

1 HOMELAND SECURITIES APPROPRIATIONS FOR FISCAL YEAR 2013

2

3 Monday, August 6, 2012

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U.S. Senate

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Subcommittee of the Committee on Appropriations

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Kodiak, Alaska

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The subcommittee met at 9:40 a.m. at Hangar Number 3,

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U.S. Coast Guard Station Kodiak, Hon. Mary Landrieu,

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chairman of the subcommittee, presiding.

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Present: Senators Landrieu [presiding] and Murkowski.

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U.S. DEPARTMENT OF HOMELAND SECURITY

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

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GUARD

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OPENING STATEMENT OF HON. MARY LANDRIEU

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Senator Landrieu: Thank you so much for joining us for

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this Subcommittee on Homeland Security Appropriations, and I

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would like to call the hearing to order.

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It is truly an honor for me to be back here in Alaska.

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This is my third time as a United States Senator. I had the

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great pleasure of visiting over a decade ago with a

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wonderful host, very well known to my colleague, Senator

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Murkowski, because I was a guest of her father, Senator

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Frank Murkowski. And then a few years later, I had the

1 opportunity to come back to Alaska with the Hon. Ted
2 Stevens.

3 And so it really is a joy and a privilege. And I thank
4 Senator Murkowski for encouraging me, as a wonderful member
5 of this committee, to hold this important field hearing here
6 in Kodiak, Alaska.

7 I want to begin by acknowledging, of course, the
8 chairman, Chairman Malutin. Thank you very much for
9 inviting us to his island, he says. And the mayors are
10 here. We have several elected officials.

11 And I know that Senator Murkowski, who has just been a
12 phenomenal leader for Alaska, and such a strong voice, not
13 only for this community, but for the entire State, I'm sure
14 that she will recognize some of those individuals in her
15 opening statement.

16 I want to just begin with an opening statement, which
17 is our procedure. I will turn it then over to Senator
18 Murkowski.

19 I am thrilled to be here with the thousands, literally,
20 the largest Coast Guard station in America, with thousands
21 of men and women from our Coast Guard. This is a little
22 late, but happy birthday for your 222nd birthday. We have
23 been celebrating, I'm sure, Admiral, all over the Nation and
24 the world, because of the extraordinary work of the Coast
25 Guard. So my belated happy birthday to all of you.

1 I wanted to begin, I think, with a statement that came
2 from an article, and I would like to put it in to the
3 record. Admiral Papp wrote this article. It is called the
4 "Emerging Arctic Frontier." I'm sure that he will refer to
5 it in his opening statement.

6 But I think it is appropriate, Senator Murkowski, for
7 us to begin at your charge to hold this hearing today with
8 the words of Admiral Papp when he says, "The world may seem
9 to be growing smaller, but its seas are growing bigger,
10 particularly in the great north where a widening water
11 highway beckons both with resources and challenges."

12 And that's why Senator Murkowski has asked me to
13 conduct this hearing this morning. I'm happy to do it. I
14 would like to submit for the record, and without objection,
15 will submit the entire article for the record.

16 [Information follows:]

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1 Senator Landrieu: I welcome the Coast Guard men and
2 women, citizens of Kodiak, and others who were able to join
3 us today.

4 Any given year, the Coast Guard saves approximately
5 3,800 lives. It removed, last year, 166,000 pounds of
6 cocaine in transit to the United States. It interdicted
7 over 2,500 undocumented migrants attempting illegally to
8 enter the country, and conducted over 1,700 boardings of
9 high-interest vessels bound for the United States.

10 Even more impressively, in an average month in Alaska,
11 the Coast Guard conducts 51 search and rescue cases,
12 conducts 161 vessel boardings, saves or assists 74 people,
13 services 59 aids to navigation, and responds and
14 investigates at least 10 pollution incidents, and monitors
15 the transit of 25 tankers carrying more than 700 million
16 gallons of oil safely through Prince William Sound, and
17 ensures that more than 1.38 million pounds of explosives are
18 safely transported through Alaska's maritime transportation
19 network.

20 Just an average day at work for the thousand men and
21 women that wear the uniform proudly and support Alaska, our
22 Nation, and the world.

23 As I said, I am so pleased to join my dear friend and
24 colleague and partner, Senator Lisa Murkowski. We not only
25 serve on Homeland Security together, but we have served for

1 many years on the Energy Committee together, and are excited
2 about our adventures and opportunities in exploring
3 resources for this Nation.

4 But we are here to today to discuss the Coast Guard
5 operations in Alaska, the strategic importance of the
6 Arctic, and the challenges facing the Coast Guard in this
7 region.

8 Approximately 2,500 Coast Guard personnel support
9 operations in Alaska, which encompasses 3.8 million square
10 miles and more than 44,000 miles of coastline.

11 Much of the Alaskan way of life occurs on the water.
12 And at times, this environment can be harsh and unforgiving.
13 That's what makes it so important, I believe, for our
14 committee and others in the Congress to support the work of
15 the Coast Guard here on the ground.

16 Their many missions include fisheries enforcement,
17 search and rescue, port security, and environmental
18 response, and I would like to believe, in partnership with
19 the oil and gas industry, oversight, yes; enforcement, yes;
20 but a real partnership with the private sector to deliver
21 the resources essential for our Nation.

22 Not only has Senator Murkowski been a leading advocate,
23 but Senator Begich, who is not with us today at the hearing
24 but is at work in Alaska with one of the other officials,
25 touring another part of the State.

1 We are pleased to have on our first panel Admiral Papp,
2 commandant of the Coast Guard. Our second panel, chosen by
3 Senator Murkowski, is Dr. Mark Myers, vice chancellor for
4 research at the University of Fairbanks; Merrick Burden,
5 executive director of the Marine Conservation Alliance; and
6 Bruce Harland, vice president, contract services, Crowley
7 Marine. We are thrilled to have you all, and we'll call on
8 you in just a moment, after our opening statements.

9 The work of the Coast Guard, or the work the Coast
10 Guard does in Alaska, is not unfamiliar to us in Louisiana.
11 We, too, have a very large Coast Guard, very vibrant
12 fishery, and extraordinarily robust oil and gas drilling off
13 of our coast. In fact, 80 percent of the offshore oil and
14 gas resources of the Nation come off the coast of Louisiana,
15 Texas, Mississippi, and Alabama.

16 So these assets and these challenges are very, very
17 familiar to me.

18 And I would be remiss, Senator Murkowski, if I did not
19 mention the special place the Coast Guard holds in my heart
20 and in the hearts of the 4.5 million Louisianians that I
21 represent, and 10 million people along the Gulf Coast,
22 because, Admiral, as you know, the Coast Guard was first on
23 the job after Katrina and Rita, and rescued, at that time,
24 33,000 people, not over open water, where the Coast Guard
25 had trained, but flying in and out of tall buildings, over

1 and under electrical lines, literally rescuing people out of
2 14- and 20-foot floodwaters in the middle of the city. What
3 an amazing vision for the Coast Guard, and they carried it
4 out beautifully.

5 And, Admiral, the people of Louisiana will always be
6 grateful for the heroic efforts of the Coast Guard, along
7 with our Cajun navy, as we say, and coasties, too, to help
8 you in that effort.

9 Let me hit just a few other highlights of the bill that
10 Senator Murkowski has helped me draft. With her help and
11 input, we have been able to plus-up some of the Coast Guard
12 assets, even in tight budget times. She and I believe that
13 we need to direct more of the limited resources we have to
14 support this arm of our military.

15 With her help, our bill will include \$10.36 billion for
16 the Coast Guard, \$282 million above the President's request.
17 The bill provides targeted increases above the request to
18 ensure Coast Guard personnel serving on the front line have
19 the resources they need to accomplish these important
20 missions. And some of them I include in -- benefits that
21 will come directly to the Nation and Alaska include \$620
22 million for the sixth national security cutter; \$77 million
23 for long-lead materials for the seventh national security
24 cutter; \$335 million for six fast response cutters, two of
25 which will be homeported here in Alaska; \$25 million for the

1 continued development of the offshore patrol cutter; \$8
2 million for initial acquisition planning and design of a new
3 polar icebreaker, a priority to both Senator Murkowski and
4 myself. I'm sure she'll speak more about this in the coming
5 minutes.

6 \$10 million for military family housing. And I want to
7 give Admiral Papp a shout-out for his advocacy for housing
8 issues, and particularly Linda Papp for her extraordinary
9 advocacy on behalf of the Coast Guard families that live in
10 very rural areas sometimes in our country, and don't have
11 access to all of the bells and whistles, Senator, that some
12 of our other communities enjoy. And housing is important
13 for them, to have that kind of comfort and quality of life,
14 not luxurious, but comforting for themselves and their
15 children. And as a mother and a wife, she most certainly
16 understands that, and so do we.

17 So we are really focused on upgrading the housing for
18 our military, and hope we can report some good results.

19 We have \$69 million for construction and upgrades of
20 shore facilities; \$5 million to renovate the aircraft hangar
21 in Cold Bay right here in Alaska; and \$1.1 million for some
22 new fuel tanks in Sitkinak; \$8 million to slow the
23 retirement of one of our high-endurance cutters. And I
24 could go on.

25 These are just some of examples of what we have

1 invested in this budget, as soon as we can get it passed for
2 the Coast Guard this year.

3 A specific focus of ours today, in trying to conclude
4 here, is the diminishing ice, or the retreating ice in the
5 Arctic, and resulting implications for the Coast Guard's
6 responsibilities, and the assets needed to respond.

7 Scientists predict that the Arctic will be ice-free in
8 the summer months by late 2030. This is truly an
9 extraordinary change on our planet, and we must be ready for
10 it.

11 Rarely used shipping routes, such as the Northwest
12 Passage, the Northern Sea Route, will likely be used more
13 frequently. Exploration for natural resources is expected
14 to intensify.

15 The United States Geological Survey estimates that the
16 Arctic accounts for about 13 percent of the world's
17 undiscovered oil, and 30 percent of its undiscovered natural
18 gas.

19 The commandant has been vocal about the trend of
20 diminishing ice and what it means for the Coast Guard. I
21 refer to the article he wrote. Let me quote again. He
22 says: This change from hard to soft water, growing economic
23 interest and energy demands, and increasing use of the seas
24 for maritime activities by commercial, native, and
25 recreational users demand a persistent, capable U.S. Coast

1 Guard presence in the Arctic region. Our mandate to protect
2 people on the sea, protect people from threats delivered by
3 the sea, and protect the sea itself applies in the Arctic
4 equally as well as the Atlantic, Pacific oceans and the Gulf
5 of Mexico and the Caribbean Sea.

6 Unfortunately, today, two of our Coast Guard's three
7 polar icebreakers, the Polar Star and the Polar Sea, have
8 well exceeded their intended 30-year service lives and are
9 not currently operational.

10 The Polar Star is being refurbished to reenter service
11 in 2013 for another 7 to 10 years. The Coast Guard plans to
12 decommission the Polar Sea.

13 We all saw the importance of the Coast Guard's
14 icebreaking capabilities this past winter when one of the
15 active icebreakers, the Healy, which I am so proud was built
16 by the strong and wonderful people in Avondale shipyards in
17 my hometown of New Orleans, Louisiana, broke through the ice
18 to deliver fuel to the people of Nome. Louisiana and Alaska
19 have very strong partnerships, and I am so pleased that that
20 ship was built at home in my State.

21 Many comprehensive studies of icebreaker requirements
22 have been conducted over the years. All have concluded that
23 a polar icebreaking fleet is essential to the national
24 interest.

25 And I want to thank Senator Murkowski for her tireless

1 efforts advocating for the polar fleet, reminding us that we
2 are an Arctic Nation. And I'm very happy to turn the mike
3 over to Senator Murkowski for her opening statement, and
4 want to commit to her -- she has heard me say this in
5 Washington, but I want to wanted to come to Alaska to say
6 it, that I want to be a partner with her to develop assets
7 that our Nation needs to stay first in global competition,
8 first in commercial, first in proper natural resource
9 development. And Alaska is really that frontier and so is
10 the Arctic.

11 Senator Murkowski?

12 STATEMENT OF HON. LISA MURKOWSKI

13 Senator Murkowski: Senator Landrieu, thank you, first,
14 for your commitment to come to Alaska to see and understand
15 a little bit more about the role that the Coast Guard plays
16 in our northern waters.

17 In my time in the United States Senate, I can honestly
18 say that there is no other colleague in the Senate that has
19 more of a commitment and a passion to our Coast Guard than
20 you, perhaps maybe me. But between the two of us, I think
21 it is recognized that there is a level of advocacy and a
22 commitment and a care for the men and women of the Coast
23 Guard.

24 So to be able to share some time in this hangar today,
25 discussing what can be done to help those who are serving,

1 and serving sometimes in some somewhat adverse conditions,
2 giving them the assets, the training, and truly the
3 attention that they need, this is something that I want to
4 continue our work together.

5 Your leadership has been critical, absolutely critical,
6 in advancing some of the platforms that we need, some of the
7 issues you mentioned, the housing, but the priority that you
8 have placed on it is greatly, greatly appreciated.

9 And I appreciate the fact that you have come to Alaska.
10 It is not easy to get here from Louisiana. And to come out
11 to Kodiak here today and spend a couple days within the
12 State is greatly appreciated. We recognize that time is
13 valuable, and the time that you spend away from your
14 constituents to come and understand others is greatly
15 appreciated.

16 I want to also welcome you, Admiral Papp. It is indeed
17 an honor and a pleasure to have you back here at Air Station
18 Kodiak. I think this is the third summer now that you have
19 made that commitment to come to Alaska to visit, to speak
20 personally with, to observe, to better understand, and to
21 truly lead. And your leadership is greatly appreciated.

22 I also appreciate the commitment you have given to the
23 role here in the Arctic, and your leadership has truly made
24 a difference.

25 I also want to recognize Admiral Ostebo, who is sitting

1 behind you. Admiral Ostebo is head of the 17th District
2 here, and he's doing a fine job for us. We appreciate your
3 leadership as well, sir.

4 I also want to recognize Linda Papp. Ever ready,
5 always working, and speaking strongly for the Coast Guard
6 families, which is greatly, greatly appreciated.

7 And I do want to recognize some of the local officials
8 that are here. Mayor Jerome Selby, Mayor Pat Branson, we
9 have Representative Alan Austerman, some other folks from
10 the community, I appreciate you being here.

11 I think it is significant, Senator Landrieu, that we're
12 sitting in this hangar. The last time I was here, I was
13 able to greet some of the crewmen who had just concluded
14 several pretty fantastic rescues. We have, again, some
15 adverse conditions that we deal with, but the role that the
16 Coast Guard plays here in Alaska from a search and rescue
17 perspective is something that is, quote, "made-for-TV." And
18 in fact, you do see it on TV.

19 But it is the everyday role of these everyday heroes
20 that are truly making a difference in the lives of Alaskans.
21 So to be back in this hangar with so many is important.

22 As you look around the room, those frames that you see
23 up there are from vessels that have gone down, and the Coast
24 Guard has played a role -- the name over there, you can't
25 see the full name. The Selendang Ayu was a pretty tough

1 tragedy here in Alaska. So some of the history around the
2 walls is worth noting.

3 I do hope that as we leave this field hearing this
4 morning, not only Senator Landrieu gets a little bit deeper
5 appreciation of the role that the Coast Guard is playing,
6 but how the other stepped-up activities in our northern
7 waters is putting a level of responsibility on our Coast
8 Guard.

9 We're going to be hearing from Mark Myers with the
10 University of Alaska about some of the changes on the
11 ground, in the water, that we are seeing. Our other
12 witnesses that are here today will speak to the commercial
13 shipping interest that they're seeing, the level of activity
14 that we're seeing in our northern waters that, again, puts
15 the Coast Guard operations here in Alaska at a different
16 level, beyond the protecting lives and property that we
17 might see down here, but the position of enforcing our
18 fisheries, preserving our living marine resources, promoting
19 our national security, all exceptionally important within
20 the mission.

21 Now, I believe that the commandant will describe in
22 more detail the 17th District area of responsibility
23 stretches from the North Pacific Ocean to the Arctic Ocean
24 and everything in between. It is a lot of water. It is one
25 of the biggest areas of responsibility within the Coast

1 Guard.

2 And along with the operational challenges that the
3 Coast Guard currently faces, the future opening of the
4 Arctic and increased activity that the Coast Guard currently
5 faces in that area, I think we recognize there are
6 challenges there. We appreciate that.

7 But these challenges must be met by the administration
8 with adequate budgeting for the resources necessary to get
9 the job done. And it's tough to be talking about budgeting
10 back in Washington, D.C., right now, because things are
11 tough and tight. We recognize that. But I think we also
12 recognize that we cannot shirk from that responsibility and
13 the requirements that are out there.

14 Legacy Coast Guard assets in this State are aging. The
15 current acquisition timeline leaves Alaska pretty far down
16 the list for replacement of lost assets.

17 In the last few years, we have seen the decommissioning
18 of the Acushnet. This was a medium endurance cutter with 67
19 years of service. It was homeported down in Ketchikan. The
20 Acushnet patrolled the North Pacific and the Bering Sea. It
21 could stay underway for weeks at a time.

22 Now the replacement for the Acushnet is going to be one
23 of the fast response cutters that you mentioned, Senator
24 Landrieu.

25 This is going to arrive in service in 2014, so we have

1 a gap there. Another issue with the fast response cutter is
2 it will stay underway for only 5 days, which is the
3 equivalent of our legacy patrol boats.

4 So while the fast response cutter will be a stop gap
5 solution until the offshore shore patrol cutters are in
6 service, it will be years before an offshore patrol cutter
7 is eventually homeported here in the State.

8 In the meantime, our only high endurance cutter, which
9 is the Munro, which is stationed here in Kodiak, is quickly
10 exceeding its useful life. It was commissioned back in
11 1971.

12 The Munro has the ability to spend up to 30 days at
13 sea. It was fairly recently brought to Alaska, back in 2007
14 from Alameda, California. Before then, we did not have a
15 high endurance cutter.

16 In 2008, the Munro served a vital role in rescuing 20
17 souls from the sinking of the Alaska Ranger fishing vessel.
18 Again, a pretty remarkable story.

19 But unfortunately, in the not too distant future, I
20 worry that we may again be without a high endurance cutter,
21 and multimission responsibilities here in District 17 could
22 overwhelm the Alaska-based assets. The Bertholf, which we
23 will have an opportunity to see tomorrow, one of the
24 national security cutters that will replace the high
25 endurance cutters, will continue to patrol the North Pacific

1 and the Bering, but it's going to do so from Alameda,
2 California.

3 I am concerned about all of this because there was a
4 recent GAO report found that reduced operational capacity of
5 the high endurance cutters has hindered mission performance.
6 The report says that high endurance cutters and the
7 replacement national security cutters are the only vessels
8 in the Coast Guard capable of safely launching and
9 recovering small boats and aircraft in the Bering Sea.

10 Now, it takes about 24 days roundtrip for the Bertholf
11 to travel the 3,000 nautical miles from Alameda to here in
12 Kodiak. That is 24 days that could be spent underway in the
13 Bering Sea.

14 So I do have concerns, and I think it is appropriate to
15 express them.

16 Recently, the North Pacific Fishery Management Council
17 met here in Kodiak, and it came to their attention the
18 District 17 is facing a 19 percent reduction this summer in
19 the available major cutter days for fisheries law
20 enforcement. The council is concerned with this reduction
21 in cutter days because of the vital importance that the
22 Coast Guard plays in enforcing the domestic fishing
23 regulations and the international treaties. This is
24 including the enforcement of the maritime boundary and the
25 high seas driftnet violations.

1 We had an opportunity to talk about the challenges that
2 we face, the limited capacity that we have, and truly so
3 many of the issues that are out there.

4 But even without this reduction in cutter days, the
5 Coast Guard already faces operational challenges of
6 enforcing in this vast Bering Sea. Ten percent of this area
7 within the Bering Sea is what they call a doughnut hole of
8 international waters, where you have foreign factory
9 trawlers who are quite often illegally overfishing.

10 I believe the case is clear that America needs a
11 national security cutter homeported here in Kodiak when the
12 Munro is decommissioned.

13 Now finally, and you touched on this briefly, Madam
14 Chairman, this is the need, the desperate need, for
15 icebreaking capacity.

16 We saw last year how important it is to have polar
17 icebreaking capacity to respond to mission needs. It was
18 reported everywhere from the New York Times to the local
19 radio station here the heroic efforts of the cutter Healy as
20 she provided a path for the Renda to bring much-needed fuel
21 to the community of Nome and the surrounding villages in
22 northwestern Alaska.

23 I think you are certainly aware, the commandant is
24 aware, of where we all stand on meeting additional
25 icebreaking capacity, so I'm not going to take any more time

1 here today, except to say that I am pleased that the
2 administration has finally begun budgeting for a new polar
3 icebreaker. I think we recognize it is far less than we all
4 want, but we need to be working together to continue in the
5 FY14 budget a request for this critically important need.

6 As I convey my comments, I recognize that it may appear
7 that I am not satisfied with what I have here in District
8 17, with the assets. I am grateful for the Coast Guard, the
9 men and women, and the presence of all that you do. But I
10 also recognize that we ask an extraordinary amount of the
11 men and women who serve us. And we have an obligation to
12 provide you with those assets that allow you to do the job,
13 do it well, and do it safely, so that you return home to
14 your families.

15 And I worry. I worry because that water is big and
16 deep and broad, and many, many, many times dangerous.
17 Whether you're on the sea or whether you are in a helo in
18 the air plucking fishermen out of waves that are 20 feet
19 high and gales that are blasting, we put you in harm's way,
20 and we have an obligation to ensure that you have the assets
21 to do what you do so honorably.

22 So I look forward to working with my colleague, and
23 with you, Admiral, and with so many of our leaders.

24 And again I thank the Senator for her time and
25 attention here in Alaska.

1 Senator Landrieu: Thank you, Senator.

2 And, Admiral, we will go right into your opening
3 statement.

4 Admiral Papp: Good morning, Madam Chair, Senator
5 Murkowski. It is great to be back in Alaska. I think I
6 have visited Alaska and the 17th Coast Guard District more
7 often than any other than any other location in our Coast
8 Guard, and that is because of the importance of what we do
9 up here, how vital the Coast Guard is to Alaska and the
10 Arctic. And also, it is a very challenging operation area
11 as well, and I want to stay in touch with what our people
12 are doing up here, the challenges they are facing, and their
13 needs.

14 So I'm deeply appreciative to this subcommittee for its
15 strong show of support through the budget process to make
16 sure that our Coast Guard people are getting what they need.
17 I also want to thank you for giving focus to Alaska and the
18 Arctic, but, more importantly, for your continuing support
19 to our hardworking Coast Guard people.

20 I've stated before it is my highest honor to be able to
21 work with them, to lead them, and to represent them.

22 And I also want to thank Captain Jerry Woloszynski, who
23 is the base commander here, and Captain Melissa Rivera, who
24 is the new air station commanding officer, for their support
25 to put on this hearing today, and all my fellow coasties

1 that are up here who have worked so hard in displaying the
2 hospitality to all of us as we are visiting.

3 I appreciate the opportunity speak with you today and
4 the chance this week to show you those hardworking men and
5 women in action. It is important to see and hear firsthand,
6 just like I have done over the last three summers, what it
7 is like to live and serve in one of our most extreme and
8 challenging areas of Coast Guard operations.

9 I started out this weekend, and it has been a great
10 Coast Guard birthday, I started out by going to Florida,
11 where I presided at the commissioning of our newest patrol
12 boat, the Richard Etheridge, produced in the great State of
13 Louisiana, and then flew up immediately to Ketchikan,
14 Alaska, where we had a chance to spend part of our Coast
15 Guard birthday and attend the Blueberry Festival before
16 proceeding over here and spending some of Coast Guard Day
17 with our people here at Kodiak.

18 We have, of course, traveled yesterday up to Barrow, so
19 we could observe Coast Guard operations in the difficult
20 conditions that we find 300 miles north of the Arctic
21 Circle, and observe some of our people who are involved in
22 Operation Arctic Shield, which is showing and demonstrating
23 our expanding work up there, and demonstrating why it is so
24 important for us to be there.

25 During this 9-month operation, we have deployed the

1 national security Cutter, the Bertholf, and we are also
2 celebrating Bertholf's commissioning of 4 years ago this
3 week, and we will get a chance to see her and her crew in
4 operation.

5 I can report that our Coast Guard is on station and
6 ready to meet today's traditional mission demands, like
7 protecting Alaska's \$3.1 billion fisheries industry, while
8 we also prepare for the future.

9 Activity in the most remote reaches of Alaska continues
10 to evolve and grow, including planned drilling operations in
11 the Chukchi Sea and the Beaufort Sea. Foreign tankers will
12 be using the Northern Sea routes, which transit through the
13 Bering Strait and into the Bering Sea, and cruise liners
14 will continue to press even further into the Arctic.

15 We must continue to work to refine our ability to
16 provide and then support a persistent operational presence
17 during this period of increased human activity or
18 environmental risk.

19 And that is why Operation Arctic Shield is so important
20 to us. During this 9-month operation, we'll be deploying
21 the Bertholf, as I said, and two of our 225-foot oceangoing,
22 ice-capable buoy tenders. We have also forward deployed two
23 of our H-60 helicopters to Barrow and will test and deploy
24 the spilled oil recovery system for the first time north of
25 the Arctic Circle, and will continue to examine the

1 requirements to protect living marine resources in the
2 higher latitudes.

3 We will also continue to evaluate the best methods by
4 which to manage the waterways in the area.

5 Given the challenges of operating in this region, we
6 know we can't do it all by ourselves. This takes a whole-
7 of-government approach, and we're working very closely with
8 other Federal agencies, and State, local, and tribal
9 partners.

10 We must also carefully consider the resource
11 requirements needed to sustain operations in this
12 environment.

13 I'm reminded of our earliest days of operations in
14 Alaska. I'm a student of history, and in the late 1800s, in
15 fact starting in 1867, when our first cutter came up to
16 Alaska, they plied these waters most often under sail, but
17 they also had coal-fired engines.

18 We didn't have a lot of infrastructure up here, and we
19 even have historic records that show our crews going ashore
20 in Unalaska and mining coal so they could keep their ships
21 going.

22 So while we didn't have permanent infrastructure, over
23 time, because of the increased demand of deploying cutters
24 up here, a coaling station was built in Dutch Harbor on the
25 island of Unalaska and served for many years and still

1 serves as a place for logistic support for our cutters
2 operating in the Bering Sea.

3 So we still have limited infrastructure in Alaska
4 today, but we have an advantage over our predecessor cutters
5 that were up in our early history. We now have remarkably
6 capable cutters able to operate offshore with greater
7 endurance and autonomy.

8 Thanks to your continuing support and that of the
9 administration, we are currently building a very capable
10 offshore infrastructure, our national security cutters.
11 They don't rely upon a supply of coal to operate and conduct
12 these missions. And in fact, these cutters can carry all
13 the supplies they need to provide a sustained presence, and
14 they can carry and launch both small boats and helicopters
15 to conduct the full range of Coast Guard missions, and also
16 can provide a robust suite of command and control
17 communications capabilities.

18 That is why the completion of the national security
19 cutter fleet is critical to our ability to continue to meet
20 our mission demands in this area, and why it has
21 continuously been my number one priority for our
22 acquisitions money.

23 And of course, you will see the Bertholf on Tuesday,
24 and you will get a chance to experience firsthand why her
25 tremendous capabilities are in such need up here in the

1 Bering Sea.

2 Additionally, with the support of the Congress and the
3 administration, we are also making smart investments now
4 with the FY13 budget to ensure we are ready to operate
5 effectively in Arctic in the future. The FY13 budget
6 provides funding to expand and upgrade the aviation
7 facilities at Cold Bay, which you will also see this week.
8 And it also initiates the acquisition of a new polar class
9 icebreaker.

10 The budget also provides for operational funding for
11 our medium polar icebreaker Healy, and it reactivates the
12 Polar Star, so we can get her back into service in 2013.

13 We remain committed to Alaska, as borne out by our
14 investments for the future and our operations today, and our
15 presence here each summer to make sure we are providing the
16 type of resources that our people need to operate in this
17 environment.

18 And finally, I can't forget our hardworking Coast
19 Guardsmen and their families who serve here, many in remote
20 locations.

21 I thank you for recognizing Linda, both of you. She
22 has been working very hard, and I am very proud of her,
23 because she is focused on housing concerns and childcare
24 services for our families.

25 Just during this trip alone, she has met with housing

1 officers here and in Ketchikan, and I'm very proud to report
2 that in Cordova, as you know, we recently constructed 26
3 brand-new homes for our people to alleviate a housing
4 shortage there.

5 I'm committed to providing for the needs of the 1,600
6 Coast Guard active duty families stationed throughout
7 Alaska, and we appreciate your continued support, along with
8 administration, in making the welfare of our military
9 families a top priority.

10 In the Coast Guard, we work as a crew, but we serve as
11 a family. We will continue to find that balance between
12 maintaining our operations, recapitalizing our fleet and our
13 infrastructure, and ensuring the needs of our Coast Guard
14 families are being met. So it is with deep appreciation
15 that I thank you for putting a spotlight on those needs, so
16 we can continue to work together to make sure our Coast
17 Guard people are getting the tools they need.

18 So I thank you for the opportunity. I look forward to
19 your questions.

20 [Statement follows:]

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25

1 Senator Landrieu: Thank you. I will start out with
2 about 5 or 6 minutes of questions, turn it over to Senator
3 Murkowski. We make go through a second round, because there
4 are some important things we would like to get on the
5 record.

6 We have all mentioned this in our opening statements,
7 but I would like to give you an opportunity to take a minute
8 to describe in even more detail for the committee how the
9 retreating Arctic ice will really dramatically change the
10 Coast Guard's responsibilities, looking into the future.
11 The northward migration of fish stock potentially; offshore
12 oil exploration sites, which you mentioned; the
13 extraordinary increase in commercial shipping that I think
14 we have not really contemplated or really fathomed how
15 significant that could be; and how these developments are
16 affecting the Coast Guard plans for your budget, given the
17 pressures on your budget, yet at the same time this growing
18 very new and extraordinary, unprecedented, opening of these
19 waters.

20 And if you could just hit a few more details of that,
21 so that we can try to grasp the real needs that you have.

22 Admiral Papp: Thank you, Chairman.

23 You know, many people, as I travel around the country,
24 ask the same question. The good thing is there is a lot of
25 interest in the Arctic now. I think the work of this

1 subcommittee, the two of you, some speaking engagements I
2 have had, are causing people to ask the questions now.

3 And when I try to relate this to a landsman, someone
4 who is from the interior of the country who doesn't quite
5 understand, what I is, well, think about if your city, or
6 your county, or your parish incorporated a new portion of
7 land or gained some additional space and area, but you never
8 increased your police force or you never increased your fire
9 department. They would take on added responsibilities,
10 added burdens, and they would have to spread the existing
11 resources a little bit thinner in order to accomplish the
12 mission.

13 So up here in the Arctic, and first of all, this
14 country, the United States, has the largest maritime
15 exclusive economic zone in the world, 3.3 million square
16 miles of exclusive economic zone. And fully a third of that
17 is here in Alaska.

18 When the ice was covering the Arctic most of the time,
19 there was no human activity. We didn't have to deploy any
20 Coast Guard resources up there. But now during the summer
21 months, when we are having much more open water, soft water,
22 as I refer to it in the article, we have responsibilities up
23 there. We're the maritime law enforcement, first responder
24 service for this country. So we have the authorities; we
25 have the responsibilities; and we need to set priorities and

1 distribute our resources up there to take care of an
2 emerging mission and operation in those waters.

3 So, with no significant increase in our resources right
4 now -- in fact, sort of a little bit of a budget which is
5 reducing some of our operational capability and capacity,
6 what we are doing is we are making reasoned decisions across
7 our mission sets and deciding where our highest priorities
8 are.

9 So, obviously, our high endurance cutters and now our
10 national security cutters are used for fisheries, search and
11 rescue, law enforcement, drug interdiction, migrant
12 interdiction. We still have all those responsibilities, but
13 we are deploying resources up here in the summertime to
14 account for the increased human activity.

15 Most of the year we have one high endurance cutter in
16 the 17th Coast Guard District. As we speak today, we have
17 three under the tactical control of Admiral Ostebo. The
18 Rush, one of our high endurance cutters, is prosecuting a
19 high seas driftnet case, almost all the way over to Japan
20 right now, because they have been pursuing this vessel.

21 We have the Munro, which is patrolling the maritime
22 boundary, protecting the fisheries in the Bering Sea.

23 And Bertholf will be on her way up to the Arctic to be
24 up there on standby for operations that are occurring off
25 the North Slope.

1 So it is like I always tell people, the Coast Guard
2 doesn't have resources to do 100 percent of every mission
3 that we have, so what we do is we make reasoned decisions
4 based on risk and priorities on a daily basis, and allocate
5 those ships and aircraft that we do have to what we consider
6 to be the highest mission. And right now, the Arctic is one
7 of our highest missions.

8 Senator Landrieu: Thank you. Let me put this into the
9 record, which I think may be shocking to people from Alaska
10 that were focused but maybe not as focused as we were in the
11 gulf when this is happening, but as you all know, in 2010,
12 just not quite even 2 years ago, it's 2 years ago, the
13 Deepwater Horizon exploded in the gulf.

14 Now, we drilled 40,000 deepwater wells relatively
15 safely in the Gulf of Mexico. And I like to say, as an
16 advocate for the industry, but also for good environmental
17 practices, that until the Deepwater Horizon, there was more
18 natural seepage of oil into the ocean than oil ever spilled
19 from a rig. The Deepwater Horizon blew those numbers up and
20 put 5 million barrels of oil into the gulf.

21 It may be shocking, Senator, to think about this, but
22 47,000 personnel and 7,000 vessels responded to that
23 accident. I mean, we're sitting in the largest airbase
24 here, and we only have 1,000 personnel. I don't think you
25 have nearly 7,000 vessels anywhere close. And that response

1 had to be done immediately.

2 And I think the Nation has to really come to grips with
3 the exploration opportunities for oil and gas, the great
4 need of the Nation to have our own domestic resource, but
5 the extra responsibility that comes with that to provide the
6 vessels and the manpower to take care of something if, like
7 in that situation, something went terribly wrong.

8 So could you talk for a minute about, of course,
9 Shell's hopes to begin exploratory drilling? Give us just a
10 little bit of update about what is going on, and how you and
11 the Coast Guard plan to be at the ready in the event that
12 something terrible happened.

13 We hope it doesn't. We know the technology is good.
14 We know there are containment measures.

15 But like every industry, you have to have some fallback
16 safeguard, and the Coast Guard is it.

17 Admiral Papp: Yes, ma'am.

18 Taking lessons learned from Deepwater Horizon, I think
19 there are some things that are directly applicable to the
20 challenges of drilling up in the Arctic. We have had a
21 chance, along with the Department of the Interior, to review
22 the response plans that Shell has put forward.

23 When Deepwater Horizon occurred, the drill rig, and
24 that was a production well, but the drill rig was out there
25 and basically was there by itself, for the most part.

1 Shell is going to be drilling in much shallower water,
2 about 150 feet as opposed to 5,000 feet. You don't
3 necessarily have to have just remotely operated vehicles up
4 here. You can actually put divers down.

5 And Shell is going to have up there 22 vessels that are
6 all designed either as ice vessels, as anchor vessels, as
7 skimmers, response vessels. They will have everything in
8 place and ready to go in an overabundance of caution, in
9 case something happens.

10 First of all, looking at it from a layman's point of
11 view, it is a much easier operation in 150 feet of water.
12 And they believe that the reservoirs that are up there are
13 under much less pressure than down on the gulf.

14 So to a certain extent, you're dealing with apples and
15 oranges. But even saying that, we're looking at the worst-
16 case discharge possibility, and I think Shell has well-
17 prepared for that. The Coast Guard has had an opportunity
18 to review their response plan, along with the Department of
19 Interior, BSEE, the Bureau of Safety and Energy Enforcement.

20 And all of us will need to sign off on that and approve
21 that before they start drilling.

22 Most of their vessels are here already. They do have
23 one vessel, which is an Arctic containment system, which is
24 their tertiary response system in the unlikely event of a
25 spill. That is still down in Bellingham, Washington, right

1 now, going through review by the American Bureau of Shipping
2 and our Coast Guard inspectors. There's still a work list
3 of things to be done on that before we can certify that as
4 safe to operate.

5 And until the Arctic Challenger is released and gets up
6 here, they will have to wait until that drilling begins.
7 But they have primary, secondary, and tertiary systems to
8 deal with any possible discharge up there.

9 And, quite frankly, I have to say I am impressed with
10 the amount of effort, work, and commitment of resources that
11 Shell has done.

12 Senator Landrieu: Thank you.

13 My final question for this round, again, is to focus on
14 the polar icebreakers. It is a very important investment
15 and significant investment that our country is going to have
16 to make. And was referred, a recent study sanctioned by the
17 Coast Guard, named the "High Latitude Study," calls for
18 minimum of three heavy polar icebreakers and a minimum of
19 three medium polar icebreakers.

20 How many new heavy polar icebreakers does the Coast
21 Guard intend to procure? What would be the future
22 implications for the budget? And if you could comment on
23 what some of our competitors, China and Russia, are doing in
24 this area, and really how far behind we are right now in
25 this initiative?

1 Admiral Papp: Yes, ma'am.

2 Well, first of all, I need to focus on what can we do
3 today to make sure we have icebreaking capability and
4 capacity for our country.

5 In the law, the Coast Guard is responsible for
6 maintaining our icebreaker fleet. And as I stated, we are
7 in woeful condition right now. Healy is the one bright
8 spot, because Healy is only about a dozen years old and is
9 in good shape. And thank goodness we have that ship to call
10 upon last year when we had the situation up in Nome.

11 You both are fully aware of the dreadful condition of
12 Polar Sea and Polar Star. They are well past their service
13 life, very difficult and expensive to maintain. And I have
14 had limited funding in order to be able to deal with them.

15 The bright spot there is the operating money has been
16 transferred back into the Coast Guard's budget in FY13 from
17 the National Science Foundation, which will give us
18 sufficient funds to operate Healy properly and to operate
19 one of the Polars.

20 We also received some money in past budget cycles to
21 put Polar Star back into service. Polar Star is in the
22 shipyard down in Seattle right now undergoing renovation,
23 and we will have her back in service in 2013.

24 So that'll give us one heavy breaker one medium
25 breaker, and that is my bridging strategy over the next

1 probably decade until we get the new polar icebreaker built.

2 And once again, I look at that optimistic --

3 Senator Landrieu: How much do those new polar
4 icebreakers cost, approximately?

5 Admiral Papp: We are estimating anywhere between \$800
6 million to \$1 billion, looking across the world at the price
7 that we see in other countries and what Canada is allocating
8 to build their new icebreakers.

9 Senator Landrieu: And do you know how many Canada has
10 or how many Russia has or how many China has?

11 Admiral Papp: I would have to get back to you with the
12 exact numbers for the record.

13 Senator Landrieu: They have more than we do?

14 Admiral Papp: Absolutely. Russia has in the
15 neighborhood of a dozen heavy icebreakers. Canada, I
16 believe, has four right now heavy icebreakers. And of
17 course, we have the two, but they are out of service right
18 now. We are rapidly working to get Polar Star back and
19 active.

20 Senator Landrieu: I'm going to turn it over to Senator
21 Murkowski, but one of the challenges that our subcommittee
22 has, and the Senator and I have talked about this publicly
23 and privately many times, is the Federal Government requires
24 us to basically pay cash up front for these investments.
25 When we build an aircraft carrier, when we build a billion-

1 dollar ship, there has to be a better way to do this,
2 because we have to take that money out of the Coast Guard
3 budget. We have to find the money in the Coast Guard budget
4 to build this polar icebreaker, this fleet, this new fleet.

5 And we're going to have to figure out a better way,
6 Senator, to do that.

7 I'm going to ask, when the Senator is finished, one or
8 two more questions about that. But there might be some
9 partnerships with the private sector, there might be some
10 foreign partnerships, allies, that we can maybe share some
11 of these expenses with. There has to be some way we can,
12 particularly with the crunch that is coming to our budget,
13 figure out a way.

14 I know lots of people like to say we have to do more
15 with less, but sometimes you just can't do more without
16 more. And I think this is an example of what we're running
17 into here.

18 And I turn it over to you, Senator.

19 Senator Murkowski: Senator Landrieu, I appreciate you
20 focusing so much of your questions on the issue of
21 icebreaker and icebreaking capacity. It is extraordinarily
22 important to us here in the State, but it is extraordinarily
23 important to us as a Nation. We are an Arctic Nation. And
24 as an Arctic Nation, to know that we do not have an
25 icebreaker that is a polar class icebreaker, a heavy

1 icebreaker, given all that is happening, is really quite
2 remarkable.

3 And, Commandant, you and I have had an opportunity to
4 discuss the situation with the Healy last year and how close
5 we were as a Nation to not even having the Healy accessible
6 to us, that you were in a situation where you effectively
7 had to turn down a request to send the Healy down on a
8 mission to Antarctic.

9 Had you made the decision another way, when the people
10 of Nome needed help, needed assistance at a very difficult
11 time, we would not have been able to provide the level of
12 assistance, and to help those people out, because our one
13 medium strength icebreaker would not have been available.
14 So think about the what-ifs.

15 And it's not a situation that I think we want to be in.
16 Again, we are in Arctic Nation, but sometimes you wouldn't
17 know it when you look at the assets.

18 I had an opportunity to be with you Barrow yesterday,
19 to talk with some of the Coast Guard's men and women that
20 are up north right now, working that Barrow mission. And I
21 found it interesting that some of those that I was speaking
22 with yesterday were coming back today, coming back home.

23 So they are working up north; they are living down
24 here. And for those who haven't checked their maps, the
25 distance between the Barrow and Kodiak is 820 nautical

1 miles.

2 So when we appreciate how we are going to have a Coast
3 Guard that will be serving the area with the Arctic Shield
4 Operation, I think it is important to recognize that there's
5 a financial strain here. To move these men and women back
6 and forth is going to be challenging. To move the assets
7 back and forth is going to be challenging.

8 If you're staging out of a Dutch Harbor, it is 1,125
9 miles. So whether you're moving the Bertholf up or you're
10 going by helicopter, you're going by C-130, I think it is a
11 recognition we're dealing with some considerable issues with
12 the distance. And that leads to cost as well.

13 I would like you to address just generally how the
14 Coast Guard's preparedness in moving forward with Operation
15 Arctic Shield this summer with the assets that we currently
16 have -- we mentioned the Bertholf is moving her way up
17 north. I think you mentioned two H-60s that would be moving
18 back and forth.

19 But as we talk about how we manage the waterways, how
20 we move the necessary personnel, can you describe to
21 Alaskans how well-manned, how our capabilities are at this
22 point for the operations this summer?

23 And then if you can then address the practical reality
24 that we do not have a polar class icebreaker, whether or not
25 the mission capability is compromised at all, because we do

1 not have that icebreaking capacity for whether it is Arctic
2 Shield or the other mission sets that the Coast Guard has
3 here.

4 Admiral Papp: Well, I have three levels of concerns.
5 First of all is tactical. What are we doing this summer
6 based upon that activity that is up there? What are we
7 doing to prepare ourselves for perhaps the next decade
8 question? And then what is the long-term plan up there?

9 The President, through directives, has challenged all
10 of Government to look at the Arctic and start thinking about
11 and planning for what we need to do in the future. And
12 because of the Coast Guard's broad authorities and
13 responsibility, we are taking that very seriously.

14 We have devoted staff to this effort. And we have also
15 devoted, even though Arctic Shield, this is the first time
16 we're doing that operation, we did something called Arctic
17 Crossroads for 3 years before that. We have known that our
18 activity is going to increase up there, so we have been
19 taking our equipment up, experimenting, seeing how it
20 performs, and trying to learn more about the operating
21 environment as the activity starts to flow up toward the
22 North Slope.

23 Another important aspect is getting to know the people
24 up there. That is their world. So the people who inhabit
25 the villages, we have been engaged in outreach with them, to

1 help us understand the culture and the environment up there,
2 because they have literally thousands of years of experience
3 and history with the operating environment, and that helps
4 us.

5 So for right now, we are well-prepared, because like we
6 always do traditionally, we have multimission assets that we
7 can deploy that are very capable and that are sufficient for
8 the level of human activity that is going on this summer and
9 perhaps for the next three or four summers.

10 But as we finish up Arctic Shield this year, we will do
11 a hot wash of that entire operation, decide what went well,
12 what didn't go as well, what sort of resources we might need
13 for the next year, and then we can begin that planning
14 evolution.

15 At the same time, that feedback will go back to
16 Washington to our staff that is working at headquarters,
17 developing our Arctic strategy, our long-range strategy for
18 what we need to do up here. And that will inform our future
19 budget years, how we start planning for resource proposals
20 for perhaps more permanent infrastructure.

21 As was noted during the opening statement, we don't
22 expect it to be ice-free during the summertime probably
23 until about 2030. But it is still going to freeze up during
24 the wintertime. And there will be ice that we will have to
25 deal with during certain periods of the year.

1 So what we need during those periods of the year when
2 the ice is there is some sort of short access that can only
3 be provided by an icebreaker.

4 So our multimission assets, our helicopters, our fixed
5 wing aircraft, the national security cutter, these are all
6 very versatile assets that we can apply during the temporary
7 times that there is human activity up there. But there'll
8 be other times when things start freezing up, as happened
9 last fall with Nome, that we need to have that assured
10 access of an icebreaker.

11 I wouldn't say I am comfortable at this point, but we
12 do have Healy that is on call. And as I said, by next year,
13 we will have Polar Star back in service, which will give us
14 two icebreakers. Not an abundance of resources, but enough
15 that will make me comfortable that we will be able to
16 respond to the types of challenges that we are facing over
17 the next 10 years as we continue to work our way forward to
18 determine the other resources that we need.

19 Senator Murkowski: Well, until the Polar Star is back
20 in the water, I sure hope that we are able to keep Healy up
21 here and not send her down on a research mission to
22 Antarctica.

23 That is just my ask. I am sure that you have thought
24 of that as well.

25 I mentioned in my opening remarks that the legacy

1 vessels, and how we deal with what I would describe as the
2 gaps that are out there. Two of the vessels that are
3 covered in this GAO report are homeported here. I mentioned
4 the Munro, the high endurance cutter, but we also have the
5 Alex Haley that is here.

6 The Alex Haley is 41 years old. The Munro is 45 years
7 old.

8 Can you give me some sense as to what the plans are to
9 replace these legacy vessels?

10 Admiral Papp: Yes, ma'am.

11 Fortunately, with the support of the administration and
12 the strong support shown by this subcommittee, the national
13 security project is moving forward. We will be prepared to
14 award the contract for national security cutter number six
15 within the '13 budget as soon as we have an approved budget.
16 And we already have long-lead materials on order for number
17 six.

18 And as was indicated with the opening statement, for
19 the FY13 budget, there has also been long lead money put in
20 there for number seven, which should help us along as well.

21 We hope to build out eight of the national security
22 cutters, which will replace the 12 high endurance cutters
23 that we currently have right now. And then we will
24 immediately get into what is called the offshore patrol
25 cutter, or the OPC.

1 We just got out a request for proposal on the OPC, and
2 that project is on schedule. And we hope to be able to
3 award the construction for the first OPC in the FY15 budget.

4 So ultimately, though, we will have -- today we have 41
5 major ships. They will be replaced by 33 major ships when
6 the project is done.

7 But they will be more capable ships. But they won't be
8 able to be in as many places as the legacy fleet.

9 Having said that, the legacy fleet, many of them were
10 only getting about two-thirds of the underway days that we
11 programmed for, because of major casualties and breakdowns.

12 So the best solution is to get these new ships built as
13 quickly as possible, because they will be more reliable and
14 substantially more capable than the ships they are
15 replacing.

16 Senator Murkowski: I mentioned also in my statement
17 about the loss of underway days, the importance of these
18 cutters actually being underway, conducting the mission, and
19 the fact that the outside cutters are spending 25 to 30 days
20 underway every deployment as they transit from, in this
21 case, from California up here.

22 So the desire, the importance, to have these vessels
23 homeported here I think it is an issue I think we look at as
24 we try to address how the mission is fulfilled.

25 Do you have any sense in terms of when the

1 decommissioning of the Munro or the Healy may come about?

2 Admiral Papp: Well, I am trying to keep them going as
3 long as we can.

4 Senator Murkowski: I appreciate that.

5 Admiral Papp: If my recollection is correct, Munro is
6 the youngest of our high endurance cutters and, as you note,
7 is in excess of 40 years old.

8 A lot of people, when you speak to our citizens and you
9 say 40, 45 years old, they don't perceive that as being very
10 much. But in the life of a ship, that really makes it well
11 beyond senior citizen status.

12 The Navy's service life is usually about 25 years for a
13 ship. We in the Coast Guard work our ships very hard in
14 very challenging and very demanding conditions. So these 12
15 high endurance cutters that we had have had a pretty rough
16 life, spending a lot of time in the Bering Sea.

17 And you have what amounts to, because they were built
18 in the '60s, there is a lot of 1950s technology that is
19 still on these ships. Many components that you just can't
20 get spare parts for nowadays unless they are hand
21 manufactured.

22 So when we have a breakdown, part of the problem is it
23 takes us so long to get replacement parts and put them back
24 into service that we lose those underway days and our
25 effectiveness out there.

1 Senator Murkowski: Well, I appreciate the need, the
2 desire, to get our new vessels on, but, again, I'm worried
3 about the gaps, where we have ships that are decommissioned
4 without that replacement vessel on-site in the water.

5 And I think those that rely on our Coast Guard are
6 looking very critically at the timing as well. So I just
7 put that out there.

8 Madam Chairman, I probably have a couple more, but I
9 will turn it to you.

10 Senator Landrieu: Well, I would like to follow up on
11 this technology issue.

12 I had the privilege, the responsibility and privilege,
13 to go down to Guatemala as chair of the Homeland Security
14 Committee and look at some of the drug interdiction
15 situations down there. And I have to just say for the
16 record, it is shocking to see the technology that the drug
17 cartels have.

18 New materials, submarines that are undetectable,
19 running drugs from Mexico through Guatemala into the United
20 States, and we are operating our boats, Senator, with 1950s
21 technology.

22 I mean, we are trying to keep up with other countries.
23 We also have to keep up with the drug cartels. And I know
24 that, Admiral, you were restricted in your budget, and the
25 Senator and I have some restrictions. But where there's a

1 wall, there is a way. And we are going to have to find a
2 way to get the assets for this Nation that we need to
3 protect our homeland and to monitor the great industries
4 that we have responsibility for that produce wealth and
5 opportunity for our country.

6 It is very concerning to me, and I want to ask you
7 this, because I'm trying to really understand, as we change
8 our fleets, how can you sort of compare the offshore patrol
9 cutters for operations in Alaskan waters, how will the
10 capabilities compare to the NSC?

11 Can you just explain that, and make sure that we are
12 building the kind of ships that Alaska needs? Because the
13 needs of the gulf are going to be a little bit different, of
14 course. Our waters a little tamer, we don't, of course,
15 have any ice anywhere around. And although we can have
16 terrible storms and hurricanes, I want to make sure that our
17 country is building the right kinds of ships for the East
18 Coast, the West Coast, the Gulf Coast, and for Alaska.

19 So do you have any concerns at all that the plans are
20 not providing the assets that Alaska and our Arctic
21 boundaries need?

22 Admiral Papp: Ma'am, when we finish this shipbuilding
23 project, we'll basically have two major cutters, the
24 national security cutter and the offshore patrol cutter.

25 Today we have two classes. We call them the high

1 endurance cutter and the medium endurance cutter.

2 Our challenge is the medium endurance cutters that we
3 have right now are incapable of operating in the Arctic and
4 the Bering Sea. They cannot take the seas. We can't launch
5 small boats, we can't launch helicopters from them, because
6 they just can't take the conditions that are found up in the
7 Bering Sea and Gulf of Alaska.

8 Consequently, we moved all our high endurance cutters a
9 number of years ago, took them off the East Coast, and moved
10 them to the West Coast, because, particularly for Alaska
11 patrol, Bering Sea patrol, the high endurance cutters are
12 the only ships that we have been able to use year-round up
13 here.

14 When we get to this new fleet, in the requirements that
15 we put out for the offshore patrol cutter, which is the
16 medium endurance cutter replacement, we put requirements in
17 there for it to be able to operate, launch small boats, land
18 and launch helicopters in sea state five, which will allow
19 it to operate in the Bering Sea.

20 So there'll be times when we are able, in the future,
21 even though we will have only a reduced number, eight
22 instead of 12, the high-end ships will have the opportunity,
23 the option, to send the offshore patrol cutter up here as
24 well.

25 In fact, we have plans to station two of our OPCs up

1 here in Alaska, hopefully here at Kodiak.

2 So that will give us much more versatility in where we
3 can deploy those. Right now, there are only, basically, 12
4 ships that we can send up here. When we get the new fleet
5 built out, any of the ships we have in those 33 will be able
6 to come up here.

7 Obviously, in the worst weather, you want the national
8 security cutter up here, because that gives us our best
9 capability for the conditions that are found up in Alaska.

10 Senator Landrieu: And I want to say that we're getting
11 some pushback, Senator, from some people in Washington that
12 think that the Navy is the only operational group that
13 should have these very large ships. But I want to go on
14 record strongly, and I'm a very big supporter of the Navy
15 and the need for them to have the kind of ships that they
16 need, but we just cannot patrol waters -- we are not
17 patrolling waters within just 15 miles, as you know, of our
18 coastline.

19 I mean, we have up to 200 miles as our economic zone.
20 Under the Law of the Sea Treaty, if we can ever get that
21 resolved, we may have up to 600 miles, I understand, here
22 off of the coast.

23 And so this is not just patrol boats going up and down
24 a few miles off the coast. These boats need to be seaworthy
25 and have a very different mission, of course, than the Navy,

1 but they have to be big and strong and able to maintain.

2 My last question, and we talked about this, Commandant,
3 about the pros and cons of having the private sector build
4 an icebreaker and lease it back.

5 Both the Senator and I are very concerned about not
6 getting one or two but several, and getting them much more
7 quickly than the plans that we have in place. I think you
8 are making the best lemonade you can out of the sort of
9 lemon situation that you have been given, but what are the
10 pros and cons of having the private sector build an
11 icebreaker, leasing it back to the Coast Guard.

12 I know there are some disadvantages in your mind, but
13 what might be some of both the disadvantages and advantages,
14 if you could?

15 And I'm ready to close out and go to the next panel,
16 unless you have --

17 Admiral Papp: Yes, ma'am.

18 I think the biggest con is that the Coast Guard
19 generally builds and operates ships for 30-plus years. It
20 is something we can rely upon. It is a capability the
21 country knows it has.

22 And if you build a ship and you invest in it, if you
23 were to lease over that time period, it ends up costing you
24 way more.

25 And I know your interest in this, so we had a chance to

1 do a rudimentary business case analysis, and also look at
2 the legal implications of what missions we could conduct for
3 the Coast Guard under Coast Guard owned or leased.

4 I would say, at this point, because we are struggling
5 right now just to have one polar icebreaker, there's a
6 certain level we want to have Coast Guard owned, because we
7 can rely upon that.

8 And it's sort of like, if I can use a very simple
9 illustration, a number of years ago, I wasn't certain
10 whether I was going to retire or not. And we had one car
11 that we owned, and we know that's ours and we can rely upon
12 it all the time. But because I wasn't sure what was
13 happening, we leased another car.

14 We spent a lot of money on that lease. And at the end
15 of the day, it wasn't ours, and we had to turn it back in,
16 so we could fall back on the car that we owned.

17 I want to have an icebreaker that we own, maybe a
18 couple icebreakers that we own. And then I think leasing is
19 more of an option, in my mind, when you need surge
20 capabilities for a couple years and you can go out and
21 perhaps invest in a lease that gets you through a tough
22 period. But then at the end of the day, you don't have the
23 responsibility for maintaining it afterwards.

24 So right now I am focused on procuring, getting the
25 appropriation, and building an icebreaker that we will have

1 for a good three decades and be able to rely upon, and use
2 it for the full set of Coast Guard missions.

3 And that brings in the other argument, the legal
4 argument, under the various leasing options that we have
5 looked at, you can use it for icebreaking, but you can't
6 necessarily use it for law enforcement and defense-related
7 operations, where you need a sovereign military vessel that
8 belongs to the United States.

9 So my recommendation, my strongest recommendation to
10 you, is we proceed in getting a Coast Guard owned icebreaker
11 or two as we go forward, and put our efforts into that. And
12 then who knows what happens in the future. Maybe there are
13 some times where you need to surge for a couple years,
14 because of conditions, and a lease might make sense for
15 that.

16 But my strongest recommendation is staying with the
17 Coast Guard owned.

18 Senator Landrieu: Well, thank you. I think this has
19 been a very, very good first panel. And, Admiral, thank you
20 for your testimony.

21 Admiral Papp: Thank you, Chairman, for having this
22 hearing.

23 Senator Murkowski: Chairman?

24 Senator Landrieu: Yes, go ahead.

25 Senator Murkowski: If I might just ask one more brief

1 question, because we focused a lot about the activities up
2 north, but I think we also recognize that one of the very
3 significant responsibilities of the Coast Guard in this
4 region is fisheries enforcement.

5 And unfortunately, we have seen an increase in the
6 illegal, unreported, the high seas driftnet fisheries.
7 Could you just comment, briefly, Admiral, on what we're
8 seeing out there? Is it an increased volume of traffic, a
9 level of sophistication that we haven't seen before? And
10 how are we doing in combating this illegal activity?

11 Admiral Papp: Yes, ma'am.

12 And I would like to have my staff or myself, when both
13 of you get back to Washington, and give you a classified
14 briefing on what is going on there.

15 But I would call this fishing piracy that is going on.
16 Right now, we are prosecuting a case, the high endurance
17 cutter Rush, as I mentioned, is almost all the way to Japan
18 but still under Admiral Ostebo's tactical control.

19 And we have been working across the Government. We
20 have something called the Maritime Operational Threat
21 Response Organization, which works across State and Justice
22 and other departments. And we have come to a national
23 objective of seizing what amounts to, we found out now, is a
24 stateless vessel that has 40 tons of fish.

25 They put 8 miles of net out there and collect

1 everything that flows through it, killing off a lot of
2 species, and picking up migratory stocks that perhaps would
3 come back to Alaska waters. And they have 40 tons of fish
4 onboard.

5 We have a boarding team on board right now on the
6 cutter Rush, and we are working to come to either pass this
7 off to China, perhaps, for prosecution, because there is a
8 claim -- well, there are Chinese citizens on board that are
9 manning the ship. But it is stateless, as far as we can
10 determine. And as a fallback, we can bring it back to the
11 United States for prosecution as well.

12 Senator Landrieu: I hope we are filing charges not
13 just against the man operating the ship but the buyers of
14 these fish and tracking it down to the networks that are
15 really funding these kinds of illegal operations. And we
16 will commit to work on that.

17 I think people would be horrified at home to hear --
18 well, we are at home, but the lower 48 -- to hear about what
19 is really going on here in these waters.

20 But thank you, Admiral, we appreciate it.

21 Admiral Papp: Thank you, Chairman, and thank you,
22 Senator Murkowski.

23 Senator Landrieu: And our next panel, and we're going
24 to conduct the next panel for about 30, 35 minutes.

25 As you are introduced, if you come forward? There'll

1 be very brief introductions and the Senator may want to add
2 some words.

3 But Mark Meyer serves as vice chancellor for research
4 at the University of Alaska at Fairbanks, where he oversees
5 administration of the university's \$123 million per year
6 research enterprise that supervises the university's stand-
7 alone initiatives. Prior to serving in this capacity,
8 Chancellor Myers held various senior executive and
9 scientific research in petroleum industry positions,
10 including the State of Alaska pipeline coordinator.

11 Welcome, Dr. Myers.

12 Our next is Merrick Burden, executive director of the
13 Marine Conservation Alliance. Mr. Burden is executive
14 director of a group of industry harvesters, processors, and
15 communities engaged in the North Pacific and Bering Sea
16 seafood industry. He can probably shed some light on what
17 we just spoke about.

18 Their role is to seek practical solutions to
19 sustainable fisheries management through sound science and
20 application of law.

21 And finally, Mr. Bruce Harland, vice president of
22 Alaskan international contract service, Crowley Marine
23 Services, a business unit responsible for the U.S. West
24 Coast international markets. Crowley provides ship-assisted
25 and escort services, salvage, and oil spill response

1 equipment; contract towing services; Atlantic transportation
2 services; et cetera, et cetera.

3 So all three of these gentlemen have tremendous
4 experience in areas that our subcommittee is exploring
5 today.

6 And, Dr. Myers, why don't we you begin with you? I
7 think we have asked for 5 minutes of opening testimony. And
8 then we will go through probably just one round of
9 questioning, but go right ahead.

10 Try to pull the mike a little closer to you, and you
11 may have to adjust it, or you can pull it off, like I did.
12 I am not sure it's on. One of the staff may turn that on.

13 STATEMENT OF MARK MYERS, VICE CHANCELLOR FOR RESEARCH,
14 UNIVERSITY OF ALASKA FAIRBANKS

15 Dr. Myers: Thank you, Chairman Landrieu, Senator
16 Murkowski, for the opportunity to speak. But also, thank
17 you for coming to Alaska.

18 You can't get a perspective on the size and scope of
19 the State and the challenges the Coast Guard faces until you
20 actually see it in place.

21 The State is vast. The Coast Guard's mission is vast.
22 Just to give you an example, almost 30 years ago, I worked
23 in the oil and gas industry, and we did an exploration well
24 in the Navarin Basin. That was after working in Louisiana.

25 Senator Landrieu: You're going to have to speak a

1 little louder. It is going to be hard, so just kind of lean
2 into your mike.

3 Dr. Myers: Is that better?

4 Senator Landrieu: That's better.

5 Dr. Myers: Almost 30 years ago, when I first came up
6 to Alaska, I worked on an oil exploration well in the
7 Navarin Basin. And we used a much larger helicopter, a
8 Chinook, then the H-60 here, much more capable in terms of
9 distance.

10 In order to get to the well site, we had to replace
11 almost all the seats on the helicopter with inboard fuel
12 tanks, and we could only take a few people at a time, over 4
13 hours of over-ocean conditions out of Nome, the closest
14 major port and facility with fuel and an airport.

15 And we didn't wear our exposure suits. To simply
16 explain that, if you went down, the exposure suit, you would
17 not survive long enough. There would be no rescue.

18 So to give you scope, that was one well almost 400
19 miles offshore in Alaska. That is the scale and scope of
20 issues.

21 And we went off in the closest possible location that
22 had an airport and fuel.

23 So the areas we're talking about are huge in scope, and
24 the Coast Guard's mission is very, very challenging in that
25 way.

1 I'm going to focus my testimony on the Arctic itself,
2 the Arctic region, so sort of the Bering Strait into the
3 north. And in addition to the huge responsibilities the
4 17th District has, the Arctic is going to be a very big
5 challenge.

6 As you had mentioned, we are seeing major changes in
7 environmental conditions. We're also seeing a significant
8 drive toward resource development, circumpolar in the
9 Arctic, a lot of that driven by oil and gas potential, the
10 USGS 2008 study pointed out, as you did, 13 percent of the
11 undiscovered resources. That equates to about 90 billion
12 barrels of oil and about 44 billion barrels of natural gas
13 liquids. That is a huge amount of petroleum potential out
14 there. And countries are exploring, whether it be the U.S.
15 or other countries, it is happening as we speak.

16 At the same time, there are immense mineral deposits in
17 the Arctic, in addition. Coal deposits, lead, zinc, iron
18 ore, nickel in the Arctic that are being considered for
19 development, now that we're seeing possibilities for
20 shipping.

21 Ecotourism has been mentioned. That is becoming a much
22 larger industry in the Arctic as people want to get north
23 and see this country.

24 And then finally, Arctic shipping, Arctic shipping and
25 possibly Arctic fishing. As we see opportunities to develop

1 resources in the Arctic, the ability of the northern sea
2 route becomes a real possibility with ice-strengthened
3 hulls.

4 So we're seeing those major pushes in the development
5 side. At the same time, the change that is happening in the
6 Arctic is happening very rapidly.

7 As a simple analog, it is really about water.
8 Fundamentally, the Arctic is frozen. And as it warms up, it
9 is becoming much less frozen.

10 Simply put, that means seasonally, much longer open
11 water seasons. And also, the glue that holds the Arctic
12 coast together is permafrost. Permafrost is really just ice
13 within the soil. As we lose that, as it changes, the coast
14 erodes much more quickly.

15 As we lose sea ice, there are huge environmental
16 feedback mechanisms that take place that increase warming.
17 Again, ice reflects really well, reflects sunlight. The
18 open ocean absorbs sunlight. Ocean acidification and other
19 factors are occurring.

20 So we're seeing in the Arctic in major transition, both
21 in the case of the resources that are available, but also in
22 the environmental conditions.

23 So research to understand those conditions is extremely
24 important. And the Coast Guard has a significant role in
25 that through the Healy.

1 The Healy is a unique U.S. asset. It can carry about
2 35 scientists. It has tremendous laboratory capacity. It
3 is, basically, our major Arctic research vessel that can
4 work in the areas to the north, where we have ice conditions
5 still.

6 Again, the ice changes we're seeing both on the fringes
7 of the summer months -- September is the least amount of sea
8 ice -- but also as you move further north, it is still very
9 much ice.

10 The Healy can break about 4.5 feet of ice. It can work
11 in conditions that no other surface vessel that the U.S.
12 Government operates can. It has been doing that work very
13 well.

14 For instance, in determining the basic shape and
15 conditions of the Arctic basin and any potential claim that
16 the U.S. might make in the future under the Law of the Sea,
17 the Healy, along with the St. Laurent, the Canadian service,
18 has been for multiple years working to acquire the basic
19 seismic and bathymetric data sets so we understand both the
20 Canadian and Russian claims, and a U.S. claim or protest
21 should we decide to go that route.

22 So it's a critical vessel. That vessel is also the
23 only working icebreaker we have. So if it gets called off
24 for other search and rescue areas, the scientific missions
25 must quit.

1 So it is a very challenging condition to have only a
2 single icebreaker. The Polar Star will become critical, to
3 see it operational. Also, a medium icebreaker can only
4 really work in single season ice. It can't do the heavy
5 lifting that a heavy icebreaker can, in the sense of dealing
6 with more severe ice conditions.

7 But again, the Healy becomes a critical asset. The
8 Coast Guard cooperation with the National Science Foundation
9 has led to fundamental research changes and understandings
10 in the Arctic. And if we lose that capacity, or if we can't
11 maximize that capacity, the country will lose a significant
12 amount of research capacity.

13 Secondly, the opportunity to do transformational
14 approaches is available. If you think about these
15 helicopters, there are very few of them. The H-60 is land-
16 based only. That is really the only seaborne helicopter
17 that can be carried by cutter. They can't cover much of the
18 ground.

19 We need to start using more unmanned systems, unmanned
20 aerial vehicles, unmanned submarines, submarine gliders,
21 remote sensing systems, coupled with the fundamental
22 traditional way that we do Arctic domain awareness.

23 The university is working in strong partnership with
24 the Department of Homeland Security through various funded
25 research projects, one of which is a cooperative between

1 DHS, the Department of Homeland Security, and the
2 universities of Alaska and Hawaii working jointly.

3 One of the products of that research is an Arctic
4 domain awareness system that uses very small portable radars
5 with their own small portable supply mostly powered by wind
6 and solar, but a little bit of backup diesel. Those radars
7 can sense sea ice.

8 Along with unmanned aerial vehicles, along with
9 satellites, we can do a much better job of detecting ice
10 along the coast. We can also use it, potentially, to locate
11 vessels. The power source and the communication system then
12 can be used to relay critical information for other sensors.

13 So the ability to put coastal, small-scale, portable
14 systems out there, combined with other assets, really
15 revolutionizes our ability to see and understand the
16 conditions that are occurring in the Arctic, giving a better
17 picture.

18 It is crucial that we build systems that can work under
19 ice. Again, if you look fundamentally, much of the year,
20 the coast is still covered. We need to understand what is
21 under the ice. We need to understand, should there be a
22 catastrophic oil spill, to be able to model and actually map
23 the movement of that oil under ice, also to understand the
24 ecological changes that are occurring under the ice as well.

25 So there's a lot of new technology and approaches that

1 universities are in the forefront, that the partnership with
2 Homeland Security are really important.

3 At the same time, it is very important the Coast Guard,
4 in my opinion, start adapting and using more of these
5 approaches. Being able to launch small, unmanned aerial
6 vehicles off their ships, for example, would be a huge
7 leveraging system.

8 [Statement follows:]

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1 Senator Landrieu: Thank you very much.

2 I am very happy that you mentioned that, because, as
3 the Senator knows, I plussed-up the research budget of
4 Homeland Security by \$200 million. I feel very strongly in
5 investing in research dollars.

6 And, Senator, we can work to direct a portion of that,
7 I think, with the support of the department, to more of this
8 kind of research for the Arctic, because we have to operate
9 more smartly. And I think the new technology with these --
10 this unmanned technology could give us more eyes in the sky,
11 using our satellites, et cetera, a smarter way for the Coast
12 Guard to catch these perpetrators, like this one that put an
13 8-mile net across the ocean, as well as using it for others.

14 So, thank you.

15 Mr. Burden?

16 STATEMENT OF MERRICK BURDEN, EXECUTIVE DIRECTOR, MARINE
17 CONSERVATION ALLIANCE

18 Mr. Burden: Before I start, I would just like to
19 express my thanks. It is a great honor to be here this
20 morning. I appreciate the invitation. So I will just go
21 ahead and get started.

22 I would like to thank the chair and ranking member of
23 the subcommittee for holding this hearing today. I would
24 also like to thank Senator Murkowski for her ongoing
25 commitment to the United States Coast Guard, the Alaska

1 fishing industry, and fishing-dependent coastal communities.

2 For the record, my name is Merrick Burden, and I am the
3 executive director of the Marine Conservation Alliance.

4 MCA is a broad-based coalition of seafood harvesters,
5 processors, fishing-dependent coastal communities, Western
6 Alaska community development port organizations involved in
7 the Federal ground fish and shellfish fisheries off of
8 Alaska.

9 MCA was formed to promote the sustainable use of north
10 Pacific marine resources by present and future generations.
11 MCA supports research and public education regarding the
12 fishery resources of the North Pacific and seeks practical
13 solutions to resource conservation issues.

14 The fishing industry off Alaska generates over \$3
15 billion at the wholesale level and supports over 80,000 jobs
16 directly and indirectly on an annual basis. It is the
17 largest private-sector employer in the State of Alaska, and
18 it employs individuals from all over the United States who
19 come to Alaska to work as fishermen, seafood processors, or
20 in support industries.

21 In many areas of coastal Alaska, the seafood industry
22 is the dominant source of employment, and is the economic
23 driver for those communities.

24 The fisheries of the North Pacific have often been
25 called one of the success stories of fishery management.

1 The volume of fishery resources extracted from the northern
2 Pacific and Bering Sea number in the millions of tons
3 annually, and many fisheries in the region have been
4 certified as sustainable by third-party verification
5 processes.

6 This multibillion-dollar economic engine relies upon
7 sustainable management practices, which means domestic
8 regulations and international treaties must be enforced.

9 These fisheries take place in some of the most remote
10 areas of the United States and in some of the most hazardous
11 maritime conditions found on Earth. Sea ice and gale force
12 winds are commonplace in the region and frequently provide
13 hardship for those that live and work in the area.

14 In the fall of 2011, for instance, the City of Nome,
15 Alaska, required that an icebreaker assist in getting a fuel
16 tanker to the city, in order for residents there to have
17 heat and energy for the long winter.

18 During the snow crab season of this past winter, the
19 crab industry was forced to hire a tug for 3 months to
20 regularly clear ice from the St. Paul Harbor so that crab
21 vessels could safely access the harbor to deliver their
22 catch.

23 In addition to these specific examples, each year
24 fishermen injured at sea are airlifted from their vessels
25 and transported via helicopter to Kodiak or Anchorage, over

1 100 miles away.

2 Despite the remoteness of this region, substantial
3 amounts of commerce make their way between North America and
4 Asia via the North Pacific great circle route. Ships
5 traveling between the U.S. West Coast thread their way
6 through the Aleutian Islands, typically passing through
7 Unimak Pass, which lies to the east of Dutch Harbor.

8 Occasionally, these ships find themselves in distress
9 and in need of assistance. At times, these ships have
10 drifted ashore and broken apart, spilling fuel oil or their
11 cargo into the waters of the North Pacific.

12 Only a handful of years ago, this very thing occurred
13 and threatened to impact the fishing industry due to
14 concerns from consumers over the possibility of contaminated
15 seafood. The fishing industry responded by conducting water
16 quality assessments and fish contamination tests to
17 alleviate these concerns.

18 While these assessments cost a great deal, the seafood
19 industry in Alaska depends on consumer confidence in their
20 products. Although there have not been any apparent impacts
21 on the seafood industry from these events yet, increased
22 shipping traffic increases a risk that there may be impacts
23 in the future.

24 Madam Chair, the United States Coast Guard plays an
25 important part role in these waters, which matter a great

1 deal to the North Pacific seafood industry.

2 The seafood industry has long viewed the United States
3 Coast Guard as not only a welcome presence but a necessary
4 partner. The Coast Guard's task in this region is enormous.
5 At times, the Coast Guard is the lifeline of the industry as
6 they aid fishermen in distress. They play the part of
7 incident management and response.

8 At other times, they enforce domestic regulation and
9 international treaties or agreements, such as the observed
10 Russia-U.S. maritime boundary.

11 These activities often take place in severe conditions
12 where gale force winds, heavy seas, sea ice, and freezing
13 spray are present that not only affect the ability of
14 fishing vessels to harvest fish from these waters but also
15 affect the ability of the Coast Guard to perform rescue
16 operations, or to respond to other incidents.

17 In these instances, mere minutes can mean the
18 difference between a successful response and an unsuccessful
19 one.

20 This means that reliable, up-to-date equipment that can
21 stand up to these conditions is a vital component of the
22 Coast Guard's mission in Alaska and to the people that rely
23 upon the Coast Guard for their well-being.

24 The fishing industry is inherently at the whim of the
25 natural environment. As the natural environment changes, so

1 must the seafood industry.

2 One place that is experiencing relatively dramatic
3 change is the Arctic. Information indicates that crab,
4 salmon, and some species of ground fish may be extending
5 their range northward from the Bering Sea and spilling into
6 the Arctic. If commercially valuable fish and shellfish
7 become established in sufficient numbers, it is possible
8 that fisheries will look to expand northward as well.

9 Recently, however, the North Pacific Fishery Management
10 Council voted to close these waters to fishing for many
11 types of species until more is known regarding the ability
12 of this environment to support commercial fishing
13 activities. This means that for the foreseeable future, we
14 do not expect to see much fishing in this region.

15 Over the longer term, it appears possible for fisheries
16 to develop in the Arctic. But due to conditions that are
17 present in this area, it is difficult for us to imagine
18 fishing activity occurring at the same scale which it does
19 in the Bering Sea.

20 In any event, when you U.S.-based commercial fishing
21 activity takes place in the Arctic, if it does at all, it is
22 almost certainly many years away and, therefore, the needs
23 of Coast Guard as it relates to domestic fishing activity in
24 the Arctic appears limited for some time.

25 However, other user groups are eyeing the Arctic, such

1 as the oil and gas industry. These developments will
2 require additional resources, which further expand the Coast
3 Guard's mission off Alaska.

4 It recently came to our attention that the Coast
5 Guard's 17th District is facing a 19 percent reduction in
6 the number of cutter days that can be used for fisheries law
7 enforcement. Our understanding is that this reduction is
8 being driven by the retirement of older Coast Guard assets,
9 which have not been replaced, and the reprioritization of
10 remaining assets to operations in the Arctic.

11 The seafood industry is concerned that this reduction
12 will impact safety, enforcement, and management of North
13 Pacific fisheries.

14 We would ask that Congress provided funding necessary
15 to maintain a fisheries-based Coast Guard presence that is
16 more similar to recent years, while also providing funding
17 that will be necessary for the Coast Guard's expanding role
18 in the Arctic.

19 Madam Chair, I want to thank you and members of this
20 committee for providing this opportunity to testify to you
21 today. I would be happy to answer any questions.

22 [Statement follows:]

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1 Senator Landrieu: Thank you very much.

2 Mr. Harland?

3 STATEMENT OF BRUCE HARLAND, VICE PRESIDENT, COMMERCIAL
4 SERVICES, CROWLEY MARINE

5 Mr. Harland: Good morning, and thank you for allowing
6 me to speak with you this morning.

7 My name is Bruce Harland, and I am the vice president
8 of contract services for Crowley Marine Services, a company
9 that has been operating in the Alaskan Arctic continuously
10 since 1957.

11 I'm also here as a representative of the American
12 Waterway Operators and its member companies that supply
13 valuable transportation services to Alaskans.

14 In preparation for the meeting, the members first
15 agreed on our definition of the Alaskan Arctic as the region
16 west and the north of the Unimak Pass.

17 This area is characterized by extreme weather events,
18 changing and unpredictable ice conditions from year to year,
19 draft limitations, and, above all, a remote region where
20 assistance can be many hours or even days away.

21 AWO member companies have worked within these
22 limitations to develop a safe, efficient, and cost-effective
23 system to provide transportation and fuel delivery services
24 to villages and businesses in the region. The tools we have
25 developed include fleets to deliver supplies in shallow

1 waters; operating material such as float hoses to deliver to
2 island tanks; spill response plans; landing craft used where
3 no docks exist; procedures to be followed that capture best
4 practices; and above all, experienced, professional mariners
5 who have an intimate knowledge of the region.

6 Over the last 5 years, we have witnessed a dramatic
7 change in the Arctic with reduced but still unpredictable
8 ice conditions, increased interest in resource development
9 in the outer continental shelf, adventure tourism, and talk
10 of new polar shipping routes.

11 The U.S. Coast Guard is now developing strategies to
12 respond to this change and AWO member companies would
13 propose these areas of focus:

14 Accurate charting and hydrographic information. Most
15 areas in the region have little or no up-to-date charts.
16 Increased use of electronic charting and aids to navigation
17 embedded into electronic charts would be a significant
18 improvement. The navigable rivers and bays are especially
19 critical for safe navigation.

20 Increased AIS coverage in the area to identify other
21 vessels for security, collision avoidance, and potential
22 assistance.

23 Vessel traffic system for Unimak Pass and the Bering
24 Strait to improve safe passage.

25 More accurate weather and tide information for the

1 region.

2 Improved search and rescue capabilities and incident
3 response in the region. This could be with a combination of
4 new assets and facilities in the region.

5 Improved icebreaking capabilities. This would again
6 provide search and rescue capability, security for the
7 region, and could potentially extend the marine season by
8 opening up the ice for shipping during the shoulder seasons.

9 A deepwater Arctic port. This is currently being
10 investigated by the State and the Army Corps, and could be
11 utilized as a forward deployment point for the U.S. Coast
12 Guard.

13 In conclusion, we would like to leave you with a final
14 thought. AWO members have been safely operating in the
15 region for many years and, in conjunction with both the U.S.
16 Coast Guard and the State of Alaska Department of
17 Environmental Conservation, have developed effective systems
18 for the safe transportation of cargo and bulk fuels vital to
19 the health and development of the local cities and villages
20 in Alaska. Significant regulatory changes that would alter
21 this transportation system could have a very large impact on
22 the fragile economic health of the region already suffering
23 from the high cost of basic necessities, such as heating
24 fuel.

25 Thank you.

1 [Statement follows:]

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1 Senator Landrieu: Thank you.

2 We're going to start with Senator Murkowski's
3 questioning.

4 Senator Murkowski: Thank you, each of you, for your
5 contribution here. I think as we think about the role of
6 the Coast Guard, it is easy to think about the icebreaking
7 capacity, the helos that we need, the response cutters. But
8 I think the recognition is that there is an expanding role
9 in so many different sectors.

10 And, Bruce, you mentioned what we are seeing with the
11 increased shipping traffic. As there is more water, you are
12 going to see more ships. As there are opportunities to
13 decrease your costs by moving through the northern waterways
14 routes or up around the Northwest Passage, we are seeing
15 changes. And again, the Coast Guard's responsibility just
16 becomes that much more enhanced.

17 So I would like to focus just real quickly in terms of
18 what we're seeing with the volume of commercial shipping and
19 traffic.

20 I am going to show the chairman here a picture that
21 shows the volume of ships. These are the numbers of ships
22 that move through Unimak Pass.

23 Now, Unimak Pass is here on the Aleutian Islands. And
24 when you're transiting from the lower 48 from Seattle, you
25 either come around the Aleutian chain, which is all the way

1 up here, or you cut through Unimak. So you have a choke
2 point here at Unimak. The distance here is about 12 miles,
3 I understand.

4 You also have a choke point here in the Bering Sea,
5 where it is about 50 miles across.

6 But right now, we don't have any rules of the road, so
7 to speak. And you have a level of shipping traffic that is
8 heading north.

9 Mr. Harland, can you speak to what you are seeing, how
10 you view the significance of waterway management, I guess
11 for lack of better terminology, as we're seeing the volume
12 of ship traffic in and around our Arctic and northern
13 waters?

14 Mr. Harland: Waterway traffic is one of the most
15 critical issues facing the State of Alaska, and we have seen
16 that transportation of oil and refined products, those
17 incidents have dropped dramatically. And where we see the
18 difficulty is in the foreign cargo ships, which are using
19 Unimak Pass. It's innocent passage. They are on their way
20 from an international voyage to a U.S. port or a Canadian
21 port.

22 And if they have engine trouble, if they have steering
23 gear go out, then they are at the whim of the weather. And
24 the Selendang Ayu is an incident that was a devastating
25 impact to the City of Unalaska and the region, which spilled

1 oil and a whole cargo of soybeans.

2 And part of that funding from that incident is doing
3 the Aleutian Islands risk assessment study. And they are
4 looking at how we can make Unimak Pass and the Bering Sea
5 routes safer, and what kind of vessel traffic system can be
6 put in place that still abides by international law, that
7 you can't impede innocent passage, but allows some
8 safeguards and some regulation of the traffic.

9 We're seeing 70 or so ships a year ago that go to Red
10 Dog Mine and come back down through the straits. As the
11 Northwest Passage and the northern sea route become more
12 popular, especially in the marine season, the 120 days they
13 can operate, you're going to see continued traffic increases
14 through there.

15 I suspect that it will be a slow buildup, but right
16 now, Unimak Pass is the single largest transit point in the
17 State of Alaska and the most risk for an incident.

18 Senator Murkowski: It is appropriate that we note it
19 is not only the commercial shipping traffic.

20 We have cruise ships, Madam Chairman, that are now
21 going through the Northwest Passage there.

22 You mentioned the ore. We have the minerals coming out
23 of Red Dog. It is a level of ship activity that is truly
24 unprecedented.

25 Let me ask this question to you, Mr. Burden. And in my

1 opening comments I noted that District 17 is facing 19
2 percent reduction in the availability of cutter days for
3 fisheries law enforcement. And you spoke to not only the
4 role that Coast Guard plays in terms of search and rescue, I
5 think it is important to note for the record that, last
6 year, District 17 responded to 586 search and rescue cases.
7 They saved 146 lives, and they assisted 712 mariners.

8 I think our fishermen know and respect the role of the
9 Coast Guard here, but it speaks to the significance of the
10 role of the Coast Guard within the fisheries industry.

11 So if the Coast Guard is seeing a reduction, will see a
12 reduction in the number of days they are actually out there
13 on the water, whether it is for fisheries law enforcement,
14 or whether it is for SAR cases, what does that mean to you
15 in the industry?

16 Mr. Burden: Thank you, Senator Murkowski.

17 It is very difficult to stress the significance of
18 those statistics that you just cited. They are not only
19 significant, they are also heroic, in many ways.

20 As you know, the environment of the Bering Sea can be
21 quite treacherous. And the expanse of the Bering Sea is
22 immense.

23 When it comes to the perspective of the seafood
24 industry, we are operating in some very hazardous
25 environments. And it often comes down to a matter of

1 minutes in response time. And those minutes mean the
2 difference between life and death, between a successful
3 response and an unsuccessful one.

4 And so, from the seafood industry's perspective, we
5 believe there is a certain level, a minimum amount of
6 resources that are necessary to adequately patrol not only
7 for enforcement but also to respond to safety incidents as
8 they occur, and not only a certain quantity of resources,
9 but also a certain quality of resources.

10 As you know, and as we have been speaking about here,
11 routinely, is the hazardous conditions. And I think it
12 would be a real tragedy to have an incident begin to occur
13 and have a delay in response time due to the inability to
14 start up something, for instance.

15 So we really are concerned about the level of response
16 capability and also the quality of that response capability.

17 Senator Murkowski: And, Dr. Myers, I appreciate also
18 your discussion about the role that UAVs can play. I think
19 it is significant that when Healy was escorting the Renda
20 north, you're looking to find that path of least resistance
21 through the ice. And we have some pretty smart folks out
22 there that I think realized toward the end that one of the
23 better, more effective ways to find those leads, those
24 breaks in the ice, was through the use of UAVs that they
25 were able to launch and run out there. And it made the

1 passage doable.

2 I think we appreciate that we can do so much more. As
3 Senator Landrieu has mentioned, we can utilize these for
4 fisheries enforcement, as you're out over incredible open
5 areas where to have manned aircraft and a helicopter out
6 there, it's tough. So how we can utilize that more I think
7 is going to be critically important to us.

8 You also mentioned the mapping. I think it is
9 important to acknowledge that, as we speak, NOAA is out
10 there, gathering additional coastal topography data.

11 Madam Chairman, they are essentially mapping an area
12 that has not been mapped since Captain Cook was sailing
13 these shores in the 1800s. Now, if you're a navigator,
14 you're a mariner out there, I think you'd like to know that
15 your data is just a little bit more up to date.

16 But, Dr. Myers, can you give me any other examples
17 where the University of Alaska is cooperating, whether it is
18 with what NOAA and Fairweather are doing, whether it is your
19 research with the UAVs, how are you are partnering with the
20 Coast Guard to help with the expanding role in the Arctic?

21 Dr. Myers: Thank you, Senator Murkowski.

22 First of all, I would like to really say how pleased
23 the university is with the support we have been getting from
24 the Coast Guard. Admiral Ostebo has been up to the
25 university many times. We have had great conversations on

1 emerging technological approaches, both how we can get
2 support from the Coast Guard but also how the Coast Guard
3 might employ some of the new systems and ideas coming
4 online.

5 So it has been a very, very constructive dialogue. And
6 as you have pointed out, and other panelists have pointed
7 out, the Arctic has really some unique characteristics, not
8 the least of, it is very dark and very cold for much of the
9 year. And traditional observational systems that might work
10 in the gulf don't work so well in the Arctic for those
11 reasons. We lack support infrastructure.

12 So as we look at those concepts, again, any time we
13 combine and merge sensor technologies together, we have a
14 better picture of the Arctic.

15 You mentioned the UAVs, in the example. UAVs can be
16 used with all sorts of other instruments, not just optical
17 cameras. They have 3-D presence. They can loiter longer
18 than aircraft can. They don't risk a pilot. You can afford
19 to lose them if you have to.

20 So they are a key technology, but they are not unique.
21 Better integration of the satellite technologies that are
22 out there, new technologies like hyperspectral being used.

23 I will just give you an example. When you have oil in
24 ice, you get a very different spectral signature. You have
25 a very hard time telling pond water from oil, just because

1 of the characteristics. Now take that into the darkness.

2 So you can see, you have to use different sensors. You
3 have to use a different set of mixtures. We have to
4 understand those systems. We need not only to do the
5 research, but we then need to operationally integrate those
6 in.

7 So, there is one example, better fusion and approaches
8 of the technology.

9 One area we are very excited about is the National
10 Science Foundation is funding a new oceanographic research
11 vessel specifically designed to work in Arctic waters, the
12 Sikuliaq, which will launch in October.

13 Now, it is capable of breaking about a meter of ice.
14 Again, not nearly as capable as a heavy or medium
15 icebreaker, but can work on the fringes. It has very good
16 scientific capacity. So we see great opportunities for
17 collaboration between the Sikuliaq and the Healy, for
18 example, real opportunities.

19 You mentioned the mapping. We need much more multi-
20 beam sonar data, to get to the bathymetric data down,
21 particularly as we move further north, it gets pretty
22 shallow pretty quickly.

23 Deepwater port studies to look at possible locations,
24 at port clearance, and really look at what are the
25 conditions, what are the challenges there environmentally,

1 what is the utility.

2 And then finally, an area of important collaboration is
3 the university has operated local community colleges out in
4 the rural communities. We have strong, established
5 relationships with these communities of trust between and
6 collaborative education and participatory science where the
7 communities participate. That relationship is very handy in
8 terms of developing a core trust and core communications in
9 the social sciences.

10 So as you look at resiliency of communities, that is
11 another area. And social response to change, and to
12 disasters, and to search and rescue, the university can play
13 a really good role working with the Coast Guard in terms of
14 building better relationships and more resiliency in local
15 communities, and bidirectional information flowing from
16 those communities to our agencies.

17 Senator Murkowski: We appreciate what you are doing.

18 Thank you, Madam Chairman.

19 Senator Landrieu: Thank you.

20 Our hearing is just about ready to come to a close. I
21 think the testimony has been terrific.

22 I just would like to end with one question to you, Dr.
23 Myers. You oversee a research budget of about \$123 million.
24 What are the two or three areas that you're focusing your
25 own budget on, believing that you would be setting your own

1 priorities that might serve as some guidance to the Federal
2 Government, in terms of our research dollars?

3 Dr. Myers: A lot of those priorities have been driven
4 by gaps of knowledge and also by my experience as director
5 of the U.S. Geological Survey and seeing where some of those
6 gaps are.

7 Senator Landrieu: Could you list just one, two, or
8 three that you are directing?

9 Dr. Myers: Yes. Number one is oil spill response in
10 the Arctic. We have to do it differently. As you
11 mentioned, we don't have the capacity, and we so we need to
12 be a lot smarter in terms of how we do it. So new and
13 emerging technology and approaches to understand oil, to
14 build better predictive models of where oil would flow, to
15 be able to monitor oil better, should we get to a worst-case
16 scenario.

17 The university is targeting not the current exploration
18 stage, but 10 or 15 years down, should we have, as expected
19 -- at least in my opinion, as expected -- development of
20 year-round production from the OCS.

21 So building those capacities, filling those gaps, has
22 been something we have invested quite significantly in.

23 Fundamental oceanographic research and partnerships.
24 For instance, ocean acidification is something we are
25 investing in, to understand, because we have so little data.

1 And there is really very little funding coming out of
2 Federal agencies to look at ocean acidification in the
3 Arctic. They're looking at it elsewhere, but not so much in
4 the Arctic. Another key area.

5 Understanding the social drivers and dynamics of
6 resiliency. How do we build better communications and
7 trust? I think the example of the Macondo spill and the
8 community response is a key example of where we can do a
9 better job of communications, how can we develop better
10 approaches of bidirectional communication with communities,
11 how do we pump out reliable information to communities that
12 they trust?

13 So authoritative data coming to this communities, so
14 they can be part of the solution and engaged early on, which
15 has been a challenge, whether it be the Exxon Valdez or
16 whether it be the Macondo spill. Those are, I think,
17 another area, so the social science research piece is also a
18 place where we prioritize.

19 Senator Landrieu: Well, I think this has been
20 excellent testimony.

21 And again, Senator, thank you for suggesting that we
22 have this field hearing. It has been really eye-opening,
23 and it is just the beginning. It is my first day, and I am
24 looking forward to 3 more days down here on the ground.

25 I thank Admiral Papp. I thank the men and women of the

1 Coast Guard Air Station hear in Kodiak for hosting this
2 wonderful event.

3 I remain committed to providing the men and women of
4 the Coast Guard the tools they need to accomplish your many
5 missions.

6 We will leave the record open, as is customary, for 2
7 weeks for other members to submit questions or for other
8 testimony to come from the community at large, comments from
9 the community at large.

10 So the subcommittee will hold the record open for 2
11 weeks, until close of business Monday, August 20.

12 Senator Murkowski: And, Madam Chairman, I would just
13 ask unanimous consent that the testimony that we have
14 received from Lieutenant Governor Treadwell that was
15 submitted to the committee be submitted for the record. We
16 do have that. He had asked me to do just that.

17 Senator Landrieu: Absolutely. We will, without
18 objection.

19 [Information follows:]

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1 Senator Landrieu: And the meeting is adjourned.

2 [Whereupon, at 11:38 a.m., the hearing was adjourned.]

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