

DEPARTMENT OF TRANSPORTATION

UNITED STATES COAST GUARD

STATEMENT OF

REAR ADMIRAL RICHARD P. CUERONI

COMMANDER, SEVENTH COAST GUARD DISTRICT

BEFORE THE SENATE COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON TRANSPORTATION

AT MIAMI, FLORIDA

ON 03 APRIL 1986

TIME OF THE LAST HEARING TO APPROXIMATELY TWENTY SEVEN AT THIS TIME. WHEN THE CAPTAIN OF THE PORT IMPLEMENTED THE HURRICANE PREPAREDNESS CONTINGENCY PLAN IN NOVEMBER OF LAST YEAR, AS HURRICANE KATE THREATENED THE MIAMI AREA, THE CUSTOMS SERVICE REACTED QUICKLY AND CHECKED ALL VESSELS IN THEIR CUSTODY TO ENSURE THEY WERE ADEQUATELY MOORED TO WITHSTAND THE EXPECTED WINDS AND TIDES.

IN THE AREA OF DOCUMENTATION, I AM PLEASED TO STATE THAT THE SEVENTH COAST GUARD DISTRICT SIGNED, ON 23 SEPTEMBER 1985, A MEMORANDUM OF UNDERSTANDING WITH THE STATE OF FLORIDA CONCERNING RECREATIONAL VESSEL DOCUMENTATION/REGISTRATION. THIS INITIATIVE PROVIDES FOR THE TEMPORARY REGISTERING OF RECREATIONAL VESSELS WITH THE STATE OF FLORIDA DURING THE VESSEL DOCUMENTATION PROCESS. THIS HAS GREATLY IMPROVED THE DOCUMENTATION OF RECREATIONAL VESSELS INCLUDING THOSE CUSTOMS SEIZED VESSELS THAT HAVE BEEN OBTAINED THROUGH JUDICIAL FORFEITURE. RECENTLY, THE COMMANDANT RECEIVED A LETTER FROM THE COMMISSIONER OF CUSTOMS, OUTLINING PROBLEMS THAT HAVE ARISEN WITH ADMINISTRATIVE FORFEITURES. IN PARTICULAR, HE NOTED THAT CURRENT COAST GUARD REGULATIONS DO NOT PERMIT CERTAIN VESSELS ADMINISTRATIVELY FORFEITED TO OBTAIN LICENSES FOR THE COASTWISE, GREAT LAKES, AND FISHERIES TRADES. THE INABILITY TO RECEIVE SUCH LICENSES HAS HAD A SIGNIFICANT IMPACT ON THE MARKETABILITY OF ADMINISTRATIVELY

FORFEITED VESSELS. THEREFORE, HE ASKED THE COAST GUARD TO REEVALUATE OUR DOCUMENTATION REGULATIONS.

TWO PARTICULAR PROBLEM AREAS HAVE ARISEN. FIRST, 46 U.S.C. 12106-108 PROVIDE THAT A VESSEL MAY BE ISSUED A LICENSE FOR THE COASTWISE, FISHERIES OR GREAT LAKES TRADES IF IT IS "ADJUDGED TO BE FORFEITED FOR A BREACH OF THE LAWS OF THE UNITED STATES." THE COAST GUARD REGULATIONS ARE BASED ON A LONGSTANDING INTERPRETATION, ORIGINALLY PROMULGATED WHEN THE BUREAU OF MARINE INSPECTION AND NAVIGATION, AND THE CUSTOMS SERVICE, WERE RESPONSIBLE FOR DOCUMENTATION, THAT THE TERM "ADJUDGED TO BE FORFEITED" IS LIMITED TO JUDICIAL FORFEITURES. A SECOND PROBLEM AREA CONCERNS WHETHER A FORFEITED VESSEL IS WIPED FREE AND CLEAR OF PRIOR LIENS AND MORTGAGES, AS IT WOULD BE FOLLOWING AN IN REM ADMIRALTY SALE. WE ARE IN THE MIDST OF A THOROUGH LEGAL ANALYSIS OF THESE ISSUES, WHICH INCLUDE CONSULTING WITH THE CUSTOMS SERVICE, THE OFFICE OF THE SECRETARY OF TRANSPORTATION, AND WITH AFFECTED PROGRAMS WITHIN OUR SERVICE. WE EXPECT TO COMPLETE OUR REVIEW SOON.

I WOULD BE HAPPY TO RESPOND TO ANY FURTHER QUESTIONS YOU MAY HAVE.