



DEPARTMENT OF HOMELAND SECURITY

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WebWatch Division 8, 5NR March 2012

A. REMEMBERING THE CREW OF CG-6535

Christopher Lagan, Coast Guard Compass

On Feb. 28, 2012, a Coast Guard helicopter, designation 6535, went down in Mobile Bay, Ala., during a training flight. The bodies of Aircraft Commander Lt. Cmdr. Dale Taylor, Pilot Ltjg. Thomas Cameron and Rescue Swimmer Chief Petty Officer Fernando Jorge were recovered from the crash site. The body of Flight Mechanic Petty Officer 3rd Class Andrew Knight was recovered on March 8th.

In a memorial service held in Hangar 2 on March 8th at Coast Guard Aviation Training Center Mobile, Ala., the service paid tribute to the crew. “Dale, Tom, Nando and Drew answered the call,” said Coast Guard Commandant Adm. Bob Papp. “They stepped forward and dedicated their lives to helping others – the only thing stronger than their desire to fly, was their desire to serve. And, they did serve – they served all of us.”

On behalf of the Coast Guard family, we want to thank our readers for the outpouring of support from the public, particularly the community of Mobile, over the past week. Your thoughts and prayers for our shipmates and those they left behind are both a testament to the careers of these brave Coast Guardsmen and an inspiration to those who choose to wear the uniform in service to and defense of the United States.

B. 2012 FLAG OFFICER AND SENIOR EXECUTIVE SERVICE ASSIGNMENTS

VADM John P. Currier, Deputy Commandant for Mission Support

1. The Vice Commandant has approved the following assignments to complete the 2012 Flag Officer and Senior Executive Service slate announced previously.
 - a. COMDT (CG-13), upon retirement as LANTAREA SRO, RADM S.E. Day will be recalled to temporary active duty to serve as acting Director of Reserve.
 - b. PSC, Commander Personnel Service Center, RDML D.R. Callahan.



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C. SEVENTY-FIRST ANNIVERSARY OF THE COAST GUARD RESERVE

ADM Bob Papp, Commandant

On 19 February 2012, we celebrate the 71st anniversary of the Coast Guard Reserve. In honor of this special occasion, Master Chief Petty Officer of The Coast Guard Leavitt, Master Chief Allen, and I extend our sincere appreciation for the Coast Guard Reserve and the work reservists do in support of Coast Guard missions. To view our video message, please click the following link: <http://cgvi.uscg.mil>. From the main page click on Coast Guard Highlight Videos then select the 71st Anniversary Coast Guard Reserve Force Video.

D. 2012 STATE OF THE COAST GUARD ADDRESS

VADM Sally Brice-Ohara, Vice Commandant

1. On 23 Feb, the Commandant will deliver the State of the Coast Guard Address (SOCGA) from Coast Guard Base Alameda, CA. He will use the SOCGA to tell you about our progress on the Commandants Direction 2011, assess the current strategic environment, and describe The Way Ahead for Our Service. The address will be digitally broadcast by webcast, and is intended for everyone in the Coast Guard community: Active Duty Members, Reservists, Civilians, Auxiliarists and Retirees.
2. The archived webcast and transcript will be available on demand within one hour after the SOCGA concludes. Accommodations will be made for the blind and the hearing impaired. All Coast Guard personnel shall view the SOCGA archived webcast or read the transcript by 1 Mar 2012.

E. STATE OF THE COAST GUARD ADDRESS ONLINE

ADM Bob Papp, Commandant

1. Shipmates, it was an honor for me to deliver my second State of the Coast Guard Address to you today. The address is archived in video and print formats and available on the web at: www.uscg.mil/socga/.
2. I am proud to serve alongside you in performing our valuable missions.



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F. SHIPMATES 20 - FISCAL YEAR 2013 BUDGET

ADM Bob Papp, Commandant

1. Shipmates, today the President delivered the Fiscal Year (FY) 2013 budget to Congress. The Annual Budget impacts every part of our Service and all Coast Guard personnel. The President's budget aligns our nation's resources to national priorities.
2. The FY 2013 request would decrease our budget by 338 million dollars or about 3.9 percent. This is a change from the past decade of growth, but reflects the reality of the marked shift in the fiscal climate. This reduction should not be perceived as a judgment on the value of service we provide to the nation, but rather a recognition of the fiscal constraints the nation faces. We will make well-informed decisions about how to balance our resources, with the priorities of responsibly rebuilding the Coast Guard, efficiently preserving front-line operations, strengthening resource and operational stewardship, and preparing for the future.
3. The President's budget supports this effort by requesting 8.3 billion dollars in discretionary funding for the Coast Guard, including 6.8 billion dollars for operating expenses and 1.2 billion dollars to continue recapitalizing our fleet of cutters, aircraft, boats, C4ISR equipment and shore infrastructure.
4. I urge you to read a more detailed discussion of the FY 2013 budget, in the Coast Guard Posture Statement and Budget-In-Brief at www.uscg.mil/posturestatement.
5. Our mission success over the past year demonstrates America's need for a strong, capable Coast Guard has never been greater. In the coming weeks, I will highlight that need as I testify before Congress on the FY 2013 President's budget, the challenges we face as a service, and the Coast Guards continued value to the nation.

G. 2 CUTTERS REMOVED FROM FY13 COAST GUARD BUDGET

Christopher P. Cavas - Staff writer

They're gone. In a move that could trim about \$1.4 billion from its shipbuilding plan, the Coast Guard lost two of its newest, largest, most capable — and most expensive — cutters in the fiscal 2013 budget request sent to Congress on last week. As expected, the service is asking for \$683 million to build one *Bertholf*-class national security cutter, the sixth of a planned eight-ship class built by Huntington Ingalls Industries at Pascagoula, Miss. The ships are replacing 12 worn-out high endurance cutters dating from the 1960s and 1970s. But there is no request this year for long-lead funding for the seventh or eighth NSCs, and the service's five-year capital investment plan shows no money for new *Bertholfs* beyond the sixth ship.



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Janet Napolitano, secretary of the Department of Homeland Security, the Coast Guard's parent agency, attempted to explain the elimination of the two cutters when she testified before Congress on Feb. 15 on the budget. "What we are going to do, and this is all guided by really looking at the nation's resources and the Budget Control Act and how it works, and there's language in the budget request to this effect, we will look at seven and eight in light of what the Navy is doing," Napolitano said.

"So we need to look at what the Department of Defense is doing with respect to their own force ... to see what we need to be putting in the acquisition pipeline." Napolitano did not elaborate on how the Navy's shipbuilding plans affect the Coast Guard requirement for eight NSCs, but she noted the struggle to get funding for the ships. Napolitano said she has "fought very hard for those cutters in the three years" she has been in office. "We had a fight about getting four and five and six and the president has fully funded six. But we need to make sure that our resources are correlated with what, particularly, the Navy is going to do moving forward after that."

The Coast Guard referred all queries for comment on the matter to DHS, but Commandant Adm. Robert Papp didn't shy away from the cutters' importance when he delivered the annual State of the Coast Guard message on Thursday standing in front of *Bertholf* at its homeport of Alameda, Calif. "Directly behind me, you see the future," he said. "The NSC is proving to be a vital instrument for protecting American maritime security and prosperity." Papp admitted "our nation has made hard decisions on reductions," including accelerating the retirement of several Coast Guard vessels and a reduction of about 1,000 personnel. Two more high-endurance cutters and three 110-foot patrol boats are to be decommissioned in 2013. "This is necessary to make room to bring on our new assets," he said.

While not addressing the lost cutters specifically, Papp declared that his "most pressing concern is on the high seas," where the NSCs operate. "It's in the offshore region that I see the greatest risk. Patrolling the high seas requires cutters capable of sustained operations," Papp said, while enumerating the value of large, multi-mission vessels that can see decades of useful service.

The loss of the two NSCs was not anticipated by many in industry and the Coast Guard, which had grown accustomed to the call for eight NSCs. "It was a surprise to a lot of people," said one retired cutter officer. Scott Truver, a longtime naval analyst who's now at Gryphon Technologies, had the same reaction. "The Coast Guard has long said, 'we have to continue to make the case for the ships, because people in Homeland Security just don't get it.' They'd rather focus on security in ports and airports and dirty bombs. They overlook what it is the Coast Guard brings to the table." "The requirement is still there for eight," Truver noted. But even if the two ships are reinstated after a gap of several years, the costs will inevitably grow. "I'm concerned that short-sighted budget concerns are going to drive up the cost of the ships. If we have to wait for a few years to build the last two ships, all the economies of scale are going to be wasted. "Given the threats we face today and in the future, the ships will be needed," Truver added.



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Papp, in his Alameda speech, noted that despite the need to expand capabilities in the Arctic, the region lacks shore systems and infrastructure to support continued operations. “But those capabilities are on the national security cutter,” he said, and announced *Bertholf* — which normally patrols the Northern Pacific and the Bering Sea — would be sent to the Arctic, supplemented by “a couple” ice-capable seagoing buoy tenders. Papp provided no further details on the new Arctic mission, but declared that “the imperative for expanded capabilities in the Arctic is now, not 20 years from now.” Coast Guard spokesman Cmdr. Chris O’Neil in Washington explained that “details are still ongoing,” but said the time frame for the mission is likely “June until late summer.”

The Coast Guard’s 17th District in Alaska operates four 225-foot seagoing tenders, which are all normally busy handling aids-to-navigation duties. O’Neil acknowledged a deployment of two of the ships could put a strain on other operations. The budget contained another surprise not widely anticipated — funding for a new polar icebreaker. The service is asking for \$8 million in 2013 to begin the program, and a total of \$860 million through 2017 for research, design and development and construction. The icebreaker funding plan will ask for \$120 million in 2014; \$380 million in 2015; \$270 million in 2016; and \$82 million in 2017. It is not clear if more money will be requested in 2018 and beyond, or if more icebreaker construction is being contemplated. The Coast Guard has a requirement for three polar icebreakers and three medium breakers. The budget also is asking for \$54 million to operate and maintain the medium icebreaker Healy and reactivate the 1970s-era Polar Star, one of two Polar-class ships laid up for repairs.

Overall, the Coast Guard’s 2013 request for acquisition, construction and improvements totals \$1.19 billion, down \$272 million from last year’s \$1.46 billion.

H. PAPP PRESSES FOR STABLE CG BUDGET, NEW SHIPS

Paul Elias - The Associated Press

Adm. Robert Papp is talking about more ships for the Coast Guard’s aging fleet, as he prepares to deliver the annual state of the Coast Guard address. The Coast Guard’s Commandant said in an interview Wednesday with The Associated Press that he wants many more new ships and he wants them as soon as possible. “We have grown the Coast Guard since Sept. 11, 2001,” noting that the service has added 6,000 military personnel in the last decade.

As he speaks Thursday on Coast Guard Island in Alameda, Calif., the service’s three newest ships will serve as a \$2 billion backdrop. His aide, Cmdr. Glynn Smith, said the presence of *Bertholf*, *Stratton* and *Waesche* is not coincidental. Papp said he will fight to maintain the Coast Guard’s annual budget of a little more than \$10 billion. “We have taken on a lot more responsibility since Sept. 11,” he said.

“You have this vast middle area of the oceans where you have to keep a persistent presence,” Papp said. “The problem is that most of the ships we have doing this now are more than 40 years old.” Papp said

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the Navy generally mothballs its ships after 25 years. “You cannot patrol without having substantial ships,” Papp said. “We need new ships.”

Papp believes the Arctic region is the most important emerging maritime frontier that he believes vital the U.S. economy and national security. Melting polar ice is opening year-round shipping lanes for the first time and many nations are rushing to the region to exploit the new development. The Coast Guard has a single ice breaker operating.

Papp said that he has 40 “major” ships under his command and the vast majority of them were built during the Vietnam War. “They’re falling apart,” said Papp, his forehead smeared with ash from his Ash Wednesday visit to a nearby church. Papp has made overhauling the aging fleet a priority since his appointment to oversee a service comprised of 42,000 active duty military and 8,000 civilian workers. He says that’s a challenge given ever tighter annual budgets to meet always growing mandates since 9/11.

In the interview, the Coast Guard Commandant said the service has myriad duties involving national security, including inspecting foreign cargo ships bounds for the United States, intercepting drug runners, gun smugglers and other dangerous vessel thought to be a threat to national security. The Coast Guard is also still responsible for rescuing boats in distress, policing domestic waterways and enforcing regulations. “Everybody wants us to do something,” Papp said. The service’s 2012 budget is a little more than \$10 billion, with about \$1.2 billion for acquisitions of new vessels. Papp said the Coast Guard needs twice the annual acquisition budget — some \$2 billion a year — to update the fleet.

Papp said the Coast Guard’s new duties since 9/11 include patrolling what he terms the “middle layer” of the world’s oceans where national security threats need to be stopped hundreds and thousands of miles from the country’s shores. Papp said protecting the country’s ports now start at foreign ports that trade with the United States. “You don’t want the threat arriving at your ports,” Papp said.

I. MARCH 2012 CG-WIDE PHYSICAL INVENTORY OF CG ASSETS – ACTION ORDER

MS. Margo Sheridan, Director of Financial Operations/Comptroller

1. This message promulgates the March 2012 procedures for the physical inventory of Coast Guard assets and provides amplifying guidance. This physical inventory will include all CG vessels, CG aircraft, CG boats, all motor vehicles (CG-owned/leased except for GSA leased) and trailers, capitalized general purpose property, capitalized electronics, and software with an acquisition cost of \$2,500 and greater. Two notable changes being implemented this inventory are: the inclusion of software \$2,500 and greater; and an environmental liability site assessment for specifically identified units with real property.
2. The procedure has been updated to provide better accountability and standardization.

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3. Guidance for physical inventory of CG assets: The Updated Procedures (version 6) shall be used for the March 2012 inventory and are available on the CG Portal. The inventory procedure must be read and followed explicitly by the APO and CT, and all required additions, edits, and deletions must be explained in the unit certification memo. Units must make every effort to limit resubmissions in order to complete the evolution within the time period required.
4. The CG Portal will remain the one-stop shop for all physical inventory needs. The portal site includes all documents necessary to facilitate an inventory and can be accessed from the following link: <https://cgportal.uscg.mil/ctl/bst3rf>.

J. DELIVERY OF FIRST SENTINEL CLASS FAST RESPONSE CUTTER

RADM Jake Korn, Assistant Commandant for Acquisition and Chief Acquisition Officer

1. I am pleased to announce the Coast Guard today accepted the first *Sentinel* Class Fast Response Cutter, *Bernard C. Webber*, at Sector Miami.
2. The *Sentinel* Class Fast Response Cutters are the Coast Guard's next generation of patrol boats and will eventually replace the venerable 110-foot *Island* class fleet. This cutter will be a game-changer for our service, providing the superior speed and flexibility needed to save lives and ensure maritime security and stewardship. A modern, reliable fleet of fast response cutters will put valuable law enforcement, search and rescue and environmental response capabilities in the hands of our Coast Guardsmen.
3. The *Sentinel* Class will be named for enlisted Coast Guard heroes who distinguished themselves through acts of courage and selflessness in service to the United States.
4. The Fast Response Cutter is 154 feet in length, displaces 353 long tons, draws 9.5 feet of water, and is armed with one stabilized remotely-operated 25mm chain gun and four crew-served .50-caliber machine guns. The Fast Response Cutter also features a mid-ships pilot house, bow thruster, twin fixed pitch propellers powered by two 20 cylinder MTU diesel engines, active fin stabilization, berthing areas designed to support mixed gender crews, a common stern launched over the horizon small boat CB-OTH, and modern C4ISR equipment featuring the latest Coast Guard Command and Control Systems. The Coast Guard plans to acquire 58 FRCS.
5. The Fast Response Cutter will conduct multi-day patrols and has a 2,500 hours per year operational employment target. It will be capable of operations up to and including Sea State 4 (up to 7ft seas), with limited operations up to Sea State 6 (up to 20ft seas). It will be capable of speeds of 28 plus knots and have a complement of 24 crew members (3 officers and 21 enlisted).



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6. The *Sentinel* Class is one of many critical recapitalization efforts the Coast Guard is managing to rebuild the capabilities that make us the nation's maritime guardian. The Fast Response Cutter represents a significant improvement in capability and will provide considerable value to the nation for many years to come.

K. AIDS TO NAVIGATION MANUAL – SEAMANSHIP

CAPT S. A. Buschman, Acting Assistant Commandant for Capability

1. This message announces the promulgation of the Aids to Navigation Manual - Seamanship, COMDTINST M16500.21A, dated 02Mar2012.
2. The new manual is available electronically to all units on CGPORTAL at: <https://cgportal.uscg.mil/delivery/Satellite/cg612/uscgdirectives> or, Intranet at <http://cgweb.comdt.uscg.mil/cgdirectives/welcome.htm>, and Internet at <http://www.uscg.mil/directives/>.
3. Hardcopies will be mailed per the standard distribution list. Units should expect receipt within 2-4 months upon release of this ALCOAST.
4. This represents a major revision of the previous ATON Manual - Seamanship promulgated in May 1997. Because of the extensive changes, units are encouraged to conduct a thorough review of the manual. This edition contains the following significant policy changes:
 - a. Updates the information within the manual to reflect current ATON cutters and boats.
 - b. Defines the buoy evolution standard for respective cutter classes
 - c. The rigging log, or registry of lifting appliances, has been standardized and is now available at the ATON Buoy Deck Training Team website: <http://cgweb.tcyorktown.uscg.mil/naton/bdtt/resources.asp>
 - d. Provides new guidance on the training and certification of buoy/construction deck personnel.

L. SHIPMATES 21: FINAL ACTION ON THE ADMINISTRATIVE INVESTIGATION INTO THE CRASH OF CG 6017 THAT OCCURRED ON 7 JULY 2010

ADM Bob Papp, Commandant

1. Shipmates, the Vice Commandant has signed the final action on the Administrative Investigation into the crash of CG 6017 that occurred near Quillayute River, WA on 7 July 2010, resulting in the deaths of Lt Sean Krueger, Amt1 Adam Hoke and Amt2 Brett Banks, and serious injury to Lt Lance Leone. The Vice Commandant made a number of findings, identified causal factors for the incident, and directed a series of actions to ensure this type of accident does not occur in the

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future. Many of those actions have been completed (Aviation Safety Assessment Action Plan) or are in progress and pending completion. The final Action Memorandum is available in the Coast Guard FOIA Reading Room at: http://www.uscg.mil/foia/foia_library.asp, then scroll to administrative investigations. I encourage all of you to read it, think about it, talk about it with your shipmates and consider it when planning operations.

2. The tragic loss of the crew of CG 6017 was clearly avoidable. It leads me to address all of you with a perspective broader than the incident itself.
3. Publication 3-0: Operations places special emphasis on two fundamental elements: leadership and proficiency. I rely on leaders at every level of command to conduct operations safely and effectively in an inherently dangerous maritime environment. There is no substitute for proficiency in the operational arts of our profession, and we must all rely on each other's proficiency to execute our missions.
4. Those who lead hold the lives of their crew in their hands. I emphasize traditional concepts of leadership, in particular command authority, responsibility and accountability. Those principles apply not only to Commanders, Commanding Officers and Officers-In-Charge, but also to the Officers, Chiefs and Petty Officers entrusted with the responsibility for safely and effectively conducting operations, including ensuring the welfare of their crew. They equally apply to civilians and Auxiliarists responsible for others in their charge. Aircraft Commanders, Coxswains, Boarding Officers, Team Leaders-each has a solemn duty and responsibility in this regard. Every member of a crew must take responsibility for themselves, their shipmates and the conduct of operations. We are all obliged to follow doctrine, policy and regulations in every aspect of our conduct, constantly assess risk, and speak up when others do not. Lapses in leadership, complacency, and disregard for safety policies can have grave consequences.
5. The inherently dangerous nature of the air and sea in which we operate puts Coast Guardsmen and cutters, boats and aircraft at risk. I know the nature of what we do. I realize that in extraordinary circumstances losses may occur, but they are never acceptable as the cost of doing business.
6. Our duty to safely operate demands leadership and proficiency to ensure mission success. We must remain ever vigilant and continue our commitment to mitigating the risks we encounter for ourselves, for each other, and for the public we serve.
7. Again, if we're going to do it - and we are - we're going to do it Right.



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M. COAST GUARD NAVIGATION STANDARDS MANUAL

RDML V. Atkins, Assistant Commandant for Capability

1. This message announces the promulgation of the Navigation Standards Manual, COMDTINST M3530.2d, dated 27Jan2012. This updated edition is effective upon receipt and supersedes the previous version dated 09Oct2007.
2. The new manual is available electronically to all units on CGPORTAL at <https://cgportal.uscg.mil/delivery/Satellite/cg612/uscgdirectives>, Intranet at <http://cgweb.comdt.uscg.mil/cgdirectives/welcome.htm>, and Internet at <http://www.uscg.mil/directives/>.
3. Hardcopies will be mailed per the standard distribution list. Units should expect receipt within 2-4 months from now.
4. This represents a major revision of the previous Navigation Standards Manual, promulgated in Oct 2007. Because of the extensive changes, units are encouraged to conduct a thorough review of the manual. This edition contains the following significant policy changes:
 - a. Commanding officers and officers in charge shall promulgate command navigation standards within 90 days of assuming command.
 - b. Portions of this manual that previously exempted some cutter classes now pertain to all cutters.
 - c. Certain cutter classes are authorized to use e-navigation with appropriate paper chart proficiency.

N. DELIVERY OF FIRST SENTINEL CLASS FAST RESPONSE CUTTER

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4. I urge you to read a more detailed discussion of the FY 2013 budget, in the Coast Guard Posture Statement and budget-in-brief at www.uscg.mil/posturestatement.
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P. GPS UPDATE – ACT NOW!

BoatUS

Last summer boaters sent a clear message to the Federal Communications Commission – “Don’t Mess with GPS!” As you may remember, a private company, LightSquared, received preliminary FCC approval to offer a new cellular broadband service. Tests showed this service could significantly interfere with GPS signals.

Thanks to over 18,000 boaters who submitted comments, along with many other GPS users, the FCC required additional testing in the fall. (Thank you all for your help!) Last week, these tests revealed that the LightSquared's network would interfere with GPS and that there are no practical fixes. As a result, the FCC has proposed to withdraw LightSquared's approval.

[\(http://www.gps.gov/news/2012/02/lightsquared/\)](http://www.gps.gov/news/2012/02/lightsquared/)

The FCC has a new comment period (open to March 16) asking for the public's opinion. Even if you wrote last summer, please take a few minutes now and write the FCC asking them to protect the GPS signal by saying “No” to LightSquared's current proposal. Given this company's tenacity over the last year, we want to make sure that boaters' needs are remembered as the FCC makes their final decision.

Important points to make:

- How do you use GPS in your life – on the water, on land, or in the air?
- What would happen to your business/personal life if GPS became unavailable or unreliable?
- Wireless broadband service is important, but it should not come at the expense of GPS.
- All the studies show that LightSquared's proposed network would cause interference and that there are no remedies.
- Tell FCC that you rely on them to protect the integrity of the GPS signal and that you support their recommendation to stop LightSquared's current proposal.

You can submit comments directly to the FCC through their online comment form. (We regret we can't streamline this process for you, but it is important enough we're still asking for your help.) Here's how:



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- (1) Click on this link for the FCC's Electronic Comments Filing System (ECFS):
<http://apps.fcc.gov/ecfs/hotdocket/list>
- (2) Select "Proceeding Number 11-109." It should be near the top of the list.
- (3) In the designated boxes, enter your name and mailing address.
- (4) In the box that says "Type in or paste your brief comments," do so. Click "Continue".
- (5) A review page will load listing all of the information entered. If correct, click "Confirm."
- (6) If you have any trouble, you may contact the FCC ECFS Helpdesk at 202-418-0193 or email at ecfshelp@fcc.gov

Q. LIGHTSQUARED TO BE BLOCKED BY U.S. ON INTERFERENCE REPORT

Todd Shields, Bloomberg

The U.S. Federal Communications Commission vowed to block LightSquared Inc. after the Obama administration found the wireless venture backed by hedge-fund billionaire Philip Falcone would disrupt navigation gear. Federal agencies determined that LightSquared's signals interfere with global-positioning system devices, Tammy Sun, an FCC spokeswoman, said yesterday in an e-mailed statement. The agency is preparing to withdraw the preliminary approval it granted last year for the company to build a high-speed network serving as many as 260 million people, Sun said. "The commission clearly stated from the outset that harmful interference to GPS would not be permitted," Sun said. "The commission will not lift the prohibition on LightSquared."

The FCC's action marks a blow to LightSquared and a setback for Falcone's Harbinger Capital Partners hedge fund, which has invested \$3 billion in the venture. It follows a yearlong lobbying fight between LightSquared and opposing GPS companies that featured a series of government tests denounced by LightSquared as flawed. "We remain committed to finding a solution," LightSquared Chief Executive Officer Sanjiv Ahuja said in an e-mailed statement today. The company received approval for its ground-based network from the FCC in 2005, Ahuja said.

"Yesterday, after LightSquared had already spent nearly \$4 billion, the FCC changed its mind," Ahuja said. "There can be no more devastating blow to private industry and confidence in the consistency of the FCC's decision-making process." Sun didn't immediately return a telephone call and e-mail seeking a response to Ahuja's statement. FCC Chairman Julius Genachowski said at a news conference today that "all parties will have a chance to make their case" as the agency moves forward.

Tests and analyses conducted by the government and LightSquared found that the company's proposed ground-based network would interfere with navigation equipment including gear used by aircraft, Lawrence Strickling, administrator of the National Telecommunications and Information Administration, said in a letter yesterday to Genachowski. "There are no mitigation strategies that both solve the interference issues and provide LightSquared with an adequate commercial network



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deployment,” Strickling said. He is President Barack Obama’s top adviser on telecommunications, and his agency is a branch of the Commerce Department.

LightSquared said yesterday it disagreed with Strickling’s findings. The NTIA and the advisory board that informed its decision “disregard more than a decade of regulatory orders, and in doing so, jeopardize private enterprise, jobs and investment,” the company said in an e-mailed statement. GPS makers say LightSquared improperly plans to send powerful data signals on airwaves reserved mainly for faint emissions from satellites. The company has proposed building a network supported by as many as 40,000 ground-based towers,

“The FCC has acted appropriately,” Jim Kirkland, general counsel of GPS gear maker Trimble Navigation Ltd., said in an e- mailed statement yesterday. Trimble is part of the Coalition to Save Our GPS, a group formed to oppose LightSquared that includes package shippers FedEx Corp. and United Parcel Service Inc., GPS-unit maker Garmin Ltd., Delta Air Lines Inc. and Southwest Airlines Co., and farm-equipment maker Deere & Co.

LightSquared said GPS makers should have planned to accommodate its use of airwaves near those used by navigation devices, and that technical solutions are available. The Obama administration has made it a priority for more airwaves to be available for mobile use. LightSquared has said its service would help ease an airwaves shortage that Genachowski has called a “spectrum crunch” gathering force as people turn increasingly to wireless devices such as Apple Inc.’s iPhone and iPad.