



FISCAL YEAR 2008
U.S. COAST GUARD
PERFORMANCE REPORT



May 2009







**THE COMMANDANT OF THE UNITED STATES COAST GUARD
WASHINGTON, D.C. 20593-001**



I am pleased to share with you the United States Coast Guard's Fiscal Year 2008 Performance Report. The report offers a high-level summary of performance results within our eleven statutorily mandated missions and highlights some of the extraordinary accomplishments of our men and women over the past year. This product was designed for use by a wide variety of audiences and stakeholders within and outside government. While reading this report, I hope you gain a better understanding of the Coast Guard's multi-mission value to our Nation and the challenges we face in reducing risk and protecting U.S. interests in the maritime domain. I also hope you develop an appreciation of the commitment our men and women exhibit on a daily basis. Ultimately, the Coast Guard is America's Maritime Guardian in the Nation's heartland, its ports, at sea, and around the globe.

As the principal Federal agency charged with maritime safety, security, and stewardship, the Coast Guard delivers daily value to the American public and the global maritime community. While this report primarily highlights performance in each of our eleven missions, we ultimately achieve success by leveraging our multi-mission authorities, diverse capabilities, and established partnerships to safeguard America's maritime interests. This integrated approach to mission execution better enables the Coast Guard to achieve its goals, which include the safety and security of the maritime public, our natural and economic resources, the global maritime transportation system, critical infrastructure, and the integrity of our maritime borders.

Global and domestic maritime threats and hazards present complex challenges to our people and our assets. However, the Coast Guard's resolve and commitment to mission execution remain as strong as ever. Whether conducting security operations in the Arabian Gulf, interdicting illegal drugs in the Caribbean, or inspecting vessels and facilities in our domestic ports, the men and women of the Coast Guard ensured 2008 was another remarkable year. We saved over 4,000 lives, rescued hundreds of residents during the Midwest floods and Hurricanes Ike and Gustav, removed a record 167 metric tons of cocaine headed to the United States, and interdicted nearly 5,000 migrants on the high seas. In addition to continuing to deploy assets in support of Operations Iraqi Freedom and Enduring Freedom, we also deployed cutters, aircraft, and small boats to the Arctic to better understand the unique operating conditions and future mission performance challenges presented by the expanding access and level of activity in the region. As an organization, we continued efforts towards modernizing our Service. This will increase alignment with other armed forces and Federal agencies, ensure greater organizational flexibility, and enhance command, control and mission support systems. The Coast Guard also witnessed major progress in efforts to recapitalize our operating assets when we received and commissioned USCGC BERTHOLF, our first Legend-class National Security Cutter, christened the second, USCGC WAESCHE, and began fabrication on the third, USCGC STRATTON.

I am extremely proud of the Coast Guard men and woman who delivered another exceptional year of service to America and the international community. I assure you, we will not rest on our laurels. The courage, sacrifice, and dignity displayed in 2008 will persevere into 2009 and beyond. *Semper Paratus!*

A handwritten signature in black ink, reading "Thad W. Allen".

THAD W. ALLEN
Admiral, U.S. Coast Guard



COAST GUARD TARGET SETTING PROCESS

Each March, the Coast Guard completes a process of performance assessment, improvement planning, and target setting.

We try to set ambitious, yet realistic, out-year targets built from reliable baselines. In establishing these standards, we do not expect to achieve every target every year.

The baseline is the reference point from which expectations of change are determined. In a stable environment, where results are expected to deviate within normal limits of variation, the baseline is typically just a forward projection of the past several-years' average. In a period of dynamic change, the baseline is more appropriately determined from some trendline—with due care given to both the type of trendline and its expected duration.

Except for targets that reflect performance standards established with specific stakeholders, we refine our targets each year by:

- Determining the anticipated out-year benefits of Coast Guard performance initiatives;
- Identifying the expected benefits of Coast Guard continuous improvement efforts;
- Ascertaining the impact of constraints on our capabilities due to staffing, training, equipment, infrastructure, information, or operating budget limitations; and
- Assessing the impact of drivers and trends such as an overall increase or decrease in economic activity.

SUMMARY OF UNITED STATES COAST GUARD PERFORMANCE IN FY 2008

Search and Rescue	FY08 Target ¹	FY08 Results	FY09 Target
Percent of Mariners in Imminent Danger Saved	87%	83.6%	Retired
Percent of People Saved from Imminent Danger in the Maritime Environment	76.0%	76.8%	76.0%
Marine Safety			
5-Yr Avg Commercial Mariner Deaths and Injuries	≤ 501	479	≤ 529
2008 Commercial Mariner Deaths and Injuries	483	322	496
5-Yr Avg Commercial Passenger Deaths and Injuries	≤ 225	244	≤ 251
2008 Commercial Passenger Deaths and Injuries	201	185	236
5-Yr Avg Recreational Boating Deaths and Injuries	≤ 4252	4070	≤ 4248
2008 Recreational Boating Deaths and Injuries	4076	3658	4184
Marine Environmental Protection			
5-Yr Avg Chemical Discharge Incidents Per 100 Million Short Tons Shipped	26.6	19.7	25.9
2008 Number of Chemical Discharge Incidents	50	21	50
5-Yr Avg Oil Spills >100 Gallons Per 100 Million Short Tons Shipped	13.5	12.7	13.0
2008 number of oil spills >100 gallons	151	111	150
Aids to Navigation			
5-Yr Avg Collisions, Allisions, and Groundings	≤ 1756	1857	≤ 1871
2008 Collisions	213	176	212
2008 Allisions	739	787	739
2008 Groundings	885	896	885
Percent Federal Short-Range Aids to Navigation Availability	97.5%	98.3%	97.5%
Ice Operations			
Number of Days Critical Waterways are Closed Due to Ice	2 (avg) 8 (severe)	0 Closure Days	2 (avg) 8 (severe)
Living Marine Resources			
Percent of vessels observed complying at-sea with domestic Living Marine Resource regulations.	97%	95.3%	97%
Illegal Drug Interdiction			
Removal Rate for Cocaine Shipped Via Non-Commercial Maritime Means	28%	33.8% ²	Retired ³
Migrant Interdiction			
Percent of Undocumented Migrants who Attempt to Enter the U.S. Via Maritime Routes that are Interdicted	65%	62.7%	69.9%
Other Law Enforcement			
Number of Incursions into U.S. Exclusive Economic Zone	≤ 195	81	≤ 195
Ports, Waterways, & Coastal Security			
Percent Reduction in Maritime Terrorism Risk Over Which USCG has Influence	15%	20%	21%
Defense Readiness			
Percent Time USCG Assets Included in Combatant Commander Operational Plans are Ready at a SORTS Readiness Reporting System Rating of 2 or Better	100%	56%	100% ⁴

1 See 'Coast Guard Target Setting Process' on opposite page.

2 The Cocaine Removal Rate estimate for FY 2008 is based on the actual quantity of cocaine removed in FY 2008 and the non-commercial maritime cocaine flow towards the U.S. from 2007. The non-commercial maritime flow towards the U.S. for 2008 will be available following the publication of the Interagency Assessment of Cocaine Movement in July 2009.

3 The Coast Guard will transition to a new outcome measure for FY 2009 that uses the Consolidated Counter-Drug Database (CCDB).

4 The Future Years Homeland Security Program reports the FY 2009 target as 100%. The Coast Guard is reviewing its Defense Readiness metrics through its Mission Performance Plan process to determine what potential changes if any need to be made to its Mission Performance Plan to support the OMB FY 2008 PART Guidance.



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REMAIN SEATED

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SUMMARY OF FISCAL YEAR 2008 COAST GUARD PERFORMANCE

Background

The United States Coast Guard Performance Report for Fiscal Year (FY) 2008 presents a summary of Coast Guard performance as measured through the Government Performance and Results Act (GPRA) process and other significant achievements last year. The performance measures in this report include primary outcome measures for the Coast Guard's 11 statutorily mandated missions. These measures help show how the Coast Guard has used the resources it has available to meet its mission requirements in service to the American people.

Fiscal Year 2008 Performance Highlights

In 2008, over 41,000 active duty members, 8,100 reservists, nearly 8,100 civilian employees, and approximately 30,000 volunteer Auxiliaries:

- Responded to over 24,000 Search and Rescue cases and saved over 4,000 lives.
- Broke last year's record by removing nearly 370,000 pounds of cocaine bound toward the United States via the Transit Zone.
- Delivered the first U.S. aid (over 30 tons of supplies) to the Republic of Georgia during conflict with Russia.
- Sustained the deployment of six Patrol Boats and 400 personnel to protect Iraqi critical maritime oil infrastructure and train Iraqi naval forces.
- Provided security for nearly 500 military outload evolutions of expeditionary supplies to support Operation Iraqi Freedom and Operation Enduring Freedom.
- Conducted over 1,500 security boardings on High Interest Vessels bound for the United States.
- Interdicted nearly 5,000 undocumented migrants attempting to illegally enter the United States.
- Conducted over 70,000 commercial inspections of U.S flagged vessels.
- Conducted over 11,000 Port State Control safety and environmental examinations on foreign vessels entering U.S. ports.
- Rescued citizens and helped restore the marine transportation system during and after Hurricanes Ike and Gustav.
- Conducted over 5,600 fisheries conservation boardings.
- Issued over 10,000 public notifications of bridge activities impacting safety of navigation.
- Investigated almost 4,000 pollution incidents.

Multi-Mission Performance—Safety, Security, and Stewardship

While this report highlights performance in each of the Coast Guard's 11 statutory missions, it is important to understand the multi-mission character of the Coast Guard. While each mission primarily aligns to a single role of safety, security, or stewardship, all missions contribute across multiple roles. For example, while the Aids to Navigation mission primarily supports the Maritime Stewardship role by facilitating the movement of people and goods, the system of Federal navigation aids also supports the Maritime Safety role by preventing accidents. Likewise, the effectiveness of Coast Guard Marine Safety programs increases safety of life at sea, prevents maritime disasters and ensures traditional response to maritime accidents thereby increasing port preparedness and reducing loss of life. Additionally, when Marine Safety inspectors board vessels, they have a multi-mission focus because while inspecting for safety, they are also observing environmental protection and security conditions. Thus, overall Coast Guard performance is much more than the sum of its 11 missions.



Preparedness

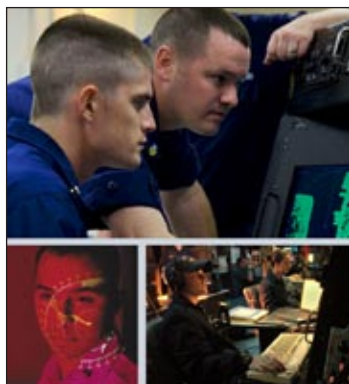
“Semper Paratus” or “Always Ready” is more than just the Coast Guard’s motto. It is a deeply held value and a way of operating. Coast Guard preparedness efforts for all threats and all hazards ensure resources are fully ready and capable of scalable mobilization in coordination with and in support of local, state, Federal and private sector efforts. The Coast Guard does this through a robust and continuous cycle of planning, resourcing, execution and assessment, which includes all stakeholders. In FY 2008, Coast Guard preparedness ensured successful response to spring and summer flooding in the Mid-West, the California wildfires, the threat posed by debris from a falling satellite, and numerous hurricane events including Dolly, Faye, Gustav, Ike, Hannah and Omar.



The crews of regional units, Disaster Area Response Teams (DARTs) and inland river cutters rescued residents trapped by floodwater, protected critical infrastructure and quickly rebuilt damaged aids to navigation after floods hit Midwestern states. The Coast Guard also rescued hundreds along the Gulf Coast trapped by hurricane storm surges, and quickly re-opened the Houston Ship Channel to allow the flow of commerce and minimize damage to the U.S. economy. Coast Guard Maritime Safety and Security Teams from around the nation provided critical water and landside security for the impacted regions, and elements of the Coast Guard’s National Strike Force deployed

with pollution response to hazardous material releases and oil discharges, salvage response, and logistics. In addition, the Coast Guard:

- Participated as a core member with DHS and FEMA in drafting the final National Response Framework (NRF) and the Integrated Planning System (IPS).
- In coordination with DHS and FEMA, drafted the Coast Guard role in Federal Concept Plans for several critical National Planning Scenarios outlined in the NRF and IPS.
- Established a Coast Guard liaison desk at the National Response Coordination Center (NRCC) for catastrophic event planning and incident management support to states and locals during major incidents.
- Updated and refined the next generation of Coast Guard Pre-Scripted Mission Assignments (PSMAs) for FEMA to assist local agencies and states in identifying Coast Guard catastrophic incident capabilities and in requesting those resources and services quickly and efficiently during a disaster response.
- Developed Incident Command System (ICS) Training and Implementation requirements to meet Federal mandates resulting from Homeland Security Presidential Directive-5, “Management of Domestic Incidents.”
- Added 23 new civilian preparedness specialists to help implement SAFE Port Act requirements.
- Participated as a core member with DHS and FEMA in the coordination and planning of the National Exercise Program and execution of inter-agency national-level exercises for major hurricane preparedness, anti-terrorism and government continuity of operations.



Intelligence and Awareness

The Coast Guard delivers intelligence and awareness services, which act as a force multiplier, ensuring efficient use of resources to accomplish operational missions. There are two components of Coast Guard intelligence and awareness: the National Intelligence Element, which is a member of the United States Intelligence Community and the Law Enforcement Intelligence Element, which provides traditional law enforcement collection to support tactical operations. The Coast Guard’s unique access and expertise within the maritime domain and position within the intelligence community enables the Service to provide sustained maritime domain decision

advantage intelligence to policy and decision makers at all levels. This enhances global Maritime Domain Awareness (MDA); increases information sharing, intelligence collaboration and coordination; and provides all-source analysis of maritime threats.

In FY 2008, the Coast Guard made across-the-board improvements in intelligence and criminal investigation capabilities and capacities. This led to identifying, reducing, and managing maritime homeland security risks across the spectrum of Coast Guard missions and programs:

- Supported illegal drug and undocumented maritime migrant interdictions, which included seizures of self-propelled semi-submersibles and disruption of a South Florida-based migrant smuggling operation, through timely and actionable intelligence queuing.
- Improved the fusion and analysis of maritime intelligence and MDA through increased interagency participation as a member of the Global Maritime Community of Interest Intelligence Enterprise located at the National Maritime Intelligence Center (NMIC) and by hosting the Office of Global Maritime Situational Awareness.
- Expanded the use and analysis of information to enhance interagency collaboration and analytic exchange with national intelligence, defense, and law enforcement communities.
- Increased capabilities which facilitated and significantly improved global information sharing and unity of effort with technical and human means through the use of Maritime Awareness Global Network (MAGNET), Foreign Disclosure, and Coast Guard Attachés.
- Established an enlisted intelligence rating and warrant officer specialty to enhance the professionalism of the Coast Guard's intelligence workforce and improve capability and capacity to deliver actionable intelligence.
- Modernized and transformed capabilities to enhance decision advantage intelligence to Coast Guard operational commands through the employment of tactical cryptology, counterintelligence and investigative teams, and realignment of Field Intelligence Support Teams.
- Screened more than 283,000 commercial vessels and 67 million crew and passengers for terrorist and criminal associations prior to arrival into U.S. ports.

International Engagement

Most of the world's navies and all national maritime authorities have many of the same responsibilities as the United States Coast Guard, giving us unique relevance as an instrument of international engagement. In an age of transnational threats, a forward defense, layered security, and international partners are essential. The Coast Guard leads U.S. efforts at the International Maritime Organization (IMO) and other international bodies that set global maritime standards. The Coast Guard also coordinates and works daily with international partners including foreign coast guards and navies that assist the Service in saving lives and property at sea; foreign ports that export goods to the United States; and law enforcement agencies that help interdict drug and human smuggling traffickers. Results in performance include increases in the volume of narcotics seized, illegal undocumented migrants intercepted, lives saved, and commercial ships sailing with high safety and security standards. In addition, the Coast Guard works routinely with foreign nations and multi-

Members from the Equatorial Guinea Navy review plans for a mock boarding to take place in the Gulf of Guinea with Capt. Robert Wagner, Commanding Officer of USCGC DALLAS, July 10, 2008. DALLAS deployed to the region under the direction of Commander, U.S. Naval Forces Europe, Sixth Fleet, in support of Africa Partnership Station (APS).



national organizations providing international leadership in the areas of oil spill and hazardous material release response, planning, and preparedness.

In 2008, the Coast Guard Cutter DALLAS and crew of 170 men and women made an historic six-month deployment to Africa, the Mediterranean Sea and the Black Sea. The DALLAS crew conducted theater security engagements with six African and five European nations, and made history as the first U.S. military ship to deploy with a foreign country's law enforcement detachment aboard, resulting in six boardings in the territorial waters of Cape Verde. The DALLAS crew provided more than 350 hours of maritime training to more than 200 foreign personnel, and conducted almost 600 hours of community service. Other significant international engagement highlights include:

- USCGC DALLAS was the first ship to deliver relief supplies (more than 76,000 pounds) to war-torn Georgia.
- Coast Guard law enforcement detachments aboard U.S. Navy vessels operated with Yemen Naval Forces to seize narcotics and respond to growing threats off the Horn of Africa.
- Coast Guard Port Security Units (PSU) deployed to the Arabian Gulf, where, alongside Coast Guard law enforcement detachments, they worked to support U.S. Department of Defense missions and conducted training with Kuwaiti, United Arab Emirates, and Iraqi Security Forces.
- Operation Salliq tested existing platforms, assets, and competencies in the Arctic environment to assess potential future maritime safety, security, and stewardship requirements in the region.
- Deployed Coast Guard Cutter HAMILTON, the first non-icebreaker, non-ice strengthened cutter to enter the Arctic Ocean and the Chukchi and Beaufort Seas to conduct safety and security patrols.



RIO DE JANEIRO, BRAZIL – The Coast Guard Cutter NORTHLAND moors at a Brazilian naval base in Rio De Janeiro, Brazil, April 22, 2008. The Northland participated in this year's UNITAS exercise, a multinational naval exercise that helps test the inter-operability of U.S. and foreign navies.

- Transferred former Coast Guard Cutter GENTIAN to the Colombian Navy to facilitate combined counter-drug and security operations in the region.
- Held chairmanships in 10 working and correspondence groups at IMO Subcommittee meetings. These leadership positions reflect the broad support that the international maritime community holds for the Coast Guard.
- Participated with counterparts from Canada, China, Japan, South Korea, and Russia in the North Pacific Coast Guard Forum to improve regional coordination to combat drug trafficking, illegal migration, and Illegal, Unreported, Unregulated (IUU) fishing activities.
- Coast Guard Cutter NORTHLAND participated in UNITAS, an annual multinational naval exercise designed to enhance relationships with neighbors to the south by developing interoperability in naval operations. This year's exercise, hosted by Brazil, included naval forces from Argentina, Brazil, and the United States.
- Participated with counterparts from Canada, Mexico, and Panama to improve trans-boundary pollution response planning and execution through joint contingency plans and exercises.



BATUMI, Georgia (Aug. 27, 2008) – A pallet of humanitarian assistance supplies is offloaded from the U.S. Coast Guard Cutter DALLAS (WMEC 716). DALLAS arrived with more than 76,000 pounds of humanitarian supplies for the people of Georgia. The supplies were provided in response to the request of the government of the Republic of Georgia. DALLAS was part of Combined Task Force 367, the maritime element of the U.S. humanitarian assistance mission to Georgia.

SEARCH AND RESCUE

The international community continues to recognize the United States Coast Guard as a leader in the field of search and rescue (SAR). As one of the Coast Guard’s oldest missions, SAR’s primary focus is to render aid and minimize loss of life, injury, and property damage. Coast Guard SAR responses involve multi-mission shore stations, cutters, aircraft, and boats linked by an extensive command and control network. As the Nation’s maritime SAR coordinator, the Coast Guard maintains SAR capabilities on the East, West and Gulf coasts; in Alaska, Hawaii, Guam, and Puerto Rico; and on the Great Lakes and inland U.S. waterways.

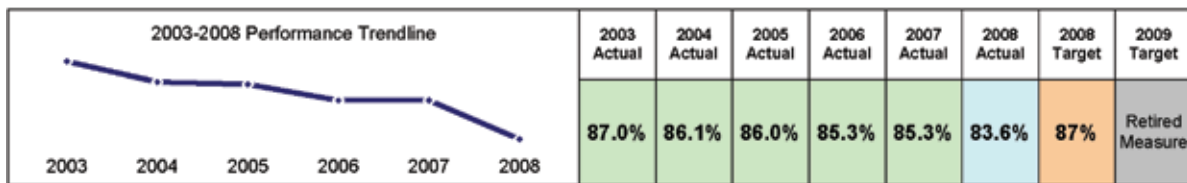
FY 2008 Performance Highlights

- Saved 4,044 lives and responded to 24,229 incidents.
- Saved nearly \$158M in property.
- Rescued 83.6% of mariners in imminent danger, or 76.8% when lives unaccounted for are included (the number of persons missing when SAR operations cease).
- Enhanced the ability to detect and locate persons in distress through technology improvements such as Rescue 21 (installed in 10 major coastal areas in FY 2008) which now covers 23,149 miles of the Nation’s coastline.
- Upgraded direction-finding equipment on fixed wing aircraft to better detect and locate 406 MHz Emergency Position-Indicating Radio Beacons.
- Took delivery of the first three (out of 180) multi-mission capable Response Boat-Medium (RB-M) vessels. The RB-M will replace the 41-foot Utility Boat, which has reached the end of its service life.

FY 2008 Performance Results

The Coast Guard measures SAR performance as the number of “lives saved” divided by the number of “lives in distress.” “Lives in distress” refers to persons in peril as a result of an extraordinary event beyond the inherent danger of the maritime environment. The Coast Guard tracks the number of lives saved versus lives lost both before and after the Coast Guard is notified and excludes cases involving 11 or more people in the performance calculus as these cases represent less than 2% of all cases and would otherwise cause anomalies in data analysis.

Percent of Mariners in Imminent Danger Saved



The Coast Guard saved 83.6% of mariners in imminent danger in 2008; 3.4% below the target of 87%. The 2008 result of 83.6% was a decline from the previous year’s result of 85.4%. Both the number of cases and the number of lives saved declined—there were 24,229 cases in 2008 versus 26,940 the previous year and 4,044 lives saved in 2008 year versus 4,574 in 2007. The number of lives lost increased from 788 in 2007 to 808 in 2008. Seven hundred twenty-five lives (saved or lost) in 25 incidents with 11 or more lives at risk were excluded from this trend analysis.

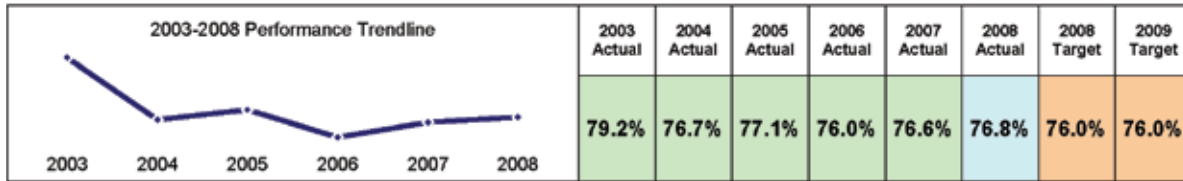
Most of the drop in cases occurred in the spring thru fall portions of the year, which normally post the highest number of cases, lives saved, and performance. The significant drop in cases mirrors closely the economic downturn and may be a result of fewer mariners on the water, including those who would otherwise be available to assist in search and rescue efforts.

The Coast Guard is retiring this measure and replacing it with a new measure in FY 2009 that includes “Lives Unaccounted For” in the results (Lives Unaccounted For are persons still missing when Search and Rescue operations cease).

Search and Rescue

The following table reflects the new SAR measure for 2009, “Percent of People Saved from Imminent Danger in the Maritime Environment.” The Coast Guard has collected data for this measure for several years, but has not reported it externally. Performance in 2008 was not only better than the 76% target, but was also an improvement over both 2006 and 2007.

Percent of People Saved from Imminent Danger in the Maritime Environment (New Measure for FY 2009)



The Coast Guard and F/V ALASKA WARRIOR recovered 46 of 47 crewmembers from the sinking F/V ALASKA RANGER 120 miles west of Dutch Harbor, AK. Four crewmembers died and one is missing. “Saving 42 people in the Bering Sea in the winter is an incredible accomplishment,” said Commander Todd Trimpert, 17th Coast Guard District Incident Management Chief and an experienced Alaska rescue pilot. Crews from an H-60 Jayhawk helicopter from St. Paul, an H-65 Dolphin helicopter deployed aboard CGC MUNRO, a C-130 Hercules airplane from Air Station Kodiak and CGC MUNRO from Kodiak rescued 20 crewmembers in 10-foot seas and 25-knot winds while the F/V ALASKA WARRIOR rescued 22. “When we got on scene there was a spread, at least a mile long, of 13 survivors in gummy suits with strobe lights,” said Aviation Survival Technician 2nd Class Obrien Hollow, Coast Guard Air Station Kodiak. “I went down without disconnecting from the helicopter and picked them up one at a time.”

MARINE SAFETY AND ENVIRONMENTAL PROTECTION

Marine Safety

The Coast Guard Marine Safety mission ensures the safety of tens of thousands of U.S. and foreign mariners, millions of passengers on ferries and other vessels, and tens of millions of recreational boaters. By preventing marine casualties, the Coast Guard protects the marine environment from oil spills and the introduction of other harmful substances, and strengthens the economy by minimizing property loss and disruptions to maritime commerce. The Coast Guard is the primary agency responsible for developing and enforcing Federal marine safety regulations, certifying and licensing over 200,000 mariners, promoting safe practices by investigating commercial marine casualties and sharing its findings, and conducting compulsory, as well as voluntary safety exams and inspections.

The Marine Safety mission is also responsible for ensuring the safe and environmentally sound operation of U.S. flagged vessels wherever they are in the world, and exercising Port State control for foreign vessels operating in U.S. waters. The Coast Guard accomplishes this through a multi-faceted approach to include standards development, mariner credentialing, compliance enforcement, investigations and casualty analysis, industry and public outreach, and international engagement.



Petty Officer 3rd Class Christine M. May, a Port State Control examiner from Coast Guard Sector Baltimore, Md., and Marine Inspector LTJG Max M. Murray, inspect a foreign vessel Thursday, Oct. 2, 2008.

The Coast Guard's Marine Safety mission strives to reduce deaths and injuries in all maritime communities, vessels and industry sectors. Each day the Coast Guard conducts thousands of mandated and voluntary inspections and examinations aboard nearly every type of waterborne vessel on the oceans, ports, rivers and lakes. The Coast Guard also promotes Marine Safety by promoting boater education, issuing licenses to commercial mariners, partnering with all industry sectors to promote safety and providing feedback on accident investigations to the maritime public.

FY 2008 Marine Safety Performance Highlights

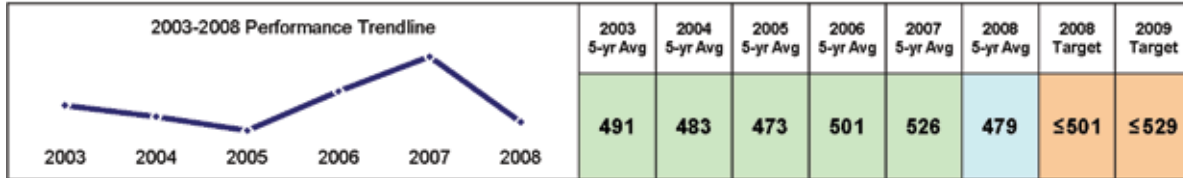
- Conducted over 70,000 commercial inspections of U.S flagged vessels.
- Conducted 4,689 marine casualty investigations, including two Marine Boards of Investigation.
- Opened 60,000 square foot National Maritime Center facility in West Virginia to process mariner licenses, documents and credentials in June 2008. This will improve service delivery to mariners.
- Completed and published new Coast Guard policy letter for the inspection of liftboats and submitted a commercial dive regulation workplan.
- Successfully completed first IMO Voluntary Member State Audit Scheme (VMSAS) audit. Audit scope included Port State (foreign vessel exams), Flag State (domestic vessel inspections, casualty and personnel investigations) and Coastal State (SAR, ATON) activities.
- Nearly 400,000 people successfully completed NASBLA-approved boating safety courses. Improving mariner competency will greatly aid in reducing deaths and injuries in Boating Safety community.
- Boating Safety program issued over \$122M in state grants and over \$6.2M in grants to non-profit organizations.
- Completed enrollment of 52 fish processing vessels in the Alternate Compliance and Safety Agreement.
- Conducted 3,690 underway boardings of fishing vessels for compliance and safety checks.
- Conducted 7,267 dockside safety examinations.
- Established two Centers of Expertise to improve competency and enhance communication with the maritime industry.

FY 2008 Commercial Mariner Safety Performance Results

The Coast Guard uses a 5-year average of deaths and injuries as a measure of commercial mariner safety and an indicator of long-term performance trends in this community. Federal regulations require the owner, agent, master, operator, or person in charge of U.S. flag vessels to notify the Coast Guard of any loss of life or injury requiring professional medical treatment beyond first aid.

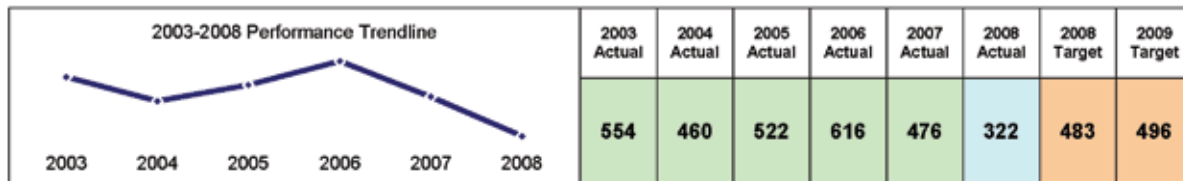
The 5-year average number of commercial mariner deaths and injuries has remained relatively constant over the past several years with year-to-year changes generally reflecting normal variation in annual casualties.

5-year average Commercial Mariner Deaths & Injuries



The Coast Guard received reports of 37 deaths and 285 injuries for a combined total of 322 commercial mariner casualties as of the end of FY 2008, which is significantly less than the 62 deaths and 414 injuries reported for 2007. Though recent results are subject to change they nevertheless remain within expected limits of variation maintained for the past seven years.

Annual Commercial Mariner Deaths & Injuries



More than three-quarters of commercial mariner deaths and injuries are due to incidents where the initial event is a personnel injury such as falling overboard or being struck by an object. About 8% of commercial mariner deaths and injuries are due to incidents where the initial event is a collision, allision, grounding, or maneuverability incident such as loss of steering. About 7% of mariner casualties are due to incidents where the initial event is some type of material failure.

Note: Some reports are delayed in reaching the Coast Guard and results are therefore likely to be revised upwards—the greatest impact affecting recent quarters.

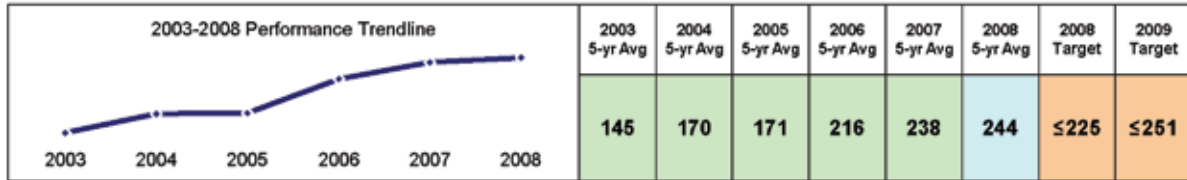
FY 2008 Commercial Passenger Safety Performance Results

The Coast Guard uses a 5-year average of deaths and injuries as a measure of commercial passenger safety and long-term performance for this community. Federal regulations apply and require notification of any loss of life or injury requiring professional medical treatment beyond first aid of commercial passengers.

Commercial passenger deaths and injuries have varied significantly from one year to the next and for the past four years appear to be varying within a new, higher range—causing a corresponding increase in the 5-year average.

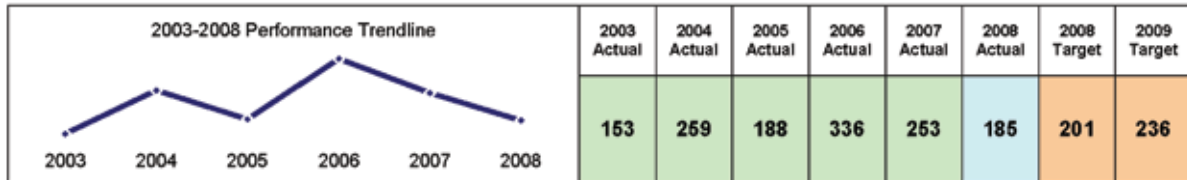
The 5-year average number of commercial passenger deaths and injuries increased to 244 in 2008 from an average of 238 in the preceding year. The Coast Guard attributes the sharp increase in 5-yr average data for the years 2006-2008 to the 112 injuries caused by severe listing on the cruise ship Crown Princess in July 2006. While the 5-yr average appears to be increasing, actual death and injuries in 2007 and 2008 have decreased.

5-year average Commercial Passenger Deaths & Injuries



The Coast Guard received reports of 21 deaths and 164 injuries for a combined total of 185 commercial passenger casualties as of the end of FY 2008, which is a noteworthy improvement over the 28 deaths and 225 injuries reported for 2007 and the lowest single-year total since 2003.

Annual Commercial Passenger Deaths & Injuries



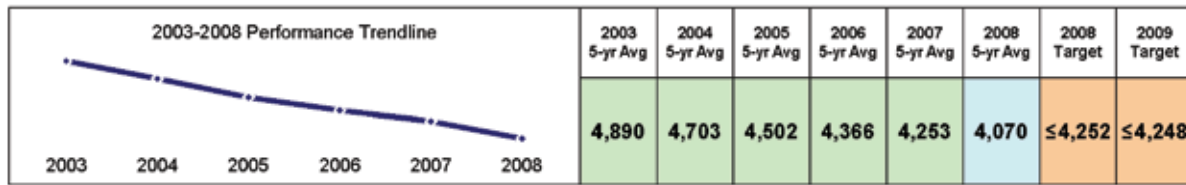
Note: Some reports are delayed in reaching the Coast Guard and results are therefore likely to be revised upwards—the greatest impact affecting recent quarters.

FY 2008 Recreational Boating Safety Performance Results

Deaths and injuries are a measure of marine safety for the recreational boating segment of the American maritime community, and the Coast Guard uses a 5-year average of these to indicate long-term performance trends. Federal regulations require operators or owners of vessels used for recreational purposes to file a Boating Accident Report when a person dies or disappears from the vessel under circumstances that indicate death or injury, or a person is injured and requires medical treatment beyond first aid, or damage to vessels and other property totals \$2,000 or more, or there is a complete loss of any vessel.

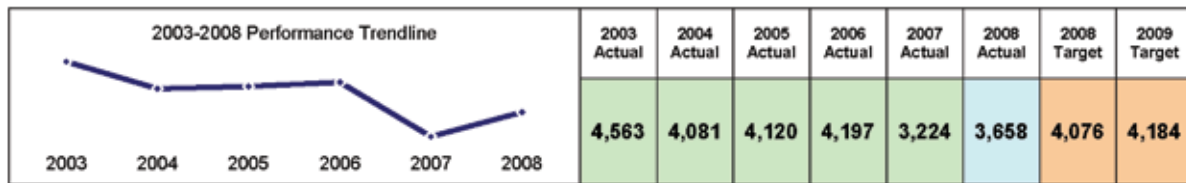
The 5-year average number of recreational boating deaths and injuries continued a steady decline, dropping from 4,253 in 2007 to 4,070 in 2008. Eighty-six percent of reported fatalities occur on boats where the operator was not reported to have received boating safety education. Issues which safety education seeks to address—operator inattention, not maintaining a proper lookout, carelessness, reckless operation, and excessive speed—are primary contributing factors in all reported accidents. Overall, in two-thirds of all fatal boating accidents, the victims drowned. Of those who drowned, 90% of the victims were not wearing a life jacket. Alcohol use is a significant contributor in over 20% of boating fatalities.

5-year average Recreational Boating Deaths & Injuries



There were 761 fatalities and 2,897 injuries reported at the end of FY 2008 for a total of 3,658 casualties. Fatalities over the past few years varied slightly around an average of 690 and the improving trend in combined boating casualties is due to the modest year-to-year decline in reported injuries.

Annual Recreational Boating Deaths & Injuries



Note: 2008 actual results are based on reports submitted by State authorities that require validation. The Coast Guard expects further review of these 2008 reports will reveal a decrease in deaths and an increase in injuries, resulting in a probable net increase in the 2008 Actual Number.

Marine Environmental Protection

The Coast Guard’s Marine Environmental Protection mission protects the marine environment by preventing the discharge of oil or hazardous substances into U.S. and international waterways, stopping unauthorized ocean dumping, and averting the introduction of invasive species. The Coast Guard accomplishes this mission through its prevention and response activities. The Coast Guard develops regulations and operating standards for domestic vessels and marine facilities; represents the United States at the International Maritime Organization as an advocate for responsible international environmental and operational standards; and Coast Guard personnel stationed around the country enforce standards by conducting periodic examinations, inspections, and boardings. When accidents do happen, the Coast Guard responds in partnership with other Federal agencies, state and local governments, and the maritime industry to ensure the impacts of a spill are minimized.

FY 2008 Marine Environmental Protection Performance Highlights

- Conducted over 11,000 Port State Control Examinations, which included examination of Ballast Water for elimination of aquatic nuisance species, testing Oil Water Separators so no oil is discharged into the ocean as well as other pollution prevention and vessel safety activities.
- Investigated almost 4,000 pollution incidents.
- Conducted nearly 17,000 facility safety inspections and 20,000 container inspections.
- Incorporated the M/V COSCO BUSAN Incident Specific Preparedness Report (ISPR) lessons learned into an improved response policy, which aligns response planning at local, state, and Federal levels.
- Implemented a Concept of Operations for implementation of the National Response Framework to improve incident management.
- Awarded contract to Homeland Security Institute for an independent evaluation of Marine Environmental Protection mission. This initiative will gather participation and feedback from multiple stakeholders on improving the program.

FY 2008 Performance Results

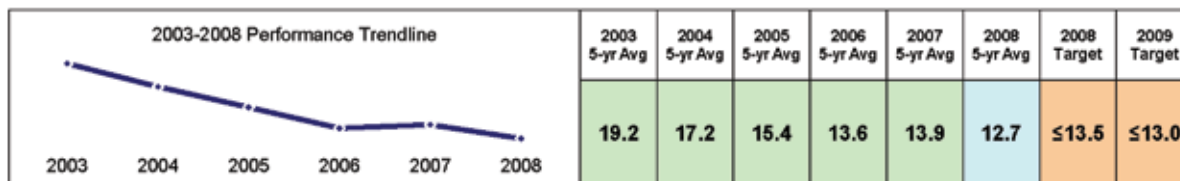
The Coast Guard uses the number of chemical discharge incidents and the number of oil spills greater than 100 gallons as proxy indicators of marine environmental protection, and normalizes 5-year averages of these as indicators of long-term trends. Federal regulation requires vessel or facility operators to report the discharge of any hazardous substance that equals or exceeds reportable quantities and requires the reporting of any discharge of oil or oil products that cause a sheen, discoloration, sludge or emulsion.

Shore facilities account for about 27% of the five-year average of chemical spills and oil spills greater than 100 gallons. Towing vessels and barges account for about 25% while commercial fishing vessels account for 17%.

About 75% of chemical spills and oils spills greater than 100 gallons are accounted for by situations where the initial event is a pollution incident (such as spills occurring during fuel transfer operations) while about 22% occur following an initial event like a vessel collision, allision, grounding, loss of steering, material failure, sinking, flooding, fire or explosion.

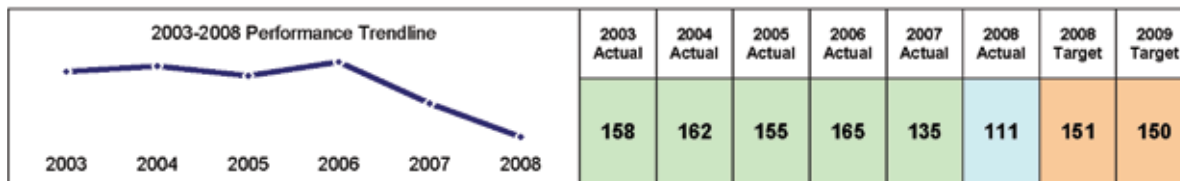
The five-year average number of oil spills greater than 100 gallons per 100 million short tons of oil and oil products shipped has showed a consistent but slowing decline since 2003. Several factors have contributed to this success, including safety regulations in support of OPA 90, better marine transportation system management on behalf of the Coast Guard, better shipboard and navigation technology, increased focus and inspection of transfer operations by Coast Guard personnel, the quality of Coast Guard vessel inspection and Port State Control programs, and societal environmental protection pressures.

Five-year average number of oil spills >100 gallons per 100 million short tons shipped



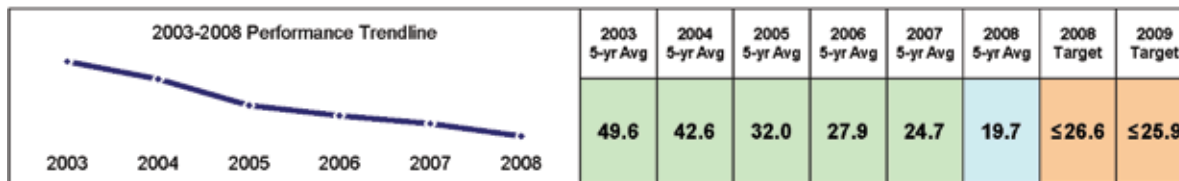
There were 111 oil spills greater than 100 gallons documented as of the end of FY 2008. This is a significant improvement over the 135 reported for 2007 and the greater and relatively constant number recorded between 2003 and 2006.

Annual number of oil spills >100 gallons



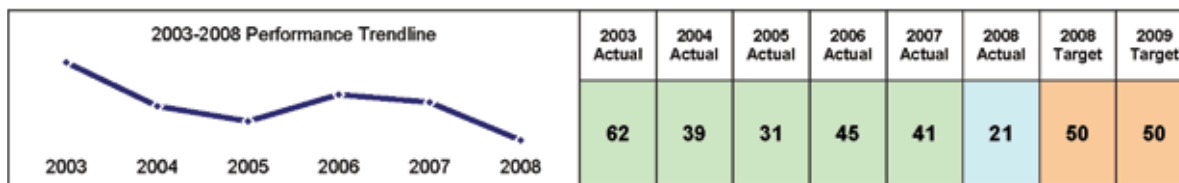
The 5-year average number of chemical discharge incidents per 100 million short tons of chemicals and chemical products shipped continued a trend of consistent improvement in 2008.

Five-year average number of chemical discharge incidents per 100 million short tons shipped



There were only 21 chemical discharge incidents documented as of the end of 2008. This is the lowest incident rate yet reported. This is explained by the same factors attributed to the reduction in oil spills.

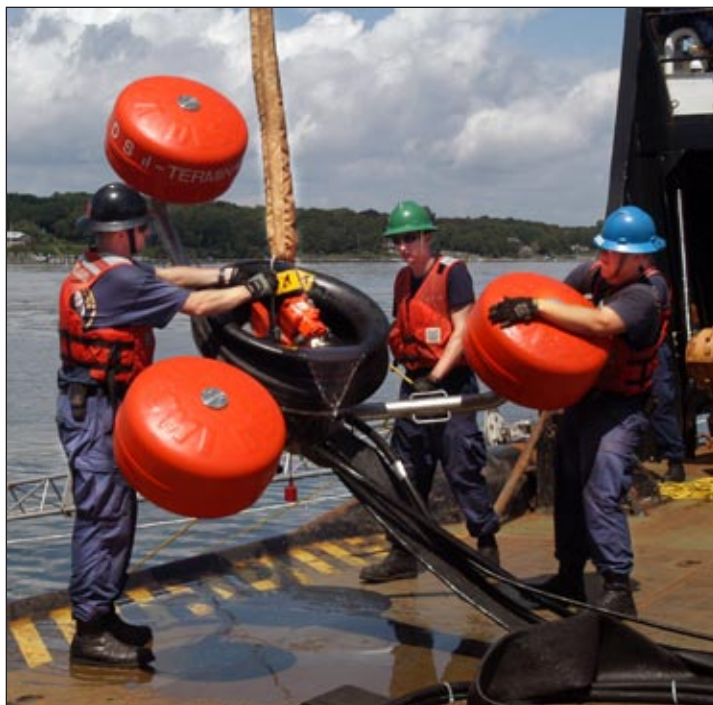
Annual number of chemical discharge incidents



Note: Current results are subject to change due to delays in receiving some reports and the time required to complete some investigations, with the greatest impact affecting recent quarters. Shipping statistics from the Army Corps of Engineers are used to calculate the normalized 5-year averages. This data is not generally available until December following the calendar year and current values are a projection from five years of past data.

In 2009, the Coast Guard plans to have a data collection and reporting system for oil spill mitigation. The performance measure for the Coast Guard’s response to oil spills will be “the percent of oil removed or otherwise mitigated as compared to the amount of oil released for reported spills of 100 gallons or more.” The FY 2009 target for this measure will be 16%.

NARRAGANSETT BAY, R.I. – Crew members of Coast Guard Cutter JUNIPER bring the weir oil skimmer onboard the 225-foot buoy tender during an oil spill exercise in Narragansett Bay Friday, August 8, 2008. The tri-float design of the skimmer increases stability, allowing it to skim oil into a 13,200 gallon floating storage unit. The JUNIPER crew participates in oil spill training annually to maintain proficiency on the cutter’s spilled oil recovery system.



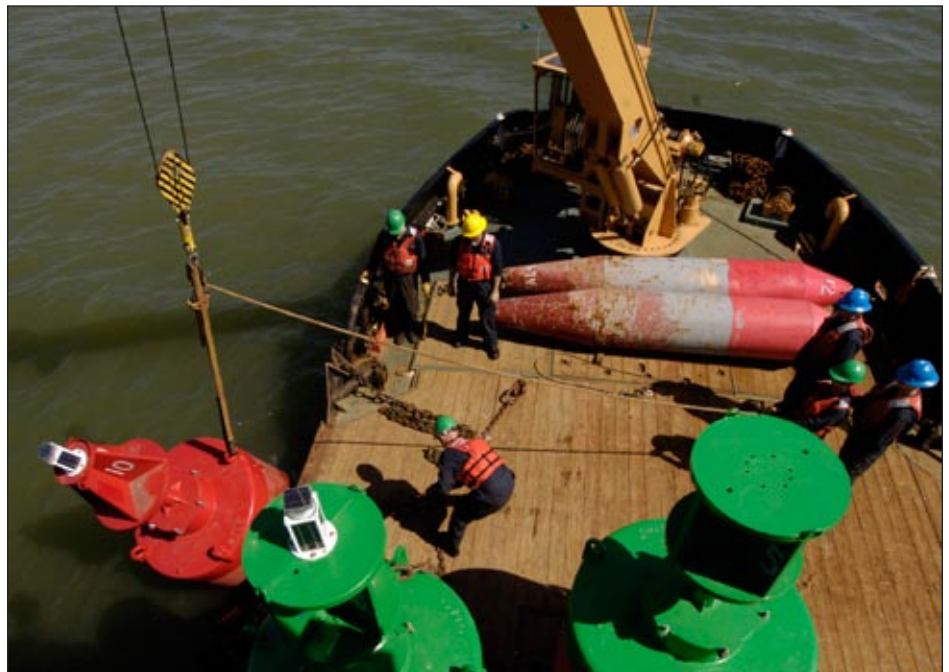
WATERWAYS MANAGEMENT

The Coast Guard works in concert with other Federal agencies, state and local governments, marine industries, maritime associations, and the international community to optimize use and champion development of the Nation's marine transportation system. It enhances current and future waterways capacity, reduces navigation safety risk, facilitates environmentally sound maritime commerce, and restores disrupted waterways while at the same time balancing competing waterways interests. The Coast Guard minimizes maritime disruptions by assessing and mitigating risks to safe navigation and by maintaining robust multi-mission waterways restoration capabilities after extreme weather events, marine accidents, or terrorist incidents.

The Coast Guard's Waterways Management program leads both the Aids to Navigation and Ice Operations missions. It is organized into three divisions with specific responsibility for bridges, the marine transportation system, and navigation systems. The Bridge Program ensures bridges and causeways over or on the navigable waters of the U.S. do not unreasonably impede the passage of waterborne commerce and other marine traffic. The Marine Transportation System Division oversees domestic and polar icebreaking policies and procedures, formally collaborates with Federal, state, and local agencies, industry, and other stakeholders on navigation safety issues, and regulates pilotage service on the Great Lakes. The Navigation Systems Division provides navigation information, visual and electronic aids to navigation, and vessel traffic management services.

Aids To Navigation (ATON)

The Waterways Management Program applies a robust strategy to navigation safety that directly carries out the Aids to Navigation mission through a combination of elements including visual and electronic navigation signals and through regulations that comport with internationally agreed upon standards. While the visual aids to navigation system element is most commonly associated with this mission, the Coast Guard provides a range of services that impacts the Aids to Navigation mission. For instance, the Bridge Program has responsibility for requiring and approving lighting and marking of bridges. The Marine Transportation System Division is responsible for the Harbor Safety Committee program that brings together waterways users, Federal, State, and local governments to discuss mobility concerns and recommend improvements such as aids to navigation, icebreaking, vessel traffic management, and safety and security issues. It is in the application of these various waterways management elements that the Coast Guard fulfills its Aids to Navigation mission.



SAULT STE. MARIE, Mich. (April 21, 2008) – Coast Guard Cutter BUCKTHORN crew works on their wooden deck with a navigational aid during operation Spring Restore.

FY 2008 Performance Highlights

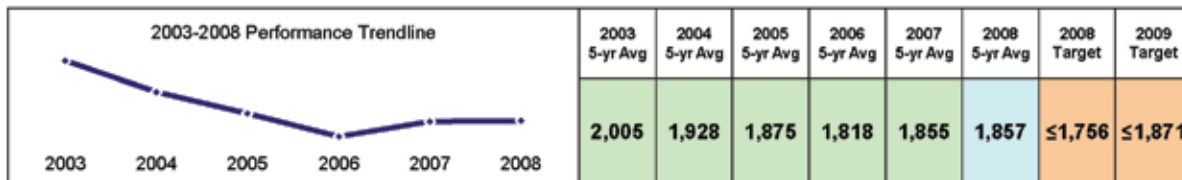
- The 5-year average of combined reportable collisions, allisions, and groundings has declined by 23% since peaking in 1998.
- Distinct collision, allision, and grounding events have each demonstrated long-term decline. FY08 marked the lowest number of reportable maritime collisions in the United States since the Coast Guard began tracking this item in 1994.
- Achieved 98.3% Federal Short-Range Aids to Navigation Signal Availability rate exceeding the international standard of 95.0% for reliable visual aids to navigation systems and Coast Guard target of 97.5%.
- Inland River Buoy & Construction Tenders and Aids to Navigation Teams played a critical role opening waterways to commerce after major flooding events throughout the Mississippi River System. Events disturbed over 2,200 miles of Federal waterways, displaced more than 3,500 buoys, and destroyed over 330 fixed ATON structures.
- Played critical part in rapidly restoring Houston ship channel and other Gulf ports to full operation after they were closed by Hurricanes Ike and Gustav which caused more than 1,200 ATON discrepancies.
- Center for Naval Analyses completed a comprehensive independent evaluation of the Coast Guard Waterways Management Program, which concluded the program is effective in its mission performance.
- Led interagency development of and published first-ever National Strategy for the Marine Transportation System.
- Revised 123 drawbridge schedules and managed the redesign of six bridges to improve marine and surface transportation efficiency.
- Conducted Ports and Waterways Safety risk assessments for New York (third busiest port in the U.S. in terms of vessel traffic), San Francisco (fifth busiest) and Cincinnati.

FY 2008 Performance Results

The Coast Guard uses the combined number of reportable collisions, allisions (vessels striking fixed objects), and groundings as a proxy indicator of disruptions to maritime commerce and the 5-year average of these as an indicator of the long-term trend.

There were a combined 1,859 reportable collisions, allisions, and groundings in FY 2008 compared to 2,025 in 2007. The 5-year average of 1,857 for 2008 barely changed from the 1,855 average last year. The 5-year average has remained relatively constant for the past four years, but has improved by 23% since 1998. This favorable trend reflects the program’s success in limiting disruptions to waterways and enhancing capacity and safety despite vessel traffic increases, which have risen by more than 10% since 2002 (measured in terms of total vessel transits, deadweight tonnage and waterborne commerce).

5-year Average Number of Collisions, Allisions, and Groundings



The Coast Guard also measures the hours short range Aids to Navigation are available based on an international measurement standard established by the International Association of Marine Aids to Navigation and Lighthouse Authorities. A short range Aid to Navigation is considered as not being available from the initial time a discrepancy is reported until the time the discrepancy is corrected.

FY 2008 Performance Highlights

- Coast Guard domestic icebreakers and Canadian icebreakers kept waterways open for commercial traffic and assisted 680 ice transits, enabling the transport of over \$2B worth of cargo.
- In the busiest iceberg season in a decade, the International Ice Patrol facilitated safe maritime commerce by broadcasting location information on 1,029 icebergs crossing south of 48 degrees North latitude to vessels in the Northwest Atlantic.
- Coast Guard Cutter HEALY supported national science and research objectives, including mapping of the Arctic Ocean floor to determine the extent of the U.S. continental shelf and studying trends in climate change, polar ice formation, Arctic ecosystems, and marine mammal habitats.
- Coast Guard domestic icebreakers minimized the flooding threat to the communities of Monroe, MI; Fairport, OH; Ashtabula, OH; and Conneaut, OH, by breaking ice dams and preventing the need for emergency flood response during extreme cold weather.
- Conducted icebreaking on the Hudson River to ensure vital home heating oil deliveries were made.
- Conducted flood relief on the Kennebec River in the Northeastern United States, as well as recorded 19 direct assists with icebreaking efforts in the St. Lawrence Seaway in response to Canadian requests.

FY 2008 Performance Results

The days critical waterways are closed due to ice are used as a measure of Coast Guard Icebreaking impact on preventing ice-related disruptions to maritime commerce. The measure tallies the annual number of days critical Great Lakes waterways are closed with the St. Mary's River as the reference point. A closure is a period of 24 or more hours during which a waterway is closed by a Vessel Traffic Service or Captain of the Port, or blocked by a beset vessel. Closure day targets are negotiated with Great Lakes Marine Transportation System stakeholders, and are relative to winter severity. The standard is 2 days in an average winter and 8 days in a severe winter.

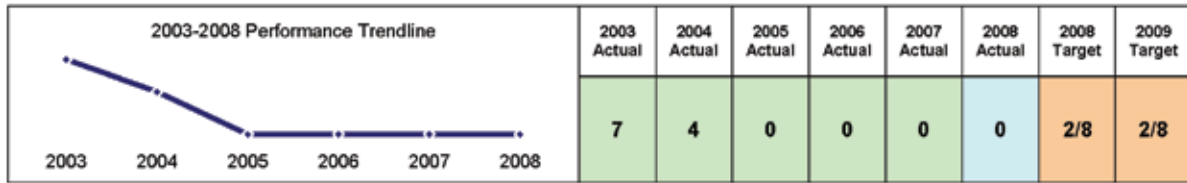


Coast Guard Cutter KATMAI BAY breaks ice for freighters navigating through the St. Mary's River in the Great Lakes. During winter, paths must be made in the ice for freighters to continue shipping goods.

Waterways Management

There were no closure days recorded in FY 2008, and the Coast Guard met its standard of no more than two closure days for this average winter.

Number of Days Critical Waterways are Closed Due to Ice



MARITIME SOVEREIGNTY AND LAW ENFORCEMENT

Living Marine Resources (LMR) Law Enforcement

The Nation's oceans are a significant source of renewable resources. The commercial and recreational fishing industries add over \$185B to the national economy and more than 2 million jobs. The Coast Guard is the lead Federal agency for at-sea enforcement of the nation's fisheries and marine protected species laws and regulations. Living Marine Resources mission requirements are fulfilled through implementation of the Coast Guard's Fisheries Enforcement Strategic Plan, *Ocean Guardian*. The Coast Guard remains the only agency with the maritime authority and infrastructure to project Federal law enforcement presence over the entire U.S. Exclusive Economic Zone, which covers nearly 3.4 million square miles of ocean. The Coast Guard LMR law enforcement mission is designed to ensure compliance with fisheries and marine protected species regulations on domestic vessels through education, outreach, and directed law enforcement actions. These efforts continue to be a necessary element for the nation's Fishery Management Plans, Marine Mammal Take Reduction Plans, and marine sanctuaries to prevent over-fishing, reduce mortality of protected species and protect marine habitats, while maintaining a level playing field for domestic fishers.



FY 2008 Performance Highlights

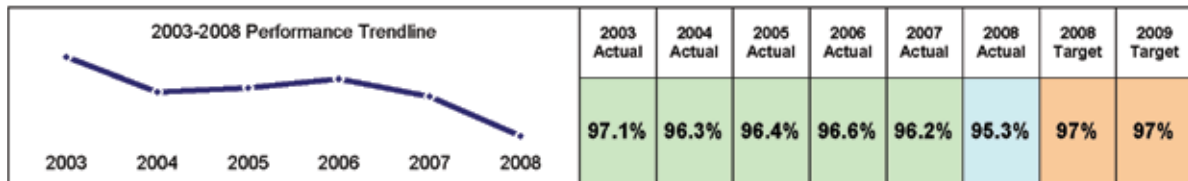
- Conducted 5,623 living marine resource boardings with an observed at-sea compliance rate of 95.3%.
- On July 3, 2008, Coast Guard Cutter DEPENDABLE boarded the F/V PACER while it was fishing for scallops off the Mid-Atlantic coast. Trawl gear on PACER was improperly rigged to comply with conservation measures designed to prevent the harvesting of undersized scallops. In coordination with NOAA, over 7,000 lbs of scallops were seized.
- On November 28, 2007, the Coast Guard conducted a joint operation with the Washington Department of Fish & Wildlife (WDFW) to monitor the opening of the Dungeness crab fishery. A Coast Guard helicopter, with a WDFW officer embarked, documented F/V DORBY deploying crab pots prior to the start of the season. WDFW seized 70 crab pots valued at \$10,000.
- On May 12, 2008, Coast Guard Cutter BONITO conducted a boarding on the F/V MISS HALEY II. BONITO found MISS HALEY II had illegally fished for Golden Tilefish in the Gulf of Mexico during a closed season. BONITO seized 1,300 lbs of illegally taken Golden Tilefish.
- Between June 17 and June 19, 2008, Coast Guard Station Woods Hole conducted a joint operation with NOAA Special Agents targeting the Atlantic Sea Scallop fleet out of Southern New England. During the intelligence-driven operation, the joint boarding team found scallop overages hidden on three general category scallopers. In total, Coast Guard and NOAA seized approximately 1,000 lbs of illegally harvested scallops, valued at over \$14,000, from the three vessels and the captains were charged with making false official statements and obstruction in addition to the illegal retention of scallops beyond the authorized amount.
- On June 24, 2008, Coast Guard Cutter KITTIWAKE boarded the F/V HOLO KAI NUI, while fishing in the Papahānaumokuākea National Monument. The Coast Guard boarding team's review of the vessel's electronic charting system indicated the vessel had engaged in illegally fishing inside the special preservation area within the National Monument. The Coast Guard turned the case over to NOAA.

FY 2008 Performance Results

The Coast Guard uses the percentage of fishing vessels observed at-sea complying with domestic regulations as a measure of the Coast Guard’s impact on enforcement of U.S. fisheries and protected species regulations. The measure reflects the percent of Coast Guard boardings at sea where no significant violations of domestic LMR regulations are detected.

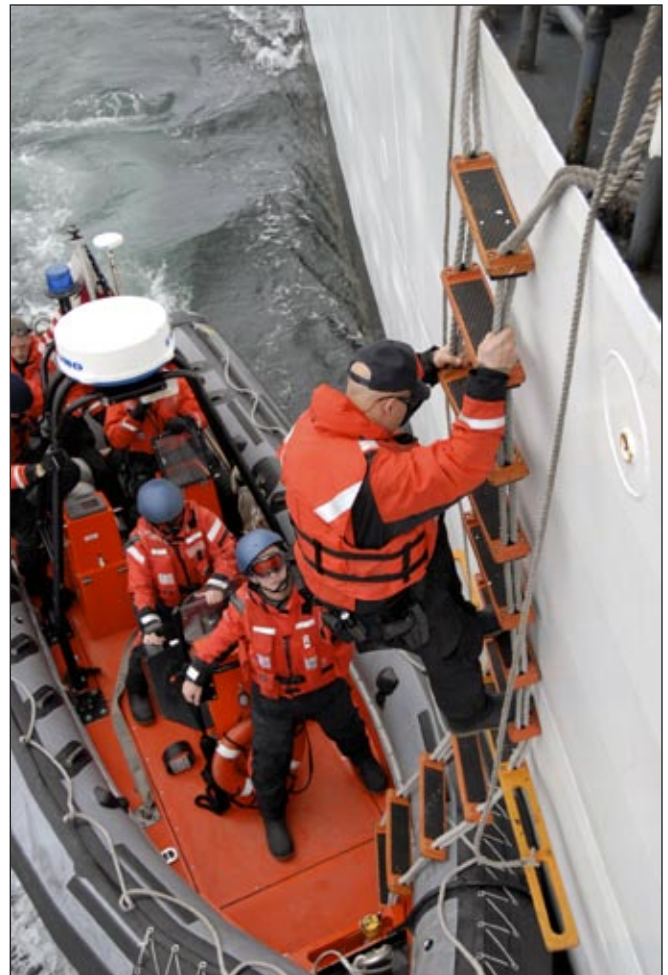
The Coast Guard conducted 5,623 living marine resource boardings in FY 2008. Of these boardings, 267 resulted in the detection of a significant living marine resource violation. The largest portions of significant violations detected were in the Atlantic sea scallop, Gulf of Mexico shrimp, and Northeast multi-species fisheries.

Percent of Fishing Vessels Complying with Federal Regulation



The reduction in the compliance rate from 96.2% in 2007 to 95.3% in 2008 was due primarily to an increase in Coast Guard detected violations resulting from enhanced coordination with agency partners, increased use of available maritime domain awareness tools, and more effective allocation of resources.

The Coast Guard understands there are a host of socioeconomic and environmental factors influencing the behavior and compliance of fishers: natural disasters, changing biomass distribution, market prices, fuel prices, regulatory complexity, and the perceived effectiveness of enforcement and prosecution, to name a few. The Coast Guard is committed to coordinating with NOAA and remaining engaged in the Regional Fishery Management Council process to stay abreast of the many and dynamic behavioral drivers affecting the fisheries industry. Additionally, the Coast Guard will continue to take these factors into account in the continuous process of operational planning and execution.



BARROW, Alaska – A small boat crew from the Coast Guard Cutter HAMILTON prepares to board a fishing vessel in the Arctic Ocean for the first time in the Arctic. The Coast Guard Cutter HAMILTON is the first high endurance cutter to be in Arctic waters for the Coast Guard.

Illegal Drug Interdiction

The Coast Guard's Drug Interdiction mission bolsters the Nation's border security and reduces the harmful effects of illegal drugs on the Nation by combating the maritime flow of these narcotics. As the principal Federal agency for maritime drug interdiction, the Coast Guard reduces the supply of illegal drugs by denying drug traffickers the use of maritime routes and interdicting contraband in the maritime transit zone, a six million square mile area comprised of the Caribbean, Gulf of Mexico, and Eastern Pacific Ocean. The Coast Guard executes a multi-faceted approach including detection and monitoring, interdiction, and international and domestic partnerships to support national strategies. Efforts to disrupt the drug market help stem other criminal-related acts, and deny potential funding sources for terrorism, transnational crime and other illegal activities.

FY 2008 Performance Highlights

- Removed a record 367,926 pounds (166.9 metric tons) of cocaine in FY 2008. In the fourth quarter alone, the Coast Guard disrupted 20 cocaine events and intercepted two Self-Propelled Semi Submersible (SPSS) vessels.
- On January 3rd, 2008 Coast Guard Cutter SHERMAN detected the F/V MERCEDES V, an Ecuadorian flagged fishing vessel, in the Eastern Pacific Ocean over 250 nautical miles northwest of the Galapagos Islands. The vessel was scuttled by its crews but over 236 bales of cocaine floated free from the wreckage. The SHERMAN removed over 26,455 lbs of cocaine as a result of this interdiction.
- On October 24th, 2007 Coast Guard LEDET 407 aboard HMS PORTLAND, a British warship, interdicted the Venezuelan flagged F/V DONA ANTONIETA I in the Eastern Caribbean and removed over 7,330 lbs of cocaine as a result of the boarding. This was a case of outstanding international teamwork, which highlighted the significant benefits of Coast Guard LEDETs deployed aboard partner nations' maritime assets.



On September 13th, 2008, a U.S. Coast Guard Law Enforcement Detachment (LEDET) deployed aboard the USS MCINERNEY, boarded and seized a Self-Propelled Semi-Submersible (SPSS) roughly 500 miles southwest of Puntarenas, Costa Rica in the eastern Pacific Ocean. Drug traffickers are increasingly using SPSSs, vessels with a very low profile designed to easily scuttle (intentionally sink) when detected by the USCG to destroy the contraband and avoid prosecution. In this case, the smugglers attempted to throw the LEDET crew into the sea by erratically maneuvering the SPSS. The LEDET crew quickly recovered and successfully foiled subsequent attempts to scuttle the SPSS. The USCG removed over 11,850 lbs of cocaine and detained four suspected smugglers. With strong Coast Guard advocacy, Congress recently passed legislation criminalizing the operation of undocumented SPSSs on international voyages. The new law gives the Coast Guard another powerful enforcement tool to counter the dynamic strategies employed by transnational Drug Trafficking Organizations.

FY 2008 Performance Results

The Coast Guard measures illegal drug interdiction performance as the percent of cocaine removed—seized by the Coast Guard or jettisoned, scuttled, or destroyed as a result of law enforcement action—relative to the total maritime flow of cocaine not associated with legitimate commerce. The Coast Guard estimates it attained a 33.8% removal rate in FY 2008, surpassing the target of 28%. This estimate is based on the 2007 Interagency Assessment of Cocaine Movement (IACM) report for non-commercial maritime movement. The 2008 IACM report will not be available until summer 2009.

Removal Rate for Cocaine Shipped via Non-Commercial Maritime Means



The Coast Guard will transition to a new measure for FY 2009, which uses the Consolidated Counter-Drug Database (CCDB) for the cocaine flow rate. The CCDB is updated and validated on a quarterly basis, which will allow more timely evaluation and reporting of Coast Guard illegal drug interdiction performance.

Metric Tons of Cocaine Removed



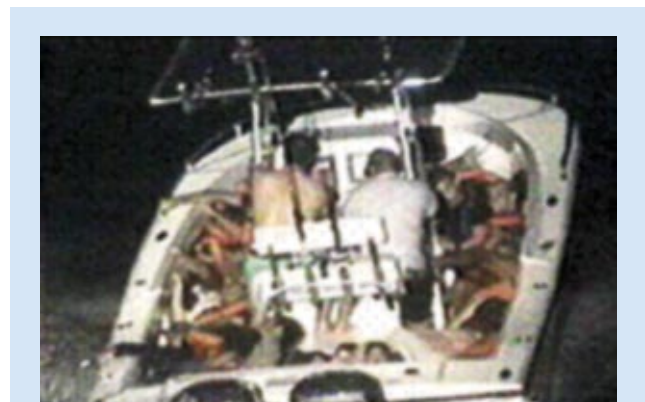
Numerous enforcement partnerships, such as the deployment of Coast Guard Law Enforcement Detachments aboard U.S. Navy and allied warships and increased international, inter-department, and inter-agency cooperation and coordination were critical to the Coast Guard’s successful drug interdiction efforts.

Undocumented Migrant Interdiction

The Coast Guard is the lead agency for enforcement of U.S. immigration laws and policies at sea. The Coast Guard plans and executes coordinated and concurrent operations with domestic and international law enforcement partners to develop a layered defense against undocumented migrants attempting to enter the United States illegally. The goals of the Migrant Interdiction program are to deter undocumented migrants from attempting to enter the United States via maritime routes, interdict those who make attempts, and build regional capabilities to curb the flow on undocumented migrants to the United States.

FY 2008 Performance Highlights

- Interdicted nearly 5,000 undocumented migrants attempting to illegally enter the United States.
- The number of migrants attempting to illegally enter the United States via maritime routes in FY 2008 (9,802) decreased 32% compared to FY 2007.
- Conducted highly successful Homeland Security Task Force - South East (a multi-component/multi-agency) operation targeting go-fast smuggling vessels in the



Migrant smugglers have shifted from traditional slow moving rafts to the aptly named “Go-Fast” vessels. Often outfitted with 2 to 4 high horsepower outboard engines, “Go-Fast” vessels make the average 100 mile transit from Cuba to the Florida Keys in less than 3 hours. Migrant smugglers earn between \$10-15K per migrant averaging \$300K per trip. “Go-Fast” vessels’ speed and ability to blend in with legitimate recreational traffic also make them extremely difficult to interdict at-sea when compared to the traditional raft.

Florida Straits resulting in 40 at-sea interdictions, the capture of 31 migrant smugglers and 718 migrants being interdicted in a two-month period at the end of FY 2008.

- Deployed mobile biometrics collection capability in the Mona Passage (80 mile strait between the Dominican Republic and Puerto Rico) to identify smugglers and repeat offenders for prosecution. This program has collected biometrics data from 1,847 migrants resulting in 165 migrants brought ashore for prosecution and 133 convictions to date.
- Deployed mobile biometrics collection capability in the Florida Straits and collected biometrics data from 141 migrants, resulting in 60 database matches.
- Repatriated 91% of all migrants interdicted at-sea to their country of origin.

FY 2008 Performance Results

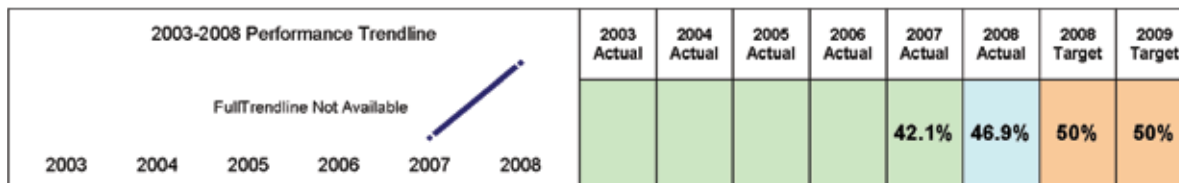
Prior to FY 2008, the Coast Guard’s primary outcome measure for migrant interdiction was the percent of undocumented migrants interdicted or deterred from using maritime routes to enter the United States. Due to uncertainties involved in estimating the number of deterred potential migrants, the primary outcome measure was changed to only the percent of undocumented migrants interdicted. The number of undocumented migrants who attempt to enter the United States via maritime routes is a determination of how many are known/estimated to have entered plus the count of how many were interdicted.

In 2008, 62.7% of the undocumented migrants who attempted to enter the United States via maritime routes were interdicted—46.9% by the Coast Guard.

Percent of Undocumented Migrants who Attempt to Enter the U.S. via Maritime Routes that are Interdicted



Percent of Undocumented Migrants who Attempt to Enter the U.S. via Maritime Routes Interdicted by the Coast Guard



The interdiction rate for Cuban migrants dropped to a low of 38.6% in FY 2008. The dramatic rise in the use of high speed go-fast vessels is the single biggest factor affecting the Migrant Interdiction Rate. The success rate for a go-fast is over 70%, much greater than traditional rafts and other slow-moving homemade vessels. Paying smugglers for go-fast transport across the Florida Straits has become the preferred mode of conveyance for Cuban migrants and accounts for nearly 75% of the Cuban migrants entering the United States via maritime routes. The Coast Guard is attempting to counter this threat with early detection through increased surveillance; new tactics including non-compliant vessel-on-vessel use of force; enhanced interagency operations in coordination with the Homeland Security Task Force-South East; and expanded deployment of high-speed interdiction boats.

The stakes remain high despite recent success, particularly in the Florida Straits. Twenty-five Cuban migrants perished at sea last year during illegal attempts to enter the United States, and intelligence estimates project an increase in overall migrant flow to the United States in FY 2009.

Other Law Enforcement (OLE)

The Other Law Enforcement (OLE) mission is more accurately described as Foreign Fishing Vessel Law Enforcement and contributes to the Coast Guard’s maritime security and stewardship roles. This mission ensures the integrity of the U.S. EEZ, strengthens the deterrence of living marine resource thefts from areas of U.S. jurisdiction, supports the elimination of illegal fishing practices on the high seas, and provides for monitoring compliance with international living marine resource regimes and international agreements to which the United States is party. As worldwide fish stocks continue to decline, incentive increases among foreign fishers to poach the relatively well-managed and more robust U.S. fish stocks. Preventing illegal encroachment by foreign fishing vessels is vital to protecting the integrity of our maritime borders and ensuring the health of U.S. fisheries. The Coast Guard patrols the EEZ boundary areas to neutralize the threat of foreign poaching of U.S. living marine resources. In addition, the Coast Guard monitors compliance with various international agreements to combat damaging high seas Illegal, Unreported, Unregulated (IUU) fishing activity. IUU fishing is linked to negative impacts on maritime and economic security in coastal and regional areas worldwide. The United Nations Food and Agriculture Organization estimates IUU fishing costs nations approximately \$14B annually.

FY 2008 Performance Highlights

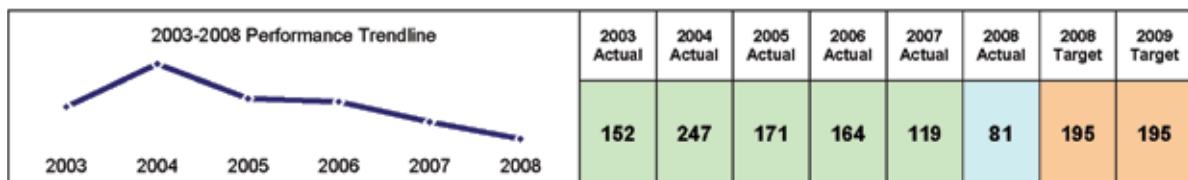
- The number of detected incursions by foreign fishing vessels into the U.S. EEZ fell significantly to 81.
- The number of detected incursions in the US/Mexico Gulf of Mexico EEZ dropped from 99 to 67.
- The number of detected incursions in the vast Western/Central Pacific EEZ decreased from 15 to 12.
- US/Russian Maritime Boundary Line (MBL) activity remained relatively unchanged with one detected incursion. The low number of detected incursions into the U.S. EEZ along the MBL is in large part due to strong deterrence effect created by the Coast Guard’s law enforcement presence.
- Interdicted two Chinese-flagged High Seas Drift Net (HSDN) vessels leading to their seizure by Chinese officials during the 2008 multi-national IUU enforcement campaign, Operation North Pacific Watch.
- Coast Guard Cutter MUNRO conducted the first high seas foreign fishing vessel boarding pursuant to the Western and Central Pacific Fisheries Commission’s (WCPFC) boarding and inspection procedures. Subsequently, Coast Guard Cutters conducted four other boardings of WCPFC members’ vessels. This is an example of the Coast Guard’s action in response to its burgeoning role in strengthening international regimes to counter the deleterious impacts of IUU fishing on the sustainability of living marine resources outside the Nation's EEZ.

FY 2008 Performance Results

The Coast Guard uses the number of detected incursions into the U.S. Exclusive Economic Zone (EEZ) by foreign fishing vessels, and the interdiction rate, as measures of Coast Guard performance in protecting U.S. maritime sovereignty. Incursions detected by both the Coast Guard and other sources are included when these reports are judged by operational commanders as being of sufficient validity to order resources to respond.

There were 81 detected incursions into the U.S. EEZ in FY 2008. The majority of incursions are typically by Mexican lanchas, small passenger motorboats, into the Gulf of Mexico EEZ. There were 67 known incursions of these small, elusive vessels in 2008, which was well below the past three years’ average of 135. The remaining majority of the detected incursions occurred in the Western and Central Pacific EEZ.

Number of incursions into the U.S. Exclusive Economic Zone



The Coast Guard interdicted 10 out of 67 illegal incursions by foreign fishing vessels in the Gulf of Mexico and one out of twelve in the Western and Central Pacific. The Coast Guard also interdicted the one vessel detected along the U.S./Russian Maritime Boundary Line in the Bering Sea, and the single incident in the EEZ surrounding San Juan in the Caribbean. These combined for an interdiction rate of 16%. The Coast Guard remains committed to employing available assets to intercept and interdict vessels illegally fishing in the Nation's EEZ. Significant challenges remain with interdicting lanchas along the Gulf of Mexico EEZ due to the size and limited radar signature of the lanchas and the proximity of their activities to Mexican waters. Continued challenges also exist with regard to illegal incursions in the Western and Central Pacific EEZs in large part due to their remote location.

Interdiction Rate of Foreign Fishing Vessels Detected Violating the U.S. Exclusive Economic Zone



The Coast Guard remains committed to preventing IUU fishing by foreign fishing vessels in the Nation's EEZ and on the High Seas. The Coast Guard assisted with the development of stronger international regimes to combat IUU fishing by participating in regional multilateral forums such as the Western and Central Pacific Fisheries Commission, the North Pacific Anadromous Fisheries Commission, the North Pacific Coast Guard Forum, and fostering strengthened bilateral partnerships with Chinese, Canadian, Russian, and Mexican enforcement agencies. Finally, the Coast Guard initiated, negotiated, and finalized permanent bilateral ship-rider and ship-boarding agreements with the Federated States of Micronesia, Republic of the Marshall Islands, Cook Islands, Kiribati, and Palau. These agreements marked a significant achievement in continuing efforts to leverage partnerships in combating illegal activities at sea. The Coast Guard international outreach efforts continue to prove invaluable in safeguarding living marine resources in the U.S. EEZ and on the high seas.



Coast Guard Cutter MUNRO maintains a watchful distance during the first boarding conducted under the authority of the Western and Central Pacific Fisheries Commission (WCPFC). The WCPFC is designed to ensure the long-term conservation and sustainable use of highly migratory fish stocks in the Western and Central Pacific Ocean and has more than 30 participating nations and territories.

MARITIME SECURITY AND COUNTER TERRORISM

Ports, Waterways, & Coastal Security

The goal of the Ports, Waterways, and Coastal Security (PWCS) mission is to reduce terror-related risk in the U.S. maritime domain to an acceptable level. The Coast Guard directs its efforts towards preventing attacks, reducing vulnerability to attacks, and ensuring the capability to respond and recover from attacks that may occur. The Coast Guard's systems approach to PWCS adopts the triad of maritime regimes, domain awareness, and security and response operations. These are carried out in a unified effort with other international, governmental, and private stakeholders.



FY 2008 Performance Highlights

- DHS promulgated the Small Vessel Security Strategy, providing guidance and identifying objectives associated with managing the risk posed by small vessels in U.S. ports. The Coast Guard was the lead component of an interagency drafting team and also hosted regional small vessel security summits on the Great Lakes, Pacific Coast, and in the Northeastern and Southeastern parts of the country.
- The Coast Guard issued the Long Range Identification and Tracking (LRIT) regulation for U.S. flag vessels, and commenced work on the U.S. National Data Center and the interim International Data Exchange. LRIT will give access to global positions of U.S. flag vessels, all SOLAS vessels bound for U.S. ports, and all SOLAS vessels within 1000 nm of U.S. territory, regardless of destination.

- Installed Maritime Automatic Super Track Enhanced Reporting (MASTER) and Comprehensive Maritime Awareness (CMA) vessel tracking systems at Coast Guard Maritime Intelligence Fusion Centers. MASTER and CMA allow for much quicker collaboration and dissemination with maritime security partners.
- The Coast Guard’s International Port Security (IPS) Program helped reduce risk to the U.S. by verifying effective antiterrorism measures are in place in foreign ports and imposing conditions of entry on vessels arriving from ports where security measures are lacking. The IPS Program has visited over 500 ports in more than 135 countries. Conditions of entry have been imposed on seven countries as a result of these visits and on three countries designated as State Sponsors of Terrorism.
- In April 2008, Coast Guard made significant improvements to the Area Maritime Security (AMS) Program. Updated guidance will facilitate the 5-year formal update and approval of the 50 existing Area Maritime Security Plans and implementation of new SAFE Port Act requirements.
- Revised the High Interest Vessel (HIV) targeting matrix to improve selection/categorization of vessels as “high interest.” The revision enabled the Coast Guard to focus its boarding efforts on the highest risk vessels.
- Added 29 new civilian security specialists to help implement SAFE Port Act requirements.
- Updated the list of maritime critical infrastructure and key resources (MCIKR) integrating risk data from the Maritime Security Risk Analysis Model (MSRAM). This focuses MCIKR patrol and inspection activities on high-risk targets.
- Revised the National Response Options Matrix, which provides security response guidance to senior leaders of the Coast Guard and Customs and Border Protection following a transportation security incident.
- Promulgated the Coast Guard Strategic and Performance Plan for Combating Maritime Terrorism (CMT 2.0). This document reflects the maturation of the PWCS mission and aligns with the tenets of the U.S. Coast Guard Strategy for Maritime Safety, Security, and Stewardship.



MSRAM Risk Model Scenario



Threat Attack Probability	X Scenario Consequence		X Vulnerability = Risk
	Primary Consequence +	Secondary Economic Impact	
Intentions & Confidence	Death Injury	Recoverability	Achievability
Capability & Confidence	Primary Economic Impact	Redundancy	System Security - Owner/Operator
Geographic Threat	Symbolic Effect	Secondary Economic Impact	System Security - LEA
	National Security		System Security - USCG
	Environment Impact		Target Hardness
	Response - Owner/Operator		
	Response - Local 1st Responder		
	Response - USCG		

Prioritizing security risk from terrorist attacks between vastly different critical infrastructure and key resource assets is a complex task. The U.S. Coast Guard’s MSRAM has demonstrated its worth as a tool that provides analysis to support risk management decisions in the execution of the PWCS mission. MSRAM has proven valuable at guiding decision-makers in the allocation of scarce security resources and conducting preparedness exercises where they will have the greatest impact in reducing risk. MSRAM data also plays a significant role in the distribution of port security grant funding by enabling DHS to compare various ports and determine which ports have the highest risk.

FY 2008 Performance Results

The Coast Guard uses several risk reduction measures as indicators of maritime security performance. Mission managers assess various security scenarios and estimate associated threat, vulnerability, and consequence levels to generate a proxy value of risk in the maritime domain. The analysis then focuses on those areas of risk within the Coast Guard’s roles and strategic mandates. Coast Guard interventions—regime and awareness activities, and security and response operations—are evaluated to determine the percent reduction in risk the Coast Guard is able to influence.

In FY 2008, improvements in regime and maritime domain awareness activities and security and response operations contributed to a 20% risk reduction in terrorism-related maritime risk the Coast Guard is able to influence. This exceeded the target of 15% risk reduction. It is important to note that in FY 2008, the outcome measure methodology matured, enabling specific contributions of the International Port Security Program and the Maritime Security Risk Analysis Model to be better quantified.



Crewmembers from Maritime Safety and Security Team (MSST) 91105 maneuver a 25-foot Response Boat Homeland Security craft as they prepare to escort Coast Guard Cutter EAGLE on July 22, 2008. MSSTs enforce security zones, port state control boardings, protection of military outloads and major marine events, augment shoreside security at waterfront facilities, detect WMD weapons/agents and participate in port level antiterrorism exercises. MSSTs also provide enhanced port safety and security and law enforcement capabilities to the economic or military significant port where they are based or where they are deployed.

Percent Reduction in Terrorism-Related Maritime Risk the Coast Guard is able to influence



The Maritime Transportation Security Act of 2002 (MTSA) requires owners and operators of certain vessels and facilities to have security plans that are subject to periodic review. Operators self-report and their information is verified by Coast Guard inspectors. There are approximately 3,382 MTSA regulated entities in the Coast Guard database, and per the SAFE Port Act, each facility receives a minimum of two compliance inspections each year, one of which is unannounced. A total of 8,369 MTSA compliance inspections were conducted in FY 2008, which is more than 100% of the requirement.

MTSA Annual Required Inspection Rate



Defense Readiness

Since its inception more than 210 years ago, the Coast Guard has served the nation as one of the five armed forces, participating in all of the Nation's major armed conflicts including Operation Iraqi Freedom and Operation Enduring Freedom. The Coast Guard continues to build upon this tradition as an independent service and as a specialized service under the Navy when directed by the President, or upon declaration of war. The Coast Guard's distinctive authorities and expertise as a multi-mission, military, and law enforcement service provide it with unique capabilities, which the Department of Defense frequently leverages to support Combatant Commander priorities. The Coast Guard has a broad scope of missions detailed in the Memorandum of Agreement between the Department of Defense and Department of Homeland Security ("Use of U.S. Coast Guard Capabilities and Resources in Support of the National Military Strategy"). From nuclear submarine escorts here at home to operations in the Arabian Gulf, the Coast Guard remains a key instrument of National power in protecting the United States and its allies from maritime threats.



FY 2008 Performance Highlights

- Continued the deployment of six patrol boats, two Law Enforcement Detachments (LEDETs), and their supporting and command elements in the Arabian Gulf to bolster the naval component commander's ability to secure the sea-lanes, prosecute terrorism at sea, train Iraqi naval forces, and protect Iraq's vital offshore oil infrastructure.
- PSU 309 deployed to the Middle East with the Navy's Maritime Security Squadron 4 (MSRON 4) to support Operation Iraqi Freedom point defense and harbor security operations in Kuwait.
- Provided an assessment of the port Umm Qasar to provide a blueprint for moving the port toward International Ship and Port Facilities Security (ISPS) compliance, an important first step in making Iraq's largest port more commercially productive.
- Coast Guard Cutter DALLAS deployed to Europe and Africa under Commander, 6th Fleet. DALLAS played a vital role in Operation Assured Delivery by delivering over 30 tons of food and relief supplies to the port of Batumi, Georgia during the country's conflict with Russia. During the deployment, DALLAS visited several countries on each continent to provide training to allied navy and coast guard personnel and to engage in international outreach activities.

- Coast Guard Cutter MORGENTHAU provided hands on training covering law enforcement, damage control, and search and rescue to navy and coast guard personnel from the Philippines, Brunei, Thailand, Singapore, Malaysia, and Indonesia as part of Cooperation Afloat Readiness and Training (CARAT).
- Coast Guard personnel provided security for nearly 500 U.S. military outload evolutions, which provided supplies to support Operation Iraqi Freedom and Operation Enduring Freedom.
- Established Maritime Force Protection Units (MFPU) in Kings Bay, GA, and Bangor, WA, to support Nuclear Weapons Security initiatives with dedicated escort force packages for transiting nuclear submarines.

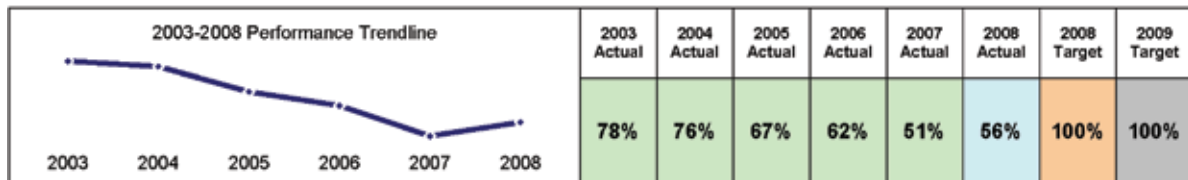
FY 2008 Performance Results

The Coast Guard provides available forces when requested by the Department of Defense (DOD). The readiness of Coast Guard units to support DOD requests is populated in the Navy’s Status of Resources and Training System (SORTS). SORTS reflects the readiness of Coast Guard units using a 1 to 4 scale where C1 equals maximum readiness to meet Combatant Commander operational plan requirements and C4 equals not ready.

The Coast Guard did not meet its 100% target for all required units rated C2 or better in FY 2008. Although the Coast Guard’s readiness level did rise slightly to 56% from 51% in 2007, Port Security Unit (PSU) readiness and the declining readiness of high endurance cutters due to their age and increasing equipment casualties continue to significantly impact the Coast Guard’s ability to meet its target.

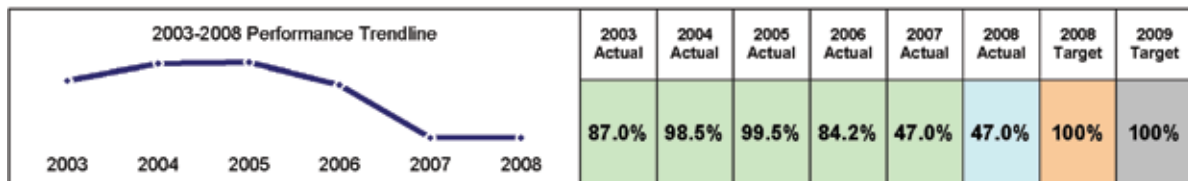
Note: The Future Years Homeland Security Program reports the FY 2009 target as 100%. The Coast Guard is reviewing its Defense Readiness metrics through its Mission Performance Plan process to determine what potential changes if any need to be made to its Mission Performance Plan to support the OMB FY 2008 PART Guidance.

Percent of time Required-Units were rated C2 or better



The readiness of the Coast Guard’s high endurance cutter fleet has historically presented a significant challenge to mission performance. Although overall high-endurance cutter readiness remained at 47% for 2008, it dropped to a low of 21.5% in the fourth quarter. Systems, personnel, and training issues are being addressed in part by the Deepwater acquisition program. These new assets will yield enhanced system-wide capability for all missions including defense readiness.

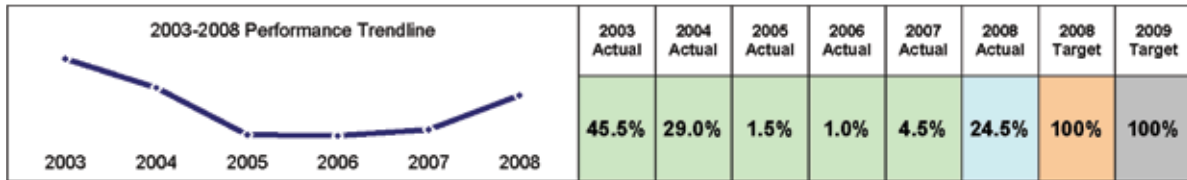
Defense Readiness of High Endurance Cutters



Port Security Unit readiness improved from 4.5% in 2007 to 24.5% in 2008, but remained well below standards. Low PSU readiness is due in large part to skills shortages and training deficiencies. Shortfalls continue with personnel rotation, training quotas, and equipment.

The Deployable Operations Group (DOG) assumed responsibility as the force manager and force provider for PSUs in 2007. Consolidating Port Security Unit management at the DOG has allowed increased focus on these reserve units and is contributing to an improvement in readiness.

Defense Readiness of Port Security Units



Six 110' Patrol Boats remained deployed in Southwest Asia in 2008, logging over 21,500 hours in support of U.S. Central Command. Aging hulls and mechanical systems makes it increasingly difficult to maintain Patrol Boat readiness standards—many of these assets are more than 20 years old and past their intended service life. Despite these barriers, the Coast Guard only missed the Patrol Boat readiness target by 5%. Patrol Boat readiness is being addressed in part by the Coast Guard's Deepwater major acquisition program, which includes a new class of Patrol Boats, the Fast Response Cutter (FRC). The contract was awarded in September for the design and construction of the FRC, with up to 34 vessels to be built. The first FRC is scheduled to be delivered in 2011.

Defense Readiness of Patrol Boats



NORTH ARABIAN GULF – Two Coast Guard LEDET 106 team members wait for other team members to depart after completing a boarding of a tanker ship in the North Arabian Gulf. LEDET 106, is deployed in the North Arabian Gulf to help train Iraqi Navy and Marine personnel in boarding procedures and tactics.

“The Guardian Ethos”

I am America’s Maritime Guardian.

I serve the citizens of the United States.

I will protect them.

I will defend them.

I will save them.

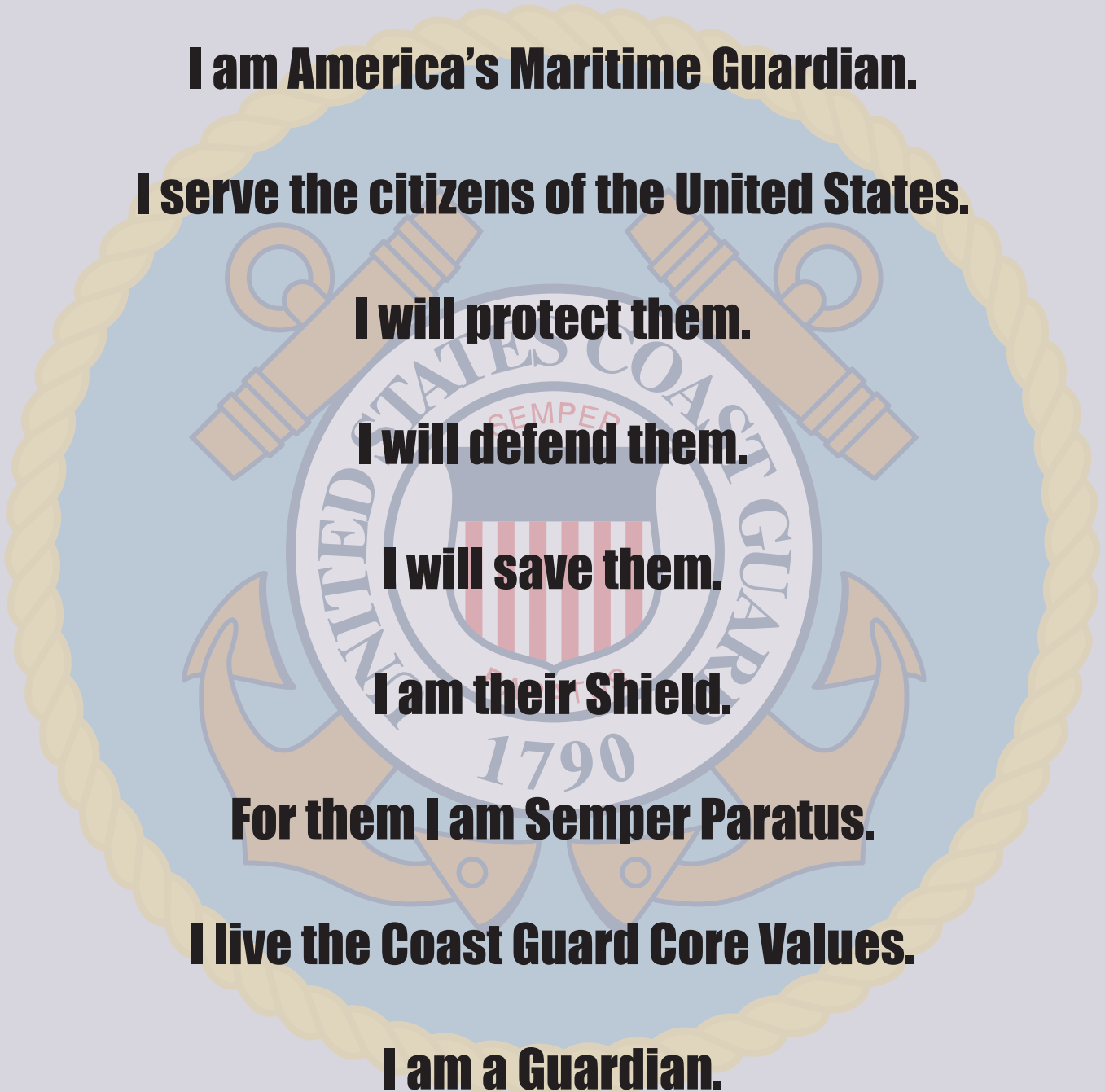
I am their Shield.

For them I am Semper Paratus.

I live the Coast Guard Core Values.

I am a Guardian.

We are the United States Coast Guard.





U.S. COAST GUARD

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