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THE PRESIDENT'S FISCAL YEAR 2007 BUDGET: COAST GUARD PROGRAMS IMPACTING MARITIME SECURITY

HEARING

BEFORE THE

SUBCOMMITTEE ON ECONOMIC SECURITY, INFRSTRUCTURE PROTECTION, AND CYBERSECURITY

OF THE

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THE PRESIDENT'S FISCAL YEAR 2007 BUDGET: COAST GUARD PROGRAMS IMPACTING MARITIME SECURITY

Wednesday, February 15, 2006

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON HOMELAND SECURITY,
SUBCOMMITTEE ON ECONOMIC SECURITY,
INFRASTRUCTURE PROTECTION, AND CYBERSECURITY,
Washington, DC.

The subcommittee met, pursuant to call, at 5:00 p.m., in Room 311, Cannon House Office Building, Hon. Daniel Lungren [chairman of the subcommittee] presiding.

Present: Representatives Lungren, Souder, Sanchez, Thompson, Dicks, Jackson-Lee, Langevin, and DeFazio.

Mr. LUNGREN. [Presiding.] The Committee on Homeland Security's Subcommittee on Economic Security Infrastructure Protection and Cybersecurity will come to order.

The subcommittee is meeting today to hear testimony on the president's fiscal year 2007 budget and Coast Guard programs impacting maritime border security.

Today, we will hear from Admiral Thomas Collins, the commandant of the United States Coast Guard. I want to thank the commandant for his testimony and his appearance before us today.

I know you leave tomorrow for a long trip overseas, and thank you for making it a priority to appear before this subcommittee.

As the lead federal agency for maritime security, the Coast Guard has the awesome task of protecting our waterways and securing our nation's ports. For over 200 years, the Coast Guard has done a great job patrolling and protecting our coastlines, which total over 95,000 miles.

The Coast Guard also plays a key role in pushing out our borders further from our shores in order to prevent terrorists and terrorist weapons from arriving at U.S. shores.

2005 proved to be a banner year for the Coast Guard, testing its assets, capabilities and personnel like never before. The year began in January of 2005 when the Coast Guard was called upon to provide support to Tsunami relief operations. The Coast Guard also maintained six patrol boats off the coast of Iraq in support of Operation Iraqi Freedom, and the nation watched in awe as the Coast Guard rescued over 33,000 persons in search and rescue operations in the wake of Hurricanes Katrina and Rita.

The Coast Guard performed admirably under extremely difficult circumstances, and I want to take this opportunity to commend the Coast Guard for its performance this past year.

But with such performance we want to ensure that the president's fiscal year 2007 budget request of $8.4 billion for the Coast Guard accounts for the inevitable toll placed upon legacy assets while also allowing for continued performance of the Coast Guard's vital homeland security missions, which does include ports, waterways and coast security, drug and migrant interdiction, defense readiness and other law enforcement as well as continued performance of the Coast Guard's non-homeland security mission.

Specifically interested to hear about the long-term effects this successfully arduous year may have had on the deepwater assets delivery schedules, including the Coast Guard's HH–65C Helicopter Reengineering Program and the delivery of the first national security cutter expected in fiscal year 2007.

The Coast Guard's budget plans to add another important homeland security mission to its repertoire: protection of the National Capital Region's airspace. This may beg the question, how does the Coast Guard plan to add this mission? Also the question, where will the assets and personnel in support of this mission come from?

We are very interested in your thoughts on the mission creep and would ask you to explain to us why the Coast Guard is the best suited federal agency for this particular mission.

Another are that I would like to explore today is the proposed transfer of the drug interdiction mission from the homeland security mission to a non-homeland security mission. I am concerned about such a proposal, because time has shown and intelligence has proven that drug traffickers and human smugglers often use the same routes, routines and techniques.

A hidden compartment on a ship conceals drugs, people or both. In addition to the fact that terrorist organizations utilize the drug trade as a means to finance its operation, I am concerned that that transfer in categories might somehow result in a loss of assets for that mission.

Coast Guard has announced its intention to transfer the current enhanced maritime safety and security team, commonly referred to as EMSST, to an interagency effort with the Departments of Defense and Justice with the 24/7 capability to be called the Maritime Security Response Team. This appears to be a worthwhile effort, but I have questions about the interagency negotiations that have taken place to date and how the responsibilities will be delineated and chain of command issues resolved.

Lastly, the committee is interested in learning about the proposed relocation of the Coast Guard headquarters. I understand the initial cost will be $50 million, not to mention $306 million GSA will be investing in fiscal year 2007. Is this the best use of federal resources at this time for this agency, and what will be the organizational benefits achieved through the new facility?

I have also been informed of an unfortunately accident that occurred this last week involving one of your older rescue helicopters not too far from my district on the coast of California. What does that say about the state of your current assets and their maintenance and also assets to take their place?

I look forward to the insights that you will provide us on these important issues today, and, again, I thank you for your appearance before the subcommittee.

I would now recognize the ranking member, Ms. Sanchez, for any opening statement she may wish to make at this time.

Ms. SANCHEZ. Thank you, Mr. Chairman.

And hello, Admiral Collins. Good to see you again here. Thank you for you coming up to talk to us today.

Whether it is rescuing the victims of Katrina or protecting our ports or stopping the flow of illegal drugs or rescuing distressed boats, people who are out for recreational reasons, the Coast Guard has actually proven to be really the bright light in most of what we see in our capability as far as a government agency.

Since 9/11, the Coast Guard has taken the lead in securing our ports in our maritime transportation system, and that is critical, especially to someone like me who lives just 20 minutes away from the third largest port system in the world, L.A. Long Beach Port, where 20 percent of trade that moves from outside comes through that area. So I am very thankful for the work that the Coast Guard is doing.

And I think you also understand, and you understood it almost from the very beginning, that an attack on our port is something that is significant. I remember the slowdown a few years ago at Christmastime in the port system where we had all of the ships lined up going all the way down almost to the Mexican border in California. And just the economic impact of things slowing down, I think it cost us, they estimated something like $2 billion a day for the 10 days that we had that lockout on the ports.

So I am very glad that you have all done a good job, have a commitment, have an agenda, have really managed well the port system, not just where I live but to the north up in the Oakland area. And I am sure across the United States you have been just as agile and wonderful about doing this. All from Katrina we saw the bright light was really the Coast Guard.

I am concerned on a lot of fronts. I am just concerned that your agency is taking on a lot of responsibility, that we are pushing a lot of new responsibility onto you in particular. For example, the mission of airspace security in the National Capital Region. And I am glad that the budget includes funding for that, but I am just apprehensive.

It almost seems like you are the good employer that is working harder, working better, and so the more you work the more things we throw at you, and there are other agencies and things that just are not getting the job done and not performing well and therefore more and more of the burden is falling to the Coast Guard.

So I want to voice my support for the development of the Maritime Security Response Team, which will be stationed in Virginia. I think it will enhance the federal government's counterterrorism capabilities in the maritime arena. And although the budget only funds an east coast team, I really would like to stress the importance of also having an east and a west coast team. I think that is important to both the chairman and myself as Californians.

I am also worried about the pace of Deepwater, the Deepwater Program, and I think that decreasing the funding for that program

is going to put the Coast Guard behind in having the fleet, the cutters, the aircraft that you need. So maybe you can during your time talk a little bit about if you have any concerns with respect to that.

I just think that we need to make available the assets that you need in order to do the good work that you are doing.

And, finally, Admiral, I understand that you will be retiring in May, and I want to thank you for giving 38 years of your life in service to this country.

And with that, Mr. Chairman, look forward to hearing the admiral's comments.

Mr. LUNGREN. I thank you for your comments, and you can understand that we view you as the antithesis of the government Maytag repairman. You guys are always ready but you are always used.

I would like to recognize now the Ranking Minority Member of the full committee, the gentleman from Mississippi, Mr. Thompson, for any statement he may make.

Mr. THOMPSON. Thank you, Mr. Chairman, Ranking Member Sanchez.

Admiral Collins, welcome. I want to join the chorus of those individuals who thank you and other members of the Coast Guard for a job well done during the Katrina disaster that we had. My district and a lot other districts was significantly impacted by it. The bright star was the Coast Guard. Thirty-three thousand people absolutely could not have made it without your help and assistance.

I only wish the rest of FEMA and DHS could be equally as competent about how they do their job.

The other thing I am concerned about Deepwater. If we continue on the program as outlined with the cuts, I do not think we will make it. 2026 is far too long to try to retool our Coast Guard. I do not know what we will have left to retool if 2026 is the out-year. So some of us, as you know last year, supported significant resources for Deepwater in order to accomplish what we all agreed, that the Coast Guard is needed.

I am a little concerned that we get from this administration lip service, but when it comes time to really put the money where their mouths are, we come up short. I can assure you that a lot of us will work hard during this authorization effort to try to put additional monies where we know they have to be. Equipment wears out; it has to be replaced. So we will work on that.

I would like to also at some point get you to talk a little bit about what kind of equipment the Coast Guard used during Katrina and how did it fair under that, and have we replaced we wore out during Katrina? If not, we need to look at that as a source of concern for our part.

And, lastly, Ms. Sanchez indicated that you will, I would assume sometime this year, depart from the Coast Guard, and I would want to make sure that you know how I feel, along with the other members, that you have done a wonderful job. Your leadership has been admirable. And as they say, I wish you fair winds and following seas.

I yield back.

Mr. LUNGREN. Thank you, Mr. Thompson.

Other members of the committee are reminded that opening statements may be submitted for the record.

We are pleased to have the distinguished witness before us today on this important topic. And if I were to adequately go through your biography, we would have no time.

So I am just going to say that the chair recognizes Admiral Thomas Collins, commandant of the U.S. Coast Guard, to testify.

And let me just remind you, sir, that your entire written statement will appear in the record.

STATEMENT OF ADMIRAL THOMAS H. COLLINS, COMMANDANT, U.S. COAST GUARD

Admiral COLLINS. Thank you, Mr. Chairman and distinguished members of the subcommittee. It is a real pleasure and opportunity to appear before you to talk about the 2007 budget.

We are a very interesting organization. We have got a blend of law enforcement authorities, regulatory authorities, military authorities, Title 10 authorities. It is kind of a unique blend of authorities in our government, and it gives us a military, multi-mission, maritime character to our organization and a unique blend of humanitarian, law enforcement, regulatory, diplomatic capability that we can bring to bear.

And as you noted, Mr. Chairman, I think we did work pretty successfully at bringing all those authorities and capabilities to bear in 2005. I think it is pretty—we do not have a totally unbiased view of this but I think a pretty impressive record of accomplishment across our missions.

We have noted our aggressiveness and response to the hurricane disasters in the Gulf, but I would submit the lifesaving got a lot of the recognition, as it should, but we also responded to 8 million gallons of oil spills. We got the ports and waterways back, assessed and cleared and back in operation within a matter of—some were moving the next day. The intercoastal waterway was brought back to life.

We worked very, very hard, especially when about 80 to 90 percent of, in some cases, our aids-to-navigation were destroyed by the storm, and those were all put back either temporarily or permanent aids to keep the traffic moving.

So we were busy across the board, whether it was lifesaving or environmental protection or our waterways management business.

Other notable things that I am very, very proud of our men and women is our continued effort in our counterdrug operations. We have got this exponential curve of success going, which is a nice trend. We keep beating each year by some substantial margin the preceding year's total seizure of cocaine. We are surpassing last year 300,000 pounds of cocaine seized at sea, and our interagency coordination is being refined and getting better and better, our application of intel better and better, coalition forces, et cetera. And I think we are really making a dent on that and very, very proud of that trend of performance within the counterdrug operation.

Counterdrugs and counterdrug operations remain a very, very high priority with the United States Coast Guard.

But our people our delivering. You mentioned our role in port security and the implementation of these national ship and port secu-

rity code and Maritime Transportation Security Act. It is the biggest regulation in the history of the United States Coast Guard that we put into effect in less than a year, and we are getting great, great compliance rates out of that.

The 2007 budget, this is a challenging budget environment, as we all know, but I think I am pleased with the presentation that we have in the 2007 budget. It does position the Coast Guard to continue our record of operational excellence. It does provide for investments that strengthen our preparedness, that invest in our ability to be more aware of things going on in the maritime environment, and it builds on our capability to respond effectively as first responders.

For instance, nearly $100 million in operating expense funding to support our operation and maintenance of our cutters, as well as bringing on the new assets that we are requiring, and important funds within that envelope for sustaining our older cutters.

It also includes $89 million to build what we term maritime domain awareness. It is a fancy term to say, how do you get transparency of the people, cargo and vessels in the maritime through processes, systems and so forth? So there is investment in that, as part of Deepwater and elsewhere, automatic identification system infrastructure that we are implementing nationwide.

And, finally, of course, the big investment, as you have already alluded to, Mr. Chairman, is Deepwater. That is just the most important acquisition in the history of our service, back to 1790, as far as I am concerned. Incredibly important acquisition that is spread over a number of years.

And this budget does in fact allow us to keep going, pushing ahead forward on a number of important items within that budget, including the national security cutter, the modernization and the conversion of our helicopter fleet, the acceleration of our fast-response cutter, the patrol boat that does so much in the Caribbean and elsewhere. We are accelerating that by over 10 years and moving that forward.

So on a number of fronts, and this is just tip of the iceberg that I have mentioned, but a number of fronts that allows us to, again, build up preparedness, to get better at awareness of things happening in the maritime and in building the capabilities we need to do the job.

Look forward to the committee to work through these issues. I would be glad to answer the questions that you have already posed in your statement and be pleased to respond to those specific questions.

Thank you for the opportunity to appear before you, Mr. Chairman.

[The statement of Admiral Collins follows:]

PREPARED STATEMENT OF ADMIRAL THOMAS H. COLLINS

Good afternoon Mr. Chairman and distinguished members of the committee. It is a pleasure to be here today to discuss the Coast Guard's FY 2007 budget request.

The Coast Guard is one of the Nation's five Armed Services. Its mission is to protect the public, the environment and U.S. economic interests—in the Nation's ports and waterways, along the coast, on international waters and in any maritime region required to support national security. The Coast Guard is the lead Federal agency for maritime homeland security; a role supported by its unique complement of authorities, maritime capabilities, proven competencies, and longstanding domestic

and international partnerships. Executing this role requires a Coast Guard that is ready to act, enabled by awareness, as well as equipped to sustain an effective presence and mount an effective response to maritime threats.

Coast Guard forces are flexible, rapidly employable and able to respond to crises with a full range of capabilities. It is a military, multimission and maritime service that has adapted to growing mission demands to enhance maritime security while continuing to meet other mission requirements. For example, in 2005, the Coast Guard:

—*Secured the maritime border:*
- Completed verification of security plans, required by the Maritime Transportation Security Act (MTSA), for U. S. port and facilities and vessels operating in U. S. waters;
- Completed 31 foreign port security assessments in order to improve our awareness of foreign port compliance with international requirements;
- Prevented more than 338,000 pounds of cocaine (an all-time maritime record) and over 10,000 pounds marijuana from reaching the United States;
- Interdicted nearly 9,500 undocumented migrants attempting to enter the country illegally by sea, the second highest number of any average year in the past 20 years;

—*Enhanced national maritime preparedness:*
- Began comprehensive security reviews of waterside nuclear power plants;
- Created formal processes for addressing security concerns and requirements involving the siting of new shore-side Liquefied Natural Gas facilities;
- Established a new Area Maritime Security Exercise program requiring annual local exercises, and is designed to assess the effectiveness of the Area Maritime Security Plans and the port community's preparedness to respond to security threats and incidents. Funding appropriated for FY 2006 will bolster this effort significantly.

—*Strengthened partnerships:*
- Established a National Maritime Security Advisory Committee in order to provide a strategic public-private forum on critical maritime security topics;
- Launched *America's Waterways Watch,* a citizen involvement program that leverages the Coast Guard's relationship with the maritime public;
- Deployed the *Homeport* information sharing web portal, which allows for collaboration and communication in a controlled security environment (for sensitive but unclassified material) among Area Maritime Security Committee members and port stakeholders at large;
- Conducted more than 268,000 port security patrols, 5,800 air patrols and 26,000 security boardings; and
- Provided security escorts to over 10,000 vessels.

Saved lives and property:
- Saved over 33,000 lives in the wake of Hurricanes Katrina and Rita, one of the largest search and rescue operations in United States history;
- In addition to hurricane response, responded to more than 32,000 calls for maritime rescue assistance;
- Saved the lives of over 5,600 mariners in distress;

Protected the environment:
- Boarded more than 6,000 fishing vessels to enforce safety and fisheries management regulations, a 30 percent increase over 2004;
- Conducted more than 3,000 inspections aboard mobile offshore drilling units, outer continental shelf facilities and offshore supply vessels;
- Responded to 23,904 reports of water pollution or hazardous material releases from the National Response Center, resulting in 4,015 response cases;

—*Facilitated maritime commerce:*
- Kept shipping channels and harbors open to navigation during the Great Lakes and New England winter shipping season;
- Ensured more than 1 million safe passages of commercial vessels through congested harbors, with Vessel Traffic Services;
- Maintained more than 50,000 federal aids to navigation along 25,000 miles navigation channels;

—*Supported national defense*
- Safely escorted more than 169 military sealift movements at 13 different major U.S. seaports, carrying more than 20 million square feet of cargo;
- Maintained an active patrol presence in the Arabian Gulf in support of the U.S. Navy and allied naval units.

More than singular statistics or accomplishments, the above list, in total, demonstrates the winning formula of a military, multimission service founded on core operational principles such as flexibility, on-scene initiative and unity of effort. It is this time-tested operational model that allows the Coast Guard to meld its safety and security roles into a seamless set of maritime strategies designed to guarantee the safety and security of the U.S. maritime domain.

The FY 2007 budget request supports critical initiatives needed to preserve the Coast Guard's ability to respond to current mission demands, while enhancing capabilities to counter emerging threats and strengthen its preparedness across a broad range of missions.

2007 Budget

The above accomplishments are only possible with a Coast Guard that is Ready, Aware and Responsive. The President, Congress and public expect nothing less: *Ready* to prevent and respond to a broad range of maritime safety and security requirements; **Aware** of what is going on in our ports, along our coasts and on the high seas; and most of all, **Responsive** whenever and wherever there is a need for the Coast Guard to save lives, secure maritime borders, protect natural resources, facilitate maritime commerce or contribute to national defense. The fiscal year 2007 request delivers on these expectations through its focus on three key investment priorities:

- Strengthen Preparedness [READY],
- Maximize Awareness [AWARE], and
- Enhance Capability [RESPONSIVE]

The Integrated Deepwater System (IDS) acquisition program remains the centerpiece of a more ready, aware and responsive 21st-century Coast Guard. The 2007 Budget provides a Deepwater investment plan that provides funding for:

—Constructing the fourth National Security Cutter;

—Producing the first Fast Response Cutter;

—Acquiring the sixth Maritime Patrol Aircraft;

—Bolstering the network of command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) technology;

—Completing the HH–65 re-engining; and

—Initiating several essential legacy conversion projects, including installation of airborne use of force equipment aboard 36 helicopters.

While the Deepwater program necessarily invests in capabilities adequate to operate in the often unforgiving offshore environment, it is these same capabilities that are instrumental to effective response operations in port and coastal areas as well. For example, assets scheduled for modernization under the Deepwater program include every Coast Guard aircraft type. These aircraft, rotary-wing in particular, are critical parts of our port and coastal response infrastructure as well as extended offshore operations. The Deepwater program's conversion and/or enhancement of legacy aircraft and cutters are making an impact now. The operational benefits were apparent during the Coast Guard's response to Hurricane Katrina. As an example, three more powerful re-engined HH–65C helicopters flew 85 sorties to save 305 lives. The converted aircraft can hoist 280 more pounds and stay on-scene longer than its predecessor. Similarly, the C4ISR improvements to high and medium endurance cutters enabled more effective on-scene coordination of rescue operations in New Orleans, LA, and Gulfport, MS, with local first responders and other Federal agencies.

Strengthen Preparedness. Coast Guard readiness is a cornerstone of national maritime preparedness. Strengthening preparedness within the U.S. maritime domain is a core competency and responsibility of the Coast Guard. It depends directly on the readiness of Coast Guard cutters and aircraft, infrastructure and personnel. The FY 2007 requests funding to preserve and strengthen Coast Guard readiness. Relevant budget initiatives include:

- Depot level maintenance and energy account: **$51.3 million** to close inflationary cost growth gaps. These are bills that must be paid; without increased funding, Coast Guard readiness will be eroded.
- Medium endurance cutter mission effectiveness project: **$37.8 million** to support the Mission Effectiveness Project (MEP) for 270-foot and 210-foot Medium Endurance Cutters (WMEC). Our 210-foot and 270-foot cutters are currently operating with obsolete equipment and subsystems that must be replaced. The project includes replacing major sub-systems such as small boat davits, oily water separators, air conditioning and refrigeration plants, and evaporators. The main propulsion control and monitoring systems will also be upgraded. This effort is vital to sustain our legacy fleet of medium endurance cutters until they are recapitalized.

• Operations and Maintenance for new assets: **$30.5 million** to fund operations and personnel for the airborne use of force program, the first national security cutter, new maritime patrol aircraft and secure communications systems; **$42.3 million** for Deepwater logistics support.
• Personnel protective equipment: **$7.2 million** to replace obsolete oxygen breathing apparatus aboard ships and training centers with safer self-contained breathing apparatus (SCBA). Over the past 30 years, all shore-based Federal and DOD fire fighters, the Military Sealift Command, all western navies, all merchant ships, the U.S. Air Force and all U. S. Navy flight deck personnel have adopted and use exclusively the open circuit SCBA. The Navy is currently replacing all their OBAs with SCBAs. This leaves the Coast Guard as the only fire fighting organization without SCBA for its personnel. In order to ensure the personal protection of Coast Guard personnel while serving aboard Coast Guard cutters, the transition from using the obsolete OBA to the SCBA is essential.
• Shore infrastructure and aids-to-navigation: **$25.9 million** to recapitalize aids-to-navigation nationwide and rebuild or improve aged shore facilities in Cordova, Alaska (housing), Integrated Support Command Seattle and Base Galveston. Facing a $1.4 billion shore maintenance backlog, funds are necessary to improve critical shore infrastructure essential to supporting Coast Guard personnel as they execute missions and operational requirements.

Maximize Awareness. Securing our vast maritime borders depends upon our ability to enhance maritime domain awareness (MDA). Effectively addressing maritime vulnerabilities requires maritime strategies that not only "harden" targets but detect and defeat threats as far from U.S. shores as possible. Identifying threats as far from U.S. shores as possible requires improved awareness of the people, vessels and cargo approaching and moving throughout U.S. ports, coasts and inland waterways. Relevant budget initiatives include:

• Nationwide Automatic Identification System: **$11.2 million** to continue procurement plans and analysis for deployment of a nationwide system to identify, track and exchange information with vessels in the maritime domain.
• Maritime Domain Awareness: **$17 million** to support follow-on and new initiatives, including a new Coast Guard counterintelligence program, prototype Sector and Joint Harbor Operation Center support, and expanded secure communications system infrastructure.
• Deepwater C4ISR: **$60.8 million** to develop and install systems and subsystems that are part of the Deepwater Command, Control, Communications, Computer, Intelligence, Surveillance and Reconnaissance (C4ISR) system. This system is designed to support designated Coast Guard commanders in the exercise of authority while directing all assigned forces and first responders across the full range of Coast Guard operations. This system of "eyes and ears" allows us to see, hear and communicate activity occurring within the maritime domain, which is critical to deterring and defeating threats before reaching our shores.

Enhance Capability. Just as important to being ready and aware is equipping and training Coast Guard personnel with the *capabilities* and competencies to respond effectively. For example, the advance information required of vessels arriving to the United States is critical to understanding who and what is arriving in order to identify potential threats. However, if Coast Guard cutters and aircraft do not have the capabilities necessary to deal with identified threats early and effectively, an opportunity to mitigate risk is lost. Relevant budget initiatives include:

• Deepwater: **$934.4 million** (total). The FY 2007 request for the Deepwater program reflects the Administration's continued commitment to the recapitalization of the Coast Guard's aircraft and ships and the network that links them together into an integrated system. More capable and reliable cutters, boats, aircraft and associated systems will enhance safety and security in U. S. ports by improving the Coast Guard's ability to perform all its missions. Specifically, the FY 2007 request provides funding for: the fourth National Security Cutter, the first Fast Response Cutter, HH–65 and HH–60J conversions, new maritime patrol aircraft, HC–130J operations, sustaining the HC–130H, arming two HH–60's and 34 HH–65's at seven Air Stations, and development of shipboard and land-based vertical unmanned aerial vehicle systems.
• Rescue 21: **$39.6 million** to continue system design (two locations), preparation (four locations) and installation (seven locations). The Rescue-21 project represents a quantum leap in maritime communications technology, enhancing effectiveness across all coastal missions.
• National Capital Region air defense: **$62.4 million** to establish infrastructure, acquire additional aircraft and fund operations for this newly assigned homeland security mission in the Nation's capital. The Air Defense mission in the National Capital Region rests with the Department of Defense (DOD) under

the construct of OPERATION NOBLE EAGLE. Through a Memorandum of Understanding, DOD has assigned this requirement to the Department of Homeland Security (DHS). The Coast Guard has been directed to execute this requirement on behalf of DHS. Requested funding is critical to stand-up this new capability and avoid negative impacts to other Coast Guard mission-programs.

• Response Boat—Medium: **$24.8 million** to begin low-rate initial production to replace 41-foot utility boats and non-standard boats.

• Maritime Security Response Team (MSRT): **$4.7 million** to provide additional personnel and transform the prototype Enhanced Maritime Safety and Security Team in Chesapeake, Va. into an MSRT, providing on-call maritime counter-terrorism response capacity. This request will also enhance maritime counter-terrorism training facilities at the Coast Guard Special Missions Training Center at Camp Lejeune, N.C.

Conclusion

During the response to Hurricane Katrina, the Nation saw the value of a ready, aware and responsive Coast Guard. Rescuing more than 33,000 people in a two-week period, Coast Guard men and women from around the Nation contributed to this historic operation. Of course, that was only the most visible Coast Guard achievement in 2005. From record-breaking drug interdictions to continued implementation of the Maritime Transportation Security Act, the Coast Guard again delivered tremendous results for the American people. Full support of the 2007 budget request is vital to ensuring we sustain these results.

No one can predict the timing of the next catastrophic event akin to Katrina, or whether it will be natural or man-made. Nonetheless, history tells us it will come. When it does, it will be vital that we have done all we can to build a Coast Guard that is prepared to answer the call, supremely aware of the maritime environment and poised for dependable response. The Nation saw in 2005 what I have known for decades—if we give Coast Guard men and women the training and equipment to do the job, they won't let us down.

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

Mr. LUNGREN. Thank you very much. I yield myself 5 minutes.

On the Deepwater Program, how do you compare it with what you were coming up with last year to this year?

What have been the negative effects, if any, as a result of Katrina, both in terms of—obviously, it added more service time to your assets, but also isn't Pascagoula the location of where you are going to get one of your major assets? And as I understand it, they took a pretty big hit as a result of the storm.

If you could respond to those two things.

Admiral COLLINS. Yes, sir. As far as the overall plan, we are working on the revised implementation plan for Deepwater that we presented to Congress last summer. We are still on course for that program. That program adjusted for the post–9/11 environment and made some programmatic adjustments, capability adjustments to some of the platforms and adjusted when they appear in the transition of the overall program.

Mr. LUNGREN. Let me just interrupt for a second. But as a result of the budget you are presenting to us today, does that get you further along toward your goal of your deepwater assets in terms of a timeline?

Admiral COLLINS. Yes, sir.

Mr. LUNGREN. —or how do we?

Admiral COLLINS. No. It is moving ahead, sir. For instance, the national security cutter is our fourth cutter. The national security cutter, that is a big one. We are building eight of those. That is in this budget. Patrol boat money is in the budget, aircraft conversion money is in the budget. So we are advancing along that timeline.

In terms of Katrina and the impact on Pascagoula, there was adverse impact, just like there was for Navy shipbuilding programs as well. We roughly estimate probably a 4-month delay or so in the first and second national security cutter because of that storm. There is impact on equipment in the yard, impact on workforce and so forth, impact on the vessel itself.

And probably some increased costs. We know that somewhere between probably $20 million and $80 million additional because of the delay and the problems associated with that hurricane, some of which has already been appropriated in the supplemental and more we are going to have to identify in the fourth supplemental that we are likely to come forward with Katrina.

So, yes, there has been impact by Katrina, but the shipyard is back in operation. I was just down there last week walking around that new ship, the Coast Guard cutter, Bertholf. It is about 50 percent done. It is going to be a terrific ship. It is going to have vertical UAV capability, helicopter capability, twin stern launch with over-the-horizon small boats. It is going to be a very, very capable platform for our missions.

Mr. LUNGREN. What about the impact of the actual increased use of your assets during those two hurricanes? I mean, I know you project you are going to use your assets, but those are pretty heavy loads.

Admiral COLLINS. We build to increase maintenance, and operation cost is built into our Katrina supplemental to pay for those costs and for some of the maintenance. And as I mentioned, we also have an uptick in operation and maintenance funding within our 2007 budget request to account for some of those as well.

Mr. LUNGREN. And the question I was not going to ask until I was made aware of the accident that occurred off Humboldt Bay this past week, I guess it was, you have been warning us for some time about the useful life of your helicopters, about the standards that you have to use versus what would be allowed in the civilian arena. Is this an unfortunate evidence of the need to accelerate our effort to modernize that element of your assets?

Admiral COLLINS. Probably a little too early to rush to judgment on that. It just happened. In all of these type of things, we have a formal Mishap Investigation Board that will look at every nook and cranny of that accident, how it happened. The helo was set down in the water. The folks all egressed safely and successfully. We have recovered the helo; the engineers say it is salvageable. So those are good things.

The investigation is ongoing, and we do not have, again, even an interim report on some of the issues, but very, very preliminary it looks like there may be human factors, issues associated with that accident, more than a maintenance or reliability issue with the helicopter. But we will know more when we get the mishap investigation completed. We would be more than happy to provide the committee with a full blow-by-blow on that accident.

Mr. DICKS. Will the chairman yield just briefly?

Mr. LUNGREN. I will yield the 1 second I have left.

Mr. DICKS. How old of a helicopter was this?

Admiral COLLINS. These helicopters, oh boy, I think they are about 18 years old, sir.

Mr. DICKS. Thank you.

Mr. LUNGREN. My time has expired.

I recognize the gentlelady for 5 minutes.

Ms. SANCHEZ. Again, thank you, Admiral.

When you testified before the committee in June, I asked you about the maritime infrastructure recovery plan required by HSPD–13. All of us are aware of the significance of a shutdown of a port.

I would like to know when it was released, when the strategy was released on June 21, the maritime infrastructure recovery has still not been completed. So according to the Department, the completion of the plan was delayed because the administration wanted to incorporate some lessons learned from the Katrina incident.

So I would like to know when is the plan going to be completed? And what were the challenges faced by the Coast Guard during Hurricane Katrina, and what challenges are faced in terms of restoring port operations? And what steps are taken to ensure that commerce will continue to flow?

Admiral COLLINS. I will have to get back to you on our best estimate on when you will get that report. The overarching strategy, of course, was published last September, the national maritime security strategy, and there were several moving parts to that, about eight different subordinate plans, that being one of them. Hopefully it will be a this spring thing, but let me get back to the committee with a specific—give you the best date I can on that.

In terms of Katrina, obviously, there are a whole bunch of people studying that, what went right and what went wrong, and just this week, obviously, a lot of things coming out. I think that common to a lot of them is the issue of unity of command issues and information flow and timeliness of information. I mean, those are going to be central features to every—

Ms. SANCHEZ. The whole issue of the port facilities.

Admiral COLLINS. The port facilities itself, I mean, I think our response to the port, I think, and how we dealt with the port and got the port and the waterway back in operation, I think a lot of things went right.

What went right was we live and work in the communities we serve. We do not parachute in when there is an incident. We are there. We have over 2,400 people in Mississippi and Louisiana, for example. They are stationed there; they live there. Many of them lost their own homes as well.

They build partnerships in the community, they build partnerships with the American waterways operator, they build partnerships with the pilot, they build partnerships with the salvage operators.

And when we moved our district office from New Orleans to Alexandria, Louisiana, that was our emergency site, if you went into that command center in there, it was a bevy of activity: Sticky yellow with the bulkhead people, the phones in the area, and it was really a neat thing to see.

But if you look at all the special teams working on the subject matter stuff, private sector folks wove it in. Salvage folks were over here, the waterways over there. Why? Because we had developed partnerships in the safety end of our business, in the environ-

mental end of our business, in the security end of the business for years. And we build collaborating mechanisms, including planning for a crisis, and that served us extraordinarily well.

I will give you an example. The salvage plan that we developed to clear the channels and so forth was done collaboratively with the salvers who have great insight and expertise. And we did that collaboratively. Within a day and a half we had a salvage plant that we floated up and got funded to get the ports open.

So when we decided how we are going to manage this particular waterway with the aids down, we did it collaboratively with the users of the waterway.

We put agreed upon restrictions. Maybe we said, "Only daylight transit or one-way transit," or whatever we had to do to ensure safety, protection of the environment but yet get the commerce flowing. If you talked to the people in Florida, that east-west intercoastal waterway is very important to them, because all their petroleum products move along that waterway.

So I was very impressed with the job of our district folks, Admiral Bob Duncan and all his folks in Louisiana, Mississippi, and the great, great partnerships. And I was down in Mississippi and the Gulf coast, up in Gulfport, walked into the county EOC there and the Coast Guard was embedded there two or three days before the incident, and there was constant communication between the local folks and out at EOC.

So it is those partnerships, day-to-day partnerships that you have that you can build on and use in a crisis situation. And I think it worked very, very well to ensure the flow of the port and the waterway.

Ms. SANCHEZ. Had you practiced that? I mean, had you done these drills where you were integrated?

Admiral COLLINS. Yes, ma'am. We stuck to our knitting, the basics. We have a plan, we train and equip to the plan, we exercise the plan, and we implement the plan. And every one of our districts have disaster emergency plans and hurricane plans that they have drills on and exercise and have their partners included.

Ms. SANCHEZ. Great.

Thank you, Admiral.

Thank you, Mr. Chairman.

Mr. LUNGREN. Thank you.

The gentleman from Indiana, Mr. Souder, is recognized for 5 minutes.

Mr. SOUDER. Thank you.

What kind of short stick did you draw? Usually when the Coast Guard guys are retiring, you get Diamondhead or Old Point Loma. You get to come in front of the committees and defend the budget?

[Laughter.]

What kind of final tour is that?

A couple of things. As you know, as narcotics chairman, I have very particular things, as much as I appreciate everything you do. I am a little concerned about this National Capital Region. I will insert my full statement in the record, and I hope you will respond to some of the written questions so we can fill out this whole record.

But we are already taxed for air resources in the transit zones, and the Coast Guard has old—you did not get enough dollars really to add this and still do that. And I am very concerned about the weakening one mission in return for what is a thankless mission and that is, man, you have a mild screw-up here, you are going to have every committee down your throat.

And so I am concerned this is going to be kind of an overreaction of the capital region and instead thousands of Americans may die because we have taken the helicopters out of the transit zone. Far more people are dying, 20,000 to 30,000, from illegal drugs, and we have had very few to none on our soil die of terrorism.

And it is important that we work on the terrorism question, but narcotics are part of the terrorism, which then leads to the bigger question: How in the world in the budget here did drugs get moved out of the terrorism mission when we, when we drafted this agency, put it specifically that narcotics are part of the terrorism mission? And in my opinion, this budget request violates the organic nature of this act. Did you propose that or how did this get into the budget?

Admiral COLLINS. Sir, it was sort of a budget accounting mechanism and also how it fits into the out-year budget. Obviously, the implication is the homeland security designation in terms of budget allowed budget growth over the 5-year plan more robust than if you are not in that category. I mean, so that is really the implication is in your budget.

Clearly, this was an attempt, I think, to get us on the same, or my understanding is, budget accounting level as everyone else in the Department. Their budgets for drugs are not counted as "homeland security mission."

So purely as a budget accounting mechanism, sir, but I do share your concern about what it will do to the glide path, if you will, budget glide path for the segment of our mission set going forward.

Mr. SOUDER. Illegal immigration is listed under homeland security, which is far more complex than this homeland security, and you have other things listed under homeland security. Narcotics have at least the same nexus. Forget that narcoterrorism is terrorism and defined in your act not to be separated.

But at the same time, that even the interlinks between the different groups that are moving people, that are moving drugs, that can move chemical and biological weapons, are increasingly, as we drive them underground, as we seal of their financial tactics, as we look at this, it is clear they are moving even more in that direction. This is an artificial distinction that is not real and is going to become even more dramatically wrong.

In my opinion, Director Walter should be screaming at the top on this. We are having similar problems with the defense missions, as you know, from JATF. We have already seen because of improved intelligence, more drug loads that we are not seizing. We are seizing but we are seeing more, and we do not have enough to do that.

And by separating this out, we compound the problem of not intercepting. Then local law enforcement is overwhelmed, and they are basically, at the end of the day, going to be the same groups.

The drug runners, the trucks that are running the drugs are running other things too. They are smuggling people with them.

I do not understand how—did OMB propose this, is that what you are saying? Is this something Director Chertoff said inside the Department? Who can move your numbers around in those charts? I mean, I do not think it is going to some kind of CPA at a lower level; it has got to be a policy decision.

Admiral COLLINS. Yes, sir. I think this was a policy decision within the administration in terms of having this accounting framework. I am very sympathetic with some of the observations you have made about the linkages and so forth.

So it really is sort of the budget folks wanting to have neat little categories. And also as you increase the non-homeland security designated missions in terms of the budget category, there is more downward pressure on the out-year budgets.

Mr. SOUDER. Yes. Quite frankly, we ca not have some—I have a business degree and an MBA and have taken many accounting things, did our payroll in our business and so on. You do not want a CPA make terrorism and drug policy in the United States because of the boxes where the stuff goes.

Now, I have some specific questions to follow up on the capital region, on some of the Hetron helicopters. I very much appreciated visiting in Jacksonville and down at JATF as well as in northern California. The Coast Guard has been great in so many missions, and if you are not careful, we are going to give you the land border in the Southwest too.

Admiral COLLINS. Sir, we would be very, very glad to give you a detailed brief, your staff, on the whole initiative for the National Capital Region. And I think in terms of the current baseline of effort, it is mission-neutral. And we will lay that why it is, how we are able to do that with the inventory of helicopters we have. And I think you will see very clearly that really, really minimal or no impact on the drug mission against the current baseline.

Mr. LUNGREN. I thank the gentleman. I also sense that what the admiral is telling us is that while it has no impact this time, those categories that are called homeland security have a greater slope of increase in probably the out-years versus non-homeland security. So if you take the drug mission out of it, it is probably going to be less dollars in the future.

The gentleman from Mississippi is recognized for 5 minutes.

Mr. THOMPSON. Thank you, Mr. Chairman.

Admiral we talked a little bit about the Deepwater Program and the fact that the request this year is less than last year. And in light of Katrina and the fact that some of the areas of the country impacted by Katrina were damaged that goes specifically to the Deepwater, how are we going to make up for the shortfall?

Admiral COLLINS. Well, it is approaching $1 billion, the request. If it is successful in Congress and it puts us on an equivalent level of last year—last year we got in the mid–90s, $900 million, although with 1 percent rescission it did take some money off the table—allow us to push ahead on the fourth national security cutter, and it does allow us to move ahead on the fast response cutter and a lot of the important aviation conversions, the conversions of

existing platforms that we are doing. And it puts us on the 25-year plan that we submitted last summer.

So it is fairly close to that plan that we submitted last summer in terms of the schedule.

Mr. THOMPSON. So your testimony is that it has no significant impact on Deepwater, the cut that is being proposed in the budget.

Admiral COLLINS. Really, we are not—I mean, we are even with last year, for all intents and purposes, in terms of the level, and it keeps us on pace with the bulk of that plan going forward. The big thing is it does provide for—and one adjustment too is we have had some progress on the maritime patrol aircraft. There was one added in, there were two added in on the congressional action last year. So that end of the program is moving ahead as well.

Obviously, the issue is—I think the real question is, is 25 years the right length of the program and what kind of challenges does a program that is 25 years long present to you? And can we wait 25 years to get all the necessary capability that we have in the plan over a 25-year timeframe? That is the issue de jour, and it is all about affordability and how it can fit in the budget.

Mr. THOMPSON. Well, I am glad you brought that up. So if we give you $1 billion every year, we make 25 years. Do we have anything left at the end of 25 years, is my question, to fix it?

Admiral COLLINS. What we have tried to do is carefully manage the legacy assets under this plan as well as introduce the new. So you will see the substantial investments. For instance, it is over, I think, if I recall right, $35 million or so out of that total request is being invested in what we call a Mission Effectiveness Program, which is a shipyard availability on steroids. It is a long shipyard availability program. We pull the crew off and we change the major subsystems on the ship—the heating and air conditioning, the sewage system and so forth?so we can keep those ships going until they are ultimately replaced.

So the big change, because of the 25-year plan, has been a more robust allocation to the legacy assets so we can keep them alive until they are changed. So we have had to do that kind of tap dance between the legacy systems.

Mr. THOMPSON. But is keeping them alive, Admiral, the highest and best use of our money or are we using baling wire and bubble gum and other things to keep them afloat? And I am just saying that if the budget request is not as realistic as it needs to be, then some of us are just looking for somebody to say, "Look, if you gave us more money, we could do it in a shorter period of time. From a cost-benefit ratio, we could save taxpayers money over the long run."

Admiral COLLINS. Well, of course, we at the—I think it was the very first report that came of the Department of Homeland Security after it was formed, a report to Congress, was on Deepwater, and it was a response to a requirement by Congress that asked for, could you accelerate Deepwater? Is it possible? Did we have the shipyard capacity? The answer is absolutely yes. And what kind of benefits would accrue? That report came up and it said, "Yes, you could accelerate. Here is the distinct advantages of accelerating.

What it comes down to is, again, an affordability issue and a pacing issue of what can we fit into the envelope. And that is a decision, of course, much above my pay grade on those issues.

Mr. THOMPSON. But if more money showed up in the envelope, we could get it done in a shorter period of time.

Admiral COLLINS. Absolutely, sir. And we would get the capability and the performance enhancements much earlier.

Mr. THOMPSON. Thank you.

Mr. LUNGREN. And we might be alive to see it.

[Laughter.]

Mr. THOMPSON. In our life?

Mr. LUNGREN. In our life? Well, that is usually what I say when I am alive, my lifetime.

The gentleman from Washington, the always pensive, Mr. Dicks.

[Laughter.]

Mr. DICKS. Thank you, Mr. Chairman.

Commandant Collins, you have done a great job and I appreciate the good work you have done out in the Pacific Northwest. And you and I had a chance before the meeting to discuss the situation on the heli.

I am not going to get into that in much detail, but I just would reiterate my view that this is a mistake, that this ship should remain home ported in Seattle, Washington, not in my district. But we have invested money there in a new pier. If we do not do this and it is moved to Alaska, it will wind up having some of the Coast Guardsmen crew away from home for 300 days a year. It is bad for the crews, it is bad for the Coast Guard.

And I know that this is sensitive because it involves some very senior members of the Congress, but this is a waste of taxpayers' money. I mean, this is going to be $8 million every single year, and the cost of building a new facility up in Alaska, at Kodiak, a new pier. So I just do not know why some people want to do these kind of things when it is just bad policy.

And I know you have done what you can do and this is up to the Congress to resolve, and I just want to say I appreciate your good service over your 38-year career, and I am a big supporter of Deepwater, and we are going to continue to work, Senator Murray and I, in our state to be supportive of the Coast Guard.

I enjoy going up to Port Angeles in particular and go out on the new safeboat and some of the patrol missions and see how the Coast Guardsmen do their good work.

So, again, I appreciate your efforts and hope that you get through this next few months.

Thank you, Mr. Chairman.

Admiral COLLINS. Thank you, sir.

Mr. LUNGREN. Thank you for the comments.

Before I recognize Ms. Jackson-Lee, I should mention that we are going to go back in in about 2 minutes and there will be 2 votes—one a 15-minute vote, one a 5-minute vote—so I would hope that would could finish this round of questions for the two remaining members so that maybe we could allow the admiral to leave.

With that, I would recognize the gentlelady for 5 minutes.

Ms. JACKSON-LEE. Thank you, Mr. Chairman. I am very pleased that the chairman and ranking member, that we are holding this budget hearing.

And let me say, Admiral, I am not sure if you read verbatim your statement but allow me to just briefly say that in your words, "No one can predict the timing of the next catastrophe event akin to Katrina or whether it will be natural or manmade. Nonetheless, history tells us it will come. When it does, it will be vital that we have done all we can to build a Coast Guard that is prepared to answer the call, supremely aware of the maritime environment and poised for a dependable response."

Let me echo your words and applaud and thank you for the heroic, powerful efforts that were made by the Coast Guard. I know the Coast Guard is equal to people. To the young men and women who risked their lives saving people from roofs and oily, dirty water. Let me pronounce to you our enormous debt.

I come from the Gulf region, I have been in hurricanes and floods, and so let me thank you very much for that.

I have two very brief questions and in addition two statements just to put on the record briefly. And that is that as generous as you have been with your kindness, I do not find any comfort in a $32 million cut in Deepwater regardless of your stoic response, and I find no comfort in the fact that your budget has been frozen. And I, frankly, Mr. Chairman and Ranking Member, I think we need to be in the fight on this issue.

And, as well, let me just simply do as I will continue to do throughout this timeframe is to ask the chairman and ranking member but as well this is conveyed generally for the committee, that the work of Katrina task force appointed by the Speaker has ended. It is now time for a responsible oversight committee, such as Homeland Security to have before it, in addition to yourself, Admiral, not on the budget but on the issue of Katrina, Secretary Chertoff, the acting director of FEMA, and it is time for us to do our oversight, and it is time for us to do it now. I will continue to raise this point consistently.

Admiral how fast could you do the constructing the fourth national security cutter and acquiring the sixth maritime patrol aircraft with additional money? What is the timeframe for that now? Am I to see that in 2007 or what?

Admiral COLLINS. The first national security cutter is under construction right now; 50 percent done; delivered in late 2007. It will go through an operational evaluation and so forth. So that is sort of the timeline of the first. And then—

Ms. JACKSON-LEE. And you have the money to make sure you stay on time?

Admiral COLLINS. That is under discussion. There is a request for equitable adjustment by Northrop Grumman, the manufacturer, producer of that ship, that is being adjudicated right now. It has not been definitized, and there may be some cost impact.

Ms. JACKSON-LEE. All right. With that in mind, that is another fight we need to be into. This budget cut is impacting us negatively.

Secondarily, the sixth maritime patrol aircraft, what is the status of that?

Admiral COLLINS. Of course, that is in our budget, the 2007 budget. That will give us a total of six of those new planes that allow us to implement two air stations. We need three in each air station to have a set. And the associated sparing and so forth. So with the 2007 budget, we have two complete air stations that will be implemented.

Ms. JACKSON-LEE. But you will be able to get it under this budget that we are putting forward here?

Admiral COLLINS. Yes.

Ms. JACKSON-LEE. Lastly, I represent partly in the area of the Houston Port, and port security is key and the Coast Guard is certainly engaged in our port security. What is the impact on your cuts as it relates to being able to be engaged in ports around America, particularly the largest ports like Houston, Texas?

Admiral COLLINS. We are full up at Houston, ma'am. That is a very, very important port. We are very active in Houston–Galveston, and we anticipate no cuts in terms of our operations in Houston–Galveston.

Ms. JACKSON-LEE. Lastly, I want to invite you down, Admiral, and we will engage on that point.

Thank you very much. Yield back.

Mr. LUNGREN. Thank the gentlelady.

There has been a call for votes. We have 2 votes, one 15-minute, one 5-minute, but I would hope that we could finish before we leave.

And so I would recognize the gentleman, Mr. Langevin, for the next 5 minutes.

Mr. LANGEVIN. Thank you, Mr. Chairman. I will try to be as brief as possible.

Admiral I want to thank you very much for being here, and for your testimony. I have had the opportunity to review it, and let me just ask you this: in your testimony, you mentioned that the president requested $17 million for maritime domain awareness operating expenses, plus an additional $62 million for acquisition, construction and improvement. And I am certainly excited about the prospect of a fully integrated MDA system that will alert us to all ships within range of our shores, as I am sure you are as well.

I hear that a renegotiated NORAD agreement with Canada, which could include a binational maritime domain awareness component, is under discussion. Is the Coast Guard participating in those discussions, and what role will the Coast Guard have in that effort?

Additionally, who would be charged with monitoring the maritime domain, and would in fact the Coast Guard be the primary agency to respond to perceived threats?

Admiral COLLINS. Great question, sir. We have, of course, a Maritime Domain Awareness Program Office that is a joint office between the Navy and us. The MDA plans is a subset of the National Maritime Security Strategy that was just signed by the president last September.

There is an MDA plan associated with that and an implementation team that is working—interagency implementation team right now that is defining all the answers to the questions that you asked: What is the architecture, what is the system, what is the

process change, the policy change, the authority change and the architecture to in fact build out competencies for maritime domain awareness? So that is playing out as we speak.

NORTHCOM is involved in that, NORTHCOM, NORAD. We also obviously had a robust dialogue with the Canadians on a lot of this as well.

So that team is looking at the architecture, looking at a technology plan, looking at an investment plan and looking at the respective jurisdictions and how we are going to put this together. And we are locking them in a room, putting pizzas under the door, and they are working hard to develop that game plan.

I think one of the most important things we can do is clearly to get transparency of people, cargo and vessels in the maritime allows us to intervene well before an incident happen. And it is good for drugs, it is good for migrants, it is good for counterterrorism. Having good MDA, that is good intelligence, good senses in tracking, good information fusion, good command and control systems is the heart and soul of good performance. So it is a very, very important effort.

Mr. LANGEVIN. And you are confident in the Coast Guard's role being front and center?

Admiral COLLINS. We are going to have a very robust role in that along with the United States Navy. We are joined at the hip with the United States Navy in all regards for maritime domain awareness.

For example, for an intelligence function component of that, we are co-located at Suitland, Maryland, with ONI. Their headquarters, our headquarters. We are vetting all information intelligence together, collaboratively, and so it is a very, very close, close partnership with them.

Mr. LANGEVIN. And the last part of my question is, would the Coast Guard still be the primary agency to respond to perceived threats?

Admiral COLLINS. We will be one of the primary. How exactly that is divided up is still to be determined as part of the architecture.

Mr. LANGEVIN. I think I will end there. I will have some other questions for the record.

But, Admiral, thank you very much for your testimony. Thank you and the entire Coast Guard for the great job you are doing.

Admiral COLLINS. Thank you, sir.

Mr. LUNGREN. There are still 10 minutes left before the vote is over if any other members have further questions.

Admiral I want to thank you for your testimony. I have a few written questions, as do some of the other members, as they have suggested. We will submit them to you, and we hope that you could respond to these in writing. The hearing record will be held open for 10 days.

And, again, I would join with my colleagues in thanking you for your service and recognizing that your retirement date is not precisely on us but it is on the horizon. And we appreciate the work that you have done.

You have led the Coast Guard through a very difficult time, and you have shown us how government ought to work and can work

under extreme circumstances, and we appreciate that. As we spend a lot of time pointing out the problems, it is nice to point out where something has worked and worked well.

And also you have built a record of accomplishment that will justify the requests for the asset modernization program that you have led and that I think you see how these members feel about that.

So I thank you for that, and without objection, the subcommittee stands adjourned.

Admiral COLLINS. Thank you, Mr. Chairman.

[Whereupon, at 5:55 p.m., the subcommittee was adjourned.]

FOR THE RECORD

QUESTIONS FROM MR. LUNGREN FOR ADMIRAL THOMAS COLLINS RESPONSES

Deepwater:

Question: The National Security Cutter (NSC) is currently scheduled to be delivered in August of 2007. Is it currently on time and on budget?

Response: As of March 2006, the National Security Cutter (NSC) is approximately 40% complete. When the production contract was awarded in June 2004, a delivery date of May 2007 was established. Preliminary feedback regarding the impact of Hurricane Katrina indicates that approximately 4 additional months will be needed, changing delivery date from May 2007 to September 2007.

The projected cost of NSC #1 was $391.6 million for full post-9/11 capability. Overall the NSC has not experienced significant cost changes between the budget estimates provided in July 2005 and the budgeted estimates provided in the fiscal year 2007 President's Budget Request.

The Coast Guard has identified the following *additional major cost drivers that have not yet been fully quantified:*

• **Hurricane Katrina:** The Coast Guard received $20.2 million in supplemental appropriations for damage related to hurricane Katinra. The purpose of this funding is detailed below:

Main control system	$4.0
Cable assemblies & connectors	2.2
Joiner equipment	1.8
Powered operated valves	1.4
Ship service generator	1.2
Exhaust plume cooling system	1.15
Auxiliary piping	1.0
Steel	0.8
Heating, ventilation, air conditioning ducting	0.6
Switchboards	0.6
Air Conditioning equipment	0.5
Prime mover exhaust ducting	0.45
TACAN antennae	0.375
Hangers, hydraulic systems, control valves	0.36
Equipment and Material Cost	16.435
Additional Labor for rework	3.8
Total	$20.235

This cost estimate does not include any facilities, rolling stock or capital equipment that would remain at the shipyard after NSC #1 was accepted by the Coast Guard. Likewise, none of this estimated amount is related to any payment of Federal funds that would be the responsibility of Integrated Coast Guard Systems/ Northrop Grumman Ship Systems or their insurers.

• **Request for Equitable Adjustment** (REA) for NSC#1 is pending. The Coast Guard is in the process of determining if the budgeted amounts are sufficient for the REA or if additional funds above the current estimate will be required.
• **Economic Price Adjustment (EPA) for ship production** exceeds inflation amounts above the allowed OMB amounts of 1.85 percent. It is anticipated that an annual cost increase of 3–4 percent will be realized through EPA.

The Coast Guard is working with the Administration and will advise Congress as soon as further revisions to the cost estimates become available.

Question: How will the NSC provide improved homeland security capabilities over the High Endurance Cutters currently employed?

Response: The National Security Cutter (NSC) will have inherent capabilities that are a vast improvement over legacy 378' High Endurance Cutters. The NSC will conduct proactive and reactive patrols within its assigned operating areas, and will provide a robust Command and Control capability for duties as Commander, Task Unit and On-Scene Commander. These improved capabilities include the ability to:

• Engage and defeat terrorists and ensure survivability from Chemical, Biological and Radiological threats in contaminated environments for up to 36 hours.
• Carry and deploy multiple airframes, such as: 1 helicopter and 2 VUAVs, or 2 helicopters, or 4 VUAVs or any DHS/DoD helicopters up to an including HH–60 variants.
• Carry and deploy multiple Over-the-Horizon (OTH) cutter boats.
• Conduct boat and flight operations in higher sea states due to improved sea keeping capability.
• Support the full range of Coast Guard missions and Coast Guard intelligence element operations through greatly improved intelligence gathering and C4ISR capabilities. These intelligence and C4ISR capabilities also enhance the NSC/WMSL's self-defense capabilities and facilitate operations with networked DHS, DOD, and national assets.
• Operate of 230 days/year compared to 185 days/year for the legacy 378? High Endurance Cutter (WHEC).
• Operate with US Navy Battle Groups with a maximum sustained speed of 28 knots.
• Have a NSC patrol an area of 56,000 square miles a day with its combined force package of cutter/helicopter and two VUAVs, vs only 13,500 square miles a day with the current WHEC 378/one helicopter package.

Question: Can you explain why the Coast Guard has decided to expedite its schedule for the Fast Response Cutter (FRC) and what are the advantages of doing so.

Response: Increased post 9/11 operational tempo is causing the continued deterioration of the 110-ft patrol boat hulls and increased technical difficulties associated with the 123-ft conversions have necessitated the urgency to acquire the FRC earlier. Expediting the delivery of the FRC is in direct response to the current patrol boat shortfall in mission hours created by these technical challenges and homeland security operational responsibilities.

With 58 FRCs planned, there will be more FRCs in the Deepwater system than any other single asset. The FRC is projected to be the workhorse of the fleet with 3,000 annual mission hours per FRC. The total system impact of these one hundred seventy four thousand (174K) hours is critical for the Coast Guard to meet its homeland security operational responsibilities.

Question: Will the Coast Guard replace the FRCs on a one to one ratio with their current patrol boat fleet?

Response: No, it is not a one to one replacement with the current patrol boat fleet. The current Deepwater plan replaces the forty nine (49) 110' and 123' patrol boats with fifty-eight (58) FRCs. While the final Deepwater plan has more patrol boats, it has less major cutters. The plan relies on more capable patrol boats taking over some of the missions major cutters now perform.

Question: Will your Deepwater budget address shoreside infrastructure, such as longer piers or additional storage?

Response: Yes. Shoreside infrastructure is funded each year within the budget line for the Integrated Logistics Support Domain of Deepwater. For fiscal year 2007, $24.4 million in funding has been requested to:

• Upgrade pier/shore ties in Panama City, FL.
• Upgrade pier/shore ties and Fenders in Miami, FL.
• Upgrade pier/shore ties and Fenders in San Juan, PR.
• Upgrade pier/shore ties in Kodiak, AK.

• Construction of the National Security Cutter Support building in Alameda, CA.
• Facility upgrades for C4ISR equipment installations in CA.
• Completion of Phase 1 of the NSC related C4ISR Training building at Coast Guard Training Center in Petaluma, CA.
• Construction of the Simulator Training Building at Coast Guard Aviation Training Center in Mobile, AL for the CASA MPA (CG–235).

Question: Deepwater funds will test one ship control station (SCS) and one ground control station (GCS) for the Vertical Takeoff-and-Landing Unmanned Aerial Vehicle (VUAV). How far along is the VUAV development?
Response: The VUAV system component production and subassembly phase is complete, and the project is now advanced to the system design and demonstration phase. The next project phase will be system assembly and demonstration, which will result in VUAV first flight and testing of two ground control stations. It should be noted that Bell Helicopter Textron, the subcontractor to ICGS, has funded development of their own VUAV program. Bell's VUAV, the same as the Deepwater model, was successfully flown for the first time in January 2006.

Question: Has the VUAV designed by Integrated Coast Guard Systems (ICGS) been successful tested?
Response: No, the Deepwater Vertical Takeoff-and-Landing Unmanned Aerial Vehicle (VUAV) has not yet been tested. The next phase of the project is system assembly and demonstration, which will result in VUAV first flight and testing of the two ground control stations.

Question: What is the status of the Research and Design phase?
Response: The concept and technology development phase of the Vertical Takeoff-and-Landing Unmanned Aerial Vehicle (VUAV) project is complete. The project is now in the system design and development phase.

Question: How do you plan on working with the Federal Aviation Administration to address flight restrictions and operation of VUAVs in U.S. airspace?
Response: The Coast Guard and Integrated Coast Guard Systems (ICGS) are working closely with the Federal Aviation Administration (FAA) to develop airworthiness standards and operator qualifications for the Vertical Takeoff-and-Landing Unmanned Aerial Vehicle (VUAV) known as the Eagle Eye. Most of the Eagle Eye operations will be in airspace outside of FAA jurisdiction. Nonetheless, all applicable FAA standards will be met by Eagle Eye.

Question: What role did Deepwater assets play in the Coast Guard's response to Hurricane Katrina?
Response: The re-engined HH–65C helicopters upgraded by the Deepwater project and Legacy cutters with Deepwater C4ISR upgrades were used to respond to Hurricane Katrina. On average, HH–65C helicopters were able to pick up 500 lbs more payload (3–4 additional people, depending upon the mix of adults/children) than their HH–65B counterparts. Additionally, the HH–65Cs were able to take off with more fuel than the HH–65Bs. This extended sortie lengths for the HH–65Cs by 42 to 48 minutes. Legacy cutters with Deepwater C4ISR upgrades immediately entered the Port of New Orleans and established an on-site federal communications site for command and control. These cutters were able to quickly sort out merchant vessel traffic movements using AIS and took advantage of enhanced communications with DoD assets.

Question: What damages were experienced at Coast Guard facilities and to Coast Guard assets in Hurricane Katrina?
Response: The following table lists the damages to Coast Guard facilities and Coast Guard assets as a result of Hurricane Katrina.

Unit and location	Storm	Description of Damages
USCG Fire & Safety Detachment, Mobile, AL	Katrina	Research Vessel State of Maine, moved from permanent mooring, substantial dredging required. Severe damage to pier, landing craft, test facility, utility building and other miscellaneous infrastructure.

Unit and location	Storm	Description of Damages
Environmental Compliance & Restoration Fund	Katrina	Pump & recycle diesel & gasoline and perform environmental damage assessment at affected shore facilities. Costs primarily at Base Mobile.
Integrated Support Command (ISC) Miami	Katrina	Damages incurred as Hurricane Katrina passed through Florida include unaccompanied personnel housing facility water damage, administrative building water damage, blast booth building water damage, Station Miami Beach water damage.
Air Station Miami, FL	Katrina	Twenty percent of fixed wing hanger roof blown off as Hurricane Katrina passed through Florida.
Station Fort Lauderdale, FL	Katrina	Damages incurred as Hurricane Katrina passed through Florida include engineering building roof damage, and unaccompanied personnel housing water damage.
Sector Key West, FL	Katrina	Incurred miscellaneous exterior damage as Hurricane Katrina passed through Florida.
Station Destin, FL	Katrina	Minor storm damage.
Station Panama City, FL	Katrina	Minor storm damage.
Station Pensacola, FL	Katrina	Roof damage.
Aviation Training Center (ATC) Mobile	Katrina	Hangar roof and Gulf Strike Team roof severely damaged; communications spaces damaged.
Base Mobile AL	Katrina	Extensive wind and flooding damage to entire facility. All storage and HAZMAT buildings destroyed. Fuel farm jammed with debris.
Station Dauphin Island, AL	Katrina	One of two piers damaged, but both are useable. Severe flood and wind damage.
Station Pascagoula, MS	Katrina	Major wind and flooding damage to DECISIVE Storage Area, DECISIVE shore tie, MAT building, Station building (interior and exterior). All electrical systems to and from pier damaged. Units at this location include Station Pascagoula, MAT/ESDD Pascagoula, CCG DECISIVE, CGC SHAMAL & CGC TORNADO.
Station Gulfport, MS	Katrina	The entire station was completely destroyed by the storm surge. . .nothing functional remains. Estimate of required repairs: replacement of all station buildings including garages/storage facilities/HAZMAT & HAZWASTE buildings/guard shacks/boat houses; replacement of all pier facilities/utilities; removal of all storm debris; clean-up of spilled HAZWASTE; installation of security fences/equipment/external lighting; repairs/shoring-up of eroded shorelines; & significant dredging to entire basin required.
87' CPB Equipment Storage, Gulfport, MS	Katrina	Two 87' CPBs maintenance storage facilities destroyed, all spare parts and outfitting were lost.

Unit and location	Storm	Description of Damages
Air Station New Orleans, LA	Katrina	Severe wind damage to facility. Fuel system out of commission. North side of hangar lean-to roof 50 percent destroyed. All spaces under lean-to damaged.
Station Grand Isle, LA	Katrina	Unit was heavily damaged by storm surge and wind damage. First floor sustained flood damage and second floor is saturated. 40% of roof is down to concrete deck. 26 housing units extensively damaged.
Station Venice, LA	Katrina	90% of roof intact, with flood damage to first floor. 2nd floor dry, berthing and messing areas in good order. Boat house, mooring, pier and 87 moorings intact. Fuel tanks are in place, but fuel is contaminated.
Integrated Support Command (ISC) New Orleans (NOLA)	Katrina	Suffered extensive roof damage and severe flooding that renders the facility useless. ISC NOLA may not be able to return to its former location. The site is heavily damaged and maybe beyond economic repair. Over the past two years, planning proposals have been submitted recommending that the ISC relocate to NASA Michoud due to an Army Corps of Engineers project to enlarge the Industrial Canal adjacent to the ISC.
Sector New Orleans, LA	Katrina	Sector bldg roof damaged & ground level flooded. Office trailers flooded. Small boat shops & storage flooded. Temp storage bldg flooded & dislodged from foundation. Main building looted. Other leased spaces received damage. Rebuilt Sector Command Center (SCC) to be outfitted with capabilities necessary to restore full CG operational effectiveness in New Orleans.
Regional Examination Center (REC) New Orleans, LA	Katrina	Office has been displaced due to flooding.
Recruiting Office New Orleans, LA	Katrina	Leased facility, but damaged property/office equipment/records and two vehicles were damaged.
Vessel Traffic Service New Orleans, LA	Katrina	Equipment and infrastructure severely damaged.
Communications Station (COMMSTA) New Orleans, LA	Katrina	Severe wind and flooding damage.
District Eight Representational Facility New Orleans, LA	Katrina	Replace damaged siding, minor roof repairs, interior repairs from water intrusion, and exterior clean up/debris removal.
DGPS Sites	Katrina	Following DGPS sites were damaged: Bobo, MS; Vicksburg, MS; English Turn, LA; Mobile Point, AL
District Seven Aids to Navigation	Katrina	Many ATON assets destroyed or lost in Hurricane Katrina's initial landfall in South Florida.

Unit and location	Storm	Description of Damages
District Eight Aids to Navigation (AtoN)	Katrina	Many D8 ATON assets destroyed or lost in Hurricane Katrina. Replacement includes replacing destroyed high priority range towers and lights; ocean buoys (with chain & bridles); river buoys (including moorings), day markers, ranges, automated light structures, etc. Required to open all navigable waters to commercial traffic, including: Lower Mississippi River, Western Rivers, Intercoastal Waterway, approaches to Mobile, Pascagoula, and Biloxi.
Reconstitution of Distress Communications (OE)	Katrina	Following NDRS sites sustained various levels of damage: Greenville, MS; Vicksburg, MS; Marksville, LA; Plaquemines, LA; Pecan Island, LA; Grand Chenier, LA; South Bend, LA; Leeville, LA; Venice, LA; Gretna, LA; Van Cleave, LA; Pascagoula, MS; Weeks Bay, AL; Fort Walton, FL.
Coast Guard Property	Katrina	General property (GP), non SWS III & non vehicle, greater than $2,500 value from affected Coast Guard Units commensurate with the level of damage
Small Boat Operations and Damages	Rita	Coast Guard boats provided SAR, ATON, and marine environmental protection assistance and several have been severely damaged from the storm. Also extensive (near continuous) use of CG small boat fleet responding to multi-mission hurricane relief has resulted in numerous outboard engine replacements and overhauls, and increased unit and intermediate level maintenance requirements due to high operation hours; costs do not fall under FEMA mission assignments.
Katrina impact to Coastal Patrol Boat Program	Katrina	Additional delivery costs associated with CPB project and impact to support personnel. The 87' CPB project has had cost growth since the shipping of the USCGC AHI. The cost growth is solely attributable to the market conditions in the Gulf Coast. Bollinger Shipyards had extreme difficulty securing an ocean going tug, barge and crane to load and transport the USCGC AHI from Lockport, LA to Honolulu, HI.
Katrina impact to Deepwater Program	Katrina	Damages to NSC1 and NSC2, FRC & OPC material, equipment and facilities and 123' schedule delays. Costs to specific damages to the NSC production line were covered in the 3rd Supp. The contractor recently briefed the Coast Guard on expected cost increases on the Cost Plus contract (first ship), as well as modifications to the fixed price contract for the subsequent cutters.

Question: How has Hurricane Katrina affected Coast Guard current operations on the Gulf Coast?

Response: Coast Guard Eighth District commands along the Gulf Coast quickly returned to operations following Hurricane Katrina and are meeting mission requirements with some exceptions. Operational tempo for Eighth District units remains above normal due to storm related impacts. Several of our operational units were severely damaged by the high winds and storm surge and must be repaired or relocated. Workloads at many units have increased 15 to 25 percent due to exten-

sive marine debris and an increase in marine casualties. Unit workloads also remain high due to ongoing FEMA mission assignment work regarding pollution response operations. Adequate housing in the impacted areas remains in short supply, with 20 percent of personnel working from temporary trailers, and up to 25 percent of personnel having lived out of a hotel. Many normally contracted functions including security, maintenance and support, are being performed by unit personnel due to a lack of contract businesses.

Question: How has the Katrina supplemental funding been spent and what additional funds are needed for Katrina-related damages?

Response: The enacted Coast Guard Hurricane supplemental funding ($132 million for Operating Expenses and $74.5 million for Acquisition Construction & Improvement) has been expended/obligated on the damages and costs that were included in the justification provided with the Third Katrina Supplemental. These costs include major and minor repairs of damaged facilities, temporary logistics, Coast Guard Reservists, replacement of Aids to Navigation, damaged and destroyed small boats, and the overall re-capitalization and initial construction phases at Coast Guard facilities throughout the Gulf region, with the exception of Integrated Support Command New Orleans, for which only survey and design funding was provided.

The $69.5 million in the Fourth Katrina Supplemental request is broken down as follows:

Operating Expenses ($7.3 million): The funding will enable Coast Guard Reservists currently serving in relief and supporting roles of Hurricane Katrina in Louisiana, Mississippi and Alabama to serve beyond March 31, 2006, until the end of the fiscal year. This funding will support up to 200 reservists for the period of April through September 2006.

Acquisition Construction & Improvement ($62.2 million): This amount is to partially fund the relocation and reconstruction of Integrated Support Command (ISC) New Orleans, severely damaged by Hurricane Katrina and its associated flooding. Initial funding of $9.8 million (provided in the Third Katrina Supplemental) has initiated the reconstruction process by providing for survey and design. The funding requested will allow the Coast Guard to continue to actively pursue construction of the ISC New Orleans at the NASA facility at Michoud, LA, as well as relocation of salvaged equipment from the current ISC New Orleans site.

Question: Does the Fiscal Year (FY) 2007 budget account for any of the damages suffered to Coast Guard assets or to construction of Deepwater assets in Pascagoula, Mississippi?

Response: No. Funding for damages is being addressed through the supplemental funding request process. To date, the Coast Guard has received $20.2 million in supplemental funding to pay for damages to Deepwater projects.

Question: What are the challenges the Coast Guard is facing with the labor force in the Gulf region and how will these challenges affect timing and cost of Deepwater deliverables?

Response: The primary impact on Deepwater program asset deliveries is for the National Security Cutter (NSC) being constructed at the Northrop Grumman Ship Systems (NGSS) facility in Pascagoula, MS. NGSS employment levels have returned to 90 percent of pre-KATRINA staffing levels. However, due to personal hardships associated with rebuilding efforts, NGSS is experiencing higher levels of absenteeism affecting day-to-day production levels.

Many skilled laborers (electricians, joiners, carpenters, etc.) and contract laborers have been lured away by higher paying jobs in the emergent residential and commercial construction boom associated with KATRINA rebuilding efforts. This creates a "green" labor problem requiring NGSS to train new employees and slowing the completion of tasks that need to be done by an experienced work force.

The delivery schedules of NSC #1 and #2 have been pushed out by approximately 15 and 12 weeks respectively. The Coast Guard is working with the Deepwater contractor to understand the costs associated with this shift in the workforce.

Question: The Fast Response Cutter (FRC) will eventually replace the current 110 foot cutters. It was not scheduled to enter service until 2018. However, the FY 2007 budget request will fund the production of the first FRC. Please describe for us why the construction of the FRCs had to be significantly accelerated and describe for us what we can expect to see in upcoming Coast Guard budget requests for the FRCs.

Response: Increased post 9/11 operational tempo, post 9/11 homeland security requirements, the advanced deterioration of the 110-ft patrol boat hulls, and increased technical difficulties associated with the 123-ft conversions have necessitated the ac-

celeration of the Fast Response Cutter (FRC) design and production. Expediting the introduction of the FRC will bring required capability into Coast Guard service much earlier than previously planned before 9/11. Once the production line is established the projected Coast Guard budget request will reflect construction of approximately two to four FRCs per year.

Question: Please describe the Service Life Extension Program (SLEP) for the existing 110 foot cutters and how is the SLEP is being revised to reflect the acceleration of the FRCs?

Response: Per the Revised Deepwater Implementation Plan, many of the Coast Guard's 110-foot patrol boats (WPBs) will remain in service for the next 17–18 years. To ensure the WPB fleet remains capable and reliable for the duration of its planned service life, a WPB Mission Effectiveness Project (MEP) is needed to overcome the significant subsystem obsolescence and service life issues contributing to the high WPB engineering casualty rates.

The WPB MEP is comprised of two tiers: (1) vessels requiring major hull repairs and (2) vessels requiring only minor hull repairs. Each WPB MEP work package includes extensive mechanical and electrical work. The MEP has three major objectives: (1) completion of hull and structural repairs; (2) replacement of obsolete, unsupportable or maintenance-intensive equipment; and (3) completion of depot level drydock maintenance.

Each MEP will address WPB hull and subsystem issues on a hull-by-hull basis, taking in to account their expected service life to avoid over-investing in a particular hull. Therefore, actual WPB MEP costs will vary from hull-to-hull based on the physical condition of each vessel, the extent of previously completed work and the planned service life of the hull. **The delivery schedule of the FRCs is accounted for in the WPB MEP schedule. Eighteen of the Coast Guard's 49 WPBs will be decommissioned between 2008 and 2015 without receiving a MEP, as these hulls will be relieved by FRCs.**

The fiscal year 2005 emergency supplemental appropriations, H.R. 1268, conference report included $49,200,000 to remain available until September 30, 2007 for major refits, renovation, and subsystem replacement for these boats. This funding will enable the Coast Guard to conduct the first 6 WPB MEPs in fiscal years 2006 and 2007, starting with USCGC TYBEE in March 2006. As future needs are clarified, the Coast Guard will request funding for additional WPB MEPs in the Service's budget submissions to Congress. As stated in the February 2006 Patrol Boat Availability Report to Congress, the current WPB MEP plan summary is as follows:

WPB MEP Plan Summary	*Cost*	*Schedule*	*Funding Source*
110-foot WPB Hulls (18 ea.)	N/A	FY09–FY14	Decommissioned per Post 9/11 Deepwater Revised Implementation Plan
123-foot WPB Hulls	N/A	FY24–FY26	Decommissioned per Post 9/11 Deepwater Revised Implementation Plan
Lead Ship WPB MEP Cost	$13M	FY06	Fiscal Year 2005 Emergency Supplemental Appropriations, H.R. 1268
110-foot WPB Hulls 2–6	$36.2M	FY06–FY07	Fiscal Year 2005 Emergency Supplemental Appropriations, H.R. 1268
110-foot WPB Hulls 7–23	TBD	FY08–FY11	Deepwater Legacy Asset Sustainment

Maritime Security Response Team:

Question: To what extent will the Department of Justice participate in the Maritime Security Response Team program?

Response: The Coast Guard and Federal Bureau of Investigation (FBI) are working more closely together. The FBI's Critical Incident Response Group (CIRG) may provide training assistance to the Coast Guard, and the MSRT and Hostage Rescue

Team (HRT) may participate in counterterrorism exercises together to ensure both units are interoperable.

Question: Will they exercise any operational control? If not, what chain-of-command structure will the MSRT follow?
Response: No, there are no plans for DOJ to exercise operational control. The operational and tactical control of the MSRT will be with the Coast Guard Area Commanders.

Question: Will they provide any particular training programs?
Response: There is no formal training being provided currently, but it may be possible in the future.

Question: To what extent is the Department of Defense (DOD) participating in the program?
Response: DOD is participating in the MSRT program by providing access to training, doctrine, and subject matter experts.

Question: How will this team interact with Northern Command?
Response: The MSRT will participate in selected NORTHCOM exercises and can respond to homeland defense missions if required.

Question: Will the DOD provide special training to Coast Guard MSRT members?
Response: Commander, Special Operations Command has issued direction to the units under his command to assist the Coast Guard as required in the development of the MSRT program.

Question: How rapid would this team be able to deploy? What kind of "stand by" status do you envision?
Response: Currently, the MSRT generally only deploys for planned events (e.g. National Special Security Events). However, the Coast Guard is working towards a 12 hour "stand by" status capability for the MSRT. The Fiscal Year 2007 President's Budget Request will provide for a 7x24 response capability, dependent upon availability of adequate transportation and tactical delivery assets

Question: Where will they be situated initially?
Response: The MSRT is currently located in Chesapeake, VA.

Question: The Coast Guard seeks to be on scene to any mariner in distress within 50 miles of coast in 2 hours. What will be its response criteria for the deployment of an MSRT?
Response: The MSRT currently possesses a limited maritime counter-terrorism capability and is generally only available for planned events (e.g. National Special Security Events). The Coast Guard is working towards a 12 hour "stand by" status capability for the MSRT. The Fiscal Year 2007 President's Budget Request will provide for a 7 by 24 response capability, dependent upon availability of adequate transportation and tactical delivery assets.

Question: Are there any plans to locate a second MSRT on the west coast?
Response: Currently, there are no plans to locate a second MSRT on the west coast.

National Capitol Region Air Defense:
Question: The Coast Guard has requested about $64 million in funding and transfers to fund this initiative. How will this impact the Coast Guard's current mission portfolio?
Response: Support of the President's National Capital Region Air Defense (NCRAD) Fiscal Year 2007 funding and transfer requests will ensure no impact to the Coast Guard's current missions as a result of assuming the NCRAD mission.

Question: Will this expansion of mission sets require a legislative change given the maritime nature of your traditional jurisdiction?
Response: The Coast Guard's role in the National Capital Region Air Defense will not require any legislative change. Title 10 and Title 14 US Code contain all of the authority required for the Coast Guard to execute both the national defense and law enforcement aspects of this mission.

Question: What are the advantages of Coast Guard performing this mission versus other Federal law enforcement agencies?
Response: Defense of the National Capital Region (NCR) is a DoD responsibility under Operation Noble Eagle. Unlike other federal law enforcement agencies, the Coast Guard has Title 10 U.S. Code authority, allowing seamless integration into North American Air Defense command and control.

A secondary mission is air security / law enforcement. Primary responsibility for this mission rests with the FBI and Secret Service. If released from its primary mission of Air Defense, the Coast Guard, under Title 14 U.S. Code authority, will assist these agencies with their air security responsibilities under Title 14 U.S. Code.

The Coast Guard is working closely with all agencies in the National Capital Region Coordination Center (NCRCC) to ensure unity of effort and mission effectiveness within the National Capital Region. The Coast Guard's entry into the National Capital Air Defense mission will benefit the NCR's residents and general aviation pilots by providing a more efficient, safe and effective execution of the air defense mission.

Question: To the best of your knowledge, what other federal entities have an active airborne use of force mission?

Response: The Coast Guard is not aware of any Federal agencies, with the exception of the Department of Defense, that have an airborne use of force mission.

Question: While exercising this new mission: Who will order the launch of the Coast Guard helicopters? Who will control the mission? Will the assets be armed?

Response: NORAD will have tactical control (TACON) of Coast Guard assets supporting the National Capital Region Air Defense initiative. This tactical control includes launch authority and mission control. Some personnel in the helo will be armed with personal defense weapons. There is no current NORAD requirement for Coast Guard NCR helicopters to be armed.

Question: Will they shoot down an aircraft that enters the restricted airspace if ordered to do so? What if air intercepts are not able to respond in time—will they shoot if ordered to do so?

Response: No. There is no current requirement for Coast Guard NCR helicopters to have shoot down capability. Other measures will be taken to respond to non-complaint aircraft. We suggest you contact DOD for more information.

Question: What is the specific date that the Coast Guard will take over the NCR mission?

Response: The Coast Guard's target start date for initial operating capability is during the last quarter of Fiscal Year 2006. That date is contingent upon the timing of Congressional approval of a DHS request to transfer $4M of Fiscal Year 2006 funds to the Coast Guard. Approximately five months after approval of the $4M funds transfer request, the Coast Guard will be able to assume the mission.

Question: Where will the assets come from?

Response: The President's Fiscal Year 2007 budget requests funds to acquire and missionize five (5) new or used HH–65 helicopters to support the National Capital Region Air Defense (NCRAD) initiative. In the interim, NCRAD will be supported by existing fleet aircraft (HH–65Cs) normally dedicated to special missions/cutter support.

Question: How will the Coast Guard ensure that it can meet its other missions while the requested five helicopters needed to perform this mission are delivered?

Response: The NCRAD mission will be initially supported by existing fleet aircraft (HH–65C) normally dedicated to special missions/cutter support. The Coast Guard will exercise the last year option on the current HITRON MH–68 helicopter service contract to provide an additional 1000 cutter helicopter days deployed at sea through January 2008 while five additional USCG HH–65C helos are procured and missionized. Exercising the last year option of the HITRON MH–68 armed helicopter service contract will ensure no negative impact to current USCG missions.

Reclassification of Drug Interdiction as a Non-Homeland Security Mission:

Question: Is it fair to say that in your experience, drug smugglers and human smugglers often use the same transit routes?

Response: Yes.

Question: How will this reclassification benefit Coast Guard operations?

Response: The Coast Guard anticipates no benefit as a result of this reclassification.

Question: Please describe for the committee why the Office of Management and Budget is justifying this change.

Response: To align with other Federal counterdrug programs, all of which are not classified as homeland security activities. Additional details are available from the Office of Management and Budget.

QUESTIONS FROM HON. CURT WELDON

Question: How did the Coast Guard decide on using the HH–65 for National Capital Region response?

Response: The HH–65C helicopter was the "aircraft of choice" for the National Capital Region Air Defense (NCRAD) mission due its (a) ability to meet NCRAD mission requirements, (b) relatively low operating cost, (c) the large number of HH–65 helicopters in the Coast Guard fleet, and (d) the availability and comparatively low cost to acquire additional assets on the commercial market.

Question: Did you consider other options like the MH–68 that the Coast Guard currently uses for HITRON?

Response: The Coast Guard did consider the HH–60J, HH–65C and MH–68 helicopters for the NCR mission.

The HH–65C helicopter was chosen as the most ideally suited and cost effective airframe to meet NCR requirements.

Question: Isn't the MH–68 already in service and authorized for Airborne Use of Force?

Response: The MH–68 helicopter is Airborne Use of Force air-to-surface capable, and being used by the Coast Guard for counter drug operations. However, at present, DOD, DHS, and DOJ do not require an armed helicopter to support the National Capital Region Air Defense or law enforcement. Due to its maximum airspeed limitations, the MH–68 helicopter does not meet the NCRAD Rotary Air Wing Intercept requirements.

Question: Hasn't the MH–68 successfully conducted similar missions at places such as political conventions and the G–8 Summit?

Response: MH–68 helicopters have been used for port security missions during National Special Security Events such as the Republican National Convention, Democrat National Convention, and the G–8 Summit, where an Airborne Use of Force capability was required for surface threats. However, the MH–68 helicopter has never been used as a Rotary Wing Air Intercept platform, as is required for the NCR mission.

Question: What is your plan for fielding the HH–65's for this mission?

Response: The President's Fiscal Year 2007 budget requests funds to acquire and missionize five (5) additional HH–65C helicopters to support the National Capital Region Air Defense (NCRAD) initiative. In the interim, NCRAD will be supported by existing fleet aircraft (HH–65Cs) normally dedicated to special missions/cutter support. The Coast Guard will exercise the last year option of the armed HITRON MH–68 helicopter service contract to provide an additional 1000 cutter helo days deployed at sea through January 2008, bridging the time until 5 additional HH–65C aircraft can be acquired.

Question: Will you take existing assets away from their mission to serve in this role?

Response: The National Capital Region Air Defense mission will be initially supported by existing fleet aircraft (HH–65Cs) normally dedicated to special missions/cutter support. The Coast Guard will exercise the last year option of the current HITRON MH–68 helicopter service contract to provide an additional 1000 cutter helicopter days deployed at sea through January 2008, while five additional USCG HH–65C helos are procured and missionized. Exercising the last year option of the HITRON MH–68 armed helicopter service contract will ensure no negative impact to current USCG missions.

Question: Is your plan the most efficient and cost effective option?

Response: Yes, the selection of the HH–65C for the National Capital Region Air Defense (NCRAD) mission is the most efficient and cost effective Coast Guard option.

Question: Are you considering acquiring or leasing used HH–65's for the Coast Guard, for this mission or any other mission? If so, how will you certify that these aircraft meet the Coast Guard's safety standards?

Response: The President's Fiscal Year 2007 budget requests funds to acquire and missionize five (5) new or used HH–65 helicopters to support the National Capital Region Air Defense (NCRAD) mission.

When the Coast Guard acquires and/or missionizes a new or used HH–65 aircraft, the helicopter will initially be inducted into the Coast Guard's Aircraft Repair & Supply Center (ARSC). This induction will ensure aircraft standardization and certification. ARSC has a proven record for successfully modifying civil AS–365 (USCG HH65 like) airframes into Coast Guard HH–65 aircraft.

QUESTIONS FROM HON. MARK E. SOUDER

New Definition of Homeland Security

When Congress created DHS in 2002, it combined some of the most important drug interdiction agencies in the Federal Government. While the Coast Guard's homeland security missions are not new, they were statutorily defined in Section 888 of the Homeland Security Act of 2002 (Public Law 107–296) as follows: ports, waterways, and coastal security; drug interdiction; migrant interdiction; defense readiness; and other law enforcement.

Contrary to this statutory definition of the homeland security missions that includes drug interdiction and other enforcement, the Administration's 2007 budget request categorizes "Illegal Drug Interdiction" and "Other Law Enforcement" missions as "Non-Homeland Security" missions. (Coast Guard Budget in Brief document (page B–2). This proposed change clearly runs contrary to the organic statute establishing DHS.

Question: Who has authorized the change of definitions and therefore priorities for the Coast Guard regarding drug interdiction?

Response: Section 889 of the Homeland Security Act (P.L. 107–296) authorizes the Office of Management and Budget to compile estimates of funding related to homeland security consistent with the definition from the 2002 Annual Report to Congress on Combating Terrorism. That report refers to "homeland security" as those activities that detect, deter, protect against, and respond to terrorist attacks on the United States. Upon review of the Coast Guard programs for "Drug Interdiction" and "Other Law Enforcement," OMB determined that these programs do not meet government-wide standards for the definition in section 889, and reclassified the funding to ensure consistency in reporting homeland security programs to the Congress. The "Other Law Enforcement" mission focuses on the enforcement of maritime fishery boundaries, primarily in the North Pacific ocean around the state of Alaska, and does not directly focus on terrorism or terrorists. The "Drug Interdiction" mission is nearly identical to the activities of the Drug Enforcement Agency, the funding for which is classified entirely as "non-homeland security."

OMB also closely reviewed section 888 of P.L. 107–296, which clearly states that categorizing "Drug Interdiction" and "Other Law Enforcement" as "homeland security" only applies to that specific part of the legislation, not the separate section 889 which prescribes how OMB should report homeland security programs governmentwide. This interpretation was approved by the OMB Counsel's office and accepted by the DHS Counsel's office.

Question: Did lawyers at ONDCP, DHS and Coast Guard sign off on this abdication of duty?

Response: Section 889 of the Homeland Security Act (P.L. 107–296) authorizes the Office of Management and Budget to compile estimates of funding related to homeland security consistent with the definition from the 2002 Annual Report to Congress on Combating Terrorism. That report refers to "homeland security" as those activities that detect, deter, protect against, and respond to terrorist attacks on the United States. Upon review of the Coast Guard programs for "Drug Interdiction" and "Other Law Enforcement," OMB determined that these programs do not meet government-wide standards for the definition in section 889, and reclassified the funding to ensure consistency in reporting homeland security programs to the Congress. The "Other Law Enforcement" mission focuses on the enforcement of maritime fishery boundaries, primarily in the North Pacific ocean around the state of Alaska, and does not directly focus on terrorism or terrorists. The "Drug Interdiction" mission is nearly identical to the activities of the Drug Enforcement Agency, the funding for which is classified entirely as "non-homeland security."

OMB also closely reviewed section 888 of P.L. 107–296, which clearly states that categorizing "Drug Interdiction" and "Other Law Enforcement" as "homeland security" only applies to that specific part of the legislation, not the separate section 889 which prescribes how OMB should report homeland security programs governmentwide. This interpretation was approved by the OMB Counsel's office and accepted by the DHS Counsel's office. ONDCP was also aware of the change.

Question: Does the Coast Guard support the proposed new change in categories for its Drug Interdiction mission?

Response: The Coast Guard supports the President's Budget. Regardless of budget classification, the mission to secure and protect the maritime domain against all threats, including illegal narcotics, is critical to the security of the United States. The Coast Guard continues to have unprecedented success in the counterdrug mission. The Coast Guard, working with its interagency and international partners, re-

moved 338,206 pounds of cocaine (including nearly 303,662 pounds seized) during fiscal year 2005—a record year. This success will be maintained by pursuing the three principles of its 10-year Strategic Counter Drug Plan known as STEEL WEB:

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

Question: How will the proposed change impact the administration, management, funding and operations of the Coast Guard's drug interdiction mission?

Response: The President develops his budget proposal annually to identify the highest-priority needs of the country. The change in homeland security classification of the Coast Guard "Drug Interdiction" budget was made to ensure consistent reporting of homeland security funding in the budget document, not to signal a revision to the President's commitment to funding the effort to eliminate the illegal importation of drugs into the country.

The revision to the homeland security classification of the Drug Interdiction budget will also have no effect on the Coast Guard's ability to execute this mission, or on the agency's effectiveness in reducing the illegal drug trade in the maritime environment.

Question: How will this change impact the Coast Guard Drug Interdiction budget? Will it impact out-year budget projections?

Response: By design, the Coast Guard is a multi-mission, military service. While it has developed cost models that allow the allocation of asset hours and resources to its eleven mission-programs, it is appropriated dollars through general discretionary accounts (e.g., Operating Expenses; Acquisition, Construction and Improvements; etc.) that allow the Coast Guard to efficiently and effectively execute its broad mission portfolio and surge assets to meet maritime threats. Coast Guard cutters and aircraft rarely go to sea for a single purpose, but rather typically enforce all applicable laws and treaties and protect the safety and security of the maritime domain. For example, a Coast Guard cutter on patrol in the Caribbean or Eastern Pacific transit zone may in a single week make a maritime drug seizure, intercept undocumented migrants at sea, and respond to a vessel in distress.

This multi-mission character makes the whole of the Coast Guard's mission-programs much greater than the sum of its individual parts. It also challenges traditional budget classification. The Coast Guard's multi-mission character is a trusted and tested operational model evidenced most recently in the service's stellar response during hurricane Katrina. The last thing we would want is Coast Guard operational commanders limited in their ability to respond because of artificial budget 'stovepipes.?

The Department and Coast Guard remain focused on effective mission execution and performance results. While I cannot speculate on future impacts, if any, to the Coast Guard's drug interdiction mission, my immediate concern is that we fully fund the President's Budget Request for the Coast Guard each year. Unfortunately, the trend is in the wrong direction. The enacted fiscal year 2006 budget was almost $150 million below the President's Request, including more than a $33 million reduction to the Coast Guard's primary recapitalization effort—Deepwater. Several of the reductions directly affect drug interdiction effectiveness, such as deploying airborne use of force capability and C4ISR improvements. Coast Guard capability and capacity provides a unique and effective instrument of Homeland Security. As a result, I?m confident that preserving Coast Guard readiness and capability to conduct all missions will continue to be an Administration budget priority. I ask for your continued staunch support to ensure it also remains a Congressional budget priority.

National Capital Region Air Defense mission

The President's 2007 budget proposes $62.44 million for the establishment of a permanent National Capital Region Air Defense (NCRAD) program, a function being transferred to the U.S. Coast Guard from Customs and Border Protection. On November 2, 2005, I requested detailed planning documents from the Coast Guard regarding the proposed new mission. To date, I have still not received any further information pertaining to these plans.

Question: What is the Coast Guard's plan to support the NCRAD mission?

Response: In the President's FY07 Budget, funding is requested to acquire, staff and operate five (5) HH–65 helicopters in support of the National Capital Region Air Defense (NCRAD) mission. These helicopters will be assigned to CGAS Atlantic City and conduct NCRAD missions from a Forward Operating Base (FOB) at Ronald Reagan Washington National Airport. Operating under NORAD tactical control, three of the five helicopters will be located at National's Signature Aviation hangar with two crews on a 24/7 strip alert.

The target USCG start date is late fiscal year 2006. Approximately five months after Congressional approval of a pending DHS request to transfer $4M in fiscal year 2006 funds, Coast Guard will take over the mission. Until additional HH–65C helicopters are acquired, existing fleet aircraft currently used to support special missions and cutter deployments will be used to support this mission. The Coast Guard intends to exercise the last option year of the HITRON MH–68 service contract to provide an additional 1000 Armed Helicopter Cutter Days Deployed at Sea as a bridging strategy, ensuring no impact to existing missions until the additional helicopters can be acquired and missionized.

Question: What is the implementation date?

Response: The Coast Guard's target start date for initial operating capability is late in Fiscal Year 2006. The exact date is contingent upon the timing of Congressional approval of a DHS request to transfer $4M of Fiscal Year 2006 funds to the Coast Guard. Approximately five months after congressional approval to transfer funding, USCG will be able to assume the mission.

Question: Where will the five aircraft funded in the FY 2007 budget come from?

Response: An open market acquisition competition will be used to procure five (5) HH–65 helicopters. The supplier must either provide missioned HH65C helicopters, or 5 new or used AS–365 N3 airframes which USCG can modify at the Coast Guard's Aircraft Repair & Supply Center (ARSC) to USCG specifications. The decision to buy new aircraft or buy airframes and missionize them will be based on information received from a pending Industry Request for Information.

HH–65C helicopters are required for fleet standardization, which ensures efficiencies in logistics, reduces maintenance costs, and standardizes training for pilots and aircrew.

Question: Will the Coast Guard purchase new aircraft, or will aircraft be diverted from drug interdiction missions and in subsequent years be replaced by new acquisitions?

Response: The President's Fiscal Year 2007 budget requests funds to acquire and missionize five (5) additional HH–65 helicopters to support the National Capital Region Air Defense (NCRAD). The NCRAD mission will be initially supported by existing fleet aircraft (HH–65C) normally dedicated to special missions/cutter support. The Coast Guard will exercise the last year option of the current HITRON MH–68 helicopter service contract to provide an additional 1000 cutter helicopter days deployed at sea through January 2008, while five additional USCG HH–65C helos are procured and missionized.

Exercising the last year option of the HITRON MH–68 armed helicopter service contract will ensure no impact to current USCG missions.

Question: The FY 2007 calls for the procurement of five helicopters to support the NCRAD mission, but a DHS Budget Officer has said the program needs seven. Where will the other two aircraft come from, and will they be diverted from interdiction efforts?

Response: The acquisition of two additional HH–65 helicopters to support the National Capitol Region Air Defense (NCRAD) mission will be requested in future Coast Guard budgets. These last two aircraft will be used to support increased training needs at Aviation Training Center Mobile, AL and to add an additional depot level support aircraft. In the interim there will be no need to divert operational aircraft to fill these needs.

Deepwater Recapitalization

This year's budget proposal includes $934.43 million for the Deepwater Recapitalization project. The 2007 Coast Guard Budget in Brief describes this funding as supporting the ordering of additional cutters of varying abilities, additional maritime patrol aircraft, and the completion of the engine upgrade program for the HH–65 helicopters. The Coast Guard's ability to perform interdiction is spread very thin by the limited number and age of its assets.

Question: Will these new cutters arrive in time to alleviate the down time caused by deteriorating legacy cutters and aircraft?

Response: As explained in the Patrol Boat Availability Report, the schedule does not alleviate the gap in required cutter hours until at least 2009. Other interdiction platforms are similarly affected, however, and the Coast Guard is committed to maintaining the operational capabilities of its legacy assets and minimizing any downtime caused by traditional long-lead construction times and deteriorating legacy assets, through legacy sustainment projects. These sustainment projects are designed to maintain existing legacy asset capabilities and ensure the reliability of these assets until they are replaced by their Deepwater counterparts. The Coast Guard has additionally taken steps to mitigate the impacts of these projects to the largest extent possible. For example, the Coast Guard has limited the number of cutter sustainment projects in each fiscal year to maintain sufficient operational asset capacity.

Question: Will the Coast Guard experience significant "gaps" in capabilities due to the current Deepwater production schedule?

Response: The Coast Guard's Operational Gap Analysis Report details forecast gaps in cutter and aircraft operational hours during the transition to its new deepwater fleet. Because of increased efficiencies that have resulted from Deepwater upgrades to legacy equipment, Coast Guard hopes to minimize the effect of these gaps on mission performance. The transition schedule minimizes gaps in operational capabilities, but some gaps are unavoidable as some legacy assets are taken offline for sustainment projects. Also some delays are encountered while newly delivered assets and crews are being trained and tested before becoming fully operational. The Coast Guard has taken every effort to minimize fleet impact during this transition, but some unavoidable operational gaps remain. Full funding of the Deepwater project within the annual President's Budget Request is also critical to minimizing these gaps.

Maritime Patrol Aircraft

DoD maritime patrol aircraft hours operating in the transit zone have drastically decreased over the past three years, for various reasons, from a high of 5,964 hours in 2002 to only 1,500 hours in 2005. The Coast Guard, CBP, and allies have tried to fill this gap, but simply do not have the additional assets needed. To respond to this situation the FY 2007 includes the acquisition of three CASA 235 aircraft to augment MPA for Deepwater.

Question: Are three aircraft included in the FY 2007 budget enough to meet the Coast Guard's and JIATF-South's immediate need for aircraft to perform the MPA (detection, monitoring, and interdiction) mission?

Response: The President's Fiscal Year 2007 budget requests $77.6M for the acquisition of one aircraft, which would be the Coast Guard's sixth CASA. In addition, this request funds logistics, spare parts, and support for CASAs four through six. The Fiscal Year 2007 budget would also fund two quarters of operations for the third CASA aircraft. Operating funds for the first two aircraft were contained in the Fiscal Year 2006 budget.

The first three CASAs are forecast to be fully operational late in Fiscal Year 2007. Until that time the CASA flight hours will be dedicated to training, Design Testing and Evaluation and Operational Testing and Evaluation flights that must be done prior to introducing these new aircraft to the Coast Guard fleet. Once fully operational, each CASA aircraft will provide 1200 MPA hours per year.

Question: What type of palletized radar and sensing equipment will be installed on these aircraft?

Response: The sensors on the CASA CN235 Maritime Patrol Aircraft include:

- EDO ALR–95(V) 2 Electronic Support Measures (ESM),
- Saab R4A Automatic Identification System (AIS) Airborne Transmitter,
- FLIR Systems Star Safire III Electro-Optical/Infra-Red (EO/IR),
- Telephonic APS–143B(V) 3 Multi-Mode Radar (MMR), and
- Rockwell Collins DF–430F Direction Finder (DF).

Question: How do these aircraft and their sensor packages compare to the U.S. Navy and Customs and Border Protection P–3 aircraft and the current sensor package utilized in the HC–130?

Response: The U.S. Navy and CBP P–3, Coast Guard HC–130, and the Coast Guard CASA 235–300M aircraft, with some variances, have the same basic sensor capability. All three aircraft types have surface search radar and an Electro Optical / Infrared package. The Coast Guard's CASA aircraft will additionally have connectivity to the Common Operating Picture (COP) and will be able to display the local tactical picture, increasing situational awareness. The local tactical picture simultaneously blends electronic inputs from the Automatic Identification System,

surface search radar, an Electronic Surveillance Measures / Specific Emitter Identification package, and the COP with aerial charts.

The FY 2007 budget also includes funding to missionize and upgrade the sensors in Coast Guard HC–130 MPA aircraft.

Question: What type of palletized radar and sensing equipment will be installed on these aircraft?

Response: The HC–130H has a mission pallet that receives sensor data from a surface search radar and an electro-optical infra-red (EO/IR) sensor. The fiscal year 2007 President's budget request includes funding to replace the aging surface search radar and obsolete avionics suite.

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