

STATEMENT BY PASSENGER VESSEL ASSOCIATION

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SUBCOMMITTEE ON COAST GUARD AND MARITIME  
TRANSPORTATION  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
U.S. HOUSE OF REPRESENTATIVES

HEARING ON  
U.S. COAST GUARD LICENSING AND DOCUMENTATION OF  
MERCHANT MARINERS

July 20, 2006

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**Key Points**

Licensing and documentation is important to PVA because members' vessels are crewed by Coast Guard-licensed officers and, in many cases, by deckhands with Merchant Mariner Documents.

For many years, the processing times and quality of service at many Regional Exam Centers has been unsatisfactory.

The Coast Guard has never given licensing the priority it deserves. The Coast Guard has consistently failed to provide the funding, personnel, and training that would be required to make all RECs function well.

The new Coast Guard policy requiring a mariner to initiate all credential transactions by means of an "in-person" visit to an REC is making existing problems worse.

The proposed rules on Transportation Worker Identification Credentials and Merchant Mariner Credentials should be amended to provide for concurrent (not sequential) processing of these two required items.

The Subcommittee should ask the Government Accountability Office (GAO) to undertake a review and analysis of the Coast Guard's Mariner Licensing and Documentation program.

## Statement of Passenger Vessel Association

Mr. Chairman and Members of the Subcommittee:

I am Captain Beth Gedney, Director of Safety, Security, and Risk Management for the Passenger Vessel Association (PVA), based in Alexandria, VA. I am a graduate of the California Maritime Academy and have been a licensed mariner since 1979. In addition, I am serving my second term on the Coast Guard's Merchant Marine Personnel Advisory Committee (MERPAC).

PVA is the national trade association for U.S.-flagged passenger vessels of all types. It represents the interests of owners and operators of dinner cruise vessels, sightseeing and excursion vessels, passenger and vehicular ferries, private charter vessels, whalewatching and eco-tour operators, windjammers, gaming vessels, amphibious vessels, water taxis, and overnight cruise ships.

PVA currently has more than 600 vessel and associate members. Its vessel members have a wide range of operations, from small family businesses with a single boat, to companies with having multiple passenger vessels of all sizes in different locations, to governmental agencies operating ferries.

PVA associate members are key suppliers to the passenger vessel industry, including marine architects, vessel builders and decorators, insurance companies, publishers, food supply companies, computer software vendors, marine equipment suppliers, engine manufacturers, and others.

PVA member vessels are operated exclusively by Coast Guard-licensed officers and mariners. In addition, the deckhands on many of our vessels that operate along the coasts and in the Great Lakes must have Merchant Mariner Documents. These licensed and documented mariners are highly-experienced professionals who are essential to the smooth functioning of our members' companies and who are also fundamental to the safety of the traveling public.

The process of Coast Guard licensing and documentation is important to PVA because:

- The individuals who work on U.S-flag small passenger vessels must be able to rely on professional, courteous, and prompt service at the Coast Guard Regional Exam Centers (RECs) when they seek to obtain or renew their Coast Guard credential.
- The success of PVA vessel member companies hinge on a smooth-functioning Coast Guard licensing process so they can put their employees to work quickly and keep them working. Many of our members operate seasonally or dramatically increase their sailings during

certain peak times of the year. These members rely heavily on summer or temporary employees, who they frequently hire with a very short lead time.

As a result, if the Coast Guard RECs fail to perform, it hurts individual employees—who are hindered in pursuing their profession—and operators of small passenger vessels who are severely disadvantaged in their efforts to hire qualified employees in a timely fashion, and in a highly competitive hiring market.

### **Processing Times and Quality of Service at Many RECs has been Unsatisfactory for Years**

For too many years, our members have reported that the quality of the service at many RECs has been unacceptable. At too many RECs, processing time takes weeks and months. Applications and supporting documents are, far too often, lost by REC personnel, and the burden is then placed on the applicant to supply duplicates. Inquiries by phone are impossible because automated voice mail systems inform callers that mailboxes are full; if one is able to leave a message, calls are not returned. Counter service to in-person applicants is not customer friendly.

It is simply not true that these problems are a function of an increased emphasis on security after September 11, 2001. The problems described above pre-date the terrorist attacks. Nor did the difficulties arise after the hurricane flooded the New Orleans REC; they pre-date Hurricane Katrina. These developments have made the problems worse, but they are not the root cause.

As one example, take the case of Ms. Terri Bernstein of BB Riverboats of Newport, KY, on the Ohio River. In the summer of 2005, she mailed to the Memphis REC her completed application for her captain's license. Eventually, she received her approval letter and immediately in March 2006, she traveled 600 miles to Memphis to sit for the required two-day test, which she passed. She presented herself to the counter to have her license issued, but was told that the staff did not have time that afternoon and that she should "go home." Weeks later, when she called back to inquire about the status of her license, she was told that the file could not be found. In a subsequent call, the REC staff claimed that no driver's license or social security card had been submitted (in fact, the originals had been submitted). Finally, four weeks after Terri passed the exam—nearly nine months after she applied, and only after the PVA intervened—her captain's license was issued (it is customary for the license to be issued immediately following passage of the test). Captain Bernstein was an enthusiastic new mariner when she successfully completed her exam and met all the requirements to become a vessel master. But after enduring the poor customer service provided by the Memphis REC over a period of nine months, her enthusiasm for her new profession was substantially dampened. The maritime industry cannot afford to lose enthusiastic new mariners such as Captain Bernstein, but poor service by the RECs threatens to deter future such applicants. Further, small passenger vessel companies are equally impacted by continuing poor REC performance.

Another illustration of the deficiencies in the Coast Guard process involves my own situation. For years, I completed my renewals and upgrades of my own captain's license in the Seattle REC. In 2005, I moved to Virginia, and needed to renew my license at the Baltimore REC. In February, I drove the 75 miles to apply in person (as required) at the Baltimore REC. An ensign, who had left me sitting in the hall for 45 minutes, refused to credit my previous 14 years of work as the Vice President of Marine Operations of a ferry company in international service, even though it had always been perfectly acceptable to the Seattle REC. Accordingly, I had to complete a take-home open-book exam for renewal. My years of service as vessel captain, personnel manager, crew trainer, and Safety Management System auditor were dismissed as insufficient or irrelevant.

As instructed, I completed my exam, and mailed it together with all other required documents in mid-March. There were no special circumstances or complicating factors (such as a medical waiver or criminal record) attendant to my renewal application. My credit card was immediately charged for my licensing user fee. Over the next eight months, I received no word from the Baltimore REC. When I attempted to inquire as to the status, I left several messages by phone for the REC employees, but received no calls or messages in return. Eventually, I even sent an email to the Chief of the REC directly but received no reply.

In early November, at a maritime industry meeting in Charleston, SC, after a Coast Guard representative made a presentation on the reorganization of the National Maritime Center, I described publicly my experience with the Baltimore REC. It turned out that the Chief of the Charleston REC was in the audience. She approached me after the presentation, and told me I should follow up with Baltimore, because my license must be "lost in the mail." When I returned to Virginia two days later, my license arrived, dated November 1, nearly eight months after my completed application was submitted! I have to assume that the Charleston REC chief had communicated the details of my case to the Baltimore REC.

Even though my license had finally arrived, the companion STCW document was not included. Without the STCW document, I can not sail on international voyages. After several more futile phone messages, and more emails to the Chief of the REC, I gave up. I still have not received my STCW certificate, more 16 months after my completed application was submitted.

I offer my case for purpose of illustration only. I know of plenty of other mariners with their own horror stories. How can such poor service be justified or tolerated, especially when the lack of a license or document can result in a mariner not being able to go to work?

We believe that the basic problem is rooted in the fact that the Coast Guard has never given licensing the priority it deserves. The Coast Guard has consistently failed to provide the funding, personnel, and training that would be required to make all RECs

function well. The tasks of the RECs continue to expand (collection of user fees, issuance of STCW certifications, tow boat licensing, U.S. cruise ships in Hawaii, and new security procedures). In other words, the tasks expand, while the funding and the staffing at the RECs remain stagnant.

In our opinion, licensing/documentation and service to individual mariners is simply too far down the Coast Guard's list of priorities. This is a disgrace, because this is the one Coast Guard function with which nearly every mariner interacts, and this poor initial experience sets the tone for future interactions on both sides for many years.

Every REC experiences cyclical highs and lows in its capability and performance. PVA members tell us that for some RECs, the times of their best service rarely rises above "acceptable." These centers are chronically resistant to any fundamental improvement. In others instances, poor service is rare and is probably attributable to some temporary circumstance. **However, the persistence of these cycles indicates a chronic underlying weakness inherent in the overall program's administration.** We understand that when service degrades too much and complaints become too frequent, temporary improvement may be brought about through the deployment of "tiger teams" or the shifting of workload from one REC to another. However, these stopgap measures have not proven to provide permanent improvement because they do not address the fundamental problems.

We believe that RECs suffer from a lack of visibility within the Coast Guard and a perception that licensing and documentation is an ancillary tasking principally involving managing a flow of paper. It's a stepchild within the Coast Guard. It provides no career path for officers and civilians to rise to the top of the marine safety, security, and environmental protection programs. It remains an afterthought in budgeting, personnel assignments, and strategic planning. This translates into poor customer service.

Our experience has shown that the mariners' grapevine always spreads the word about the best RECs. In response, applicants have chosen to travel significant distances to go to these centers (for example, to the New York City REC) rather than closer units. But why should a mariner have to avoid the nearby REC simply to obtain acceptable service?

### **New Policy Requiring In-Person Visits to RECs**

Compounding the problem of poor quality service at RECs are self-imposed Coast Guard policies that burden an already stressed organizational structure. An example is the new Coast Guard policy requiring a mariner to initiate all credential transactions by means of an "in-person" visit to an REC. This policy was initiated by the Coast Guard in the name of "security" in January 2006 without any prior consultation with the maritime industry.

Under this policy, many mariners must travel hundreds of miles to a distant REC to undertake the credentialing process. In many cases, this requires two or more days off the job, an overnight stay in the city where the REC is located, lodging, meals, and airfare or automobile expense. The cost to the individual can amount to hundreds of dollars. .

After the Coast Guard put in place this “in-person” policy, it opened a docket for public comment. We respectfully urge this subcommittee to review the 362 submissions to Docket 17455 to see first-hand how individual mariners have reacted to it. Attached to my testimony is an article written by PVA’s Past President, Mr. Richard Purinton of Washington Island Ferry Line (located in Lake Michigan in northeastern Wisconsin). He writes of his 1,000-mile, two-day “road trip” to the Toledo, Ohio, REC to renew his captain’s license. Multiply that experience by hundreds of mariners who have had similar experiences and the result is a significant drain on personal and company resources, while having a minimal impact on national maritime security.

### **TWIC Rulemaking Will Make Things Worse**

Finally, the Coast Guard and Transportation Security Administration have proposed regulations that will only make a bad situation worse. Their proposed rule on TWICs (Transportation Worker Identification Credentials) and Merchant Mariner Credentials indicate that a mariner will have to first apply for and receive a TWIC from a TSA-approved contractor (with an estimated wait of between 30 and 60 days, according to the *Federal Register* notice), before being able to apply to the Coast Guard for a Merchant Mariner Credential. This is just one of the many flaws in the TWIC rulemaking. They elaborate on our concerns about the REC employees being expected to learn yet another new complicated task.

### **Conclusion**

Issuing licenses and merchant mariner documents to mariners is considered “drudge work” by the Coast Guard. The excitement of staffing a smoothly-run REC pales in comparison to flying helicopters or aircraft, rescuing mariners in distress, apprehending drug runners or illegal immigrants, or navigating cutters.

To the individual mariner, however, and to the vessel-operating companies that want to hire an employee in a timely fashion, the REC is a critical face of the Coast Guard. By failing to allocate the necessary resources to enable better professionalism and customer service at the RECs, the Coast Guard as an organization has been indifferent to, if not hostile to, the needs of American citizens who work in the maritime industry. Recent and proposed changes prompted by the alleged need for more security are making the situation worse.

It shouldn’t be difficult to provide acceptable customer service at the RECs. Mariners are paying for these services via user fees, and they deserve to get the service they are paying for. Private companies place a great deal of emphasis on developing and maintaining good customer service, because they know that if they don’t, they will go out

of business. But the Coast Guard has a governmental monopoly on the issuance of licenses and documents. It is our belief, and that of our members, that it has thus far failed to devote the financial resources and personnel needed to do the job. PVA urges Congress to exercise the vigorous oversight required to force the Coast Guard to upgrade its performance.

## **Recommendations**

The Subcommittee should ask the Government Accountability Office (GAO) to undertake a review and analysis of the Coast Guard's Mariner Licensing and Documentation program. It should:

- Determine to what extent and for what reasons the workloads of the RECs have increased in recent years;
- Investigate whether the Coast Guard has in place any procedure to measure levels of customer service and performance provided by the individual RECs and by the licensing/documentation program as a whole;
- Provide a description of recent funding and staffing levels for the individual RECs and the licensing/documentation program as a whole;
- Provide recommendations as to funding and staffing levels required to bring the licensing/documentation program to a point where it can achieve and maintain a satisfactory level of service to mariners;
- Analyze the advisability of establishing a Quality Standards Division that is separate from the NMC structure;
- Analyze and suggest a solution to the problem of "license creep" (that is, the mariner's loss of time on an existing license or document because a renewed document becomes effective immediately rather than on the last date of the term of the original document);
- Analyze whether mariner licensing/documentation is a program that "fits" within the Department of Homeland Security or whether it might be more appropriately placed and more efficiently administered within the Maritime Administration of the U.S. Department of Transportation.