 FTE)]

The budget provides $76.5 million for the following equipment and services:

- *Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR)*—Deploys standardized C4ISR capability to newly fielded NSCs, C–130s and MPAs, and develops C4ISR capability for other new assets.
- *CG-Logistics Information Management System*—Continues development and prototype deployment to Coast Guard operational assets and support facilities.
- *Nationwide Automatic Identification System (NAIS)*—Continues recapitalizing the existing interim NAIS system in 58 ports and 11 coastal areas by replacing it with the permanent solution design and technology via the core system upgrade.

Shore Units and Aids to Navigation (ATON) [$69.4M (0 FTE)]

The budget provides $69.4 million to recapitalize shore infrastructure for safe, functional and modern shore facilities that effectively support Coast Guard assets and personnel:

- *Station New York Boat Ramp*—Constructs a boat ramp for launching small boats at Station New York, NY, for both the Station and Maritime Safety and Security Team New York.
- *Air Station Barbers Point*—Constructs an aircraft rinse rack facility to properly and effectively rinse C–130 aircraft at Air Station Barbers Point.
- *Major Acquisition Systems Infrastructure*—Commences construction of piers and support facilities for three FRC homeports; construction of an MPA training facility at Aviation Technical Training Center in Elizabeth City, NC; construction of MPA maintenance facility hangar at the Aviation Logistics Center at Elizabeth City, NC.

- *ATON Infrastructure*—Completes improvements to short-range aids and infrastructure to improve the safety of maritime transportation.

Personnel and Management [$117.4M (842 FTE)]

The budget provides $117.4 million to provide pay and benefits for the Coast Guard's acquisition workforce.

Efficiently Preserve Front–Line Operations

Pay & Allowances [$88.9M (0 FTE)]

The budget provides $88.9 million to fund the civilian pay raise and maintain parity of military pay, allowances, and health care with the DOD. As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act, which includes pay and personnel benefits for the military workforce.

Annualization of Fiscal Year 2012 [$54.2M (260 FTE)]

The budget provides $54.2 million to continue critical FY 2012 initiatives.

Operating and Maintenance Funds for New Assets [$47.6M (139 FTE)]

The budget provides a total of $47.6 million to fund operations and maintenance of shore facilities and cutters, boats, aircraft, and associated C4ISR subsystems delivered through acquisition efforts. Funding is requested for the following assets and systems:

- *Shore Facilities*—Funding for the operation and maintenance of shore facility projects scheduled for completion prior to FY 2013.
- *Response Boat-Medium*—Funding for operation and maintenance of 30 boats.
- *Interagency Operations Center (IOC)*—Funding for the operation and maintenance of the Watch Keeper system.
- *Rescue 21 (R21)*—Funding for the operation and maintenance of the R21 System in Sector Sault Ste. Marie and Sector Lake Michigan.
- *FRC*—Operating and maintenance funding for FRCs #8–9 and funding for crews #9–10. These assets will be homeported in Key West, FL. Funding is also requested for shore-side maintenance personnel needed to support FRCs.
- *HC–144A MPA*—Operating and maintenance funding for aircraft #14–15 and personnel funding to operate and support aircraft #15–16.
- *Air Station Cape Cod Transition*—Funding to complete a change in aircraft type allowance, and programmed utilization rates.
- *Training Systems for Engineering Personnel*—Funding to support NSC and FRC training requirements at Training Center Yorktown.
- *HC–130H Flight Simulator Training*—Funding to support aircraft simulator training for HC–130H pilots, flight engineers, and navigators.

St. Elizabeths Headquarters Consolidation [$24.5M (0 FTE)]

Provides funding to support the Coast Guard's relocation to the DHS consolidated headquarters at the St. Elizabeths Campus in Washington, D.C. Funding supports the systematic move of equipment, employees, and work functions to the new headquarters location, beginning in the third quarter of FY 2013.

Strengthen Resource and Operational Stewardship

Asset Decommissionings

In FY 2013, in addition to the planned decommissioning of legacy assets, the Coast Guard will make targeted operational reductions to prioritize front-line operational capacity and invest in critical recapitalization initiatives.

High Endurance Cutter (HEC) Decommissionings [–$16.8M (–241 FTE)]

The Coast Guard will decommission the fourth and fifth of the original fleet of twelve HECs. With the average cutter age at 43 years, the HEC fleet has become increasingly difficult to maintain and sustain operationally. The decommissioning of two HECs is critical to support ongoing major cutter recapitalization efforts. National Security Cutters, including the sixth NSC which is fully funded by this budget request, replace the aging HEC fleet.

110-ft Island Class Patrol Boat Decommissionings [–$2.0 M (–35 FTE)]

The Coast Guard will decommission three 110-ft patrol boats in FY 2013. The 110-ft patrol boats are being replaced by the FRC.

High Tempo High Maintenance Patrol Boat Operations [–$33.5M (–206 FTE)]

The Coast Guard will terminate the High Tempo High Maintenance (HTHM) operations program that facilitates augmented operation of 8 in-service 110-foot patrol boats. Termination of this program coincides with commissioning of new FRCs which will mitigate this lost capacity.

Close Seasonal Air Facilities [–$5.2M (–34 FTE)]

The Coast Guard will improve the efficiency of domestic air operations by closing Seasonal Air Facilities and realigning rotary wing capacity to provide three medium-range H–60 helicopters to the Great Lakes region to replace the H–65s currently in service. Due to limited demand for services and improved endurance from the H–60, the Coast Guard will discontinue operations at two seasonal Coast Guard Air Facilities at Muskegon, MI, and Waukegan, IL.

HU–25 Aircraft Retirements [–$5.5M (–20 FTE)]

The Coast Guard will retire the three remaining HU–25 aircraft assigned to Coast Guard Air Station (CGAS) Cape Cod to allow for the transition to HC–144A aircraft. In FY 2013, the Coast Guard will deliver and place in full-operational status three HC–144A aircraft at CGAS Cape Cod.

Management Efficiencies

The budget proposes administrative and programmatic efficiencies to improve service delivery, while continuing investment in Coast Guard activities that provide the highest return on investment.

DHS Enterprise-Wide Efficiencies [–$56.3M (–24 FTE)]

The Coast Guard will seek efficiencies and cost reductions in the areas of IT infrastructure, government vehicles, professional services contracts, non-operational travel, GSA leases, permanent change of duty station relocation costs for military personnel, and logistics services by consolidating/centralizing functions in geographically concentrated areas.

Programmatic Reductions

In FY 2013, the Coast Guard will make targeted reductions in base program areas. These base adjustments recognize changes in requirements for selected activities and redirect resources toward higher-priorities, including critical recapitalization projects and essential frontline operations.

Headquarters Personnel and Support Reduction [–$12.7M (–131 FTE)]

The Coast Guard will eliminate 222 Headquarters positions through attrition and implementation of a civilian hiring freeze in the Washington, D.C. area. This reduction preserves the Coast Guard's critical capabilities to conduct front-line operations; mission support; and development and implementation of national policies and regulations.

Recruiting Program Reduction [–$9.8M (–39 FTE)]

The Coast Guard will make reductions to the Recruiting program and Selective Reenlistment Bonuses, which are not needed based on the current employment outlook.

Other Targeted Program Reductions [–$6.2M (–62 FTE)]

The Coast Guard will make targeted reductions to the Intelligence workforce, Organizational Performance Consultants, and non-reimbursable Detached Duty billets.

Targeted Operational Reductions [–$3.7M (–32 FTE)]

Based on an internal review and assessment of operational risk, the Coast Guard proposes to make targeted operational reductions by reorganizing the international Mobile Training Team, consolidating PWCS Airborne Use of Force (AUF) capability at Elizabeth City, NC; and San Diego, CA, and eliminating the Vintage Vessel National Center of Expertise.

Prepare for the Future

Polar Icebreaker [$8.0M (0 FTE)]*

Initiates survey and design of a new Polar Icebreaker to ensure the Nation is able to maintain a surface presence in the Arctic well into the future.

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*Note: Funding amounts within this section are included in totals listed within the *Responsibly Rebuild the Coast Guard* section.

Alaska Shore Facilities [$6.1M (0 FTE)]*

Provides funding to recapitalize and expand helicopter hangar facilities in Cold Bay, AK, and recapitalize aviation re-fueling facilities at Sitkinak, AK. These investments will sustain the Coast Guard's ability to establish effective presence in the Bering Sea and Aleutian Chain—the "gateway" to the Arctic.

Senator BEGICH. Thank you very much, Admiral Papp.

Let me now ask Administrator Jane Lubchenco, Under Secretary of Commerce for Oceans and Atmosphere, Administrator of the National Oceanic and Atmospheric Administration. You have a long title.

Dr. LUBCHENCO. I do, indeed.

[Laughter.]

Senator BEGICH. Dr. Lubchenco?

STATEMENT OF JANE LUBCHENCO, PH.D., UNDER SECRETARY OF COMMERCE FOR OCEANS AND ATMOSPHERE; AND NOAA ADMINISTRATOR, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Dr. LUBCHENCO. Chairman Begich, Ranking Member Snowe, Chairman Rockefeller, Senator Lautenberg, I, too, would like to begin by extending NOAA's condolences to the families who lost loved ones, both in the recent Coast Guard tragedy, as well as last week's tornadoes.

NOAA is proud to be the nation's first line of preparedness against severe weather. 2012 now ranks in the top 5 years for the number of tornadoes from January 1 through March 2, since detailed records began in 1950.

Last week, our forecasters were able to give communities 3 days to prepare for Friday's storms, and lifesaving warnings were issued an average of 16 minutes prior to each tornado striking. These events underscore the importance of our commitment to a weather-ready nation.

I am honored to be here today to discuss the President's Fiscal Year 2013 budget. Tough choices are required, and NOAA has prioritized our activities. Our budget reflects our dedication to providing some of the most critical lifesaving and job-supporting services that American citizens and communities rely upon.

NOAA had outstanding accomplishments in 2011. You have mentioned some. Here are three more. NOAA and the other natural resource damage trustees reached an unprecedented agreement with BP to provide $1 billion for early restoration projects in the Gulf of Mexico.

NOAA also put in place annual catch limits and accountability measures for almost all 528 federally managed fish stocks and complexes. There is still work to be done, but the nation's fisheries are on the long path to sustainability.

And NOAA skillfully forecasted Hurricane Irene's track as she threatened the east coast.

These and other accomplishments set the stage for our Fiscal Year 2013 request, which totals $5.1 billion. This is an increase of $154 million, 3 percent above Fiscal Year 2012.

We sought administrative savings and made tough choices to enable our top priorities. NOAA anticipates reaching our Fiscal Year

2012 target of $68 million in administrative savings, and an additional $16 million is targeted for Fiscal Year 2013.

One of the greatest challenges facing NOAA is the continuity of our satellite operations. We greatly appreciate the broad, bipartisan congressional support these programs received last year.

The Joint Polar Satellite System and the Geostationary Operational Environmental Satellite R Series programs are two of our highest priorities. We have done everything possible to contain costs. Funding is critical to minimize the duration of the expected gap between the recently launched Suomi NPP satellite and JPSS.

2011 rewrote the record books on extreme weather. In response, the National Weather Service recently launched an initiative called Weather-Ready Nation that envisions a society prepared for and responding to weather events. The 2013 budget requests $972 million for the National Weather Service.

The Fiscal Year 2013 request also includes $413.8 million for the Office of Oceanic and Atmospheric Research, focusing on the highest-priority services for building a weather-ready nation. This also requires NOAA ships and planes, which are critical data acquisition platforms.

Our coastal communities are major contributors to the economy. Commercial and recreational fishing industries play a key role supporting 1.5 million full and part-time jobs and contributing $79 billion to GDP in 2010.

We request $880 million for NOAA fisheries, including an increase of $4.3 million to expand stock assessments. Vibrant coastal communities depend upon healthy oceans and thriving maritime commerce. NOAA's request includes $478 million for the National Ocean Service. Port activities alone are responsible for 8.4 million American jobs and nearly $2 trillion in economic output.

I greatly appreciate the opportunity to be here today and to talk about our budget. I also want to say what a special pleasure it is to be here with Admiral Papp. The interactions between NOAA and the Coast Guard are very positive and I think, indeed, a model for interagency collaboration. We have great interactions, great synergies, nicely complementary missions.

Thank you very much.

[The prepared statement of Dr. Lubchenco follows:]

PREPARED STATEMENT OF JANE LUBCHENCO, PH.D., UNDER SECRETARY OF COMMERCE FOR OCEANS AND ATMOSPHERE; AND NOAA ADMINISTRATOR, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE

Chairman Begich, Ranking Member Snowe, and members of the Committee, thank you for your leadership and the continued support you have shown the Department of Commerce's National Oceanic and Atmospheric Administration (NOAA). I am honored to be here as the Under Secretary of Commerce for Oceans and Atmosphere and Administrator for NOAA to discuss the FY 2013 President's Budget. The FY 2013 budget is essential to ensuring that we can meet the Nation's demands for accurate weather prediction today and in the future, safe, navigable waterways, well managed coastal resources, sustainable fisheries, and robust climate analysis and prediction services. To ensure that we can deliver on these core services, we have prioritized our activities, made limited targeted investments, reduced or terminated activities that while important could not be accommodated in the current fiscal environment without threatening our capacity to deliver our core services and sought out administrative efficiencies to ensure that every dollar is maximized.

President Obama has spoken about moving America forward and laying out a blueprint for an economy that is built to last. Secretary Bryson has answered this

charge, tasking the Department of Commerce to assist Americans by fostering economic recovery and increasing U.S. competitiveness. As part of the effort, NOAA will strengthen our core foundational programs, such as the Nation's next generation weather satellites; promote sustainable fisheries and the fishing industries; invest in weather and ocean science; and work to sustain coastal resources, communities, and economies. We will work towards a society that is prepared for, and responds to, weather-related events, and we will provide timely access to environmental information from satellites and other scientific technologies.

Just as every citizen depends on NOAA for timely weather information, from the 5-day forecast to life-saving weather alerts, so too do businesses rely on NOAA. NOAA weather services help airlines save millions of dollars and operate safely by avoiding severe weather. Marine shipping companies (transporting 78 percent of the goods into and out of the United States[1]) and fishermen (putting healthy seafood on our plates or enjoying a family day out on the water) all trust NOAA's nautical charts and tide and current data to operate safely and efficiently. Farmers rely on our long-range forecasts to decide which crops to plant and when. Coastal communities rely on NOAA's stewardship of fisheries and coastal resources to support local industries, such as tourism and fish processors. The list goes on and on. It is hard to imagine a sector of the economy that does not depend on NOAA in one way or another. We support stewardship that makes economic sense for a healthy environment and economy, and invest in science for today for a better tomorrow.

The FY 2013 President's Budget will:

(1) Provide life-saving and job-supporting services needed to prepare and protect American citizens, communities, businesses and infrastructure;

(2) Provide the core scientific information underlying our mission, and

(3) Invest in the resiliency of our vibrant coastal communities.

The NOAA budget reflects difficult choices and continues our commitment to find efficiencies in our operations while seeking new partnerships.

FY 2013 Budget Request and FY 2011 Highlights

The NOAA FY 2013 proposed budget totals $5.1 billion, an increase of $153.9 million, or 3.1 percent above FY 2012. NOAA's staff of dedicated professionals, working with extramural researchers, industries, and domestic and international partners, are expanding meteorological prediction capabilities; enhancing our knowledge of climate change; improving coastal resource management; continuing to chart our seas and coasts; and enhancing environmental stewardship. NOAA is committed to understanding and monitoring our oceans and atmosphere, predicting changes in the Earth's environment, and conserving and managing ocean and coastal resources, while making sure that we deliver as economically as possible the highest level of service.

President Obama has called upon the entire Federal Government to be more efficient and effective. As a result, the Department of Commerce continues to seek ways to improve the efficiency of programs without reducing their effectiveness. Building on NOAA's FY 2012 savings of $67.7 million, an additional $15.8 million in savings is targeted for FY 2013.

NOAA had numerous outstanding accomplishments in FY 2011. NOAA and the Natural Resource Damage co-trustees reached an unprecedented agreement with British Petroleum (BP) to provide $1 billion for early restoration projects in the Gulf of Mexico, as a down payment for economic and ecological recovery from the 2010 Deepwater Horizon oil spill. NOAA put in place annual catch limits and accountability measures for almost all 528 federally-managed fish stocks and complexes, ensuring that the Nation's fisheries are on the long path to sustainability. NOAA skillfully forecasted Hurricane Irene's track with a 48-hour track error of 71 nautical miles—20 percent better than the 5-year mean of 90 nautical miles. And NOAA's National Weather Service (NWS) forecasters were able to issue warnings well in advance of numerous record-breaking severe weather events, such as 4-month advanced warnings for emergency managers and citizens about severe flooding in the mid-west. These accomplishments set the stage for our FY 2013 request.

The FY 2013 budget request focuses on three core mission areas, beginning with the need for a Weather-Ready Nation.

Weather-Ready Nation: Communities that are Ready, Responsive, and Resilient

Record weather and climate disasters occurred in 2011, including extreme drought, heat waves, floods, unprecedented tornado outbreaks, hurricanes, wildfires,

[1] *U.S. International Trade and Freight Transportation Trends.* May 2003.

a tsunami, and winter storms. Tornadoes, hail, and severe thunderstorms caused an estimated $46.5 billion in economic losses ($25.8 billion in insured losses) in the United States. Sadly, 2011 was the deadliest tornado season since 1936, with 552 direct fatalities.

More and more sectors of the U.S. economy are looking for ways to increase their resilience to severe weather and reduce the potential of significant societal and economic impacts. Even though NOAA was able to provide advanced warning of many severe events this year, the loss of life and property was still too high. To address these issues, NWS launched a new initiative this year called Weather-Ready Nation. NOAA envisions a Weather-Ready Nation as a society that is prepared for, and responds to, weather-related events. The FY 2013 President's Budget supports the highest priority core requirements necessary to address NOAA's Weather-Ready Nation goal, requesting $972.2 million for the NWS. The request allows the NWS to produce and deliver accurate and timely forecasts, provide services in a cost-effective manner, continue to work with communities and emergency managers to reduce weather-related fatalities, and improve the economic value of weather, water, and climate information.

A nationwide survey indicates that 96 percent of the U.S. public obtains, either actively or passively, 301 billion forecasts each year. Based on an average annual household value of $286 placed on weather information, the American public collectively receives $31.5 billion in benefits from forecasts each year.[2]

The FY 2013 budget includes an increase of $7 million to support the critical upgrade and update of the NWS Telecom Gateway, the backbone of NWS's information delivery system, and an increase of $12.4 million for ground system readiness to ensure that the NWS is prepared to ingest data coming from NOAA's new weather satellites. While these increases are required, NWS has developed a new more cost-effective IT service delivery solution for maintaining the IT systems at the 122 Weather Forecast Offices (WFOs). NWS requests a decrease of $9.7 million to consolidate Information Technology Officer positions at each WFO into regional IT collaboration units reducing staffing requirements by 80 percent without affecting the quality of services including warnings and forecasts. Reducing staff is never easy and NOAA is committed to making every effort to reduce staffing through attrition and explore offering buyouts or early retirement.

NOAA's Office of Oceanic and Atmospheric Research (OAR) oversees the scientific investments that ensure NOAA's weather and climate information is state of the art. The FY 2013 request of $413.8 million for OAR focuses on the highest priority and most essential services for building a future Weather-Ready Nation. OAR research continually improves our warning systems and predictive capacity with programs such as the on-going development of the next generation of weather radars, Multifunction Phased Array Radar, and hurricane models that are now in operation at the National Hurricane Center. One of the largest investments NOAA is making in FY 2013 is an increase of $28.1 million for a total of $212.7 million in climate research in OAR (A total of $342 million is proposed to support the U.S. Global Change Research Program). These funds—much of which will be competitively awarded to academic institutions—will improve our understanding of the changing climate system and its impacts through more sophisticated climate modeling, national assessments, external and private-sector partnerships, as well as regional climate information and delivery. Easily accessible and relevant information is required to help communities better prepare for these events and make informed decisions. Within that funding level, continued development and use of state-of-the-art Earth System Models to address urgent climate issues, including sea level rise and Arctic climate change, will be supported by an investment of $8 million, and an increase of $4.6 million in Arctic monitoring and full ocean depth profiling floats will improve seasonal forecasts, as well as our ability to chart ocean and sea ice levels. The OAR request also includes an investment of $855 thousand to support research into wind boundary layers, a fertile area for clean energy generation.

Further support for a Weather-Ready Nation is found in the FY 2013 budget request for NOAA's fleet, with a request of $241.1 million for the Office of Marine and Aviation Operations. These vessels and airplanes are data acquisition platforms crucial to providing scientific observations and maintaining our observing systems. This budget requests an increase of $2.0 million to provide for more flight hours that will be used for hurricane reconnaissance and research missions aimed at improving hurricane intensity forecasts, as well as observations for accurate and reliable winter storm warnings and forecasts, snow pack surveys, and ocean wind data.

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[2] J. K. Lazo, R. E. Morss, J. L. Demuth, 300 billion served: sources, perceptions, uses, and values of weather forecasts. *Bulletin of the American Meteorological Society,* 90(6). (June, 2009).

NOAA missions, from issuing accurate hurricane warnings to providing timely weather forecasts and accurate seasonal predictions, depend on data from an integrated suite of observing systems. These systems provide a global picture of the atmosphere and oceans, as well as high-definition 3-dimensional views of individual storms. I turn next to a crucial component of the suite—NOAA's geostationary and polar-orbiting satellites.

Satellites: High-tech Environmental Observations that Help Protect Lives and Property

One of the greatest challenges facing NOAA today is ensuring continuity of satellite operations. NOAA's satellites provide the data and information for forecasts and warnings that are vital to every citizen. From safe air, land, and marine transportation to emergency rescue missions, Americans rely on satellite observations daily. Timely and accurate information supports the NWS, Federal and state agencies, and local emergency management agencies, enabling advance warnings of emerging severe weather such as hurricanes, flash floods, tsunamis, winter storms, and wild fires. Along with the skill of NOAA meteorologists, NOAA's satellites are critical to the success of national forecasts and are the backbone of the global earth observing system and the global weather prediction capability. Satellite observations also assist NOAA's National Ocean Service (NOS) in monitoring coastal ecosystem health, such as coral bleaching, and identifying and monitoring potential maritime hazards from sea ice—key issues addressed in the National Ocean Policy. Although satellites do not observe fish stocks directly, the National Marine Fisheries Service (NMFS) can utilize satellite measurements such as sea-surface temperature, sea-surface height, ocean color, ocean winds and sea ice to characterize critical habitat that influences marine resources.

The FY 2013 President's Budget Request of $2.0 billion for NOAA's National Environmental Satellite Data and Information Service (NESDIS) supports the highest priority and most essential services for developing, acquiring, and managing satellite and satellite data operations. The Joint Polar Satellite System (JPSS) and the Geostationary Operational Environmental Satellite-R Series (GOES–R) programs are two of NOAA's highest priorities. The FY 2013 request reflects the need for increases within the satellite portfolio necessary to maintain these crucial instruments. This includes a planned increase of $186.4 million for the GOES–R program, as well as an investment of $9.4 million for data processing and distribution for the Suomi-National Polar-orbiting Partnership mission and the same support for the follow-on program, JPSS.

The next generation of GOES–R is expected to be launched by 2015, and will become fully operational by 2017. The increase in FY 2013 President's Budget for GOES–R is necessary to secure the launch vehicle and support further development of the satellite and its instruments. This series of satellites will include upgraded technology, such as an improved Advanced Baseline Imager (ABI), which will provide faster and higher-resolution image scans, covering a larger geographic area. Enhanced ABI capabilities will help decrease forecast error and expand the list of geostationary products NOAA offers. Improved tropical forecasts from GOES–R products are expected to prevent annual losses to the recreational boating industry valued at $31 million in 2015.[3] The new ABI technology will also enhance volcanic ash plume tracking, so pilots can receive advance warning and be routed around the damaging and deadly plumes. The annual net economic benefit to the airline industry from these enhancements is estimated to be $58 million in 2015.[4]

NOAA satellites also help forecast energy demands for communities, largely based on temperature forecasts. GOES–R data will allow for more accurate temperature forecasts, thereby enabling energy providers to better prepare for changes in energy demand. Annual savings for the energy sector are expected to be $256 million in 2015.[5] Finally, improved information from GOES–R will enable researchers and forecasters to produce more accurate forecasts. That, in turn, will result in irrigation water being used more efficiently by farmers. The projected annual net economic benefit for the agricultural sector is valued at $30 million in 2015.[6]

Thanks to the Committee's support, the FY 2012 appropriation provides a foundation for NOAA to make significant progress towards developing the Nation's next generation polar orbiting satellite system, the JPSS, and we understand that the overall cost of this program needs to be contained. The FY 2013 President's Budget proposes to cap the total life cycle cost of JPSS at $12.9 billion and target a launch

[3-6] Centrec Consulting Group, LLC. *An Investigation of the Economic and Social Value of Selected NOAA Data and Products for Geostationary Operational Environmental Satellites (GOES).* Report to NOAA's National Climatic Data Center. Savoy, IL. (February 27, 2007; *http://www.centrec.com/resources/reports/GOES%20Economic%20Value%20Report.pdf*).

date for the second quarter of 2017 to minimize the duration of any gap between the recently launched Suomi NPP satellite and JPSS. However, we are still at significant risk. We are almost certain that a gap in polar observational satellite data will occur from the projected end of life of the current polar mission to the beginning of the operational JPSS mission. The loss of NOAA's polar-orbiting satellite data would result in an immediate degradation to weather forecast models, impacting NOAA's ability to provide advance warnings of severe weather that help to protect lives and property.

NOAA is conducting a comprehensive reevaluation of its space-based observation requirements with a goal to maintain and acquire critical services that meet the Nation's national environmental data needs. NESDIS will continue to pursue collaborative opportunities with other national and international agencies and organizations and partner with industry, academia, and other research and development agencies. These partnerships will bring robust information and service delivery to our customers and invest in effective relationships with stakeholders. In particular, NESDIS will continue participating in global partnerships, such as with the European Organization for the Exploitation of Meteorological Satellites, to help the United States and Europe provide increased capability to monitor global weather and climate.

The third core mission area I wish to highlight grows out of NOAA's services, stewardship, and scientific work to restore vitality to the Nation's coastal population and economy.

Vibrant Coastal Communities

The Nation's coastal population is expected to increase by more than 13.6 million by 2020.[7] In addition, over half of the U.S. Gross Domestic Product is generated in coastal counties.[8] To meet the demands of a burgeoning coastal population and a productive economy, NMFS and NOS play critical roles in supporting sustainable resources that in turn support sustainable industries and jobs and also provide services that make businesses more efficient and safe. NMFS serves the Nation through a science-based stewardship of living marine resources, while NOS activities support sound decision-making for human, ecological, and economic health.

The FY 2013 President's Budget reflects some difficult choices. The budget proposes reductions to or closures of programs in order to support core coastal and ocean stewardship programs. Our coastal economies provide the Nation with goods through our ports, food from the sea, and vacation destinations for our families and international travelers. Our coastal communities help make our economy strong. Despite the cuts in this area, NOAA's commitment to providing services that support, protect, and serve our coasts is strong.

The commercial and recreational fishing industries depend on healthy and abundant fish stocks, habitats, and marine ecosystems to provide lasting jobs, food and recreational opportunities. In total, our Nation's fisheries supported 1.5 million full and part-time jobs and contributed $79 billion to GDP, $183 billion in sales in 2010.[9] Further, the jobs supported by the commercial fishing industry increased from 2009 to 2010 by 16 percent, from 1 million to 1.2 million.[10] Fully rebuilt, U.S. fisheries are anticipated to contribute $92 billion to GDP and support 2 million jobs.[11] Recreational fishing is also an important industry as trip related expenditures contributed $23 billion to GDP, $50 billion in national sales impacts, and supported more than 326,000 full and part-time jobs across the U.S. in 2010.[12] In 2010, an estimated 11 million recreational saltwater anglers took 73 million saltwater fishing trips, spending $4.3 billion on trips and $15 billion on durable fishing equipment, such as rods and reels, boats, second homes and other goods.[13]

NOS products and services, which are derived from surveys and observations, are perhaps the most visible example of NOS support for the American economy and workforce. More than 78 percent of U.S. overseas trade (by volume) and 43.5 percent (by value), including nine million barrels of imported oil daily, transits through our seaports.[14] Port activities alone are responsible for 8.4 million American jobs and nearly $2 trillion in economic output.[15] NOS navigation charts, tide data, and other

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[7] NOAA's State of the Coast, *http://stateofthecoast.noaa.gov*.

[8] State of the U.S. Ocean and Coastal Economies, NOEP 2009.

[9,10,12] Fisheries Economics of the United States, 2010 (*forthcoming, not yet published*).

[11] NOAA Fisheries internal analysis based upon NMFS Commercial Fishing and Seafood Industry Input-Output Model (see: *https://www.st.nmfs.noaa.gov/apex/f?p=160:1:916796370801116::NO*).

[13] Fisheries Economics of the United States, 2010 (*forthcoming, not yet published*).

[14] 2003 Pocket Guide to Transportation Table 5–5, U.S. Department of Transportation.

[15] *http://www.economics.noaa.gov/*.

tools serve as the marine transportation "information infrastructure" that enables marine transportation users to optimize economic opportunity.

NOAA serves as the trustee for thirteen national marine sanctuaries. Across all national marine sanctuaries, about $4 billion is generated annually in local coastal economies from diverse activities which include: commercial and recreational fishing, research, recreation-tourist activities such as whale watching, snorkeling and diving on coral reefs and recreational boating. The National Marine Sanctuaries support about 50,000 jobs in diverse activities ranging from fishing and diving to research and hospitality.[16] A study completed in 2000 estimated that Massachusetts alone accounted for nearly 80 percent of New England whale watching tour totals, generating $31.3 million; virtually all of Massachusetts whale watching occurs in Stellwagen Bank National Marine Sanctuary.[17]

With the FY 2013 budget request of $880.3 million for NMFS, NOAA remains committed to putting America's fishing industry on a sustainable and profitable path through targeted investments in fisheries science, observer, and enforcement programs. Additional targeted funding for NMFS includes increases of $4.3 million to expand stock assessments and $2.3 million for Survey and Monitoring projects. Funds will be targeted at high priority commercially and recreationally valuable stocks, those that limit the catch of these valuable stocks due to high scientific or management uncertainty, and those that were previously experiencing overfishing to verify that overfishing has ended. Funds will be used to improve fishery-independent surveys using advanced sampling technologies such as optical and acoustical methods. The FY 2013 President's Budget includes an increase of $4.2 million for the NMFS National Observer Program. The requested increase will support observing and monitoring for fisheries currently under catch share management and those expected to transition to catch shares in FY 2013. This funding will allow NOAA to provide coverage in approximately 47 fisheries nationwide. Investment in enforcement activities will sustain the hard work to implement reforms following the 2010 Inspector General Report while also maintaining focus on the important work of enforcement. To make these targeted investments, the FY 2013 budget proposes to consolidate and streamline certain activities to reduce costs and decrease or terminate funding for lower priority programs. For example, NOAA's request includes a $5.0M reduction across numerous programs to consolidate and reconfigure NMFS' West Coast regional management offices. Under this proposal, the Southwest and Northwest Regional Offices will be reconfigured into a single West Coast Regional Office. NOAA also proposes to close the James J. Howard Lab at Sandy Hook and the Pacific Environmental Research Lab at Pacific Grove, relocating staff to other facilities. Activities that are supported at these facilities are necessary for the NMFS mission, however it can be conducted more cost-effectively at other NOAA facilities.

In the FY 2013 Budget, NOAA requests $478.1 million for NOS to support the economic sustainability of coastal communities. NOAA has made a few targeted investments in the FY 2013 budget submission for NOS including a $10 million increase to develop and improve marine sensors that will monitor changing conditions in the oceans, coasts, and Great Lakes. This, along with our existing observational capabilities, will enhance our stewardship capabilities across a wide range of objectives outlined in the National Ocean Policy. A $2.0 million increase to expedite the restoration of polluted sites subject to natural resource damage assessments. Some of these cases represent hundreds of millions of dollars in potential settlements. Finally, a $2.0 million investment in extramural research is requested to strengthen our continued focus on harmful algal bloom, hypoxia, and ecosystem research.

NOAA's fleet is crucial to providing scientific platforms in support of NMFS and NOS. An increase of $10.7 million will allow NOAA to perform a Major Repair Period on the *Thomas Jefferson,* NOAA's primary hydrographic survey vessel. Major Repair Periods are critical to ensuring the ongoing health and well-being of NOAA's fleet; without these periodic refurbishments, ships would be taken out of service. Finally, an additional $1.5 million is requested to complete the post-construction evaluation of FSV 6, our newest fisheries survey vessel.

Conclusion

Overall, NOAA's FY 2013 Budget Request reflects the commitment that Secretary of Commerce Bryson and I have made to the President to contribute to growing a strong economy that is built to last while being fiscally responsible and helping to

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[16] *http://sanctuaries.noaa.gov/science/socioeconomic.*

[17] Hoagland, Porter and Andrew E. Meeks. The Demand for Whale watching at Stellwagen Bank National Marine Sanctuary. Marine Policy Center, Woods Hole Oceanographic Institution. 2000.

reduce the Nation's deficit. As we make tough choices, we remain committed to our core mission because we know that Americans rely upon us each and every day. The resources that are requested in this budget are critical to the ongoing success in creating a Weather-Ready Nation, ensuring access to reliable scientific data, and achieving vibrant coastal communities. I look forward to working with the Members of this Committee and our partners and constituents to achieve the goals I articulated through the implementation of the FY 2013 budget. Thank you for the opportunity to present NOAA's FY 2013 Budget Request. I am happy to respond to any questions from the Committee.

Senator BEGICH. Thank you very much, and thank you for your opening statements.

And what we will do is we will start with five minute rounds, and we will probably additional because we have few people here. So we will be able to go through maybe a couple of times, and I appreciate you all being here.

Let me, if I can, start with Admiral Papp, and I want to—this is kind of a broad question in regards to your 11 statutory missions that you are required or that you have under your command. When you put your budget together, there is kind of a give and take. Can you give me a sense of some of the areas that you maybe had to take from in order to keep your kind of missions in place that we need to reexamine or at least have insight on what that tradeoff was?

Do you have some commentary in regards to that? Based on the budget, it is always tight, and I understand that.

Admiral PAPP. Yes, sir. And it is difficult on any given year because we never, as you well know, have all the resources to do 100 percent of each one of those 11 statutory missions. That is a judgment that we make on a day-to-day basis. Our operational commanders do that, based upon the resources that we allocate out to them.

So, on any given day, our Atlantic area or Pacific area commander may very well be allocating, for instance, the HEALY to science research, but then a higher priority mission comes up, like the resupply of Nome.

Senator BEGICH. Right.

Admiral PAPP. And we take time away from another mission in order to devote it there. That is the only way we can survive.

So we have finite resources, and we apply them against what we appear—or what appears to us to be the greatest threat. Usually, we plan out across a year, but sometimes it is on a day-to-day or week-or-week basis, depending upon what the circumstances are, whether it is a disaster or something like that.

So what I see is not only is the threat arising in the transit zones in terms of narcotics, but we also—this year a great example is the fact that drilling will start off the North Slope in the Chukchi and Beaufort Seas. And since we do not have permanent infrastructure on the North Slope of Alaska, what we will need to do is take one of our national security cutters, which can launch helicopters, can launch boats, has worldwide command and control capability, and it will be like a movable Coast Guard sector for us that will go up there and compensate for the lack of infrastructure that is up in Barrow right now.

But that comes at a cost. That ship, otherwise, we would probably use for high seas driftnet fisheries patrols in the Western Pa-

cific. It could be used for drug interdiction in the East Pac. It could be used for security operations at other places, and what we are doing is making a reasoned risk assessment that the drilling operations off the North Slope are a higher priority for us this year.

So we know we are never going to get 100 percent of all we need to do it all. So we take what we have, and then we make reasoned decisions within our budget lines, within the top line on what is the highest priority for us, whether it is acquisition purposes or frontline operations.

Senator BEGICH. If I can follow up on the national security cutters? Remind me what the cost per unit is on those.

Admiral PAPP. I think that is a tremendous success story. Sir, to give you a direct answer, right now, roughly, it is about $690 million for long lead items, production and post-production. This was a ship that a number of years ago people were saying was going to be $800 million or perhaps higher than that.

And what we have done is we have developed a very disciplined and skilled acquisition staff, which has worked hard to get a fixed-price contract with Ingalls shipyard, and we, in fact, were able to award two ship contracts in the same year last year for Number 4 and Number 5. And everybody predicted that 5 would come in more expansive. Five came in at $2 million, only $2 million more than Number 4, and that was due to the hard and talented work of our acquisition folks.

So this is a project that has got its costs controlled. It is mature. It is demonstrating that it is performing up to standards, and we are really grateful that we have Number 6 in this year's budget coming up because that puts us 75 percent of the way toward completing the program of record.

Senator BEGICH. Let me—that is great, and I sit on the Armed Services Committee, and we struggle all the time with fixed-cost issues because for all the reasons you just said. When you get to fixed costs, the contractor gets motivate because they only get so much, and they have got to make sure it is done to the standards of quality. So I think that is a huge move.

How do we get to the next stage, which I know your long-term capital investment plan for a number—because I think the plan was for eight, if I remember, on the national security cutters?

Admiral PAPP. That remains the program of record, yes, sir.

Senator BEGICH. OK. So is the plan still to kind of keep moving forward? Because I am trying to remember in the documents if I saw funding in those out-years, is that still the plan to try to get the Number 7 and Number 8 and get to the completed eight units in a period of time of what?

Admiral PAPP. Well, sir, therein lies the challenge. Originally, we had planned on putting money for Number 7 in the 2014 budget and then money for Number 8 in the 2015 budget. We have worked out with the administration a 5-year plan, the capital investment plan. And right now, that reads zero in 2015 and zero in—I am sorry. Zero in 2014 and 2015 for national security cutters Numbers 7 and 8.

But it is still the program of record. We have many priorities, one of which is a polar icebreaker, which I have been asking for

since I have been Commandant, and the Coast Guard has been asking for longer than that.

Senator BEGICH. Right.

Admiral PAPP. So we are very grateful that the administration now has fit that money into our budget.

The challenge is under the constraints of the Budget Control Act, we are getting less money each year. Our acquisition funding was reduced by nearly 20 percent, as Senator Snowe pointed out, and we are really at the point now where all we can do at the current funding level is order the minimum quantity for each one of the items in our acquisition portfolio, including the national security cutter.

Senator BEGICH. Very good. Let me end there. I will have some questions for Dr. Lubchenco on the next round.

But let me go to Senator Snowe now.

Senator SNOWE. Thank you, Mr. Chairman.

Admiral Papp, I would be interested in knowing to what degree the Coast Guard has responded to the GAO recommendations that were issued in the July 2011 report on the Deepwater program and what actions that they saying are necessary in order to ensure that the program achieves its goals.

Have you updated the current baseline on these assets?

Admiral PAPP. No, ma'am, we have not. We did a mission needs statement, which goes back to 2004, and our requirements remain the same as of right now. We have not updated that.

Senator SNOWE. One of the issues that GAO raised in their recommendations the Coast Guard has developed baselines for some assets, and these indicate the estimated total acquisition program cost could be as much as $29.3 billion, about $5 billion over the $24 billion baseline, though the Coast Guard has yet to develop a revised baseline for all assets, one of which is the Offshore Patrol Cutter, the largest cost driver of the program.

Admiral PAPP. Yes, ma'am. I misunderstood your question a little bit.

But we are revising the baselines, and it is no surprise that when you stretch this project out over time in any acquisition project, if you are buying the minimum numbers and you are only doing as much as you can, you absorb a higher cost per copy over time, which then over time increases your baseline. So it is sort of a Catch–22 situation.

We come up with what we believe to be a baseline for the project, and while we were doing that and as we were reconstructing and retraining our acquisition staff, the project gets expanded out over time, which increases the cost as we go along. And then you have to revise it again.

So GAO was absolutely right. When you look at what the original baseline cost for what we called the Deepwater project—it has gone beyond that right now. But we no longer have that Deepwater project because we saw the folly in doing it that way. And what we have done is we have deconstructed it, disaggregated it into clearer projects—surface craft replacement, the national security cutter, aircraft, and others—which makes it a little bit easier for us to redefine and give a better accurate count of what the baseline is.

So we continuously work and working with the department to come up with the baseline for those projects.

Senator SNOWE. And do you not anticipate that there would be problems in future years? Is the program cost overly optimistic now, or are you not calculating the risk in the future that it is going to cost more?

Admiral PAPP. I am sure it is going to cost more because we are stretching this out over time. And I think part of the GAO report, as I read it, was also saying maybe we need to recalculate getting fewer ships or whatever else.

But what I do not have is people taking, giving us fewer missions. Our missions continue to increase. So I remain committed to the original baseline of the 8 national security cutters, the 25 OPCs, and others as they are in the projects.

Senator SNOWE. Yes, so you are still adhering to the same number of ships and I agree with you. I understand exactly what the problem is. The question is on the budgeting side. And then I notice the administration's proposed request, which is 18 percent below the 2012 level——

Admiral PAPP. Yes, ma'am.

Senator SNOWE.—for acquisition. So——

Admiral PAPP. It will make it difficult for us because we have to do minimum order quantities on each one of those things in our portfolio. The good news, though, and I appreciate GAO urging us along, and this subcommittee has urged us along in acquisition reform, I will accept that part of the problem was us.

When we started getting the money after September 11, 2001, our acquisition professional staff was not up to where it needed to be in terms of executing that amount of money. And I think you know very well that we made some errors along the way.

But what I would say now is our demonstrated—our demonstrated performance in getting the national security cutter under a fixed-price contract and awarding two ships in 1 year; the fact that we are now producing the fast response cutters and we have with this budget, we will put 20 on contract; our aircraft production and other projects; we have got our acquisition act in order, and I would stack up our acquisition professionals against any similarly sized agency within the government.

Senator SNOWE. So do you think that you have effectively planned for the out-years on the acquisition program?

Admiral PAPP. I think that now we are much better at predicting the costs. The largest project in all this is the offshore patrol cutter, which is coming up. And I have actually accepted and I take responsibility of the fact we have pushed that project to the right a little bit because we need to get that right.

And when I came in as Commandant, we had not confirmed our requirements for that yet. We were looking for something that was going to cost way too much. I have reemphasized affordability while still keeping a capable ship, and I am confident now that we are on the right track with that project because it is going to be hugely expensive to build out those 25 ships. And we want to make sure we get it right, and affordability is the driving factor for us.

Senator SNOWE. And on your fleet mix analyses, you have assumed that it is correct for what you need to do in responding to the numerous missions and demands?

Admiral PAPP. Well, what we have done is in fleet mix analysis one, which was unconstrained, it demonstrated a need for more ships than the project baselines. So we had to do a more realistic look, which was mix analysis two, which is in a more constrained environment.

And then we recently did the Department of Homeland Security Cutter Study. Every report that comes back substantiates our original baseline of 8 national security cutters and 25 offshore patrol cutters.

You can come up with different mixes of that, but the fact of the matter is we do not know what the OPC is going to be at this point. But what we do know is we have a stable price on the NSC, and we know what the NSC is doing in terms of operational performance. And we have a yard that is ready to produce it so we are pushing forward in that.

Senator SNOWE. Thank you.

Admiral PAPP. Yes, ma'am.

Senator SNOWE. Thank you, Mr. Chairman.

Senator BEGICH. Thank you very much.

Let me go to Senator Lautenberg next.

Senator LAUTENBERG. Thank you, Mr. Chairman.

Dr. Lubchenco, the budget that is offered proposes closing NOAA's laboratory at Sandy Hook, New Jersey. Now this lab is unique. It is located near, as I said earlier, the giant urban center, helps scientists to develop approaches to managing the fisheries that are in those impaired water bodies. It has lasting partnerships with local universities and fishermen, and it has a 50-year record of scientific achievement.

Now we have to look pretty hard to replicate the conditions there, but yet I think it is fair to say that it is essential that we find out or monitor what happens in coastal waters that are near large urban centers to see whether we can produce the kind of nutrition that we would like to have near at hand, or the refuges for fish and sea life.

What do we do to measure the quality of and value of one site to the other? How do we determine that a move might or might not be worthwhile?

Dr. LUBCHENCO. Senator, let me just give you a sense of how we were thinking about some of the challenges that we face this year in our budget. Because we had—we put a very high priority on saving lives and property and in acknowledging how very important the satellites are to that end, over 90 percent of the data that are used to create our weather models for forecasts and disaster warnings come from satellites, and they are clearly important.

Because those satellites are very expensive and despite the fact that we have done everything possible to keep those costs down, we needed to request a very significant increase in the satellite budget this year. You note that the increase in our overall budget is about $154 million overall, but the increase in the satellite budget is $164 million.

And that, in turn, puts pressure on a lot of the other very important programs within NOAA. And one thing that we decided to do is to try to take a good, hard look at where can we find administrative savings, administrative efficiencies to protect programs as much as possible.

And among the many things that are in this budget toward that end of administrative efficiencies, the Sandy Hook lab came under intense scrutiny in part because the per square foot cost of the lease, which is a 20-year lease that expires at the end of 2013, is very, very high. It is $36.30 per square foot.

The other labs that are in the same general part of the country, our Northeast regional office is $19.94 per square foot. The Southeast regional office is $24.00. So that really stood out, per square foot, as being very, very expensive.

The next analysis suggests that much of the research that is done at that lab can, in fact, be done elsewhere. It is not unique to that particular location. That does not mean it does not benefit from being there. It is just that much of the research can actually be done in other labs.

And there is no doubt but that the research that is there is very valuable. And so, in an attempt to preserve as much of the programs as possible, the proposal is to achieve some administrative efficiencies, and this is not the only lab that we are proposing to consolidate.

Senator LAUTENBERG. That is little comfort for us, as you can imagine.

Dr. LUBCHENCO. I understand completely.

Senator LAUTENBERG. One of the things I want to ask, Admiral Papp, that is the delay in fully complementing the fleet, ships 7 and 8. What missions will be impacted?

I mean, you have said that you will not be able to carry out the same level of mission involvement as you have had. What kind of missions might be affected by the inability to order up and get the eight ships going?

Admiral PAPP. Well, Senator, first of all, if there is a delay in building the ships, one of the options that I will look at is extending the life of the 378-foot high-endurance cutters that are out there right now. I do not want to do that because they are very expensive. They are obsolete. The berthing, the habitability conditions for the crews are not good, and they are quite clearly not as effective as the new ships we are building.

But they are ships, and they are out there. And they are filling the hole, and they are doing the missions. It is just very expensive to keep them going. So I have to look at some option of keeping the 378s going for a number of years longer rather than take a cutback in missions.

Now, if we did not have the budget room to be able to do that, then we would have to look at the potential for cutting back in missions. And as I said earlier, it varies. We would have to set priorities.

Clearly, we have got a lot of ships devoted to the traffic zones in the Eastern Pacific and the Caribbean where the cocaine is flowing. We could perhaps put fewer ships down there.

Right now, we are down to almost the bare minimum in terms of our presence in the Bering Sea and the Gulf of Alaska to protect the fisheries and to rescue fishermen. We are involved in the Western Pacific doing high seas driftnet. It is a potential for cutting back there. And those are the types of things that we would have to look at.

My job is to come up with a plan of keeping enough ships out there running within the budget so that we do not have to cut back on those missions.

Senator LAUTENBERG. Yes. Mr. Chairman, just an aside here for a moment. In 1989, I and members of my family christened the Coast Guard cutter MOHAWK in Rhode Island. And it is not fair to tie this room up finding out whether our ship is still afloat and still doing that job, Commandant, that we expected it to do.

So if you can give me that information when you have a spare moment, please, I would like that.

Admiral PAPP. Oh, it is definitely out there, and we are going to have to get many more years out of the MOHAWK. The MOHAWK is one of our newer ships. I think MOHAWK is only about probably about 23 or 24 years old, which by Navy standards is about time to get rid of them. But by Coast Guard standards, that is about half life.

[Laughter.]

Admiral PAPP. So that will be one of the last of our current ships that we have out there right now to be decommissioned after we have produced the offshore patrol cutter.

Senator LAUTENBERG. I am comforted by that. Thank you very much.

Senator BEGICH. Thank you.

Let me say, Admiral, I might use that line when I am in the Armed Services Committee when the Navy is front of us in the reverse. That is a good line.

Before I go to Senator Ayotte, I know, Senator Wicker, you are under a time constraint? Is that right or——

STATEMENT OF HON. ROGER F. WICKER, U.S. SENATOR FROM MISSISSIPPI

Senator WICKER. I am. I know that we all are, but I really am.

Senator BEGICH. If I can ask——

[Laughter.]

Senator WICKER. It is the first time I have ever——

Senator BEGICH. He did ask multiple times before the Committee meeting started, and I want to give him a little leeway, if I could, and then I will go right to Senator Ayotte, then Senator Cantwell.

Senator WICKER. Well, you are both very kind, and I will try to be brief.

Admiral Papp, let me just follow up on a line of question that Senator Lautenberg was pursuing. The Coast Guard's program of record maintains that 8 national security cutters are the minimum required to replace the 12 aging high-endurance cutters.

Of course, I was dismayed to see that the plans—that there are no plans to fund NSC 7 and 8 in the President's budget. You know, you work for the chain of command, and I understand that. But I think you have testified just a moment ago that the 12 high-endur-

ance cutters cannot be replaced by only 6 NSC cutters. Is that correct?

Admiral PAPP. Not without a degradation in some mission area that they are performing now. That is correct. Yes, sir. Or unless we keep some of the older ships going.

Senator WICKER. And that would involve the expensive process of taking this older cutter that we really need to move on from and going to a great deal of additional expense to keep them together with band-aids and baling wire and make them work when we really need to move to NSC cutters. Is that correct?

Admiral PAPP. The older ships are increasingly expensive. Just a couple of years ago, when I was the Atlantic area commander, we actually had to shut down two of them. The decision at the time was made to put it back in service. The Gallatin, it took 2 years and $20 million to get the ship back into service because it was in such poor condition. The other one took about a year and $8 million to get back into shape.

If I had to make that decision today, I would say we are not going to spend the money. We will just lay the ships up and not use them anymore. But that is the type of condition the remainder, the other 10 are getting to be as well, and it just—we only get about $1 million a year for each one of those to support them. And if one takes $2 million to do repairs, then it is taking away from the rest of them.

Senator WICKER. And just to reiterate, to do the mission of the 12 older cutters, we need the 8 NSC cutters?

Admiral PAPP. We need——

Senator WICKER. To do the current mission?

Admiral PAPP. That is absolutely correct. And sir, I am going to tell you I am an optimist. And the fact——

Senator WICKER. Well, I am, too. I hope this committee is.

Admiral PAPP. Well, the Secretary has said it remains the program of record. Eight NSCs remains the program of record.

The capital investment plan is troubling, but what I think that means is the Secretary and I are going to have to work extra hard, both going to the Navy and making sure that the Navy is not building something that is redundant to what we want to do. And I am hopeful that we can do something about this as we go forward. But——

Senator WICKER. I have toured the cutter Number 3 a few months ago. It was very, very impressive. So would you like to comment on Secretary Napolitano's statement last week that she would be examining DOD's force laydown before making any decisions on how to proceed with NSC 7 and 8?

I did not quite understand what that meant. And it seemed to me that there is a different mission for the Navy and for the Coast Guard, and if anything, we probably need additional cutters, if we could afford them.

Admiral PAPP. Well, I would say I agree with you, sir. But I think the Secretary is doing exactly what she needs to do and, in fact, what I need to do. In the constraints of the budget that we are facing that not just the Coast Guard, but the entire Government is facing, I think each and every year we need to take a hard

look at each and every item that is in our portfolio and in our budget.

And we are being good public servants when we justify and document that, yes, in fact, this thing is still needed. Both the Secretary and I share responsibilities under Title 14, which tasks us with making sure that we are ready as a service to be interoperable with the United States Navy in times of conflict. And part of that is making sure that the Navy is not building something that is redundant to what we are building, and vice versa.

Now I am pretty confident the Navy is not building something that is redundant because I meet with the Chief of Naval Operations on a regular basis, and in fact, he is having to review his fleet. So I think it is a good time for the Secretary to meet either with Secretary Mabus or Secretary Panetta and for me to continue to work with the CNO and determine that, yes, in fact, we need these ships. And then we take it to the next step.

Senator WICKER. Well, thank you very much.

Dr. Lubchenco, let me just say briefly, because I am intruding on other people's time, I am concerned that NOAA is continuing to make a low priority of Gulf of Mexico programs. And I want to visit with you about proposed actions, in particular regarding the regional geospatial modeling grants, the National Undersea Research Program, NOAA laboratories and cooperative institutes, programs that utilize the expertise of universities and external entities, to help us get the better bang for our buck.

And so, I am very concerned about NOAA proposals in this regard, and perhaps you would like to respond in general. But also be aware that we need to have an extended conversation about that.

Dr. LUBCHENCO. Thank you, Senator. And I am more than happy to sit down and talk with you at greater length about this. I think there is no doubt that there are some very painful aspects of this budget, things that are personally painful to me because there are important programs that we are not able to continue. And that is, you know, simply a reflection of the fact that there are just really tough choices that we had to make.

I would say that we have not differentially discriminated against our partnerships with the academic community. And, in fact, the percentage of extramural funds, the percent of the total amount of funding that we do for R&D that is going to the extramural community is actually increasing in this budget.

I also would like to just tell you in no uncertain terms that we have very high regard for the Gulf, and have been acting—spending a huge amount of time, and appropriately so, in working to restore the Gulf in the aftermath of Deep Water Horizon. We have been working diligently with trustee counsel, both the other Federal agencies as well as the Gulf States, and are very delighted that we had the $1 billion in early restoration funds from BP.

We are continuing to prepare for trial and will do our utmost to hold the responsible parties responsible, and to get the resources required to really do that restoration.

So, there—please do not think that there is any differential or any discrimination against the Gulf. That is certainly not the case. I think many of the tough decisions that we have had to make are

playing out in every different part of the country, and it is because this is just a tough time.

Senator WICKER. Well, thank you very much, and thank you, Mr. Chairman. I would point out for the record that the National Institute of Undersea Science Technology researchers were the first on the scene during the Gulf oil spill. They were the first to detect the undersea plumes. And we need to protect that valuable program.

Thank you so much for your testimony.

Senator BEGICH. Thank you, Senator Wicker. It is noted.

Senator Ayotte.

STATEMENT OF HON. KELLY AYOTTE, U.S. SENATOR FROM NEW HAMPSHIRE

Senator AYOTTE. Senator Cantwell——

Senator CANTWELL. I think you were here before I was.

Senator AYOTTE. Thank you, Mr. Chairman. Thank you.

I wanted to, first of all, thank you, Admiral Papp, for your service to our country, and thank you, Dr. Lubchenco, for being here before the Committee.

And, Dr. Lubchenco, I would like to ask you, one of my colleagues, Scott Brown, has recently in February has asked for a report from the inspector general from the Commerce Department that raised some very serious concerns, and I want to ask you about those.

And so, I want to, first of all, want to commend my colleague, Scott Brown, for pursuing this issue, but then also want to ask you what you are doing about it in particular. And that is that the Commerce Inspector General reported that NOAA used the asset forfeiture fund, which is, as you know from fines taken from fishermen, and over the course of the last few years, there has been concerns raised also by the Inspector General that some of those fines have been overly punitive for things that were civil type offenses. So, that is an initial concern.

But that that fund was actually used to purchase a $300,000 basically party boat, luxury fishing boat that does not have any reasonable official purpose. In fact, it is a situation where the boat has been used for trips to docksides restaurants, hamburgers and hot dog barbecues, alcohol parties, and pleasure cruises.

And I have a real hard time going particularly to the fishermen, many of them who have gone out of business in some instances because of these fines, when we hear things like this, and those types of monies being misused and abused.

So, I guess my question to you, number one, would be, what actions have we taken regarding, number one, the employees who purchased and utilize this boat? Have we held them accountable for their actions? And then, second, what steps have you taken to correct the abuse of the asset forfeiture fund, and what steps have NOAA taken? And what steps can you let us know to assure our constituents that these funds are not being misused in a way that is obviously irresponsible? And, in fact, the boat itself was purchased in violation of Federal procurement laws.

Dr. LUBCHENCO. Senator, thanks for the opportunity to talk about this because it is an area that I feel very, very strongly about. I think that you may remember that when I first took this

job, I heard from members of Congress as well as fishermen directly that we had some problems with our law enforcement. And because of those concerns, I went to the Inspector General and I asked him to do a review of our law enforcement program, which he did, and he uncovered a number of problems.

As a result of that report, we have undertaken pretty much a top to bottom overhaul of our entire law enforcement program. We have new leadership in place. We have implemented new policies to ensure consistent enforcement practices nationwide. We have put in place much better accounting and oversight systems for the asset forfeiture fund. And we are in the process of delivering on those new practices and policies.

A subsequent investigation by the IG uncovered this purchase of the boat, which was done in 2008, so before I was on board, before we did all these things. I was appalled when I heard about this. We took immediate action. The boat is—was initially prohibited from further use. It is currently being surplussed. And we have taken a number of additional steps on top of the earlier ones, one to establish a new review process for any vessel acquisitions, and re-training personnel to ensure compliance with the appropriate things.

The Privacy Act constraint or Privacy Act constraints preclude me from commenting on actions to individuals, so I cannot do that. I would love more than anything to be able to talk about some of the things that we have done, but that is simply not possible.

Senator AYOTTE. OK.

Dr. LUBCHENCO. But I can tell you this is an area that we take very, very seriously, and we have gone to extraordinary lengths to make things right.

Senator AYOTTE. Well, good. And I hope that you hold people accountable. And I appreciate that, and this is very important.

Real quick, the one concern I have is the 2008 stock assessment of NOAA conducted found the fishery on track in terms of if you looked at the New England Gulf of Maine Cod Fishery. And yet the 2011 assessment showed it not on track.

As you know, this created a big issue for fishermen in New Hampshire, a huge issue. In fact, it would eventually result in a 90 percent revenue loss for New Hampshire fishermen, killing the industry.

As you know, all of our delegation on a bipartisan basis, from Maine, New Hampshire, the New England delegation, and Massachusetts as well, wrote to you, wrote to the Secretary, urging you to set an interim measure for 2012. And I appreciate that NOAA appears to be moving forward on that interim action.

But it raises the question, what happens in 2013 when these devastating reductions, if just the interim measure is put in place, what will happen where 90 percent of the fishermen essentially in my state will be killed. And it is a very noble, noble pursuit obviously.

So, a lot of questions it raises for me on how accurate, and how can you ask the fishermen in my state to trust the stock assessments when you get such disparities? And also, what are we going to do about 2013 to make sure we do not put them all out of business?

Now, I know my time is up, and I know that others are here. And so, I appreciate if you do not want to address this here, if you can address this for the record, because, to me, this is a core issue for the fishermen in my state.

Dr. LUBCHENCO. Mr. Chairman, could I give just a very brief response?

Senator BEGICH. Very brief, and then extended into the record. But go ahead, and then I will go to——

Dr. LUBCHENCO. And then I can also follow up.

Senator BEGICH. Excellent.

Dr. LUBCHENCO. Senator, this is an issue that has occupied a huge amount of time and energy because it is so important. And we have gone to extraordinary lengths to work with the fishermen in New England and try to help identify the options that are available to us. I think we are on path for options for this year because the law allows us some flexibility.

You are absolutely right to focus on 2013, and that is going to be a major challenge. We will continue to do everything possible we can, including cooperative research, to try to understand why there was a difference between those 2 years, and also to really understand what is out there, and to identify ways to lessen the economic consequences of this.

We care deeply about the fishermen and the fishing communities that depend on them, and we will continue to work with them on this.

Senator AYOTTE. Thank you.

Senator BEGICH. Thank you very much.

Senator Cantwell?

STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

Senator CANTWELL. Thank you, Mr. Chairman.

Administrator Lubchenco, Admiral Papp, thank you for being here.

Administrator Lubchenco, I want to go over the budget. And one of the things that we are very concerned about in Washington State—we have already had a lot of news about this—is the tsunami debris issue. And you have probably seen your own analysis about this. But this chart shows the debris starting in—where the debris field is now in 2000, where it is expected to be in 2013 and what the impact in the northwest is by 2014.

So, that is something that is a great concern to us, and we think we need more data as to what the impact is. Our coastal region employs over 160,000 people and is a huge economic impact to our state, over $10 billion in economic activity. So, we want to make sure that we have a plan for how to deal with this tsunami debris.

And I am assuming—well, why don't I get a yes or a no answer. Do you believe that this 100 million tons of debris that has been part of the Japanese tsunami is a threat to the West Coast of the United States?

Dr. LUBCHENCO. We believe that the debris that is coming across the ocean is—some of it is going to wash ashore. Some of it will sink. It is not at this point clear how much of it is still in play, and we have very active programs to try to track and measure

what is out there, and to understand what is likely to arrive when. We are working closely with both states and as well as international partners and a lot of fishermen and others.

We have redirected a number of our satellites to look at more finer resolution images to try to see what we can see.

Senator CANTWELL. Is that——

Dr. LUBCHENCO. It is not yet clear that it is going to have a devastating impact by any stretch of the imagination.

Senator CANTWELL. So, the answer to that is no, you don't think it is, or——

Dr. LUBCHENCO. I think we do not have enough information to know for sure yet, but it is something that we are watching very closely.

Senator CANTWELL. Well, we are very concerned, and we think it is going to have an impact. But we certainly would love the data to understand the level of that impact. And without knowing that, we certainly want to make sure that we are prepared.

So, my concern is that the President's budget already cuts the existing marine debris program——

Dr. LUBCHENCO. Yes.

Senator CANTWELL.—by 25 percent. This was before the tsunami even happened. This is a program that you have to deal with marine debris. And it is being cut now 25 percent before you are even dealing with this level.

So, my question is, how are you going to be able to deal with this with the 25 percent cut?

Dr. LUBCHENCO. I think the cut to this program is going to be a challenge. It is one of the very important programs that in other circumstances we would not have chosen to cut.

And I think it is also important, Senator, to realize that, you know, although when the debris washed into the ocean in the aftermath of the tsunami, it was a mass. But it spreads out and is not a concentrated big batch of stuff anymore. You could see it initially from satellite images. It is very difficult to see now because it is so distributed and because of a lot of it has sunk.

That said, there is still a lot of stuff that is probably out there. It is just not clear what impact it is going to be having.

Senator CANTWELL. Are you—do you have enough resources to analyze and tell us what kind of impact it will have?

Dr. LUBCHENCO. We will do the best with what we have. If we had more, we would be doing more.

Senator CANTWELL. Well, that is not a good answer for someone trying to represent a state and an economy that is going to be impacted. We do want to hear now, you know, well, we could do better if we had more money. It is the President's budget that is recommending the cut, and if you do not have enough money to get the analysis, we would rather hear that today so that we can do something about it. But we do not want to hear later that you did not have the resources to understand this problem.

It is a threat, and we are already seeing some—can I just go to a related point to this? The National Tsunami Hazard Mitigation Program and DART Warning Buoy System—OK. Let us put the trash aside for a second now and just say that the warning system, which the Buoy System is part of, the technology is great, and it

has been improved with time. But that is also being cut $4.6 million. And so, how is that going to affect the warning system for the State of Washington?

Dr. LUBCHENCO. Senator, the funds form the Warn Act, which expire this year, were—enabled us to get ahead of the curve in terms of putting in place training for communities and implementing the DART buoys, et cetera. And that has actually been a real boon to us.

The cut that you see in the program is a reflection of the fact that the Warn Act funds are expiring. And the consequence of that is going to be the following: we will still be able to issue all of the warnings that we do because those are not dependent on the DART buoys. Those warnings are issued well before the wave passes a DART buoy. Those DART buoys are key in helping us fine tune our warnings as the tsunami is moving across the ocean.

The fewer funds will play out in the following way: we will not be able to maintain those buoys at the rate we now maintain them. And it would be nice to be able to retain—to maintain them at the same rate. It is not something that we think is going to seriously jeopardize our ability to warn communities and to issue the kinds of warnings that we do today.

Senator CANTWELL. Japan had 30 minutes, so 30 minutes of warning, and if you think about the amount of damage that was done. So, we are trying to build a more integrated system. And I am certainly aware of the impact that the buoy system plays in giving you more updated information. The former chairman from Hawaii could tell you many stories about there are also economic impact from issuing warnings and then having nothing happen, and not being able to tell people about that.

Dr. LUBCHENCO. Right.

Senator CANTWELL. So, the system is building a smarter network to monitor all across the ocean. So, I would like to get from your agency how many are currently operational, and how many do you think are needed to make sure that we have a functioning system. So, if we could get that information from you.

Dr. LUBCHENCO. Absolutely. Certainly.

Senator CANTWELL. And then similarly, but a different piece of information, is the cut to the program for monitoring ocean acidification. So, this is vital information that helps us, and I think there is a chart that shows where these buoys have been that help, you know, thousands of jobs in Washington State because what you are doing on the identification of acidification is allowing people to shut down valves that protect those kinds waters from coming in and killing crops.

So, very, very important for a very key industry in our state, and yet you are cutting that program as well.

Dr. LUBCHENCO. Senator, this is one of those choices that I am not happy about because we—it is a program that is very, very important. We will continue to do monitoring. It is not that we are not doing anything. We will not be able to do it at the scale that we would like to do it.

Senator CANTWELL. It is $250,000 for a return investment of an industry that is $270 million. I would think that that amount of

money would have the agency thinking hard about a program that is helping an industry do the seeding that allows shellfish to grow.

I hope that we will—Mr. Chairman, we are going to keep pushing on these issues. I think for us as we look at the budget and, you know, having been the Chair of the Subcommittee, I know exactly how much deep water Coast Guard acquisition program takes up in the debate or should take up in the debate. But cutting back on science that is important for jobs and the economy can't be substituted. And so, we are going to make sure that if there is a shortfall here as it relates to science that are protecting jobs and protecting lives, that we are going to make sure that they get addressed in the budget and in appropriations bills going forward.

So, thank you, Mr. Chairman.

Dr. LUBCHENCO. Senator, I appreciate your shining a spotlight on these programs because they are very important.

Senator CANTWELL. Thank you.

Senator BEGICH. Thank you very much, Senator Cantwell. And we will have—if you are still here, we will still have another round here before we close out.

Let me—I want to follow up on a couple of things here, Dr. Lubchenco, and that is in regards to the debris that was talked about here because it not only affects—it could affect Washington, it could affect Alaska, too.

Have you done—I understand there is the budget process you have gone through, but have you done since this process, because your budget started so far in advance, and, of course, the tsunami came and so forth. Have you done an analysis or a recommendation or something that has gone to the White House or OMB to detail out, here are the ranges of risk, of impact, and potential associated mitigation that could be done and/or costs that are related to it?

And why I am asking this is because of such of a large international natural disaster. I am assuming that your agency was called upon. I do not know this—I am just assuming this—called upon by the Secretary or the White House or both to say, give us our risk analysis of low probability, high probability, costs associated, what do we need to do?

And I am driving this question because I think it is important for us to understand that because I think that is the question that Senator Cantwell is getting to is, do you have the resources? Understanding you have a budget you have presented, but that is not the real question. The real question is, somewhere in the mix, I know I would have asked this, you know, as mayor, I would have asked after a disaster what are the ranges and so forth.

Is there such a document? Is there such material available that could be supplied to the Committee here so we can then make an educated analysis of what we think the budget should be, not what you have had to present and get, you know, screened by OMB, but actually what you would have —what you think might be the risk factors? Is there such a thing that exists?

Dr. LUBCHENCO. What we did was extensive modeling not only using NOAA's models, but also University of Hawaii's models, about where the debris field would likely go. And then we have been tracking its spread across the ocean.

What is very difficult to know is what the fate of much of that material will be. We know that a lot of it has sunk. We think that some of it—that more will sink as it comes across. Some of it is floating. Some of it floats fairly high up. You know, buoys would float from an aquaculture facility.

Senator BEGICH. Well, if I can interrupt you. On that information that you provided, within that information did you do an analysis of, in order to monitor this and analyze this properly, or keep track of it, or potential cleanup, here are the ranges we should be having in mind of the cost factors related to this?

Dr. LUBCHENCO. We have not done the calculation of economic costs of cleanup.

Senator BEGICH. Not economic costs, agency cost.

Dr. LUBCHENCO. Of cleanup, no.

Senator BEGICH. OK. I think that is where you were getting to, and I will leave that kind of as an open-ended question if you want to respond or add to it now. But do you see where I was—I think where you were going——

Senator CANTWELL. Mr. Chairman, yes, exactly. Having analysis of, I would assume at this point in time, of no impact, some impact, major impact, and the costs associated with that would be something that would provide all of us an understanding of what we need to do to plan. What our major concern is, and we have had this addressed in a hearing, in a markup here before this committee is that when it is here, it will be too late to have a plan. And when it starts impacting the fishing industry and people cannot fish because they have too much debris, or it affects tourism, or many other things, it is too late.

So, we want to make sure that we are ahead of the situation and we have a plan for whatever those three scenarios occur.

Dr. LUBCHENCO. So, we would be happy to follow up with you on that.

Senator BEGICH. Fantastic. That, I think, is where we want to get to, to help plan for this potential. And, again, the risk factor, we will weigh that, but if we know the numbers and what it means, then we can weigh that and judge that.

Let me ask you, and you brought it up and I will just a few more seconds of my time here, and then I will ask Senator Snowe if she has additional questions. But the satellites, which, you know, I think a lot people do not realize how much of your budget is consumed by satellite not only purchased, but management and maintenance and everything else, and I know as it continues to kind of crowd out other elements because of cost increases and so forth in maintaining them.

Have you—I guess, do you have a kind of a long-term strategy of how to manage that, because, of course, the concern I am going to have, satellites are very important, but if you start taking, for example, stock assessments, diminishing that workload, which means then will have an effect on the economy because then fishermen do not have accurate assessments, which means you will go to a lower common denominator because you want to protect the fisheries, but if you do not have the good information, you have to take the more conservative approach, which could jeopardize, so forth and so on. Very similar to what we just kind of had a discus-

sion over here because I know your Mid-Atlantic and your Atlantic assessments are not as frequent as what we do in Alaska.

But all that in mind, what steps are you taking—NOAA is taking—to kind of prepare and kind of control that cost of satellite? Is there block purchasing? Is there longer term contracts? Are there things that you are doing or things we can do to assist you in that endeavor to get some more management? I mean, similar to what—we just had the Coast Guard talk about how they have got fixed pricing on certain things. That has helped them save money. Are there things that you are doing or things we could do in conjunction to help you?

Dr. LUBCHENCO. We have in place a number of mechanisms to contain the costs of this program. In fact, we have, speaking of JPSS for a moment, we have committed to capping the costs at $12.9 million. And that is a reflection of our intent to do just that, to keep the costs down as low as we possibly can.

Senator BEGICH. Put a lid on the total amount.

Dr. LUBCHENCO. Put a lid on the total amount. That creates some additional challenges, but I think is the responsible thing to do.

As you know, JPSS is about two satellites and the instruments that would be on both of those satellites. And we do not quite have the luxury of buying fours, and eights, and twelves. You know, we are dealing with just two. That said, you know, it is easier to buy—it is cheaper to buy two of something than one of something.

So, we are—I think have in place mechanisms to keep the costs down as much as possible, but we do not—we are not really in a situation where we can do multiple buys——

Senator BEGICH. I understand.

Dr. LUBCHENCO.—other than two.

Senator BEGICH. Very good. Thank you, Dr. Lubchenco. Let me move to Senator Snowe for additional questions.

Senator SNOWE. Dr. Lubchenco, I am looking over the budget request, and one of my concerns which I mentioned in my statement was the trend within the budget to eliminate or to reduce substantially many of these competitive grant programs that leverage matching dollars, you know, from the State and other partners. And I know my constituents have expressed concern that some of these programs are going to be so substantially reduced that essentially they are not going to have any value, or that they will then be zeroed out ultimately.

Can you explain to me why we have focused on reducing those grant programs, because they do maximize Federal dollars because you can leverage them for matching dollars and so on. So, Federal dollars go further under these types of programs, rather than perhaps reductions in the agency's workforce or throughout the country in the Federal workforce.

Dr. LUBCHENCO. Senator, can you help me understand what programs you are talking about? I mean, if it is something like the Prescott grants, I can address that. But there is no systematic attempt to eliminate matching grant programs.

Senator SNOWE. On these competitive grants and partnership programs overall.

Dr. LUBCHENCO. So, again, many—I mean, we do have a lot of competitive grant programs and existing relationships. And, as I mentioned, the amount of funds going to extramural entities is actually, the percentage is increasing in this budget. But maybe——

Senator SNOWE. The percentage overall?

Dr. LUBCHENCO. So, the funds that are extramural now are about 25 percent of our budget in Fiscal Year 2012, and they are going to go to 27 percent—they would in the proposed Fiscal Year 2013 budget. But somehow I think that may not be what you are referring to, so——

Senator SNOWE. My staff mentioned the Interjurisdictional Fisheries Act, for example, because our Department of Marine Resources has indicated that they rely oftentimes on these programs. But the state will not have the value once these programs are reduced to such a low level.

Dr. LUBCHENCO. So, I think there are—I mean, I think that is an example of where there are areas that are good things that we are not able to do in this budget. And it is a reflection of the larger challenges that we face, and it is—you know, it is not a reflection on those programs at all. It is simply the realities that we cannot —you know, we had to make really, really tough choices on a lot of these things.

Senator SNOWE. I guess we are saying I know you have to make choices, but could some of those choices be workforce reduction as well?

Dr. LUBCHENCO. We are looking in this budget at downsizing—eliminating a number of FTEs, downsizing our workforce, and a number of different programs. So, that has absolutely been on the table unfortunately.

Senator SNOWE. In another area, I noticed that in the budget, the navigational response teams are proposed to be eliminated. Is that correct?

Dr. LUBCHENCO. Correct.

Senator SNOWE. I know that in Maine just 2 years ago in Cobscook Bay these teams were charting the coastline which is so significant to maritime commerce and the Coast Guard's work obviously, and really is an important navigational service. So, how is that service going to be provided if not by the navigational response teams?

Dr. LUBCHENCO. This is an area—this is a very important program. It is small, it is lean, it is mean, it has done spectacular things. It is very painful to propose it for elimination. We are hopeful that there will mechanisms to work with other agencies and with states to try to accomplish some of the same functions that the navigational response teams have provided. But it is yet another thing in our program that is—you know, in a better world we would not be proposing a number of these things.

Senator SNOWE. You know it is truly part of NOAA's heritage from the agency's inception.

Dr. LUBCHENCO. I understand.

Senator SNOWE. The early 1800s. So, it just seems to me it is a crucial obligation of NOAA to provide that service. I do not know if that could be done on an ad hoc basis by other agencies.

Dr. LUBCHENCO. So, Senator, are you talking about just the basic navigation mapping and charting that we do?

Because that will—is still part of NOAA. That is not what these navigation response teams, no.

Senator SNOWE. But the navigation response provide additional services in between emergencies.

Dr. LUBCHENCO. So, the navigation response crews come in, let us say, after Hurricane Irene came through.

Senator SNOWE. Right.

Dr. LUBCHENCO. And, you know, scope out where there is new stuff that does not belong, and when it is clear for navigation. So, that function does not need to be supplied by NOAA. It has been. It does not have to be. It is an important function without any doubt.

Senator SNOWE. But these teams did provide that service.

Dr. LUBCHENCO. They did.

Senator SNOWE. Yes, right. OK.

Dr. LUBCHENCO. But we will still be doing——

Senator SNOWE. So, without these teams, who will be providing that service?

Dr. LUBCHENCO. We are working on that to see—to identify what the other possibilities might be.

Senator SNOWE. Alright.

Dr. LUBCHENCO. But I want to be clear that we will still be providing basic navigation charts, just not——

Senator SNOWE. Yes, I understand, but you are not going to be recharting the coastline as frequently. For example, along the segment of the coastline in this instance back 2 years ago in Cobscook Bay where the tides were as high as 22 feet. It had not been recharted from 1899 until 2 years ago. And the point is, this is an area that can be very hazardous to navigation. So, that type of work is no longer going to be conducted by the agency?

Dr. LUBCHENCO. That is correct.

Senator SNOWE. I think that is serious.

Dr. LUBCHENCO. I am not happy about this either.

Senator SNOWE. What is the cost of that savings, would you know?

Dr. LUBCHENCO. So, the navigation response teams——

Senator SNOWE. And they helped to open the Hampton Roads following Hurricane Irene.

Dr. LUBCHENCO. So, it's $2.3 million.

Senator SNOWE. Yes, $2.3 million.

Well, it seems to me that that would be a critical function that should be ongoing within NOAA.

Dr. LUBCHENCO. I would like it to be. We were simply unable to manage everything that we wanted to have in there.

Senator SNOWE. It is a central function, is it not?

Dr. LUBCHENCO. We often partner with local entities and with Coast Guard and with others in doing that. So, again, it is not a sole function of ours, but it is an important one.

Senator SNOWE. Yes. I think it is crucial. We will have to address it.

Senator BEGICH. Yes. Let me say—I just want to echo that. I actually had it in my line of questioning because of the costs for—

when you see in some of the areas the value of cargo moving in and out of a port and little this is. I understand your budget issues, but I guess I am going to hold comment here. I will see if Senator Cantwell has some additional, but I think one of the things I would ask you to do is probably supply over the last two, three, 4 years what new programs have been added to NOAA when this one seems to be a pretty basic core program, and help us understand what those priorities have done, because this one, to me——

You know, at the rate we go in mapping our coastline, you know, they will be four generations dead before they are all redone.

Senator BEGICH. And the Coast Guard will have brand new ships that might be running aground, not that your crews would do that, just you may not know—have the right maps.

So, let me just pause there and just go to Senator Cantwell.

Senator CANTWELL. Thank you, Mr. Chairman. Administrator Lubchenco, last March, one of the assistant administrator for NMS, Administrator Schwab, testified in front of this committee. And he said, "We'll do everything in NOAA's power to make sure the West Coast ground fish form—the fishery is supported with adequate catch share coverage and funding." And obviously the industry is taking the large share of this.

But I wanted to ask you about your commitment to make sure that that is a vital catch share program and that NOAA is doing everything it can to support that.

Dr. LUBCHENCO. It is a vital program. We are doing everything we can to support it. It has even after just a single year—you know, it went into operation, came into effect just about a year ago—actually a year ago January. And it is already by all accounts transforming the industry. There have been huge increases in revenues as a result, and I think people are pleased with it.

That said, there are many challenges that remain and continuing to cover the observer cost is one that many in the industry have flagged. We are working with them on what is possible on that front.

There are a number of other aspects that we are working with them. I think we have a good rapport and we are really—I think it is a good success, but we need to make it even better.

Senator CANTWELL. But in a sense of having observers catch shares, you play a vital role in making that system work, so——

Dr. LUBCHENCO. We do, and the original plan of all of these programs was to—for the Federal Government to fund 100 percent of the observer coverage for a period of time, and then ramp down so as the industry is recovering, it can take on more and more. What we have done is push that to the right because of the economy, because of the increase complexities with the program that were not fully anticipated.

So, we are still continuing to provide observer—to fund the observer coverage. We have extended by a year the timeframe for which we will do that, and then we will begin a ramp down where the industry will begin to take on more of it.

Senator CANTWELL. If you could provide those numbers to our office, that would be great.

And then the last question I had, Mr. Chairman, is something that you and I and many others are very interested in is the pro-

posed budget as it relates to salmon and the Pacific coastal recovery impact, and the dollars.

And so, I am not exactly sure what your thinking as it comes to the budget, and I know Congress will have a lot to say about this. But what do you think the impacts are on the regional councils and the fisheries from this budget?

Dr. LUBCHENCO. So, clearly we are not funding the regional fishery management councils and commissions at the level that we have in the last couple of years. We did everything we could to protect the funding to the councils and commissions in previous years when other things were taking a hit. They are taking a hit this year, and it is not—we are working with the councils to try to identify exactly what the consequences will be. We do not know that yet. That relates to all of the fishery management councils, not just the ones that are of interest to your fishermen.

The salmon—the proposed funding for salmon in the Fiscal Year 2013 budget is down from what it was last year, as you know, and I think there will be some serious consequences to that because many of those programs are very good. It is pretty much the same thing that is happening across the board in so many of the other areas where there are good things that we are simply not able to do.

Senator CANTWELL. But there are laws on salmon, like the Endangered Species Act, that we have to comply with. Are you saying it will have impacts on that?

Dr. LUBCHENCO. We will not be in violation of any laws, but the rate at which we can do a variety of activities will not be the—you know, what will not—it is a question of pace. But I do not think that there is something that is actually—any violation of the law that is resulting.

Senator CANTWELL. Well, I am sure we will have a lot to say about this moving forward, Mr. Chairman. Thank you very much, and I look forward to working with you on a lot of these issues.

Senator BEGICH. Thank you very much.

Let me—Senator Snowe, do you have some additional questions? I have just about two that I will end up with at the last. Go ahead.

Senator SNOWE. Thank you.

Dr. Lubchenco, I also wanted to ask you about electronic monitoring, as you probably discerned at the fisherman's forum the importance of the whole question.

Dr. LUBCHENCO. Yes.

Senator SNOWE. I just want to get an understanding from you where does the issue stand currently with respect to fishing year 2013, because it is such a major issue. I know there are indications about studying it further, but there have been 22 studies on this question, and the industry is very concerned that they will be required to do the more expensive approach with observers.

I just want to understand what is the status of this requirement.

Dr. LUBCHENCO. Senator, we—it is clear that the electronic monitoring works for some kinds of fishing better than for others. And what we are trying to do is identify where we can cut down on the number of monitors by using electronic methods, but in a way that is easy to track and easy for everybody to have the kind of information that is—can be validated.

We have programs under way to continue to look at this in this year, Fiscal Year 2012, and based on those we will make decisions about what we can implement for subsequent years. It is our hope that we could speed that up, but it is also clear that it works in some kinds of fisheries much more easily than others.

Senator SNOWE. Right. Yes, I understand that. I just really hoped that we could come to an understanding on this question. It really is worrisome for the industry because it is a much more expensive requirement if they are not allowed to use the electronic monitoring.

Dr. LUBCHENCO. I understand.

Senator SNOWE. So, I would just hope that there would not be a mandate or requirement on this question without a great deal of input from the industry regarding other alternatives rather than requiring onboard observers, because that really is an expensive proposition, especially at this time with the economy and the fisheries struggling.

Dr. LUBCHENCO. I understand. And I—you know, it is my understanding that we are working closely with the fishermen on these experiments to try to figure out what the best way is. And, in fact, they have offered a lot of very useful suggestions into how to make this as effective as possible.

Senator SNOWE. OK. Let us stay in touch on that question.

Dr. LUBCHENCO. Absolutely.

Senator SNOWE. Thank you very much. And thank you, Admiral Papp, for being here today. I appreciate it. Thank you.

Senator BEGICH. Thank you both.

Admiral Papp, I just have a couple of quick ones.

Last year, I think it was in the Coast Guard, it was appropriated I think in the 2012 budget—well, actually this year—last year for this year, $20 million in Fiscal Year 2012 for military family housing as a line item in there. I did not see anything this year. Can you give me just a sense of the housing that is always—I know when I visit, you know, maybe in Kodiak or wherever it might be, Sitka and other coast guard facilities, housing always is a point of stress for the families. Can you tell me kind of what your plan is there?

Admiral PAPP. Yes, sir. And that is disappointing for me. Our shore ACNI in the 2012 budget was about $200 million, and it has gone down to, I think, $70 million in the proposed budget. And that includes both housing, improvements to piers, boat launch areas, a whole range of shore structures.

Senator BEGICH. Repair facilities, things like that.

Admiral PAPP. Yes, sir. And my estimate is we need about $200 million a year to keep up with the capital plan that we have, and we are down to $70 this year. So, unfortunately, some of the housing projects that we would ordinarily do are not within the 2013 budget.

However, we have taken it on as a high mission for both my wife and me. We declared the year of the family.

Senator BEGICH. Right.

Admiral PAPP. And one of the three areas we are looking at is housing. So, we did get some housing money last year, but one of the thing that we are also doing is we are doing a complete survey

of all 4,000 units that we own. We are going to determine whether we need to keep all of them, whether the money could be spent better otherwise. We are leveraging Department of Defense authorities that they have for public/private ventures, and leveraging them wherever we can.

We got authorities from this committee 2 years ago, which allowed us to sell properties. We have sold the Commandant's house, the Vice Commandant's house, the Chief of Staff's house, the 13 district commanders house, and other properties.

Senator BEGICH. I wondered why your folks brought a cot over to my office. I was not clear on all that.

Admiral PAPP. Right. So, we have got almost $9 million there in a fund that we are going to devote. And then we have also encouraged lots of self-help projects across the Coast Guard, which are showing improvements for our people. We are fighting on all fronts to improve the housing for our people. It is discouraging that we cannot fit it in with in our appropriation this year, but we will look to continue in the out years.

Senator BEGICH. Very good. Let me say to both—first to Admiral Papp, I want to thank you and especially the investment or the start of investment in an ice breaker. Important. You know, we saw, as you noted, with the fuel, to know the value of it. We will see additional value. And the Arctic development activity and why that is important. So, I want to say thank you. I know it is in your long-term plan. I think it is on both of us to make sure it is funded. A plan is as good as the money that goes along with it; otherwise, it is just another plan we revise next year.

So, I recognize that. I think the Committee recognizes that. And I just really want to say thank you for recognizing that as an important aspect in the sense of getting the money on the table so we can keep the motion moving.

Along with that, I want to say thanks to your crew. I had an opportunity to call them on Christmas Eve on their extended mission for Nome. It was great to be able to wish them happy holidays, but also just to hear from them and thank them for the extraordinary work they did. And it really was a combination between the two organizations. And, again, shows a unique need for Ice Breaker capacity, but also incredibly dedicated crews, may they be the Coast Guard or the NOAA folks working from on shore and others.

It really was a sight to be seen. And I will tell you, wherever I traveled, not in Alaska, but outside, people asked me what is the latest, you know, because people were tracking it and watching it.

So, I want to thank you. And I also just saw, if you have not seen it, a time lapsed video of the whole activity from the—from one of the ships or the—I think it was the tanker itself. So, it shows that whole activity as it is moving and breaking. It was an amazing time lapsed video, and if you could—if you have not seen it, you should. It is amazing, to say the least.

Admiral PAPP. Sure. We will look for it.

Senator BEGICH. Great.

Dr. Lubchenco, you—as I think we have all just noted, you probably felt a little more under pressure. I think the Admiral was thinking, geez, I am glad you are getting all the questions for the moment. But you have a tough budget.

Dr. LUBCHENCO. We do.

Senator BEGICH. We know that. And we are concerned, as you can probably sense here. And as I wanted to follow up on Senator Cantwell's concern. It is a 14 percent reduction in those management councils, which is critical to keep, I say in Alaska, people happy and satisfied, that there is engagement. Without that, we end up with situations that we pay for later.

And so, I think you are going to see us ask a lot of hard questions, and ask additional questions of how you can help us understand the budget implications, the value of it, and what we can do to ensure that the long-term science is there, because without that, our fisheries, as an example, are not going to be able to be sustainable. And you know that better than anyone.

But I want you to know, the questions are hard because we are concerned. And we are concerned because these are long-terms jobs and economic impact to our respective communities here. So, I think it is important that we do what we can to make sure that you have the right tools on hand. And part of that is budget.

So, I thank you for weathering—there is no satellite here to warn you what to prepare for—but weathering the opportunities. And, again, there are some—I do have—I think we are going to keep the record open for—do we keep the record open for this? Ten days?

VOICE. Two weeks.

Senator BEGICH. Two weeks? We will keep the record open for 2 weeks for additional questions and commentary.

We also have many stakeholders who have written us in regards to committee budget issues. We are going to enter that into the record.

We will share that with you obviously.

But, again, thank you both for being here, being part of this. I know our schedules are difficult to put together, but thank you for doing what you are doing. And thank you to the people behind you every day making your organizations as successful as they are. Thank you all very much.

This meeting is adjourned.

[Whereupon, at 4:29 p.m., the hearing was adjourned.]

A P P E N D I X

PREPARED STATEMENT OF HON. JOHN F. KERRY,
U.S. SENATOR FROM MASSACHUSETTS

Thank you, Mr. Chairman for holding this important hearing on the NOAA budget for Fiscal Year 2013.

Welcome, Dr. Lubchenco, glad you could join us today. As you know, NOAA's work has tremendous importance to the Massachusetts economy. From our fishing communities to our tourism industry to our ocean research institutions, our connection to the ocean is an integral part of our economy and our cultural history.

I was also encouraged to see the increase in funding for stock assessments and fish surveys. As you well know, these form the basis of our fisheries management and it is critical that we get enough resources so that the science is where we need it to be before we make these management decisions.

Over the years, I have frequently called for increased quantity and improved quality of stock assessments and for NOAA and NMFS to take tangible steps to collaborate with our local institutions. The current Gulf of Maine cod assessment issue is a clear demonstration of the need for more scientific resources. We saw a 2008 assessment that showed a healthy stock, management decisions were made accordingly, and then the most recent assessment shows such a drastic decline that we're looking at dramatically lower catch limits this year. That level of uncertainty is a direct result of the infrequency of assessments and I will keep fighting to get appropriate funding for increased research and data collection.

The interim rule offers an opportunity to work together with our fishermen to get the science right, once and for all. Given the time constraints, partnering with local research institutions and our fishermen offers the best opportunity to develop a comprehensive new assessment that will be accepted in the fishing communities. The outreach from NOAA and NMFS during the GOM cod crisis has been an important first step but I want to see that level of engagement wherever possible in fisheries management, from enforcement to science.

I know that the current budget climate means that tough choices need to be made. I know that you have made NOAA's satellite programs a priority and I'm glad to see the increased funding for many crucial programs. As we look to more fully understand the impacts of climate change and shifting weather patterns, these satellites are a key piece of the puzzle.

I also want to take this opportunity to highlight some programs that are important to Massachusetts that didn't fare as well in the President's budget. First is the Prescott Marine Mammal Stranding Grant program, which offers grants to members of national marine mammal stranding networks. The Prescott program has received attention in Massachusetts over the past months as Cape Cod has been inundated with stranded dolphins, at last count a total of 179. Our local network managed to successfully return 53 of these animals to the ocean. Elimination of the Prescott program means the elimination of the sole source of Federal funding for these dedicated volunteer organizations.

The Coastal and Estuarine Land Conservation Program is another Massachusetts priority that is slated to be eliminated in the President's budget. CELCP provides grants to eligible state agencies and local governments to acquire coastal property or conservation easements from willing sellers. Grants have been highly competitive and Massachusetts has been lucky to receive just over $4 million from the program and hopes to increase that total if the Nasketucket Bay project receives FY12 funding.

Dr. Lubchenco, thank you again for being here. I look forward to continuing to work with you on these issues that hold so much importance for Massachusetts.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN D. ROCKEFELLER IV TO ADMIRAL ROBERT J. PAPP, JR.

Question 1. Please provide the Committee on Commerce, Science, and Transportation an updated backlog list of prioritized shore Acquisition, Construction, and Improvement (AC&I) projects, including military housing needs. What is the total cost of this AC&I backlog?

Answer. The Coast Guard performs an annual review of Shore AC&I projects and updates construction priorities as part of the five-year Capital Investment Plan. The below list, updated on May 21, 2012, reflects the Coast Guard's current $664.9 million prioritized backlog of Shore AC&I projects, including projects requested in the President's FY 2013 request.

Prioritized Shore and Military Housing AC&I Backlog

Location	Project Description	Estimated Project Cost ($K)
Projects included in President's FY 2013 Budget Request		
Air Station Kodiak, Alaska	Protect Arctic Operations in Cold Bay Alaska	5,000
Air Station Kodiak, Alaska	Recapitalize Sitkinak Refueling Site	1,100
Air Station Barbers Point, Hawaii	Construct Aircraft Rinse Rack	5,000
Station New York, New York	Construct Boat Ramp	1,900
Various	New AtoN/Waterways Construction	1,000
Various	Minor Shore AC&I Projects	5,000
Out-year Prioritized Projects		
Sector SE New England, Massachusetts	Replace ANT/STA/WPB Woods Hole Buildings	23,000
MSST Pacific Taclet, California	Consolidate DOG Facility in San Diego	34,000
Various	New AtoN/Waterways Construction	26,000
Various	Minor Shore AC&I Projects	55,000
Academy New London, Connecticut	Construct Indoor Firing Range	21,500
CG Sector Columbia River, Oregon	Construct Unaccompanied Housing	11,000
Base Kodiak, Alaska	Consolidate Aviation/ISC Support Phase II	18,500
Sector Buffalo, New York	Recapitalize Moorings Phase I	10,000
Academy New London, Connecticut	Chase Hall Barracks Renovations—All Remaining Phases	50,000
Station Vallejo, California	Provide Permanent Station Facilities	7,400
Air Station Cape Cod, Massachusetts	Construct Fuel Farm	850
Station Marathon, Florida	Construct Upper Keys Family Housing Phase II	7,000
CG Sector Columbia River, Oregon	Greater Astoria Family Housing, Phase I	6,000
CG Air Station Cape Cod, Massachusetts	Renovate Unaccompanied Personnel Housing	8,000
Training Center Petaluma, California	Replace Existing Water Main	9,800
Sector Honolulu, Hawaii	Construct Sector Honolulu Facilities	36,300
Sector Buffalo, New York	Recapitalize Moorings Phase II	19,000
Sector Field Office Valdez, Alaska	Construct Station Facilities	42,000
Sector Guam	Recapitalize Facilities	42,100
Air Station Borinquen, Puerto Rico	Construct Fuel Farm	4,000
Training Center Cape May, New Jersey	Renovate Recruit Barracks & Classroom Phase I	10,000
Air Station Los Angeles, California	Relocate Air Station	21,000
Station Tillamook, Oregon	Replace Boat Haulout Pier	19,000
Base Elizabeth City, North Carolina	Recapitalize Airfield Pavement	23,000
Base Miami, Florida	Replace Waterfront Bulkhead	3,000
Training Center Cape May, New Jersey	Renovate Recruit Barracks & Classroom Phase II	10,000
Air Station Elizabeth City, North Carolina	Consolidate Air Station/Station Facilities Phase I	30,500
Base Kodiak, Alaska	Recapitalize Fuel Pier	26,800
Marine Safety Office Pittsburgh, Pennsylvania	Establish Facilities	2,000
Station Morro Bay, Oregon	Construct New Station Building	6,600
Aviation Training Center, Mobile, Alabama	Recapitalize Unaccompanied Personnel Housing	7,000
Training Center Yorktown, Virginia	Construct Additional Berthing	4,500
Training Center Petaluma, California	Recapitalize Housing	41,000
Sector Columbia River, Oregon	Greater Astoria Family Housing Phase III	10,000
	Prioritized Major Shore AC&I Backlog Total:	664,850

Question 2. According to the Capital Investment Plan, there is no funding in the out years for NSC #7 or NSC #8. Yet the Coast Guard maintains that the acquisition program of record still remains eight NSCs. The Five Year Capital Investment Plan suggests the remaining two NSCs may be impacted by the Department of Defense's Strategy, Sustaining Global Leadership: Priorities for the 21st Century Defense. What is the acquisition strategy for the remaining two NSCs?

Answer. Recapitalization of the Coast Guard's surface fleet is a top Departmental priority and the FY 2013 budget fully funds National Security Cutter #6. The Coast Guard's FY 2013–17 out-year Capital Investment Plan portrays acquisition priorities for the next five years assuming the limits of budgetary growth set by the Budget Control Act of 2011. Risk-based execution of Coast Guard's core missions is the fundamental driver of these priorities and specifically informs the ongoing DHS review of Coast Guard's major cutter acquisition programs. This review is looking at the trade-offs necessary to fund requirements within a constrained top-line. The DHS Cutter Fleet Study, the Coast Guard's Fleet Mix Analyses, and other relevant studies are contributing to this review. DHS will also work very closely with the Department of Defense and other partners to determine impacts to operational planning on the National Fleet Plan as threats evolve, and evaluate acquisition priorities of all Homeland Security and National Security policies to ensure we are building complementary, non-redundant capabilities.

Question 3. What would be the added costs if the Coast Guard delays the production of NSC #7 and #8?

Answer. Our priority is NSC #6 in FY 2013 and we're focused on following the path set with NSCs #4 and #5 which are on schedule and within budget. As DHS continues its oversight of Coast Guard's major cutter acquisition programs in 2012, we are evaluating the most cost effective way to ensure recapitalization achieves the Coast Guard's long-term performance requirements.

Question 4. What happens to the Coast Guard's offshore capability if the sixth, seventh, and eighth National Security Cutters are not funded?

Answer. Coast Guard's offshore surface capabilities are primarily provided by major cutters. The legacy High Endurance Cutters and Medium Endurance Cutters are currently operating beyond their economic service life and experiencing decreased operational availability and increased maintenance costs. Under the recapitalization program, National Security Cutters and Offshore Patrol Cutters will provide enhanced capability, essential for performing long range missions in today's high-threat environment, including transit zones for narcotics, the Bering Sea, and the Arctic. As recapitalization proceeds, the Coast Guard will continue to assess the balance of the Service's assets and how to best achieve the necessary long-term capability with a mix of assets.

The FY 2013 budget fully funds National Security Cutter #6. Beyond 2013, DHS is currently looking at the fleet mix alternatives that would fund requirements within a constrained top-line while maintaining long-term performance objectives. Under the assumptions of the DHS Cutter Fleet Study, the analysis suggests some alternatives, such as trading more Offshore Patrol Cutters for fewer National Security Cutters, would slow the rate at which performance increases, but sustain or increase performance from the current level. The goal of all alternatives is to achieve the required end state capability.

Question 5. S. 1665, the Coast Guard Authorization Act for Fiscal Years 2012 and 2013, has a provision to permit the Coast Guard to enter into multi-year contracts for the procurement of the National Security Cutter (NSC). How would authorization for multi-year funding for the National Security Cutter (and other ships), improve the Coast Guard's ability to recapitalize its aging fleet? How much savings do you think the Coast Guard would achieve, if multi-year contracts were an option for the NSC?

Answer. Multi-year procurement is not applicable to the NSC project.

Question 6. Over the previous budget cycles the need to address critical housing shortfalls and recapitalize Coast Guard military family housing facilities was highlighted to ensure military members have access to housing in areas where there is a lack of affordable accommodations. The Coast Guard was appropriated $20 million in fiscal year 2012 for military family housing. Military housing was a separate line item in the Congressional Justification last year. For FY 2013, there is no separate line item military family housing. How much funding is proposed for military housing improvements in FY 2013? Is military housing a priority this year?

Answer. Addressing the condition of military housing remains a high priority for the Coast Guard. The FY 2013 budget proposes approximately $11.5 million of maintenance money (OE) for family housing and barracks at Bases, Air Stations, Training Centers, and personnel accession points.

Question 7. Media reports have stated that the Air Force has offered the Coast Guard 21 brand new C–27J airplanes for free. What is the cost savings in initial acquisition costs compared to the HC–144?

Answer. The Coast Guard is currently evaluating the cost to convert the C–27J into a suitable maritime search platform, costs for pilot and crew training, and operating and sustainment costs; a business case analysis is in progress. After the anal-

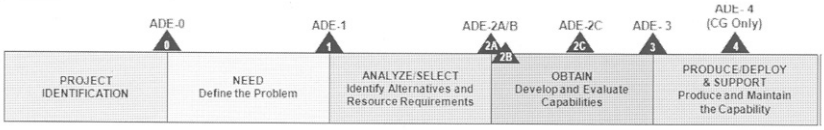
ysis has been completed and reviewed, further details regarding costs will be available.

Question 8. The Administration has requested $8 million to initiate survey and design activities for a new Coast Guard polar icebreaker. In terms of the Major Systems Acquisition Process as outlined in the Major Systems Acquisition Manual, where does this survey and design fall? What acquisition phase is this?

Answer. "Survey and Design" is a pre-acquisition activity in the "Project Identification" and "Need" phases of the Major Systems Acquisition Process. "Survey and Design" for the Polar Icebreaker is part of the $8 million requested for the Polar Icebreaker Program, Project and Activity in the FY 2013 President's Budget and is intended to assist with the completion of the Mission Needs Statement and the Concept of Operations, which are two "Need" phase activities.

Question 9. The Administration has requested $8 million to initiate survey and design activities for a new Coast Guard polar icebreaker. Explain how the High Latitude Mission Analysis Report and the U.S. Polar Icebreaker Recapitalization Business Case Analysis will be used in the acquisition of the new Coast Guard polar icebreaker.

Answer.



The Coast Guard Major Systems Acquisition Manual (MSAM), Commandant Instruction M500.10B, lays out a lifecycle framework for each acquisition project.

Project Identification Phase: The primary objective of the Project Identification Phase is to prioritize ongoing mission analyses that review or endorse current and emerging needs. Before a major systems acquisition formally begins, a capability gap must be identified. The High Latitude Study and subsequent High Latitude Mission Analysis Report (HLMAR) were conducted to identify the Coast Guard's requirements in the Polar Regions. The Polar Icebreaker project is currently in this phase.

Need Phase: During the Need Phase, the HLMAR will inform the Mission Needs Statement (MNS) and Concept of Operations (CONOPS) that describe specific functional capabilities required to address capability gaps in Coast Guard Mission Performance. In the case of the Polar Icebreaker, the HLMAR suggested that "a mix of forward operating locations, aircraft, communications infrastructure and ice-capable ships (including some classified as icebreakers) could be required, depending on the level of mission demand and performance desired."

Analyze/Select Phase: Identifies and explores alternatives through Alternatives Analysis (AA) to fill validated user mission capability gaps identified in the MNS. Feasible alternatives are evaluated and system requirements are identified to provide a basis for assessing the relative merits of the alternatives and ultimately determine a preferred solution. The "Polar Icebreaker SLEP vs. Replacement" Polar Icebreaker Recapitalization Business Case Analysis (BCA), which was mandated by Congress and has already been completed, is a key input to the AA.

Question 10. The Administration's Fiscal Year 2013 budget request for includes $30 million for the Offshore Patrol Cutter for, among other thing, Preliminary and Contract Design (P&CD) evaluation and the award of three P&CD contracts. The Coast Guard's FY 2013 congressional justification for the OPC notes that the OPC "will possess the endurance, sea-keeping, and persistent presence to complete missions at the outer extent of the EEZ and coastal approaches," and will have "updated command and control systems . . . [which] will aid in the detection, classification, and identification of targets of interest (TOIs), while the use of well-equipped deployed aircraft and small boats coupled with adequate cutter speed will provide the requisite capacity to intercept and prosecute TOIs." Given anticipated OPC mission demands, safety of flight considerations associated with OPCs operating in conjunction with aircraft, why isn't a 3D radar, with its ability to independently determine aircraft altitude, explicitly specified for the OPC design?

Answer. The Coast Guard is collaborating with the Navy to identify a Navy-Type/Navy-Owned (NT/NO) multi-mode radar to be included as Government Furnished Equipment to the shipbuilder. This multi-mode radar would have the capability to detect and track air and surface contacts. The requirements outlined in the OPC ORD meet the Coast Guard's operational requirements.

Question 11. Considering that establishing separate and new logistics infrastructure for disparate systems adds considerable life cycle cost to the government in a budget environment that dictates prudence, why are OPC system design requirements not directed to be common with those of the NSC in areas such as C4ISR and sensors such as 3D radar?

Answer. Commonality with other Coast Guard Surface fleet assets (National Security Cutter (NSC) and Fast Response Cutter (FRC)) and Navy Type/Navy Owned (NTNO) equipment has been considered and incorporated.

- The current draft OPC System Specification requirements reflect commonality with the C2/Navigation systems being deployed on the FRC.
- The OPC requirements for a medium caliber weapon system are common to the NSC.
- The OPC shares common sensor requirements with the NSC; however, not all of the capabilities provided on the NSC will be included on the OPC.
- The OPC's multi-mode radar is expected to be NTNO equipment. Through collaboration with the USN, cost savings for this radar will be realized via common procurement and logistics support throughout the radar's life cycle.
- The Coast Guard will continue to aggressively seek commonality across its cutter classes and DOD where cost effective.

Question 12. To what extent is the Coast Guard cooperating with the Navy to realize potential OPC program cost savings via common procurements, infrastructure investments, and logistics support of systems such as C4ISR and 3D radar?

Answer. The Coast Guard is working closely with the Navy to realize affordability through common systems and support. Lessons learned from Navy procurements (e.g., Spearhead class Joint High Speed Vessel, Freedom and Independence class Littoral Combat Ships, Lewis and Clark class Dry Cargo/Ammunition Ships) have been analyzed and applied, where appropriate, to the OPC Acquisition Strategy. Use of Navy Programs of Record and NTNO systems have reduced projected development costs, Total Acquisition Costs and Operating and Sustainment costs for the OPC through common logistics and training.

Question 13. In testimony before the House of Representatives in October, 2011, the Government Accountability Office noted its concern that, of the major assets and systems being acquired as a part of Coast Guard's Recapitalization Program, not all had revised baselines completed. Most notably, the OPC acquisition project, which contemplates the acquisition of 25 new hulls and is expected to be a prime cost-driver in the Recapitalization Program, has yet to have its baseline revised. Admiral Papp, when asked by Senator Snowe at this hearing whether the Coast Guard has revised or will soon revise the project baseline for the OPC, seemed to respond in the negative. Is there a plan to revise the project baseline for the OPC, as Coast Guard has done for the National Security Cutter, the Fast Response Cutter, the HC144A, the H–130H, the H–130J, the MH–60T upgrade, the MH–65D upgrade, the Medium Endurance Cutter sustainment program, the Patrol Boat sustainment program, and other major acquisition programs?

Answer. An asset specific Offshore Patrol Cutter (OPC) Acquisition Program Baseline (APB) was developed for the Acquisition Decision Event (ADE) 2A/B, Analyze/Select phase transition to Obtain phase, and approved by the Coast Guard Component Acquisition Executive (CAE) on February 27, 2012. The OPC Project APB was approved by the DHS Acquisition Decision Authority on April 20, 2012.

Question 14. In testimony before the House of Representatives in October 2011, the Government Accountability Office noted its concern that, of the major assets and systems being acquired as a part of Coast Guard's Recapitalization Program, not all had revised baselines completed. Most notably, the OPC acquisition project, which contemplates the acquisition of 25 new hulls and is expected to be a prime cost-driver in the Recapitalization Program, has yet to have its baseline revised. Admiral Papp, when asked by Senator Snowe at this hearing whether the Coast Guard has revised or will soon revise the project baseline for the OPC, seemed to respond in the negative. What is the current estimated total cost and completion date for the Coast Guard Recapitalization Program (formerly known as the "Integrated Deepwater Systems Program")?

Answer. It is difficult to develop an analogous Total Acquisition Cost for projects that originated under the "Integrated Deepwater Systems Program." There have been a number of program changes since the 2001 baseline including Airborne Use of Force and the National Capital Region Air Defense Rotary Wing Air Intercept capability. Moreover, the timeframe to completion for many projects has been extended resulting in inflationary costs. Also, some projects are undergoing revisions

to their Acquisition Program Baselines, some up and some down, and some major asset quantities and capabilities may be changed to optimize competing priorities.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO ADMIRAL ROBERT J. PAPP, JR.

Question 1. An increase in tar sands oil production in British Columbia, Canada will almost certainly increase traffic of vessels transporting crude oil both adjacent to and inside U.S. waters in the Puget Sound, the Strait of Juan de Fuca, and the Georgia Strait. According to Kinder Morgan, Vancouver, Anacortes, and Ferndale could be the exit point for 700,000 barrels of Asia bound tar sands oil a day. Admiral Papp, how many more oil tankers, barges, or supertankers would be required to transport that volume of oil? What does that mean for ship traffic in our already congested waterways? How does this increased traffic increase the probability of a marine casualty or accidental discharge?

Answer. One average size crude oil tanker can carry 700,000 barrels of tar sands oil. This is roughly the same as the daily throughput of the Valdez, Alaska Oil Terminal. Valdez typically has 25 laden tanker movements each month. If the same monthly average increase in traffic were to occur in Puget Sound, the Strait of Juan de Fuca, or the Georgia Strait; the consequent increase in navigation risk over the current level of risk would be negligible.

Question 2. If the vessels are departing from or arriving at a Canadian port without stopping at a U.S. port, these vessels would not necessarily have to meet all the post-OPA 90 construction requirements, as well as the relatively new tank vessel response plans. However, they would certainly have to meet all of Canada's requirements. Regarding U.S.-Canada relations, an effective oil spill Joint Contingency Plan is in place. Finally, Puget Sound already has a requirement in place for a pre-positioned response tug. What additional oil spill assets (boom, tugs, etc) would the Coast Guard need to protect our waterways if this vessel traffic increase does occur?

Answer. The Coast Guard is not responsible for maintaining and operating spill response equipment, but rather sets planning requirements and provides oversight and approval of industry Vessel Response Plans (VRP) and Facility Response Plans. VRP requirements are based upon the worst-case discharge scenario for an individual vessel and require the plan holder to have access to a minimum amount of response resources, including vessels, in order to respond to an oil spill from their vessel or facility. Most often, these resources are provided by Oil Spill Response Organizations at a cost to the plan holder. If vessel traffic increases on a route that already serves vessels with similar oil carrying capacity, the required infrastructure and resources would already be in place to deal with the current vessel traffic. If vessels with a significantly greater capacity are added to the route, their VRPs will require them to have access to spill response resources commensurate with their worst-case discharge scenario.

Question 3. Will tankers coming out of Vancouver to China cross into U.S. waters? If yes, are they required to have an oil spill response plan? Will they then be helping fund our local oil spill response system (Neah Bay Tug, forward deployment of response equipment, etc)? Is there a cost sharing agreement outlined between the two countries? What document, agreement or treaty outlines this cost sharing agreement? Please supply my office with a copy of this agreement.

Answer. All inbound traffic to the Strait of Juan de Fuca travels U.S. waters as a result of a traffic separation scheme (established in 33 CFR 167.1310–1315). All outbound traffic travels within Canadian waters.

1. All oil tankers 150 gross tons and greater are required to carry a Shipboard Oil Pollution Emergency Plan (SOPEP) mandated by the International Convention to Prevent Pollution from Ships (MARPOL) and included in U.S. regulations at 33 CFR 151.26.
2. A foreign flagged vessel bound for a Canadian port is engaged in innocent passage and exempt from U.S. Coast Guard Vessel Response Plan requirements by 33 CFR 155.1015(c)(2).
3. The Neah Bay Emergency Response Towing Vessel (ERTV) and Neah Bay's forward deployed response equipment are mandated by Washington State regulations administered by the Washington Department of Ecology. Washington State law also authorizes the establishment of the "Washington State Maritime Cooperative" (WSMC)—a non-profit group that coordinates industry spill response planning. The ERTV is supported by industry user fees paid to WSMC or directly to the ERTV operator. WSMC and Canadian response organizations

have a cooperative agreement, whereby vessels transiting to U.S. ports (and covered by a WSMC plan/response gear) receive Canadian coverage for their outbound transit through Canadian waters. Vessels headed to a Canadian port covered by Canadian response organizations receive reciprocal coverage for their transit through U.S. waters. Discussions to develop more formal cost sharing relationships are being conducted at the state/provincial level.

4. Cooperative Agreement: (*http://www.wsmcoop.org/nss-folder/fieldguide/WSMC1Burrard%20Agreement.pdf*).
5. Washington Department of Ecology: (*http://www.ecy.wa.gov/programs/spills/preparedness/*)

Question 4. In the event of a spill in the Haro Strait, how long would it take for oil to reach the beaches of the San Juan Islands? Please describe the impacts tar sands oil (compared to other types of crude) would have on the San Juan Islands and the sensitive marine ecosystems which thrive there.

Answer. NOAA provides both trajectory and oil fate and effect modeling to the U.S. Coast Guard's Federal On-Scene Coordinators as Scientific Support Coordinators under the National Contingency Plan (NCP). As such, this question is best referred to NOAA for additional information.

Question 5. I understand that U.S. Coast Guard regulations limit the size of oil tankers transiting east of Port Angeles. Can you provide a specific description and citation for this regulation? Would it apply to Canadian tar sand ships either coming to or leaving Vancouver through the Strait of Juan de Fuca?

Answer. The tanker size limit is established in a Regulated Navigation Area per 33 CFR 165.1303. Tankers of greater than 125,000 deadweight tons bound for a port or place in the United States may not operate east of a line drawn between New Dungeness Light (just east of Port Angeles, WA) and Discovery Island Light (just east of Victoria, BC). A corresponding limitation does not exist in Canadian law or regulation.

Question 6. How does Canadian oil spill response capability compare with ours? Do you think the Canadian system and level of response assets are adequate? In the event of an oil spill in Canadian waters adjacent to the Puget Sound, oil could flow into U.S. waters from outside our maritime border. Do we have an adequate agreement with Canada to respond to a spill in Canadian waters before it enters U.S. federal waters? Please provide my office the most recent version of the oil spill response plan(s) for my region.

Answer. The Canadian regulatory regime concerning response capacity for transiting vessels is similar to the U.S. system. Vessels are required to identify oil spill response assets in vessel response plans. In practice, this means that vessels in Canadian waters have contracts with Oil Spill Response Organizations (OSROs) which are certified by the Canadian Government to provide the resources and personnel assets for spill response. Canadian OSROs are certified by Transport Canada, and are bound to provide the contracted capacity to the vessel plan holders.

The United States Coast Guard (USCG) and the Canadian Coast Guard (CCG) have a long history of cooperation in executing our responsibilities to prepare for and respond to oil and hazardous substance events under the auspices of the Canada-United States Joint Marine Pollution Contingency Plan (CANUS JCP). The JCP is comprised of a base CANUS Plan and five Regional Annexes. Each of these Regional Annexes are exercised annually to ensure the ability of the spill response teams on both sides of the border to conduct an effective cooperative response. The ultimate goal of the CANUS Plans is to respond to a spill as near the source as possible to prevent transboundary migration of any spilled product. CANUS Pacific was most recently updated in 2008. A copy of the 2008 CANUS PAC JCP is attached.

Question 7. What types of permits must be obtained before oil is transported via barge, tanker or supertanker in or adjacent to the Puget Sound, the Strait of Juan de Fuca, and the Georgia Strait? What types of permitting and other legal processes must be completed in Canadian waters where a large oil discharge has the potential to impact United States natural resources? Please describe how the United States Coast Guard is involved in discussions on oil barge, tanker, or supertanker regulations in Canadian waters.

Answer. Prior to transporting oil in waters subject to the jurisdiction of the U.S., a tank vessel must apply and pay user fees to obtain a Federal Certificate of Financial Responsibility (COFR) as described in 33 CFR 138 Subpart A. Washington State has additional COFR requirements, and Canada's Marine Liabilities Act also has similar provisions.

A U.S.-flagged tank vessel will maintain a Certificate of Inspection as a means of demonstrating compliance with the safety and construction requirements of 46 CFR Subchapter D. A foreign-flagged tank vessel will maintain similar documents issued by its flag state and the vessel is subject to U.S. Coast Guard or Canadian port state control exams to verify compliance with international safety and construction standards while in the U.S. The U.S. Coast Guard conducts annual examinations of every foreign flag tank ship and barge calling at U.S. ports, and issues a Certificate of Compliance attesting to the vessel's compliance with international and U.S. standards.

The U.S. Coast Guard and the Canadian Coast Guard, as the primary Federal maritime spill response agencies for each nation, maintain a joint oil spill contingency plan (called CANUSPAC for the Strait of Juan de Fuca area) outlining mutual support arrangements and exercises. The U.S. Pacific states and British Columbia provincial government also maintain an Oil Spill Task Force to facilitate cooperation on trans-boundary spill response.

Question 8. With the Coast Guard's aging fleet, the United States had to rely on additional foreign vessel assistance outside of the EEZ during the Deep Water Horizon oil spill response. Admiral Papp, Lt. Erik Halvorson, a Coast Guard spokesman said, "These offers are not typically offers of aid . . . Normally, they are offers to sell resources to BP or the U.S. Government." Is there an oil spill response vessel cost sharing agreement between the United States and Canada? As Coast Guard vessels are continuing to age, and the Deep Water Program has been ended, what will the United States be forced/willing to pay in an emergency if our aging vessels cannot respond to a spill in our own waters?

Answer. There is not a cost-sharing agreement between the United States and Canada for oil spill response vessels. In the case of a transboundary spill, the response is coordinated across the border in accordance with the Canada-United States Joint Contingency Plan (JCP). The JCP provides the mechanism for coordinating the independent responses of each nation so as to maximize response resources and minimize the damage to the environment and the likelihood of transboundary contamination. In the event of a spill which is not transboundary, the U.S. or Canadian FOSC may request the use of Oil Spill Response Organizations (OSROs) from across the border, at the expense of the responsible party or the requesting government.

The spill response system in the U.S. is based on industry vessel and facility response plans (VRPs and FRPs). The industry plan holder is required to have access to a minimum amount of response resources, including vessels, in order to respond to an oil spill from their vessel or facility. Most often, these resources are provided by OSROs at a cost to the plan holder. The USCG does not provide response resources to cover the response requirements of individual plan holders. In the case of large scale responses such as Deepwater Horizon, USCG vessels may be used to assist with response efforts. For spills which exceed the capabilities of the OSROs identified in the VRP or FRP, the responsible party is required to pay for all additional actions necessary to mitigate the spill. This includes paying for US Coast Guard assets which deploy boom and personnel to the incident.

Question 9. Admiral Papp, As the Arctic waters open for offshore oil exploration and development, is the Coast Guard prepared to patrol, enforce, and perform rescue missions as needed in the Arctic? If not, what does the Coast Guard need to prepare for this mission?

Answer. The Coast Guard continues to prepare to patrol, enforce, and perform rescue missions as needed in the Arctic.

For this summer, in response to increasing levels of human and maritime activity in the Arctic, the Coast Guard is conducting Operation Arctic Shield 2012. This operation will be supported by a mixture of Coast Guard flight-deck equipped cutters, sea-going buoy tenders, fixed-wing aircraft and helicopters, and shore forces.

Operation Arctic Shield 2012 will expand the Coast Guard's presence in the region over prior years. It will help the Coast Guard to evaluate, within the Arctic region, the capabilities of existing assets, validate the concept of operations, and conduct outreach and engagement with local populations.

The FY 2013 request includes funding to recapitalize and expand helicopter hangar facilities in Cold Bay, Alaska and recapitalize aviation re-fueling facilities at Sitkinak, Alaska. These investments will enhance the Coast Guard's ability to maintain effective presence in the Bering Sea and Aleutian Chain—*the "gateway" to the Arctic.*

Using the lessons learned from this summer's operations, findings of our Polar Capabilities Integrated Planning Team, and recommendations of the DHS/DOD Arctic Capabilities Assessment Working Group the Coast Guard will continue to work

to implement and execute our missions in the Arctic region in a manner commensurate with the level of Arctic activity.

Question 10. The Coast Guard's Deep Water Horizon disaster response consisted of dozens of aircraft, thousands of vessels, and tens of thousands of responders both in the Coast Guard and collaborating with the Coast Guard. Is there existing infrastructure to support such an effort if there is a similar disaster in the Arctic? If not, what does the Coast Guard need (vessels, infrastructure, research) to respond and restore ecosystems if there is an oil spill in the Arctic Ocean?

Answer. The Gulf of Mexico is home to the largest reserves of oil spill response equipment and expertise in the country, commensurate with the density of drilling activity. The remote nature of the Arctic makes it a challenge to provide the same level of resources in the region as was in the Gulf of Mexico during the DWHZ Incident.

However, exploratory drilling in the Arctic is at much shallower depth, with significantly lower well pressures and a resulting smaller worst case discharge (WCD) as compared to DWHZ. Shell has committed to bring substantial resources to the region to fulfill their mandate to provide spill response equipment.

For multi-contingency planning purposes, the Coast Guard is planning to stage ships and aircraft in 2012 the vicinity of the Arctic drilling sites to respond to and provide command and control for a number of contingencies including, search and rescue, law enforcement, and oil spill response incidents.

Question 11. Has the Coast Guard developed an oil spill response procedure for the unique sea state, shoreline terrain, and minimal infrastructure present in the Arctic? If so, please outline these procedures and how the vary from oil spill response procedures elsewhere.

Answer. As defined in the National Contingency Plan, Regional Contingency Plans (RCP) provide for regional coordination with states and local Area Committees in response to oil and hazardous material incidents. Area Contingency Plans, which represent oil spill planning at the local level, should contain the description of the geographic area, areas of economic and environmental importance that require protection, and a description of the equipment, personnel, and resources available for effective removal of a discharge.

In Alaska, the Coast Guard conducts oil spill planning efforts at the Regional Response Team and Local Sub-Area Committee levels. The Alaska RCP is referred to as the Alaska Unified Plan. The North Slope and the Northwest Arctic Subarea Contingency Plans are two of ten subarea plans of the Alaska Federal/State Preparedness Plan for Response to Oil and Hazardous Substance Discharges/Releases. These plans represent a coordinated and cooperative planning effort between members the Environmental Protection Agency, Coast Guard, Alaska Department of Environmental Conservation, Department of Interior, and numerous other federal, state, local, tribal, and industry participants. These plans include site-specific response strategies known as Geographic Response Strategies that are tailored to protect sensitive areas threatened by an oil spill. The Alaska Unified Plan and its Sub-Area Contingency Plans contain extensive guidance on response procedures that have been developed for the challenges specific to Alaska and the Arctic. On December 8, 2011, members of the Coast Guard and the state of Alaska conducted a table top exercise and Incident Command Post workshop with Shell personnel to improve oil spill preparedness. More recently, Shell sponsored a spill management team tabletop exercise for Chukchi Sea on May 24, 2012. Federal on Scene Coordinator and Sector Anchorage staff participated; the Coast Guard Seventeenth District simultaneously exercised its incident management team.

Question 12. As we have learned from the Deep Water Horizon Oil Spill Disaster, clean up can take months, or even years. Does the Coast Guard have the assets, infrastructure, training, and technology to conduct a year-round oil spill cleanup operation in the Arctic?

Answer. Under the National Contingency Plan of the Federal Water Pollution Control Act, as amended by the Oil Pollution Act of 1990, the plan holder is responsible for providing all response resources to mitigate the effects of an oil spill. The Coast Guard, as pre-designated Federal On-Scene Coordinator (FOSC) in the Coastal Zone, provides the necessary resources to direct and coordinate oil spill response operations. Caches of private sector oil spill response equipment exist on the North Slope. Additional response equipment is located throughout Alaska and the U.S., and can be cascaded into the affected area in the event of a spill.

The FOSCs and their staffs at Sector Juneau, Sector Anchorage & Marine Safety Unit Valdez are ready to provide incident management expertise & have access to Coast Guard pre-positioned oil response equipment. The Coast Guard Pacific Strike Team based in Novato, CA, maintains response equipment and specially trained

personnel, which can be deployed on short notice to response to an oil spill. An Aerial Dispersant Delivery System is staged in Anchorage. Coast Guard C–130 crews from Air Station Kodiak are trained in its operations to augment commercial resources.

Shell's exploration plans for 2012 are limited to offshore drilling between the summer months of July—Sept. Shell and private sector resources will be pre-positioned and ready to respond to any oil spill incident that occurs during this warmer, ice-free operating period. Any cleanup operation that occurs beyond that period into the Arctic winter months would present significant challenges due to extremely harsh operating environment, including adverse weather, cold temperatures, ice, and periods of extended darkness.

Question 13. Does the Coast Guard conduct oil spill response drills in ice conditions? If so, please describe the exercises, locations, and lessons learned over the last three years. Does the Coast Guard have adequate funding to train personnel to respond to oil spill drills in ice conditions?

Answer. In the past three years, the Coast Guard has conducted several drills/exercises for regions where ice conditions exist (e.g. Beaufort Sea, Canadian Arctic, and the Great Lakes). The intent of these exercises was to address spill response planning and preparedness as a whole, not exclusively related to oil in ice.

In November 2009, the Coast Guard First District (Northeast United States) and Transport Canada conducted a tabletop exercise (TTX) to evaluate the Atlantic Geographic Annex to the U.S./Canada Joint Contingency Plan. This TTX evaluated the ability to effectively deploy people and resources to a respond to a 430,000 barrel oil spill incident near the U.S./Canada border. The purpose of the exercise was to facilitate productive discussion and reach agreement on topics such as mutual aid, commercial resources, health and safety, and wildlife rehabilitation. The lessons learned from this exercise included developing equipment mutual aid agreements between the two countries and to advance aerial remote sensing equipment and procedures.

In March 2010, the Coast Guard Seventeenth District (Alaska, Arctic) and Transport Canada conducted a TTX to provide an opportunity to increase awareness of the challenges associated with an oil spill response in the Beaufort Sea. Participants from federal, state, territorial, tribal, and local communities collaborated during the two-day event to address a joint oil spill response in this remote region. The major lessons learned during this TTX included: identifying optimal locations for Incident Command Posts, Forward Operating Bases, Joint Information Centers and logistics associated with each; identifying and prioritizing sensitive areas; identifying and defining initial response capabilities; and planning for response surge options for shore side recovery based on forecasted impacts.

In January 2012, the Coast Guard conducted a research and development exercise on the Great Lakes focused on oil in ice equipment capabilities. This demonstration exercise focused on deployment and testing of oil spill response equipment capabilities in and near ice conditions. The various tools (ice toughened skimmer, remotely operated vehicles and oil spill in-situ burn containment boom) proved that many Oil Spill Response Organizations have some oil in ice response capabilities but also showed that several shortfalls remain. The most important lesson learned was in regards to work platforms (vessels) that would be used to deploy response equipment during the management of an oil spill in ice. Another important issue identified was that the extremely cold weather conditions create issues for both the equipment and responders exposed to subfreezing temperatures that would need to be mitigated during an actual incident.

Over the past three years, the Coast Guard has conducted eight oil spill response exercises in the Arctic. These Coast Guard lead National Preparedness for Response Exercise Program exercises were conducted in areas where oil in ice could have been an issue that would add an additional complexity to response activities. As part of the ongoing efforts to plan and prepare for incidents in the Arctic, the Coast Guard has twelve exercises planned in this region over the next six years.

In regards to oil spill planning, preparedness and exercises, the Coast Guard also works closely with Bureau of Safety and Environmental Enforcement (BSEE) on offshore drilling activities such as those planned by Shell for the Beaufort and Chukchi Seas. BSEE has the primary responsibility to regulate these offshore facilities and to conduct plan reviews and exercises. The Coast Guard participates in many of these BSEE lead exercises to further enhance oil spill preparedness and coordination throughout the offshore environment.

Question 14. In the event of an oil spill in the Arctic, is the Coast Guard prepared to respond to oil spills in or near ice conditions? Please list technologies that the

Coast Guard is prepared to deploy in the event of an oil spill in ice conditions. How do these technologies compare to technologies used elsewhere?

Answer. Tools for responding to oil in ice are limited. Response strategies to all spills including those with the additional complexity of ice are considered in local and regional planning efforts. The North Slope Subarea Contingency Plan contains links to the Alaska Clean Seas Tactics Manual, which outlines strategies that could be employed during an oil spill response in ice conditions. These strategies include: mechanical recovery, in-situ burning, and use of dispersants.

Mechanical recovery effectiveness in ice conditions is limited by several factors such as freezing temperatures which can cause components of mechanical recovery systems to freeze, as well as surface ice, which can prevent mechanical recovery devices from making contact with the oil. Examples of recovery tactics outlined in the Alaska Clean Seas Tactics Manual are the mechanical recovery of oil in ice through ice slotting, the recovery of oil under ice, and ice mining.

In-situ burning (ISB) and the application of surface dispersants are alternative technologies that may also be used during a response if deemed a viable response option by the Federal On-scene Coordinator (FOSC), the EPA, and the State, in consultation with natural resource trustees. In addition to FOSC approval for incident specific use of these strategies, ISB and dispersants require specific environmental conditions to be safe and effective. Tactics for dispersant application as well as for ISB of oil pools on any solid surface (including ice) are outlined in the Alaska Clean Seas Tactics Manual.

Question 15. The Coast Guard's FY13 budget request includes funding to operate only two polar icebreakers, the Healy and the soon-to-be renovated Polar Star, and to start the process of designing a new polar icebreaker to replace the Polar Star. The Coast Guard is continuing its efforts to dry-dock POLAR SEA to prepare the vessel for scrapping. Such an action would directly contradict the will of the Senate Commerce, Science, and Transportation Committee, which approved language prohibiting such action last year. Admiral Papp, Would repairing and operating the POLAR SEA bring the United States closer to the number of Polar Icebreakers recommended by the High Latitude Study? What would that cost in FY13 and beyond? I understand that the Coast Guard is under severe budget pressure, but why would the United States continue to export its polar icebreaking work and the jobs by continuing to contract with foreign vessels?

Answer. Repairing and operating POLAR SEA would cost at least $100 million to refit for 7–10 years of service plus at least $30M per year to operate; this would only address the addition of one icebreaker to the U.S. fleet out to 2025. It would be a stop-gap measure at best, and leave the Coast Guard in the same position in 10 years, except POLAR STAR would then be at the end of its service life as well. It is more prudent to spend available resources on the acquisition of a new icebreaker.

The Coast Guard has not contracted foreign vessels to conduct its missions.

Question 16. On September 30, 2011, an urgent Coast Guard (CG) Search-and-Rescue response near the mouth of the Columbia River was jeopardized when a Motor Life Boat (MLB) ran aground within the Baker Bay navigation channel. Although some dredging was performed, shoaling has subsequently taken place and is once again a navigation hazard that hampers essential Coast Guard functions. Already, on February 8, 2012, another MLB ran aground, forcing the CG to temporarily suspend use of the vessel to assess the channels condition and reducing critical emergency response capabilities. Currently the Coast Guard is using Aids to Navigation to help its fleet navigate around the shoal, which is costly and doesn't address the problem at its source. Requesting the Army Corps of Engineers to dredge only after an emergency response is needed because of grounding, and only enough to allow passage for a short period of time, is an unsustainable solution that jeopardizes the Coast Guard's capabilities and mission at the mouth of the Columbia River. What measures will you and are you taking to ensure that the Army Core of Engineers is informed of the needs of the Coast Guard to maintain an adequate channel at Baker Bay in advance of an actual grounding as happened in February, and to prioritize the need for dredging to a degree that is sufficient to prevent shoaling that threatens the Coast Guards missions on a more permanent basis? What steps will you take to ensure that the Army Core of Engineers will dredge when necessary in anticipation of shoaling rather than as an emergency response to a vessel grounding that puts the Coast Guard and public at risk?

Answer. The Army Corps of Engineers (USACE) has contracted Hickey Marine Enterprises to dredge the problematic areas of the Ilwaco Channel (Baker Bay). The dredging operations started on April 6, 2012 and are expected to continue until April 26, 2012.

Building on the existing partnering efforts of the field units, the Coast Guard and the USACE have held staff discussions on how to better share information on dredging requirements, coordinate programming requests, and timely execution to avoid impacts to operational units in the future.

Question 17. As you know, the U.S. Coast Guard recently raised concerns about the new proposed Columbia River Crossing (Interstate 5) between Washington and Oregon. This project has undergone years of planning and state and federal agency involvement and received a federal Record of Decision in December 2011. I understand that the U.S. Coast Guard was unable to formally accept or reject the proposed clearance level until an official application for a Section 9 permit, which must occur after the Record of Decision. That said, I am also aware of multiple meetings where concerns about the bridge clearance could likely have been more clearly articulated to the CRC Project Team. To that end, in the "INTERSTATE 5 COLUMBIA RIVER CROSSING Navigation Technical Report" released in May 2008, the Columbia River Crossing (CRC) Project Team indicated in Section 3.2 USCG meetings that: January 25, 2007 CRC meeting with USCG—USCG has jurisdiction over channel modifications. They agreed that 95 feet of clearance above zero (Columbia River Datum) CRD was in the ballpark of what may be acceptable. The USCG cannot accept or reject proposed clearances until a Record of Decision (ROD) is issued for the project. Recreational vessels that cannot meet this clearance at all times of year must justify why they need to have this clearance at all times of year. Likewise, cranes unable to make the proposed clearance must justify why they need clearance all times of the year.

Did the U.S. Coast Guard provide written comments on the Navigation Technical Report after its release in May 2008?

Upon review of the draft Navigation Technical Report, did the U.S. Coast Guard express specific concerns about the characterization of the January 25, 2007 meeting between the CRC Project Team and U.S. Coast Guard regarding the bridge clearance?

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 18a. Admiral Papp, your staff in District 13 has indicated that the U.S. Coast Guard was unable to formally accept or reject the bridge clearance for the Columbia River Crossing (CRC) project until the application for a Section 9 permit, which was to occur after the issuance of the federal Record of Decision. Did U.S. Coast Guard legal counsel indicate it was against your authority to accept or reject the bridge clearance for the Columbia River Crossing prior to the Record of Decision—for instance, during the comment period on the Draft Environmental Impact Statement—or was that a staff assumption? If so, please provide documentation.

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 18b. Will you commit the U.S. Coast Guard to examining its processes to allow for earlier decision-making to prevent future conflicts, or do you need authority from Congress to do so?

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 18c. How can the process be structured better so that future projects can have their Section 9 permits reviewed by the U.S. Coast Guard in a way that won't, at the same time, jeopardize the Record of Decision?

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 19a. Admiral Papp, on a project with such a large regional significance that has the involvement of many federal agencies and two states, I'm sure you'll agree that coordination is critical. Making changes to any project once the planning is well underway can add unnecessary expense and threaten completion of the project on time and budget.

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 19b. Do you believe that the Columbia River Crossing Project Team adequately engaged the U.S. Coast Guard to understand your concerns about bridge

clearance and determine whether a clearance over 95 feet would be necessary? If not, what could have been improved?

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 19c. Did the U.S. Coast Guard take every opportunity presented to it to provide meaningful input and formal comment on the Columbia River Crossing project alternatives during their development by the Project Team? If not, what could have been improved? If 95 feet was thought by the U.S. Coast Guard to be an inadequate bridge clearance prior to the Record of Decision, was that expressed to the Columbia River Crossing Project Team? If so, when?

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 20a. I believe that is important that federal agencies, the Columbia River Crossing Project Team, and the states of Washington and Oregon come together to discuss how to move forward on this project while appropriately weighing stakeholder input and discussing possible mitigation steps. What will you do to facilitate these discussions to ensure the needs of river and bridge users are adequately addressed, in addition to the needs of regional aviation stakeholders?

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 20b. Does the U.S. Coast Guard have recommendations for how this project could better address the needs of navigation users without invalidating the Record of Decision?

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 20c. Does the U.S. Coast Guard have recommendations for possible mitigation steps for river users impacted by bridge clearance?

Answer. These questions relate to matters currently in litigation and the Department therefore believes that it would not be appropriate to address them at this time.

Question 21. Admiral Papp, On January 23, 2012, the U.S. Coast Guard issued an interim final rule creating a safety zone around the Export Grain Terminal (EGT) in Longview, Washington to facilitate maritime commerce during a labor dispute between EGT and the International Longshore and Warehouse Union (ILWU). It has come to my attention that the U.S. Coast Guard did not communicate with the ILWU prior to the issuance of rule which give the appearance of a federal agency taking sides in a private labor dispute. Did the Coast Guard communicate about the creation of the zone with EGT or the Port of Longview prior to the publication of the rule? If so, then why did the Coast Guard not communicate with the ILWU as well?

Answer. The Coast Guard communicated its concerns over the safe use of the navigable waterway with ILWU (as outlined in CAPT B. Jones, USCG, memo dated 12 September 2011, attached), EGT, and the Port of Longview which eventually led to an establishment of safety zone published on 23 January 2012.

The Coast Guard issued an interim rule, pursuant to authority under section 4(a) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). This provision authorizes an agency to issue a rule without prior notice and opportunity to comment when the agency for good cause finds that those procedures are "impracticable, unnecessary, or contrary to the public interest."

The Coast Guard found "good cause" for not publishing a notice of proposed rulemaking (NPRM) with respect to this rule due to past protest events, threats of similar protest activity in the future, and the significant difficulty and impracticality of changing vessel arrival schedules. The Coast Guard found that it was contrary to the public interest to delay implementation of the safety zone during a notice and comment period. Postponing the promulgation would have created a very likely risk that protest activities would threaten safe navigation and the safety of persons and property on the Columbia and Snake rivers when vessels began arriving at EGT, Longview, WA.

Facts supporting the "good cause" determination (again, all part of the public record for this rulemaking) are outlined below:

a. On September 8, 2011, a large protest occurred at Export Grain Terminal (EGT) in which over 200 protestors were arrested for criminal offenses includ-

ing assault. These protest activities resulted in damage to rail cars and the cargo they were carrying.

b. The Longview local International Longshore and Warehouse Union (ILWU) has been subject to fines for contempt of court for engaging in activity that violated a temporary restraining order. Subsequent protest activities aimed at blocking rail access to EGT on September 21, 2011 led to further arrests.

c. The protest activities arose from a labor dispute between the ILWU, the Port of Longview, and EGT. The dispute is ongoing and, at the time of publication, picketing activities occurred daily at the EGT facility in Longview, WA. EGT had not yet opened for vessel traffic; however, on November 5, 2011, the president of the ILWU's Local 21 threatened that protest activities will be mounted when the first vessel arrived to load at EGT's facility.

d. The schedule of vessel arrivals at EGT is controlled by a number of factors over which the Coast Guard has no control. Additionally, these vessels may be arriving at EGT from foreign ports. Consequently, it is impracticable for grain-shipment vessel arrival schedules to be changed or delayed in order to accommodate a notice of proposed rulemaking and subsequent comment period.

Under 5 U.S.C. 553(d)(3), the Coast Guard also found good cause existed for making this rule effective less than 30 days after publication in the Federal Register, because to do otherwise would be contrary to the public interest since the protest activities associated with EGT were unpredictable and potentially volatile and could result in injury to persons and property. Delaying the effective date until 30 days after publication would have eliminated the safety zone's effectiveness and usefulness in protecting persons, property, and the safe navigation of maritime traffic during the transit of grain-shipment vessels arriving or departing before the 30 days had elapsed.

Although the Coast Guard had good cause to issue this rule without first publishing a proposed rule, the public was invited to submit post-promulgation comments and related material regarding this rule through March 1, 2012. The public was informed that all comments would be reviewed as they were received, and that the comments would assist the Coast Guard in drafting future rules, should future rules be necessary. The public was also informed that comments received could provide a basis for changes to this temporary interim rule before it expired. The rule was published on 23 January 2012. The rule expired on 01 April 2012. No comments were received from the public.

The Coast Guard clearly communicated its responsibility to maintain a safe and secure navigable waterway for all users and as such would have assets on the water and in the air ensuring that state maintained. The safety zone was put in place for all waterway users. This safety zone was well advertised through Broadcast Notice to Mariners and Flyers handed out at marinas on the day of the first vessel transiting the Columbia River to the EGT facility.

Question 22. Will the U.S. Coast Guard Commit to communicating with all parties involved including labor prior to issuing similar rules in similar situations in the future?

Answer. Public comments on proposed rules are an essential component of the notice-and-comment rulemaking process established by the Administrative Procedures Act (APA). The Coast Guard rulemaking is done in accordance with the APA. 5 U.S.C. 553(c) requires that interested members of the public must be given an opportunity to comment on a notice of proposed rulemaking unless an exception applies. In this instance, the Coast Guard issued a rule on an interim basis because the Coast Guard determined that the action of the rule fell under the good cause exemption. As noted above, in this exceptional circumstance, the Coast Guard found that it was contrary to the public interest to delay implementation of the safety zone during a notice and comment period. Postponing the promulgation would have created a very likely risk that protest activities would threaten safe navigation and the safety of persons and property on the Columbia and Snake rivers when vessels began arriving at EGT, Longview, WA.

Question 23. I have also been told the representatives of the Coast Guard visited the Longview ILWU hall and told members that their TWIC card would be in jeopardy if they interfered with the safety zone. Did the U.S. Coast Guard in fact makes such representations and if so on what grounds were such representations made?

Answer. The Incident Commander and Enforcement Division Chief scheduled a meeting with the ILWU President at the ILWU Meeting hall to deliver the COTP letter (attached). The President was not available at the specified meeting time and the Coast Guard members were directed to the ILWU Public Relations Manager for delivery of the letter. The ILWU Public relations manager specifically asked if the

TWIC card could be in jeopardy if ILWU members engaged in unlawful activity aboard a MTSA-regulated secure facility as outlined in the Columbia River's COTP's letter dated 12 September 2011. The Coast Guard informed him that TSA is responsible for TWIC approval, issue, and suspension/revocation, and that TSA agents had stated that TSA would make any determinations regarding TWIC based on the activity conducted on an individual basis. The Public Relations Manager was also informed that any TWIC-related questions should be directed to TSA, as they are the issuing authority for that credential and are also the agency that would take any administrative action against a TWIC holder.

Question 24. NOAA installed high frequency radar systems along much of the United States coastline. These radar systems measure the speed and direction of ocean currents. Data that has important applications for Coast Guard search and rescue, fish habitat modeling, and even oil spill response. However, there is only one high frequency radar station installed in Washington State—at the southernmost corner—leaving much of Washington State without coverage. Admiral Papp, In addition to applications for modeling debris trajectory, would the installation of high frequency radar stations lead to cost savings for the Coast Guard's search and rescue or oil spill response missions?

Answer. With regards to oil spill response missions, the Coast Guard defers to NOAA. The Coast Guard relies on NOAA, per the NCP 300.145 (c), for recommendations on oil spill trajectory modeling. As a result, NOAA is the appropriate agency to answer the question of high frequency radar stations leading to costs savings for oil spill response modeling.

Question 25. How has high frequency radar helped the Coast Guard save lives in other parts of the United States?

Answer. The surface current fields measured by HF radar provide hourly-updated high resolution data fields out to as far as 100 km offshore, depending upon the HF radar's frequency. The currents measured by HF radar equal or surpass the precision of estimates provided by numerical models. Currents are used by SAROPS to make drift predictions of survivors or survivors' craft during search and rescue cases. Improving the quality and accuracy of the surface current fields available to SAROPS directly improves the quality of the estimated drift positions and allows the Coast Guard to more accurately focus its search assets to locate survivors within a search area. Smaller, more accurate search areas lead to an increased probability of locating survivors. In addition, decreasing a search area can result in a decrease in on-scene time for Coast Guard assets.

The Coast Guard Environmental Data Server (EDS) automatically gathers all available 6km HF radar data from around the continental US and Hawaii for direct and immediate access to SAROPS. In addition, special Short Term (24 hour) Predictions are made from the 6km HF radar fields that are provided to the EDS for inclusion into SAROPS. This fills the critical data gap between the time the HF radar data is available and the operational needs of the Coast Guard to plan subsequent searches for the upcoming 24 hours.

Question 26. What other ways does the Coast Guard utilize high frequency radar?

Answer. HF radar can also provide estimates of the offshore wave field, allowing Coast Guard response platforms the ability to perform operational risk assessments prior to launching to conduct a Coast Guard mission.

Question 27. Would additional high frequency radar stations on Washington's coastline give the Coast Guard the tools they need to save more lives in Washington State waters?

Answer. Additional HF radar stations along Washington's coastline could be included in the national system to provide more detailed information to Coast Guard search and rescue planners covering the Washington's coastline.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. AMY KLOBUCHAR TO ADMIRAL ROBERT J. PAPP, JR.

Question 1. Admiral, I've recently learned that the Coast Guard is proposing to close the Vintage Vessel Center of Expertise in Duluth, Minnesota. From what I understand, the Center provides training on the technologies of older vessels, supporting the operation and upkeep of, for example, at least 12 steamships and several ships with older riveted hulls that operate on the Great Lakes. If the Center is closed, the safety and efficiency of shipping from Minnesota's ports of Duluth, Two Harbors, Silver Bay, and Taconite Harbor may be negatively impacted. Minnesotans who ship raw materials such as iron ore, fluxstone, cement, and coal across the

Great Lakes are concerned over the proposal. Are you familiar with this issue and can you explain the rationale behind the proposed cut?

Answer. In reviewing the Vintage Vessel Center of Expertise (VVNCOE) workload, their scope of responsibility was the smallest amongst all NCOEs and can be assumed within existing organic capabilities. Similar to other areas within the budget, this trade-off enabled the Coast Guard to reallocate available resources to higher priorities, including recapitalization of assets and sustainment of critical frontline operations.

Question 2. Do you know how much cost savings would be generated from cutting the Center?

Answer. The Coast Guard would realize savings of $278,000 in FY 2013, and annualized savings in FY 2014 and beyond are approximately $600,000 annually.

Question 3. Will anything be done to address the needs and concerns of shippers who operate these older vessels?

Answer. Yes. Shippers who operate these older vessels will still be able to work with their local Coast Guard Sector for support. Moreover, the Coast Guard is prepared to absorb the technical expertise currently provided by the VVNCOE. Coast Guard training and competency needs are continually assessed. With the establishment of the Force Readiness Command (FORCECOM), the Coast Guard has an entity wholly focused on training, educating, and preparing our people to execute their assigned missions. Moreover, the Coast Guard has recently established a Marine Safety Mission Performance Support Committee (MSMPSC), thereby creating a direct link between appropriate Prevention Program managers at Coast Guard Headquarters and FORCECOM. Once identified, a performance or competency gap in the Marine Safety mission will be addressed by the MSMPSC at the strategic level and FORCECOM at the operational/tactical level. Finally, the Coast Guard's Traveling Inspection staff can be called upon to provide technical assistance in this area of vessel inspection expertise, if required.

Question 4. Admiral, I recently joined Senator Al Franken and Representative Chip Cravaack in submitting a letter to your office nominating a Minnesota Coast Guardsman and hero, Boatswain Mate First Class Edgar Culbertson, for the honor of having a Fast Response Cutter named after him. Culbertson was serving in Duluth in 1967 when he lost his life trying to save three brothers who were swept off the pier during a severe storm. He was awarded the Coast Guard Medal posthumously and his name has been added to the National Law Enforcement Memorial in Washington, D.C. It's our understanding that the Sentinel Fleet is being named for Coast Guard heroes like Boatswain Mate First Class Culbertson. Can you give an update on this fleet? How many cutters will you seek overall, and how many in the near term? Will your FY13 budget request negatively impact the plans for procurement of this fleet?

Answer. The first four Fast Response Cutters (FRCs), WEBBER, ETHERIDGE, FLORES, and YERED have been launched. WEBBER was delivered to the Coast Guard in Miami, FL on February 10, 2012. ETHERIDGE has completed Builder's Trials and Preliminary Acceptance Trials. There are currently eight additional FRCs under construction. Names have been approved for the first 14 Cutters. Boatswain Mate First Class Edgar Culbertson will be added to the list of names considered to be honored with a Coast Guard Cutter named for him.

The FRC Acquisition Program Baseline reflects the Coast Guard's requirement for 58 FRCs. The Coast Guard's intention is to order four FRCs in FY 2012 (FRCs #13–16) and four FRCs in FY 2013 (FRCs #17–20).

The FY 2013 budget request continues the production of four FRCs annually.

Question 5. Admiral, I recently joined Senator Al Franken and Representative Chip Cravaack in submitting a letter to your office nominating a Minnesota Coast Guardsman and hero, Boatswain Mate First Class Edgar Culbertson, for the honor of having a Fast Response Cutter named after him. Culbertson was serving in Duluth in 1967 when he lost his life trying to save three brothers who were swept off the pier during a severe storm. He was awarded the Coast Guard Medal posthumously and his name has been added to the National Law Enforcement Memorial in Washington, D.C. It's our understanding that the Sentinel Fleet is being named for Coast Guard heroes like Boatswain Mate First Class Culbertson . . . Do you know the status of whether or not Boatswain Mate First Class Culbertson has yet been considered for a boat naming?

Answer. Boatswain Mate First Class Edgar Culbertson will be added to the list of names considered to be honored with a Coast Guard Cutter named for him.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARK BEGICH TO ADMIRAL ROBERT J. PAPP, JR.

Question 1. Is there consideration of an ice-capable variant of the OPC? If some of the OPCs were capable of handling some ice that could operate in the Arctic, say 8 months out of the year that might be a cost-effective way to get some arctic capability without building 6–10 icebreakers. What is the Coast Guard's assessment of what Canada is doing with their Arctic Offshore Patrol Ships, which are being made ice-capable? Should the U.S. be considering a similar direction with the OPCs?

Answer. The Operational Requirements Document and Concept of Operations for the Offshore Patrol Cutter (OPC) include a brief discussion of a OPC variant that could operate in areas of less than 100% ice coverage of broken plate, pancake and sea ice ranging from 10 to 30 inches thick (though the OPC will not conduct icebreaking as a mission). This capability to operate in such areas and conditions is an objective capability.

The Canadian Arctic Offshore Patrol Ship (AOPS) Program is designed to build new ice-strengthened patrol vessels, capable of operating in the Arctic from July to November. The Coast Guard's acquisition process for assessing the needs for assets to operate in the Polar Regions will identify the requirements for surface vessels, and could determine that an ice-strengthened OPC could meet CG missions in relatively ice-free areas during the Arctic summer.

Question 2. The POLAR SEA recently went through a major repair period which was intended to give her another 7–10 years of service life, before suffering an engine cylinder-liner failure. Given that the ship has been inactive for more than a year since the engine casualty, we assume the clock stopped ticking on this expected service life, correct? If not, why not? If not, what specific ship systems have continued to wear out at the same rate sitting at the pier that they would have in active icebreaking service? What would it cost to correct the engine casualty and make the POLAR SEA materially ready for active service? Please include the costs of replacing items removed from the POLAR SEA to bring the Polar Star back on line.

Answer. POLAR SEA completed major repairs intended to extend her service life four to seven years in 2007.

All active operations, maintenance and repairs of POLAR SEA ceased in January 2011 at which point the end of service life clock stopped.

POLAR SEA was placed in an unmanned cold iron status at Coast Guard Base Seattle in November 2011 pending final disposition. Although POLAR SEA is not wearing out due to active icebreaking service, individual systems are continuously degrading over time from exposure to the marine environment and cessation of maintenance activities. This includes electrical propulsion and power systems, piping, motors, seals/gaskets, deck machinery/equipment and hull structure.

The cost to complete repairs, replace items removed in support of POLAR STAR, and return POLAR SEA to active service is at least $100 million. The annual operating cost to crew, operate and maintain POLAR SEA is at least $30 million. It is more prudent to spend available resources on the acquisition of a new icebreaker.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. OLYMPIA J. SNOWE TO ADMIRAL ROBERT J. PAPP, JR.

Question 1. A GAO report released in July 2011 found that the Coast Guard is not fully managing the risks associated with the increasingly difficult fiscal environment and the likelihood that out-years funding will be further reduced. The GAO report goes on to state that the total cost of the acquisitions program formerly known as Deepwater has exceeded the cost and schedule baselines laid out by the Coast Guard in 2007. When can we expect to see updated baselines and a revised, realistic cost and timeline for these acquisition programs?

Answer. Acquisition Program Baselines (APBs) containing updated cost, schedule and performance baseline parameters will be completed to provide the revised cost and schedule for the applicable acquisition programs. All Coast Guard APB updates are anticipated to be complete by the end of the 2012.

The following acquisition projects represent those previously known as "Deepwater projects" that remain in the Coast Guard's acquisition portfolio. Some former Deepwater projects were cancelled and not included. Pre-Acquisition projects (Pre-ADE–2) are also not listed because no AOB is required at this time.

Project	Current APB	Update Required	Status
HC–130H	v 1.0 June 19, 2009	YES*	Submitted to DHS on May 9, 2012.
HC–130J	v 1.0 May 22, 2009	YES*	
HC–144A	v 1.0 February 6, 2009	YES	Currently in approval process.
HH–60	v 1.0 August 7, 2009	YES	Currently in approval process.
HH–65	v 2.0 February 22, 2011	NO	N/A
NSC	v 1.0 December 8, 2008	YES	Currently in approval process.
OPC	v 1.0 April 20, 2012	NO	N/A
FRC	v 1.0 August 25, 2009	YES	Currently in approval process.
MEC–MEP	v 2.1 December 5, 2008	NO	N/A
WPB–MEP	v 2.1 December 4, 2008	YES	Currently in approval process.
C4ISR	v 1.0 February 2011	YES	Currently in development.

*HC–130H and HC–130J projects merged into one Long Range Surveillance (LRS) Project.

Question 2. With regard to out-years planning, one of the most significant acquisition programs on the Coast Guard's horizon is the Offshore Patrol Cutter, which will replace the 50-year-old Medium Endurance Cutter fleet. These cutters are the single greatest cost driver in the Deepwater program, and for this reason, the GAO had grave concerns that the lack of an updated baseline could drive the overall Deepwater cost up significantly. Do you expect the first OPC to begin construction in FY 2016, given that the timeline has continued to be pushed to the right, and might it be pushed out again?

Answer. The current Offshore Patrol Cutter (OPC) Acquisition Program Baseline has the exercise of the OPC 1 Detail Design and Construction (DD&C) option in Fiscal Year 2016. Construction of OPC 1 is scheduled to begin in Fiscal Year 2017 with delivery projected for Fiscal Year 2020.

This schedule is predicated on award of a contract for Preliminary and Contract Design in Fiscal Year 2013. The draft Request for Proposal (RFP) was released on June 15, 2012 as planned.

Question 3. The 2007 estimate for one OPC was approximately $320 million. However, the 2013-2017 Capital Investment Plan cites $530 million dollars as the cost for the lead cutter in FY 2017. Please explain the discrepancy in the cost estimates for these cutters. Are there additional costs built into the estimate for the first ship, or do you expect that these ships will actually cost double the 2007 estimate per ship?

Answer. The Integrated Deepwater Systems (IDS) Acquisition Program Baseline (APB) v1.1 dated May 15, 2007 estimated a Rough Order Magnitude (ROM) Total Acquisition Cost (TAC) at $8.1 billion for 25 Offshore Patrol Cutters (OPCs), at an average unit cost (AUC) of $324 million. The revised OPC APB (approved May 2012) with validated life cycle costs, has an estimated TAC of $10.5 billion, with an AUC of $421 million.

The cost of the lead ship is higher then follow-on ships because no learning has occurred on lead ship construction and the detailed design cost is included in the cost of the lead ship. The $530 million for the OPC project in FY 2017 includes funding for detailed design and construction.

There are two other reasons for the difference. First, the current Project Life Cycle Cost Estimate (PLCCE) reflects the Operational Requirements Document (ORD) threshold requirements, and the use of Naval Sea Systems Command (NAVSEA) cost estimating best practices that were validated and approved by both the CG and DHS. The original cost estimate was a ROM estimate.

Second, the IDS APB v1.1 assumed a Detail Design start in Fiscal Year (FY) 2010 and construction start in FY 2012. The current APB is based on award of Detail Design in FY 2016 and construction start in FY 2017. This is a considerable difference in cost given shipbuilding inflation over 5-6 years.

Question 4. What changes has the Coast Guard made in the Request for Proposals process for the OPC as a result of the input from industry partners?

Answer. The Coast Guard has had several industry discussions before and during the specification development. Several cost saving changes to the specifications and requirements have been made as a result. The release of a draft Request for Proposal (RFP) on June 15 offers industry the opportunity to provide feedback, and further meetings with industry are planned prior to the release of the final RFP. This careful evaluation of the RFP will result in an OPC that meets requirements and is affordable.

Question 5. How did the Fleet Mix Analysis inform the FY 2013 budget, and what impact will it have on the Coast Guard's ability to more effectively plan for out years?

Answer. The Coast Guard has gained a better understanding of the modeled performance of the future Coast Guard fleet from several major studies, including the Fleet Mix Analyses and Department of Homeland Security Cutter Study.

While these studies offer insight into the performance of the future fleet, they were not the only considerations in making capital investment decisions reflected in the FY 2013 budget. Requirements across the enterprise, including current operational resource requirements, are an example of other such considerations.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. MARCO RUBIO TO ADMIRAL ROBERT J. PAPP, JR.

Question. Can you please elaborate on the Fast Response Cutters that will be homeported in Key West?

Answer. The following table shows the Fast Response Cutter (FRC) delivery schedule for Key West, FL:

Delivery Year	Hull	Homeport
2013	FRC-07	Key West, FL
2014	FRC-08	Key West, FL
2014	FRC-09	Key West, FL
2014	FRC-10	Key West, FL
2014	FRC-11	Key West, FL
2015	FRC-12	Key West, FL
2022	FRC-58	Key West, FL

The FRCs delivered to Key West will primarily conduct the following missions:

- Ports, Waterways, and Coastal Security (PWCS)
- Search and Rescue (SAR)
- Drug Interdiction (DRUG)
- Migrant Interdiction (AMIO)
- Living Marine Resource (LMR)
- Other Law Enforcement (OLE)
- Defense Readiness (DR)

NOTE REGARDING WRITTEN QUESTIONS FOR THE RECORD SUBMITTED TO THE NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION (NOAA)

Although Committee Members submitted written Questions for the Record to Dr. Jane Lubchenco following the March 7, 2012 hearing, NOAA did not provide responses to the Committee before the hearing record was closed on January 25, 2013.

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