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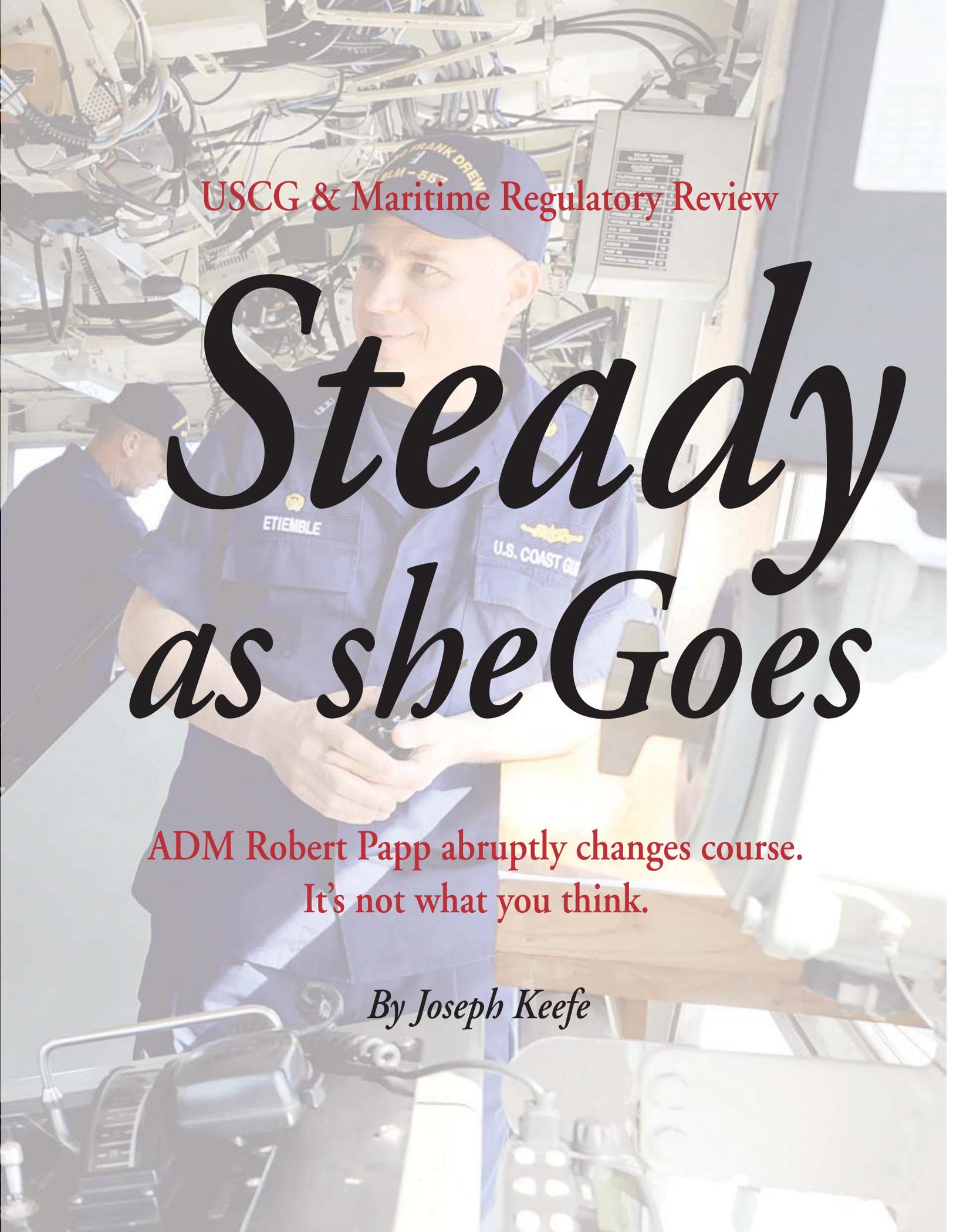
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USCG & Maritime Regulatory Review

# Steady as she Goes

ADM Robert Papp abruptly changes course.  
It's not what you think.

*By Joseph Keefe*

When Admiral Robert J. Papp assumed the duties of the 24th Commandant of the U.S. Coast Guard on May 25, 2010, he also served notice that it won't be business as usual at headquarters. Papp, unlike his three immediate predecessors, apparently has no intention of setting the world on fire by instituting sweeping changes. Inside the Coast Guard, the proverbial round turn is probably good news. For maritime businesses that trudge along under the collective weight of mounting regulatory burdens, an arguably willing partner now resides in the C-suite.

From Papp's perspective, the overarching link for all of the Coast Guard's collective missions is the maritime aspect of their service. The Coast Guard's most experienced mariner is unapologetic about insisting that everyone under his command experience some aspect of seagoing life. It is here where he has some Coasties nervous and the commercial maritime world sitting up to take notice.



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maritime service, then you ought to understand what ‘maritime’ is all about. No one has yet made a logical argument to me that there is not value to spending time on the water. If you have not been exposed to being cold, wet, tired and yes – maybe even seasick – then how can you possibly regulate the maritime industry, enforce regulations, etc. I’m not saying it is necessary to be a cutterman, but if you are going to handle credentialing, maybe you ought to go out and ride a commercial ship.”

Papp's unambiguous respect for the seagoing trades and 200,000+ domestic, credentialed merchant mariners, the change in tone may also signal a renewed effort to continue improvements in the mariner credentialing process at the National Maritime Center (NMC). Papp's new focus probably had little to do with April's DHS announcement that the Merchant Marine Personnel Advisory Committee (MERPAC) will be re-established. As a matched pair, they form a happy accident.

### **MARITIME REGULATORS:**

#### **MARITIME FOCUS & EXPERIENCE REQUIRED**

At Coast Guard headquarters in March, we asked the Commandant what he would tell other Coast Guard personnel who cannot, due to limited seagoing billets, follow in his footsteps. Papp responded, “There are plenty of other communities in our service that provide tremendous value. However, there is a maritime component to everything that we do. I’ve stopped calling us a seagoing service and now, I say we are a maritime service. But, I don’t let people off the hook – if you are in a

#### **THE YEAR OF THE FAMILY**

ADM Papp says that the “Year of the Family” involves enhancing quality of life. And, he does not give the federal government high marks for support extended to Coast Guard families, especially in comparison to the other military branches. “We don’t get the same consideration – we fall under Homeland Security. The Department of Defense can get Economy of Sale because they have large bases. For instance, I now live on what used to be the former Bolling Air Force Base.



There are one thousand people there. You can build a Commissary, a PX and services that serve those people effectively. Conversely, our people are spread out geographically and don't get the same services. They spend three times as much for child care in Department of Defense as they spend on us, per capita. We got some increases in this year's budget and some billets to expand within the child development centers. Housing is still a concern. The DoD has moved into something they call public-private ventures. DoD people are living in beautiful homes that make ours woefully inadequate. In comparison, I'm embarrassed for my people. We need to do better."

### STEADYING THE SERVICE

Those looking for spectacular, new initiatives from the Coast Guard over the next 3+ years are going to be disappointed. Papp explains, "Since September 11th 2001, we have put this service through multiple stressers. We took on many new responsibilities and in the midst of that, two major things occurred. First, the reorganization efforts by my two predecessors. Reorganization for the right reasons, but they create stress because you've got people who already have day jobs who also have to work to accomplish these reorganizations. ADM Collins did it at the field, tactical mission delivery levels by combining our marine safety offices and our group offices into sectors – that upheaval still hasn't been completed. ADM Allen focused on the strategic level, reorganizing upper leadership structure. That required congressional action to authorize that we never got, so that project was never completed, either. It consumed a lot staff time and energy."

Papp cites deeper concerns. "We need to wrap up these things so that our people can start focusing on their core competencies. I am concerned that we've lost our edge in terms of professional skills. There are warning signals. We've lost 14 aviators in the last two years in accidents, recently lost a Petty Officer in a training accident and a couple of boat collisions have happened in the prosecution of cases. I'm concerned and I want to make sure that I'm doing all I can do to prepare our people for success."

Much of what ADM Papp espouses today is rooted in his formative experiences, rising up through the chain of command. As a mid-grade officer, he commanded a 45 year-old buoy tender, the Paw Paw. At the time, it was nearing obsolescence. "We were desperately in need of new buoy tenders, but struggling along because we could not convince Congress to

build new ships. These were old assets that were tough to maintain and it took it out on our people because they had to not only do their work, but also do repairs to keep the ships running. That became deeply engrained in me that when I got to a leadership position, I needed to get the proper tools and resources out to our people. I'm living that today as we try to replace cutters and other assets," adds Papp.

### DOING MORE WITH LESS (NOT ANYMORE)

Papp admits that the Coast Guard's FY-12 budget is fatter than most, but he also says that there is good reason for it. And, he promises, the way that the Coast Guard goes about fine tuning its mission set is about to change. It is here where he diverges (sharply) from his predecessors in terms of "doing the best they can with not enough." That's over, says Papp.

"This whole 'doing more with less thing' never set well with me. We've continued to do more and more over the years. But, some of these things – we've done to ourselves. We have a can-do attitude and when we see the need, we try to fill that void. At some point, you have to say, 'Are all of these activities warranted and are there other departments in the federal government that could be doing some of this? Are we trying to do too much?' And that's what we are in the process of looking at right now." He points to U.S. Coast Guard deployable Special Forces as a prime example where the mission set has ramped up over the course of the last ten years.

Papp admits that he has no authority to cut any Coast Guard missions. He does promise that his forces can only do so much, and what they can do, he wants to do well. "Take our aviators. We have task saturated them. It used to be that all they did was Search and Rescue and that was challenging enough. We devoted 40 percent of our flight hours to training; since 9/11 we've added airborne use of force, rotary wing air intercept and vertical insertion. Now, we are up to a point where 60 percent of our flight time is training hours. If the country wants us to do these things, it's my responsibility to go to Congress and say, 'we don't have the resources to do that.' Give me the resources, and I'll do the job. Or, give it to some other agency."

### PRIORITIES VERSUS RESOURCES

It wasn't too long ago that NTSB took over certain investigation responsibilities from the Coast Guard. That came with a political battle that involved fears that a lost mission might mean loss of prestige. But, some Coast Guard mission sets

have always been in question. The maritime industry's 200,000+ domestic mariners, for example, have long complained about the ability of the Coast Guard to properly administer its mariner credentialing function. Given the realities of the budget battles and continued "mission creep," no options are off the table.

Papp insists, "I'll admit to a bias right up front that the Coast Guard can do anything it sets its collective mind to, better anyone else. Having said that, do we always have the resources to do that? No. On the other hand, I believe that there is a need for the country to do advanced interdictions out at sea. I categorize this as 'short notice maritime response and advanced interdiction.' We started to try and build the resources to do with before even coming up with a concept of how we do it."

He continues, "We need to decide if we're capable of doing this on our own. If we're not, then we need to put forth a resource proposal through my Secretary, the President and the Congress." He adds, "I'm constantly looking to other places in the government who can accomplish certain missions, because all of us are faced with constrained budgets as we go forward. None of us are going to be able to take on new activities and missions without being circumspect about what that will cost the country."

## BUDGET

The current budget situation is simple enough. Papp explains, "The Coast Guard's FY 2012 budget leverages savings



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generated through management efficiencies and offsets, and allocates funding toward higher order needs to support front-line operations."

From Papp's perspective, things could be a lot worse.

"We've seen tremendous growth, from somewhere between 3 and 4 billion dollars in the budget before 9/11; we're up over 10 billion right now. The President's FY-12 budget that I just went up to the Hill to defend asks for a modest increase for the Coast Guard, where most other departments are being cut. The challenge is that it doesn't necessarily keep up with the increased costs that we are incurring. The big gorilla in the room is keeping old ships running. Every maritime professional understands how much old ships cost to run. The National Security Cutter costs nearly three-quarters of a billion dollars to build and you are only getting 1.5 billion every year in acquisition funds. I'd like to be building two per year, but, I can't."

## DEEPWATER:

### COAST GUARD, NOT BP

Deepwater, for most people, refers to the Gulf oil spill. For the Coast Guard, it also refers to a different (but equally difficult) period where the multi-billion dollar recapitalization program was executed in a less than ideal fashion. According to Papp, the Coast Guard has since grown up to address these needs; developing career paths and synergy between the U.S. Navy's NAVSEA group and beefing up its acquisition billets. Still, the nation's fifth, uniformed and military service was widely criticized for its arguably inept stewardship of billions



of the taxpayers' dollars.

ADM Papp sees the issue a little differently. "First of all – I'll defend the Coast Guard. We came upon a perfect storm in the late 1990's. Our ships were old, they needed replacement. The only way we could gain traction was to bring them all together in a system of systems approach because people weren't listening to us prior to 9/11 and if 9/11 hadn't happened, we'd probably still be struggling to get things done. We also were facing something called "streamlining" in the mid-1990's – we lost about 4,000 people. And so, if you are going to continue to try and accomplish traditional Coast Guard missions, you have to make cuts in administrative overhead, acquisition staff, personnel, etc. Acquisition forces were cut back to the bone – rightly so, because we were only getting about \$3 million per year in acquisition money. 9/11 occurred and all of a sudden, we got \$800 million in acquisition funds. Now, we're building ships and everything else, in a stern chase trying to build acquisition staff. We relied upon a lead system integrator to help us and it did not go well.

Papp fleshed out the solutions. "The current Chief of Staff, John Courier, was previously head of acquisitions. He came up with this blueprint for acquisition reform where we drew people from DoD and hired people away from NAVSEA and other places. We're better for it. And, we work and-in-hand with NAVSEA now, building ships side-by-side at Northrop Grumman, comparing costs, workloads and everything else so we can get the best deal for the government.

Papp's rosy view isn't shared by everyone. A recent Subcommittee on Coast Guard and Maritime Transportation hearing, chaired by U.S. Rep. Frank LoBiondo (R-NJ), conducted to examine the status of the Coast Guard's major acquisition programs was not nearly as complimentary. According to the Government Accountability Office (GAO), the Coast Guard's management of its acquisition portfolio continues to be less than stellar.

LoBiondo pointed to the National Security Cutters as a prime example. He said, "Both vessels represent tremendous improvements over the 45 year old vessels they are replacing. However, the program is currently two years behind schedule and 38 percent over the revised 2007 budget. In addition, both vessels will require substantial retrofits to meet expected service lives."

LoBiondo also conceded, "The Coast Guard has made great strides to turn the program around in recent years and I com-

mend them for that. But now it is time to deliver results for the taxpayer and for the men and women of the Coast Guard who desperately need these assets to successfully conduct their missions."

### **THE ARCTIC: NEW COMMANDANT, NEW OUTLOOK**

Probably nothing has been more painful than watching the Coast Guard struggle without the resources to ramp up its ice-breaker fleet. That situation might be about to change; for reasons you might expect and couple you might not. First, the President's budget this year brings back money into the Coast Guard's budget that was transferred seven years ago to the National Science Foundation. That will enable Papp to keep one heavy breaker in service, as well as the HEALY, which is a medium breaker. Papp continues, "I have to decommission one of the breakers. We'll decommission POLAR SEA and take those repair moneys and invest those in POLAR STAR. Ten more years out of POLAR STAR gives us time to work on an overall solution." Papp also sheds light on emerging policy for the Coast Guard in the Arctic. Recognizing the needed cutters and infrastructure, he asks, "What hope do we have of properly addressing our responsibilities in the region without the necessary equipment? For the Coast Guard, it is a zero sum game – I can't take on those responsibilities unless I have the resources to do it." After asking the hard question, he provides his own answer. "We've concentrated the last few years on ice-breakers, but some estimates have the cost to build a new one at \$1 billion. What we haven't done is the hard work of going up there and saying, 'What are the nation's needs in the Arctic?' Icebreakers may be part of that solution, but there's water where there used to be ice. We have responsibilities – cruise ships, merchant ships, adventurers – they are all there. That means search and rescue. How do you conduct that? The first step is a seasonal sir station. So, we have to come up with a concept of how to carry out our responsibilities – both sovereignty and response. Over the last three summers, we've deployed equipment to see what works and what doesn't."

### **CAN THE COAST GUARD GET BACK ITS MOJO?**

Addressing industry fears that internal Coast Guard expertise is eroding due to outsourcing and that the Coast Guard might not be up to handling marine credentialing, Papp outlined a plan to reverse a worrying trend. "One of the major goals of

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the multi-year marine safety enhancement plan is to improve the Coast Guard’s Marine Safety Capacity and Performance. Included are several initiatives, including expansion of opportunities for maritime industry training; establishment of National Centers of Expertise and 18 Feeder Ports (allowing for streamlined training in marine inspection competencies).” Beyond this, he added, “\$10.7 million has been requested for FY2012 to provide us with 99 new marine safety positions.” Coast Guard Academy Cadets are currently provided with a path to obtain a domestic officer endorsement, which requires at least one year of service and obtaining the appropriate shipboard qualifications. Holding a credential is not the only requirement; it is more important that such officers have an open view of the requirements so that they are able to understand the needs of industry. Additionally, officers and civilians are being obtained directly from maritime academies and integrating them into the proper programs.

#### **COMMERCIAL SHIPPING & TANKERS:**

From ADM Papp’s perspective, commercial shippers and tanker operators alike are doing some good things, with notable exceptions. For example, he extols the virtues of the collaborative efforts of the salvage industry, plan preparers, and well as industry associations working with the Coast Guard, that produced the initial implementation phases (plan submittal) of recently implemented Salvage & Marine Firefighting Regulations. Papp reports, “It went smoothly, with only a handful of vessel operations nationwide being interrupted to comply with this new requirement.”

Papp also mentions the Towing Vessel Bridging Program. “TVBP enabled me to utilize one of my Guiding Principles – ‘Strengthening our Partnerships’ – by leveraging our oldest industry partnership, the American Waterways Operators, to col-

lectively improve towing vessel safety and environmental protection in the towing and barge industry.” That’s not to say that there are not areas for improvement. Scolding the collective U.S. flag fleet, Papp laments, “The US flag has had four cumulative detentions in Paris MOU member nations over the past three years, all but one stemming from the condition of the vessel.

Having a poor port state control record for the US flag hurts all US vessel owners that trade internationally by inciting port delays resulting from increased foreign Port State Control inspections.” Staying with the theme of Port State Control, Papp also said, “We continue to discover cases of direct discharge of oily substances into the marine environment that were a result of the circumventing of oily water prevention equipment. The United States will not accept this practice and will pursue these matters through our legal system. The industry as a whole, with the Coast Guard and other regulatory bodies, must do better in order to preserve our fragile marine environment.”

#### **ONE THING:**

If Papp could accomplish just one thing as Commandant, it would be to make sure that all eight of the National Security cutters are built. Beyond that, he wants to have the replacement for the medium endurance cutters – the offshore patrol cutter – selected and in the pipeline. He explains, “Half of the current ships are forty years old and the other half will rapidly be approaching obsolescence by the time we get the new ships built. Some people accuse me of focusing on ships because I’m a boat driver, but ADM Allen wasn’t a boat driver and he focused on it too. We have to get these things behind us so we can focus on other things. It takes a huge chunk out of our budget.”

— *MarPro*

