

COAST GUARD AUTHORIZATION ACT OF 2001

MAY 24, 2001.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. YOUNG of Alaska, from the Committee on Transportation and Infrastructure, submitted the following

R E P O R T

[To accompany H.R. 1699]

[Including cost estimate of the Congressional Budget Office]

The Committee on Transportation and Infrastructure, to whom was referred the bill (H.R. 1699) to authorize appropriations for the Coast Guard for fiscal year 2002, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The primary purpose of H.R. 1699 is to authorize funds for the United States Coast Guard for fiscal year 2002. Funding is authorized for the following accounts within the Coast Guard's budget: Operating Expenses; Acquisition, Construction and Improvement; Research, Development, Test and Evaluation; Retired Pay; Alteration of Bridges; and Environmental Compliance and Restoration.

This bill also sets end-of-year strength levels for active duty military personnel and establishes military training levels.

BACKGROUND

The United States Coast Guard, established in 1915 as part of the Department of the Treasury, is responsible for performing Federal functions that trace their beginnings back to the founding of this country. The Coast Guard assumed the duties of five previously established agencies: the Lighthouse service, established in 1789; the Revenue Cutter Service, established in 1790; the Steamboat Inspection Service, established in 1838; the Life-Saving Service, established in 1848; and the Bureau of Navigation, established in 1884.

The Coast Guard remained a part of the Department of Treasury until 1967, when it was transferred to the newly created Department of Transportation.

Today's Coast Guard has primary responsibility for the promotion of safety of life and property at sea; the enforcement of all applicable Federal laws on, over, and under the high seas and United States waters; the maintenance of aids to navigation, the protection of the marine environment; icebreaking activities; and the safety and security of vessels, ports, waterways, and their related facilities.

As a military service and a branch of the Armed Forces, the Coast Guard also maintains a readiness to operate as a specialized service in the Navy upon the declaration of war or when the President directs. The Coast Guard has defended our Nation in every war since 1790, including the 1990–1991 conflict in the Persian Gulf.

The Coast Guard's legal responsibilities have expanded over the past 20 years. Many of the laws the Coast Guard administers are codified in subtitle II of title 46, United States Code. Beyond the broad responsibilities described above, the Coast Guard enforces the following laws:

The Western Hemisphere Drug Elimination Act, which provides a three-year increase of Coast Guard drug interdiction resources to respond to the illegal drug threat facing our country.

The Anti-Drug Abuse Acts of 1986 and 1988, which expand the Coast Guard's role in waterborne and airborne marine drug interdiction.

The Maritime Drug Law Enforcement Act, which authorizes the Coast Guard to search and seize any vessel that is manufacturing, distributing, or possessing with the intent to manufacture or distribute, any controlled substance in the United States.

The Deepwater Port Act of 1974, which directs the Coast Guard to oversee offshore oil port operation and construction.

The Port and Waterways Safety Act of 1974, which directs the Coast Guard to ensure port and merchant vessel safety.

The Port and Tanker Safety Act of 1978, which authorizes the Coast Guard to inspect foreign tankers, evaluate crew standards, and monitor offshore lightering activities in U.S. waters.

The Omnibus Diplomatic Security and Antiterrorism Act of 1986, which requires the Coast Guard to maintain and improve port, harbor, and coastal facilities security.

The Federal Boating Safety Act of 1971, which authorized the Coast Guard to prescribe standards for the manufacture of pleasure boats and associated equipment.

The Recreational Boating Safety Improvement Act of 1998 (subtitle D of title VII of P.L. 105–178) amended the Wallop-Breaux amendments to the Deficit Reduction Act of 1984 (P.L. 98–369) which established the Aquatic Resources Trust Fund. The Coast Guard uses this fund to promote recreational boating safety and access through a state grant program.

The Federal Water Pollution Control Act of 1972 (popularly known as the Clean Water Act), which requires the Coast Guard to regulate discharges of oil and sewage from vessels.

The Oil Pollution Act of 1990 (OPA 90), which expands the Coast Guard's authority over oil spills, and establishes a comprehensive

regime for oil spill compensation, liability, response, and research and development.

The Marine Protection, Research and Sanctuaries Act of 1972, which gives the Coast Guard enforcement authority over ocean dumping and marine sanctuaries.

The Act to Prevent Pollution from Ships, which requires the Coast Guard to administer and enforce international environmental pollution agreements through vessel and port certification and inspections.

The Marine Plastic Pollution Research and Control Act of 1987, which requires the Coast Guard to enforce prohibitions on the disposal of plastic materials and other garbage at sea and to establish regulations for vessel waste management.

The Hazardous Materials Transportation Act, which requires the Coast Guard to enforce safety standards for the waterborne transportation of hazardous materials.

The Intervention on the High Seas Act, which authorizes the Coast Guard to intervene in situations involving pollution discharges on the high seas that pose a threat to the United States and its territorial waters.

The Fishery Conservation and Management Act of 1976, which assigns joint responsibility to the Coast Guard and the National Marine Fisheries Service to enforce U.S. fisheries laws within the 200-mile Exclusive Economic Zone of the United States.

The Outer Continental Shelf Lands Act Amendments of 1978, which authorizes the Coast Guard to enforce environmental and safety regulations governing oil and gas development activities on the outer Continental Shelf.

The National Invasive Species Act of 1996, which amended the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 to strengthen and improve the nation's response to threats posed by aquatic nuisance species.

SECTION-BY-SECTION ANALYSIS OF H.R. 1699

Section 1. Short title

This section states that the Act may be cited as the Coast Guard Authorization Act of 2001.

Section 2. Authorization of appropriations

H.R. 1699 authorizes \$5.4 billion for Coast Guard programs and operations.

Operating expenses

Section 2(1) of the bill authorizes approximately \$3.7 billion for Coast Guard operating expenses for fiscal year 2002. This section also requires that \$5.5 million be available for the Coast Guard commercial fishing vessel safety program to insure that the Coast Guard has adequate funding available for additional personnel to perform voluntary safety examinations of commercial fishing vessels.

During the past several years, the Coast Guard has experienced budgetary shortfalls resulting from the enactment of new and expanded military entitlement programs. In addition, the cumulative effects of streamlining, personnel shortages, inexperienced per-

sonnel and increased demands for services have reduced the Coast Guard's overall readiness posture. The Coast Guard has deferred maintenance on vessels and cannibalized aircraft to overcome readiness shortfalls. However, the Coast Guard has deferred maintenance on its aircraft, vessels and shore facilities to the point that it is no longer able to sustain an adequate level of operations. During fiscal years 2000 and 2001, the Coast Guard reduced law enforcement operations to pay for unbudgeted cost increases such as new and expanded entitlement programs, rising utility costs and critical spare parts.

While the President's budget request proposes a solid increase to the Coast Guard's operating and acquisition accounts, the Coast Guard needs additional resources in the fiscal year 2002 budget to avoid the destructive cycle of budget shortfalls, operational cuts, and end-of-year supplemental funding bills. The Coast Guard readiness problems, related to a sharp increase in military entitlements, personnel training needs, and new operational demands, leave the Coast Guard approximately \$300 million short in operating expenses for fiscal year 2002.

Operating expenses account for about two-thirds of the Coast Guard's budget and fund Coast Guard search and rescue, aids to navigation, marine safety, marine environmental protection, and law enforcement operations.

Acquisition, construction, and improvements

Section 2(2) of this bill authorizes \$659.3 million in fiscal year 2002 for the Coast Guard's acquisition, construction, and improvement (AC&I) account.

The bill authorizes \$338 million to implement Phase II of the Deepwater Capabilities Replacement Project. In August 1998, the Coast Guard awarded contracts to three industry teams to design an Integrated Deepwater System that maximizes operational effectiveness and minimizes total ownership cost. Industry team proposals to design and construct the Deepwater project are due in July 2001. The Coast Guard intends to award a Phase II contract in the second quarter of fiscal year 2002, and to begin acquiring, constructing, or improving existing assets under the accepted proposal.

The Committee strongly supports the Coast Guard's integrated approach to the Deepwater Modernization Project. The Committee opposes breaking apart the Deepwater Project and acquiring Coast Guard assets piecemeal. Breaking up the Project may cost the Government even more, without providing the benefits inherent in an integrated approach. The Committee believes that the Integrated Deepwater System is our best hope to prepare the Coast Guard to meet future challenges.

H.R. 1699 also authorizes \$42 million for the Coast Guard's National Distress and Response System Modernization Project and \$63 million to support Coast Guard housing, facility improvements, and aids to navigation projects.

Research and development

Section 2(3) of H.R. 1699 authorizes \$21.7 million for Coast Guard research and development for fiscal year 2002. This account funds the development of techniques, methods, research, hardware,

systems, and planning to improve the productivity of existing Coast Guard missions. Priorities for fiscal year 2002 include drug interdiction surveillance, fuel cell vessel propulsion, as well as ballast water management and aquatic nuisance species neutralization research.

Retired pay

Section 2(4) of this bill authorizes \$876.4 million in fiscal year 2002. These funds provide annuities and medical care for retired military personnel and former Lighthouse Service members, their dependents, and survivors.

Alteration of bridges

The Bridge Alteration program provides the Federal government's share of the costs for altering or removing bridges determined to be obstructions to navigation. Currently, under the Truman-Hobbs Act of 1940 (33 U.S.C. 511 et seq.), the Coast Guard shares, with the bridge owner, the cost of altering railroad and publicly-owned highway bridges which obstruct the free movement of vessel traffic.

Section 2(5) of H.R. 1699 authorizes \$15.5 million in fiscal year 2002. The fiscal year 2002 authorization includes funds to begin construction on the Burlington Northern Santa Fe Railroad Bridge in Burlington, Iowa.

Environmental compliance

Section 2(6) authorizes \$16.9 million for fiscal year 2002 to mitigate environmental problems resulting from the operation of former and current Coast Guard facilities, and to ensure that Coast Guard facilities are in compliance with applicable environmental laws and regulations.

Section 3. Authorized levels of military strength and training

This section authorizes 44,000 active duty military personnel at the end of fiscal year 2002.

HEARINGS AND LEGISLATIVE HISTORY

On May 3, 2001, the Subcommittee on Coast Guard and Maritime Transportation held a hearing on the Administration's fiscal year 2002 budget request for the United States Coast Guard. The Subcommittee received testimony from Admiral James M. Loy, Commandant, U.S. Coast Guard; Vincent Patton III, Master Chief Petty Officer, U.S. Coast Guard; and JayEtta Hecker, Director, Physical Infrastructure Issues, General Accounting Office.

In his testimony, Admiral Loy expressed his support of the President's fiscal year 2002 budget request and explained the three principal themes of the budget request. These themes involve restoring the Coast Guard's service readiness by rebuilding the agency's workforce, shaping the future of the Coast Guard through a timely recapitalization and modernization program, as well as facilitating the transformation of the Coast Guard to meet the nation's needs in the new century.

According to Admiral Loy, the fiscal year 2002 budget request will restore the readiness of Coast Guard personnel while ensuring that all of the agency's missions are performed at a level that can

be sustained by its infrastructure. In order to live within the budget request and prepare for the future Deepwater Project, the Coast Guard plans to retire some of the Coast Guard's oldest assets. Finally, the Admiral stressed that the budget strongly endorses the Integrated Deepwater System Project which will modernize the Coast Guard's aging fleet of cutters, aircraft and command centers.

Master Chief Petty Officer Vincent Patton, who represents the 42,000 Coast Guard reserve and active-duty enlisted personnel, stated that the National Defense Authorization Act of 2001 included a number of provisions that will improve the quality of life for the Coast Guard's military personnel and their families. These improvements include changes in the TRICARE family medical program, pay raises, and substantial increases to the Basic Allowance for Housing rates. The Master Chief also discussed the problem of retaining Coast Guard enlisted personnel. As a result of falling retention levels, the experience levels of enlisted personnel have been falling at an alarming rate. The Coast Guard has recently increased its efforts to keep experienced senior enlisted personnel from retiring.

On the second panel, Ms. JayEtta Hecker, Director of Physical Infrastructure Issues, at the General Accounting Office testified about her agency's recently released report on the Coast Guard's Deepwater Capability Replacement Project. Ms. Hecker discussed the GAO's evaluation of the major risks associated with the Deepwater Project. The four major risks include project costs exceeding budget projections, keeping costs under control in the contract's later years, ensuring that procedures and personnel are in place for managing and overseeing the winning contractor, and minimizing potential problems with developing unproven technology.

Ms. Hecker concluded that her agency had assisted the Coast Guard in its efforts to mitigate the risks during the project's planning phase. She felt that the Coast Guard had listened to the GAO's concerns and made many changes to improve the project and mitigate major areas of risk. However, the GAO believes that the Coast Guard should endeavor to reduce certain risks to the Deepwater Project before proceeding to the acquisition phase of the Project.

A bill to authorize the Coast Guard for fiscal year 2002 was introduced as H.R. 1699 by Chairman Young on May 3, 2001, with Mr. Oberstar, Mr. LoBiondo, and Ms. Brown of Florida as cosponsors. The bill was referred to the Committee on Transportation and Infrastructure.

COMMITTEE CONSIDERATION

On May 10, 2001, the Subcommittee on Coast Guard and Maritime Transportation met in open session to mark up H.R. 1699, the Coast Guard Authorization Act of 2001. H.R. 1699 was ordered reported to the Full Committee by voice vote in the presence of a quorum.

On May 16, 2001, the Transportation and Infrastructure Committee met in open session to consider H.R. 1699. H.R. 1699 was ordered reported to the House of Representatives by a voice vote in the presence of a quorum.

ROLLCALL VOTES

Clause 3(b) of rule XIII of the House of Representatives requires each committee report to include the total number of votes cast for and against on each rollcall vote on a motion to report and on any amendment offered to the measure or matter, and the names of those members voting for and against. There were no rollcall votes during Committee consideration of H.R. 1699.

COMMITTEE OVERSIGHT FINDINGS

With respect to the requirements of clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in this report.

COST OF THE LEGISLATION

Clause 3(d)(2) of rule XIII of the Rules of the House of Representatives does not apply where a cost estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974 has been timely submitted prior to the filing of the report and is included in the report. Such a cost estimate is included in this report.

COMPLIANCE WITH HOUSE RULE XIII

1. With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and 308(a) of the Congressional Budget Act of 1974, the Committee references the report of the Congressional Budget Office included below.

2. With respect to the requirement of clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the general performance goals and objectives of this legislation are to: (a) eliminate deaths, injuries, and property damage associated with maritime transportation, fishing, and recreational boating; (b) protect our maritime borders from intrusion by halting the flow of illegal drugs, aliens, and contraband as well as suppress violations of Federal law; (c) eliminate environmental damage associated with maritime activities; (d) facilitate maritime commerce; and (e) enhance national security.

3. With respect to the requirement of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 1699 from the Director of the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 17, 2001.

Hon. DON YOUNG,
Chairman, Committee on Transportation and Infrastructure, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1699, the Coast Guard Authorization Act of 2001.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Reis.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

H.R. 1699—Coast Guard Authorization Act of 2001

Summary: H.R. 1699 would authorize the appropriation of \$4.4 billion for discretionary programs of the U.S. Coast Guard (USCG) for fiscal year 2002, including about \$3.7 billion for operating expenses, \$659 million for acquisition and other capital projects, \$22 million for research activities, \$15 million for bridge alterations, and \$17 million for environmental compliance. (For fiscal year 2001, appropriations for these programs totaled \$3.7 billion.) Of the amounts authorized, \$48.5 million would be derived from the Oil Spill Liability Trust Fund (OSLTF). In addition, H.R. 1699 would authorize the appropriation of \$876 million for Coast Guard retirement benefits in 2002.

The bill would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply. H.R. 1699 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would have no impact on the budgets of state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary effects of the bill are summarized in the following table. The costs of this legislation fall within budget functions 300 (natural resources and environment) and 400 (transportation).

| | By fiscal year, in millions of dollars— | | | | | |
|---------------------------------------------------------|-----------------------------------------|-------|-------|------|------|------|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 |
| SPENDING SUBJECT TO APPROPRIATION | | | | | | |
| USCG Spending Under Current Law: | | | | | | |
| Budget Authority/Authorization Level ¹ | 3,652 | 29 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 3,766 | 1,010 | 452 | 278 | 137 | 23 |
| Proposed Changes: | | | | | | |
| Authorization Level | 0 | 4,367 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 0 | 3,073 | 755 | 285 | 150 | 46 |
| USCG Spending Under H.R. 1699: | | | | | | |
| Authorization Level ¹ | 3,652 | 4,396 | 0 | 0 | 0 | 0 |
| Estimated Outlays | 3,766 | 4,083 | 1,207 | 563 | 287 | 69 |

¹ The 2001 level is the amount appropriated for that year. The \$29 million in 2002 is the amount already authorized to be appropriated from the OSLTF for Coast Guard operating expenses and research.

The amount authorized by the bill for Coast Guard retirement has not been included in the above table because such pay is an entitlement under current law and it is not subject to appropriation actions.

Basis of estimate: For purposes of this estimate, CBO assumes that H.R. 1699 will be enacted during fiscal year 2001, and that the amounts authorized for USCG programs will be appropriated for fiscal year 2002.

The authorization level for 2002 is the amount stated in the bill for discretionary accounts, excluding \$28.5 million of the \$48.5 million to be derived from the OSLTF. (This amount, which consists of \$25 million for Coast Guard operations and \$3.5 million for re-

search, has been excluded because such funding is already authorized under existing law.) Outlays are estimated on the basis of historical spending patterns for Coast Guard programs.

Pay-as-you-go considerations: None.

Intergovernmental and private-sector impact: H.R. 1699 contains no intergovernmental or private-sector mandates as defined in UMRA and would have no impact on the budgets of state, local, or tribal governments.

Estimate prepared by: Federal Costs: Deborah Reis. Impact on State, Local, and Tribal Governments: Victoria Heid Hall. Impact on the Private Sector: Lauren Marks.

Estimate approved by: Robert A. Sunshine, Assistant Director for Budget Analysis.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause (3)(d)(1) of rule XIII of the Rules of the House of Representatives, committee reports on a bill or joint resolution of a public character shall include a statement citing the specific powers granted to the Congress in the Constitution to enact the measure. The Committee on Transportation and Infrastructure finds that Congress has the authority to enact this measure pursuant to its powers granted under article 1, section 8 of the Constitution.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act (Public Law 104-4).

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act (Public Law 104-1).

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