

The Coast Guard in Transition: Organization Change in Response to September 11th

By

Scott A. Buschman

**B.S., Civil Engineering
U.S. Coast Guard Academy, 1984**

**M.A., Public Administration
George Washington University, 1996**

**SUBMITTED TO THE ALFRED P. SLOAN SCHOOL OF MANAGEMENT IN
PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF**

**MASTER OF BUSINESS ADMINISTRATION
At the
MASSACHUSETTS INSTITUTE OF TECHNOLOGY**

June 2003

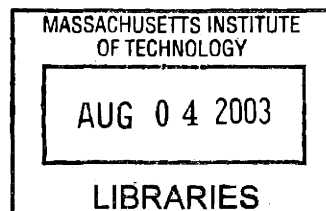
**© 2003 Scott A. Buschman
All rights reserved**

**The author hereby grants to MIT permission to reproduce and to distribute
publicly paper and electronic copies of this thesis document in whole or in part.**

Signature of Author: _____
Alfred P. Sloan School of Management, May 4, 2003

Certified by: _____
John Van Maanen,
Erwin Schnell Professor of Organizational Studies
Thesis Supervisor

Accepted by: _____
Mr. Stephen Sacca,
Director, Sloan Fellows Program



ARCHIVES

The Coast Guard in Transition: Organization Change in Response to September 11th

By

Scott A. Buschman

Submitted to the Alfred P. Sloan School of Management on May 4, 2003 in Partial Fulfillment of the Requirements for the Degree of the Degree of Master of Business Administration

ABSTRACT

Since the events of September 11, 2001 and the continuing terrorist threats facing the United States, the Coast Guard faces a number of new organizational and operational challenges. Many structural changes have occurred within a short period. Organizations have been regrouped and cross-organizational units have been formed in the recently established Department of Homeland Security. This thesis summarizes these changes and examines past and current roles of the Coast Guard. Data for this work include interviews, official documents and personal experience. Based on these materials, the thesis concludes with a set of recommendations that senior executives in the Coast Guard might consider to ease some of the current organizational challenges the Service now faces.

Thesis Supervisor: John Van Maanen

Title: Erwin Schnell Professor of Organizational Studies

ACKNOWLEDGEMENTS

Many people assisted me in researching this thesis. Despite the extremely busy workload of senior Coast Guard managers, every person I contacted generously allocated their valuable time to share their thoughts and experiences.

I owe a great deal of gratitude to my thesis advisor, Professor John Van Maanen. Professor Van Maanen's organizational leadership class was a tremendous experience for the Sloan Fellows Class of 2003 and his dedication to his profession is inspiring. His support and guidance throughout the process of completing this thesis was invaluable.

I also acknowledge the dedicated men and women of the United States Coast Guard. During my year at MIT, they have been working extremely hard at the Coast Guard's traditional roles, as well as the added and challenging responsibilities of Homeland Security. They are an extraordinary group of people and I look forward to serving with them again as I return to my professional career in the very near future.

DEDICATION

I dedicate this thesis to my wife Kimberly and our sons, Garrett and Andrew. Our year as a Sloan Fellow family has been an exciting and enriching experience, but also challenging and tiring. I could not have met the challenges of the Sloan Fellows Program without their unwavering support. I look forward to our next adventure in Washington, D.C.

TABLE OF CONTENTS

ABSTRACT	2
ACKNOWLEDGEMENTS	3
DEDICATION	4
TABLE OF CONTENTS	5
CHAPTER 1 – INTRODUCTION	7
Historical Perspective	8
The Making of the Coast Guard of Today	10
Current Coast Guard Roles	18
Notes on Methodology	19
CHAPTER 2 – NEW STRATEGIES AND POLICIES POST 9/11	21
The National Strategy for Homeland Security	21
The Homeland Security Act	22
The Maritime Transportation and Security Act of 2002	25
The U.S. Coast Guard Maritime Homeland Security Strategy	26
CHAPTER 3 – IMPACT OF SEPTEMBER 11th ON THE U.S COAST GUARD	28
Mission Profile	29
Budget/Personnel Increases	30
New Capability	32
Increased Visibility	33
Structural Changes: Operations and Marine Safety Communities	36
Resource Stress	37
Use of Reserve Force	39
Increased Use of Partnerships	40
Summary	41
CHAPTER 4 – CHANGES IN THE PORTS	42
Boston, MA	46
New York/New Jersey	49
Tampa/St. Petersburg, FL	54
Summary of Efforts in Three Different Ports	57

CHAPTER 5 - ORGANIZATIONAL CHALLENGES	59
Homeland Security Department Organization	60
U.S. Coast Guard Organization	61
U.S. Customs Service Organization	65
Unity of Effort	66
CHAPTER 6 – RECOMMENDATIONS FOR THE COAST GUARD	69
Combine Operations and Marine Safety	70
Rationalize and Realign Coast Guard Hierarchy	75
Upgrade Selected Activity Billets	79
Establish Liaison Officers at Key Locations	80
Establish Joint Operations Centers	82
Preserve and Increase Tour Lengths	83
Container Inspection Program and Physical Port Security	84
Final Thoughts	86
APPENDIX: Interview Questions	89
BIBLIOGRAPHY	91

CHAPTER 1

The United States Coast Guard from a Historical Perspective

"There are many varieties of madness, and a Hitler can play very well under congenial circumstances; so, too, does Osama Bin Laden. But he cannot be dealt with as a rational actor, since, under the cunning surface, he is irrational in the extreme. His methods make cruel sense, but his goals go far beyond the demise of a particular regime or the recognition of a Palestinian state. He wants to destroy, at the very least, a civilization he has cast as satanic. He does not want to defeat the West—he wants to annihilate us. If he had the technology today, he would use it" Ralph Peters (2002).

On September 11th, 2001, the United States was attacked for the first time in more than 50 years. The attacks that claimed the lives of approximately 3,000 innocent people have had a profound effect on the United States and have presented the government with extraordinary challenges. Governments in democratic states are charged with providing for the security of its citizens while at the same time preserving individual liberties.

Thomas Friedman, the New York Times foreign affairs editor, wrote in his column two days after the attacks:

"We, by contrast, have to fight in a way that is effective without destroying the very open society we are trying to protect. We have to fight hard and land safely. We have to fight the terrorists as if there were no rules, and preserve our open society as if there were no terrorists. It won't be easy. It will require our best strategists, our most creative diplomats and our bravest soldiers" (Friedman, 2001).

This description accurately describes the challenges presented by September 11th. The U.S. Coast Guard is responsible for securing the country's maritime borders and is one organization that must meet the challenge Mr.

Friedman presents. With the vastness of the coastline and extensive reliance on maritime commerce, the U.S. cannot be secure if its waterways are not secure.

In this thesis in chapter 1, I will briefly trace the history of the U.S. Coast Guard from its earliest roots in the 1700's and then discuss the state of the Service as of September 11th. I will then trace in chapters 2 and 3 some of the governmental policy and legislative changes that have taken place since September 11th and discuss organizational challenges presented by some of these changes. I then examine in chapter 4 how the Coast Guard has responded in a few selected geographic areas. In chapter 5, I describe some of the organizational challenges faced by the Coast Guard in its new Department and new role. Finally, in Chapter 6, I suggest some organizational changes that could be implemented to further improve Coast Guard efficiency and effectiveness in its new governmental location, the Department of Homeland Security.

Historical Perspective

The Coast Guard's roots are traced to 1790. Today the service employs 40,000 people operating more than 200 ships, 200 aircraft, and well over 1,000 smaller boats. The Coast Guard's core missions are maritime safety, maritime law enforcement, marine environmental protection, and national security. Throughout history, the Coast Guard has met challenges facing the United States head on and has adapted as it moved from one branch of the Government to another.

As I began work on this thesis, the Coast Guard was subordinate to the U.S. Department of Transportation. Before this thesis was completed, the Coast Guard had moved to the newly created Department of Homeland Security. While my focus is primarily on how the Coast Guard has responded to challenges posed by rapid change, before I take up current matters, it is worth examining the Coast Guard's rich history of meeting national challenges. From this history, grows a strong organizational culture.

The United States Coast Guard represents a coming together of various distinct missions, each of which is briefly summarized in this section. I begin with the origins of the service.

In 1789, President George Washington placed the responsibility of raising revenue under Alexander Hamilton, the first Secretary of the Treasury. One problem Hamilton immediately tackled was smuggling which had become a National problem. Smuggling was aided by the geography of the U.S. East Coast, filled with harbors, inlets, rivers and islands perfect for refuge. On August 4, 1790, responding to a request from Secretary Hamilton, Congress passed a law authorizing the construction of 10 boats that would be used to collect revenue from the coasts of New Hampshire to Georgia and form a service called the Revenue Marine, later renamed the Revenue Cutter Service. Hamilton asked Congress to also designate revenue cutter officers as officers of the Navy. However, leery of a standing military establishment, Congress denied this request and designated the officers as masters, mates, and officers of the Customs (King, pp. 2-24, 1989).

The Revenue Cutter Service fought in the War of 1812, the Mexican War, the Civil War and the Spanish American War. Between wars, the Revenue Cutter Service battled smugglers and pirates and enforced various laws on the sea. In 1912, after the sinking of the Titanic, the Service began patrolling the North Atlantic Ocean to issue radio warnings of ice and this task became known as the International Ice Patrol.

In 1848, the Life-Saving Service was formed to save immigrants from Europe that were frequently stranded when the ships carrying them grounded on the rugged Northeastern United States coast. Early rescue stations typically consisted of garage-like structures outfitted with rescue equipment and rescue boats powered by volunteers rowing with oars. Eventually the Life-Saving Service expanded beyond the Northeastern United States Coast.

The Making of the Coast Guard of Today

In 1912, the President's Commission of Economy and Efficiency recommended that Congress abolish the Revenue Cutter Service. After several years of debate that was largely influenced by the recent sinking of the Titanic, instead of abolishing the service, Congress combined it with the Life-Saving Service. On January 28, 1915, President Woodrow Wilson signed into law a bill that merged these two services and created the United States Coast Guard. The legislation stipulated that the Coast Guard "shall constitute part of the military forces of the United States and which shall operate under the Treasury Department in time of peace and operate as a part of the Navy, subject to orders of the Secretary of the Navy, in time of war or when the President shall so direct." The law also specified that "all duties performed by the Revenue Cutter Service and Life-Saving Service shall continue to be performed by the Coast Guard" (Johnson, 1987, pp. 18-35).

The last Commandant of the Revenue Cutter Service and first Commandant of the Coast Guard (then called the Captain Commandant), Captain Commandant Bertholf, offered the following comment that still holds true today concerning the combination of the two services:

The Coast Guard occupies a peculiar position among other branches of the Government, and necessarily so from the dual character of its work, which is both civil and military. Its organization, therefore, must be such as will best adapt it to the performance of both classes of duties, and as a civil organization would not suffice for the performance of military functions, the organization of the service must be and is by law military. More than 120 years of practical experience has demonstrated that it is by means of military drills, training, and discipline that the service is enabled to maintain that state of preparedness for the prompt performance of its most important civil duties, which ... are largely of an emergent nature (Johnson, 1987, p. 33).

In 1915, aviation was added as a Coast Guard asset; in fact, a Coast Guard officer copiloted the first aircraft to cross the Atlantic Ocean. From 1917-1919, the Coast Guard served under the Secretary of the Navy to fulfill their wartime requirements. The Coast Guard's wartime duties included patrolling the waters of the U.S. coast and patrolling between Gibraltar and England.

After the war, the Coast Guard's maritime law enforcement role was highlighted when it was assigned the responsibility of enforcing prohibition at sea. This led to an expansion in its inventory of ships and aircraft (Johnson, 1987, pp. 42-82).

The Coast Guard next experienced significant growth in 1939 when the Lighthouse Service was combined with the Coast Guard, increasing personnel strength by more than 8,000 people. After the attack on Pearl Harbor in 1941, the Coast Guard was transferred to the Department of the Navy and its ships began escorting convoys to guard against enemy submarine attacks. In 1942, the Bureau of Marine Inspection and Navigation was moved from the Department of Commerce to the U.S. Coast Guard because of the importance of marine safety laws to the war effort. The Bureau of Marine Inspection was created in 1932 by combining the Steamboat Inspection Service (created in 1838) and the Bureau of Navigation (created in 1848), after the U.S. Senate investigated a major shipping accident that resulted in the loss of many lives. When the Bureau was moved to the Coast Guard in 1942, it was for the purpose of working with the U.S. merchant fleet to ensure the safety and security of the fleet during the war. This move was a strategic advantage for the Coast Guard because the Bureau employed the country's finest naval architects and marine engineers, who had been hired by the Federal Government during the Great Depression. It also marked the point in time at which the Coast Guard developed two distinct communities that persist today: operations and marine safety. I will revisit this issue later in this thesis.

During World War II, President Roosevelt directed the Coast Guard to provide search and rescue services in conjunction with the International Civil Aviation Organization. Ships assigned to this duty also provided valuable weather reports. This occurred long before the days of satellite weather observation and became the standard communication stations for transatlantic flights. During the war, the Coast Guard's inventory of ships and aircraft greatly increased. It is also interesting and perhaps surprising to note that the Coast Guard suffered the highest number of casualties, as a percentage of personnel, in WWII of any of the military services.

After World War II, the Coast Guard, including the Bureau of Marine Inspection and Navigation, was transferred back to the Department of the Treasury. Keeping the Bureau part of the Coast Guard was opposed by many. The maritime industry was reluctant to be regulated by a military organization and many of the Bureau's inspectors wanted to surrender their commissions and return to civilian status after the war. Others were concerned about the Coast Guard's ability to expand its responsibilities into such diverse areas as operating and maintaining the Bureau's electronic navigation systems, maintaining ocean weather stations (essential at that time for transatlantic travel), approving the construction of bridges over navigable waters and altering those deemed to be obstructions to marine navigation, regulating the carriage of explosive and hazardous chemicals on ships, regulating the number of passengers that ships can carry, and conducting merchant marine inspections and licenses. But, bypassing these objections, Congress approved the permanent transfer of the Bureau of Marine Inspection and Navigation to the Coast Guard (Johnson, 1987, pp. 259-262).

During the Korean War, the Coast Guard was not transferred to the Department of the Navy. However, the Service was tasked with a new national security responsibility: the establishment of the Port Security Program. This program was established for two reasons. First, concern for port safety grew after an explosion on board an ammunition ship in a Texas harbor killed 500

people and wounded thousands of others. Second, with the advent of the Cold War, there was growing concern over the possibility of the Soviets smuggling nuclear weapons into a U.S. harbor for detonation during a war.

During the early days of the Cold War, the Coast Guard was expected to ferret out subversive activity in the merchant marine. These activities brought widespread scorn for the service from the merchant marine industry not seen since the days of enforcing prohibition (Johnson, 1987, pp. 280-285).

In 1956, President Eisenhower's Air Coordinating Committee published the National Search and Rescue Plan. This plan organized search and rescue responsibilities in the United States and its contiguous areas. The Coast Guard was assigned responsibility for coordinating search and rescue in the maritime regions. This formalized a role the Agency already filled; more importantly, it provided a basis for expanding the Service's search and rescue efforts.

The 1960's were a period of growth for the Coast Guard. In 1960, at the request of the Department of State, the Service was designated the U.S. representative to a new United Nations Intergovernmental Maritime Consultative Organization (IMCO). IMCO, later renamed the International Maritime Organization (IMO), was chartered to "encourage adoption of the highest practicable standards for safety and efficiency of navigation." The Coast Guard still represents the U.S. before this important international organization. Due to the global nature of shipping, the IMO is a critical decision making body in establishing post 9/11 maritime security measures.

In the early 1960's, the Coast Guard found itself in two new activities. First, in response to disgruntled Cubans fleeing the Castro regime, Coast Guard ships began patrolling the Florida Straits to rescue dangerously overcrowded and unseaworthy boats. Second, responding to rapidly increasing numbers of Japanese and Russian fishing vessels in the North Pacific Ocean and Bering Sea, Coast Guard ships were assigned to fisheries conservation patrols. Since

the 1960's, the Coast Guard's involvement with immigration and fisheries enforcement has grown steadily.

In 1965, the Coast Guard was designated the nation's sole icebreaking service, a function that had also been performed by the U.S. Navy. The Coast Guard started icebreaking work in 1936 when President Roosevelt issued an executive order assigning primary responsibility for icebreaking to the Coast Guard "to meet the reasonable needs of commerce." The Navy operated icebreakers to support their missions in the Arctic and Antarctic and this function (polar icebreaking) was taken over by the Coast Guard.

The Coast Guard was also an active participant in the Vietnam War. During the height of combat activity, approximately 1,000 Coast Guard personnel served in Vietnam conducting anti-smuggling "riverine" patrols, ensuring port security, supervising ammunition loading on ships, and establishing aids to navigation in the Vietnamese waters. Fighting smuggling is a recurring theme in the Service's history.

In 1966, Congress extended the United States fisheries jurisdiction from three to twelve miles offshore, requiring Coast Guard ships and aircraft to spend significantly more time off-shore on fisheries enforcement patrols. Also, in the late 1960's, after a series of oil spills and oil well explosions, several pieces of legislation were passed and executive orders issued that assigned the Service increased duties in oil spill prevention and response.

In 1966, President Johnson created a new cabinet-level department that would be responsible for all of the Nation's transportation related activities. Initially, the Coast Guard resisted being part of this new Department of Transportation (DOT), concerned that only their transportation related activities would move and the rest of the Service would remain in the Treasury diminished in size, responsibility, and capability. Eventually the Service capitulated and concentrated its efforts on ensuring that the Agency retained its identity as a

military service. On April 1, 1967, the Coast Guard was transferred to the newly created Department of Transportation. Contrary to initial concerns, the Coast Guard gained responsibilities when it moved by taking over bridge regulation and the designation of safe anchorages from the Army Corps of Engineers (Johnson, 1987, pp. 320-343).

In the 1970's, the Coast Guard willingly accepted new responsibilities with the emergence of the "drug war" – a return to the anti-smuggling theme. The Service's involvement in the drug war grew throughout the 1970's and early 1980's. The 1970's were also a period of expansion of the Coast Guard's role in two existing areas. First, after many disastrous marine accidents and the huge expansion in oil importation, several pieces of legislation were passed and resolutions were adopted by the IMO that greatly expanded the Service's responsibilities in marine environmental protection. Second, in 1976, Congress passed the Magnuson Fisheries Conservation and Management Act establishing a 200 nautical mile (a nautical mile is slightly more than the commonly used statute mile) exclusive economic zone. The Magnuson Act exponentially increased the amount of area for which the Coast Guard has to conduct patrols to 3.5 million square miles.

The period from the 1980's to the present has been one of steady growth in immigration activities (punctuated by periods of great intensity). In 1980, Fidel Castro allowed Cubans to leave their country by boat – the first time they were allowed to leave since the early 1960's. The Coast Guard responded to the mass exodus that followed, known as the "Mariel boatlift," named after the port from which Cubans were allowed to leave. During this operation, the Coast Guard rescued more than 100,000 Cuban refugees from dangerously overcrowded boats. The Mariel Boatlift foreshadowed increased time and resources that would be devoted to immigration/migration activities. In 1981, the U.S. signed an immigration treaty with Haiti which required the Coast Guard to maintain a ship in the vicinity of the Haitian coast to pick up and repatriate Haitians attempting to leave their country. The Coast Guard has also been

involved with enforcing illegal U.S. and international law with immigration of peoples of many other different countries.

During the 1980's and the Reagan defense build-up, the Coast Guard greatly increased the frequency of its joint operations with the U.S. Navy. The last big impetus for increasing the Coast Guard's responsibilities prior to 9/11, occurred in 1989, when the oil tanker *Exxon Valdez* ran aground and spilled 10,000,000 gallons of oil into pristine Alaskan waters. One year later, Congress passed the Oil Pollution Act of 1990 (OPA 90). Again, Coast Guard responsibilities for pollution prevention and response grew. The legislation also increased the number of Vessel Traffic Systems, similar to air traffic control systems for ships that the Coast Guard operates.

The 1990's were characterized by a period of downsizing. In the mid-1990's, as President Clinton and the U.S. Congress attempted to address persistent Federal budget deficits and reduce the National debt, the Coast Guard went through a period of "streamlining." The National Streamlining Plan, as it was known, was an organized way of reducing Coast Guard administrative overhead and organizational excess. Ultimately, it resulted in a Service that was approximately 4,000 people smaller than before streamlining started. What is now occurring, however, is a reversal. As a result of the events of 9/11, the Coast Guard will grow to a size significantly larger than it was before streamlining.

Streamlining helped cause some "readiness problems" for the Service. Streamlining reduced the size of the Service over a very short period of time. To accomplish the personnel reductions, the Coast Guard offered early retirements, drastically slowed personnel recruiting, and initiated programs that released personnel who had not been promoted within certain time limits. These programs were so effective that the Service overshot reduction targets by more than 1,000 personnel. The timing could not have been worse since the economy was growing rapidly and competition for employees was as fierce as anyone remembered.

Personnel reductions and shortages, coupled with other problems created by reduced funding levels associated with the Federal budget deficit reduction efforts, led to a concern among senior officers a concern about the services's ability to meet its mandated functions. In the annual "State of the Coast Guard" speech in 1999, Admiral James Loy, Coast Guard Commandant spoke extensively about the service's overworked staff and equipment. He stated: "If you take a sharp knife and work it relentlessly, the blade will also become dull" (Loy, 1999). The Coast Guard spent the next few years working to restore its readiness.

Despite any readiness concerns, the Coast Guard receives high marks for its management and stewardship of Federal tax dollars. Recently, the Comptroller General of the United States called the Coast Guard "one of the best managed agencies in the Federal Government."¹

This reaffirmed a 1999 Government Executive evaluation, in which the Coast Guard received the following report card on its management capabilities (Laurent, 1999):

Financial Management	B
Human Resources	A
Information Technology	A
Capital Management	A
Managing for Results	A
Agency Grade	A

The Coast Guard is perceived generally as a high performing federal agency, stretched a bit from a combination of growth in missions and reduced funding but carrying a strong and vibrant culture built on 211 years of service. The Coast Guard is best described as a military, multi-mission, maritime service. It is unique as a Federal Agency in that it includes Active Duty, Reserve, Civilian employees, and a very large contingent of auxiliary members (over 20,000

¹ State of the CG address, 26 March 2003.

people volunteer their services and talents to the U.S. Coast Guard). The Coast Guard is also unique within the Federal Government because it is the only military service that also has broad law enforcement authority.

Current Coast Guard Roles

At present, the Coast Guard has five strategic operating goals: Maritime security, maritime safety, maritime mobility, protection of natural resources, and National Defense. To fulfill these strategic goals, the Coast Guard of 2001 categorized its missions into seven main areas and focused its efforts as follows (based on percentage of operating funds expended)²:

Search and Rescue	12.17%
Aids to Navigation	15.24%
Marine Safety	13.61%
Environmental Protection	11.25%
Law Enforcement	43.31%
Ice Operations	2.05%
Defense Readiness	2.37%

In a speech before the Veterans of Foreign Wars on March 3, 2003, just two days after the Coast Guard was transferred to his new Department, the Secretary of Homeland Security Thomas Ridge stated:

"Now, I am very, very privileged as the Secretary of Homeland Security to have assigned to the new department the United States Coast Guard. I will tell you that I think they are probably one of the most undervalued, under-appreciated assets this government has ever put together for 200 years. And they've been doing homeland security for two centuries, plus, and they do a darn good job. They have been securing our coast line and navigable waterways -- check this: 95,000 miles worth -- for more than 200 years. And since the attacks of September 11th, they've really ramped up and are doing a lot more with regard to port security. Matter of fact, in the past couple of years, they've had 35,000 port security patrols alone, in addition to all the other work they do. The

² FY 2002 Budget in Brief.

investment in 2003 provides for the largest increase for Coast Guard operating expenses since World War II, enough to place an additional 2,200 men and women on active duty, develop 44 port security response boats and fund six new maritime SWAT teams, and equip these extraordinary men and women with the equipment they need, and additional personnel they need to protect our ports."

While this praise is certainly welcome and appreciated, there is more the Coast Guard can do to protect the U.S. from future attacks. The remainder of this thesis examines some of these issues.

Note on Methodology

In researching this thesis, I conducted a literature review focusing on organizational design, the role of leaders in crisis situations, and on the subject of Homeland Security and terrorism. There is no shortage of information concerning Homeland Security and I read over 200 news articles on the subject. I also conducted many web searches for additional background material using such sources as the most recent National Security Strategy, Homeland Security Strategy, etc.

I conducted 14 formal interviews of Coast Guard officials (six admirals, five captains, and three commanders), including the Commandant of the Coast Guard, Admiral Collins. Thirteen of the interviews were conducted in person and their duration was between one and four hours. These interviews were conducted at Coast Guard Headquarters in Washington, DC; the Coast Guard First District Office in Boston, MA; the Coast Guard Marine Safety Office and Group Boston offices in Boston, MA; and Coast Guard Activities New York in Staten Island, NY. One interview was conducted by phone. I used a fixed list of questions to guide the interviews, sometimes tailored for the specific interview. Each interview deviated from the list of questions as appropriate (a copy of the general questions is included in Appendix 1). I also carried on informal discussions with approximately 15 other Coast Guard personnel about their

experiences post September 11th during the period of researching and writing this thesis.

Once the interviews were complete, I looked for commonalities across the interview responses. Once commonalities were identified and using the information obtained in my research of print material and drawing upon my 19 years experience as a Coast Guard officer, I developed a set of recommendations for improving Coast Guard organizational efficiency and effectiveness. Some of these recommendations address issues that are currently being examined by Coast Guard leadership. In the next chapter, I will summarize some of the new requirements and expectations that have been placed on the Coast Guard since September 11th.

CHAPTER 2

New Strategies and Policies Post 9/11

There are two pieces of legislation and two pieces of Executive Branch policy papers that outline the expectations of the Federal Government and thus define the expectations held for the Coast Guard in meeting the Homeland Security challenges: The Homeland Security Act of 2002 (November, 2002), the Maritime Transportation Security Act of 2002 (December, 2002), the National Strategy for Homeland Security (July, 2002), and the Coast Guard's Maritime Homeland Security Strategy (December, 2002). The purpose of this section is not to review these documents in their entirety (the Homeland Security Act alone is 187 pages), but to highlight areas of each of them -- in chronological order from the date they were enacted or published to April of 2003 -- that will presumably have bearing on the U.S. Coast Guard as it works to meet its Homeland Security mandates.

The National Strategy for Homeland Security:

Published in July, 2002, this document outlines the Federal Government's overall strategy for organizing its efforts to protect the United States from future terrorist attacks. First and foremost it defines Homeland Security, potentially an ambiguous term, as follows:

"Homeland security is a concerted national effort to prevent terrorist attacks within the United States, reduce America's vulnerability to terrorism, and minimize damage and recover from attacks that do occur" (National Security Strategy for Homeland Security, p. 2).

The strategy is to reduce the country's vulnerability to attack. Of particular importance are the following objectives:

- Develop systems and procedures with state and local governments that complement efforts and reduce redundancies.

- Improve intelligence and warning systems so that proper preventive and preemptive action can be directed.
- Reengineer border and transportation security as fully integrated goals.
- Increase the security of international shipping containers.
- Recapitalize the U.S. Coast Guard.
- Improve intergovernmental law enforcement cooperation.
- Protect critical infrastructure and unify efforts to protect infrastructure.
- Develop a national system to coalesce all efforts to prepare and respond to a terrorist attack should one occur by creating a national incident management system and integrating separate federal agency response plans.

The Homeland Security Act of 2002

In the spring of 2002, President Bush submitted proposed legislation to Congress creating the Department of Homeland Security. This Act combined 22 separate Federal Agencies with more than 170,000 employees into one department. In terms of people, this reorganization is the largest reorganization of the Federal Government since the Department of Defense was created in 1947. In terms of organizational complexity, the proposal is enormous. Initially, President Bush resisted efforts to create this new department opting in favor of the creation of an Office of Homeland Security, a coordinating body with approximately 100 employees similar in structure to the Drug czar's office (formally known as the Office of National Drug Control Policy). The President resisted efforts to create this new department because he said he did not want to undercut the concern on future attacks by focusing instead on bureaucratic restructuring. Apparently he changed his mind, however, when congressional pressure intensified and criticism mounted at the performance of the CIA and FBI. Such criticism was directed at the lack of interagency coordination when it was

revealed that much information was available that might have allowed analysts to anticipate something like the September 11th attacks.

The Homeland Security Act of 2002 was passed by the Congress in November, 2002 after several months of negotiation between the White House and Congress over the level of job protection to be provided to Federal civilian employees in the new department. The impasse was resolved when Republicans took control of both houses of Congress after the November, 2002 elections. In signing the bill into law, President Bush stated: "We're taking historic action to defend the United States and protect our citizens from the dangers of a new era. The effort will take time, focus and steady resolve" (Mintz, 2002).

As noted, this is an ambitious piece of legislation. For the Coast Guard, there are massive challenges in executing organizational change while maintaining the day-to-day focus on the various missions at hand. The Act is intended to accomplish a great deal and will have significant impact on the Coast Guard:

- Establishes the Department of Homeland Security to include the Coast Guard (transfer was effective on March 1, 2003). This is the most significant organizational change for the Coast Guard since it was moved from the Department of the Treasury to the Department of Transportation in 1967. The main reason for establishing this new department is to create a cabinet level department whose primary job is to prevent and respond to acts of terrorism and to do so by improving the coordination between the different agencies working on this effort and to do so efficiently by reducing redundancies between agency efforts. It is also important to note that the Department of Justice (the FBI specifically) is designated as the lead federal agency for threats or acts of terrorism. Once an attack occurs, the Federal

Emergency Management Agency (FEMA, which is now part of the Department of Homeland Security) is designated the lead federal agency to protect public health and safety, restore government services, and provide relief. A more detailed discussion of the new department's organization will follow in the next chapter.

- Requires that information systems and databases of different agencies within the new department are reasonably compatible. This requires a balancing act whereby information is shared, but proper security (confidentiality) is maintained.
- Authorizes ten percent of departmental R&D funding to be used for improved ports, waterways and coastal security surveillance to minimize the possibility that Coast Guard ships, boats and aircraft performing non-homeland security missions will be diverted.
- Preserves the "efficient flow" of commerce, while border and port security are strengthened.
- Creates within the new department two new organizations: The Bureau of Border Security and the Bureau of Citizenship and Immigration Services. This separates the legal immigration and illegal immigration enforcement functions currently performed by the Immigration and Naturalization Service into two separate and distinct entities.
- Transfers the Coast Guard's functions and assets to the new Department intact. The law specifies: "Notwithstanding any other provision of this Act, the authorities, functions, and capabilities of the Coast Guard to perform its missions shall be maintained intact and without significant reduction after the transfer of the Coast Guard to the Department, except as specified in subsequent Acts."³ After the transfer, the Coast

³ The Homeland Security Act of 2002, p. 115.

Guard is to be maintained as a distinct entity within the new department and the Commandant is provided clear reporting authority to the Secretary of Homeland Security.

- Emphasizes the importance of information sharing among federal, state and local agencies as well as private industry. Essentially this means that sensitive information must be shared with those that need it – and this must be accomplished while preserving the confidentiality of the data and its sources.

The Maritime Transportation and Security Act of 2002

The Maritime Transportation and Security Act of 2002 was passed by Congress on November 12, 2002 and signed into law on November 25, 2002. The proposed legislation was initially called the Port and Maritime Security Act. But after the events of September 11th, the legislation was greatly increased in scope to include provisions to combat terrorist attacks at U.S. seaports. The Maritime Transportation and Security Act is an aggressive piece of legislation that increases Coast Guard responsibilities more than any other piece of legislation since the Oil Pollution Act of 1990 (passed in the aftermath of the Exxon Valdez grounding). The legislation has a number of notable features:

- Requires the Coast Guard to conduct “vulnerability assessments” of port facilities and vessels that pose a high risk of being involved in a security incident.
- Requires vessels, ports and facilities to submit security plans to the Coast Guard for approval based on the results of the vulnerability assessments.
- Requires the Coast Guard to develop national and regional Maritime Transportation Security plans to deter transportation security incidents.

- Establishes port security committees to coordinate the efforts of the federal, state, local and private efforts.
- Requires the Coast Guard to promulgate regulations limiting the access of certain areas in ports and facilities by issuing transportation security identification cards and requiring background checks of personnel working in those areas.
- Mandates development of maritime intelligence systems to gather information concerning vessels and their crews that are operating in waters subject to U.S. jurisdiction.
- Requires commercial vessels to carry an automatic identification system when operating in navigable waters of the U.S.
- Authorizes a sea marshal program (similar in concept to the air marshal program).
- Requires the assessment of the antiterrorism measures taken in foreign ports used by vessels that eventually call in U.S. ports.

The United States Coast Guard Maritime Homeland Security Strategy

The Coast Guard is designated as the “lead federal agency” for Maritime Homeland Security. This strategy draws on such Coast Guard characteristics as its military character, its broad law enforcement authority, its membership in the National Intelligence Community, and its extensive experience in carrying out complex operations. The Coast Guard’s Maritime Homeland Security Strategy (published in December, 2002) contains five objectives:

- Prevent terrorist attacks within and terrorist exploitation of the U.S. Maritime Domain.
- Reduce America’s vulnerability to terrorism within the U.S. Maritime Domain.
- Protect U.S. population centers, critical infrastructure, maritime borders, ports, coastal approaches, and the boundaries and seams between them.

- Protect the U.S. Maritime Transportation System while preserving the freedom of the U.S. Maritime Domain for legitimate pursuits.
- Minimize the damage and recover from attacks that may occur within the U.S. Maritime Domain as either the lead federal agency or a supporting agency.

There are six specific tactics that are designed to lead to the achievement of these objectives:

- Increase Maritime Domain Awareness.
- Conduct Enhanced Maritime Security Operations.
- Close Port Security Gaps.
- Build Critical Security Capabilities and Competencies.
- Leverage Partnerships to Mitigate Security Risks.
- Ensure Readiness for Homeland Defense Operations.⁴

The next chapter takes up the specific impact of 9/11 on the U.S. Coast Guard. It begins with shifts in the Coast Guard's missions, looks at budgetary changes, new programs and the like, and concludes with a summary of these recent organizational developments.

⁴ United States Coast Guard Maritime Homeland Security Strategy, pp. 1-3.

CHAPTER 3

THE IMPACT OF SEPTEMBER 11, 2001 ON THE U.S. COAST GUARD

While the Coast Guard has a long and proud history of responding to national emergencies, September 11th might well present the Coast Guard with its biggest challenge (and opportunity) to date. The United States includes 95,000 miles of coastline, the U.S. Exclusive Economic Zone (0-200 nautical miles offshore) includes nearly 3.5 million square miles of ocean that lead to 365 ports. Nearly 95% of our foreign trade (by tonnage) moves in and out of these ports; more than 7,500 foreign flagged vessels call us U.S. ports 51,000 times annually carrying more than 6 million containers, 156 million tons of hazardous material, and nearly one billion tons of petroleum products. In addition, the cruise ship industry carries more than 6.5 million passengers annually on passenger vessels (Collins, 2002).

Homeland security is now a major mission for the U.S. Coast Guard, although it was hardly irrelevant to the Coast Guard in the past and has long been considered an implicit if not explicit responsibility. Immediately after September 11th, the Coast Guard shifted its resources. Some of the most important and visible steps taken by the Coast Guard after the attacks include:

- The redeployment of ships and aircraft from “offshore” to “in and nearshore.” More than 50 ships, more than 40 aircraft and hundreds of boats immediately began patrolling ports and coastlines. This was part of the Coast Guards effort to establish what became known as “Maritime Domain Awareness.” The goal of this program is to obtain “total awareness of the vulnerabilities, threats and targets on the water.”
- The recall of more than 2,700 Selected Reservists (more than 25% of the total force) to support maritime homeland security challenges.

- The deployment of four Port Security Units to the critical ports of New York, Boston, Los Angeles/Long Beach, and Seattle.
- An immediate change in what was a 24 hour advance notice of arrival for foreign merchant ships to U.S. ports to a 96 hour advance notice of arrival to allow more time to screen passenger and crew lists and cargo manifests.

In addition, as my interviews and readings revealed, many other changes were occurring as well. I have grouped these changes into eight categories. Each category is discussed below:

1. Mission Profile/Resource Allocation:

Table 3-1 illustrates how the Coast Guard expends its annual budget by mission category. It is a before and after 9/11 comparison. The table clearly shows the events of 9/11 have reshaped the Coast Guard's resource allocation. Immediately after 9/11, there was a dramatic shift of Coast Guard resources such that more than 50% effort was devoted to Homeland Security. Now that some time has passed, in fiscal year 2004, the Coast Guard is projected to allocate 25% of its resources to Homeland Security (called Ports, Waterways and Coastal Security in Table 3-1) as compared to just 1% prior to 9/11.

Table 3-1: Resource Allocation by Major Mission⁵

	2002 (estimate prior to 9/11)	2004 (projected)
Search and Rescue	12%	11%
Aids to Navigation	15%	18%
Marine Safety	13%	7%
Environmental Protection	11%	4%
Law Enforcement	42%	29%
Ice Operations	4%	4%
Defense Readiness	2%	2%
Ports, Waterways and Coastal Security	1%	25%

⁵ FY 2002 and FY 2004 Budget in Briefs.

2. Budget and Personnel Increases:

As discussed in Chapter 1, the mid to late 1990's were a period of "streamlining" resulting from tight budgetary pressure. The service ended the decade concerned about its operational readiness to meet its many mandates. Admiral James Loy, Commandant of the Coast Guard from 1998-2002, focused much of his attention towards restoring the Service's Readiness. At the end of the 1990's the Service's authorized personnel strength was at its lowest level since 1967. Partially as a result of September 11th, this trend, as noted, is now reversed.

The Coast Guard's fiscal year 2003 budget passed by Congress and signed into law by the President includes the largest funding increase in the service's history by providing a 25% increase in operating dollars and funding for 2,200 new personnel. The personnel increases include two new maritime safety and security teams and 160 sea marshals (both explained later). The fiscal year 2004 request (sent to the Congress from the President in February, 2003) also includes budgetary increases of ten percent, including 2,000 additional personnel.

In Secretary Ridge's testimony before the House Appropriations Committee on the Department of Homeland Security's fiscal year 2004 budget, he stated that the President request of \$6.8 billion for the United States Coast Guard represents a 10 percent increase over FY 2003 for the component of the new Department of Homeland Security charged with pushing our maritime borders farther out to sea. The Commandant recently mentioned in his annual State of the Coast Guard speech the FY 2004 budget request recently submitted to Congress: "If the budget is enacted, by the end of FY04 we will have grown by over 4100 personnel and increased our overall budget by over \$1.6B—a 30% increase over FY 2002" (Collins, 2003).

A comparison of the Coast Guard's fiscal year 1998 through fiscal year 2003 budgets and fiscal year 1998 through 2004 (projected) personnel end strength in full time equivalents (FTE) is provided in Tables 3-2 and 3-3.

Table 3-2: Fiscal Year 1998 and 2003 Budgets

Appropriation	FY 1998 (\$ millions)	FY 2003 (\$ millions)	Increase (%)
Operating	\$2,714	\$4,322	59%
Capital	\$396	\$742	87%
Total (operating and capital)	\$3,110	\$5,064	63%

Table 3-3: Fiscal Year 1998 and 2004 Personnel

	FY 1998	FY 2004 (projected)	Increase (%)
Total Military FTE	34, 174	39, 469	15%
Total Civilian FTE	4,391	6,661	52%

Although budgetary increases are significant, the Service must still contend with readiness concerns. Some of the readiness problems mentioned earlier will not be solved for many years. For example, employee experience level is low. To solve this matter requires, for example, aggressively working to improve retention. This will be an uphill battle as the Service grows over the next few years and many new, inexperienced personnel are hired.

Additionally, the capital funding amounts listed above, although they represent large increases from previous years, are not enough to make significant progress at quickly updating the Coast Guard's rapidly aging capital plant. The Service's fleet of ships that are capable of operating offshore are the 37th oldest of 39 similar world navy and coast guard fleets (U.S. Department of Transportation, 2002). The Coast Guard's acquisition project that will replace its aging ships and aircraft is a "unique contracting approach that depends on a steady, predictable funding stream of about \$544 million [a year] over the next

two or three decades." according to JayEtta Hecker, Government Accounting Office (GAO) director of physical infrastructure.⁶

3. New Capability

Many new programs and concepts are being developed by the Coast Guard that give it added capability to meet Homeland Security challenges. Three are highlighted here for illustrative purposes. The first is that of Maritime Domain Awareness (MDA), intended to increase awareness of what activity is occurring in the U.S. maritime regions in terms of ships, people and cargo. As defined in the Coast Guard's Maritime Strategy for Homeland Security, MDA is intended to cope with the physical impossibility of patrolling the entire U.S. Maritime Domain simultaneously or inspecting, certifying, and validating all travelers and cargoes. As currently outlined in the MDA program, the Coast Guard will develop comprehensive, timely, and detailed "transparency" into events, conditions, and trends in the maritime domain. The Coast Guard will seek to differentiate legitimate activities from the illegitimate, and more closely examine those that are cannot immediately be classified as legitimate. To achieve MDA, the Coast Guard will have to accumulate and unparalleled amount of information and engage in extensive intelligence sharing with other agencies.

The second major new initiative is the organization of Maritime Safety and Security Teams (MSSTs). These new units specialize in waterborne security. MSSTs are a combination of Coast Guard's port security units and law enforcement detachments. They are staffed with approximately 100 Coast Guard personnel, remain on call 24 hours per day 7 days per week, and are the first Coast Guard units created specifically for Homeland Defense. MSSTs will handle terrorist threats or incidents, national special events such as the Olympics, storm recovery operations, and the outload of military equipment. MSST crew members also enforce security zones during transit of "high interest vessels," cruise ships and some U.S. Navy ships. As of April, 2003, the Coast Guard has

⁶ Government Computer News.

established four MSSTs. These will eventually increase to six. Seattle, Chesapeake, VA, Los Angeles, CA, New York/New Jersey, Boston, MA and Jacksonville, FL will be the home bases, but all units are fully deployable. The Coast Guard recently awarded a contract of up to \$145 million to purchase a maximum 700 boats for the MSSTs.

The third major program is the creation of the Sea Marshals. Sea Marshals board incoming ships prior to their arrival in U.S. ports. Sea Marshals check cargo manifests and crew lists and stand guard in areas in which the ship could be taken over. Some ships are to be boarded randomly by Sea Marshals. Others are to be targeted because of their suspicious cargoes and/or countries of origin.

These new programs are also changing the nature of the Coast Guard. Several people I interviewed described the Coast Guard as, today, "much more a cop on the beat than a fireman." They are also changing the Coast Guard in other respects. In traditional Coast Guard missions, such as search and rescue lives in danger are saved and Coast Guard personnel see the results of their work. With maritime homeland security, if the job is done well, nothing happens. With this feature in mind, one Coast Guard official said that the new programs require a change in mindset of Coast Guard personnel: From fighting a defined threat to protecting against a threat that is not easily defined or identified.

4. Increased Visibility:

Over the years, a persistent problem perceived by senior Coast Guard officers was that the agency poorly educated the American public about its services and benefits. One of Admiral James Loy's (Commandant of the Coast Guard from 1998-2002) imperatives was to "raise the visibility" of the Coast Guard. This was felt to be particularly the case in the Service's interactions with Congress and was considered to be one of the reasons the Service had a hard time receiving adequate funding.

This problem is compounded by the multi-mission nature of the Service. For example, commercial fishermen, many of whom have been saved when Coast Guard personnel put their own lives at risk in daring rescues, resent the fact that the Service is also the enforcement arm for regulations they feel are onerous and driving them out of business. When it comes to defense related activities, the Coast Guard is a minor player in terms of federal dollars and is rarely mentioned in the same breath as the Department of Defense. Yet it carries extensive defense-related missions.

This poor public relations phenomenon is described in a 1999 Government Executive article about the Coast Guard:

"Coast Guard culture plays a role in the service's lack of political finesse. On Capitol Hill, the Coast Guard is jeeringly referred to as the "Sea Scouts" because of its knee-jerk proclivity for marching into the breach, sometimes right off a cliff. But this bravery and derring-do is oddly unaccompanied by braggadocio. "The Coast Guard just isn't used to tooting its own horn," says an official at a company competing for the Deepwater contract, the largest Coast Guard capital project in its history. "They're like the silent service; they don't talk about what they do" (Laurent, Government Executive Magazine, 1999).

But, September 11th has changed things for the Coast Guard and put the Service in a much more visible light. Many of the senior Coast Guard officials interviewed list increased visibility and relevance as a major change for the Coast Guard post September 11th. In fact, Admiral Thomas Collins, the current Commandant of the Coast Guard stated "visibility of what we do has increased dramatically."

Dr. Robert Browning, the Coast Guard's official historian, recently discussed the increased visibility of the Coast Guard in an

interview with the Baltimore Sun. He noted that the Coast Guard has not been this visible since the 1930's:

"We were in the news constantly because of the rum runners. There were children's books and all kinds of books written. Now, the Coast Guard is the one agency they can see protecting people. It gives people a sense of security"
(Sullivan, 2003).

Not all of this is new. To some extent the Coast Guard is in somewhat unfamiliar territory. The Coast Guard has always been involved in situations that receive national attention. Recent examples include:

- Major search and rescue cases such as TWA Flight 800 (July, 1996), Egypt Air (November, 1999), and the John F. Kennedy, Jr. (July, 1999) plane crash.
- Mass migrations of illegal immigrants from Cuba and Haiti (1980's and 1990's).
- Exxon Valdez tanker grounding (March, 1989).

Yet, while all of these events received national and certainly White House attention, the level pales in comparison to the attention the Service now receives from possible terrorist attacks. One such event occurred on December, 2002 when the Department of Homeland Security received a threat received that New York Harbor would be the target of a major terrorist attack. The Coast Guard, closed New York Harbor to recreational boating traffic from 3:00 PM December 31st until 8:00 AM January 1st (Saul and Smith, 2003).

The potential impact of such an attack will receive instantaneous attention at the highest levels of the Federal Government and in all media. This is a change for the Coast Guard. The potential magnitude of these events requires that those at the highest levels of government receive near instantaneous information and analysis. This requires an adjustment on the part of the Coast

Guard in the way its current hierarchical command and control structure operates. I will return to this topic in chapter 6.

Increased Coast Guard visibility, evident everywhere, even affects the agency's recruiting efforts. A spokesman for the Coast Guard's Recruit Training Center recently told an Atlantic City newspaper:

"It all started with the war on terrorism. Our mission is to combat terrorism under Homeland Security ... and the Coast Guard had plenty of willing recruits after September 11th"
(Degener, 2003).

Other signs of increased Coast Guard public visibility show up almost daily in the press. The Tampa Tribune recently published a feature article on cruise ships. In the article, one of the passengers on a cruise from Tampa to the Cayman Islands told a reporter that:

"It made him feel safer that two Coast Guard boats were poised to escort the Sensation out of Tampa's port and that baggage would be screened much like it is at airports" (Long, 2003).

5. Structural Changes: Operations and Marine Safety and Security Communities

The Coast Guard has two primary operating communities: (1) Operations and (2) Marine Safety and Environmental Protection. Commonly known in the Service as "O" and "M." Operations is responsible for such programs as boating safety, most law enforcement (counter-drug, alien migrant interdiction, fisheries regulation enforcement, and general law enforcement) and the search and rescue program. The second, Marine Safety and Environmental program or "M", is responsible for commercial vessel safety, port safety and security, waterways management, and marine environmental protection.

The Operations community owns most of the Coast Guards assets (ships, planes, boats) and carries the service's law enforcement authority. The Marine Safety and Environmental Protection community owns most of the regulatory

authority. For example, the 'O' community conducts at-sea enforcement efforts directed towards the U.S. fishing fleet (fishing regulations are handled by the U.S. Department of Commerce) and the 'M' community establishes the regulations under which the fishing vessel must be constructed, maintained and crewed.

For years, the Service has been struggling to bring these two communities together under one umbrella recognizing that in some situations there is no clear distinction whether a situation is clearly an 'O' or an 'M' issue. In 1998, four prototype "Activities" were created. These were field commands that put under one umbrella what were two separate 'O' and 'M' field commands. These prototypes were never evaluated and no further action was taken to expand their existence to other locations.

September 11th changed all this. Many more people in the Coast Guard now realize that the distinction between the 'O' and 'M' communities amount to nothing more than stovepipes that sub-optimize overall mission performance. This was described in the Coast Guard's 1996 Streamlining Study that resulted in a "best fit" approach to organizing. The study authors noted:

"Specifically, if Captain of the Port Authority was needed, the Marine Safety Program was usually selected, with Commandant (G-M providing guidance, via District (m), to MSO field units. At the same time, the Commandant (G-O) or (G-N) was tasked with providing guidance via Districts (o) on the suite of Group and Air Station assets to support the new tasking. Particularly thorny problems, such as the new fishing vessel safety initiative and improving the processing and adjudication of maritime violations, seemed to strongly tax the organization" (Coast Guard Streamlining Study, 1996).

6. Resource Stress

Despite significant budget and personnel increases in the Coast Guard, the Service still suffers from strained resources. Although it is getting 'more', it is being asked to do 'significantly more.' This situation was aptly described in a recent Lloyd's List, a leading maritime business and trade publication, editorial.

"The US Coast Guard has invariably been treated as a service with an infinitely elastic capability. It began life in a modest fashion, as its name suggests, designed to guard the coasts. But very early on it became involved in a whole range of other important functions, which logic and expediency seemed to direct in its direction. But in terms of priorities, all these multiple roles have moved one down the list after September 11, when it was the Coast Guard that found itself pinpointed as a major contributor to the safety of the homeland, when the Department of Homeland Security was still on the list of possible ideas. The service is still coming to terms with the new demands of this new role in homeland defence, but retains all its other core missions. And while money might have been made available for the expanded role, there is inevitably insufficient for the multifarious demands. It is in services like the Coast Guard that we have some immediate indications of just what the demands of protection against terrorism are going to cost. The capabilities of this excellent service may be treated as elastic, but something has to give, if the US taxpayer is not prepared to fund the widerange of tasks the USCG retains within its remit. It would be a brave politician who told the Commandant that marine safety, or pollution prevention, or boating safety or drug smuggling, or any of the other missions was less important than others. At least the tensions have been recognised by the General Accounting Office, even if the solutions have not been identified" (Editorial, Lloyd's List, 2003).

Moreover, the resource stress on the service was the subject of discussion at a recent congressional hearing on the Coast Guard's transition to the Department of Homeland Security. Representative LoBiondo (R-NJ), chairman of a House subcommittee on Coast Guard and maritime transportation, referred to a GAO report on challenges faced by the Coast Guard as "thorough and eye-opening." The Washington Post summarized the hearing in the following way:

The Coast Guard Commandant assured the subcommittee members that the Coast Guard could meet all of its old obligations while ramping up its counterterrorism efforts, such as conducting vulnerability assessments at all of the nation's

ports and, more recently, supporting military operations in the Middle East. "I assure you that nothing is more important to the United States Coast Guard than to be ready to perform all of these missions with distinction and with excellence," he testified. The Commandant did concede, however, that the Coast Guard has more challenges than resources to meet them. He said some equipment and personnel will have to be diverted from more traditional roles to homeland security efforts, although partnerships with the Navy and foreign governments could help take up the slack. "Do we have more business than we have resources? Yes," Collins said. "We are challenged like never before to do all that" (Lee, 2003).

Such challenges were further elaborated in the State of the Coast Guard speech given by the Coast Guard Commandant when he stated:

"How have we done with improving readiness in the past year? My assessment is that, due in large measure to the strong support from the Administration and the Congress, we've made tremendous progress...but we still have a long way to go" (Collins, 26 March 2003).

7. Use of Reserve Force

The events of September 11th have caused the Coast Guard to use its Reserve Force in ways never imagined. The Coast Guard maintains a Selected Reserve Force with an authorized strength of over 8,000 personnel (the authorized level has been reduced over the years but is now growing again in the aftermath of September 11th). Shortly after September 11th, over 2,000 of the Reserve Force were recalled to active duty and remained on active duty for a significant period of time (up to two years). Many more reserves have also been recalled to support the 2003 war in Iraq. This is causing significant hardship on many Selected Reserve personnel. As of April, 2003, the Coast Guard has activated nearly one half of its selected reserves.

Some of the people I interviewed stated that they could not accomplish all of the missions expected of them today without recalling reservists. Since it is not feasible to keep reserves recalled to active duty indefinitely, the Service will

need to create additional active duty billets, stop performing some missions, or identify efficiencies if it is to continue to operate as it has during the past two years. This is not a problem unique to the Coast Guard as the other military services are experiencing it. Recently, Secretary of Defense Rumsfeld requested Congress pass legislation providing him the authority to change some of the personnel structures of the military services. According to the New York Times, the legislation would:

"Change the peacetime schedule of reservists, who have been called up by the tens of thousands over the past two years for the campaign against terror. Reservists could opt for specialties that guarantee more active service time and mobilization if that fit their lives; others, depending on the specialties they chose, would be confident of less time on active duty beyond the weekend a month and two weeks a year of training" (Shanker, 2003).

8. Increased Use of Partnerships

Prior to September 11th, Coast Guard personnel seemingly viewed themselves as "good interagency partners." September 11th has taken the importance of partnerships to an entirely new level. The sheer complexity of the Homeland Security mission requires that all agencies and private enterprises coordinate their security efforts. Those interviewed in the Coast Guard realize this. Throughout my interviews, all stressed the importance of partnerships and of establishing cooperative relationships with their interagency counterparts.

Secretary Ridge immediately recognized the importance of partnerships. In a speech shortly after his appointment in October, 2001 he stated:

"We must open lines of communication and support like never before, between agencies and departments, between federal and state and local entities, and between the public and private sectors. We must be task oriented. The only turf we should be worried about protecting is the turf we stand on" (Ridge 2001).

Summary

Immediately after September 11th, the Coast Guard faced an immediate and dramatic shift in its mission profile. Coast Guard personnel and assets were stretched significantly. The Coast Guard was forced to use its reserve forces in ways that had never been done before. The Service, after years of longing for increased recognition, found itself in the limelight. This visibility and renewed appreciation for the service has already resulted in the largest budget increases in history. As the Service looks for new ways to meet the challenges it faces, it has become abundantly clear that the Coast Guard is changing and changing rapidly. In the next chapter, I examine how changes are occurring at the ground level by looking in some detail at recent change efforts undertaken in three ports.

CHAPTER 4

CHANGES IN THE PORTS

When it comes to Homeland Security, the ports are critical. U.S. News and World Report recently featured this fact:

"If there was any doubt that terrorists could attack the United States via its bustling maritime trade, it should probably have been erased by an arrest in Florida earlier this month. The Coast Guard nabbed a drug dealer for selling phony crew-member papers to leaders of a Philippine terrorist group with ties to al Qaeda. Those documents, issued by shipping firms, are required of any seaman working on vessels that make stops at ports in the United States" (Sherrid, 2003).

Much has been written in the press about securing our ports against terrorist attacks. There is little disagreement that more must be done to secure the ports, but the money to do it has been slow in being appropriated. A recent Congress Daily article highlighted this issue:

"Everybody talks about port security, but they don't do anything about it," Sen. Ernest "Fritz" Hollings, D-S.C., said earlier this month. Hollings' spokesman added that the senator is "afraid that it will only be taken seriously when it's too late." Hollings, the ranking Democrat on the Senate Commerce, Science and Transportation Committee, along with Rep. James Oberstar, D-Minn., the top Democrat on the House Transportation and Infrastructure Committee, have relentlessly trawled for more funds to shore up port security. They and other lawmakers—mainly Democrats—have been critical of what they see as the Bush administration's shortchanging of security for the nation's seaports. Oberstar blasted the administration's war supplemental budget for failing to provide enough money for port and maritime security. "All Americans, whether you live in a port city or whether you live in Boise, Idaho, will benefit from that security," Oberstar said on the floor last month. "The impact on our economy and

on all Americans if our nation's ports are closed down for a few weeks because of a terrorist attack is simply too great. Factories will close down. Refineries will run out of oil. Stores will run out of goods." But attempts to address the issue in the supplemental budget debate got lost in the fog. Hollings failed in his attempts to add \$1 billion for new security requirements under the Maritime Transportation Security Act, passed last year. And House Republicans defeated an amendment by Rep. John Spratt, D-S.C., the ranking Democrat on the House Budget Committee, that included \$1.5 billion for port security grants (Scrivo, 2003).

Scrivo usefully points out that there is competition for scarce federal resources devoted to Homeland Security. While more funds need to be allocated to secure ports, it is also incumbent upon the agencies receiving these funds to operate efficiently together to make the best use of every scarce federal dollar.

Another challenge for agencies is to balance security and the free flow of commerce. Consider the complications raised by a recent Coast Guard decision to allow a foreign ship carrying liquefied natural gas to enter the Chesapeake Bay and transit to a reactivated liquefied natural gas facility. The ship will pass three miles from the Calvert Cliffs Nuclear Power Plant. The ship's arrival will trigger the most intensive maritime security operation ever seen in the region. Four days before the tanker reaches the Chesapeake Bay, the Coast Guard will begin cross-checking crew members and passengers against terrorist watch lists. As the tanker approaches the bay from the Atlantic Ocean at Cape Henry, it will be stopped and inspected by a Coast Guard boarding team. Once cleared for its journey up the Bay, a moving safety security zone will form around it, ensuring that no other vessels get closer than a prescribed distance. The web of security - which probably will also include air surveillance -- will be drawn tighter as the tanker approaches the Calvert shoreline. Despite this intense security, local residents and elected officials are extremely concerned:

"We were afraid of terrorists before 9/11 -- and 9/11 came," said one local resident whose home is within several miles of the LNG plant. U.S. Sen. Barbara A. Mikulski (D-Md.) said she has concerns, despite expressing confidence in the Coast Guard when, in December, it judged the bay to be suitable and safe for LNG traffic. "We're in a war against terrorism," Mikulski said in a recent interview. "I continue to be concerned and therefore I don't believe any nautical operation is risk-free" (McCaffrey, 2003).

A few days earlier, another article appeared in the Baltimore Sun expressing concern that the Coast Guard's port security efforts were slowing the flow of commerce. This article described how every ship, truck and cargo container that moves through the port receives more scrutiny than ever before and that this scrutiny means that it may cost more and take longer for ships to reach port and unload their cargo.

Providing the proper balance between providing security and allowing the free flow of commerce is a most difficult matter. Moreover, security does not come cheap. While many reports have surfaced that contend that the government has not done enough in the ports to protect the country, an equal number worry about the cost of such effort. A recent article in the National Journal reported an estimate of the American Association of Port Authorities that it would cost \$2 billion to make the ports secure. But since Sept. 11, only \$318 million has been spent. The author further reports that although President Bush endorsed a program to screen cargo at foreign ports, his recent budget submission (fiscal year 2004) requested no money to implement the program. Asa Hutchinson, the Homeland Security Department's Undersecretary for Border and Transportation Security stated during a recent Governmental Affairs Committee hearing: "There are vulnerabilities in our sea cargo-container system that have the potential for exploitation by terrorists. In fact, most experts believe a terrorist attack using a container is likely" (Peterson, 2003).

The fact is that much needs to be done to secure the country's ports. As the Wall Street Journal reported in April, 2003:

Officials at other ports can't identify the specific security weaknesses that exist in their particular harbor until security assessments are done. That's why there are no specific security requirements for ports, which aren't even required to check incoming cargo: Traditionally it has been a responsibility of Bureau of Customs and Border Protection, formerly known as the Customs Service. In general, about 4 percent of the containers that enter U.S. ports are either X-rayed or visually inspected. The Customs Bureau says it doesn't keep numbers for air cargo inspections because such packages are generally small and can be sniffed by dogs, inspected visually or handled in a variety of ways too numerous to keep track of. Officials for ports like Charleston sometimes ask private businesses along the waterfront to be on the alert for terrorists. Across the country, port operators say they are patching holes as resources allow. In Los Angeles, two additional port police divers, making a total of 10, inspect the hulls of cruise ships and tankers for bombs. Even so, said Noel Cunningham, the Los Angeles port's chief of police, the harbor remains "wide open" to attack. Charleston illustrates both the challenges and frustrations port officials face in improving security. Most apparent is the sheer size and diversity of the facility. Here, container terminals, petroleum-tank farms, a cruise-ship berth and loading docks for military supplies bound for Iraq all hug the shoreline. The waterfront includes landmarks such as the Civil War's Fort Sumter and the World War II aircraft-carrier Yorktown and a bustling downtown tourist area. Each year tens of thousands of pleasure boats traverse the harbor on the Intercoastal Waterway, which cuts across the main shipping channel (Machalaba, 2003).

But some progress has been made as my interviews indicate. In the remainder of this chapter, I examine how the Coast Guard and other agencies are now working together. In this chapter, I will examine how the Coast Guard in three different ports responded to the challenges of September 11th. I have selected the three ports because they are critical ports and have different organizational structures.

Boston, Massachusetts

The port of Boston is home to four different commands. First, it is the Headquarters of the First Coast Guard District with geographic responsibility for the area stretching from the Maine/Canada border down through the Point Pleasant, New Jersey. Second, Integrated Support Command (ISC) Boston is responsible for providing engineering, logistical, and personnel support to a wide geographic area extending outside of Boston. Third, Group Boston includes five search and rescue stations, three ships, and one aids to navigation team. Each of the five search and rescue stations include several boats of various sizes up to 47' and is trained for a variety of Coast Guard missions beyond just search and rescue. These stations are similar to fire houses, with Coast Guard personnel at the stations 24 hours per day, 7 days per week. Fourth, Marine Safety Office (MSO) Boston promotes the safe and secure transportation of people and cargo in the Boston area waterways, as well as protects the marine environment. In terms of maritime security in the Boston area, the Marine Safety Office has legal authority over the port including the ability to shut it down. The Group also "owns" most of the ports assets (ships, boats and personnel to operate them). Group and MSO are collocated on property maintained by ISC Boston. For purposes of this analysis, I will examine only the actions of Group and MSO Boston because they are responsible for tactical activities in the Port.

Boston is a medium sized port with a broad range of maritime trade that call in the port including container, bulk cargo, petroleum, automobile carrier, passenger, and liquid natural gas carrying ships. Immediately after September 11th, the Coast Guard Marine Safety Office and Group commands began working together closely. Prior to September 11th, the Coast Guard focus in the port of Boston was merely to help provide for a safe and efficient marine transportation system. This immediately changed after 9/11 and security became central. Harbor boat patrols were increased, security zones were established to limit and/or prevent vessel traffic in certain areas, high interest vessel transits were escorted in and out of the port, and screenings and law enforcement boardings

were increased. Resources were obtained by a significant asset and mission shift by the Coast Guard from an "off-shore" to "near-shore" posture.

According to Coast Guard officials in Boston, as time passed, a more systematic approach was developed and vessels were examined at their points of origin and methodical clearance procedures were established.

Container and liquid natural gas ships are particularly critical in the port of Boston for security reasons because of the potential for smuggling in weapons of mass destruction in a shipping container and the explosive potential of ships carrying liquefied natural gas. Massachusetts is only one of two states in the Nation that have a LNG facility fueled by ships. During the winter months, an LNG tanker arrives in Boston every ten days. After September 11th, the Coast Guard prohibited LNG tankers from calling in Boston due to safety and security concerns. Captain Brian Salerno, commanding officer of Marine Safety Office Boston and the Captain of the Port said the ban was issued in accordance with Federal Government's orders to "take all necessary actions" to protect the nation's waterways from terrorist attack. The ban was not intended to be permanent but put in place to permit sufficient time to study and address security concerns. On October 20, 2001, the Coast Guard allowed the resumption of LNG deliveries to the port of Boston (despite the City of Boston and other surrounding cities attempt to have a Federal judge bar the deliveries). The first LNG ship after the ban was lifted entered Boston Harbor with a heavy protective escort around the ship, helicopters overhead, and the Tobin Bridge closed as the ship passed beneath it. (McElhenny, 2001)

While the decision to allow their resumption of LNG deliveries was a Coast Guard decision, it was not made in a vacuum. Nor is the coordination of safety and security tasks a sole Coast Guard operation. Many groups are involved in this operation. Beyond the Coast Guard, they include the U.S. Customs Service, the FBI, INS, Boston Police and Fire Departments, MassPort, the Massachusetts

Emergency Management Office, the Metropolitan Mayors Commission, and the oil and gas companies themselves.

The Coast Guard, working with these stakeholders in the port, developed the "Model Port Boston" process that brought all of these groups together to maximize multi-agency coordination. Model Port Boston is based on a concept developed by the Interagency Agency Commission on Crime and Security in U.S. Seaports to help ports reduce port security vulnerabilities. Under Model Port Boston, a public/private sector coalition was established. The model port is intended to gather and provide information regarding current security and safety practices in supply chains and critical port activities; to assist in collaborative efforts to develop and share best practices for the safe and secure movement of people, cargoes and conveyances; and to test and evaluate security technology and practical solutions, improvements and enhancements in vessel operations, waterside facilities and waterways management. Also planned, as part of Model Port Boston is a multi-agency workshop intended to help set port standards.

The strategic goal of Model Port Boston is to "provide a demonstration model for the movement of people, cargoes, and conveyances in the Port of Boston that maintains opportunities for growth, recreation, and commerce while improving security practices by using examples of point-of-origin security, in-transit tracking and monitoring, and data-query capability designed to promote a safe, secure and efficient port." As of December, 2002, several work groups had been established, concerns identified and solutions were being tested and implemented (Coast Guard MSO Boston website, 2003).

The working relationship between Group and Marine Safety Office Boston appears strong. According to the Group Boston commander, the Group (like all Coast Guard Groups) maintains a live 24-hour communications and operations watch (similar to police dispatch operations but with the ability to plan some small scale operations). The Marine Safety Office added a "watchstander" to the Group's operations center. A "watchstander" is an employee working in an

operations center at all times that must be qualified for certain tasks depending on the mission of the center. Both commands continue to work closely with other Federal, state and local agencies; in fact, these inter-agency partners have assumed 35% of the Coast Guard's boat hour patrol requirements. While interviewing the commanding officers of Coast Guard Group Boston and Marine Safety Office Boston, both remarked on the magnitude of their responsibilities and on the fact that they were "committed to working together one hundred percent." They both admitted, however, they were fortunate to have their commands geographically co-located (the offices are in two separate buildings but on the same property approximately 100 yards from each other).

New York, NY

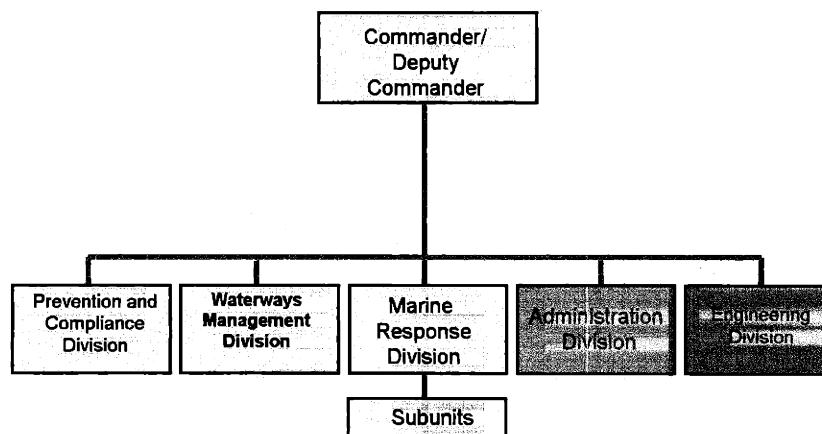
The Coast Guard commands in the New York, NY area, for obvious reasons, were significantly impacted by September 11th. The primary Coast Guard organization in the New York area is located on Staten Island, NY. About 900 people are assigned to this command. The skyline of Manhattan, including Ground Zero, is within visual range of the facility. The Coast Guard also has several minor detachments of personnel at a small facility located at Battery Park, just a few blocks from Ground Zero.

Unlike the other two locations I examined for this thesis, the Coast Guard organizations in the New York area are consolidated under one command called "Activities New York." An Activity is a relatively new organizational entity for the Coast Guard, first established in 1996. It combines separate entities within one geographic area of responsibility. Activities are independent field commands. Those in charge of an Activity have the ability to make operational decisions across a wide variety of operational programs. Activities New York combines what were the separate commands of Group and Captain of the Port New York; Group Sandy Hook, NJ; Marine Inspection Office New York; and Vessel Traffic Service New York.

Activities New York also includes a Vessel Traffic Service (VTS) which is similar to an air traffic control service and is the only organization I examined that includes such an entity. The VTS is designed to improve safety of shipping and reduce marine pollution incidents from ship groundings. A VTS includes a series of radar and communications sites tied together by a central operations center. It also has homeland security applications since it offers a significant surveillance and monitoring capability.

Activities New York is the Coast Guard's largest operational field command and its area of responsibility extends from Sandy Hook, NJ through the port of New York/New Jersey and up the Hudson River to the Canadian border. The basic organizational chart of Activities New York is given in Table 4-:

Table 4-1: Organization Chart: Activities New York



The former separate organization, Group and Captain of the Port New York is now included in the Marine Response Division. The VTS is part of the Waterways Management Division. Unlike the other Coast Guard commands,

Activities New York has all Coast Guard commands in the geographic area consolidated under one entity. This made their initial response efforts to events of September 11th simpler from a pure organizational standpoint than might have been the case at other ports. In fact, many of the people I spoke with at the Activity stated that they could not conceive how they could have responded to the initial disaster as effectively as they did with separate Coast Guard organizations in place. Activities New York has thirteen operational assets: four search and rescue stations; three aids to navigation teams; two 140' icebreaking ships; two 110' coastal patrol boats; and three 65' harbor tugs. Organizationally, all of these assets directly report to the head of the Marine Response Division.

On September 11th, Activities New York responded to the disaster by activating the Incident Command System (ICS). ICS is a plan to organize complex operations involving multiple state, local, federal, and private agencies. It is designed to ensure that there is a unity of purpose and effort across agencies and they all speak the same language. ICS was developed by the U.S. Forest Service to coordinate firefighting efforts in western states that often cross local, county, and state boundaries and require the efforts of multiple state and local agencies.

One of the key principles of the ICS system is that in a major emergency a temporary organization is established that crosses agency boundaries. Thus, people who do not regularly work with one another can come together quickly. They will furthermore immediately understand the terminology being used, the organizational structure in place, and the standard operating procedures that are being followed. In the ICS organization, rank is less important than assigning the most qualified person or group for each function.

Initial Coast Guard efforts on 9/11 were divided into two main categories: (1) ensuring the safe evacuation of personnel by water and safe relief provision by water; and (2) ensuring security of the port from further attacks. Their efforts were complicated by the fact that the telephone switches used by the Coast

Guard were located at the World Trade Center and were taken out in the building collapse and the Coast Guard, as well as others, had to communicate via cell phone and other means. This made communication and coordination problematic. Some of the more specific actions taken on and following 9/11 include:

- Assisting with evacuation and medical triage. This was a significant undertaking as it was estimated that nearly one million people tried to evacuate a relatively small area, many by the Hudson and East Rivers. As security concerns about further attacks grew, many of the land based escape routes were closed to seal the city off from further attacks. Water was a key escape route. Eventually, approximately 500,000 people were evacuated by water.
- Closing much of New York Harbor and restricting other parts of the harbor.
- Establishing temporary measures to regulate the traffic of commercial ships that were allowed to continue to operate. A mobile vessel control point was established with Coast Guard personnel working on a New York pilot boat.
- Overseeing the departure of anchored vessels.

Concerning future attacks, the port of New York, indeed the region contains countless potential terrorist targets (including over 150 locations of national significance). These include many major bridges and tunnels, significant national historical structures, commercial port infrastructure, airports sewage treatment plants, cruise ships and commuter ferries (60 million passengers annually), power plants, military loadout facilities, numerous fuel and chemical handling facilities, heads of state located at the United Nations, and the financial center of the U.S., if not the world.

The response of Coast Guard in the New York area was phenomenal. Many of the procedures followed were developed on the fly. Not only does the

Port of New York/New Jersey have many potential vulnerabilities, but, as noted, it is an organizationally complex region. The agencies with overlapping jurisdiction are many and powerful. Not only does the Coast Guard have to deal with two different states (New York and New Jersey) but with a myriad of local and Federal agencies, each with different jurisdictional areas of responsibility. The relationships with federal counterparts are also complex. The U.S. Customs Service and FBI, for example, have two separate offices for New Jersey and New York. The New York City Police Department is itself a complex and huge organization with as many employees as the entire U.S. Coast Guard.

After the initial response efforts, the Coast Guard coordinated maritime safety and security matters through a Port Security Subcommittee established as part of an already standing Harbor Safety Committee. This group included representatives from the relevant state, local, and federal agencies: the Sandy Hook Pilots association; the American Waterways Operators (operate the tugs and barges in the area), and the New York/New Jersey port authorities. Eventually this subcommittee, reporting to the Harbor Safety Committee, became a stand-alone committee, more powerful than the Harbor Safety Committee. The committee is now attempting to fuse intelligence from various agencies, plan inclusive port security efforts, coordinate asset deployment to maximize scarce resources, improve interagency communications, and integrate response efforts and plans.

Fortunately, there have not been further terrorist attacks on New York City. But there have been scares. In September, 2002, a Liberian-flagged ship arrived in Port Elizabeth, NJ and a Coast Guard inspection team detected what they thought were trace amounts of radiation in its cargo, raising concern about the possibility of a weapon of mass destruction on board the ship. It took several days and a good bit of effort on the part of many different agencies to sort out this situation. Many of the lessons learned from how this situation was handled involved the flow of information and how best to share information and speed-up decision-making (Collins, 2002).

One of my interview respondents suggested that one of the reasons the coordination went well was because New York is the host of OPSAILS (the large, periodic gatherings of 'tall ships' that attract millions of visitors and require significant coordination from interagency groups). Because the different agencies had worked together previously on OPSAILS, working relationships were already in place when needed.

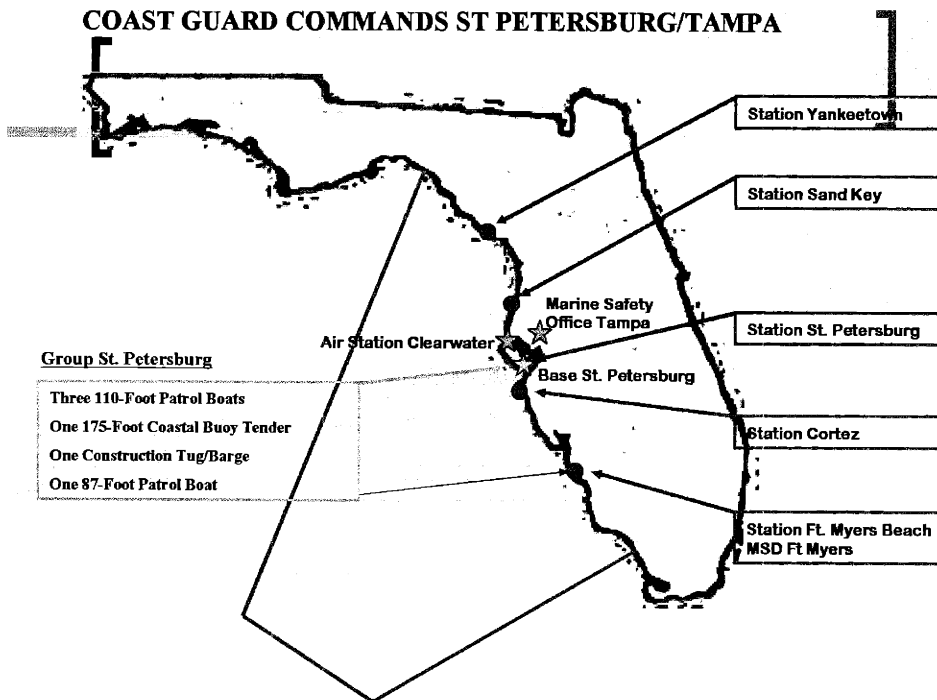
St. Petersburg/Tampa, FL area

The port area of Tampa and St. Petersburg, FL are home to three major Coast Guard commands. First, the Coast Guard Group St. Petersburg, FL includes five search and rescue stations on the west coast of Florida (collectively, the stations have 29 boats, 47' and less in length). Group St. Petersburg also operates four 110' coastal patrol boats, one 87' coastal patrol boat, one 175' coastal buoy tender, and one construction tug and barge. Second, the Marine Safety Office Tampa consists of 120 active, reserve, civilian and auxiliary personnel aligned into five operational departments whose job it is to protect the maritime environment and to ensure the safety and security of the maritime industry. MSO Tampa partners with industry to ensure the safe movement of over 8,000 commercial vessel transits per year providing stability to over 120,000 port-related jobs. The MSO's primary responsibilities are the protection of the marine environment and the promotion of safe passage of marine related traffic carrying passengers, oil, hazardous products and consumer goods within the zone. Finally, the Air Station Clearwater, FL is the Coast Guard's largest air station and is home to twelve HH60J Jay Hawk twin-engine and long range helicopters and six long range C-130 aircraft (Coast Guard Group St. Petersburg, MSO Tampa, Air Station Clearwater websites).

One significant difference between the Coast Guard commands in Western Florida and those in Boston and New York is that those in Florida are not geographically collocated. (Group St. Petersburg, MSO Tampa, Air Station Clearwater websites, 2003). The Group, MSO, and air station are each

approximately a 20-minute car drive from one another. Below is a graphical depiction of the different commands and their areas of responsibility:

Exhibit 4-1: Location of Coast Guard Commands (Western Florida)



The area includes three main commercial ports: Tampa, St. Petersburg, and Manatee, FL. These ports have significant economic impact on Florida. Through them move 650,000 cruise passengers annually and nearly half of Florida's hazardous materials. Potential terrorist targets include cruise passenger ships (five major cruise lines sail in and out of this area with thousands of passengers per ship), liquefied petroleum facilities and tankers, other chemical facilities and tankers (ammonia is but one example), the Sunshine Skyway Bridge, MacDill Air Force Base (Central Command headquarters) and the Crystal River Nuclear Power Plant.

Initial actions after September 11th of the various Coast Guard commands in Florida were similar to other locations and included providing for the safety and security of the Marine Transportation System in their area of responsibility. After a short time, the various commands realized that they would have to develop a framework to closely coordinate their safety and security efforts and also to provide timely and consistent responses to the large number of requests for information originating from higher up in their respective chains of commands. The three commands also realized that they had to 'overcome each others strengths and weaknesses.' For example, the MSO held much of the regulatory authority in the port but was not familiar with many aspects of Coast Guard operations with boats, ships and aircraft. The Group, although very familiar with boat and ship operations, had insufficient sufficient staff to perform deliberate planning efforts. Most, if not all Coast Guard Groups, have similar limitations due to staffing shortages and a lack of training for current staff.

To address these shortfalls and to ensure the three major western Florida commands emphasized their new Homeland Security mission, the Coast Guard established a quasi-command named Coast Guard Forces Western Florida. The Director of Coast Guard Western Forces Florida was the commanding officer of Coast Guard MSO Tampa. The command included Deputy Directors for Operations, Intelligence and Planning/Logistics were the commanding officer of Group St. Petersburg, Executive Officer of MSO Tampa, and the commanding officer of Air Station Clearwater respectively. From September 11th through the following July, Coast Guard Forces Western Florida conducted 369 sea marshal escorts; 121 ship escorts, provided 17,200 waterborne, 235 air, and 3163 land based vehicle shoreline patrol hours; and various other operations. It is important to note that this quasi-command did not replace the three existing Coast Guard commands (Group, MSO and Air Station all still existed) but served to coordinate their efforts.

Coast Guard Western Forces Florida also adopted a vision statement. The statement described their goal of enhancing interagency coordination to improve the safety and security of the national Marine Transportation System. However, it emphasized the need for increased coordination to realize operational efficiencies that would allow the Coast guard to continue to conduct its more traditional missions.

The three Coast Guard commands had four objectives when they established a Task Force (Coast Guard Western Forces) in late 2002: (1) Enhancing maritime safety and security; (2) broadening participation by state, federal and local agencies; (3) promoting the effective and efficient use of everyone's resources; and (4) providing for long-term sustainability. To bring the vision into reality, the task force established its own 24-hour operations center separate from Group St. Petersburg operations center. The MSO previously had a 24-hour duty officer but not a fully manned operations center). Physical separation was overcome by "virtual" briefs held by daily teleconference. The task force has since disbanded its own operations center and now relies on Group St. Petersburg, supplemented by an additional 24-hour duty officer from MSO Tampa.

The task force by all accounts was effective, particularly in addressing Coast Guard concerns about resource limitations and sustainability. Immediately after September 11th, Coast Guard Headquarters provided for the cost of additional maritime security. After a period of time, however, as costs rapidly began to mount, funding constraints became a reality. At peak, other agencies contributed more than 1,200 total hours per week of waterborne craft time to the Homeland Security efforts in this area.

Summary of Efforts in the Three Different Ports

Coast Guard efforts in all three ports appear to be successful. It is however difficult to compare the effectiveness in each port. The ultimate measure of success is of course that there were no further attacks in any of the

ports. Although impossible to exactly measure Coast Guard effectiveness in each port, it is possible to draw out from my interviews some similarities and differences in response among the three ports:

- The efforts in all three ports required close cooperation between the Coast Guard 'O' and 'M' communities. In New York, this was organizationally easy as both communities were combined under one command some years ago. In Boston and St. Petersburg, FL, this required extra effort.
- Geographic proximity (co-location) was an advantage for the two locations that enjoyed it (New York and Boston). St. Petersburg did not benefit from co-location but developed a new organization that could replicate co-location through daily teleconferences and a joint operations center.
- All Coast Guard commands in the three locations report that they coordinated well with their interagency and private sector counterparts.

In the next chapter, I will examine some organizational issues at the "corporate" level of the organization. This is of course the level that must worry the most about the future of the Coast Guard.

CHAPTER 5

ORGANIZATIONAL CHALLENGES

"We also have to reform the system. I can recall coming across from Ottawa, Canada, at one point in time, and there were three different faces of the government at the border. One group had a uniform, then they had a piece of tape. And another group had another uniform. And depending on what happened there, you could have had a third person come in with another uniform. Now, they're all representing the federal government; but we don't need three sets of people, three separate chains of command ... So what we're going to do is reorganize to create strength and new capacity at our borders. As part of our restructuring, we're going to move all border and immigration enforcement duties into just two bureaus -- the Bureau of Customs and Border Protection -- and that's going to deal with those attempting to cross into the country -- and the Bureau of Immigration and Customs Enforcement, for those who are already here. And I think this change, in time, makes us much stronger across the board" (Secretary Ridge, Speech Before Veterans of Foreign Wars, 3 March 2003).

The relevant legislation and homeland security strategies and practices reviewed in the last several chapters point out that a critical aspect of providing for homeland security is ensuring that the many agencies involved in this effort work together effectively and efficiently. More resources are needed for Homeland Security as recognized both by the President and the Congress.

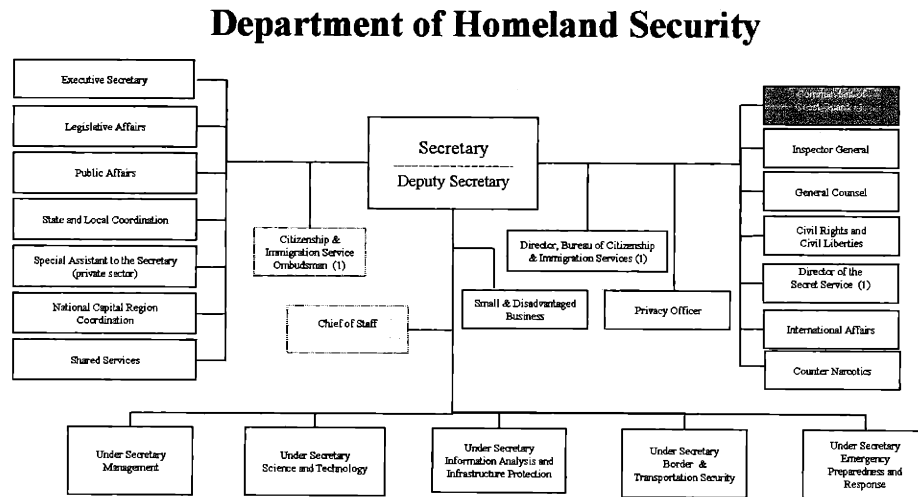
More resources alone are not, however, the answer if federal agencies tasked with providing for Homeland Security do not work smarter. Innovative uses of technology are needed and more efficient ways of organizing must be created so that the synergies expected from the creation of a Homeland Security Department are realized. This is presumably what Secretary Ridge means by "reforming the system." In the remainder of this chapter, I will outline the new cabinet department's organizational structure as well as the Coast Guard's structure and other

selected agencies. These new designs highlight the challenge of aligning separate agencies into one, fully functioning and efficient department.

The Homeland Security Department

The Department of Homeland Security consolidates 22 separate federal agencies with Homeland Security responsibilities into one department with five different bureaus:

Figure 5-1 Department of Homeland Security



Note (1): Effective March 1st, 2003

It is critical to remember that one of the primary reasons for creating the Department of Homeland Security was to make the different agencies more efficient and to eliminate redundancies in their efforts. The basic organization of the Department of Homeland Security includes five major directorates each headed by an Under Secretary: Border and Transportation Security, Emergency Preparedness and Response, Science and Technology, Information Analysis and Infrastructure Protection, and Management. The Coast Guard, unlike the other

agencies that were moved to the new department is a stand alone agency in the Department. Its Commandant reports directly to the Secretary of Homeland Security.

Clearly the Coast Guard must work closely with the Bureau of Border and Transportation Security, which includes what was formerly the U.S. Customs Service, the Immigration and Naturalization Service, the Federal Protective Service, the Transportation Security Administration, the Federal Law Enforcement Training Center, the Animal and Plant Health and Inspection Service, and the Office for Domestic Preparedness. Some of these agencies, the Immigration and Naturalization Service, for example, have been altered organizationally with their move to Homeland Security. As noted earlier in this thesis, the legal immigration and illegal immigration enforcement functions have been separated and now reside as different agencies within the new department.

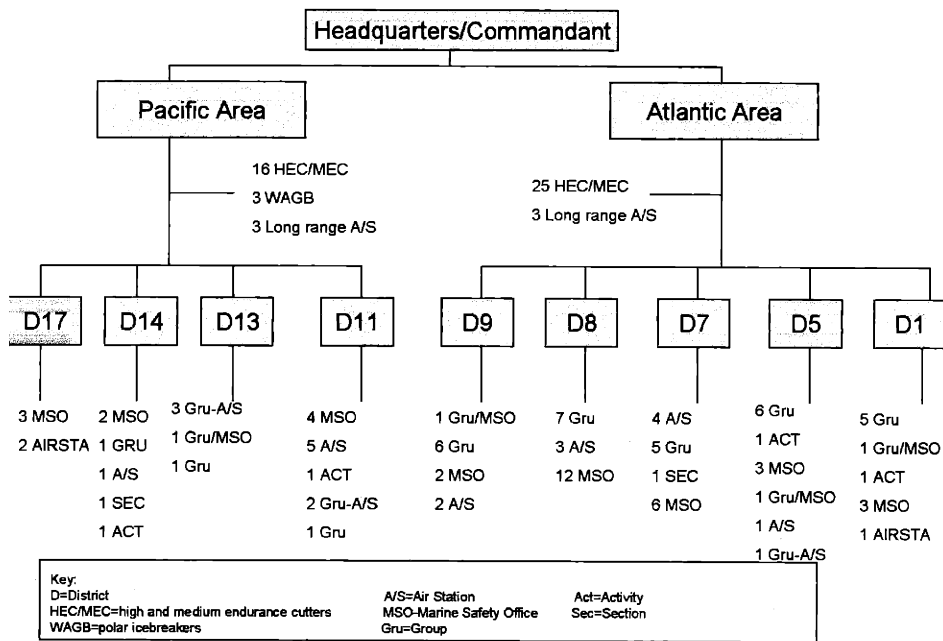
U.S. Coast Guard Organization

This move to a new department is clearly a significant change for the Coast Guard. Since its move to the Department of Transportation (DOT) in 1967, the Coast Guard has been a unique part of DOT. It was the only agency within DOT that was military. It was also the only agency in the department that carried law enforcement authority as well as environmental protection responsibilities. In Homeland Security, the Coast Guard is still the only agency that is military but most other agencies within the new department carry law enforcement authority and some of their responsibilities overlap those of the Coast Guard. An example is the container inspection programs for the 6,000,000 shipping containers that enter the U.S. annually. The U.S. Customs Service is responsible for monitoring their contents and the U.S. Coast Guard is responsible specifically for the hazardous material containers in our ports. Efficiency suggests that the Coast Guard match its organizational

structure as closely as possible with the organizational structures of the other agencies it will work with (and vice-versa).

Figure 5-2 depicts the current (4/03) Coast Guard organization. The Coast Guard is a hierarchical command and control organization with four main organizational layers. The structure contains four major levels:

Figure 5-2: U.S. Coast Guard Organization



Headquarters/Commandant: Located in Washington, DC, Coast Guard Headquarters is responsible for setting Coast Guard operations, logistics and personnel policy and for obtaining and distributing resources. The head of the Coast Guard, the Commandant (a four star admiral selected by the President for a four-year term of office) is located at Headquarters. Headquarters customers can be divided into two broad categories; internal and external. Internal customers include other offices within Coast Guard Headquarters and major field commands. External customers include the Department of Homeland Security, other Executive Branch agencies, and Congress.

Areas: The Coast Guard is separated into two areas: (1) the Atlantic Area, headquartered in Portsmouth, VA (all the area east of the Mississippi River); and (2) the Pacific Area, headquartered in Alameda, CA (all the area west of the Rocky Mountains including the Alaska, Hawaii and Guam). Each area is commanded by a three star Coast Guard Admiral. Area Commanders set mission performance standards in their area of responsibility, act as a link between Headquarters and the Districts, as well as between the Maintenance and Logistics Commands and the Districts (the support side of the organization). Areas also maintain operational control over long range assets: ships and aircraft that operate in multiple District operating areas. Areas plan and control operations and allocate resources for operations that occur in more than one District or across District boundaries. Each area also has a subordinate support command (called Maintenance and Logistic Commands) that are responsible for providing naval engineering, facilities engineering, communications, information technology, and human resources support.

Districts: Each area is further divided into separate Districts, five in the Atlantic Area and four in the Pacific Area. Each District is commanded by a two star Coast Guard Admiral. The Districts are responsible for Coast Guard operations within their geographic boundaries. Districts are structured along programmatic or functional lines (search and rescue, law enforcement, marine safety, aids to navigation, etc.). Districts also provide cross-program oversight and act as brokers between competing program interests.

Other relevant organizational groupings beyond the hierarchical distinctions include:

Groups/Air Stations/ Activity/Marine Safety Offices: Each District includes many different sub-organizations that are defined both geographically and functionally. Cutters (ships) less than 175' in length are subordinate to one of the organizational entities listed below. Larger

ships are subordinate to a district or area depending on their size and primary mission.

Group: There are 31 groups in the Coast Guard. A group is a collection of operational assets (boats, ships up to 175' and search and rescue stations). The amount of assets subordinate to a group depend on many factors including geography. A group performs many Coast Guard missions including search and rescue, law enforcement, defense operations, etc.

Air Station: There are 14 air stations in the Coast Guard. An air station is the command unit for Coast Guard aviation (several different types of helicopters and fixed wing aircraft). An air station is largely an asset provider for other Coast Guard entities.

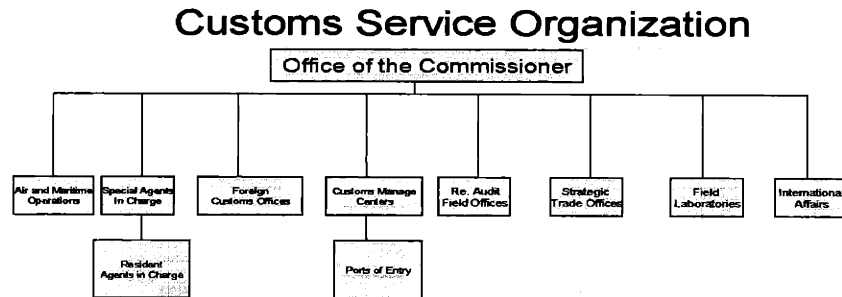
Marine Safety Office (MSO): There are 27 MSOs in the Coast Guard and they are offices that primarily work with the local ports and the merchant marine industry in a particular area. Their responsibilities can be broken down into two main categories. Port operations includes the security in the port, pollution and environmental problems, and chemical and hazardous materials. Inspections and investigations include vessel inspections, licensing issues, and investigative responses to marine casualties.

Activity: There are three activities in the Coast Guard. An activity combines under one command the separate command entities of a Group and a Marine Safety Office. An Activity could include an Air Station and/or a Vessel Traffic Service (similar to an air traffic control center for busy ports and waterways) if they were geographically proximate.

Miscellaneous: In addition, there are 10 commands that are hybrids of two or more of the above structures (Group/MSOs, Group/Air Stations, and Sections).

Most of the other agencies have three organizational layers as compared to the Coast Guard's four. Figure 5-3 is an organization chart of the U.S. Customs Service prior to its move to Homeland Security, an agency with some of its missions similar and some overlapping with the Coast Guard. The Customs, now part of the Department of Homeland Security in the Border and Transportation Security Directorate.

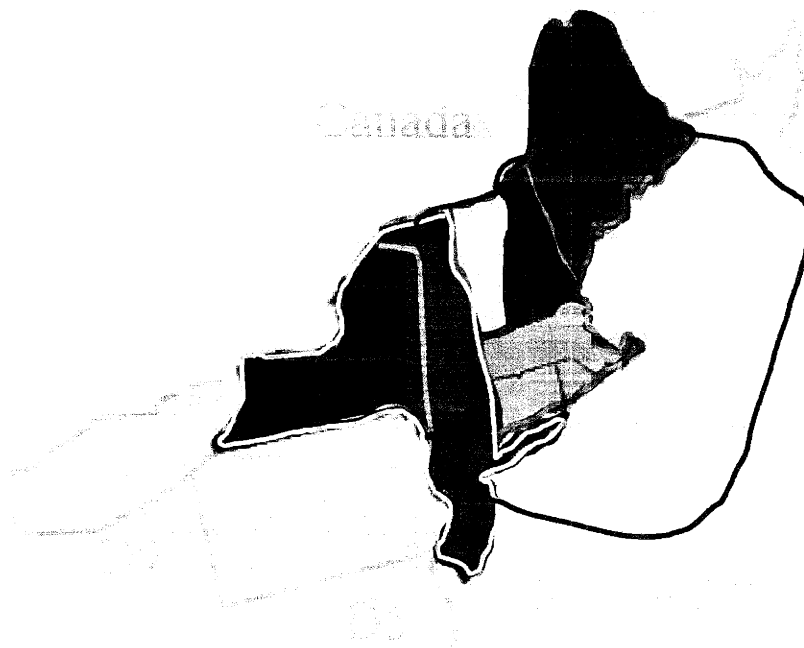
Figure 5-3: U.S. Customs Service Organization



As figure 5-3 illustrates, the U.S. Customs Service has three main layers to their organizational hierarchy as compared to the U.S. Coast Guard's four. Not only does the Coast Guard have a different number of organizational layers than other agencies now within the same department, but organizational boundaries within specific geographic areas do not match. This creates challenges for the Coast Guard as it strives to improve its working relationship with its interagency partners who operate under significantly different geographic and functional areas of responsibility. Exhibit 5-1 was developed by the First Coast Guard District (headquartered in Boston, MA) and illustrates frustration over the different

geographic boundaries of responsibility of their interagency partners that are now located in one department:

Exhibit 5-1: Unity of Effort?



Prior to the creation of the Department of Homeland Security, the Coast Guard's First District, within their area of responsibility, had to work with three different Border Patrol sectors, five Immigration and Naturalization Service Offices, and two Customs Management Centers. The Coast Guard's organization is aligned along maritime demarcations (New York Harbor is treated as one geographic area). The other agencies are organized more along political lines (the New York Harbor area is separated into New York and New Jersey sectors). Figure 5-1 does not even take into account the myriad of other federal, state, and local agencies the Coast Guard must work with.

One of the primary reasons for creating the Department of Homeland Security was to create better cooperation, better unity of effort, and eliminate redundancies among agencies. It is difficult to achieve this goal without aligning and rationalizing the various organizational structures. George Labovitz and

Victor Rosansky in their book Power of Alignment (2002) outlined the following problems faced by businesses that do not align their efforts properly:

- Customer dissatisfaction
- Declining market share
- Poor morale
- Turf warfare
- Inefficient processes
- A chronic inability to improve
- A lack of consensus on ends and means

Federal law enforcement agencies, including the U.S. Coast Guard, have engaged in turf wars over the years. Newsweek Online recently reported on turf wars that exist over anti-terrorism issues in the high-profile federal task force set up to target the financiers of Al Qaeda and other international terrorist groups:

They [the FBI] won't share anything with us," said a Homeland Security official. "Then they go to the White House and they accuse us of not sharing ... If they can't take it over, they want to kill it." "If nothing else, the battle over Greenquest illustrates the bureaucratic tensions that still plague the war on terror. The creation of the Homeland Security Department was supposed to put an end to such turf fights. The new department took over a diverse assortment of federal agencies that had various responsibilities for combating terrorism, including the Customs Service, the Immigration and Naturalization Service and the U.S. Border Patrol. But even while the White House was preaching cooperation, the various agencies that were being folded into Homeland Security were squabbling with the FBI—the behemoth in the domestic war on terror" (Newsweek Online, 2002).

The efforts to prevent future terrorist attacks are too important to divert energy in turf wars or any of the problems listed by Laovitz and Rosansky. Inefficient processes and misaligned organizational structures will sub-optimize the Department of Homeland Security's performance.

In this chapter I have illustrated several of the organizational challenges faced by the Department of Homeland Security and the Coast Guard. One of the primary purposes of creating this new department was to improve communication, information sharing and promote unity of effort between the myriad of federal agencies executing the Homeland Security mission. Yet, there currently exists organizational impediments. In the next and final chapter, I will present some recommendations that I believe would help address these concerns.

CHAPTER 6

Recommendations For the Coast Guard Going Forward

As outlined, the events of September 11th have had a dramatic and apparently lasting impact on the Coast Guard. By many accounts, the Coast Guard has responded well. However, more needs to be done to ensure the U.S. is protected from future terrorist attacks. Specifically, there are organizational challenges the Coast Guard could address to maximize its efficiency and effectiveness in the Department of Homeland Security.

At the highest levels, there has been concern expressed by many people that the Coast Guard's traditional duties have suffered from its emphasis on Homeland Security. At a recent congressional hearing, some congressmen told the Commandant of the Coast Guard while they recognized that Congress has added new responsibilities, old responsibilities must not be forgotten:

"We're yelling about security and we're saying, 'Keep your traditional roles' at the same time," said Rep. Bob Filner (D-Calif.). "We've put you in a very difficult position" (Lee, 2003).

As these concerns mount, there will be some that question whether certain functions should be segregated from the Coast Guard and given to other agencies. In my opinion, this would be a mistake, an opinion shared also by senior Coast Guard officials. From my personal experience, one of the Service's "competitive advantages" is the job satisfaction its people enjoy. This allows the service to attract and retain high quality people. Variety of jobs available attracts high quality recruits. Additionally, traditional Coast Guard missions keep skills sharp because the organizational members are constantly exercising seamanship, navigation, and planning skills in real situations.

There are, however, some organizational changes that could be implemented to enhance the Coast Guard's ability to integrate into the Department of Homeland Security in the most efficient manner and improve

working relationships with fellow agencies. I have grouped these recommendations into seven categories.

1. Combine Operations (O) and Marine Safety and Environmental Protection Division Programs (M)

As discussed in chapter 4, one of the first responses in all the organizations I examined after September 11th was to bring together the separate elements of the 'O' and 'M' commands organizationally. The stovepipes of the 'O' and 'M' communities are not conducive to either efficiency or effectiveness. Each of these two communities is different but possesses valuable and complementary competencies. The 'M' community possesses considerable expertise in technical marine engineering, naval architecture skills, regulatory matters, port security, cargo loading (including petroleum, chemical and other hazardous materials), merchant mariner issues, and marine environmental protection. The 'O' community possesses expertise in boat and ship operations, operational planning and execution, and law enforcement.

Combining the 'O' and 'M' commands has many benefits. First, the considerable skill sets each community possesses are complementary. These skill sets must be preserved because they take years and years of training and experience to acquire. For example, the 'O' community has significant expertise in 'traditional' law enforcement duties on the water and the necessary skills as weapons qualifications, search techniques (challenging on ships) and arrest procedures. The 'M' community has significant expertise in technical matters such as ship construction and hazardous material handling. As the Homeland Security mission evolves, traditional law enforcement personnel (the 'O' community) will be exposed to more issues such as hazardous materials for which they do not have expertise (in the past, there was ordinarily no reason to conduct a traditional law enforcement boarding on a large chemical or oil tanker).

In the interview process for this thesis, I heard stories of 'O' personnel following standard procedures for law enforcement boardings (using hand held radios and taking photographs with flash cameras) that could have disastrous consequences in the presence of certain hazardous and flammable chemicals. The personnel involved were following procedures they were trained to do, but in environments for which they were not trained to operate in.

Additionally, the 'O' community owns most of Coast Guard assets (ships, aircraft and boats), carries broad legal authority, and has experience in planning current large scale operations. The 'M' community owns much capability, expertise, and specific legal authority to fulfill the homeland security mission. Put these two together and both communities would benefit. Traditionally Groups have a few senior personnel at the top and many junior people. For example, one former Group Commander told me that, out of his entire Group of 400+ personnel, he only had three college graduates working for him. While a college degree is not necessary to excel at many Coast Guard functions, the lack of a college educated personnel is an indication of a potential problem with strategic planning. MSOs, on the other hand, have many highly educated officers on their staffs. If the two organizational elements were combined, the planning abilities of both would be enhanced because the commander would be able to pull a diverse skill set and educational background from a bigger and more diverse pool of personnel .

Combining the 'O' and 'M' communities would extend throughout the Coast Guard's entire organization. Under this recommendation, for example, the ports of Tampa/St. Petersburg and Boston would be organized more like New York/New Jersey with all Coast Guard entities under one structure and command. While the Coast Guard responses at the ports of Tampa/St. Petersburg were impressive, in my opinion, this is partially attributable to the strong personalities of those holding key leadership positions at these locations. I believe the stakes at hand are too important to be left to chance of the personalities of the people

involved. Structural insurance that coordination will be achieved is needed. In situations where different Coast Guard commands are geographically isolated, they would remain stand alone commands.

Another added benefit of combining “O” and “M” is that “customers” or “stakeholders” (i.e., taxpayers) would receive “one-stop Coast Guard shopping” in a given area. Currently, users may have to weave their way through many different organizations to solve their problems since it is not obvious from the outside what organization in the Coast Guard is responsible for what particular function.

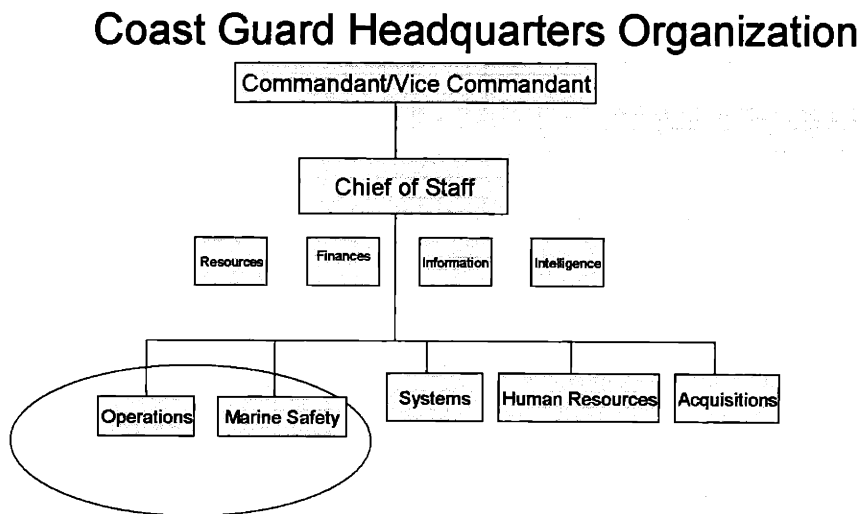
Fundamentally, my recommendation based on what I believe to be the importance of unity of effort and unity of command. Unity of effort is a theme that is pervasive throughout all homeland security high level policy guidance and was mentioned in nearly all of the interviews I conducted. In a speech before the World Shipping Council, the Coast Guard Commandant stressed the vital importance of unity of effort:

“Finally, we have set out to organize and sustain a lasting partnership between the public and private sectors, both at home and abroad. I’d like to focus on this element a bit more closely in just a moment. With his recent proposal to create a single Department of Homeland Security, the President has taken the next logical step to ensure that we have the ability to implement the maritime security strategy. From my perspective, it is a necessary change, whose time has come. I believe that the proposed organization will bring unity of effort and unity of command to our efforts to strengthen homeland security, with clear lines of authority to get the job done. That’s the main reason I believe that the Coast Guard is a necessary component of the proposed Department. It’s also the reason that I think that it will be good for our partners in the maritime industry. I know that many of you share the concern that the government needs to be more responsive to the needs of industry, and that we need to coordinate the efforts of individual agencies to meet our combined need for information. These concerns will be

most effectively addressed by the creation of this new department. We have already begun in earnest to work with other agencies to reduce the number of competing or repetitive requirements among us. But we can do more if we are all under the same roof. You will recall President Lincoln's famous admonition: "A house divided against itself cannot stand." He wasn't talking about a wood and plaster building, however. He was talking about human institutions. In Lincoln's way of thinking, a family is a house. A government is a house. A nation is a house. We need the strength of unity where it counts" (Collins, 2002).

This recommendation, as noted, would involve integrating the two communities at all levels from Headquarters to the lowest operational unit. A very simplified version of current Coast Guard Headquarters organization is depicted below in Figure 6-1. Under this recommendation, the separate entities of marine safety and operations would be combined under one directorate.

Figure 6-1: Current Coast Guard Headquarters Organization



Problems:

Combining Coast Guard commands as I am recommending is not without challenge. The first is career progression. Many people stay in the Coast Guard because of the job satisfaction they enjoy and the opportunities to lead at different points in one's career (and the autonomy the career offers). If different organizational entities were combined, some command and leadership opportunities could be lost. This is a legitimate concern but can be mitigated by keeping separate command structures within the new commands. For example, currently, Activities New York has one commanding officer and several department heads. This structure could be modified so that the department heads become individual commanding officers under the Activity commander.

It is worth noting that the type of organization I am proposing is not new to the Coast Guard. It is used at one of the four Activities created in the late 1990's (San Diego). A similar organizing logic is used at the Coast Guard's Greater Antilles Section (headquartered in San Juan, Puerto Rico).

This proposal would address the concerns of many people I spoke with about the Activity concept. But, in order for it to work, there must be "buy-in" from top leadership who must empower the people working for them. Not only does this organization preserve career progression opportunities, it also addresses span of control issues as new and larger organizations are created.

Another problem that must be overcome is proximity. In order for combined Coast Guard commands to be effective, they must be collocated. Activities New York is located at one facility and works well. The Boston Group and MSO are also located on the same property. The St. Petersburg Group and MSO are located at different facilities, approximately 20 minutes apart. All of the people I interviewed clearly stated that collocation was critical to their success and that physical separation is or would be a hindrance to their efforts. This is an

expensive proposition since many Coast Guard commands in the same city are located at different facilities. But, it must be addressed.

2. Rationalize and Realign Coast Guard Hierarchical Structure with the Department of Homeland Security

The Coast Guard's hierarchical structure, with four main organizational layers, did not present any obvious operational issues when the Coast Guard was located in the Department of Transportation because the Coast Guard possessed operational autonomy. Now that the Coast Guard is part of Homeland Security, it is important that the organizational structure match that of other agencies to achieve the level of operational efficiency expected.

As discussed in Chapter 5, most of the other agencies within Homeland Security have three organizational layers as compared to the Coast Guard's four. Thus, along with combining the 'O' and 'M' communities, I suggest the Coast Guard adjust its organizational structure.

In the post 9/11 world, Coast Guard operational personnel must operate in a fast paced environment in which they will be required to make split second life and death decisions. Thus, Coast Guard leadership must focus its efforts on providing its personnel with the right equipment, training and guidance. And then it must empower its highly trained and equipped personnel to do their jobs, with less focus on "old school" command and control.

Eliminating one organizational layer will allow the Coast Guard to more closely "match" with other agencies in the Department of Homeland Security. A realignment will also improve and expedite information flow in important operational situations, both within and outside the Coast Guard.

Eliminating one Coast Guard organizational layer will also help reduce conflict in the chain of command. In the Department of Transportation, the Coast Guard was the sole law enforcement and operating agency. The chain of

command was largely intra-agency. Coast Guard personnel reported up their chain of command to the Commandant who reported to the Secretary of Transportation and staff. In the Department of Homeland Security, however, the Coast Guard is but one of several agencies with law enforcement authority. The Coast Guard will now be following a different chain of command.

As Secretary Ridge attempts to merge 22 separate agencies into one, he is attempting to create more direct lines of authority and communications. However, the breadth of issues facing the new Department is large.

Government Executive (March, 2003) described some of the problems that are surfacing. Until March 1, Admiral James Loy, former Coast Guard Commandant and head of the newly formed Transportation Security Administration was a direct report to the Secretary of Transportation. Now that his agency has moved to the new Department, he must report to the Undersecretary for Border and Transportation Security who reports to the Deputy Secretary who reports to the Secretary. Reporting relationships will be even more confusing for issues that are not purely homeland security related (e.g., the Coast Guard's search and rescue and regulatory programs). Additionally, it is currently unclear what chain of command would be used for these matters. Eventually, chain of command issues will be sorted out. Eliminating one layer in the Coast Guard's case might make this process simpler.

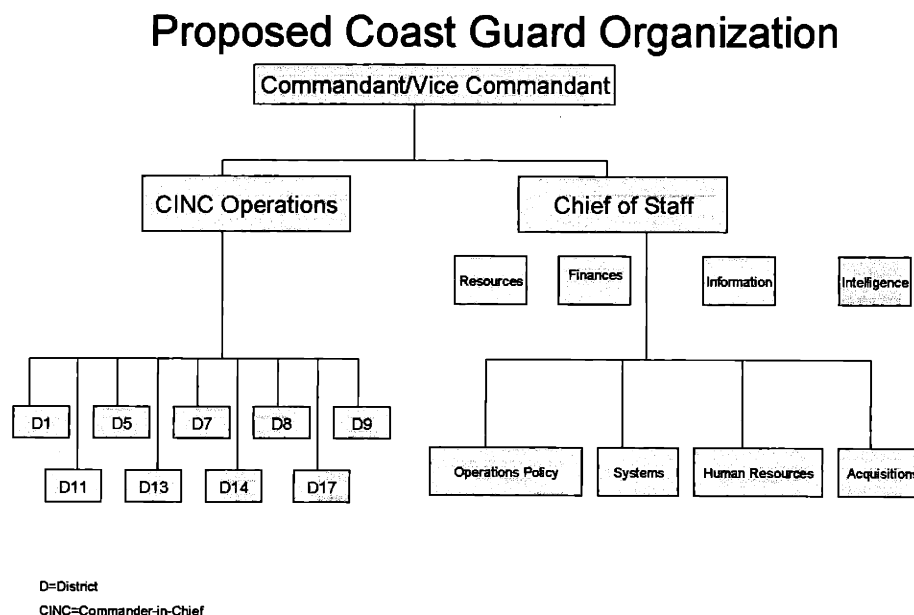
There are two layers that could potentially be eliminated from Coast Guard organization: Districts or Areas. There are pros and cons of eliminating each of these two organizational layers.

A strong argument can be made that Districts are the layer that should be eliminated. In the past, Districts were responsible for operations and all aspects of support in their geographic areas of responsibility. Over the years, however, separate support organizations have been created that have removed this

responsibility from the Districts. Yet, Districts still maintain vestiges of their support structure. They have retained small communications, budget, and boat support staffs. These staffs duplicate effort expended at a different level in the chain of command. These staffs do not provide the value to the organization they used to since most of the resources used to support these functions have been moved over the years to the support organizations.

A counterargument is possible however. In the Department of Homeland Security, Districts could take on a prominent role because their geographic areas of responsibility approximates the regional organization that I expect the Department of Homeland Security to adopt. I find this persuasive. Thus, the organization I propose is depicted in Figure 6-2:

Figure 6-2: Proposed Coast Guard Organization



Although this organization represents a significant departure from the current organization, this type of organization has previously been considered by the Coast Guard. In the last major organizational study ("The Coast Guard's National Streamlining Plan", 1996), the Service examined different options for realigning field command and control support. This study developed several

alternative organizational structures that combined Districts and Areas including one that is similar to that depicted in Figure 6-2. Field restructuring ultimately resulted in merging two districts, downsizing other districts and creating the prototype Activities discussed earlier.

The type of organization I propose would eliminate both of the Coast Guard's areas and create a single commander that is similar to a (CINC) in the Department of Defense. This commander would be located in Washington, DC and would centralize the agency's command and control functions. Under this organization, the CINC would report directly to the Commandant on operational matters but a separate Operations Policy staff would be maintained under the Coast Guard's Chief of Staff to handle all resource, policy, and strategic planning issues. Under this proposal, operational reporting would go through the CINC. Operational control would be retained by the District commanders. The CINC would be involved in daily operations to the extent that long range assets (aircraft and ships) that operate across District boundaries would be allocated.

Past streamlining efforts in the Coast Guard were primarily budget driven exercises designed to meet a bottom line. There were two main reasons that the option proposed was rejected in the streamlining study. First, since the study was largely budget driven, the savings harvested from any realignment were not available to reinvest in any new organization so that it could be staffed properly. Second, it was considered too radical an idea at the time. (U.S. Coast Guard Organization and Training Infrastructure Final Report, 1996).

My rationale for modifying organizations structure, however, is not for budgetary reasons but to design a more effective, efficient, and relevant organization. Resources (savings) would not be used as budgetary savings, but would be put to work in the Coast Guard. In my experience as a Coast Guard officer for nearly 20 years, the Coast Guard's current organizational layers sometimes fill a critical role by compensating for a structural lack of depth at subordinate field levels. I discussed this earlier when describing a typical Group

structure that has a few senior people at the top and then a significant drop off in personnel with planning and staff experience.

There is another reason, equally important, to “flatten” the Coast Guard organization. This concerns flexibility and rapid response. Flatter organizations move more rapidly and, in today’s world, such concern for speed is warranted. It is difficult for a large, unwieldy bureaucratic agency to fight terrorism organized on a nimble cellular basis. Terrorism is best fought by a networked, flexible and diverse organization. As Ralph Peters stated in his book *Beyond Terror*.

“Colonels and Captains, warrant officers and sergeants are the ones who have current expertise. Generals and admirals have connections.” (Peters, 2002).

I believe the point is well made and true. Given the consequences of a terrorist attack in the United States involving the use of a weapon of mass destruction, those at the highest levels demand and need information immediately and the current organization stands as an impediment to this necessity. I see structural reform that cuts a layer out of the current organization design as an important move.

3. As Activities Are Created, Upgrade Selected Billets

Under this recommendation, the role and responsibility of many field commanders at the port level (Activities) would be increased. As their responsibilities are increased, their rank should also be increased to a level commensurate with the added responsibility and visibility. The existing Activity Commanders are currently Captains (O-6). Activity commander billets in certain major ports (New York) should be upgraded to flag officer (Admiral or O-7) billets to recognize their increased responsibilities. This would also serve to put them more on par with the counterparts they are working with such as the FBI and local police systems. In my interviews, many people commented that, while non-military people are unfamiliar with the details of military rank systems, they are

nonetheless aware that the top ranks are generals and admirals. Since rank is sometimes needed to bring people to the table, the Coast Guard should upgrade certain field commander rank.

Other ports should be upgraded as appropriate for the area. Charleston, South Carolina currently has two Commanders (O-5) that lead the Marine Safety Office and Group. As an Activity is created in this area, it is appropriate that the Activity Commander is an O-6.

4. Establish Liaison Officers at Key Locations/Agencies

The Coast Guard uses liaison officers with many Agencies with which it works or from whom it needs cooperation. Examples include the U.S. Department of State, the Department of Defense, the U.S. Congress, National Marine Fisheries Service, etc. Liaison officers are effective at representing the Coast Guard's positions and interests, explaining capabilities and limitations, and building relationships with the agencies and organizations with whom they are assigned to work. Liaison officers do not need specific training or skills. They do, however, need experience in the functional area of the agency with which they work (i.e., law enforcement experience if assigned to a local police department).

As noted repeatedly, the events of September 11th have forced the Coast Guard to operate more closely with other agencies, federal, state, and local. In any relationship that extends through time, trust is important. Trust is particularly crucial in law enforcement where people's lives depend on those with whom they work. It is difficult for interagency leaders to work together effectively in a crisis response situation if they are meeting for the first time. Senior leaders understand this and work to establish and maintain relationships with their counterparts. Liaison officers can also play a critical role, not only in building "pre-need relationships," but in resolving cross-agency differences and aligning inter-agency efforts. Liaison officers should be permanently established at key agencies.

Liaison officers can also be instrumental in ensuring relevant information is shared among interested parties. In the post-analysis of the events leading up to 9/11, it has become apparent that information was available that could have been pieced together to indicate that terrorist attacks were being planned. The Washington Post, in a story on a well publicized FBI whistleblower, reported:

"The FBI might have been able to stop some of the Sept. 11 hijackers if it had more aggressively pursued an investigation of alleged terrorist conspirator Zacarias Moussaoui, who was in custody for more than three weeks prior to the attacks, the FBI's chief lawyer in Minneapolis wrote in a blistering letter to headquarters last week. Coleen Rowley, in a highly unusual and bitter letter to FBI Director Robert S. Mueller III, was particularly critical of a supervisory special agent at FBI headquarters, whom she accused of "consistently, almost deliberately, thwarting the Minnesota FBI efforts." Even on the morning of the attacks on the World Trade Center and Pentagon, the Washington supervisor instructed Rowley and her colleagues to hold off on action against Moussaoui, arguing that his arrest after suspicious behavior at a flight school was probably a coincidence, the letter said. Moussaoui, who is thought by U.S. officials to have been training as the "20th hijacker," now faces a death-penalty trial in Alexandria for alleged complicity in the attacks." Although I agree it's very doubtful that the full scope of the tragedy could have been prevented, it's at least possible we could have gotten lucky and uncovered one or two more of the terrorists in flight training prior to Sept. 11, just as Moussaoui was discovered, after making contact with his flight instructors," Rowley wrote (Eggen, 2002).

This information is even more troubling when put alongside the fact that the FBI Phoenix office raised concerns in July, 2002 about potential student terrorists at the Embry-Riddle Aeronautical University in Prescott, Arizona. The Phoenix FBI office recommended that U.S. aviation schools should be canvassed for potential links to the Al Qaeda network. Yet, no one ever connected the information from the Minneapolis office with that from the Phoenix office. While

we will never know where a further follow up on these two pieces of information would have led, it demonstrates the importance of sharing information. Liaison officers can fill a critical role in this regard in the Coast Guard.

An example of a location where a liaison officer would be of particular benefit in the Coast Guard would be a liaison with the New York City Police Department. NYPD is a large and capable organization with a marine unit that has more boats than the local Coast Guard forces. In the response and recovery efforts immediately after 9/11, the Coast Guard established temporary liaisons with the NYPD, Emergency Management Center and others. While these liaison officers improved relations and eased workflows, some of the liaison officers had limited knowledge of either specific aspects of Coast Guard or NYPD operations or of the geographic area. Their effectiveness was therefore limited.

In a recent Congressional Quarterly article it was reported that the vast majority of the information used to thwart terrorist attacks against U.S. targets comes from local law enforcement agencies in the United States and abroad rather than from the larger agencies of the U.S. intelligence community. In the article, the Drug Enforcement Agency's chief of intelligence stated:

"Ninety percent of the information coming in that would stop a terrorism event is being collected from the law enforcement side, with about 10 percent coming from intelligence agencies. When an attack plot is foiled, it's most likely because "some local guy on the ground noticed something suspicious" and communicated well with other agencies to act on the information" (Torobin, 2003).

While the estimate is a personal one and not an official agency number, the point is well taken.

5. Joint Operations Centers:

Daily Coast Guard operations as well as tactical responses to disasters such as 9/11 are directed by operations centers. An operations center is staffed 24 hours per day, 7 days per week. In some respects, they are similar to police

dispatch centers but have more operations planning tasks and ability. Operations centers must have significant communications capacity. Staffing is supplemented during large scale operations. Most agencies having Homeland Security responsibilities operate their own operations centers. I believe there are significant synergies that could be attained by establishing unified operations centers in major ports.

The Coast Guard is perfectly suited to operate joint centers because it has years of experience with operations centers, the necessary support infrastructure needed to coordinate resources and information flow, and years of experience as part of the National Command Authority. As one of the five Armed Services, the Coast Guard already has established links to DOD counterparts that would be called upon in the event of a significant terrorist attack. Under this proposal, watchstanders would be supplemented with representatives from the other agencies to avoid duplicating resources.

6. Preserve and increase tour lengths for senior field positions:

The typical tour (job) length for Coast Guard field command positions is three years. These positions are highly desired and the highest performing Coast Guard officers are assigned to them. Incumbents are highly sought after for other critical jobs and are often transferred prior to normal tour completion to meet service needs. All of the Coast Guard officials I interviewed spoke of the importance of building relationships with counterparts in order to build trust and effective working partnerships. It is difficult to build these relationships if the top leadership positions are continuously changing.

The Commandant of the Coast Guard, Admiral Thomas Collins spoke of the importance of building partnerships and trust between the public and private sectors in a speech before the World Shipping Council:

"That brings me to focus for a moment on the last element of our strategy: to build lasting partnerships between the public

and private sectors, both at home and abroad. The basis of any partnership is trust. Its purpose is twofold: to share the burden of effort, and to provide needed reliability and stability with respect to the relationship of the partners as they work toward their common goals. Over time, reliability and stability yield a certain degree of predictability as to how the partners will act. That's exactly what we're seeking. It's for those very reasons that we've decided to place such emphasis on our partnership with you and with others here in America and around the world" (Collins, Speech Before World Shipping Council, Sep 2002).

This is not a phenomenon that is unique to the Coast Guard. Recently, Secretary of Defense Rumsfeld requested certain authorities from Congress to reshape the personnel rules of the military services. One of the goals of his reforms would be to have senior military officers spend more time in their jobs. In a speech before the Reserve Officers Association in January, 2002 Secretary Rumsfeld stated:

"The armed services make a terrible mistake by having so many people skip along the tops of the waves in a job and serve in it 12, 15, 18, 24 months and be gone. They spend the first six months saying hello to everybody, the next six months trying to learn the job and the last six months leaving. I like people to be in a job long enough that they make mistakes, see their mistakes, clean up their own mistakes before they go on to make mistakes somewhere else" (Shanker, 2003).

7. Container Inspections and Physical Port Security:

One of the primary reasons for creating the Department of Homeland Security was to ensure unity of effort and eliminate redundancies between consolidated agencies. As discussed earlier in this thesis, two specific Homeland Security areas that received considerable press attention are shipping containers and the physical vulnerability of port infrastructure.

Shipping containers received significant attentions because of the concern over weapons of mass destruction being smuggled into the country in one of the

12,000,000 shipping containers that arrive annually. According to the Brookings Institute (2003), a container packed with a weapon of mass destruction has the potential of killing as many as one million people and costing the country's economy at least one trillion dollars. The attack would create panic and force the closure of every port in the country for weeks, experts have said.

To combat this threat, the U.S. Customs Service developed the Container Inspection Initiative (CSI). While much has been made of the fact that the U.S. Customs Service only inspects approximately two percent of the containers that arrive in the ports, actual container inspection is only one part of CSI. CSI also includes stationing U.S. Customs agents at foreign ports to examine containers at their ports of loading and establishing partnerships with foreign governments to help identify high risk cargoes. At U.S. ports, inspection efforts are roughly the same as before 9/11 in terms of volume but the ability to pinpoint "high-risk" cargo has been improved. The Coast Guard also has a container inspection program. It is directed primarily at hazardous materials and has been operational for years. In this case, all container inspection program functions should be transferred to the U.S. Customs Service so that they can focus their efforts on this considerable task and the Coast Guard should focus on implementing the equally considerable physical security aspects of the MTSA that were reviewed earlier in this thesis.

While the U.S. Customs Service and the Coast Guard wrestle with container inspection programs, they are also struggling to implement the physical port security aspects of the Maritime Transportation and Security Act. The Coast Guard estimates it will cost some \$1.4 billion to comply with the law in the first year and \$6.5 billion over the next 10 years. Coast Guard Commandant Admiral Collins recently told a House Transportation and Infrastructure subcommittee that the Coast Guard hopes to complete vulnerability assessments on the 55 largest ports by the end of 2004. Thus far, the Coast Guard has completed 13 of the assessments and expects to do another four this year, Collins said. Still, the

money to address all the new homeland security tasks required by the Maritime Transportation Security Act is not there. JayEtta Z. Hecker of the Government Accounting Office told the House Transportation and Infrastructure's Coast Guard and Maritime Transportation Subcommittee earlier this month "for the foreseeable future the Coast Guard will need to absorb the costs related to these tasks within its operating budget" for the foreseeable future. So it seems logical that the area of port security is a perfect example of how the Department of Homeland Security can make the efforts of all more efficient by eliminating redundancies in agency efforts.

Final Thoughts

In this thesis, I briefly traced the history of the U.S. Coast Guard leading up to the events of September 11th, traced some of the impacts of September 11th on the Coast Guard and suggested some possible changes that I think would benefit the Service. Clearly the events of September 11th have had a profound impact on the Coast Guard and while I think that the Service's response has been more than adequate, I did find areas in which I thought efficiency and effectiveness could be improved.

Perhaps the biggest change I experienced while carrying out this study is one that is not discussed in the thesis. I have been a Coast Guard officer for nearly twenty years. I find the Service to be a very high performing organization with amazingly dedicated people. The tragic events of September 11th have actually reinvigorated this already high performing agency. Over the past few months, I have interviewed and spoke with dozens of Coast Guard personnel. I was struck by the fact that, without exception, after describing their efforts of the recent past year and a half, they were focused on the things that still needed to be done. There is a sense of urgency in Coast Guard personnel. They understand the importance of their work and, for them, failure is not an option.

This is a testament to the quality and dedication of Coast Guard employees. This dedication is noted and appreciated by the American people.

President Bush visited Coast Guard personnel in Philadelphia, PA on March 31, 2003 in the middle of the Iraq war. During his visit, the President stated:

"We know that liberty must be defended by every generation. Today in the Middle East, and on other fronts in the war on terror, this generation of Americans is fighting bravely in the cause of freedom. And that includes the good people of the United States Coast Guard. The men and women of our Coast Guard are showing once again that you are "always ready." You're always ready to serve with courage and excellence. You are always ready to place your country's safety above your own. You shield your fellow Americans from the danger of this world, and America is grateful. In Operation Iraqi Freedom, our Coast Guard is playing a critical role. We have sent many Coast Guard cutters and over a thousand of our finest active duty and reserve members to the Persian Gulf and surrounding waters. Coast Guard personnel are protecting key ports and Iraqi oil platforms. They're detaining prisoners of war. Members of the Coast Guard are performing their duties with bravery and excellence, and America appreciates your fine service. In this time of war, the Coast Guard's service in America's waters is more important than ever. We still count on you to rescue fishermen and others at sea. We still count on you to enforce maritime law and to fight drug smuggling. Yet now, as the part -- as part of the Department of Homeland Security, you have taken on a new and vital mission, a mission as important as any in your 213-year history: the mission of defending our country against terrorist attack. In the finest traditions of the Coast Guard, you are rising to the challenge. This is a vital task and a massive undertaking. More than 90 percent of our combat materials and our trade moves by sea. At this port alone, thousands of cargo containers arrive every day. Your job of protecting our nation's port is essential to our economic security and to our national security. The appropriations bill I signed into law earlier this year increased Coast Guard funding to over \$6 billion, the highest level ever. We're directing new resources to pay for better intelligence capabilities; new technologies to monitor and safeguard our ports; a more modern fleet of Coast Guard cutters and aircraft; and up to 700 new smaller, faster response boats that will further protect America's

shorelines. By giving the Coast Guard new resources, we are supporting the men and women who defend us all."

Appendix: Interview Questions

1. Name/Position:
2. In your mind, how have things changed for the Coast Guard since September 11th (professionally changed since 9/11)?
3. For you personally (in your capacity), how have things changed since 9/11?
4. What do you spend your time on now? How has this changed?
5. Who do you work with now as opposed to before?
6. How do you think the relationship between the O and M communities has changed since 9/11?
7. What do you think of the Activity concept (both before and after 9/11)?
8. Now that Homeland Security has taken a more prominent role in CG missions, how do you think this changes our emphasis in certain areas and our procedures and what changes do you think we need to address the changes (info/intel sharing, nimbleness, etc.)?
9. What do you think of our coordination efforts with other stakeholders (both private and public) in executing our Homeland Security functions? Do you think there are any organizational impediments to this effort?
10. As we prepare to move to the Department of Homeland Security, what are you doing to prepare for having fellow LE agencies within the same department with overlapping responsibilities?
11. What do you think of the CG's current organization (too many or too few layers)?

Follow on: post streamlining, Areas have added M staffs, so one could argue that we streamlined AND added organizational layers does this make sense?

12. What is the relationship between Northern Command and the DHS?
13. What is the value added of a CG (type of organization)
 - Planning
 - Legal
 - Budget

- Coordination between O and M
14. What roles do the district fill that other parts of the organization don't?
 15. It used to be that the District's role largely was brokering between O and M, but is that still needed?

BIBLIOGRAPHY

Brookings Institution. Protecting the American Homeland: A Preliminary Analysis. Washington, DC: Brookings Institution Press. 2002.

Bush, George, Speech to U.S. Coast Guard in Philadelphia, PA. 31 Mar 03.

Cohen, Eliot A. Supreme Command: Soldiers, Statesmen, and Leadership in Time of War. New York: The Free Press, 2002.

Collins, Thomas H., Admiral, USCG. "This is Our Time." Speech for the Annual State of the Coast Guard Address, Washington, DC. 26 Mar 03.

Collins, Thomas H. Admiral, USCG. Speech Before the World Shipping Council. 17 Sep 02.

Degener, Richard. "Coast Guard Riding Bigger Wave of Recruits." The Atlantic City Press. 26 Mar 03.

Dorsey, Jack. "Some Questions About Coast Guard's Expanded Role Under Homeland Security." The Norfolk Virginian-Pilot. 1 Mar 03.

Eggen, Dan. "Agent Claims FBI Thwarted Probe." Washington Post. 27 May 02.

Flournoy, Michele A. "Strengthening Security at Home." JFQ. Summer, 2002.

Friedman, Thomas. "World War III." The New York Times. 13 Sep 01.

Gorman, Siobhan. "Homeland Security Merger Raises Chain-of-Command Issues." National Journal. 17 Mar 03.

Johnson, Robert E. Guardians of the Sea: History of the U.S. Coast Guard 1915 to the Present. Annapolis, MD: Naval Institute Press, 1987.

Johnson, Steve. "Coast Guard is Still Sailing Blind." MSNBC. 25 Mar 03.

King, Irving H. Coast Guard Under Sail: The U.S. Revenue Cutter Service 1789-1865. Annapolis, MD: Naval Institute Press, 1989.

Labowitz George and Rosansky, Victor. The Power of Alignment. New

- York NY: John Wiley and Sons, Inc. 1997.
- Laurent, Anne. "The Curse of Can-Do." Government Executive. 1 Mar 99.
- Lee, Christopher. "Traditional Coast Guard Duties Suffer, Study Says." Washington Post. 2 Apr 03.
- Lerman, David. "Coast Guard Plans Growth, Reorganization." Daily Press. 13 Feb 03.
- Lloyd's List Editorial. 18 Mar 03.
- Long, Karen Haymon. "Higher Security Ease Travelers' Minds." Tampa Tribune. 25 Mar 03.
- Loy, James and Ross, Robert G. Meeting the Homeland Security Challenge: A Principled Strategy for a Balanced and Practical Response." Sep 01.
- Machalaba, Daniel. "U.S. Ports Still Assailable Officials Say." The Wall Street Journal. 28 April 2003.
- McCaffrey, Raymond. "Natural Gas Tanker to Pass Within Miles of Nuclear Plant." Washington Post. 31 Mar 03.
- McElhenny, John. "Judge OKs Boston Harbor Fuel Shipments." The Daily Camera. Press, 30 Oct 01.
- Menke, Susan M. "Coast Guard Breaks Ice With Acquisition Method, GAO Says." Government Computer News. 14 Feb 2003.
- Mintz, John. "Bush Signs Homeland Security Bill." Washington Post. 25 Nov 02.
- Newsweek Online. "Whose War on Terror." 9 Apr 03 (www.newsweek.com).
- Peters, Ralph. Beyond Terror. Mechanicsburg, PA: Stackpole Books. 2002.
- Peterson, Molly M. "Seaports Called 'Critically Vulnerable to Terrorism.'" GovExec.com. 20 Mar 03.
- Ridge, Thomas. "Swearing In Speech as Director of Office of Homeland Security." 8 Oct 01.
- Ridge, Thomas. "Speech Before Veterans of Foreign Wars." 3 Mar 03.

Saul, Michael and Smith, Greg B. "Terror Threat in Harbor." New York Daily News. 1 Jan 03.

Scrivo, Karen Lee. "Lawmakers Fish for More Port Security Funds." Congress Daily. 15 Apr 03.

Shanker, Thom. "Rumsfeld Requests Power to Reorganize Services." The New York Times. 14 Apr 02.

Shehon, Philip. "Ridge Discovers Size of Home Security Task." The New York Times. 3 Mar 03.

Sherrid, Pamela. "Seeking Safe Harbors.: U.S. News and World Report. 28 Apr 03.

Sullivan, Laura. "Coast Guard Takes on New Role, New Image." Baltimore Sun. 11 Mar 03.

Torobin, Jeremy. "Local Police Stopping Most Terror Attacks, DEA Official Says." Congressional Quarterly. 17 Mar 03.

USA Today Editorial. "Homeland Insecurity." 18 Feb 03.

United States Coast Guard. U.S. Coast Guard: Maritime Strategy for Homeland Security. Dec 02.

United States Coast Guard. U.S. Coast Guard Organization and Training Infrastructure (1994-1996) Final Report.

United States Coast Guard. FY 2003 Report.

United States Coast Guard. FY 2002 Budget in Brief.

United States House of Representatives. Subcommittee on the Coast Guard and Maritime Transportation; Statement of Admiral James M. Loy, Commandant of the U.S. Coast Guard. One Hundred Sixth Congress. 6 Dec 01.

United States Congress. The Maritime Transportation and Security Act of 2002. Nov 02.

United States Congress. The Homeland Security Act of 2002. Nov 02.

White House. The National Strategy for Homeland Security. Jul 02.