

**KEEPING THE COAST GUARD
“ALWAYS READY” IN ALASKA**

FIELD HEARING
BEFORE THE
SUBCOMMITTEE ON OCEANS, ATMOSPHERE,
FISHERIES, AND COAST GUARD
OF THE
COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE
ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION

AUGUST 12, 2011

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ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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KEEPING THE COAST GUARD “ALWAYS READY” IN ALASKA

FRIDAY, AUGUST 12, 2011

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

The Subcommittee met, pursuant to notice, at 11:38 a.m. at the University of Alaska-Anchorage, Edward Lee Gorsuch Commons Building, Sharon Gagnon Lane, Anchorage, Alaska 99508, Hon. Mark Begich, presiding.

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

Senator BEGICH. We will go ahead and call this field hearing open. This hearing is on Keeping the Coast Guard “Always Ready” in Alaska.

We are pleased to welcome Admiral Papp once again to Alaska. Thank you for being here, and thanks for bringing the great weather. That is how it works with the Coast Guard. Is that right?

Admiral PAPP. Yes, sir.

Senator BEGICH. You only operate in good weather. But thank you very much, and as Chair of the Senate Commerce Committee Subcommittee on Oceans, Atmosphere, and Fisheries, and Coast Guard, we have had many opportunities, I know, in Washington to have discussions about the needs not only for Alaska, but for the Coast Guard in general.

Again, thank you for being here, and I noticed you have your wife here. And I know you told her that you are going to give her as much free time as possible, which I am not sure has occurred yet. So, thank you again for being here.

The Coast Guard is an incredibly important part of Alaska. We are proud to host the largest Coast Guard base in the United States in Kodiak. This is where the men and women of the air station communication stations on the Cutter MONROE, ALEX HALEY, and the SPAR brave the notorious Bering Sea to rescue mariners in distress, and protect our fisheries by enforcing our laws.

In Valdez, Anchorage, in June, the Coast Guard sectors vessel traffic services and aids in navigation, protect our economic lifelines and treasured marine environment by ensuring the safety of marine commerce and responding to marine pollution incidences.

And throughout southeast and south central, the Coast Guard cutters, air stations, and small boat stations are the public safety department of the sea. They serve as law enforcement, fire, and rescue, and emergency services rolled into one multi-mission, maritime military service that we could not do without.

Today's Coast Guard is facing a host of challenges. With an aging fleet of cutters and aircraft, the service is in the middle of a major and expensive recapitalization effort. As we have heard, however, Washington is looking to major cutbacks in the government's spending. In jeopardy is the funding for the new cutters and aircraft that we need the service to have so it can do the job to protect us. In addition, the Coast Guard is being asked to take on new challenges in the Arctic as melting sea ice opens the region to new resource development, shipping, and tourism.

As Admiral Papp pointed out during a meeting of this subcommittee just a couple of weeks ago in Washington, Alaska's Arctic needs new infrastructure to adequately address these issues. Today we want to focus on some of those questions. How should we ensure that Coast Guard funding gets priority? How will the service adapt to budgetary realities?

The Coast Guard needs more than just ships and airplanes to reform its many missions. However, Team Coast Guard is made up of active duty, reserve, auxiliary, and silver service members. These more than 3,900 Alaskans—I'll be patient. Do we need to do anything? No? These more than 3,900 Alaskans, plus the families that support them, are the true heart of the service. From Ketchikan to Kodiak, they are the members of our communities. We see them in grocery stores, volunteering in the schools, and maybe even fishing for halibut or salmon once in a while. We need to ensure they have the support they need to keep the Coast Guard *semper paratus*—always ready—in Alaska.

I know all of these issues are important to Admiral Papp, and I look forward to discussing them with you and having an opportunity to hear your comments.

Admiral Papp.

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

Admiral PAPP. Well, good morning, Chairman Begich. First of all, it is great to be outside Washington, D.C. and back in Alaska. And, sir, any time you want to hold a Senate hearing in Anchorage, I would be delighted to come out here and accommodate that.

Senator BEGICH. And we will do it in the summer.

Admiral PAPP. Yes, sir. So, I want to thank you once again for your continuing support of our Coast Guard.

As you fully and well know, the Coast Guard is no stranger to Alaskan waters. We have patrolled here since 1867 when Alaska was just a territory. And during the 19th century, we ensured the stewardship of seal herds and salmon fisheries. We introduced reindeer to provide more dependable food services for the native tribes. We treated the sick, and we were literally the law of both the sea and the land as our cutters crews would embark federal judges to dispense justice.

Today we are no longer the law of the land, but we continue to patrol the Alaskan waters, safeguard the public, protect the environment and its resources, and maintain a sovereign presence in the Alaska and Arctic maritime.

Over the last weekend, as I did last year, I have been visiting our bases and observing our operations, and, most importantly, meeting with our Coast Guard men and women to see and hear firsthand what it is like to serve and live in our most extreme area of operations. Having traveled to Kodiak, to Anchorage, on to Valdez, Sitka, and even up to Barrow on the North Slope, and flying out to visit our icebreaker HEALY, I can report that our Coast Guard is ready to meet our mission demands, but we are also facing many challenges.

These challenges include, first, completing the acquisition of at least eight national security cutters or NSCs, to conduct high seas missions like fisheries enforcement patrols in the Bering Sea. Next, outlining our present and future infrastructure and surface requirements to operate and respond to operations in the Bering Sea and an increasingly iced diminished Arctic. And then finally, to adequately provide for the needs of the 1,600 Coast Guard active duties stationed throughout Alaska.

So, first on the completion of the national security cutter fleet, or NSC, it is our newest and most capable high endurance cutter, and it is critical to our ability to continue the Bering Sea's fisheries patrols, as well as other high seas missions, like drug interdiction in the Eastern Pacific.

NSC number one, the cutter BERTHOLF, just recently finished her first Alaska patrol, exhibiting remarkable sea keeping ability that enabled her to launch and recover her boats, boarding teams, and helicopters in sea states that heretofore we would have been unable to do with our legacy cutters.

NSC numbers two and three are complete, and we just started cutting steel on NSC number four. And I am confident that within the next couple of days or so, we will complete our negotiations on the contract for number five at a very reasonable price.

We definitely need at least eight national security cutters to preserve our future ability to protect our fish stocks, our fishermen, and our fishing industry. And as you know, a \$5 billion industry like that is responsible for thousands of jobs.

Second, we need to enhance our Bering Sea and Arctic response capabilities. Every year we respond to search and rescue cases along the Aleutian chain and in the Bering Sea. These are never simple requests for assistance; rather, extreme weather conditions and great distances make each of these missions an epic challenge with life or death circumstances.

In order to reduce our response times, we follow the fishing fleet and forward deploy our helicopters and flight crews. For instance, during the winter of grabbing season, our helicopter crews forward deploy to Cold Bay and also to St. Paul Island. However, conditions for our crews at these locations can be very austere. Cold Bay, in particular, is a challenge. The hangar is in disrepair. It has no heat, and there is only limited berthing, which is graciously provided by the Alaska State troopers. Our crews do not complain be-

cause they know that being forward deployed ultimately saves lives.

However, it is vital that we invest in upgrading Cold Bay because it lies at the crossroads of the Bering Sea. Even when our crews are not seasonably deployed here, numerous helicopter missions stop in Cold Bay to refuel as they fly missions along the Aleutian chain and into the Bering Sea.

Up in the Arctic Circle, as you know, the ice conditions continue to diminish, and an entire new ocean is emerging. These new waters are spurring an increase in human activities, such as natural resource exploration, shipping, and eco-tourism. Oil companies are seeking and obtaining permits to conduct exploratory drilling. Increased vessel traffic, including large foreign tankers, are using Russia's ice free northern sea route, which exits through the Bering Sea into our richest fishing ground. And small cruise ships are pressing even further above the Arctic Circle.

However, we have extremely limited Arctic response capabilities. We do not have any infrastructure on the North Slope to hang our aircraft, moor our boats, or sustain our crews. And I have only one operational icebreaker.

We need to be about the business of finalizing our capability requirements to meet our responsibilities in these new Arctic waters, which still remain frozen and dark for much of the year. Our recently released high latitude study provides us with an excellent first strategic look at our Arctic risks and needs.

I remain very concerned that our nation currently has only one operational icebreaker. Having ice capable surface assets is vitally important, both for science, sovereignty, and many other missions. Indeed, most of our search and rescue missions, or even environmental response, you need a surface ship to carry out the response. Surface assets can break out and tow a ship. They can clean up oil. Aircraft cannot.

Going forward, as Arctic oil exploration starts and advances toward production, we need to decide what Arctic pollution response capability we want our Coast Guard and our nation to have. While oil companies can assert they have sufficient assets on the scene to respond to a worst case discharge scenario, prudence dictates that we also acquire an appropriate level of Arctic pollution response capability. Presently, we have none.

We also need the Senate to accede to the Law of the Sea Treaty. All other Arctic nations and most other nations worldwide have already done so. U.S. accession would secure important rights to ensure the Coast Guard mobility, freedom of navigation, and provide us with greater influence to shape desired national outcomes for maritime safety, security, and environmental protection.

With that said, I want to assure you that we remain committed to Alaska. Following the loss of a helicopter out of Air Station Sitka last year, we immediately re-racked missions at other Coast Guard stations to obtain a back-fill helicopter. Operations in Sitka are too important to allow them to go below three helicopters. We are also pleased that Congress has since appropriated funding to replace this helicopter.

Additionally, I am temporarily assigning a fifth HH-60 helicopter at Kodiak to support the crab season, and in 2013 I will per-

manently assign an HH-60, pending appropriation in the Fiscal Year 2012 budget request.

I also plan to station two of our new Sentinel class fast response cutter patrol boats in Ketchikan. In the interim, I am moving one of our older patrol boats, a 110-foot patrol boat, from Miami to Ketchikan until the FRCs arrive.

Finally, I cannot forget our hard working Coast Guard men and women and their families who serve here, and many in remote locations. We appreciate your continued support in enabling us to provide for these families. In the Coast Guard, we work as a crew, but we also serve as a family, and there is nothing more important than ensuring the needs of our Coast Guard families are being met.

So, in conclusion, thank you, sir, for the opportunity to testify today, and I look forward to your questions.

[The prepared statement of Admiral Papp follows:]

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

Good morning, Chairman Rockefeller, Ranking Member Hutchison and distinguished members of the Committee. I am pleased to be here today to discuss the Coast Guard's operational presence in the Arctic. I thank you for the opportunity to testify before you today.

An Evolving Arctic

The United States is an Arctic Nation, and the Coast Guard has been operating in the Arctic Ocean since Alaska was a territory to assist scientific exploration, chart the waters, provide humanitarian assistance to Alaskan Native tribes, conduct Search and Rescue (SAR), and enforce the law. Today our mission remains remarkably similar to what it was in 1867; however, as open water continues to replace ice, human activity is increasing. With increasingly navigable waters, comes increased Coast Guard responsibility.

Along with our statutory responsibilities, U.S. Arctic policy is set forth in the 2009 National Security Presidential Directive (NSPD) 66/Homeland Security Presidential Directive (HSPD) 25. The Arctic Region Policy directive identifies objectives for the Arctic including directing the Department of Homeland Security to work with other nations and through the IMO to provide for safe and secure Maritime Transportation in the Arctic. NSPD-66 also directs the Secretaries of State, Defense, and Homeland Security, in coordination with heads of other relevant executive departments and agencies to carry out the policy as it relates to national security and homeland security interests in the Arctic. Executive Order 13547 (National Policy for the Stewardship of the Ocean, Our Coasts, and the Great Lakes) adopts and directs federal agencies to implement the recommendations of the Interagency Ocean Policy Task Force. These recommendations include, as one priority objective, identifying and implementing actions to address changing conditions in the Arctic through better stewardship. The Coast Guard is moving forward to execute its responsibilities under these directives.

The Coast Guard is the Nation's principal maritime safety, security, environmental protection and law enforcement entity. We have the lead role in ensuring Arctic maritime safety, security and stewardship.

From an operational perspective, in order to meet the requirements set forth in NSPD 66 and EO 13547, we must determine our Nation's vessel requirements for transiting ice-laden waters, consider establishing seasonal bases for air and boat operations, and develop a force structure that can operate in extreme cold and ice. As a matter of policy and stewardship, the Administration encourages the Senate to ratify the Law of the Sea Treaty. Law of the Sea has become the framework for governance in the Arctic. Every Arctic Nation except the United States is a party. As our responsibilities continue to increase in direct proportion to the Arctic's emerging waters, it is more vital than ever that the United States accedes to the Law of the Sea Treaty.

Arctic Trends

The Arctic domain has been gaining national attention. Gradually increasing accessibility to waters previously covered by ice has increased the significance of maritime issues including freedom of navigation, offshore resource exploration and exploitation, and environmental preservation. Observations and trends relevant to Coast Guard operations include:

- *Dynamic changes in ice conditions:* The recession of the ice edge continues to open new water in the summer months. While there is less ice and more water, the unpredictable movement of existing ice flows and uncharted waters beneath a previously frozen sea could present risks to ships that venture into these waters.
- *Offshore Resource Development:* Oil companies are in the process of taking advantage of drilling and exploratory opportunities in the Arctic. In May 2011, Shell submitted a plan of exploration to the Bureau of Ocean Energy Management Regulation and Enforcement (BOEMRE) that details company plans to drill exploratory wells in the Chukchi Sea beginning in 2012. Other companies, including ConocoPhillips and Statoil, own leases on the Arctic outer continental shelf and may submit exploration plans as well. Shell is currently in the process of retrofitting a mobile offshore drilling unit (MODU), the *Kulluk*, designed for drilling in the offshore Arctic environment and plans to have the drilling platform operational in the spring of 2012. Shell modified their exploration plan and updated their worst case discharge estimates from 5,500 barrels per day to 24,000 barrels per day to comply with new BOEMRE requirements. The Coast Guard received Shell's revised oil spill response plan from BOEMRE in May 2011 to review worst case discharge estimates against the current Area Contingency Plans and is now updating the North Slope and Northwest Arctic Sub-area Contingency Plans to reflect this new activity.
- *Extended Continental Shelf:* This summer marks the fourth year the U.S. Coast Guard Cutter (CGC) HEALY and the Canadian icebreaker *LOUIS ST. LAURENT* will work together to collect seismic and bathymetric data in the Arctic Ocean. This data is necessary to delineate the outer limits of the continental shelf beyond 200 nautical miles.

Meeting Homeland Security Needs in the Arctic

As part of a multi-agency effort to implement the Arctic Region Policy, the Coast Guard continues to push forward and assess our Arctic operational limits. In 2008, 2009 and 2010 the Coast Guard set up small, temporary Forward Operating Locations on the North Slope in Prudhoe Bay, Nome, Barrow and Kotzebue, AK to conduct pulse operations with Coast Guard boats, helicopters, and Maritime Safety and Security Teams. We also deployed our light-ice capable 225-foot ocean-going buoy tenders to test our equipment, train our crews and increase our awareness of maritime activity in the region. Additionally, from April to November we fly two aircraft sorties a month to evaluate private, commercial, and governmental activities. These initial missions have provided valuable information that we are applying to future operations, gaining insight on infrastructure requirements and force structure development.

Protecting the Maritime Environment

To protect the Arctic environment, we engage industry and the private sector to address their significant responsibilities for pollution prevention, preparedness, and response capability. Recognizing that pollution response is significantly more difficult in cold, ice and darkness, enhancing preventative measures is critical. Those engaging in offshore commercial activity in the Arctic must also plan and prepare for emergency response in the face of a harsh environment, long transit distances for air and surface assets and limited response resources. We continue to work on raising awareness of these challenges, and foster continued development of contingency plans, and communications.

While prevention is critical, the Coast Guard must be able to respond to pollution incidents where responsible parties are not known or fail to adequately respond. The Federal On-Scene Coordinators and their staffs at Sector Juneau, Sector Anchorage, and Marine Safety Unit Valdez provide incident management expertise and limited pre-positioned response equipment. Additionally, the Coast Guard Pacific Strike Team based in Novato, CA maintains response equipment and specialized personnel which can deploy to the Arctic on short notice. Furthermore, Air Station Kodiak C-130 crews are trained to deploy the Aerial Dispersant Delivery System (ADDS) out of Anchorage.

We have exercised the Vessel of Opportunity Skimming System (VOSS) and the Spilled Oil Recovery System (SORS) in Alaskan waters, but we have yet to conduct exercises north of the Arctic Circle. Both of these systems enable vessels to collect oil in the event of a discharge. The VOSS is deployable and capable of being used on a variety of ships and the SORS is permanently stored and deployed from the Coast Guard's 225-foot ocean-going buoy tenders. However, these systems have limited capacity and are only effective in ice-free conditions.

The Coast Guard needs to test and evaluate these systems in icy waters. Notably, the President's Fiscal Year 2012 Budget supports research and development work, including research on oil detection and recovery in icy water conditions.

There are five Oil Spill Removal Organizations (OSROs) classified in the State of Alaska that support vessel and facility response plan holders. Two large OSROs service Prince William Sound and Prudhoe Bay; one OSRO provides response capabilities in Cook Inlet; and two service the Aleutian chain and Southeast Alaska with response capability for refined products only. None of the OSROs in Alaska are classified for open ocean responses.

Fisheries are also a major concern. The National Marine Fisheries Service, based on a recommendation from the North Pacific Fisheries Management Council, imposed a moratorium on fishing within the U.S. EEZ north of the Bering Strait until an assessment of the practicality of sustained commercial fishing is completed. Regardless of the outcome of this assessment, the Coast Guard will continue to carry out its mission to enforce and protect living marine resources in the region.

Facilitating Safe, Secure, and Reliable Navigation

The Coast Guard continues to update the Waterways Analysis and Management System to determine navigational requirements, vessel traffic density and appropriate ship routing measures. The Coast Guard is also moving forward with a Bering Strait Port Access Routing Study, which is a preliminary analysis to determine navigational and vessel traffic and other safety requirements. This study is in the initial phase and, because the Bering Strait is an international body of water, this requires coordination with the Russian Federation before it can be acted upon by the International Maritime Organization (IMO).

Supporting Multi-Agency Arctic Region Policy Implementation

The Coast Guard continues to support international and multilateral organizations, studies, projects and initiatives, including work with the Arctic Council, IMO and their respective working groups. The Coast Guard also conducts joint contingency response exercises with Canada and maintains communications and working relationships with Canadian and Russian agencies responsible for regional operations, including SAR and law enforcement. Additionally, Secretary of State Hillary Clinton recently signed an Arctic SAR agreement, which memorialized the intent of all Arctic nations to cooperate in SAR operations. The Coast Guard will continue to engage Arctic nations, international organizations, industry and Alaskan state, local and tribal governments to strengthen our partnerships and inter-operability. To meet this end, the Coast Guard is cooperating with the Department of State, BOEMRE, the National Oceanographic and Atmospheric Administration (NOAA) and others in leading U.S. participation in the Arctic Council and EPPR to develop an Arctic wide instrument focused on improving availability and access to Arctic capable equipment and personnel for catastrophic incident response.

In particular, engagement with Alaskan Native Tribes continues to be highly beneficial. Efforts to learn from their centuries of knowledge—and their willingness to share it—have made operations safer and more successful. This year, the Coast Guard is again working with tribes in remote villages on the North Slope and along northwestern Alaska to conduct boating safety exchanges. The Coast Guard is working hard to ensure tribal equities are recognized and considered. The Coast Guard continues to value our partnerships with our Native Alaskan friends.

CGC HEALY is presently supporting Arctic research efforts throughout the summer and into early fall. These operations are supporting research by the National Aeronautics and Space Administration (NASA), Naval Research Lab, National Science Foundation, Office of Naval Research, and the Department of State. Presently, NASA scientists are aboard CGC HEALY conducting their ICESCAPE mission—"Impacts of Climate on Ecosystems and Chemistry of the Arctic Pacific Environment" to study the impacts of climate change in the Chukchi and Beaufort seas. NASA does part of this mission from space—but also needs "boots on the ice" to better understand satellite data from this complex and emerging region.

Law Of The Sea Treaty

All other Arctic nations and most other nations worldwide have acceded to the Law of the Sea Treaty. Arctic nations are using the treaty's provisions in Article

76 to file extended continental shelf claims with the U.N. Commission on the Limits of the Continental Shelf (CLCS) in order to expand the territory over which they have exclusive rights to resources on and beneath the Arctic seabed. If the United States made an extended continental shelf claim, the Nation could potentially assert sovereignty over 240 miles of additional seabed territory out to 440 miles from our land base line, far beyond the existing 200 nautical mile Exclusive Economic Zone. This area reportedly contains some of the richest deposits of oil and natural gas in the Arctic. However, until the United States accedes to the Law of the Sea Treaty, it is unlikely CLCS will entertain any U.S. submission of an extended continental shelf claim. Acceding to the Law of the Sea Treaty also provides the United States with standing to work within the Law of the Sea Convention framework with other Arctic Nations on issues such as environmental stewardship. As such, the Administration, along with other industry and academic leaders, supports favorable action on the part of the U.S. Senate with regard to the Law of the Sea Treaty.

Current Arctic Capacities And Limitations

The U.S. Coast Guard's extensive history of Arctic service provides both experience and an expansive network of governmental, non-governmental, and private partnerships to draw upon. However, while summer operations continue to provide valuable lessons and help us gain insights regarding the Arctic, we must acknowledge the seasonal limitation of these efforts.

There are few national assets capable of operating in the harsh Arctic maritime environment. As new capabilities are developed, the Coast Guard will work to ensure its force structure is appropriately sized, trained, equipped, and postured to meet its Arctic mission requirements. Currently, the Coast Guard has one operational ice breaker, the 11-year-old HEALY, a medium icebreaker or Polar Class 3, specifically adapted for scientific research. Our two heavy polar ice breakers, or Polar Class 1s, are not operational. The 34-year old POLAR SEA has been out of commission due to a major engineering casualty, and is now in the process of being decommissioned. The 35-year old POLAR STAR, which has been in a caretaker status since 2006, is currently undergoing a major reactivation project, funded by 2009 and 2010 appropriations, and is expected to be ready for operations in 2013. Surface capability is vital to meet our responsibilities in the region. Although the risk of an incident in ice-covered U.S. waters is currently low, our Nation must plan for ice capable assets in the future that can effectively carry out SAR and environmental response in ice-laden waters. In the near term, the Coast Guard can utilize the HEALY to manage the response or rely on our foreign arctic partners that have icebreakers operating in the area.

The Coast Guard's most immediate operational requirement, however, is infrastructure. Energy exploration is emerging on the North Slope of Alaska, but the existing infrastructure is extremely limited. The Coast Guard needs facilities to base crews, hangar aircraft, and protect vessels in order to perform prevention and response missions.

Conclusion

With an emerging Arctic Ocean comes increased national operational responsibilities. National Security Presidential Directive (NSPD) 66/Homeland Security Presidential Directive (HSPD) 25 and Executive Order 13547 guide the Arctic region mission objectives for all agencies including the Coast Guard. To meet NSPD 66's and EO 13547's direction, the Coast Guard is working closely with its many inter-agency partners, and Alaska State, local and tribal governments. For the past 4 years, the Coast Guard has been conducting limited Arctic operations during open water periods. However, as operational tempo increases in the Arctic, the Coast Guard will require specialized vessels, aircraft, and crews trained to operate in extreme climates.

The nation must build toward a level of mission performance and preparedness commensurate with the relative risks posed by Arctic activity. The Coast Guard must continue working amongst the interagency to refine future mission requirements, identify the precise mix of national assets, capabilities and infrastructure needed to meet these requirements, and look for collocation opportunities. Coast Guard will continue to seek out opportunities with our Arctic neighbors and the global community to address the critical issues of governance, sovereignty, environmental protection, and international security.

While there are many challenges, the increasingly open Arctic Ocean also presents unique opportunities. The relatively undeveloped infrastructure, current low commercial maritime activity levels, and developing governance structure provide an opening to engage in proactive, integrated, coordinated, and sustainable U.S. and international initiatives. The Coast Guard looks forward to working with the Con-

gress on how we can support our emerging national objectives and responsibilities in the Arctic Ocean.

Thank you for the opportunity to testify today. I look forward to your questions.

Senator BEGICH. Thank you, Admiral Papp. And again I want to thank you and your folks here not only in Alaska, but around the country, because any time there is a disaster, no matter where it is, they are—you draw from wherever your resources are. So, thank you for the men and women that work for the Coast Guard, both in uniform and civilian. They do an incredible job. And it is always a pleasure to go to the facilities, but also to go to some of the events that they are engaged in, such as the annual recognition of the work they do. So, thank you for that.

Let me, if I can, you hit on one thing, and this will be very quick. I ask you this on every opportunity because I continue to want to make it part of the record. You said it toward the end there, and that is just briefly the importance of the Law of the Sea. It is, at least from my perspective, it is the one document that it seems like everyone agrees. It is just the process of getting it to the Senate and have some action on it.

But, again, for the record, the Coast Guard is supportive of the Law of the Sea at this point.

Admiral PAPP. Oh, absolutely, Mr. Chairman. We have—I have stated that publicly in almost every forum I go to. And we are continuing to work and make the round and speak to whatever group that will listen to us to press the need for this to be acceded to.

Senator BEGICH. Excellent. Let me—there is an effort—I know the Arctic Council did some work in regards to oil spill or rescue coordination, but now they are kind of focused with the Arctic nations in regards to oil spill technology and what can be done in the future.

The Oil Spill Commission recommended that the Coast Guard work to involve more state and local in the planning and training through regional councils. And we will have some of those later that you and I will have a chance to listen to. Can you give me kind of your thoughts on how the Coast Guard will take that recommendation from the Oil Spill Commission, and what to do with it next, and how to engage local communities? I know we are doing it here obviously in the Prince William Sound and the Cook Inlet, but the Arctic will be a future opportunity in the Gulf obviously.

Admiral PAPP. Yes, sir. I agree completely with the philosophical concept of engaging. The Coast Guard is unique amongst our five services because for the most part, we are assigned locally. We have become parts of the communities that we live in. And it is not unusual for us, even in a large port like New York or any of our sectors, where we have safety committees, we have maritime security commissions. We bring in state, local, federal NGOs all together under the auspices of our Coast Guard to listen, to gain consensus, and to leverage each other, and form partnerships in order to get the jobs done. In fact, one of my principles by becoming Commandant is to strengthen our partnerships, knowing full well the Coast Guard could never do the job on our own, nor do we know everything, and we need to rely on other people's advice and counsel.

I carried that forward by going up to the North Slope during this visit and spending parts of two days up there listening to Mayor Itta, listening to the assembly, talking to the people in the community, and getting a feel for what goes on up there. This is all very important to us.

The ultimate codification of that concept is—would be a regional committee. Whether we need an official regional committee in the Arctic I think is something that is worthy of further consideration and discussion. I think it works well in areas like—for instance, I met with the group over in—

Senator BEGICH. Prince William Sound.

Admiral PAPP.—in Valdez for Prince William Sound yesterday. And I think that that has developed and served us well over time. Whether we need something as formalized as that, I am not confident at this point, but I certainly agree that we have to engage all parties, listen to their concerns, and we will continue forward with that.

Senator BEGICH. Very good. Let me ask you. I know Canada is doing some work with—you mentioned our icebreaker capacity, and I should have—I want to ask you. We have three. Two are not operational right now, and the one we have is how old, that is out there right now?

Admiral PAPP. The one that is out there right now is the Cutter HEALY, and she is coming up on 12 years old right now.

Senator BEGICH. Twelve years. And I think what Canada is doing, and I am just looking at my notes here, is an Arctic capable offshore patrol. There has been about \$3.3 billion in the aid of these facilities. Is that something that is worthwhile looking at—it is not a full icebreaker, but it is Arctic capable—for patrol and enforcement. Is that worthy of the Coast Guard? I know you just finished your high latitude study and had a lot of resource needs which we would need in the Arctic. Does this fit into it, or is what Canada is doing just a little bit different in what their targeting goal is?

Admiral PAPP. Well, they are looking at ice capable vessels—

Senator BEGICH. Right.

Admiral PAPP.—and I think the concept of ice capable vessels is good. In fact, it is our intention next summer to bring up a couple of ships, which I call ice capable. We have 225-foot buoy tenders, our WLBS. We have 16 of them in service; they are very versatile, capable ships. We use them for breaking ice on the Great Lakes. And, in fact, we have one of them deployed in the Eastern Canadian Arctic this summer in Operation Nanook. We have once before sent one up to the North Slope, and it was probably the most successful large cutter that we have had up there. It has an ice strength hull. It can do minimal icebreaking.

It is my intention at this point to send two of them up next summer because I think we have the capacity to do that. And try to keep a one ship presence at all times up there as exploration starts, also to give us some additional experience.

That should inform decisions made in the future. Obviously I have got acquisition project baselines—

Senator BEGICH. Right.

Admiral PAPP.—working right now that I need all the capacity within our acquisition budget to execute. Taking ice capable above and beyond what we have right now is another step beyond that. But, as I said, I believe we have got ice capable ships.

Senator BEGICH. Do you think you have some that are close or similar capacity to what Canada is doing that you can have ice capable? Again, it is not icebreaking; it is ice capable, meaning that they could sustain—

Admiral PAPP. Yes, sir, that is correct. And I would say the only lack of capability that these ships that I would—that we would deploy up there and have is that they do not have a helicopter flight deck. I think ideally what you would like is to have a ship up there that does have a flight deck, that can hangar helicopters. You really—if you can put a ship up there that has got worldwide communications, it is ice capable, it has a flight deck and can hangar helicopters, you almost eliminate your need for shore side infrastructure—

Senator BEGICH. Right.

Admiral PAPP.—because you have got it all there.

Senator BEGICH. You have got it all there. It is a floating—

Admiral PAPP. A floating city.

Senator BEGICH. Yeah. Tell me the experience, and I know you mentioned on the national security cutter, the BERTHOLF, was there anything as you are continuing to construct new facilities, did you learn something off of that experience that said, aha, we have got to maybe make some modifications? Or tell me how—I know you mentioned it went well, but did you—was there things in that that really told you, we got to make some modifications? What was your experience in that, or is too early to kind of know at this time?

Admiral PAPP. I have seen no problems. Now, I did not ride BERTHOLF in the Arctic. I have got good reports from the Commanding Officer. But I did have an opportunity a few months ago to go to the Cutter WAESCHE, the sister ship, which was operating off San Francisco at the time. Had a chance to ride the ship for the entire day. I am a lifelong sailor. I am a ship captain. And I am almost tempted to trade in my stripes if I could go back and be captain of one of these ships. It just has such great capability. I saw no flaws. I saw nothing that steers me away from the course that we are on right now. We just need to get more of them out there because they allow our crews more flexibility, more capability, greater effectiveness, and greater comfort when they are operating in the harsh environments of the Arctic.

And as we know, the Arctic stretches all the way down to the Aleutian Islands—

Senator BEGICH. That is right.

Admiral PAPP.—for our purposes. And they have got to be able to operate from the Gulf of Alaska all the way up above the Arctic Circle.

Senator BEGICH. So, at this point, there is nothing that stands out—it seems like a pretty good ship to continue to construct and develop at this point.

Admiral PAPP. Absolutely. And we have a fixed price for it now.

Senator BEGICH. That is even better.

Admiral PAPP. As long as we have predictability of the shipyard. And, as I said, we are in the final negotiations on number five now, so I cannot talk much about it. But I am confident we are coming in at a good price. But what the shipyard does is it needs the incentive of a predictable funding stream in order for them to go out and buy long-lead items and other things to keep the price low and to keep the production line going.

Senator BEGICH. Very good. What—if I can move into another realm—we have a little bit of time left here before we go into the listening session. And that is, you have declared 2011 the year of the Coast Guard family. And I know your wife has been visiting some of the housing and some of the locations. Can you give me some of your thoughts on what we need to be doing? And I say we collectively. I know you are doing work on your end. But what does Congress need to do, because the most important thing—I mean, you know it better than anyone. If your families are well taken care of, the odds are you increase the capacity of response. And people who want to come to Alaska, work in these incredible conditions. I know it is the scorecard every Coast Guard family wants to get to come to Alaska. But it is tough work, and the families are an important part of it.

What are some of the things that you are working on? I know housing, we are going to hear later today from folks concerned about housing access capacity. But what are some of the other things that we need to be doing collectively to really make a difference for families, so when you put the call out for more folks to be part of the Coast Guard, there is not a hesitation? There is a great desire because it works not only for them as individuals, but for their families.

Admiral PAPP. What Linda and I have heard from our families up here, and, yes, sir, it is the year of the family. I think I made a mistake when I called it year of the family because it implies one year. We have a number of option years which we will exercise as we go along.

Senator BEGICH. For infinity basically.

Admiral PAPP. I am humbled. I am humbled when I come up to places like Alaska and other places in the country where I see these patriotic young men and women who join up and serve for the honor of serving, their dedication. And they will put up with shortcomings because they love what they do. They love being in Alaska, and they know they are making a difference. They are saving lives.

But they should not have to put up with some of the things they put up with. And if it was across all five of the services, I might understand. But I have had a chance to visit Navy bases, Air Force bases, Army forts, Marine Corps camps, and I have seen the housing that they have been able to build for their people over the last 10 years through public/private ventures and other means. And the Coast Guard has fallen woefully behind the other services in terms of the housing and other benefits that they are able to provide.

Part of that is that community—being stationed in the community that we talk about. We are in remote locations in small numbers. Therefore, it is hard to like what the other services do where they are primarily on large bases where they have multiple serv-

ices, family services, housing, and everything else. The Coast Guard always lacks the critical mass to get that done.

So, consequently, my estimate is we have about a \$2 billion backlog in shore projects. A lot of that is housing. Some of it is station buildings, piers, bulkheads, and other things. And we just, because of higher priorities—ships and aircraft, which if you do not repair them or replace them, they either sink or they fall from the sky. So, housing and shore things always tend to take a backseat unfortunately to some of the other higher demands that we have.

How we get about the business of chipping away at that backlog is a severe challenge for us, particularly as we go into more constrained budgets. But I would just ask for Congress's consideration and remembering that there are very needy Coast Guard families out there that need better housing. Some of our housing, while we do our best to try and keep it up, it is 50, 60 years old or more, and many times hand me downs from other services that have left—

Senator BEGICH. Some of it has actually been moved onto the Coast Guard bases that have been old stuff.

Admiral PAPP. Absolutely.

Senator BEGICH. You know, it is interesting the military—from the DoD end, you are right. There is this effort, this kind of public/private partnership where they have been able, because they have such quantity. Do you think there is an avenue, even though you have remote locations, maybe taking, you know, the top five or six or seven or maybe ten locations that have at least a marginal volume, batching them together into a national private/public partnership kind of deal where you can say to—like what they have done—I know here we have some incredible housing, you have probably seen it on the base here, that has been developed over the years. And it is a public/private partnership.

Is there way maybe that—because some of these companies do work nationally, they are all over the place—to say, okay, here are our 10 locations. We are going to batch them together. And what we want to do is the same thing that the Army did or the Air Force did where they do these 30-, 40-, 50-year lease programs where it is actually huge benefit for the servicemen and women. Is that worthwhile to explore do you think?

Admiral PAPP. Absolutely. Yes, sir. In fact, we have a number of locations right now where we have worked with the authorities that the Department of Defense has. And what we have done is we have done inter-service transfers of property. For instance, we have property in Hawaii where we transfer the property over to the Army. The Army has a public/private venture. They went in, tore down the old housing—

Senator BEGICH. Gotcha.

Admiral PAPP.—building new housing. And the Coast Guard is able to use it. Elmendorf has been great in terms of offering opportunities for our people, and we have other locations where the—for instance, I have Coast Guard people in Washington, D.C. that live down at Fort Belvoir in the public/private venture housing. So, we take advantage of that wherever we can.

We do inter-service trades wherever we can. But right now, the Coast Guard does not have its own authority to—

Senator BEGICH. Right.

Admiral PAPP.—to enter—we once had it, but then we ran into a problem because, I believe it is—I have to clarify this, but I believe it is a GAO rule in terms of scoring against your budget. And what you have to do is you have to come up with upfront money scored against your budget to the entire cost of the project, which we have never been able to absorb within our appropriation. So, we are investigating other ways we might get around that before we come back to all of you and ask for the authorities once again to enter into it.

Senator BEGICH. Well, I will tell you. I thought we would have a hearing without mentioning CBO, but I will leave that. Yeah. But, no, you know, you and I probably go crazy with the way they do their work. For the public as an audience, the Congressional Budget Office does all this scoring, which is really trying to figure out how things are paid for or not, and then later in life we find out they were off. But we will put that aside for another debate. I will do that in the Budget Committee, I will have that argument.

But I will say this, that we should look at this. I mean, I know there were some issues last time on the scoring. But as we move forward for reauthorization of the Coast Guard, you know, I think we are anxious, because I think the housing and the onshore facilities are critical. And if DOD can get the authorization, we got to figure out how to skin this cat, allow you the same authorization, or at least have that tool in your box. So, how you use it will be your determination.

But CBO is a mystery group. I do not know where they are in the Capitol, but they are probably in some room down with no windows. And they make stuff up, and they bring it to us, and we go, that is the answer, I guess. You have had to suffer through it. I have had to suffer through it.

Admiral PAPP. Well, just to show you how deeply I believe in this, we actually sold the Commandant's house. We owned a home in Chevy Chase for the Commandant for close to 45 years, I think it was. We looked at public/private ventures. The Air Force allowed us to get into it. I now live on Bolling Air Force Base in Washington, D.C., and I pay my housing allowance each month for at least—it is owned by a private company. And the Committee last year in our authorization bill gave us the authorities to take the proceeds from the sale of homes, turn that back into Coast Guard housing projects.

Senator BEGICH. Excellent.

Admiral PAPP. So, we sold the Commandant's house, the Vice Commandant's house, and the Chief of Staff's house. Brought in about \$4 million, which we will gladly now turn into housing for our enlisted people.

Senator BEGICH. Oh, that is great. Well, let us clearly work on that. I know we are at our last minute here. I will just say one thing in regards to that, and another area that we will want to work on. I know as I have traveled throughout the State, especially down in Ketchikan and Kodiak and others, as you mentioned, when you kind of look at the priorities of your ships, your airplanes, your air capacity, and then shore, it is always kind of the last to get the money just because you got to keep these moving.

As we figure out and work on the housing, let us—I know you need additional resources for facilities to maintain the air capacity and the water capacity. So know there are some efforts that we need to make in regards to ensuring that there are resources there to provide the facilities. Otherwise, you cannot do the full maintenance, or you are doing it because I have seen those guys. They are working unbelievable, and they are working in conditions that if they just had more space, or a better hangar, or a better docking facility, they could actually produce even more capacity and, my bet is, save us money. I am guessing that, watching how they have to work in very tight quarters when they are moving ships in and out to maintain them or aircraft. And so, that is an area of real concern that we have.

Admiral PAPP. And I would just put in a plug that we do have a lot of money in the 2012 budget, part of which goes towards Ketchikan—

Senator BEGICH. Right.

Admiral PAPP.—to prepare the piers and waterside facilities for those two patrol boats that we intend to put there in the future.

Senator BEGICH. And when is the timetable again on the patrol boats, do you think, the two new ones?

Admiral PAPP. We have to put critical mass—in other words, in terms of—we prepared support for them in Key West and in Miami, and that is where the first boats will go. That is why we are freeing up one of the patrol boats from Miami, will come up here to sort of fill a little bit of the gap right now.

I anticipate by the time we get the facilities built in Ketchikan and the patrol boats, given the expectation that that contract will continue on schedule, I think it is probably going to be about three or four years before the boats actually arrive in Ketchikan.

Senator BEGICH. But still, that is not bad at all.

Let me say, Admiral Papp, thank you very much. This is actually the official hearing, and what we are going to step into next, and I understand you are going to join me up here for a listening session. We have a great group of Alaskans and others who want to present on different issues to us, which we are anxious to accept.

The official field hearing will close now, but we will leave the record open for additional comments for the next weeks.

But, again, Admiral Papp, to your wife, thank you very much. And to your team that is here, thank you for what you do every day to keep our waters and air and keep our—especially our fishing season right now, which I know is very busy, keeping things safe on the line.

Thank you very much.

Admiral PAPP. Thank you, Mr. Chairman.

Senator BEGICH. This field hearing is adjourned, and we will reassemble as a listening session in just a few minutes.

[Whereupon, at 10:35 a.m., the hearing was adjourned.]