

**Commandant's Address to the Maritime Industry
Seamen's Church Institute
Thursday June 10, New York, NY**

Good Afternoon, Shipmates!

Shipmates, for me is a term of endearment.

Shipmates are the active duty, reserve, civilian, Auxiliary, retirees, family members of all the aforementioned and other supporters of the Coast Guard – who serve every day performing, or supporting those performing our many missions. The Seamen's Church Institute, and you our industry partners who support SCI – are all shipmates. Thank you for your support of SCI – and for your continuing support of Coast Guard men and woman.

Executive Director Reverend David Rider

Officers of the Seamen's Church Institute

Admiral Loy

Vice Admiral Crea

Other distinguished guests...

Silver Bell Forum Presenters

It's truly an honor to be speaking to you at the Silver Bell Maritime Forum.

I am especially pleased that, later this evening, you will recognize our own VADM Crea with a Silver Bell lifetime achievement award – what a wonderful honor for her – she is one of the inspirational leaders of our Service – and champion of SIC. Thank you.

Unfortunately I will not be able to make this evening's Awards dinner so I want to briefly extend my congratulations, on behalf of the men and women of the Coast Guard, to Admiral Crea, C. Berdon Lawrence – Chairman Emeritus of Kirby Corp, and former Seaman's Church Institute Executive Director Rev. Jean Smith – for their commitment to mariners and issues facing the maritime industry – and their continuing support for the Seamen's Church institute.

SIC, much like the Coast Guard, has both a long history and a humanitarian mission to provide succor to mariners in distress. Your work has vastly improved the working conditions and lives of countless mariners. Improving mariners' training and livelihood ultimately improves maritime safety. Thus, we thank you today for your continuing service to the mariner, your compassion and your good works.

Ladies and Gentlemen, first I'd like to tell you my vision as Commandant, then give you an update on the Deepwater Horizon Response – and finally I'd like to discuss the Coast Guard's continued commitment to Strengthening our Partnerships with you, the Maritime Industry, including our continuing commitment to complete the objectives set forth in our Maritime Safety Performance Plan.

My vision as Commandant is based on four principles:

Steady the Service

Honor our Profession

Strengthen our Partnerships, and

Respect our Shipmates.

The opportunity to address you all today – our maritime industry partners – is embodied in the third principle of my vision – strengthen our partnerships. We need strong partnerships – including industry partnerships in order to successfully perform our complex maritime missions.

I would now like to update you on the ongoing Deepwater Horizon Response.

“Today is Day 52 – We are in Operational Day 52”. That’s what the sign says today as you walk into the Deepwater Horizon Response Incident Command Post in Houma, LA.

In the time that I speak to you today, some 33,000 additional gallons of oil – or 830 barrels -- will spill into the Gulf of Mexico – though due to the depth and unique nature of this ongoing spill, precise numbers are not possible – the flow rate technical group is still working to get a more accurate measure.

I can tell you, having just arrived in New York after making my second trip in just two weeks as Commandant, to visit the thousands of Coast Guard men and women on the front lines of what started as a search and rescue case with the tragic loss of the lives of 11 mariners has now become the largest oil spill response and remediation effort in U.S. history, we are in uncharted territory – we are facing an unprecedented challenge –

The Coast Guard is leading this response. We are directing BP from the Unified Area Command Center in Robert, LA – and the Incident Command Centers in Mobile, AL, Houma, LA and St. Petersburg, FL.

Coast Guard men and women are also on the front lines of this response – on Tuesday I flew over Cutters OAK, ELM, and CYPRESS as they conducted skimming operations – As we opened the back ramp on the HC-144 CASA overflying the spill the smell of oil immediately fills your nose – and the scope of the operation, which includes an armada of equipment, and an army of people from ROVs 5000 feet below the sea to aircraft 500 feet above – and satellites even higher above, challenges the limits of your comprehension. We are engaged in all-out battle.

This spill is both massive – and elusive at the same time. Every day, we awake once again to combat the spill on all its fronts. But every day is also different – environmental and other conditions cause the oil to be found in new locations – this spill is asymmetrical and predicting its movement is a constant challenge. This is why, as hard as we try, the oil sometimes evades our multilayered defense-works and reaches the beach – the marsh and the precious and sensitive coastal ecosystems. Most troubling, and what makes this response so difficult, is that the spill is continuing...

Our aircrews are conducting continuous surveillance – and Coast Guard teams are monitoring the approximately 3 million feet of boom stretching along the Gulf Coast from Louisiana to Florida. Thousands of federal, state, local and industry responders are also engaged in this all-hands-on deck effort.

The response can best be understood as 3-dimensional:

Dimension 1 – Underwater: Oil is being captured via the top hat system—BP continues to attempt to optimize their collection, dispersants are being applied to escaping oil, and environmental sampling is being conducted below the surface while the effort to drill two relief wells continues in earnest.

Dimension 2: Overhead: in the air, Coast Guard and other aircraft and, higher above, satellite surveillance is being conducted to monitor the spill and environmental conditions to best position our prevention and clean-up resources.

Dimension 3: The Sea surface: on the surface we have constructed a layered defense radiating out from the source of the spill, in a series of concentric circles, radiating back to the shoreline: In the bulls-eye surrounding the source large vessels with high capacity skimmers are working; the next ring contains in situ burning teams that work to gather and ignite heavy oil when weather conditions permit, the next ring includes blue water skimmers such as CG cutters that have a smaller collection capacity; and, as you move further inland smaller capacity skimmers are at work; close in to the shore record amounts of boom—in some cases multiple layers of boom—have been deployed; and, when oil makes in through this layer of defenses onto the beach, clean-up crews are at the ready, with oversight by CG officials.

As a mariner, as many of you are, I know that any mission at sea is 3 times as hard as on land – I also understand that the American public does not want any oil on their beaches

So we will maintain the offense off-shore – and on the defense on the beach.

AS OF JUNE 6:

15.4 million gallons of oily water have been recovered

1.1 million gallons of dispersants have been deployed

3.5 million gallons of oil have been burned – on Wednesday I received a report that 8 in situ burn teams had conducted 15 burns – one in excess of 6 hours which was the largest in situ burn in history – prior to this spill in situ burns had been rarely used – they were more of a theory.

The Coast Guard is supervising:

20,562 personnel

Approximately 453 miles of boom – over 2 million feet -- which, by the way, was never meant to remain in place – it must be checked daily much like a lobsterman has to check his traps or pots – repositioned – removed, cleaned and replaced – or repaired.

2,736 vessels; (including 115 skimmers)

67 aircraft

Just over two weeks ago, I relived Admiral Thad Allen as Commandant of the Coast Guard—As you know, Admiral Allen has stayed on as National Incident Commander for the Deepwater Horizon spill response.

I want to briefly explain our roles. Admiral Allen, as NIC, is the Administration's point person for the Federal Response. The NIC is a construct that places a senior federal official in charge of a national-level response – this person needs to be able to be both on-scene and in Washington to handle the politics, the press, etc. By filling this role, the NIC takes some of the political & press burdens off of the Federal On-Scene Coordinator (FOSC) – and that's just what Admiral Allen has been doing.

My role as Commandant has not changed. It is to oversee the Coast Guard's response and ensure the Coast Guard is providing every resource needed – Admiral Allen and I have been speaking to coordinate the Coast Guard's efforts on a near-daily basis.

It's my job as Commandant to ensure the Coast Guard has the tools to combat this spill – and ultimately the resolve of CG men and women, as well as the thousands of men and women from federal family agencies, DOD, state & local – and industry will work to cap this well. And, we will then continue to work to clean up the oil. It's our job. It's our duty. And, it's what the American people expect.

My most important mission is to continue being Commandant – to continue to ensure the Coast Guard executes its 11 other statutory missions. For example, we just started hurricane season June 1, and while we carry out this unprecedented response we need to ensure we are also prepared to respond to the inevitable hurricane or any other disaster – natural or manmade – to provide the public with the services it expects and deserves. Our small service is stretching...

While it's a daunting mission, I am reminded of what President Kennedy said while delivering the commencement address to American University – speaking to the class of 1963 President Kennedy observed:

“Our problems are man-made; therefore, they can be solved by man. And, man can be as big as he wants. No problem of human destiny is beyond human beings. Man's spirit and reason have often solved the seemingly unsolvable, and we believe they can do it again.”

So, while this response has posed challenges that our small service has never faced before – BP's attempts to fully stop the spill have yet to be successful – and our efforts to recover oil have, at times been imperfect -- we must continue and we must persist.

There will be good days and bad days. We will have to endure trial and error. We must remain flexible, we must adjust and employ every strategy and all appropriate resources to capture as much oil as possible at the source and on the sea – until the well is capped. But know that we are in this for the long haul – even once the well is capped and the flow has stopped, our campaign will not. It will just be the beginning of the end. This response will continue until all the oil is cleaned up.

Now, more than ever the CG needs the support of all of its partners – while we can take the lead on this response, we cannot do it alone. Now is the time to strengthen our resolve – and strengthen our partnerships.

Part II: Maritime Industry.

Several years ago, in the wake of 9/11 – you, our industry partners told the Coast Guard it had a problem. You told us that our shift in focus from marine inspections to homeland security and port security had reduced the expertise of our marine inspectors. You also told us that Coast Guard boardings had become less professional and more confrontational.

We listened. We conducted a rigorous self-critical analysis. We sought an objective outside assessments from VADM ret. Jim Card. And we solicited and received your feedback. The result of this process was the 2008 Comprehensive Marine Safety Performance Plan (MSPP).

The MSPP identified improvements that the Coast Guard needed to make in order to keep pace with the dynamic needs of our maritime industry partners and stakeholders.

The MSPP contained goals, objectives and performance targets set forth over a 5 year time horizon.

Today, at the start of my watch as Commandant, we are almost at the half-way point of this 5 year performance period, so I thought I'd take advantage of the presence of our many industry partners at the SIC Maritime Forum to briefly update you on where we stand.

While we have made some significant progress, I realize there's still much more work to be done.

Our initiatives are working—they are beginning to bear fruit. We've received tremendous support from our Department, the Administration and our Congressional leadership.

You – our industry partners – have also provided tremendous support by providing, among other things, opportunities for our personnel to ride your ships, learn in your classrooms and work alongside your employees. It's these types of hands-on opportunities that provide new perspectives and forge the relationships that that will build the foundation upon which we can advance, and achieve not just the knowledge of Coast Guard personnel, or the MSPP's objectives but enduring partnerships.

I remain fully committed to carrying out our MSPP. As you know, our small service has many missions – as well as the pressures of external challenges posed by unpredictable natural disasters such as hurricanes and earthquakes, and the present man-made Deepwater Horizon response. But, our ability to competently conduct our marine safety mission is vital. I take it very seriously.

We must continue to keep pace with the increasing complexity of our maritime industry – we must lean forward hard to ensure that Coast Guard personnel have the competency and capability that result in credibility with you our industry partners. As we continue to extend out the tracklines of our Marine Safety Performance Plan, I want to hear from you personally if you think we are off course. This is precisely why we designed the Marine Safety and Performance Plan to be a “living document”

To date, we have:

Goal 1 – Superior Workforce

Increased marine inspector and investigator capacity:

- The Coast Guard created 310 military and civilian Marine Safety positions in 2009 & 68 additional positions in 2010.
- 138 are civilian positions to provide greater consistency.
- The annual number of officer commissions from maritime academies has nearly doubled and appears to be holding steady around 30 per year.
- The establishment of 18 Feeder Ports – which is a Sector or Marine Safety unit with a diverse workload and with sufficient volume to allow for training (in at least 1 of the 17 marine inspection and port state control competencies) – including the port of New York.
- 18 dedicated civilian (GS-13) Senior Marine Inspector/Training Officer positions were also created and filled to carry out feeder port training
- The Marine Safety School at Yorktown increased student throughput by 23%

- In 2009, the overall number of officers sent to fulltime graduate school increased by 54%
- A comprehensive Prevention Human Capital Plan is now being initiated to further strengthen Marine Safety career paths
- In addition to the full time Coast Guard Liaison Officer position at the U.S. Merchant Marine Academy, another full time Liaison Officer (Lieutenant) was added at the California Maritime Academy. Future plans call for additional Liaison Officers at other maritime academies.
- We've also completed a major phase in the development of a Sector Staffing Model. This model ensures a transparent, repeatable, and scalable process to perform measurements and properly staff Sectors with the appropriate numbers of personnel including marine inspectors and investigators, and the proper number of engineers to support their efforts.
- Expanded opportunities for industry training: In 2009, six newly commissioned officers got underway on commercial vessels as part of a shiprider program designed to provide apprentice level personnel with their initial exposure to the maritime industry.

Goal 2 Superb Service Delivery:

Established Centers of Expertise

In 2009, 5 more National Centers of Expertise were established in addition to the two National Centers of Expertise (NCOEs) established in 2008 (Cruise Ships in Miami, FL and Suspension & Revocation in Martinsburg, WV) including:

- 1) Towing Vessels in Paducah, KY;
- 2) Liquefied Gas Carriers in Port Arthur, TX;
- 3) Outer Continental Shelf in Morgan City, LA;
- 4) Investigations in New Orleans, LA; and,
- 5) Vintage Vessels in Duluth, MN.

These National Centers of Expertise:

- revitalize the Coast Guard's technical competency and expertise to keep pace with the growth and complexity of the maritime industry;
- become a repository of Coast Guard expertise and best practices;
- Standardize techniques and processes across the Coast Guard;
- establish and cultivate enhanced working relationships and partnerships with public and private industry stakeholders to include professional training exchanges and joint training initiatives.

Improved rulemaking process to expedite regulatory implementation

- The rulemaking backlog has been reduced from approximately 97 to 73 projects

- Over the past two years we have added (31 additional positions)
- Of the 97 projects in 2009, 30 projects (31% of the total) remained on schedule, with another 44 projects (45% of the total) advancing.
- With the additional 31 positions added in 2008 and 2009, progress was made on 76% of all regulatory projects; nearly twice the number advanced in prior years.
- We continue to work to improve our outreach to the stakeholders within DHS, the Legislative and Executive Branches and with you all in the private sector.

Improve mariner credentialing through greater efficiency, transparency, and capacity

- During 2009, the Coast Guard and the National Maritime Center (NMC):completed centralization of the nationwide program;
- established fully-staffed medical evaluation branch to fully implement the Medical and Physical Evaluation Guidelines for Merchant Mariner Credentials;

- Eliminated a backlog of over 6,800 merchant mariner credential applications by surging resources from the NMC and Regional Examination Centers (RECs);
- decreased net processing time of credentials from 55 days in June 2009 to **21** days in November 2009

Goal 3: Quality Management:

Implement a Quality Management System

An ISO 9001:2008-based Quality Management System, known as the Mission Management System (MMS) is being expanded to ensure fulfillment of domestic and international obligations for marine safety and security. Examples include the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) 1995 and the International Maritime Organization (IMO) Voluntary Member State Audit Scheme (VMSAS). (Note: IMO voted recently at their 26th Assembly to make the VMSAS mandatory starting in 2014.)

- The MMS is currently deployed in three areas: Maritime Licensing and Documentation (MLD); Regulatory Development Program (RDP); and Marine Inspection, Investigation, Port Safety & Security (MPS).
- Five MMS “Rollout” visits have been completed (Sectors New York, Houston-Galveston (2), and New Orleans (2)).

- There were five Quality Management System Lead Auditor courses held in 2009 with 71 graduates. To date, there have been 19 courses held throughout the Coast Guard with 179 graduates receiving Lead Auditor certification.
- For the first time, the Coast Guard's FY10 budget contained a recurring line item to fully fund implementation of the MMS. This will ensure long-term stability and sustainability for the MMS.

Goal 4: FY 2009 Marine Environmental Protection Performance

Results

- The overall performance of Prevention programs proved largely successful in 2009 with decreasing numbers in deaths and injuries for commercial mariners, commercial passengers and recreational boaters.
- The number of oil spills greater than 100 gallons also decreased last year.
- There were 98 oil spills greater than 100 gallons documented FY 2009, about **20%** fewer than the 122 reported for FY 2008.
- The annual number of chemical discharge incidents remained low in FY 2009; only 22 chemical discharge incidents were recorded.
- The five-year average number of oil spills greater than 100 gallons has shown a consistent but slowing decline since 2003. The five-year

average of 11.8 spills per 100 million short tons of oil and oil products shipped is about a 10% improvement over the 13.2 recorded in FY 2008.

- The five-year average number of chemical discharge incidents continued a trend of improvement in 2009. The five-year average discharge incidents per 100 million short tons of chemicals shipped was 17.8 in 2009 as compared to 19.8 in 2008.

Conclusion.

As the Coast Guard continues to work the Deepwater Horizon response and its many other missions, SIC continues its good works to protect those who sail upon it – I want to again thank the SIC for its unwavering support of mariners –for being a great shipmate – and for all of you, our industry partners who support SIC and the Coast Guard’s humanitarian missions.

I look forward to working with all of you in the days, months and years ahead.

Thank you.

Semper Paratus.