

Protecting U.S. Sovereignty: Coast Guard Operations in the Arctic

Witnesses

Panel I

Admiral Robert Papp

Commandant, U.S. Coast Guard

Mead Treadwell

Lieutenant Governor, State of Alaska

Panel II

Kelly Falkner

Deputy Director, Office of Polar Programs, National Science Foundation

Stephen Caldwell

Director, Homeland Security and Justice Issues, Government Accountability Office

Dave Whitcomb

Chief Operating Officer, Vigor Industrial

Jeffrey Garrett

U.S. Coast Guard, Retired

Subcommittee Members Present

Frank LoBiondo, Chairman (R-NJ)

Rick Larsen, Ranking Member (D-WA)

Don Young (R-AK)

Howard Coble (R-NC)

Chip Cravaack (R-MN)

Jeff Landry (R-LA)

On December 1, the House Committee on Transportation Subcommittee on Coast Guard and Maritime Transportation met to discuss Coast Guard needs and capabilities in the Arctic. Most of the discussion centered on options for acquiring icebreakers to operate effectively in the United States' territorial waters and the Exclusive Economic Zone in the Arctic. At the time of the hearing, the United States owns two heavy-duty icebreakers that need refurbishment, the *Polar Star* and *Polar Sea*, and one operational medium-duty icebreaker, the *Healy*. The fleet is owned and operated by the U.S. Coast Guard, though other agencies, including the National Science Foundation (NSF), rely on their availability. The NSF leases two icebreakers, the *Nathaniel B. Palmer* and the *Lawrence M. Gould*, from Edison Chouest Offshore for its own research needs. On November 16, 2011, the House of Representatives passed the Coast Guard and Maritime Transportation Act of 2011 (H.R. 2838) which would decommission both the *Polar Star* and the *Polar Sea* though the Coast Guard has been given \$62.8 million in appropriations to return the *Polar Star* to service for 7-10 years. A High Latitude Study, delivered to Congress in July 2011 and dated 2010 on the cover, recommended the United States acquire 4 heavy-duty icebreakers and 6 medium-duty icebreakers to maintain a presence in the Arctic and the Antarctic and fulfill the Coast Guard's statutory missions.

Chairman Frank LoBiondo (R-NJ) opened the hearing by acknowledging the loss of polar ice over the past few years and said the U.S. should focus on acquiring assets to protect our presence in the Arctic. He argued that the committee cannot move forward with legislation until the Obama Administration gives a clear direction for how to fund any new construction. Ranking Member Rick Larsen (D-WA) told the committee, "I may not know the precise definition of the word irony but scheduling a hearing to discuss Coast Guard capabilities in the Arctic less than three weeks after the House passed legislation that would decommission the Coast Guard's two heavy icebreakers seems ironic to me." Larsen called for an immediate investment in heavy-duty icebreakers. Don Young (R-AK) told Admiral Robert Papp, "this is not your fault" and promised to help find any solution to provide the Coast Guard with icebreakers, including leasing.

Admiral Robert Papp testified about the Coast Guard's statutory responsibilities in the Arctic "to assist scientific exploration, chart

the waters, provide humanitarian assistance to native tribes, conduct search and rescue, and law enforcement.” He mentioned that as access to previously ice-covered waters begins to increase, so will the importance of having a strong Coast Guard presence in the Arctic. Offshore resource development, fish stock migration, dynamic changes in ice conditions, and persistent challenging environmental conditions are all trends and observations the Coast Guard anticipates they will see in the next decade. Though he did not advocate for a specific acquisition plan, he told the committee, “We must build toward a level of mission performance and preparedness commensurate with the relative risks posed by Arctic activity.” During his testimony, Papp reiterated to the committee that he supports “favorable action on the part of the U.S. Senate to accede to the [United Nations Convention on the] Law of the Sea Treaty.” Lieutenant Governor Mead Treadwell of the State of Alaska was more direct in his testimony about the need for icebreakers. He listed three “imminent needs” – the U.S. must commission new heavy icebreakers, the U.S. needs legal measures in addition to icebreakers to protect shores from potential dangers of unregulated foreign vessels carrying hazardous cargoes near U.S. coasts, and Congress and the Administration must fulfill the legal mandates already in place regarding icebreakers. He pointed out that Russia is moving fast to build nine new icebreakers in the next decade, discount tariffs on icebreaker escorts, and claim extended continental shelf resources under the United Nations Convention on the Law of the Sea. “Our Arctic neighbors are leaps and bounds ahead of our position,” he told the committee. Treadwell listed several legal mandates that relate to icebreakers including Executive Order 7521, issued by President Franklin Roosevelt, the Arctic Research and Policy Act of 1984 (P.L. 98-373), and the Coast Guard Authorization Act of 2010 (P.L. 111-281). In conclusion, Treadwell said, “We’re missing the boat,” and reiterated the need for the U.S. to build icebreakers.

Larsen began the question and answer period by asking Papp to discuss the Coast Guard's preference between leasing and owning. Papp repeated throughout the hearing that he was “ambivalent” whether the Coast Guard leases or owns its icebreakers but did point out that there are currently no heavy-duty icebreakers available for leasing. Representative Jeff Landry (R-LA) asked Papp if he would prefer five icebreakers the Coast Guard owned or having 10 the Coast Guard leased. Papp said he was unsure which option he would prefer and reminded the committee that the Coast Guard has been “owning ships forever” on a 20-25 year timeline. “We need icebreakers,” he said and told the committee that it must take into consideration all the needs and requirements of the various agencies with whatever decision they make. He said, “When we build an icebreaker it’s got to serve multiple communities and departments and responsibilities.”

Representative Young asked Papp and Mead Treadwell a series of questions about Royal Dutch Shell (Shell) and its plans for drilling in the Chukchi and Beaufort Sea next year. Papp said he had been briefed by Shell officials on their plans for an oil spill in the Arctic and was “impressed” and left the meeting “much more comfortable” with Shell’s plans for drilling there next summer. Shell is building a medium-duty icebreaker in Louisiana to serve as an oil spill response fleet and will help set anchors for oil rigs. Treadwell agreed that Shell was “well prepared” to start drilling next summer.

In the second panel, Kelly Falkner of the National Science Foundation’s (NSF) Office of Polar Programs discussed the research needs of the scientific community. Falkner spoke about the importance of icebreakers to U.S. research and pointed out that Presidential Memorandum 6646 calls for a year-round presence at three research stations in Antarctica and assigns the NSF responsibility of maintaining support for those stations and the U.S. Antarctic Program. Falkner finished by saying the NSF was opposed to H.R. 2838 as they were “hoping that the *Polar Star* would be available to provide U.S. sourced icebreaking services.” Stephen Caldwell of the Government Accountability Office (GAO) discussed the results of his report, “Observations on Arctic Requirements, Icebreakers, and Coordination with Stakeholders.” The report found that not only would it be a “significant challenge” for the Coast Guard “to acquire the assets that the High Latitude Study recommends,” but that “it is unlikely that the Coast Guard will be able to fund the acquisition of new icebreakers through its own budget, or through alternative financing options.” A funding approach similar to how *Healy* was funded - by the Department of Defense (DOD) in 1990 appropriations – is deemed “unlikely” by the report because the Coast Guard’s needs to acquire icebreakers are much more immediate than the DOD’s. In regards to leasing, the report states, “the lack of existing domestic commercial vessels capable of meeting the Coast Guard’s mission requirements reduces the availability of leasing options for the Coast Guard.” Furthermore, cost-benefit analyses have suggested that leasing may “ultimately be more costly to the Coast Guard” over the lifespan of the icebreaker. Caldwell noted that the Department of Homeland Security, which the Coast Guard is part of, and the DOD have formed a Capabilities Assessment Working Group to identify shared Arctic capability gaps and opportunities and approaches to remedy them. Dave Whitcomb of Vigor Industrial delivered an optimistic testimony about the state of the *Polar Sea* and *Polar Star*. Vigor has been “closely involved with the maintenance and repair” of the U.S. heavy-duty icebreakers and Whitcomb told the committee that it would take only \$11 million and 2 years to refurbish the *Polar Sea* for an additional 10 years of service life. Jeffrey Garrett, who spent much of his career serving as a member of the polar icebreaker fleet, told the committee that “our polar icebreaker capabilities are steadily drifting into obsolescence.” He suggested refurbishment of the *Polar Sea* and called for additional acquisition of heavy-duty icebreakers.

Many of the same questions Larsen and Young asked Treadwell and Papp about leasing were repeated to Garrett, who responded, “While a lease may look attractive, I think there are several things that indicate it may not be the right way to go.” He mentioned a 1980’s analysis undertaken by the Coast Guard when they were strategizing a way to acquire what would become the *Healy*, which found that leasing would cost more over the life of the vessel by about 12 percent. Young asked Whitcomb to further explain his claim that refurbishing the *Polar Sea* would only cost about \$11 million. Whitcomb explained that Vigor has already done

comparable work on the *Polar Star* and is “well aware of what is required” for the *Polar Sea*. According to Whitcomb and Vigor Industrial, the *Polar Sea* needs to overhaul the diesel engines, replace obsolete cranes, and upgrade the pitch propeller hydraulic systems for all three propeller shafts. Representative Young was excited by this news and said, “I’m happy to hear about that...If all that takes is \$11 million, that’s not even a spit drop...That’s something that could be done.”

A full webcast of the hearing and witness testimonies can be found on the committee web site.
