

Coast Guard Commandant Admiral Bob Papp's Remarks

to the

Passenger Vessel Association Annual Convention in St. Louis, Missouri

February 6, 2011

Thank you for the opportunity to hold this “all-hands” session with you this afternoon.

I had the opportunity to meet with your board, and they wanted to set some context by explaining to me what PVA is, and what it is not...so although I don't like to talk about myself, we are going to be together for 4 years during my watch as Commandant, so I thought I would do the same with you – set some context by explaining what I am, and what I am not...

I have several books by John Maxwell – a leadership author. One of my favorite readings from John Maxwell is you are your lens...you see the world from your perspective and the experiences you have had. My experience is working out on the water...very early in my career I went to sea as often and as frequent as I could. I spent most of my career on small ships—performing aids to navigation missions—with small crews performing hard work. So, when I came here to meet with your board today, I thought we might not have a lot in common. But, it turns out we do have a lot in common. To be able to go out and work on the water, and do productive work, and at the end of the day look back with satisfaction is a great life. I enjoyed it, and I miss it.

I want to listen to all of you, and find out what's on your minds, so we can take your concerns back to Washington with us. We have to be mindful that you all have small business that you have to work and sustain. We thank you for being here – and we have a lot of Coast Guard staff here to listen to your concerns throughout your conference...

It's great to be here in St. Louis – in spite of the weather – speaking directly underneath the Gateway Arch. This great arch – built to honor westward expansion – has always suggested the promise of new opportunities.

Prior to the construction of this metal arch, the traditional arch constructed of brick and stone was always thought of as a strength created by two weaknesses – in other words, the unstable legs of each arch joined to support one another. The Gateway Arch had to be different. Its planned height would create stresses that a traditional masonry arch could not withstand. So, an inner frame of carbon steel was joined to a structure of stainless steel to create a single – but dynamic structure. The Gateway Arch was a new way of holding things together – and it allowed its architect to build to new heights...

As a sailor, upon taking command of the Coast Guard, I took a figurative fix on our position – I developed four principles – steady the service, honor our profession, strengthen our partnerships and respect our shipmates. Like the architect of the Gateway arch Eero Saarinen, I want to find a way to take our **existing partnerships** to new heights. Both industry and government face new safety and security threats to our ports and waterways. We need to come together, and become stronger so we can meet these threats head-on.

I want you to know first and foremost, that the Coast Guard remains committed to its many partnerships within the Maritime Industry and particularly PVA – Strengthening our long-standing partnership with PVA – especially as it applies to safety and security of the passenger vessel industry is a shared objective.

In fact, I'm so committed to strengthening our partnership, that I came all the way to St. Louis to speak to you on Superbowl Sunday! (I heard last year's PVA convention was on Valentine's Day...)

Seriously though, I am truly honored to be with you this afternoon – and especially on the occasion of your 40th anniversary.

I had the opportunity to meet and speak with your board earlier today. Most importantly, I listened to them – I wanted to hear first-hand YOUR concerns and challenges. I'll try and address some of them here today.

I know that you are facing increases in the complexity and growth of your industry...

And I know that increased regulation – even regulations that seek to enhance the safety and security of our ports and waterways have an impact on your businesses.

But of course, the Coast Guard also has to carry out its responsibilities. Our Marine Safety Program benefits everyone when we work together to ensure the safety of the thousands of passengers on ferries and other conveyances as well as preventing marine casualties – and protecting the marine environment. Pursuing these initiatives – in the right way – in a reasonable way – in a pragmatic way – and in a compassionate way – not only increases safety and security – it strengthens commerce.

I looked back and I believe it was 2009 when the Coast Guard Commandant last spoke to you. It was Admiral Thad Allen. At the time, the Coast Guard was working hard to respond to industry concerns that we were overemphasizing our homeland security mission to the detriment of marine safety. So, we stepped back, we took your concerns to heart, and put forth a plan – the Marine Safety Performance Plan – or MSPP. The MSPP was a 5 year plan that outlined our goals to improve service to the entire industry, while addressing many of the concerns from the passenger vessel sector.

The Coast Guard launched six major initiatives:

- 1) Improve the capacity and competency of our personnel to ensure a superior workforce;
- 2) Improve service delivery to our stakeholders;
- 3) Improve management practices;
- 4) Improve recreational vessel safety;
- 5) Address towing vessel safety; and
- 6) Reduce the risks associated with commercial fishing.

Interestingly, these 6 initiatives got boiled down to superior workforce; superb service delivery; quality management; boat; tow and fish safe...but I guess that means folks cared enough to learn them...

So, fast-forward to today – February 2011 – where do we stand?

Well, I can report to YOU that we've taken great steps to respond to your concerns, and we continue to face some challenges, as we work to improve our internal Marine Safety Program, while simultaneously regulating, and keeping pace with industry...

The Coast Guard's Marine Safety Focus is on 3 areas:

- 1) Improving our Marine Safety Capacity and Performance
- 2) Enhancing Service Delivery to Mariners and Industry Customers, and
- 3) Expanding Outreach and Advisory Mechanisms for Industry and Communities

We continue to strengthen our Marine Inspector and Investigator competency.

We have also increased capacity by hiring additional inspectors in a variety of disciplines (310 positions were added in FY2009 and 68 positions in FY2010).

We have increased civilian positions. Doing this increases continuity as the turnover for civilian inspectors tends to be much lower than our active-duty inspectors. We're focused on building a corps of civilian inspectors that will make up approximately one-third of our total inspection force. We anticipate this mix of two-thirds active duty and one-third civilian inspectors will provide the optimum balance. Civilians offer geographic stability and local corporate knowledge; active duty members bring their global perspective and geographically diverse experience.

We've also increased competency. We've leveraged recruiting tools to attract and hire the most competitive candidates. And, we've created a career ladder system for entry level civilian marine inspectors – nicknamed CAMI – for civilian apprentice marine inspectors. Our goal is to assign 2 CAMIs to certain so-called feeder ports – which are ports that have a diverse high-volume workload that allow us to effectively train inspectors in a number of marine inspection competencies...

We've also worked hard to strengthen our marine safety career paths...we've developed Marine Safety Career Guides for our Officer, Civilian and Enlisted members—and we've embraced a apprentice-journeyman, and senior inspector career progression system.

I want to pause for a moment and stress what an important issue this is for me. I've been stressing to our Coast Guard work force – across our entire portfolio of missions – that in some cases, perhaps because of operational demands, our focus was on training to qualification. Well qualification is important – but I want our workforce focused on training to proficiency. We need to be not just qualified, but training to become the very best marine inspectors, sailors, aviators – or the best in whatever our chosen specialty area is...so I'm fully committed to ensuring our focus is on proficiency.

Our marine safety community – perhaps because of the concerns YOU raised several years back – is well ahead of the power curve on training to proficiency – and they might be the model for some of our other operational communities. So that's good news for all of us.

This initiative has been successful so far, and we plan to continue with it.

Now, we've said at all times that the MSPP is a living document – and, I think we've backed up that claim. We've been transparent by keeping the plan posted on the internet; we also posted comments we've received on the plan – as well as our own annual updates.

Recently, the Department of Homeland Security Office of Inspector General also weighed-in with their comments. And, we welcome their oversight.

They pointed out that the MSPP does not contain baseline information, performance targets and milestones, or completion dates and resources to achieve each of its goals – so it's hard to measure our progress...

They also recommended that we modify our goals and objectives into quantifiable measures.

We welcome these recommendations. And we've concurred with them.

Though, we did point out to the Inspector General that the MSPP they reviewed – which is the plan for 2009-2014 – was our initial performance plan.

My Deputy Commandant for Operations is Admiral Brian Salerno. I want to point out that Admiral Salerno is a career marine safety officer – it was important for me to appoint someone with Marine Safety experience to be the Deputy Commandant of operations – which has recently been made a 3-star – Vice Admiral position to reflect its increased responsibility. Admiral Salerno is in the process of developing the MSPP for 2012-2017, which will incorporate these recommendations. In the interim, we're also working these suggestions into the existing MSPP.

There's also another partnership that we remain committed to – and that's our partnership with YOUR employees, and many of YOU who are licensed mariners – I want YOU to know that the Coast Guard – and specifically our National Maritime Center – remains committed to providing you, our 216 thousand active U.S. merchant mariners with first-class service.

Now, we can always do better...Being a ship Captain for many years myself, I would never advise a fellow mariner to conn his vessel by looking at his wake – but it's important to know where you've been – as you extend your tracklines forward towards continuous improvement...

In 2009, our average merchant mariner credentialing time was 80 days...we were working hard to make the transition from regional centers to a centralized National Maritime Center...while still processing documents. This was sort of like changing the propeller of an aircraft while you're flying. We overcame some challenges and growing pains along the way...

Well, today I'm happy to report that our average credentialing time during 2010 was 18.2 days...that's the average time an active application for a mariner is in Coast Guard control before reaching completion.

Our goal was 30 days – and we've nearly cut that in half. This is a significant accomplishment – the goal now is to sustain this level of performance.

Now I know these are averages, and there may be some anomalies out there...we can always do better.

We've also tried to use technology to do things smarter. We're working on systems that will allow maritime training schools to electronically submit course completion data directly into our mariner application system – as well as a similar application that will allow mariners to electronically update their sea service –

And, we're also working on an internet-based application that will allow mariners to apply for their credentials on-line – as well as allowing the National Maritime Center to access necessary credentialing information directly from other data bases such as sea service and training records and background information...I'm hoping I can report to you in the near future that, yes we have an "App for That!"...

We're also harnessing technology to improve transparency in the application process. Applicants now receive auto-generated email notifying them of the status of their application. I'm told the system generates over 1,000 emails a day during peak processing times – so I suspect it won't be long before we get our first complaint from a mariner about too much spam-mail...we'll consider that success.

The Maritime Transportation System.

I know many of you in the audience are mariners who work harder than anyone to protect the safety and security of our maritime transportation system because your livelihood depends upon it. We're always trying to find the appropriate balance between safety and security – it requires constant fine tuning. But most importantly, it requires input from PVA members who are on the water every day. I hope that you all enjoy good working relationships with our local Sector and District Commanders. Let them know how we can serve you better...

I'm counting on working with the Passenger Vessel Association's Members to assist with many of our challenges. Our Quality Partnership – which we established in 1996 to discuss important issues in the passenger vessel industry, has been an excellent forum to tackle tough issues.

I also know we have come together to form a working group to develop a Safety Management System for use by passenger vessel operators. Even though safety management systems are only required for passenger vessels on international voyages, it's these type of proactive initiatives that enhance safety.

And I'm told that our Alternative Security Program (ASP) workshop took on some tough issues – and it's always a good indication when the attendees walk away from a meeting and agree that they need to meet more often...so we look forward to continuing to work together in the coming future...

I've found that it's often more beneficial for you to ask me questions, than for me to speak to you – so what I'd like to do at this point is take your questions after we make a brief presentation....

I would now like to ask President Kevin Stier and Vice President Jay Spence of PVA to come forward and join me at the podium.

Letter Presentation.

Dear Friends,

On behalf of the men and women of the U.S. Coast Guard, congratulations to the members of the Passenger Vessel Association (PVA), on 40 years of service! From your humble beginnings in 1971, PVA has grown to represent United States-flag passenger vessel operators and businesses in every major port.

PVA has always partnered with the Coast Guard to develop mutual confidence and, where possible, find “non-regulatory” solutions to safety and security challenges. Our collaboration has resulted in programs and training tools that have elevated safety and professionalism throughout the passenger vessel industry. When terrorists struck our Nation on 9/11, it was PVA that responded immediately by encouraging its members to adopt enhanced passenger security measures. Since then, the PVA Coast Guard-approved Alternate Security Program — known as the “PVA Industry Standard for the Security of Passenger Vessels and Small Passenger Vessels and their Facilities”— was instrumental in the implementation of the Marine Transportation Security Act of 2002, and has contributed greatly to enhancing the protection of our ports and ships. Most recently, the Coast Guard and PVA partnered to create FLAGSHIP – a new management program that when completed will take safety to new heights.

As the 24th Commandant of the Coast Guard, I look forward to continuing and strengthening our long-standing partnership. Thank you for your patriotism. You can take pride in knowing your four decades of service have made the United States passenger vessel industry stronger, safer and more secure. Congratulations and best wishes!

Semper Paratus!

Sincerely,

**R. J. Papp, Jr.
Admiral, U. S. Coast Guard**