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THESIS

CONTINGENCY-FOCUSED FINANCIAL MANAGEMENT AND LOGISTICS FOR THE U.S. COAST GUARD

by

Benjamin D. Berg

December 2008

Thesis Advisor: Robert Bach
Second Reader: Paul Baca

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The Coast Guard has had significant success conducting response operations during major contingencies. And yet, mission execution has been buoyed and supported in an ad hoc fashion by the logistics and financial management structure of the organization. Should ad hoc efforts fail in the future, the Coast Guard may find itself unprepared for managing the logistical and financial challenges of widespread contingencies. Shortfalls in the existing approach to contingency preparedness include: a lack of contingency-based financial and logistics policies, unprepared contingency cost accounting mechanisms, a non-resilient financial management community, a lack of geographically focused logistics plans for a range of contingencies and, operational and logistical professionals are not adequately trained for contingency resource management.

Qualitative research and reviews of after action reports indicate that there are solutions to these challenges. Recommendations include establishing policy on cost tracking, pre-contracting and rapid procurement, modifying the financial systems readiness to track costs, developing an information sharing and collaborative construct with other units and agencies using a Contingency Logistics Planning Group (CLPG), building resilience in contingency procurement through Advanced Readiness Contracting, meeting the "human aspects" of business continuity planning and, reconfiguring the long-term training plan for planners, logisticians and procurement personnel.

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CONTINGENCY-FOCUSED FINANCIAL MANAGEMENT AND LOGISTICS FOR THE U.S. COAST GUARD

Benjamin D. Berg
Lieutenant Commander, United States Coast Guard
B.S., United States Coast Guard Academy, 1995
M.B.A., College of William & Mary, Graduate School of Business, 2001

Submitted in partial fulfillment of the
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**NAVAL POSTGRADUATE SCHOOL
December 2008**

Author: Benjamin D. Berg

Approved by: Robert Bach
Thesis Advisor

Paul Baca
Second Reader

Harold A. Trinkunas, PhD
Chairman, Department of National Security Affairs

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ABSTRACT

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LCDR Matthew Lake, Logistics Officer, CG Sector St. Petersburg

CDR Darran McLenon, Comptroller, CG Training Center Yorktown

LCDR Mark Marchione, Comptroller, CG Training Center Petaluma

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Mr. Dean Matty, Logistics Branch, Maintenance and Logistics Command Atlantic

Mr. Scott Ogan, Comptroller, CG Integrated Support Command St. Louis

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LCDR Dennis Svatos , Comptroller, CG Integrated Support Command San Pedro

Ms. Jeanie Thorne, Contracting Section Chief, MLCA(fcp-1), Maintenance & Logistics Command (MLC) Atlantic,

CDR Jim Wierzbicki, Comptroller, CG Integrated Support Command (ISC) Miami

Mr. Lewis Winston, Logistics Branch, Maintenance and Logistics Command Atlantic

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EXECUTIVE SUMMARY

The Coast Guard has had significant success conducting response operations during major contingencies. And yet, mission execution has been buoyed and supported in an ad hoc fashion by the logistics and financial management structure of the organization. Should ad hoc efforts fail in the future, the Coast Guard may find itself unprepared for managing the logistical and financial challenges of widespread contingencies. Shortfalls in the existing approach to contingency preparedness include: a lack of contingency-based financial and logistics policies, unprepared financial management and cost accounting mechanisms, a non-resilient financial management community, a lack of geographically-focused and inter-agency logistics plans for a range of low-probability, high-consequence contingencies and, operational and logistical professionals are not adequately trained for contingency resource management.

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This thesis work concludes by studying the potential stakeholders involved in implementing the recommendations, as well as laying out the steps for change management.

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I. INTRODUCTION

> In preparing for battle I have always found that plans are useless, but planning is indispensable.
>
> General Dwight D. Eisenhower

A. THE COAST GUARD IN AN ERA OF CHALLENGES

The Coast Guard has a history of exemplary operational performance in times of national crisis and catastrophe. Organizational culture, built upon more than 218 years of experience serving and saving the public, has continued to foster a mindset of 'others before self' and 'respond now, clean up later.' This culture leads even the youngest and least experienced personnel in the Coast Guard to take action quickly and decisively to protect life and property, whether protecting from natural disaster, terrorism, Mother Nature, or to protect and rescue people from their own lapses in better judgment.

Hurricanes Katrina and Rita, as well as the terrorism events of 9/11 and the build-up and deployment of forces to support Operation Iraqi Freedom demonstrate nationally significant events in which the Coast Guard reacted quickly and decisively, contributing a prominent role and providing high-levels of service to the nation. However, while operations such as search and rescue, disaster response/recovery and homeland security have been carried out with near flawless execution, the logistical and financial infrastructure upon which these operations rests has been ad hoc, inefficient and in danger of failing the operators at a crucial time. At this critical period in the Coast Guard and the nation's history, while in the midst of struggles against extremism and perceived government inefficiency, it is inappropriate to not better prepare the logistical and financial management community for regional and national events which can strain operations. This thesis, and the accompanying research, shows that financial management and logistical preparedness challenges exist within the Coast Guard. In order to provide the highest level of logistical and financial management support to those executing the Coast Guard's mission in the field, the changes espoused by recommendations should be implemented.

Natural catastrophic events continue unabated in recent years. Earthquakes, wildfires and possible tsunamis threaten the West Coast of the United States, hurricanes annually impact and destroy property along the Gulf of Mexico and the East Coast, and floods, winter storms and tornadoes cause havoc throughout the heartland. As if Mother Nature were not enough to contend with, the evil threats and vast capabilities of terrorists and criminals lurk in the shadows of our country, most often in areas where they can wreak unfathomable damage to our infrastructure and cause thousands, if not millions, of deaths and injuries. If catastrophic events such as terrorism or national disaster were to occur today, it is the immediate intent of Coast Guard commanders to surge operational forces to the affected area, learn more about the details as units are en route, fine-tune and execute operational plans, and then ensure delegation and enactment of budget and logistics plans to support operational forces. While the response and support appears straight-forward, there is an inherent element of danger in our disaster response. As is very often the case, logistics and finance plans are not developed in advance but are instead created ad hoc in the hours after an incident has occurred. By then, it is likely that resources have not been optimized, cost tracking and accounting is scrambling to catch up and delays in providing additional services will be inevitable. At the moment of crisis, it is understandably paramount to get forces moving and response operations underway – an issue which should never be in dispute. However, today, while in a phase of preparedness, we can take many actions to ensure that when the call comes, the Coast Guard can provide the highest level of capability to our nation that they deserve. This report will discuss financial and logistics challenges the Coast Guard faces in truly being ready to handle the dangerous and catastrophic contingencies that lay before our nation. More than anything, the development of advanced planning efforts, particularly in the areas of contingency planning, business continuity planning, disaster logistics and contingency training can increase the preparedness and resilience of the Coast Guard.

B. COAST GUARD'S PATCHWORK HISTORY

In an organizational sense, the Coast Guard has been the "hand-me-down" agency of many departments during its 218-year history. From its establishment to enforce

customs laws in 1790, the Coast Guard has assumed many additional duties while consuming disparate agencies, each with their own financial and logistical histories and challenges, into a patchwork organization forced to make sense of potential chaos. Initially founded by Alexander Hamilton within the Treasury Department in 1790, the Coast Guard merged with components of the Department of Justice in 1838, the Department of Commerce in 1903, the Department of the Navy in 1917 and 1941, transferred back to Treasury Department in 1946, shifted over to the Department of Transportation in 1967 and then finally became a major component of the newly established Department of Homeland Security in 2003.[1] With each shift in department and responsibility, the Coast Guard had to rewrite the policies and procedures for the organization, including reporting responsibilities, Congressional appropriations, financial accountability and responsibility, internal controls and cost management.

Until the most recent transition, the Coast Guard was a relatively small-player in each department it was a component of, making up only a fraction of each department's budget and appropriation and garnering little attention from auditors and critics. The establishment of the Department of Homeland Security in 2003 changed that perspective. As the largest player in a contentiously debated new department, the Coast Guard is at the center of scrutiny, making progress but continuing a long struggle to receive its first unqualified opinion on financial statements. Simultaneously, the service is daunted with contracting flaws and claims of ineptitude during the largest fleet modernization program in the Coast Guard's history. In addition, there is a major organizational structure change underway to remove vertical stovepipes and improve cross-operational collaboration. Homeland security, search and rescue, law enforcement and national defense operations also continue without pause in the midst of this change. Hundreds of personnel and eight cutters are deployed overseas fighting the Global War on Terrorism, reservists are on active duty defending Guantanamo Bay and dozens of units continue to respond to the maritime challenge du jour (e.g., hurricanes, urban floods, migrant/drug interdiction, law enforcement and homeland security). All this activity creates multiple, and often

[1] U.S. Coast Guard, "Historian's Office Frequently Asked Questions (FAQ)," U.S. Coast Guard Historian, http://www.uscg.mil/hq/g-cp/history/faqs/when.html (accessed June 30, 2007).

divergent, priorities for strategic and operational planners, financial managers and the logisticians which must ensure the right equipment is available at the right time, in the right place, and of course, at the right price. Decisions must often be made to either provide financial flexibility and responsiveness to field units or the sometimes converse effort to maintain stringent internal controls, thereby ensuring that spending is aligned with strategic plans and in accordance with federal law. With a financial management community numbering only in the hundreds, the incidence of heavy workloads is rampant, and there is anecdotal evidence of burn-out and frustration. Having the time and energy to plan the financial and logistical issues of events and contingencies that have not taken place is seemingly rare. The *operational* and *response* planning of the Coast Guard does take place, with entire divisions of personnel focused on future operational planning and training, but it would appear widely assumed that the *financial management* and *logistics* systems will "catch up" when necessary. History has proven this to be true – why not assume the same for the future? The mindset that the logistical system will always adapt and accommodate without assertive efforts of pre-planning is dangerous and could lead to reduced capabilities of the Coast Guard to provide the services it is expected to deliver in times of crisis. It also sets the Coast Guard up for further rigorous scrutiny from the Department of Homeland Security, the Government Accountability Office (GAO) and Congressional oversight committees in a post-catastrophe investigation and finger-pointing probe (e.g., FEMA's post-Katrina investigations and lambasting).

C. UNQUESTIONABLE MISSION SUCCESS – WHY NOT "UNQUALIFIED OPINION?"

There have been two defining moments for the Coast Guard in the past few years which effortlessly demonstrate areas for concern and improvement. These major events are indisputably viewed as operational successes for the nation's smallest military service. However, beneath the glossy photos, newspaper headlines and amazing rescue videos, there is a financial planner's nightmare. If you are a trained auditor, stop reading now!

On the morning of September 11, 2001, the United States woke to the horrors of terrorism. The world-wide impact of the events were unforgettable and continue to stand as a stark test of our nation's preparedness in times of crisis. The planes diving from the sky, brutally attacking American citizens and infrastructure was a wake up call for a nation which had become comfortable with our standing in the world and complacent in our posture for security, preparedness and resilience. Previous attacks on the World Trade Center, bombings in embassies overseas and even suicidal small-boat attacks against our warships in foreign ports were not the catalysts that would bring the horrors of terrorism into our streets, workplaces, and daily lives. 9/11 was different and remains as a day which changed the focus and future of our nation. It was also a decisive turning point in Coast Guard history – hundreds of years of unflinching devotion to placing search-and-rescue as the pinnacle of operations were now taking a backseat to a new abundance of homeland security missions and requirements. By the afternoon of 9/11, the major East Coast seaports of Boston and New York were shut down, thousands of Coast Guard reserve personnel were being called to active duty, cutters on both coasts were redirected to provide security to major ports and facilities, and deployable port security units were putting people and armed security boats on the roads bound for the nation's critical seaports to provide additional water-borne security where needed. In the hours, months and years that followed 9/11, as the nation steeled itself for an amorphous fight against terrorism, the Coast Guard revitalized the commitment to providing Americans a "maritime shield" from terrorism.

1. Financial Management Response to 9/11

While operational challenges, logistics and details were being carried out in New York, Boston, Long Beach and other major U.S. seaports, few people realize the difficulties and challenges faced on the morning of 9/11 by Coast Guard Headquarters and the two Maintenance & Logistics Commands (MLC Atlantic in Norfolk, Virginia and MLC Pacific, located in Alameda, California). These macro-level financial management, engineering support and logistics organizations had to rapidly devise and establish a system for providing financial support to the units and commands in the field

that were now carrying out a completely different mission on 9/11 than they had on 9/10. Cutters and boats that had been focused on conducting marine safety inspections were now searching inbound ships for bombs and stowaway terrorists. Personnel that had been working in human resource jobs on 9/10 were shouldering weapons and standing guard duty near critical ports and facilities on 9/12. Coast Guard stations that had only padlocked their gates at night before 9/11 now had 24-hour armed security guards. Cutters that just days before could pull into port for the night to take on additional fuel and supplies now could not leave designated security zones and required replenishment at sea. These many changes in operational duties and missions required vast and immediate resources. Everything from new security guard contracts, thousands of additional life jackets and hand-held radios, fuel barges for cutter support, and berthing/hotel/rental vehicle contracts for more than 5,000 recalled reserve personnel were needed immediately. Our nation was under attack and no one was confident that the next attack would not take place in their port or along their waterway. These fears seem unfounded today after the extended lull in significant attacks upon our homeland, especially after we have dissected the events and the terrorist planning of 9/11. However, if you take yourself back to that morning of 9/11, imagine what you were doing and feeling, you can likely see the feasibility or even remember the dread of a continuing string of nation-wide terror attacks.

The difficulty of responding to 9/11, in terms of a financial undertaking for the Coast Guard, was compounded by the timing of the event. One can wonder if the terrorists specifically planned the attacks of 9/11 to intentionally coincide with the last several weeks of the fiscal year. By this time, with just three weeks of funding remaining, nearly all Coast Guard units had already spent or obligated their entire fiscal year 2001 budgets. In spite of the unprecedented attack upon our nation, procurement officials at the local units were hesitant to purchase additional equipment to support mission requirements for fear of spending into a deficit. Budget and procurement personnel wanted to give operators in the field every advantage, but their contracting warrants and professional reputations were at risk creating a fear of deficit spending. Most procurement officials could not imagine that we would be, or even could be,

reimbursed by Congress at a later date, and there was no immediate indication that financial support would come from elsewhere. To relieve the burden of making financial vs. operational decisions on the field-level operational units and support commands, and to gain visibility of the rapid-fire spending that was taking place at all units, the Maintenance & Logistics Commands (MLCs) in Alameda, California and Norfolk, Virginia made the rapid decision to open their lines of accounting Coast Guard-wide. As the Budget Section Chief at MLC Atlantic on that day, I quickly saw that my responsibilities for the next several months were going to be significantly altered. My boss, Mr. Frank Capitano, and I had consultations with Coast Guard Headquarters and the Atlantic Area Command and then got to the business of devising ways to fund, budget and track what we knew would be vast increases in spending at a time where our own funds were limited. To understand the scope of the Area involved, imagine a line drawn North & South at the Colorado-Utah border. Everything to the East, including the Caribbean, belonged to the Atlantic Area and would now be pounding on the door looking for financial and logistical support.

By opening our lines of accounting, we had directed that any spending by field-level units which was related to terrorism force protection, security upgrades and terrorism incident recovery (i.e., pollution cleanup in New York City) was approved and expenses could be charged to our centralized accounts. In other words, units in the field now had an open checkbook to get what they needed to carry out their missions as long as they could verbalize that equipment was being used to support the missions. Information was transmitted electronically to local units to ensure that spending against these accounts followed newly established guidelines and criteria. Overall, this was great news to the field-level operators and commanders and represented the best solution for units to quickly get what they needed to accomplish the new missions. However, as we quickly learned, opening up spending to the field represented a hidden trap for those responsible for reporting the cost of the Coast Guard response as well as for ensuring internal controls over proper spending was in place.

It is now evident that the guidelines and criteria sent to field units on how to spend against the central accounts was too brief, not clearly defined, or was blatantly

ignored by some. In this time of urgency, people went to local vendors and bought what they felt was necessary, with little oversight or consequence and with an incomplete picture of the threat faced by the nation. To facilitate rapid spending and flexibility, the units in the field were encouraged to recode their government purchase credit cards with the new accounting line (a 2-3 day process). This further loosening of internal controls resulted in spending on a seemingly endless variety of items. Reviews of the 9/11 response and contingency accounts showed that units were purchasing not only clearly contingency-related items such as life jackets, radios, and meals-ready-to-eat (MREs) for deployed and activated personnel, but also extremely questionable items such as personal digital assistants, laptop computers, furniture, bicycles, even barbed-wire fences and medieval moats to establish around small boat stations. It was suddenly Christmas morning and everyone wanted the new toys that they could not previously justify. In some cases, there were obvious failures ensuring procurements were made in compliance with federal procurement law. The assumption that procurement officials and decision-makers at the lowest level understood financial management policies being formed at MLC and Coast Guard Headquarters was flawed. Several units were thinking only of themselves, with a lack of strategic insight and perspective and with relatively little concern for internal controls or fiscal law.

These failures were not for lack of professional competence, education, leadership or management ability on the part of financial management personnel in the Coast Guard. On the contrary, seasoned veterans of managing the Coast Guard's finite appropriations and the contracting officers who put this spending on target were on the job throughout these commands, working countless hours to establish the support required by the field. Instead, the Coast Guard experienced a simple of the "lack of imagination" that plagued the Intelligence Community in the months and years prior to 9/11. We had not foreseen the need to generate plans, make preparations and immediately shift to a 'contingency' financial and logistical response system when terrorism became evident and widespread; it was not part of the culture and no plan sat on the shelf awaiting activation. The response to 9/11, as has been mentioned, was a fundamental shift in operations that had to take place in just hours. As operations shifted, the financial and logistical organization

bent and flexed to support the operators, but at what cost to inefficiencies, delays and lapses in internal controls? What if supplemental appropriations were not an option, how accurate would Coast Guard cost tracking have been during those early days? What if Congressional appropriators required demonstration of rigorous internal controls following the event? Was substantial time lost procuring, contracting and receiving supplies, services and inventory that we, or another service, actually already had on the shelf to put to use? For the 9/11 response, it is difficult to consider these questions today, but shouldn't we preparing to answer these questions for the contingencies of the future?

The second pivotal event for the Coast Guard took place nearly four years after 9/11 when Hurricane Katrina meandered through the Gulf of Mexico and then landed a devastating punch to the City of New Orleans and the surrounding states. Just as the eye of the storm was passing over lower Louisiana, Coast Guard aircraft from throughout the country were already airborne and making their way towards the city, ready to evaluate the scene and rescue what the Coast Guard hoped were the few people who had unwittingly tried to ride out the storm on the coastline or local waterways. What they found instead was an urban disaster of catastrophic scale. Understanding the importance of evacuating the refugees and rescuing them from extreme heat, pollution and starvation, the crews immediately got to work plucking people from rooftops and flooded streets while additional Coast Guard operational and support assets made their way to New Orleans. At the height of the rescue operations, more than 62 aircraft, 30 cutters and 111 small boats of various sizes were participating in rescue and recovery operations. When the days and weeks of exhaustive rescue operations were completed, at least 33,520 people had been saved and evacuated from the devastated area.[2]

2. Financial Management Response to Hurricane Katrina

The Coast Guard was somewhat better prepared for the financial management and contingency logistics repercussions of Hurricane Katrina. Lessons had been learned from 9/11 and were immediately implemented which mandated field units to retain local

[2] Coast Guard Response to Hurricane Katrina, U.S. Coast Guard Fact File, http://www.uscg.mil/hq/g-cp/comrel/factfile/index.htm (accessed June 29, 2007).

control of funding. To facilitate the reimbursement to individual units for emergency purchases in support of Hurricane Katrina, a modification in the financial accounting line was approved which served as a marker for queries in the Coast Guard's Core Accounting System (CAS). In addition to these changes, and prior to the start of the hurricane season, the Coast Guard established additional lines of accounting which would be used to capture FEMA-related mission costs. This was a smart move and in most cases would have clearly segregated FEMA reimbursements from Coast Guard operating funds. However, the massive volume of FEMA mission assignments was "unprecedented", totaling more than $360 million in the first few weeks. In addition, tracing FEMA reimbursable costs became even more difficult as certain operations (e.g., aircraft operations) crossed into multiple FEMA regions during a single mission. As with 9/11, oversight of these accounts became onerous and reduced flexibility and responsiveness to the local units, similar to the situation encountered during 9/11. Instead, MLC Atlantic established accounts at the field levels, providing access to a limited number of users in an effort to strike a balance between internal control, efficiency, and flexibility.[3] For all practical purposes, the cost-accounting for Hurricane Katrina was completed and validated, but there is likely an increment, of an undetermined size, which when subjected to heavy scrutiny may not have difficulty proving legitimacy. The Coast Guard financial management systems of today make this challenging to identify, but rest assured that savvy auditors will lend their strongest investigative eye in the future, especially if operations or services to the nation should falter.

These two pivotal events in Coast Guard history are discussed and highlighted not in an effort to boast or chalk up additional public relations points. Instead, these operational successes demonstrate the eagerness, tenacity and devotion to duty that Coast Guard personnel are imbued with by a culture that emphasizes humanitarian support and individual initiative. First and foremost, any efforts at improving the financial management, accounting and logistics infrastructure of the organization must not dampen

[3] Frank Capitano, Craig Bennett, Allen Thuring, Paul Baca, and August Martin, "Semper Paratus – Always Ready: U.S. Coast Guard Financial Management Support Its World-Class Disaster Response," *Armed Forces Comptroller*, Spring 2006, 22.

this sense of duty and initiative. As some have suggested, this is where the Coast Guard succeeded and FEMA failed in responding to Hurricane Katrina.[4] Instead, the Coast Guard can take the initiative to ensure it has the capacity and capability to continue effective financial and logistics management in times of crisis and contingency. Efforts today at preparing the organization for contingency response and business continuity will pay significant dividends when the next catastrophe strikes.

D. FRAME THE FUTURE TODAY

In preparation for this essay, a question was posed to the financial and budget execution branch at Coast Guard Headquarters: if multiple terrorism incidents were to take place today, without warning and across a wide geographic area, what guiding principles would field-level decision makers have available related to procurement, funding and logistics? My research would have been a short and useless if I had received an answer such as: "simple…refer to manual X paragraph Y and implement steps 1-10." Unfortunately for the Coast Guard (but fortunate for my research sake), the answer received was: "good question, let me get back to you." A few days later, I received another call from a different headquarters branch looking to clarify the question. After several minutes of discussion with yet another headquarters-level policy maker, the answer again was: "let me work on this, I'll get back to you." In fact, other than the establishment of a few cost centers (i.e., accounting system mechanisms which allow for pooling of costs), little has been done to generate and communicate an effective contingency financial management strategy for the Coast Guard since 9/11. This is not to say that the desire, professionalism, or intent is lacking, it is instead the organizational imperative to lend limited manpower to this task which is to blame. As mentioned, other efforts such as Modernization (a functional reorganization of the Coast Guard), Chief Financial Officer audits, operational contingency planning and the annual churn of budget and Congressional appropriations battles which stir up too many small fires to even consider working on those that have not, or may not, even take place. If the

[4] Bob Orr, "Katrina Makes Coast Guard Heroes: While FEMA Had Sluggish Response, Coast Guard Quickly Acted," CBS News, September 19, 2005, http://www.cbsnews.com/stories/2005/09/19/eveningnews/main859663.shtml (accessed June 30, 2007).

hypothetical low-probability/high-consequence terrorism attack or national catastrophe occurred today, we would once again have substantial financial and logistics disarray in the field while units struggled to figure out how much funding authority they had, what types of procurements they could legally obligate, what sources of supply would best accomplish the operational mission and how to communicate the costs of Coast Guard missions. To complicate matters as we plan for contingency operations, we have to assume that the national infrastructure for electricity and communications may fail in the face of catastrophic disasters. If disruptions were to occur in communication systems (i.e., Coast Guard intranet, telephone/cellular networks, etc.), there would be no policy statements that would guide decision makers in the field towards making effective decisions on their own.

The world today is replete with examples of organizations of global reach that rely upon the effectiveness and efficiency of their logistics systems to ensure success. Companies such as FedEx and Wal-Mart have perfected the art of supply chain and logistics making it the critical success factor or key business process upon which their business rests. The armed services, throughout history, have also relied upon the effectiveness of their supply chains to ensure that the units at the proverbially "tip of the spear" have the materiel resources required to put plans into action. When those resources are not procured, contracted, accounted for, delivered and consumed as required, the system falters and plans come to a halt. World history has proven this axiom true in numerous occasions. The French Army's invasion of Russia in June of 1812 is a stark example. "The invasion of Russia clearly and dramatically demonstrates the role that logistics, or in this case the lack thereof, will play in a campaign where the land will not provide for the number of troops deployed in an area of operations far exceeding the experience of the invading army."[5] Emperor Napoleon led the "Grand Armée" into Russia with 678,000 men, at that time the largest fighting force in European history. After only weeks in the field, his supply trains became mired in mud and freezing temperatures and his inability to forage for supplies was hampered by harsh terrain and relatively unpopulated and uncultivated land. The French Army, with barely

[5] Richard K. Riehn, *1812 Napoleon's Russian Campaign* (New York: Wiley, 1991), 138-40.

100,000 troops remaining conquered a deserted, sabotaged and burning Moscow in September. With no food or supplies, and as a result of city-wide fires, no shelter, the French Army soon after started a pitiful retreat back to France, on foot and in freezing temperatures, finally arriving with less than 30,000 surviving troops (only 1,000 in actual formation).[6] Navy Lieutenant Commander Christopher Van Avery, in his article "12 New Principles of Warfare" cites this logistical capability as a critical principle for success; a principle which he terms 'Sustainment'. "A force in the field, no matter how well equipped or trained, is useless if it cannot be sustained, and in the future, sustainment is an indispensable principle of war."[7]

The Coast Guard must continue to drive the future success of our contingency logistics and financial management systems. Several shortcomings of the current logistics and financial management structure include:

- A lack of contingency-based financial and logistics policies for field-level commanders to quickly and seamlessly enact in times of catastrophe response. Consider the ubiquitous red "Break in Case of Fire" boxes found in many public buildings. These serve to trigger alarms and provide fire emergency firefighting water immediately, following pre-planned routes (e.g., sprinklers and firemain pipes). The person responding to a fire and activating the alarm need not understand how the system works, just follow the directions and respond appropriately. Field-level financial management policies for contingencies should serve the same function by providing essential service and support to units without requiring them to pour through procurement manuals and contracting hierarchies to understand how to receive the services they require. Our operators and field-level personnel should be focused on operations, but they should

[6] James Rubarth-Lay, "Napoleon's Invasion of Russia, 1812," University of Texas at Austin, http://uts.cc.utexas.edu/~jrubarth/gslis/lis385t.16/Napoleon/ (accessed September 6, 2008).

[7] Christopher Van Avery, "12 New Principles of Warfare," *Armed Forces Journal*, July 2007, http://www.armedforcesjournal.com/2007/07/2807407/ (accessed September 6, 2008).

know how to call on the appropriate support when needed rather than either relearning or ignoring the process.

- Unprepared financial management and cost accounting mechanisms to track contingencies. Current financial management policies do not include the capability to immediately begin tracking costs associated with a contingency. Often there is a lapse in time while a cost center (accounting system cost-accounting mechanism) is created, communicated to all applicable units, and then changes are made to procurement procedures (i.e., reconfiguring credit cards, contracts, etc.) to charge the appropriate cost center for expenses related to response and recovery. In the interim, costs expended in support of operations are invisible to decision makers and planners.

- A non-resilient financial management structure. There are numerous critical chokepoints or bottlenecks within the Coast Guard that could become points of logistical failure in the midst of a crisis. These chokepoints can be communications systems, people having responsibilities which cannot be delegated, or sole-sources of supplies. As one example, a vast majority of contracting for large procurement and/or services throughout Florida goes through a very small subset of people in Miami for approval. At this time, there is no dedicated regional back-up individual, located outside of Miami, to fill that position in the event that Miami is cut-off from assistance due to major natural or man-made disaster. Regional continuity of operations plans lend only one paragraph to discussing this shortfall.

- A lack of pre-screened, geographically focused, logistics plans that may be enacted for a variety of contingencies. For instance, if a major chemical attack occurs in Boston (and thereby incapacitates the Coast Guard infrastructure in Boston), the geographic neighboring and adjacent support commands do not have local knowledge about Boston's logistical requirements and supplies to pick up the flag and provide support. In

addition, partnerships do not exist between Coast Guard and federal, state, local, and private sector organizations to provide mutual assistance during times of contingency.

- Operational commanders and their executive officers (typically the finance/logistics lead personnel at field units) are not adequately trained and exercised in crisis resource management. They do not understand the planning requirements that should take place in advance of a catastrophe. While the Coast Guard does have pre-arrival training for personnel before they report to these duties, the training is short and does not include any emphasis on this important issue.

Addressing, overcoming and mitigating these shortcomings are the aims of this thesis work. Concerted efforts to build resiliency, refine policy and bring contingency preparedness to our financial management staffs and logisticians will ensure the Coast Guard remains an effective and trusted military, multi-mission, maritime force.

Chapter II will discuss the general themes and approach of the research method, primarily focusing on the method, approach and themes of a web-based qualitative survey of financial management and logistics professionals within the Coast Guard. Chapter III will present a brief overview of what existing literature brings to light on the topics of business continuity planning, disaster logistics and contingency contracting. Chapter IV will then lay out a plan for steering the Coast Guard towards change in five crucial areas related to contingency financial management and logistics. Chapter V will discuss one of the more crucial elements of building the contingency logistics mindset, particularly as it relates to developing localized collaborative logistics plans and long-term groups of interagency logisticians (a Contingency Logistics Planning Group). This chapter will also serve as a starting point for field units and support commands to begin mutual consideration of various contingencies, modeled upon the National Preparedness Guidelines. Finally, Chapter VI will introduce ideas for implementing the changes espoused in this proposal throughout the Coast Guard.

This Coast Guard practice and financial management policy for contingency readiness is flawed. Without change, the next major catastrophe, or even a rapid succession of smaller incidents, will repeat the financial management and logistics challenges of the past and may set the Coast Guard up for significant failure.

II. PROBLEM STATEMENT AND RESEARCH METHODS

> To make plans and project designs brings with it many good sensations; and whoever had the strength to be nothing but a forger of plans his whole life long would be a very happy man. But he would occasionally have to take a rest from this activity by carrying out a plan – and then comes the vexation and the sobering up.
>
> - Nietzsche

A. PRIMARY ARGUMENT

I contend that the Coast Guard needs to engage in the development and implementation of contingency-focused financial and logistics improvements with an emphasis on supporting contingency operations and ensuring business continuity. The contingency-focused efforts shall not supplant the existing financial management or logistics infrastructure, but shall rather provide an efficient means for ensuring accurate, timely and transparent financial information and logistics flow during large-scale regional or national crisis.

In carrying out this implementation, the Coast Guard must prepare the finance and logistics staffs of all Coast Guard Districts (i.e., geographic divisions), as well as field level unit command cadres, for a range of potential disasters and contingencies and their commensurate impacts on financial management, logistics and business continuity. A failure to plan and train at all levels of the organization for various, and potentially simultaneous, contingencies will lead to inefficiencies in resource acquisition and an improper, unethical or even illegal, use of federally appropriated funds when a disaster does occur.

Implementing improvements of business continuity and logistics planning in the Coast Guard should emphasize that the National Preparedness Guidelines be used by financial management and logistics staffs to begin the inter-District and inter-agency logistical preparations. The resulting discussion and logistics response plans should be formulated into Memorandum of Understanding and Cooperative Agreements for promulgation and sharing with partner agencies. The nuances of the contingencies of the

National Planning Scenarios will generate substantial and detailed discussion among resource and financial planners at the local and regional levels, specifically as relates to the overlapping of logistical and financial requirements which are unique to each Coast Guard District. More profoundly important, these requirements and the resulting plans will become valuable as various Districts are called to respond to an incident. The plans will also likely lead to discussion and planning with other first responder agencies in local areas as well as uncovering challenges and enhanced capabilities achieved through cooperation and collaboration with private industry and non-governmental organizations. Reports published on the Department of Homeland Security *Lessons Learned Information System* (LLIS) indicate and encourage the use of these shared and preplanned resource lists and also tout them as highly valuable. Poor results discovered during after-action reviews of the bombing of the Alfred P. Murrah building in Oklahoma City have been cited as examples of this shortfall in the disaster preparedness plans of many agencies.[8]

Reducing personnel "chokepoints" in the Coast Guard financial and logistics infrastructures will also build much needed resilience in the disaster response capabilities and could prevent the "human aspects" of contingencies and disasters from potentially crippling Coast Guard emergency response. These financial and logistical process chokepoints exist where single or small groups of individuals have considerable network and infrastructure clout, primarily when related to contracting and procurement officials. Having these people incapacitated, unresponsive or unable to communicate with the rest of the organization can potentially bring financial execution and logistics provisioning to a grinding halt. Numerous articles and reports of business continuity management and planning suggest the criticality of removing or reinforcing these potential bottlenecks prior to a disaster or contingency taking place. Several of these articles discuss the implementation of contingency contracting officers as alternatives which build in additional business resilience. Additionally, several studies cite the "human aspects" of

[8] U.S. Department of Homeland Security, "Large-Scale Logistics Operations: Call List of Equipment Suppliers," Department of Homeland Security Lessons Learned Information Sharing, https://www.llis.dhs.gov/member/secure/htmldetail.cfm?content_id=13632 (accessed September 25, 2007).

contingencies as the crucially important areas for review and reinforcement, particularly as relates to pandemics and other widespread and lengthy scenarios.

To the astute financial manager, the claims above may appear superficial and/or over-simplified. Simply developing additional policy, buying supplies or hiring more individuals will not in themselves change the capability to adapt and respond during a contingency. What is important to realize is that the recommendation to enhance the financial management and logistics system with a focus and concern for contingencies and business continuity involves several complementary aspects. Benefits such as inter-agency collaboration, more efficient procurement and contracting, personnel confident in their duties during contingency, reliable field-level instructions for contingency, and a more resilient Coast Guard will result from considering these overdue improvements.

Coast Guard logisticians will also recognize that there are innumerable interdependencies already at play between the Districts and that challenging operations have been undertaken with success. The research at hand does not necessarily refute this premise, only that successful results are far less guaranteed in the future and should not rely on heroic initiative, but instead process-based plans and methods. It is important to note that nothing is spurring the Districts to collaborate and understand the interdependencies that exist, especially in the face of the variety of on-going contingencies and personnel shortfalls. As Districts are faced with providing mutual support, errors in financial tracking, resource acquisition, and logistics will inevitably occur. The research proposal and collaborative methods recommended here will alleviate, or at least investigate and mitigate, the inefficiencies which currently exist.

B. SIGNIFICANCE OF THE RESEARCH

The research conducted and the recommendations espoused from this thesis bring value to the Coast Guard and to homeland security practitioners in several areas. First, the literature collected, reviewed and summarized within will stand alone as a summary and history of business continuity planning and its applicability to the Coast Guard.

The research methodologies employed during this study have also yielded interesting results, above and beyond the scope of financial management, logistics planning, and business continuity. The research methods, discussed in more detail below, brought together the thoughts, opinions and insights of a variety of resource managers and continuity planners at all levels of the Coast Guard. It is the Coast Guard's responsibility to ensure that these influential leaders in the organization have the tools and the confidence in the system to enable them to do their jobs effectively in times of crisis.

This research effort has also led to recommendations and seeks to demonstrate how a program of implementing change for improved contingency preparedness can be launched within the Coast Guard. Chapter VI in particular describes how other geographic areas in the Coast Guard can employ a similar methodology to generate local logistics systems and to join them throughout the country to form a single logistics compendium for emergency response. This document will have considerable importance to future continuity of operations plans (COOPs) and possibly advance these plans to become industry-recognized business continuity plans.

Finally, other agencies throughout the United States and foreign governments will be able to enact the research and methods contained within this work for developing business continuity, contingency support and contingency training plans to improve their own preparedness and resilience.

C. METHOD

> I never guess. It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories, instead of theories to suit facts.
>
> - Sir Arthur Conan Doyle

The research methodology for this thesis focused primarily on the accumulation and analysis of qualitative sources (i.e., interviews, surveys and personal communications) as well as the research into existing published materials. First,

interviews were conducted with 3-5 Coast Guard subject matter experts (SMEs) related to financial management, logistics planning and continuity planning. The results of these interviews were coded to determine the critical subjects related to ensuring the ability of the Coast Guard to carry out operations and to be mutually supportive of other agencies.

In order for this research work to be of reliable value to the Coast Guard, the hypotheses that were generated regarding problems in contingency logistics and financial management would need to be vetted with top professionals in these fields. Therefore, the second phase of research involved a web and e-mail survey of 50 Coast Guard financial management and logistics experts. The qualitative survey instrument was created in an effort to obtain thoughts, comments, stories, anecdotes, lessons learned and recommendations from respondents, without steering the responses down a guided path. A list of more than 50 individuals that have involvement with contingency work on a number of levels was created and used as a starting point for the population of the survey. These individuals came from across the financial management and logistics communities, including: contingency planning, contingency cost accounting/forecasting, contracting, procurement, ICS trainers and several contingency practitioners with regular experience operating in contingency evolutions and exercises. One of the final questions of the survey was encourage participation of other respondents which led to additional distributions of the survey as people were identified.

When the survey was closed in its final round, 25 respondents had each taken approximately 30 minutes each to participate in the web survey. The respondents had a cumulative experience-base of 393 years in Coast Guard financial management, contracting or logistics planning & execution; with an average of nearly 16 years per respondent. As hoped, the responses were very heavily biased towards providing qualitative data from each respondent. The responses were carefully reviewed and coded for particular themes which have bearing on the research effort. These themes included:

- Contingency Planning
- Resource/Time/Funding Shortages and Issues
- Deficiencies and Recommendations for Training

- Standards and Standardization for Improving Contingency Preparedness
- Contracting
- Conflicts with Current System (segregated into issues of Modernization, Personalities, and Communications)
- Internal Controls
- Cost Accounting, Tracking and Documentation Concerns
- Issues Involving Exercises and Contingency Financial Management
- Success and Ideas

In general, the results of the survey are contained within the pertinent sections of this paper. The full tabulated results appear in Appendix A. I consider the results of the web-based qualitative survey to be extremely useful and insightful in themselves, with further opportunities to gleam useful information that can be applied to other research and change initiatives already in progress or considered. Interestingly, only 5 of the 25 respondents requested that their personal information be kept confidential and that they would prefer not to participate in further inquiry. I think this speaks to the eagerness of these professionals to share, collaborate, and seek a higher level of preparedness within the linked communities of financial management and logistics.

The following is the list of survey questions contained within the web-based survey instrument.

Survey Questions

1. How many years of experience do you have working in Coast Guard financial management, contracting or logistics planning & execution?
2. In the event of a major contingency (e.g., hurricane, major earthquake, pandemic virus, weapon of mass destruction event), how well do you believe the Coast Guard is prepared logistically to respond? For example, do you believe that we understand and have planned the necessary logistics at the local level for the wide range of contingencies we may face (i.e., purchase lists, vendors & contractors lists for items, deconflicting with other units

which may be requesting same type items, etc.)? Please select a level of preparedness and comment on your response.

3. Similarly, how well is the Coast Guard financial management and contracting infrastructure ready to support Coast Guard operations for a major contingency? For example, do you believe we have considered the policies and procedures that support units (e.g., ISCs, ESUs, CEUs, etc.) will need to follow so they can operate independently of other headquarters and Area commands to provide local unit support AND support to other units which have lost their support infrastructure due to disaster? Please select a level of preparedness and comment on your response.

4. Have Coast Guard operational personnel at the field level (e.g., Executive Officers, Sector Logistics Officers, Supply Petty Officers, etc.) been trained to conduct procurement and logistics in a crisis and/or contingency environment?

5. If communications with field level commands were suddenly lost in a major contingency event, do you feel operational units in the field would understand how to carry out logistics, procurement and financial management to continue operations? Please answer each individually using a scale of 1 to 5:

   a. Logistics (e.g., understanding supply and resource requirements that will be needed to maintain operations to respond to contingency and/or disaster)

   b. Procurement (e.g., the understanding and ability to execute purchasing and contracting actions, in compliance with Federal Acquisition Regulations and other instructions, for necessary supplies and services to maintain operations to respond to contingency and/or disaster)

   c. Financial Management (e.g., understanding the necessary cost management and accounting requirements to ensure accountability, transparency and effective tracking of unit-level and CG-wide funding in support of contingency and/or disaster response operations)

6. What examples can be provided to demonstrate readiness to conduct logistical, procurement or financial management support in a contingency (e.g., oil spill, terrorism incident, local disaster)?

7. What examples can be provided to demonstrate a lack of readiness to conduct logistical, procurement or financial management support in a contingency (e.g., oil spill, terrorism incident, local disaster)?

8. For the next several questions, assume a tactical nuclear weapon has exploded in downtown Miami (or any other major metropolitan coastal city in your Area of Responsibility).

   a. Given the catastrophic event noted above has occurred today and without warning, would the Coast Guard be able to rapidly respond with likely operational success?

   b. Is it your opinion that the Coast Guard would be able to begin cost collection for the response immediately?

   c. Is cost collection for the response important?

   d. If the District Command Center, Integrated Support Command, and Coast Guard infrastructure throughout Miami and South Florida is destroyed or incapacitated, would another command be able to take over operational control for District 7?

   e. Considering (d.) above, would another command be able to take over logistical and support control for assigned operational units in the field?

9. Do you perceive that logistics (i.e., consider supply ordering and receiving) and financial management (i.e., consider contracting, invoicing and accounting) in your geographic area have different requirements and/or sources of supply than similar units in other areas? If so, why? Please provide examples of the differences?

10. Given a set of planning scenarios for significant disasters and/or contingencies for your geographic area, would it be possible to forecast necessary supplies and services that would be needed to support Coast Guard rescue, response and recovery operations?

11. Consider now the training that financial managers and supply personnel at field level commands receive regarding contingency financial and logistical response:
    a. Do you believe that training if sufficient?
    b. What are the strongest areas of training?
    c. What are the weakest areas of training?
    d. List several areas of training that you consider most in need for logistical preparedness.
12. Can you identify potential chokepoints or bottlenecks in our financial management and logistics systems? Are these obstacles primarily related to communication systems (i.e., phone systems, e-mail, Coast Guard Data Network), policies (i.e., Simplified Acquisition Procedures, Financial Resources Management Manual, etc.), personnel (i.e., COCOs, COTRs, SKs, other personnel, etc.), or some or all of these? Please provide a few examples of those bottlenecks that you consider most important.
13. Consider a massive pandemic event in the United States (e.g., pandemic influenza, smallpox, SARS, etc.). Has your office or unit considered the ramifications of a large portion of the work force not showing up for weeks at a time? Please answer as you consider implications to the following areas:
    a. How would the logistics procedures be affected by absences of people for extended periods of time?
    b. How would the procurement and contracting procedures be affected by absences of people for extended periods of time?
    c. How would the financial management procedures be affected by absences of people for extended periods of time?
    d. What practices could be put in place to counter the danger of a contagious viral attack (e.g., remote access systems, digital signatures to documents, voice over internet and phone conferencing, etc.)?

14. What other individuals who may be interested in logistical and contingency preparedness would you recommend to be contacted as part of this research?
15. Would you be willing to discuss your answers more fully in person, on the phone or during a focus group?

III. LITERATURE REVIEW

> Victorious warriors win first…and then go to war, while defeated warriors go to war first…and then seek to win.
>
> - Sun Tzu

Research conducted in conjunction with this thesis work has covered a broad range of topics and ideas which overlap and contain applicability for the Coast Guard and for a wide range of organizations interested in preparedness. Fortunately, the field of study in contingency preparedness, specifically in the areas of business continuity management is growing and increasing in relevance as our society depends upon shared infrastructure at an ever-growing pace. Additionally, study in the areas of disaster logistics planning and advanced readiness procurement/contracting are inherently critical to this research and lent immensely to conclusions and recommendations. This chapter will provide a very broad overview of relevant literature which was reviewed and became pertinent to the research. It is intended to give the reader an idea of the scope of work which already exists on this topic and 'sets the stage' for other discussion which will follow. For those readers looking to quickly get to the heart of the recommendations for improving Coast Guard financial management and logistics preparedness for contingencies, it is possible to jump ahead to Chapter IV.

Existing studies and conventional wisdom on the principles of business continuity management (BCM), business continuity planning (BCP), disaster preparedness, contingency planning and disaster logistics planning/preparedness are numerous, and for the most part, tend to agree on a basic framework. Efforts here will reiterate and amplify this framework, but more importantly, will demonstrate the relevance of this planning methodology for the U.S. Coast Guard.

A brief review of the existing literature can be broken into several themes. The first theme which has applicability for the ideas being presented is Business Continuity Management & Planning (BCM/P). Within the topic of BCM/P, several sub-topics are relevant including:

- Importance and preparedness priority of BCM
- Components and policy issues of BCM
- Implementation of BCM principles

Following the discussion of BCM, this review will look at the literature concerning disaster logistics planning. Next, there will be a discussion of the literature related to training for contingencies. Finally, this review will look at the gaps in the researched literature across these sections and how they relate to one another.

A. BUSINESS CONTINUITY MANAGEMENT (BCM) & PLANNING (BCP)

1. Importance and Preparedness Priority of Business Continuity Management (BCM)

Agencies, companies, states, and especially the federal government have an obligation to prepare their respective organizations to deal with disaster and catastrophic events. September 11, 2001, the 2004 tsunami in Sri Lanka and Hurricane Katrina stand out as prime examples that disasters of a catastrophic scale can happen, and when they do, organizations need to be prepared to respond, mitigate damage and overcome losses (people, infrastructure, communications, etc.). Organizations whose responsibility is to serve the public and assist with response and recovery must place an even greater emphasis on business continuity measures. Several important pieces of literature and analysis discuss the importance of business continuity management (BCM) and contingency preparedness.

One issue that seems to cut across BCM organizations and literature is the need to define BCM and its basic premises. One particularly strong resource of information, which is actually a consortium of multiple BCM practitioners, educators and consultants, is the Business Continuity Institute. This Institute, in a 2004 article titled *Business Resilience*, defined the practice of BCM as "an [sic] holistic management process that identifies potential impacts that threaten an organization and provides a framework for building resilience with the capability for an effective response that safeguards the

interests of its key stakeholders, reputation and value creating activities."[9] Chapter V of this thesis work will introduce a recommended process by which the Coast Guard can improve and advance BCM in the areas of financial and logistics management.

IBM Corporation took the definition of business continuity a step further and provided a definition for what they term "business resilience." According to IBM, business resilience involves "the ability of an organization's business operations to rapidly adapt and respond to internal or external dynamic changes – opportunities, demands, disruptions or threats and continue operations with limited impact to the business."[10] Understandably, IBM is focusing on the information technology piece of business continuity, as many practitioners do, but the concept and model they imply is pertinent to the Coast Guard nonetheless. The idea is further elaborated by describing both defensive and offensive resilience efforts on a continuum as shown in the diagram.

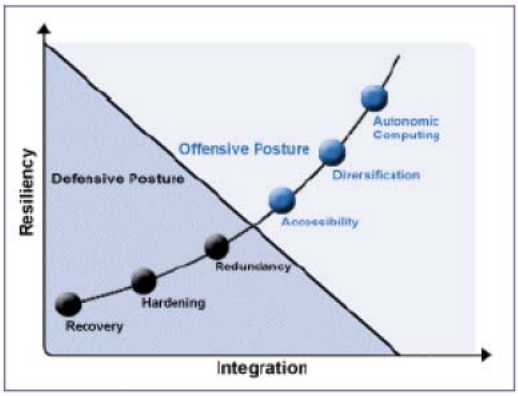

Figure 1. Resiliency Building Blocks[11]

Defensive Posture efforts, as in the diagram, include building redundancy, hardening structures and systems, and developing the means to recover in times of loss. The Offensive Posture efforts at resilience include diversifying the organization which ensures that units in multiple locations can conduct the same types of operations (as opposed to redundancy which just means having more of the same units). Additionally,

[9] IBM Corporation, "Business Resilience – The Next Step Forward for Business Continuity," Continuity Central, 2004, http://www.continuitycentral.com/feature083.htm (accessed September 23, 2007).

[10] Ibid.

[11] Ibid.

other offensive or active efforts at building business resilience include "accessibility" and "autonomic computing."[12] Accessibility refers to the capability to access the network from any location. Again, there are similarities in the Coast Guard financial management infrastructure. As will be discussed later, the ability to access our financial, procurement and contracting systems remotely, currently via a Remote Access Server (RAS), is paramount to our current workflow of procurement and contracting. If unable to work at our primary locations, and with failure of the RAS system, the Coast Guard would be crippled as most units and personnel are unprepared to work in an "unplugged" environment. The other active measures mentioned by IBM included "autonomic computing" which is described as the ability of computer or other networks to repair themselves from damage or failure without human intervention.

In spite of recent disasters and the concerted efforts of many large companies and municipalities to implement BCM measures, there is evidence that some organizations are only paying lip-service to the ideas of preparedness and BCM. For at least six consecutive years, AT&T has conducted a survey to define the current level of business continuity planning by large public and private corporations in the United States.[13] Looking at the levels of readiness and preparation for man-made and natural disasters, AT&T found that more than 30 percent of businesses across the country are still not adequately prepared for "worst case" scenarios. The study provides statistical evidence to demonstrate that companies have a false sense of security and that certain cities (i.e., clusters of top companies) are not heeding government warning to make adequate preparations. The study was also discussed widely on CNN Money where weaknesses were pinpointed to certain geographic segments of the country.[14] Studies such as this reinforce the contention that many large group of organizations fail to actively advance

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[12] IBM Corporation, "Business Resilience – The Next Step Forward for Business Continuity," Continuity Central, 2004, http://www.continuitycentral.com/feature083.htm (accessed September 23, 2007).

[13] AT&T Press Room and Media Kits, "2007 AT&T Business Continuity Study," (San Antonio: AT&T, May 2007), http://www.att.com/gen/press-room?pid=7922 (accessed September 19, 2007).

[14] AT&T, "As Hurricane Season Heats Up, AT&T Survey Finds Disaster Preparedness Not a Priority for Nearly One-Third of Atlanta Businesses," AT&T News Room, August 27, 2007, http://www.att.com/gen/press-room?pid=4800&cdvn=news&newsarticleid=24272 (accessed September 19, 2007).

the planning for contingencies and disasters. If business will not even focus on contingency preparedness for their profit centers, how much less so for their financial management and logistics infrastructures?

An interesting take on the AT&T study was also discussed in a report by the Institute for Preventive Strategies (IPS) at the Center for Rural Development. The IPS noted that "the fact that companies tend to develop business continuity plans and keep them updated, but seldom test them, seems to indicate that those responsible are confusing planning and preparedness. Failing to integrate activation of a business continuity plan with state and federal alerts seems to indicate that IT executives view disaster response as primarily a public sector responsibility rather than a joint challenge."[15] This urges that organizations need to include elements of testing their preparedness rather than simply planning for contingencies. As my research has shown, the Coast Guard also falls victim to this according to many of our top financial managers and logisticians. We have a multitude of Continuity of Operations Plans (COOPs) in place which are not adequately tested and exercised to the fullest extent possible.

2. Likely Mindsets of Resistance

Studies have yet to be found which directly disagree with the priority and importance of forming business continuity or logistics readiness plans. However, adapting organizations for the purpose of business continuity is likely to confront at least three mindsets which oppose moving BCP forward with an organization, including within the Coast Guard. These mindsets may include:

1. Current financial management and business continuity structures are sufficient to weather the storm.

2. Time and energy required do not justify change (risk-benefit analysis).

3. Too much on-going and conflicting work taking place.

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[15] Institute for Preventive Strategies at the Center for Rural Development, "Disaster Preparedness and Business Continuity Planning," Institute for Preventive Strategies at the Center for Rural Development, Open Source Daily Brief, August 29, 2007, https://www.preventivestrategies.net/public/news_article.cfm?newsId=5223 (accessed August 29, 2007).

The first mindset opposing BCP interventions and implementations is one which seeks to maintain the status quo. When an organization succeeds at an effective response it can be assumed that they will be ready for any contingency. Hurricane Katrina and the Coast Guard's successful operational response to this catastrophe are one example of this found in the literature and can be heralded as how to succeed in contingencies. In fact, several individuals have cited not only the operational response, but the logistical response of the Coast Guard as noteworthy.[16]

The second mindset which will be challenging to overcome says that business continuity management, and the plans which it advocates, are not worth the tangible costs of implementation. There are individuals and organizations which espouse that the threat of terrorism, and the effect of the anticipated attacks, is less likely than our own government would like us to believe. Ian Lustick discusses this theory in his book *Trapped in the War on Terror*. When discussing the War on Terror, Lustick states "[i]t became a kind of permanent national emergency. Its effects surged across the government, overwhelming both legal and budgetary constraints. It has engulfed American society in a whirlwind of activities, none of which can ever be proven successful, but all of which can be criticized as inadequate."[17] There are examples which need to be found to support the mindset that "business continuity *could* be useful, but not at the cost of adequately developing, updating, and testing it." While not conducted in conjunction with this research, it would be interesting and enlightening to some to provide estimates on cost-benefit analysis as related to BCM implementation. One starting point is a white paper by Mark Young of IBM's Global Business Continuity & Recovery Services (BCRS). Mr. Young's work provides data about the anticipated impacts of a pandemic flu outbreak.[18] He forecasts that the impact on human resources

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[16] Frank Capitano, Craig Bennett, Allen Thuring, Paul Baca, and August Martin, "Semper Paratus – Always Ready: U.S. Coast Guard Financial Management Support Its World-Class Disaster Response," *Armed Forces Comptroller*, Spring 2006, 22.

[17] Ian Lustick, *Trapped in the War on Terror* (Philadelphia: University of Pennsylvania Press, 2006), 71.

[18] Mark Young, *IBM Disaster Recovery Services – Continuity Planning Assessment and Virtual Workplace Continuity* (Portsmouth, UK: IBM Global BCRS Sales, IBM Corporation, 2007), 20.

of organizations will be particularly strong and will affect other areas of the business. Citing various pieces of research, he believes that:[19]

- organizations should expect staff absences up to 40% during a pandemic
- that there will be multiple waves of infection, each lasting up to eight weeks;
- that a pandemic could last many months and may contain peaks followed by periods of reduced illness
- that there could be government-ordered reduction of people at nonessential places of employment, and
- planning should include employees being un-willing or unable to work, even if they do not become ill themselves.

The results of such an impact on an organization can likely be tabulated to discover breakdowns or shortages in critical positions and the financial implications of such shortfalls. In the same study, Mr. Young gives statistics about the cost of conducting a wide-ranging continuity planning assessment (CPA). For large organizations, the cost can be as high as $100K-150K.[20]

The third mindset which disagrees with a change in business continuity policy will argue that there are currently other organizational initiatives which hold priority. For many organizations, senior leadership will be unwilling to place additional burden upon the existing processes and plans of the organization due to conflicts or other initiatives. The Coast Guard also finds itself embroiled in this mindset with numerous competing interests and demands upon the time of our financial management professionals. These diverging activities include ongoing Department of Homeland Security Chief Financial Officer Audit remediation efforts, annual budget cycles, operational planning, modernization of our operational forces, and reorganization of Coast Guard communities.

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[19] Mark Young, *IBM Disaster Recovery Services – Continuity Planning Assessment and Virtual Workplace Continuity* (Portsmouth, UK: IBM Global BCRS Sales, IBM Corporation, 2007), 9.

[20] Ibid., 20.

Should contingency-focused changes be required for our financial management and logistics communities, as advocated in this thesis, the policy recommendations will need to strongly emphasize that delaying the implementation is dangerous, and may even be in violation of Presidential Executive Orders aimed at preparing for continuity of operations and continuity of government.

3. Business Continuity Management Components and Policy Issues

As organizations or agencies consider the idea of BCM, it is necessary to understand some of the components of BCM, organizational implications of BCM, and discuss relevant policy issues.

One example of a component consideration to BCM is research and literature that has been compiled on the "human aspects" of BCM. While the primary focus of the research proposal has been on financial management and logistics in the face of contingencies, many companies are beginning to understand that BCM is not just about information technology (IT) and computer backup and recovery. There is an over-arching necessity to consider the human linkages and bottlenecks that personnel shortages can play in business continuity. A study by David Spencer of IBM Global Consulting cited recent experiences of failures in Crisis Management planning and preparedness as related to "human aspects". Spencer noted that "[a]lthough companies are beginning to look for ways to minimize the impact of a potential avian flu pandemic; few have fully addressed the human side of crisis preparedness."[21] A 2005 survey by the Society for Human Resource Management (SHRM) which found that only 34 percent of companies indicated that human resource (HR) issues formed a significant part of their organizations' business continuity or disaster plans. Another thirty-six percent indicated that these issues were only somewhat part of their plans.[22] In a similar but distinct article, Spencer identified other likely areas of contention and policy concerns as relates

[21] David Spencer, "In the Spotlight: the Human Side of Business Continuity Planning," IBM Business Continuity & Recovery Services White Paper, IBM Global, June 2006, http://www-935.ibm.com/services/uk/igs/pdf/david_spencer_ibm.pdf (accessed October 4, 2007), 4.

[22] Society for Human Resource Management, *2005 Disaster Preparedness Survey Report* (Alexandria: Society for Human Resource Management, July 2005).

to BCM. One of these areas deals with issues he calls 'slow burn' situations, such as a pandemic flu threat. He identified the following challenges:[23]

- Human resource management differs in a crisis
- Third party / outsource dependencies
- Management of operational risks
- The importance of cross-organizational response and regional support networks.

While pursuing financial and logistical improvements in the continuity planning system, and in addition to the "human aspects," the business planners must also be concerned with the legal and political ramifications. Current research in this area is still short of where it should be, but one particular article proved interesting, though in reference to BCM practices in the UK. Again, IBM provided interesting research when they presented a "Total Business Protection Model" in the form of a feedback loop system of several key BCM processes, including:[24]

- Business Continuity Plan
- IT Recovery Plan
- Risk Analysis
- Business Impact Analysis
- Recovery Capabilities
- Recovery Strategy
- Enterprise Solution Design

[23] David Spencer, "The Human Aspects of BC Planning," IBM Business Continuity & Recovery Services, 2007, http://www-935.ibm.com/services/uk/igs/pdf/david_spencer_ibm.pdf (accessed October 4, 2007), 5.

[24] IBM Corporation, "Addressing the Requirements of the Civil Contingencies Act," IBM Information Technology Services, http://ibm.com/services/uk/index.wss/it/igs/a1006911 (accessed October 4, 2007).

This model is a useful discussion point, identifying several of the strategy and policy issues which must be considered by an organization looking to implement BCM.

One of the most significant literature and policy issues for business continuity management, and contingency preparedness overall, is the implications of the Department of Homeland Security's National Preparedness Guidelines. As Secretary Chertoff noted, "these documents will help focus policy, planning and investments at all levels of government and the private sector in order to strengthen our collective capabilities and better prepare for major incidents."[25] The National Preparedness Guidelines encourage the use of the National Planning Scenarios and the Target Capabilities Lists (TCL) as starting points for discussion and contingency capability planning. The guidelines will obviously have varying levels of impact (or threat) to different geographic areas and will allow organizations to tailor their plans accordingly. As stated in the Guidelines, "The National Planning Scenarios establish common assumptions to guide planning nationwide regarding potential vulnerabilities and consequences (or impacts) of major incidents. Analysis of the range of potential impacts is essential for defining capabilities in terms of both capacity (i.e., how many are needed) and proficiency (i.e., how well must they be able to perform). These capabilities must be reflected in emergency operations plans (for the near-term) and in preparedness strategies (for the long-term)." The Guidelines also have specific discussion and instructions for Federal Agencies to use when applying the National Preparedness Guidelines.[26]

4. Business Continuity Management Implementation

Much of the BCM literature that is widely available revolves around the development, implementation and testing of business continuity plans. The numerous plans reviewed share similar frameworks with each advocating roughly the same principles. Many of them look at designating BCM responsibilities, developing charters and plans, exercising the plans, examining risk management decisions, and understanding

[25] U.S. Department of Homeland Security, "DHS Releases National Preparedness Guideline", Press Release (Washington, DC: Department of Homeland Security, September 13, 2007), http://www.dhs.gov/xnews/releases/pr_1189720458491.shtm (accessed September 22, 2007).

[26] Ibid., 27.

the resources available to responders in times of national threat or disaster. The literature and principles of BCM have been applied at the federal, state, city, and even organizational level. A well-drafted example of a University BCM plan has also been observed and also shares these similar characteristics.[27]

A particularly impressive effort which would be easy to draw parallels to the Coast Guard concerns the implementation of BCM within the United Kingdom Ministry of Defence (MOD). The Director of Business Continuity Policy, MOD, released a Joint Service Publication aimed at establishing a set of BCM standards as well as conducting information sharing on best practices within BCM.[28] The extensive publication is very informative, providing guidance and instruction to all levels of MOD. Like several of the other implementation guides which have been reviewed, this particular manual guides the user through understanding the culture and business processes which will be impacted, followed by rules for implementation, and also including checklists (a common theme in the implementation guides) that are used to examine processes, BC strategy and assessing risk.

The Business Continuity Institute has several guides which have been written to provide organizations with ideas, thoughts and issues to consider when implementing BCM. Several of these guides are available on the Institute's web-site.[29] One particularly interesting document has been defined as a "best-practices guide" after it was generated by a consortium of BCM practitioners, academics, and public/private companies. This report, titled "Generally Accepted Practices for Business Continuity Professionals" is a featured item of the Disaster Recovery Journal and can also be found

[27] North Carolina State University Business Continuity and Disaster Recovery Department, "Business Continuity Planning Checklist for Universities," North Carolina State University, http://www.ncsu.edu/ehs/BCP/planning_templates/planning_checklist.php (accessed September 28, 2007).

[28] United Kingdom Ministry of Defence, *Joint Service Publication (JSP) 503 Business Continuity Management*, Director BC Policy, Ministry of Defence, 3rd Edition (March 2006), http://www.mod.uk/DefenceInternet/AboutDefence/CorporatePublications/DefenceManagementPublications/BusinessContinuity/Jsp503BusinessContinuityManagement.htm (accessed September 30, 2007).

[29] Business Continuity Institute, "Business Continuity Guides," Business Continuity Institute, http://www.thebci.org/businesscontinuityguides.htm (accessed September 24, 2007).

on the organization's web-site.[30] In a sense, this document stands for a basic level of "common knowledge" and agreed-upon basic courses of action for continuity planning.

Another resource which strongly summarizes the existing shared common framework of business continuity management, but with even more relevance to the research topic, is the Florida Business Continuity Plan.[31] This is another BCM resource which provides guidelines for smaller businesses to prepare for, and recover from, natural and man-made disasters. It is interesting and pertinent to this field of research because it tailors a substantial portion of the guidelines to the Florida region. Providing details on particular Florida hazards (e.g., hurricanes, flooding, etc.), as well as issues dealing with Florida specific legal issues, local resources, local points of contact for assistance, etc. would be of considerable value to a Florida business seeking to plan and prepare for potential disaster. This particular reference is a parallel to what will be advocated in Chapter 6, developing and implementing business continuity plans that are tailored to the geographic regions in which the Coast Guard and inter-agency operates, much as this Florida plan is written.

B. DISASTER LOGISTICS AND PLANNING

On the topic of building detailed logistical plans in advance of potential disasters, an article from the DHS Lessons Learned Information Sharing web-site lends support to research into overhauling logistics planning for disasters, an issue closely tied to the capability of first responder organizations and endemic to contingency readiness and preparedness. In April of 1995, a bomb destroyed the Alfred P. Murrah federal building in Oklahoma City. Responders desperately sought necessary supplies over the next few days, having to conduct research for suppliers, contractors and vendors, thereby wasting considerable time that could have more effectively contributed to rescue and recovery efforts at the site. The article emphasized that "response agencies should maintain an up-

[30] "Generally Accepted Practices – A Look at Business Continuity Best Practices," *Disaster Recovery Journal*, August 2007, http://www.drj.com/GAP/ (accessed September 24, 2007).

[31] Tampa Bay Regional Planning Council, Business Continuity Planning Alliance and State of Florida Division of Emergency Management, "Florida Business Disaster Survival Kit: Business Continuity Planning in Today's World," Tampa Bay Regional Planning Council, February 2004, http://www.tampabaydisaster.org/fldisasterkit/pdfs/guidebook.pdf (accessed September 23, 2007).

to-date, detailed call list of all local and regional equipment suppliers."[32] Notably, this was a single issue within a relatively confined location and it took place before the watershed events of 9-11.

On this same subject of understanding and preparing local and regional disaster logistics plans, a report by Richard Baunbeck and Michael Mastria discussed the need for operational logistics planning, particularly with employing asset visibility technologies. The authors, proposed a logistical framework and management system that has, at least, the following primary components:[33]

- Integrated Communications Network
- Integrated Supply Chain
- Tracking Methodology to Monitor Resource Movement through Supply Chain, including:
    1. Manufacturers/Suppliers
    2. Warehousing and Distribution Centers
    3. Operation-specific Transport
    4. Operational Logistics Centers
    5. Customers

There are clearly benefits to an integrated logistics system, particularly a system that allows logisticians and planners to capitalize on data warehousing and logistical management capabilities. However, the authors contend that RFID technology will be a feasible system for logistics tracking. It is unclear if corroborative research will be available to support that claim; it seems that more data could support the inverse that RFID is unsuited to a hectic contingency environment, especially on the customer end of

[32] U.S. Department of Homeland Security Lessons Learned Information Sharing, "Large-Scale Logistics Operations: Call List of Equipment Suppliers," Department of Homeland Security, https://www.llis.dhs.gov/member/secure/htmldetail.cfm?content_id=13632 (registration required). (accessed September 25, 2007)

[33] Richard A. Braunbeck and Michael F. Mastria, "Crisis Management - Operational Logistics & Asset Visibility Technologies," (MBA Professional Report, Naval Postgraduate School, June 2006), 4.

supply chain where it's most important to get supplies to the field as rapidly as possible. Additionally, one must worry that computerized networks relying on connectivity and communications may be the weak-link in a disaster readiness system.

Similarly, the "Federal Response to Hurricane Katrina: Lessons Learned" indicated that "FEMA personnel soon discovered, however, that the quantity of material requested post-landfall outstripped their logistical capabilities. FEMA simply could not procure enough resources to match the rate at which commodities were being consumed. The agency's contracts with private companies, though sufficient for smaller disasters, were incapable of supplying the enormous quantities of resources needed. As a result, shortages plagued the affected area (White House, 44)." [34]

The associated "lesson learned" in the Federal Hurricane Katrina report indicated:

> LESSON LEARNED: The Department of Homeland Security, in coordination with State and local governments and the private sector, should develop a modern, flexible, and transparent logistics system. This system should be based on established contracts for stockpiling commodities at the local level for emergencies and the provision of goods and services during emergencies. The Federal government must develop the capacity to conduct large-scale logistical operations that supplement and, if necessary, replace State and local logistical systems by leveraging resources within both the public sector and the private sector.[35]

Both this lesson learned and the judgment statement previously indicate that the White House is concerned about the ability of responders at the local level to identify, procure and employ supplies in a timely manner at the scene of the incident (or in multiple locations). While the research and my conclusions steer away from stockpiling, this issue from the Katrina report does reiterate that the Coast Guard, as well as other federal, state and local agencies, need to consider not only the supplies required, but also the sources for those supplies and the competing demands that will be placed upon those sources in a contingency.

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[34] U.S. Executive Office of the President, The Federal Response to Hurricane Katrina: Lessons Learned (Washington: The White House, March 2006), 44.

[35] Ibid.

A final piece of literature which is pertinent to this research includes ideas put forward by the Naval Contingency Contracting Handbook (NAVSUP Pub 713). As will be discussed later, this Navy publication will be a valuable resource for modeling how logistical, procurement and contracting operations should be handled during a contingency. According to the handbook, "[t]he mission of contingency contracting is to responsively, effectively, and legally contract for, or to contract for the providing of, the supplies, services, and construction necessary to support the mission of the supported organizations."[36] The handbook emphasizes that financial managers and contracting officers in the field may need to operate independently during time of crisis. The initial phases of a contingency are likely to be chaotic. For that reason, "Contingencies require planning, rapid response, flexible procedures, and integration of efforts."[37] At this time, a similar manual or handbook does not exist within the Coast Guard.

C. CONTINGENCY AND CONTINUITY TRAINING

The emphasis of this sub-topic in the research is to focus on the issue of enhanced training within organizations on the subject of contingency financial management and business continuity. Again, there are several resources available, including many examples of courses being offered by different organizations as related to BCM planning and/or contingency contracting. However, a couple documents in the literature review were deemed particularly interesting.

A study by several Naval Postgraduate Students in 2003 identified shortfalls in the Marine Corps' ability to find properly trained Contingency Contracting Officers. The study provides justification for the training and deployment of specialized Marine personnel to provide Contingency Contracting support for wartime or man-made and natural disasters. As part of their justification, the study authors conducted data queries to determine how many contracting officers and purchasing specialists are in the Marines, how many are deployable, and how many have completed a contingency contracting

[36] U.S. Navy, *Naval Contingency Contracting Handbook, NAVSUP Publication 713* (Commander, Naval Supply Systems Command, May 16, 1997).

[37] Ibid.

course by the Defense Acquisitions University (DAU).[38] This question was not asked within the Coast Guard surveys, but it is certainly a low number. The latter half of the review report was focused on a discussion how the MBA students built a Marine Corps Institute course in Contingency Contracting.

A study of a similar nature, also conducted by the Naval Postgraduate School, looks at the need to adequately train, prepare and integrate Contingency Contracting Officers (CCOs) in planning and executing Military Operations Other Than War (MOOTW). Several examples are presented why failure to accurately prepare or include CCOs created problems:[39]

- Uncertain Funding in MOOTW
- Difficulty in Coordination
- Inadequate Training
- Focus on Garrison Duties
- Inadequate Hardware/Software Support
- Need for Manual Contracting Procedures
- Incomplete SOP to Facilitate CCP Transition
- Inadequate Proficiency in Contingency Contracting Skills
- Unauthorized Commitments
- Customer-Supplier Relationship

All these issues "ring true" for the Coast Guard and other military and federal agencies that look to employ contingency-focused financial management practices. Developing the contracting officers, budget analysts, and unit command cadre with the right tools, policies, authorities and mindsets to overcome these challenges is important.

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[38] Kenneth A. Burger, Jonathan R. Kehr, and Brian E. Wobensmith, "Marine Corps Contingency Contracting MCI" (MBA Professional Report, Naval Postgraduate School, 2003), 6.

[39] William Robare, "Guidance for Army Contingency Contracting Officers in Preparation for Military Operations Other Than War (MOOTW)" (MS Thesis, Naval Postgraduate School, March 2000), 84.

A study by Michael S. Anderson and Gregory P. Flaherty of the Naval Postgraduate School looks at the ability and justification to including Contingency Contracting Support Plans (CCSPs) into battle plans and planning staffs. As stated in their executive summary: "The purpose of the CCSP is to define the needs of the Combatant Commander (COCOM) immediately so as to provide the contracting officer enough time to conduct battlefield procurement in an efficient and effective manner."[40] Unfortunately, many organizations, including the Coast Guard, do not have these types of billets trained to include in planning efforts for contingencies. A further question, not addressed in the literature, might be whether the Incident Management System logistics functions are adequately trained. As organizations within the military become ever more ingrained in joint operations, they will need to cross-train these particularly assignments and/or include partners from other agencies that can understand the mission and requirements.

D. GAPS AND 'NEXT STAGES'

A crucial absence that has been noted in research so far is *actual experience* concerning the *success* of plans related to business continuity and financial management disaster preparedness. It is likely that research may reveal examples of success or failure of disaster logistics planning (or business continuity planning) in areas which have faced man-made or natural disasters. Drawing these examples together may highlight the shortfalls in logistical and financial management preparedness, and even the resultant financial and personal costs of this short-sightedness.

It is also the intention of the research to identify lessons learned from other first responders and state governments concerning their implementation of similar policies. One question may be "what barriers to change were experienced in these communities as they worked to employ types of efforts?"

[40] Michael S. Anderson and Gregory P. Flaherty, "Analysis of the Contingency Contracting Support Plan within the Joint Planning Process Framework" (MBA Professional Report, Naval Postgraduate School, December 2003), 2.

In response to specific literature inquiries on the topic of contingency financial management, Coast Guard Headquarters has subsequently issued a brief, and primarily tactical-level, instruction to provide basic guidance to financial managers for use in major disasters and contingencies. The instructions are in close concert with these BCM research efforts, again at a basic level. It is possible that if Coast Guard Headquarters continues on this basic course, they may answer the basic need for contingency-focused financial management policy. It remains to be seen whether Coast Guard Headquarter efforts will conflict, coincide or supersede this BCM research.

A brief note should be made to the Oversight Plan provided by the Committee for Homeland Security for the 110th Congress in the House of Representatives. This oversight plan provided guidance on what can be expected as primary areas of concern during the two-year period covered by that session of Congress. Of particular note, the Chairman of the Committee, Bennie G. Thompson, indicated that the Committee will "address the financial management challenges of individual [DHS] components, including the implementation of internal controls and the mitigation of organizational weaknesses which preclude the issuance of clean audit opinions. Additionally, the Committee will examine the Department's efforts to integrate the financial management systems of the component agencies into a unified system."[41] The oversight plan also stated that the Committee will look to review Continuity of Operations for DHS, as well as the Continuity of Government for other key agencies, should a terrorist attack occur. The Oversight Plan fell short of advocating advanced continuity plans, such as those targeted at financial management.

E. LOOK FOR "SMART PRACTICES"

This brief literature review demonstrates that there is considerable discussion and debate on the use of business continuity plans and whether specific organizations should take affirmative efforts to implement a contingency-focused financial management system. It should be clear that the Coast Guard is not alone in studying and

[41] Bennie G. Thompson, Representative, "Committee on Homeland Security Oversight Plan, U.S. House of Representatives, 110th Congress." United States House of Representatives.

implementing these initiatives. Many organizations, public and private, local and international, similar and dissimilar are studying their operations, logistics and support systems to understand how to improve preparedness and resiliency. The remainder of this thesis work looks at measures the Coast Guard should implement to improve financial management and logistics readiness for contingencies. As the Coast Guard implements these measures, they must simultaneously partner with other agencies, at all levels, to continually discover successes and failures with similar implementations and understand the context within which these results occurred. The Coast Guard must ensure that they do not jump at each and every opportunity to implement practices that have succeeded elsewhere, but must instead appreciate that 'best practices' elsewhere are not always a similar fit for the Coast Guard. Author Eugene Bardach encourages organizations to ask themselves, "Assuming this practice is indeed smart in some contexts, is ours a context in which it can work well enough to warrant trying it?"[42] Therefore, as knowledge, literature and examples continue to accumulate, the Coast Guard must be prepared to conduct inquiries and studies to see which items should become "smart practices" for the Coast Guard.

[42] Eugene Bardach, *A Practical Guide for Policy Analysis: The Eightfold Path to More Effective Problem Solving*, (CQ Press, 2000), 82.

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IV. PLAN FOR IMPROVING COAST GUARD BUSINESS CONTINUITY PLANNING AND CONTINGENCY LOGISTICS

Wars are not paid for in wartime, the bills come later.

- Benjamin Franklin

A. THE CHALLENGES WE FACE

The interview and survey results in the previous chapter, in-depth feedback and lessons learned from significant contingencies, and recommendations gleamed from numerous items within the literature review, clearly point towards certain conclusions which can only be ignored at our peril. First, the Coast Guard operators and logisticians in the field, standing just behind our first layer of operational response, are not fully prepared or trained to properly execute the financial and logistical challenges of a major contingency. We lack effective field-level policy for a range of contingencies and we have not armed these responders with unambiguous and resilient methods to ensure their financial and logistical actions from the beginning are helping the organization succeed.

Second, there are significant areas of improvement in preparing our logistical planners, as opposed to field-level operators and support personnel, for the logistical and financial management challenges that may be faced in major contingencies. This challenge can be viewed as an "opportunity cost" of not preparing in advance with our local, state, federal and private partners on the likely stream of logistical requirements that a major contingency response will require. The less time we devote in advance, the more likely our contingency personnel will have to devise ad hoc policies and plans in the wake of a catastrophic event. These ad hoc policies will come at a cost measured in lost and inefficient time, more expensive and unnecessary inventories or a failure to accurately track costs from the outset of an event, leading to real dollars lost to the Coast Guard.

Third, our ability to accurately and effectively capture costs related to a contingency from shortly after the event has remained relatively unchanged since the challenges encountered from 9/11 and Hurricanes Katrina and Rita. During those pivotal events, and with Hurricane Katrina in particular, financial management experts devised ad hoc tables to track the wide-assortment of FEMA mission and reimbursable costs. Additionally, extra personnel were summoned to the affected area to begin "forensic cost accounting" and establish "Cost Accounting Tiger Teams," all measures which, in the end, were successful for capturing hundreds of millions of dollars in reimbursable costs.[43] However, the current system remains relatively unchanged in policy and guidance that would make this process unnecessary, or at least simpler, for the next major contingency.

Fourth, our workforce remains inadequately prepared for the challenges which may lie ahead in major contingencies such as pandemic viruses, electromagnetic pulse or simultaneous smaller attacks in major cities across the country. These are certainly low probability events, though many would argue we are overdue for a pandemic, and yet the consequences of these events could lead to significant failures in our financial management and logistics systems which would cascade into losses in our operational capabilities. Our workforce needs to build resilience and capability through an examination and correction of "bottleneck" procurement and contracting personnel positions and through a refocus on effective training and contingency exercising which goes beyond the classroom environment.

B. AREAS TO DEVELOP A CONTINGENCY-FOCUS ON FINANCIAL MANAGEMENT AND LOGISTICS

Improving our financial management and logistics programs to become "business resilient" and with a capability to overcome major contingencies requires changes in at least the following areas:

[43]Frank Capitano, Craig Bennett, Allen Thuring, Paul Baca, and August Martin, "Semper Paratus – Always Ready: U.S. Coast Guard Financial Management Support Its World-Class Disaster Response," Armed Forces Comptroller, Spring 2006, 22.

- Establishing financial management and logistics policy for operators and field personnel to understand the importance of cost tracking and how these personnel can immediately take procurement and contracting actions.
- Modifying the accounting line and financial systems readiness to track costs.
- Understand geographic-specific logistics requirements and developing a plan and information sharing construct to collaborate with other units and agencies.
- Build resilience in contracting and contingency procurement which includes efforts at Advanced Readiness Contracting, Pre-Contracting and mitigation of the "human aspects" of business continuity planning.
- Reconfigure and effectively market long-term training, education and skill maintenance for Coast Guard planners, logisticians and procurement/supply personnel at all levels.

The remainder of this chapter will look at each of these efforts in detail.

C. WHERE IT MATTERS MOST - CONTINGENCY FINANCIAL MANAGEMENT & LOGISTICS IN THE FIELD

The Coast Guard is a busy organization of more than 87,000 active duty, reserve, civilian and Auxiliary employees.[44] As of Fiscal Year 2008, these personnel operate a variety of assets which provide direct service to the citizens of our nation and the world. These assets include 252 cutters, 945 shore units, 194 aircraft and more than 1,660 boats of various size and mission.[45] In an average day, the Coast Guard uses these assets to save 14 lives, assist 98 people in distress, conduct 74 search and rescue cases, complete 31 Port State Control safety and environmental exams on foreign vessels, perform 18

[44] U.S. Coast Guard, "CG Snapshot: A Summary of Facts and Figures About the U.S. Coast Guard," http://www.uscg.mil/top/about/overview.asp (accessed August 3, 2008).

[45] Ibid., CG Snapshot.

safety exams on commercial fishing vessels, conduct 24 marine casualty investigations, issue 102 Certificates of Inspection to U.S. commercial vessels, service 135 aids-to-navigation, correct 23 aids-to-navigation discrepancies, interdict 17 illegal migrants at sea, seize or remove over 1,000 pounds of illegal drugs ($12.9M value), escort over 20 large passenger vessels, military outload vessels, High Interest Vessels (HIVs) or vessels carrying especially dangerous cargo, board 193 ships and boats, board 17 vessels at sea to enforce domestic fishers and marine protected species regulations, inspect 53 HAZMAT containers, and respond to 12 Oil Pollution/Hazardous Chemical Material spills.[46] This is considerable work for a service of its relatively small size. The Coast Guard is often viewed as one of the best investments of our government, providing an incredible six-to-one return on taxpayer investment in terms of lives and property saved, drugs interdicted and numbers of illegal immigrants that do not make landfall and burden the social system.[47]

Given the accomplishments just mentioned, how do we make these tens of thousands of people and thousands of field-level assets even more prepared to face the overwhelming challenges of a low-probability, high consequence major contingency without further burdening them as they flex their operational initiative? The situation, as it exists today, is that the people operating these assets have rigorous daily missions and operating procedures which they abide by. They are prepared for a high number of potential casualties, contingencies and emergencies. And yet, one of the areas left unaddressed in their readiness posture, is how to effectively deal with the logistical and financial challenges of a major contingency. As stated earlier in this report, these personnel are clearly ready to address the operational challenges. Time and again, Coast Guard personnel have risen to the challenge of urgent and large-scale events and performed heroically with initiative and tenacity.

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[46] U.S. Coast Guard, "CG Snapshot: A Summary of Facts and Figures About the U.S. Coast Guard," http://www.uscg.mil/top/about/overview.asp (accessed August 3, 2008).

[47] Donald T. Philips and James M. Loy, *Character in Action: The U.S. Coast Guard on Leadership*, (Annapolis: Naval Institute Press, 2003), 118.

The web survey indicated that the majority of financial management logistical personnel represented do not feel that the field-level personnel are adequately prepared to address the cost-tracking and logistical concerns of a large contingency. For instance, when asked whether field level personnel were prepared to carry out contingency procurement, the comment was made by one respondent that "little training is available or enforced." Similarly, others responded on the issue of cost-tracking that "there is no CG standards on how to do it, so it would be track[ed] differently from unit to unit." Another respondent felt that the field *can* get procurement completed, as evidence by Hurricane Katrina, however, "the problem is the internal control holes in the system. Also, the current move is to remove small purchase vehicles (credit cards) from the field operator to ease burden." These comments, and many others like them, indicate that there is a need to establish and standardize policy and instructions for field-level operators to employ in times of contingency. The objective of these instructions is to make contingency procurement quickly, in accordance with regulations, and to effectively capture costs such that reports can be generated in the future when seeking reimbursements from emergency funding sources.

1. Don't Jeopardize Initiative and Flexibility

Any policy or instructions developed for action by the field need to keep in mind several important issues. First, policy or instructions for the field must not reduce the capability to act or respond. As in nearly every operation or task, there are options and trade-offs which must be considered and some flexibility must remain, even proactively created, in the system to allow for initiative and response. Due to the urgent nature of contingency operations, field personnel will not have time to pour through tomes of specifications, instructions, and redundant policies before making decisions.

To take a random example of an item which may be needed in a contingency, consider that there are a myriad of instructions and standards which outline military specifications for handheld global positioning systems (GPS). The systems have to match other models currently in Coast Guard inventory, be shopped competitively if purchasing a total of more than $3,000 and tracked in the Coast Guard general purpose

property system. There are several events which may require purchasing dozens or hundreds of handheld GPS systems to send out with field units, recovery teams or even small shoreside security groups to radio in exact locations of security incidents along the shore or critical infrastructure. The Coast Guard cannot afford to maintain warehouses and stockpiles of items such as these, nor would they want to given the fact that each model can become outdated in just a few years. Therefore, when minutes and hours count to obtaining the devices from vendors or distributors, getting them to the field operators and putting the equipment to work, there is not time to undertake additional steps which may slow the process and could lead to dangerous inefficiencies or casualties. Our field operators need abbreviated guidance on how to purchase off-the-shelf systems, as an example, and they must be provided with the critical issues to keep purchases legal and justify their procurement. In the end, we need to trust the field personnel, operating in the heat of battle, to make the right decisions that match policy.

2. Speed & Efficiency Cannot Sacrifice Law or Internal Controls

A second important issue as policy is developed is that instructions which provide guidance on how to effect emergency procurement must be developed in accordance with the Coast Guard's Financial Resource Management Manual (FRMM), the Federal Acquisition Regulations (FAR) and Simplified Acquisition Procedures (SAP). These instructions, policies and regulations were not devised with the intent to provide for rapid procurement during times of crisis, but instead are intended to solidify and reinforce internal control practices and compliance with federal procurement law. However, there are caveats and methods within these binding systems which can create flexibility when certain circumstances are met (e.g., units may be able to purchase equipment or services from a "sole source" during times of emergency rather than seeking purchase quotes for a number of competing vendors).

As stated in a Government Accountability Office Report written after Hurricane Katrina titled "Preparing for and Responding to Disasters" there is substantial emphasis on ensuring internal controls remain intact during times of crisis. The report stated

> Controls and accountability mechanisms help to ensure that resources are used appropriately. Nevertheless, during a catastrophic disaster, decision makers struggle with the tension between implementing controls and accountability mechanisms and the demand for rapid response and recovery assistance. On one hand, our work uncovered many examples where quick action could not occur due to procedures that required extensive, time-consuming processes, delaying the delivery of vital supplies and other assistance. On the other hand, we also found examples where FEMA's processes assisting disaster victims left the federal government vulnerable to fraud and the abuse of expedited assistance payments.[48]

The Coast Guard, while in the midst of responding to the response and recovery of tens of thousands of people stranded in the city released an internal message reiterating the importance of these controls. An important highlight of the message included the following:

> The Coast Guards massive operational response to Hurricane Katrina in Louisiana, Mississippi and Alabama has been accompanied by a monumental surge in financial and procurement activity at all levels of the Coast Guard, most notably at field units actively involved with disaster response and recovery. The operational response to Hurricane Ophelia in North Carolina has been more geographically limited and the response to Hurricane Rita is still in its early stages, but the fact that the CG has had three back-to-back hurricane response and recovery operations has the potential to strain the level of oversight we have over our financial and procurement processes. There has already been a considerable amount of high level executive, legislative and public interest in ensuring that federal agencies involved in disaster recovery operations continue to be good stewards of the taxpayers dollars that will eventually be expended in support of these efforts. For example, the DHS Office of Inspector General (OIG) has outlined its plans to review selected major contracts associated with Hurricane Katrina operations to ensure federal acquisition regulations are being adhered to, and that associated expenditures are necessary and reasonable. Similarly, Congress has asked for a weekly report on the allocation and obligation of Katrina-related recovery funds.[49]

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[48] U.S. Government Accountability Office, *Preparing for and Responding to Disasters*, GAO-07-395T, (Washington, DC: Government Accountability Office, 2007), 14.

[49] U.S. Coast Guard, "Financial and Procurement Controls During Disaster Response and Recovery," CG-8D message, Date-Time Group R 211446Z SEP 05.

As should be evident from the extract above, the Coast Guard understands the importance of these policies, but is it being effective and efficient in the spending of contingency related procurements and could it be more effective in cost controlling and collection if basic and fundamental policies related to contingency procurement are understood in the field? Those should be driving factors to measure success in a revised policy, aimed at the field, for contingency-related procurements. Unfortunately, our system of government will always look to place blame later on faulty decisions. The Coast Guard must not set up the field personnel for failure in this respect. Instructions and policy must be clear and unambiguous with footnotes and appendices which can be referenced *if* time permits or if there is paralyzing vagueness.

Finally, the policy and instructions must provide ready-to-employ checklists and abbreviated procedures on how to acquire emergency supplies from a variety of sources (e.g., meals ready-to-eat, safety and response equipment, berthing services, contractor support, etc.). These field-level appendices should evolve from the planning doctrine which will be described in Chapter VI. It is likely that when contingencies or exercises occur, the checklists will be the only pertinent sections which will be used for reference. Much like the Use-of-Force checklists which are employed on cutters and boats today when conducting law enforcement and security operations, a series of contingency financial management or logistics checklists must be quick reference items which allow for documenting a decision process and following it through to a conclusion which can be supported and enforced.

Similarly, it should be further investigated if DHS procurement policy may provide field unit authorization to procure/contract resources immediately, without other authorization, in order to begin emergency operations immediately following a contingency or disaster. The National Response Plan, Catastrophic Incident Supplement, Annex 4 indicates that similar allowances and authorizations are being applied at the federal level.

D. MODIFYING THE ACCOUNTING LINE AND FINANCIAL SYSTEMS READINESS TO TRACK COSTS

Inevitably, when contingencies occur, funding and cost reporting to higher echelons become crucial and sensitive issues. During the 9/11 response, rudimentary cost collection began within 3-hours of the event and grew in complexity over the course of the following months. It became important in the first several days and especially in the final weeks of the fiscal year, to understand what the costs to the Coast Guard were as a result of the historically high level of security in the nation's ports and waterways. In spite of monumental increases in security related missions costs and a surge of reserve forces, the Coast Guard could not afford the black-eye of exceeding the funding appropriated and apportioned. The Coast Guard was in need of accurate and substantiated cost data to generate estimates for presentation to Congress as part of supplemental appropriation funding requests. These cost estimates were based upon burn-rates of funding and spending pulled directly from the financial system. If costs were not reported accurately, or did not cite the correct triggering cost-center in the financial system (i.e., a five-digit numbered flag to indicate 9/11 response), then these costs were left off reports, forecasts and estimates. Similar experiences by a survey respondent led the individual to comment that, "Hurricane Katrina was a good example of lack of preparedness in financial management. During the initial response phase there was no clear guidance on how to track cost for units to obtain reimbursement from the CG or from FEMA. If I remember correctly, guidance came weeks or even a month after the incident." A similar response was elicited by a respondent when asked if cost collection could begin immediately after an event: "What's the definition of 'immediately'? [We're] still collecting cost documentation & billing FEMA for reimbursement from Katrina 3 yrs ago. That said, we've recovered 99%+ of all expenditures, the system works, but it WILL NOT meet stated 60-day time lines."

The Coast Guard Maintenance & Logistics Command, Atlantic, after action report from Hurricane Katrina also touched upon this critical component of contingency financial management:[50]

> Timely/comprehensive data capture and establishment/proper use of accounting strings is essential to effectively position the Coast Guard to attempt to get expenditures reimbursed by other agencies (e.g., FEMA) and/or seek supplemental funding…Disaster response creates funding requirements well beyond normal budget builds - immediate, near-term and long-term. It's imperative that expenditures hit proper cost centers to facilitate data calls associated with development of supplemental funding requests, seeking of cost reimbursement, development of follow on/out year budget requests and similar efforts. Special / specific data capture requirements (i.e., AOPS & ALMIS); the use of special accounting strings; and changes in accounting strings commensurate with operational developments [i.e., availability of FEMA mission assignments (MAs), availability of special sources of funding] complicates normal procurement & accounting procedures…Large scale natural disasters and similar contingency operations can create an extreme surge in financial and procurement activity. Resulting emergent /emergency response efforts can often times lead to improper cost accounting resulting in an intensive effort straightening out financial records after the fact. Proper "bookkeeping" up front and throughout ongoing operations will minimize the downstream effort that will be required.

The Coast Guard is not alone in this challenge. Other examples exist of agencies that also find themselves unprepared for effective cost accounting when disaster strikes. A major ice storm blanketed the city of Springfield and Greene County, Missouri, with approximately two inches of ice from January 12 to January 15, 2007. The large amount of ice forced area businesses and schools to close and severely limited surface transportation. The storm also disrupted electrical service, leaving up to 90,000 county residents without power for as long as two weeks following the ice storm. The Springfield-Greene County Office of Emergency Management (OEM) activated its EOC at 8:30 p.m. on January 12, approximately 5 hours after ice began to accumulate. The incident required assistance from the state government, including the mobilization of the

[50] U.S. Coast Guard, "Hurricane KATRINA Response – Maintenance & Logistics Command Atlantic (FOUO)" in the Coast Guard Standard After-Action, Information and Lessons Learned System (CGSails), http://www.cgsails.uscg.mil/default.htm (Coast Guard intranet access required, accessed August 12, 2008), section titled "Financial Management."

Missouri National Guard and the routing of resources from the Missouri State Emergency Management Agency. The Federal Emergency Management Agency declared Greene County and 34 other Missouri counties to be in a state of disaster, and Greene County sustained $40 million in public damages. [51]

The Springfield-Greene County EOC served as the focal point for resource collection and management for the area during the ice storm. Under its Emergency Operations Plan (EOP), the finance section is responsible for all cost accountability functions during the EOC's operation. During the first days of the incident, however, the emergency management director did not contact the county finance department to maintain finance and purchasing records as mandated in the EOP. Without an established finance section, the EOC management team did not have sufficient documentation of its expenditures and could not produce accurate estimates of its spending. This lack of financial accountability impeded logistical processes during the early phases of the incident."[52, 53]

The Coast Guard often finds itself in similar situations. Mission execution shall always be the undisputed focus of response. Mission support structures must not jeopardize the quick, effective and efficient response. However, as noted above, a failure to accurately account for the costs of response operations can inhibit accurate reimbursement requests and impact the understanding of mission cost vs. benefit calculations in the future. Understandably, most unit-level personnel have cost-collection as the farthest thing from their mind when responding to an incident. And yet, it is that mentality which can hinder accurate reporting, and more importantly, accurate reimbursement for services provided and costs absorbed. This is not to say that Coast Guard personnel should reach for their life jackets and calculators when responding; however, a basic understanding of contingency financial management is necessary for all

[51] Springfield-Greene County (MO) Office of Emergency Management, "Ice Storm 2007 After Action Report," May 2007, http://www.greenecountymo.org/web/OEM/files/1-12-07.pdf (accessed August 12, 2008).

[52] U.S. Department of Homeland Security, "Emergency Operations Centers: Practicing Financial Accountability from the Start of an Incident," Department of Homeland Security Lessons Learned Information Sharing, https://www.llis.dhs.gov/displayContent?contentID=25628 (registration required).

[53] Springfield-Greene County (MO) Office of Emergency Management.

hands. There are pockets of success in this challenge within the Coast Guard, most notably in the pollution response community. When asked if cost collection for a response is important, a respondent commented, "Yes, the BIG money is in pollution (& now debris removal); and those funds, whether OSLTF[54], CERCLA[55] or ESF [Emergency Support Function] require billing someone for reimbursement, with a level of accuracy that meets both DOJ [Department of Justice] court requirements, and CFO [Chief Financial Officer] financial statement assertion requirements."

The web survey addressed this issue by asking respondents, when given a hypothetical scenario of a major contingency, whether the Coast Guard would be able to begin cost collection for the response immediately. Of the 25 respondents, 20 indicated that they would not be able to do so while only five indicated yes. Speaking to the point of my recommendation, a respondent indicated that cost collection would probably not begin "unless there was a strong financial management type at the larger command ensuring that guidance was put out in the field to capture costs." My response: why do we have to wait? Why cannot this guidance be prepared, packaged and released well in advance, and be included in training, exercises and policies? Another respondent spoke directly to this when they stated, "Unlike assets, we have no prepositioned accounting lines." This is the opportunity, as we take proactive actions, to mold the existing accounting lines and systems in the modernized Coast Guard financial management infrastructure, and as we are in midst of designing formats for future accounting lines, to ensure that our system is *flexible*, *adaptable* and *prepared*.

A *flexible* contingency responsive accounting system would allow for cost-collection in multiple formats and input methods depending on the severity and impacts of a contingency. For instance, there is a range of contingencies, especially those scenarios involving pandemic illnesses that could make constant human intervention and data entry nearly impossible or, at a minimum, incredibly inefficient. Consider that a prolonged pandemic has struck a major coastal metropolitan city; if only five people of a

[54] OSLTF: Oil Spill Liability Trust Fund

[55] CERCLA: Comprehensive Environmental Response, Compensation, & Liability Act (i.e., Superfund)

ten-person office can work on Coast Guard logistics and financial management, would you want any of these people doing work that could be easily automated or streamlined? Similarly, the system must be flexible enough to not rely solely upon the existence of the Coast Guard Data Network (CGDN) (i.e., Coast Guard Intranet) as there are many contingency and disaster scenarios that can begin with, or cascade into, electrical, telephone and/or internet network failure. To remedy this possibility, alternate and creative solutions need to be investigated which could mitigate the danger of losing procurement transaction capability and financial and transparency during a major contingency. As stated, for pandemic illness contingencies, or other events which cause substantial "human impact", there is a necessity for a system which is flexible to support automation to the highest extent possible, from the initial procurement and logistics actions, through the assignment of cost centers, object classes, and accurate accounting line data. Such a system would ideally also feed pre-built reporting mechanisms such that trend data to support designation of costs, creation of cost forecasts/estimates and support for decision making tools would reduce the requirements of human analysis. Imagine again, as an example, a major pandemic in a metropolitan area. Coast Guard units, wanting to prevent further infection or spread to secured/uninfected areas, may be required to enforce security zones, inspect cargo vessels and would likely require procurement and assignment of equipment specific to those purposes (e.g., additional life jackets, body armor, ammunition, sensor & detection equipment, etc.). A highly supportive and automated logic system would allow individual users to rapidly enter basic expenditure and budget data, input purchase card and procurement information using voice recognition technology and feed the data into pro forma cost reports which are then automatically pushed or pulled to other systems or levels of hierarchy within the Coast Guard and federal government. This would significantly reduce the need for additional report design and tailoring, generation of messages, and coordination on the collection and dissemination of data which is highly rule-based and well suited to automation. The system would also tie-in to geo-spatial information systems (this is GIS,

correct?) and mission assignment data to determine when an asset has entered a disaster zone and can begin to accumulate reimbursable costs against the "standard cost" of the asset.

A *flexible* system for cost-collection would also provide for the eventuality that communication systems or any computer/electrical systems are unavailable. Understandably, this outage would be hectic and disorderly in the long-term, bringing cost collection for the entire federal government to a stand still while ad hoc methods are created. However, units in the field, at a minimum, will need to understand their cost-collection obligations in such an eventuality and how a loss of communications or network infrastructure should be mitigated. It is hoped that such a disastrous situation would be short-lived. When systems then become operational again, it will be necessary to recreate the financial and logistical events that took place in the interim.

An *adaptable* system for cost-collection would be readily malleable to mold into a variety of potential contingencies. As our accounting system is prepared today, the Coast Guard uses the piece of the accounting line known as the 'cost center' to record a five-digit number to identify the unit, command, or event to which the cost is attributable. For instance, the Coast Guard has designated cost center 70880 to be for the use of natural disasters (e.g., hurricanes, flooding, earthquakes, etc.). When a unit has a hurricane impact its area which causes the necessity to spend unit funds (e.g., clean-up and disposal of debris), applying the 70880 cost center within the accounting line would allow for reimbursement by Coast Guard headquarters. Coast Guard Headquarters, in turn, would pull all data related to the contingency out of the financial system by searching for the 70880 cost center. These costs could then be summarized for submitting to FEMA, DHS or another agency that may be cost-collecting for building a single Congressional supplemental funding request as was done in the years following 9/11 for terrorism response and recovery operations. For many years, this has been an acceptable methodology for cost collection. However, as was discovered in 2005 when multiple hurricanes struck in quick succession in Florida and the coastal states of the Gulf of Mexico, causing more than $178M in expenditures by the Coast Guard, simply using the

pre-designated cost center was inadequate to accurately reflect costs.[56] Some units could not delay spending until the cost centers could be loaded into their accounts (the USCG Finance Center in Chesapeake, Virginia becomes involved by manually assigning cost centers which can be spent against unit funds, another delay in the system). To prepare ourselves for future contingencies, disasters and major terrorism incidents, what is needed instead is multiple pre-designated cost centers which shall be programmed well in advance for a variety of contingencies, locations and sequential numbers (to allow for separation of costs for successive events). These cost centers shall be open to any unit and any program element (funding source) to apply costs against. An example of establishing such a system is included below, with a more complete listing of potential cost centers is included as Appendix B:

Nuclear Detonation	USCG HQ Org	50000	through	50009
Nuclear Detonation	USCG HQ Units	50010	through	50019
Nuclear Detonation	Atlantic Area	50020	through	50029
Nuclear Detonation	Pacific Area	50030	through	50039
Nuclear Detonation	1st District	50040	through	50049
Nuclear Detonation	5th District	50050	through	50059
Nuclear Detonation	7th District	50060	through	50069

… … … … …

Cyber Attack	13th District	52200	through	52209
Cyber Attack	14th District	52210	through	52219
Cyber Attack	17th District	52220	through	52229
Cyber Attack	MLC Atlantic	52230	through	52239
Cyber Attack	MLC Pacific	52240	through	52249

A *prepared* cost collection system would have a series of pre-formatted cost collection formats and standard reports. In the early hours and days of a contingency, when field-level operators are still consumed in the mire of response and weary from activity, they will have little attention or incentive to devote to generating reports for submission up the chain-of-command to report expenditures and consumption of resources. Similarly, middle-level support and financial management commands will want to quickly collect and report data required by Coast Guard Headquarters, FEMA or other supported agency. To facilitate a contingency-focused financial system, the methods of collecting, collating and reporting data should be standardized and understood by all commands well in advance. As stated in paragraphs above, the system should

[56] Capitano, et al., 21.

require as little human intervention as possible, and yet, provide clear understanding of what events the costs and resources were supporting using cost center codes.

To facilitate this rapid and prepared reporting system, units must become familiar with, trained and exercise with a standard reporting system. This reporting system must also be flexible to allow for submission in a number of formats as discussed previously (i.e., automated via CGDN, e-mail submission, fax, voice recognition via phone call or even hand delivery).

E. PLANNING LOGISTICS FOR A TAILORED GEOGRAPHICAL RESPONSE

The Coast Guard is a widely dispersed organization. With more than 95,000 miles of shoreline to protect, it is challenging to maintain awareness and to devise plans for every contingency that may erupt. And yet, without an effort at planning, the Coast Guard will be caught blind and not have the wherewithal to respond with speed and efficiency. To our credit, operational planning is very much a part of our culture and intent. However, ensuring that a sustained logistics plan and a responsive financial organization are functioning to support mission execution is where we are in danger of falling short.

A well-respected and experienced Coast Guard contingency planner remarked during survey research that "[Hurricanes] Katrina/Rita tested the contingency response of the CG, and for the most part we succeeded, but we succeeded because of our can-do culture, not because we had workable policies/procedures in place and solid COOP systems. We succeeded because we had a few good key experts who could coach everyone else along." I am confident the Coast Guard will continue to recruit, train and educate the best and brightest military and civilian employees, however, the organization must support the members by not forcing them to reinvent the wheel during times of contingency.

To ensure that we have considered the mission support that will be required in the multiple events and contingencies the Coast Guard may become involved in, we need to lead efforts at collaborative logistics and financial management planning at the local and

regional level, based on the framework of the capabilities-based planning discussed in the National Response Framework (NRF) and the National Preparedness Guidelines (NPG).

As stated in the National Response Framework, "Preparedness involves a combination of planning, resources, training, exercising, and organizing to build, sustain, and improve operational capabilities. Preparedness is the process of identifying the personnel, training, and equipment needed for a wide range of potential incidents, and developing jurisdiction-specific plans for delivering capabilities when needed for an incident."[57] It also says about capabilities based planning, "[t]he Framework is capabilities based, which is to say that local governments, tribes, States, and the Federal Government all develop functional capabilities and identify resources that may be required based on hazard identification and risk assessment, threats, and other potential incidents such as those represented by the National Planning Scenarios."[58] Using capabilities based planning and meshing it with collaboration by local and regional first responders to determine *collectively* the logistics and support infrastructures required will be synergistic and will represent the future of catastrophic disaster response. If formed and utilized properly, it will provide maximum mission support by devising contingencies plans which have already withstood rigorous exercises and collaborative testing.

[57] U.S. Department of Homeland Security, *National Response Framework* (Washington, DC: Government Printing Office, January 2008), 9.

[58] *National Response Framework*, 7.

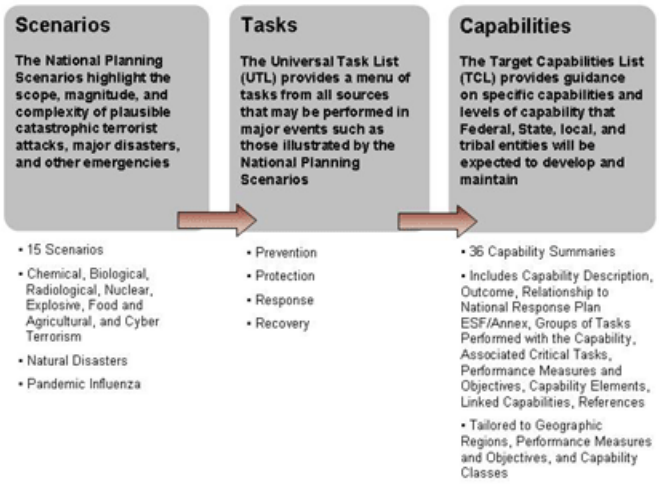

Figure 2. Capabilities-Based Planning[59]

The National Response Framework addresses this critical imperative by defining the goal and objectives of contingency preparedness: "Preparedness involves a combination of planning, resources, training, exercising, and organizing to build, sustain, and improve operational capabilities. Preparedness is the process of identifying the personnel, training, and equipment needed for a wide range of potential incidents, and developing jurisdiction-specific plans for delivering capabilities when needed for an incident."[60]

On the face, this may seem like an easy prospect. But when you consider the challenge of understanding the possible contingencies that could develop within a particular region and the many stakeholders and responders that become involved, the planning can become amazingly challenging. It is likely this reason, and the time commitments involved, which have made this very much a “back-burner” issue for most agencies. But do Coast Guard financial and logistical planners feel that this type of advance planning is feasible, realistic, or even desired? Respondents to the web survey were asked: given a set of planning scenarios for significant disasters and/or contingencies for your geographic area, would it be possible to forecast necessary

[59] Capabilities-Based Planning Diagram obtained from U.S. Department of Homeland Security, “Office for Domestic Preparedness Support – HSPD-8,” http://www.ojp.usdoj.gov/odp/assessments/hspd8.htm (accessed August 8, 2008).

[60] *National Response Framework*, 9.

supplies and services that would be needed to support Coast Guard rescue, response and recovery operations? The majority (68%) felt it would be possible. Some notable responses included:

- "Yes, it would be possible to forecast necessary supplies and services and the type of platforms necessary to replace those lost in a significant disaster."
- "To a limited degree yes. Look at the BOA [Blanket Ordering Agreement] contracts MLCA has in place for pollution response – that's the model you want to emulate for the rest of the response world. That said, there will always be something you didn't foresee, and you'll have to retain flexible and responsive acquisition/logistics capabilities."
- "Not efficiently. The Coast Guard does not maintain active and dynamic Logistics Factor Files for planning purposes. We rely on written manuals and not collected data. We also rely on personal experience."
- "I believe we are not prepared at this time to conduct that level of planning expertise."
- "Yes, I believe specific supplies and services can be identified with sources. Also companies that are located throughout the US can be identified in the event local sources are incapacitated."
- "Yes, but actually having the resources to do the planning is lacking."

I would like to contend that this type of planning is not only possible, but we are doing taxpayers and our front-line responders and mission executers a disservice by not ensuring, well in advance, that we will support their contingency operations. The National Response Framework reminds us of this responsibility when discussing the imperative to plan our response actions. It states:

> Virtually every Federal department and agency possesses personnel and resources that may be needed in response to an incident. Some Federal departments and agencies have primary responsibility for certain aspects of response, such as hazardous materials removal. Others may have

> supporting roles in providing different types of resources, such as communications personnel and equipment. Regardless of their roles, all Federal departments and agencies must develop policies, plans, and procedures governing how they will effectively locate resources and provide them as part of a coordinated response.[61]

The Coast Guard, in concert with other federal, state, local, non-governmental and public partners must take the lead in this planning effort. As noted in the respondent surveys and in discussions at length that I have had with Coast Guard logisticians and planners, this is a huge undertaking but represents the future of emergency preparedness. An article, which will be discussed at length in Chapter Four, reminds us that "a major catastrophe cannot be managed by one entity or jurisdiction in isolation, strategic planning and response requires organizations to assume new tasks and responsibilities, to surrender others, and to create an operational inter-dependence that often contradicts instinctive desires for organizational autonomy and independence."[62] The Coast Guard must leverage its high-level of inter-organizational trust to make the next leap in collaborative preparation for the next catastrophe. With process standardization, strong leadership and an effort at collaboration and coalition building, I am confident it can be achieved. Given the scope and importance of this issue, Chapter Five in its entirety will focus on how the Coast Guard can begin this process.

F. BUILDING RESILIENCE IN CONTINGENCY CONTRACTING AND PROCUREMENT

When most people consider business resilience, they conjure images of alternate work sites for employees and secure bunkers housing backup computer servers and emergency inventory. These initiatives are important, but their relevance to sustaining Coast Guard operations in the field is limited. There are many additional aspects of

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[61] *National Response Framework*, 28.

[62] Leonard J. Marcus, Barry C. Dorn, and Joseph M. Henderson, "Meta-Leadership and National Emergency Preparedness: Strategies to Build Government Connectivity," Working paper, June 1, 2006, http://www.hks.harvard.edu/leadership/images/stories/ksg/PDF/Publications/workingpapers/2005/marcusdornhendersonworkingpaper.pdf (accessed January 28, 2008), 50.

business resilience and continuity of operations which are far more important for the Coast Guard to consider as efforts are made to reinforce and defend the capability to provide operational mission support.

As discussed in the literature review (Chapter III), the terms business continuity and business resilience are prevalent in contingency planning discussions. The Business Continuity Institute defines business continuity management (BCM) as "an [sic] holistic management process that identifies potential impacts that threaten an organization and provides a framework for building resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation and value creating activities."[63] These principles have relevance for the Coast Guard and may assist with determining which business and operational areas are most in jeopardy of failure when stressed. Some areas most critical to maintaining mission support can potentially cause cascading damages to the mission response and sustainability capability during a major contingency. These areas, in particular, need to be identified, understood, and made resilient.

Respondents to the web survey of financial management and logistics professionals in the Coast Guard revealed several areas of concern related to potential weak points in our organization. The survey asked these subject matter experts to identify potential chokepoints or bottlenecks in the Coast Guard financial management and logistics systems. Some of these comments included:

- "Communications definitely. Pre-established emergency procedures for procurement and accounting [are lacking]." [Note: communications and network challenges were noted by 11 of 24 individuals who commented on the challenges of working in a contingency environment.]
- "Loss of cell phones. Loss of CGDN (the server for the FL West Coast is 4' above sea level). Lack of COCOs [Chief of Contracting Office] and

[63] IBM Corporation, "Business Resilience – The Next Step Forward for Business Continuity," Continuity Central, 2004, http://www.continuitycentral.com/feature083.htm (accessed September 23, 2007).

insufficient contracting warrants (waiting 14+ days for a $2,500 service contract to get approved during an emergency is untenable from an operational standpoint)."

- "I think legacy expertise resides in prevention shops at the sectors (and their counterparts throughout the chain of command); while the current responsibility lies with the response chain of command. It's not clear we're growing/developing new people to fill the role in the new response world. It's not clear the field knows what they don't know. We've got some centers of excellence, like the NSFCC [National Strike Force Coordination Center], MLCA [Maintenance & Logistics Command Atlantic] and NPFC [National Pollution Fund Center], but it's not institutionalized and not systematic."
- "The COCO's have the greatest latitude to conduct business but the admin follow up is a huge burden. A majority of our personnel are extremely risk averse which will also hinder them in contingency situations."
- "Ability to execute purchases without access to FPD [Finance & Procurement Desktop] & CGDN [Coast Guard Data Network]. Huge! Procurement: personnel problem (lack of training) and policy (lack of high level engagement)."
- "Most District, Area, MLC and HQ staffs can be bottle necks for field execution…however, these staffs tend to quickly flex and adjust to needs of line personnel during disasters as per Katrina."
- "FPD requirements. Warrant management system process for issuance of emergency warrants. Purchase card authority for APCs (authority restricted to geographic area)."
- "Limitation on contracting warrants at the local level."

- "Financial approval chains as they exist in FPD. The approval will need to be centralized to one entity. The FRMM [Coast Guard Financial Resource Management Manual] may limit purchase of highly necessary items to deal with the emergency."

It is clear from these results that challenges exist in supporting Coast Guard operational missions during a contingency, particularly with communications, contracting, and the approval process for emergency procurements. Let's take a look at each of these critical areas.

1. Communications Impacts During Contingencies and Business Continuity

The Coast Guard currently uses the Finance & Procurement Desktop (FPD) as the field-level and support command web-interface for initiating, tracking and executing all financial and logistical transactions. The financial transaction data for the entire organization is subsequently merged into an Oracle-based system known as Coast Guard Oracle Financials (CGOF). As many respondents to the survey indicated, if FPD were unavailable, either due to loss of unit internet/intranet/CGDN (Coast Guard Data Network) connectivity (a local problem), loss of the telecommunications or electrical power infrastructure in a geographic area (a regional problem) or loss of the FPD servers and backup systems (a national problem), the impacts would be dramatic. Current policy and instructions for financial management are entirely presumptive that this system is available for use. In fact, use of the system is mandatory as stated in an internal Chief of Contracting Officer Alert (08-34) which reminds users:

> This COCO Alert reiterates existing policy in the Homeland Security Acquisition Manual (HSAM) and the Coast Guard Acquisition Procedures (CGAP) stating mandatory usage of electronic Purchase Requests (PR) and PR approvals in the Coast Guard's e-business suite… Compliance with these policies is a critical component in receiving a successful opinion on the Coast Guard's audit and in providing sound financial management…All PRs must have the appropriate electronic approval signatures in FPD prior to being processed by the local contracting office. Hard copy PRs with hand-written signatures are not to be accepted unless a waiver has been granted under Section 8.F of the FRMM. Compliance

> with these policies is a critical component in receiving a successful opinion on the Coast Guard's audit and in providing sound financial management.[64]

Given the nature and destructive power of a contingency incident, the types of damages could be relatively short-lived or potentially carry on for weeks or months, forcing units to migrate to other options to maintain similar levels of service (then again, there are some that would contend that service to the field could increase if we went back to pencils and calculators because they would not be bound to the slow and buggy performance of FPD).

For short-lived losses of communications or connectivity (e.g., hours or days), it is relatively easy to "wait it out" and hope the system will again come on-line. Problems of this scale already happen today, even without the existence of a large contingency; sometimes it merely takes many people accessing the system simultaneously to bring it to a crawl. Interventions today may be the same ones that should exist in a policy designed to be applied to overcoming short-lived losses of access to the financial systems. Essentially, if the loss of connectivity is expected to be short, paper files and documentation can be drafted using Adobe Professional or Microsoft Excel. The forms used for authorizing procurement are nearly the same but would merely require drafting the documents in a different hard-copy format to provide for temporary proof of completing all the necessary documentation to support procurement (e.g., accurate accounting line information, signatures of authorized requisitioners and funds managers along with internal controls related to property management, hazardous materials, and required sources-of-supply).

On the other hand, a long-term loss of communications or connectivity with the financial system will impact many critical aspects of our procurement, contracting and internal controls processes. Today, there is no policy, plan or set of instructions to guide financial managers and personnel in the field for how to operate when financial systems are incapacitated and unlikely to be available for an extended period of time as may occur

[64] U.S. Coast Guard, "COCO Alert 08-34: Mandatory Usage of Electronic Purchase Requests (PR)," U.S. Coast Guard, 2008.

during major disasters or contingencies. Guiding policy, along with easy-to-follow instructions and forms must be created, promulgated and distributed in hard copy for managers in the field and at support commands to enact when it is evident that service will be unavailable. One likely step is to require all field units and support commands to maintain procurement publications, policies, instructions and procurement/documentation forms in hard copy for use during a contingency. This small step alone will allow documentation, approval chains, and internal control procedures to continue in spite of power, intranet or FPD failures.

2. Advanced Readiness Contracting

Contracting and the associated procurement functions necessary to provide equipment, services and resources to support mission execution, remains one of the most crucial aspects of business operations prior to and during a contingency. Very few missions can be executed and supported without relying on the Coast Guard's procurement, logistics and supply systems. In many respects, the systems in place today are high functioning and conducted by an impressive cadre of professionals. Then again, few inside or outside the organization, would term the system and methods "state of the art" or particularly resilient. The contracting element in particular has some critical areas in need of improvement. These include promoting a capability for advanced readiness contracting and removing contracting bottlenecks where they exist as a result of personnel shortages rather than training and authorities.

The Coast Guard is not alone in its challenges to provide effective contracting and procurement capabilities during times of disaster. The GAO Report, *Preparing for and Responding to Disasters,* following Hurricane Katrina discussed an analogous shortfall by DHS.

> Originally, in its desire to provide assistance quickly following Hurricane Katrina, DHS was unable to keep up with the magnitude of needs to confirm the eligibility of victims for disaster assistance, or ensure that there were provisions in contracts for response and recovery services to ensure fair and reasonable prices in all cases. We recommended that DHS create accountability systems that effectively balance the need for fast and flexible response against the need to prevent waste, fraud, and abuse. We

> also recommended that DHS provide guidance on advance procurement practices (pre-contracting) and procedures for those federal agencies with roles and responsibilities under the NRP. These federal agencies could then better manage disaster-related procurement and establish an assessment process to monitor agencies' continuous planning efforts for their disaster-related procurement needs and the maintenance of capabilities. For example, we identified a number of emergency response practices in the public and private sectors that provide insight into how the federal government can better manage its disaster-related procurements. These practices include developing knowledge of contractor capabilities and prices, and establishing vendor relationships prior to the disaster and establishing a scalable operations plan to adjust the level of capacity to match the response with the need.[65]

As described in the National Response Framework, Advanced Readiness Contracting is a capability which "ensures that contracts are in place before an incident for commonly needed commodities and services such as ice, water, plastic sheeting, temporary power, and debris removal. This type of contracting improves the ability to secure supplies and services by streamlining the process of ordering, acquiring, and distributing resources when needed."[66] According to interviews conducted with contracting and procurement specialists, little or no advance readiness contracting is "officially" conducted. Rather, there are a few informal relationships with private sector vendors and providers to give the Coast Guard preferential treatment if disaster strikes. While these relationships are certainly valuable and can make or break receiving support when a crisis emerges, they should be fortified with documentation and advanced readiness contracting so that logistical support plans are not left precariously to the whim of personal relationships.

Advanced Readiness Contracting and other methods of "pre-contracting" not only provide for improved responsiveness when a contingency occurs, but also increase the resiliency of the procurement and contracting staff. When information regarding pre-contracting efforts is distributed to field commands, an additional layer of resilience is established to allow for rapid activation of potential contracting solutions to mission

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[65] U.S. Government Accountability Office, *Preparing for and Responding to Disasters*, GAO-07-395T, (Washington, DC: Government Accountability Office, 2007), 16.

[66] Ibid., *National Response Framework*, 30.

support challenges, potentially without any further intervention of contracting officers. In other words, pre-contracted services can be obtained simply, effectively and with much fewer delays when needed in response to an urgent resource request because the ground work to establish potential sources of supply, examine contract requirements, receive approvals, etc. has already been completed. For instance, during the immediate days and weeks following Hurricane Katrina, Coast Guard Air Station Clearwater played an important role providing relief supplies to personnel and survivors in New Orleans with the shipment of hundreds of tons of bottled water via HC-130 aircraft. In order to facilitate this, the Comptroller and Supply Officer in Clearwater had to arrange, via the Chief of Contracting Office at Integrated Support Command Miami, to purchase water locally and have it delivered on a regular schedule to the Air Station for loading on aircraft. The supply and procurement personnel in Clearwater accomplished the mission effectively, but did they receive the best price/value for the water achieved? If so, how long did the selection process take to arrive at the best price among potential bidders? Subsequently, how much time was spent arranging the contract? Would arranging the contract have been more challenging if competitors existed from the private sector or if the vendor's supply chain became exhausted? The same questions could be asked of the multitude of support resources and supplies sent to New Orleans, or other areas impacted by disaster, to include fuel, food, berthing, transport, etc.

Air Station Clearwater's instance with a potential pre-contracting situation is not isolated. An internal after-action and lessons learned database (known as CGSails) contained a detailed report on the Hurricane Katrina response, drafted by the primary logistics command for the Central and Eastern United States. The report highlighted challenges faced by the organization in managing the large flow of contracting and procurement actions that the hurricane response necessitated. The report stated that "[n]ormal procurement and contracting procedures & practices may not be able to provide logistics support within required timelines. Adjustments to standard contracting / purchasing procedures and requirements may be necessary to meet time critical purchases during disaster response operations." The report went on to provide several very useful solutions to procurement challenges which are worthy of implementation:

- Justification for Other Than Full and Open Competition (JOTFOC) can shorten contracting timelines by minimizing / eliminating the need to seek quotes from multiple sources (publication of contracting activity is not eliminated nor is the need for justification for price reasonableness).
- Increases in purchase card limits and/or contracting warrants allows for greater purchase capacity for personnel in the field thus eliminating having to pass purchase requests up the chain of command for approval (i.e., creating more steps in the process).
- Emergency procurement procedures / initiatives does not relieve personnel of required procurement & contracting practices [i.e., entering data in the CG's financial procurement desktop (FPD), creation of complete purchase records & contracting files, FEDBIZOP (Federal Business Opportunity System) publication requirements] and accountability for reportable property.
- Use of agency wide JOTFOCs and increasing purchase card limits and contracting warrant authorities provide ways of streamlining and shorting contracting and procurement timelines.
- Creating / maintaining financial & property records in a timely manner is a critical success factor to support retrieval & reconciliation of financial data and support of potential after action initiatives (e.g., audits, supplemental funding requests, demobilization)…
- Explore the need for establishment of JOTFOCs and adjustments to purchase card and contracting warrant limits / authorities to maximize procurement flexibility and responsiveness.
- Staff ICS positions (i.e., SPUL - Supply Unit Leader, Ordering Managers, purchasing officers) with experienced procurement & property personnel (i.e., MLC - ISC staff)…

- Other mechanisms potentially available to expedite purchases included utilizing DoD JCS authorized project codes providing for increased requisition priority (milstrip requisitions) and adjustments to travel regulations such as allowing personnel deploying to the disaster area to directly purchase necessary support items (e.g., air mattresses, folding cots, other type portable beds; sleeping bags, blankets, sheets and pillows; towels, wash cloths, sanitizing wipes/cloths, and paper towels; flashlights & batteries; gasoline cans) and claiming them on their travel vouchers / travel claims."[67]

Therefore, if pre-contracting or advanced readiness contracting had taken place prior to major contingencies such as 9/11 or Hurricane Katrina, it may have helped identify additional sources of supply, points of contact, prices, methods of delivery, and achieved each of the exhaustive approval steps necessary to more rapidly effect procurements. Similar comments were found in the Hurricane Katrina Lessons Learned detailed by Maintenance & Logistics Command, Atlantic (MLCA). An after-action lesson submitted by the Finance & Procurement division at MLCA discussed the following as relates to identifying sources-of-supply for critically needed items immediately after a major contingency:

> In addition to the commercial market, Department of Defense, especially DLA [Defense Logistics Agency], and FEMA provide channels for obtaining many types of supplies and materials. DoD/DLA will typically establish priority ordering codes for disaster response. Existing contracts (e.g., food service contracts) and Basic Ordering Agreements (BOAs) provide avenues for expeditiously obtaining a variety of logistics support (security guard services, galley & field kitchen type operations, water & sewage barges)… Existing service contracts (e.g., food services, security guards) provide a ready vehicle to meet new / expanded requirements; BOAs provide a ready source of supply for a wide variety of services typically associated with disaster response; military requisitions (MILSTRIPs) provide efficient established avenues for obtaining many types of required supplies, especially once priority ordering codes have been established. CG/DoD units (ships, shore stations) often have on hand inventories of required disaster supplies (e.g., MREs & bottled water,

[67] U.S. Coast Guard, "Hurricane KATRINA Response – Maintenance & Logistics Command Atlantic (FOUO)" in CGSails, section titled "(f) Adjustments in Procurement Procedures Comments."

> AMIO supplies) available for immediate access/delivery… Utilize in-place sources of supply vice establishing new, commercial contracts whenever possible to speed up delivery time… Maximize contracted labor force whenever possible (e.g., security guards, tradesmen and technicians) to free up CG personnel to perform other duties.[68]

Therefore, in times of crisis and contingency, time saving efforts and deconfliction could mean the difference between life and death for individuals in the area impacted by the contingency. Mechanisms must ideally be identified which can be used to generate transparency into on-hand inventory as well as pre-contracting with commercial sources to identify the most rapid means to put hands on necessary resources.

3. Building Resilience in Human Aspects of Financial Management & Logistics

The last area for concern in focusing efforts at building resilience in financial management and logistics grows out of the challenges of the human aspect of business continuity. Financial management and logistics personnel are crucial to mission support, whether they are contracting officers, financial management officials, supply personnel, warehouse managers, budget analysts, contract writers, or a variety of other positions that interface with the finance, supply and logistics community. Many of these people hold positions that are critical to the functioning of the process. When the individuals in these positions are sick, take leave, are in training, or otherwise missing from their office, it can greatly impact business. Often, but not always, they have assistants or peers that can take up the slack created by their absence. However, there is danger to the business process which can be created by extended or unexpected absences during a major contingency.

A white paper prepared by IBM looked closely at this "human capital" aspect of business continuity. The paper made the assertion that many organizations will be extremely challenged to support employees while simultaneously striving to continue

[68] U.S. Coast Guard, "Hurricane KATRINA Response – Maintenance & Logistics Command Atlantic (FOUO)" in CGSails, section titled "(f) Sources of Supply Comments."

delivering business and operational services. IBM Global Services identified three primary areas in which human capital risks associated with crises can be grouped, as shown by the following graphic.

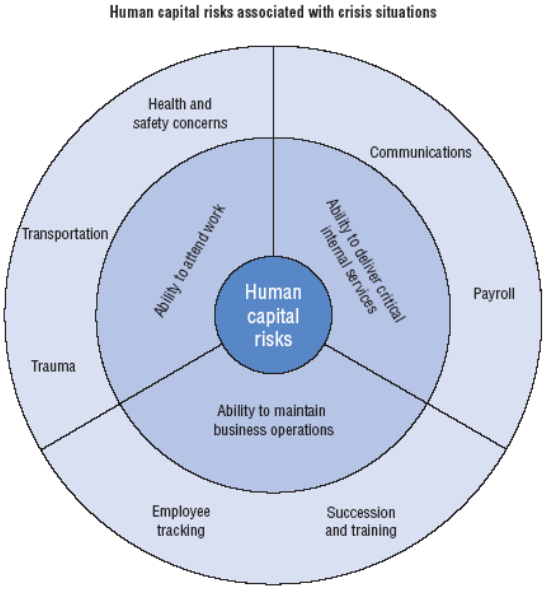

Figure 3. Human Capital Risks Associated with Crisis Situations[69]

This graphic from IBM Global Services (and the accompanying discussion below) emphasizes that there are at least three critical areas to research when studying human capital risks of an organization. These are: (1) the ability of employees to attend work, (2) the ability to deliver critical internal services, and (3) the ability to maintain business operations. Each of these areas has subcategories which highlight the true considerations that must be made by an organization which must continue to function during major contingencies.

The first area, which focuses on the ability of employees to get to their place of employment, has three impacting subcategories. One is the health and safety concerns of employees. In many cases, with Hurricane Katrina being the most recent and pervasive example, absenteeism will be understandably high while employees focus attention on the health and safety of themselves and their families. Another concern will be

[69] David Spencer, "The Human Aspects of BC Planning," 7.

transportation of employees who, though they are willing and able to come to work during a disaster or contingency may not physically be able to travel. Outages to public transportation, strictly enforced travel restrictions, weather conditions, etc., can greatly hamper the ability of even the most enthusiastic and loyal employees to get to work. A final consideration for the health and safety of employees is that some may have experienced substantial shock and grief as a result of the contingency or disaster. Witnessing the disaster, even second hand via television or print media, can have significant effects on morale and psychological stability.

A second area of concern is ability of employees to deliver critical *internal* services during a contingency. This ability is severely impacted by the communications capability of employees. During major disasters, electrical power, landline phones, and cellular towers can be destroyed or rendered dysfunctional, making it difficult or impossible to communicate with employees or share critical information. Additionally, communication often takes the form of collaboration and social networks. When standard voice and video communication systems are impacted, this will reduce close coordination of social networks, reducing the ability of people to make rapid decision-making which is often needed during disaster response and recovery situations. Therefore, without "normal" communication channels, maintaining functional relationships with stakeholders and supply networks can be difficult, reducing the effectiveness of the internal business. A final internal services concern which must be addressed is a functioning payroll. Having the ability to pay employees in a timely manner is critical for ensuring that they are able to meet personal obligations, take care of their families, and maintain loyalty with the organization. Additional payroll capability may also be able to provide disaster relief funding (e.g., Coast Guard Mutual Assistance) to those severely impacted or experiencing hardship.

The third focus area for examining the human capital risk related to business continuity looks at the ability to maintain business operations in the midst of a contingency. Without an effort to support this segment, the Coast Guard would be only "taking care of it's own" rather than providing those public services which the taxpayers trust the Coast Guard will perform in times of emergency. There are two important areas

to look at for maintaining business operations. The first is the capability to track and contact employees. The Coast Guard expends considerable efforts to obtain, track and keep personnel data up to date, including such items as emergency contact information, employee IDs, passwords, training/qualifications, etc. Having this information readily on hand when crisis strikes can allow the organization to contact those employees that are needed to support operations and determine who is capable of fulfilling certain critical roles/functions. Having a well thought-out succession plan to backfill missing, unavailable or incapacitated key positions during or after a disaster is also crucial to ensuring a business can support operations. Without a plan, personnel may be forced to fill roles with little or no warning, and more disheartening, with no training. This succession plan should detail how the organization will deal with reductions in workforce (i.e., what critical positions MUST be filled and which can remain vacant) and identify which skill sets are the most important to ensuring operations are supported.

A pandemic illness is one example of a contingency that can have substantial and prolonged impacts upon the Coast Guard financial management and logistics system, and subsequently, can drastically impact the ability of Coast Guard units to conduct operations. Public health officials tend to agree that a pandemic illness in the United States is very much on the horizon, more of a matter of 'when' than one of 'if'. A recent report from the Institute of Preventive Strategies indicated that "the consensus among health officials is that the occurrence of a flu pandemic during the next few years is inevitable…According to a computer simulation study conducted by researchers from Virginia Tech, the United States government would need to quarantine infected households and ban public gatherings in the event of a pandemic flu outbreak. Schools and daycare centers would need to be shut down and offices and factories would need to operate at a reduced capacity."[70]

When the country is in the midst of this contingency, it will have far-reaching impacts. A recent GAO report had the following to say:

[70] Patti Simpson, "Open Source Daily Brief, 2008-08-13: Pandemic Flu Threat," Institute for Preventive Strategies at the Center for Rural Development, August 13, 2008, https://www.preventivestrategies.net/public/news_article.cfm?newsId=5834 (registration required) (accessed August 13, 2008).

> The Department of Health and Human Services estimates that during a severe pandemic, absenteeism may reach as much as 40 percent in an affected community because individuals are ill, caring for family members, or fear infection. Such absenteeism could affect our nation's economy, as businesses and governments face the challenge of continuing to provide essential services with reduced numbers of healthy workers. In addition, our nation's ability to respond effectively to hurricanes or other major disasters during a pandemic may also be diminished as first responders, health care workers, and others are infected or otherwise unable to perform their normal duties. Thus, the consequences of a pandemic are potentially widespread and effective planning and response for such a disaster will require particularly close cooperation among all levels of government, the private sector, individuals within the United States, as well as international cooperation.[71]

It is not difficult to imagine the impacts upon the Coast Guard. If this should happen in a major metropolitan area, as it is expected, the logistics and financial management staff will be severely impacted. If personnel with contracting warrants or purchase card authority are unable to work, and plans have not been created to deal with such a contingency, operations in the field will certainly suffer.

The web survey targeting financial management and logistics professionals in the Coast Guard found that there appears to be severe preparedness gaps, or a lack of information sharing, about how the Coast Guard plans to continue business and mission support functions during this inevitable event. The web survey asked respondents to consider a massive pandemic event in the United States (e.g., pandemic influenza, smallpox, SARS, etc.) and then asked whether the individuals office or command had considered the ramifications of a large portion of the work force not showing up for weeks at a time? Some notable responses include:

- "If more than 1/2 of the workforce is out, it would be difficult to maintain the same level of logistic support. Cross training should allow for absence of up to 50% of staff, at least for a few wks."
- "Same as in 1918. Limited capability even among those that can or could work."

[71] GAO Report, *Preparing for and Responding to Disasters*, 24.

- “Logistics (& eventually ops) would come to a standstill until unaffected units could assume responsibility. Logistics is normally a local activity.”
- “Broken military vs. civilian members. In ability to execute funds. Lack of system authorization to approve, create documents, contract and transfer funds.”
- “Not much if the missing folks had the ability to work remotely. If they do not, then everything will stop.”
- “Could have a serious impact. What if our KO and Credit card holders are out? I suppose you could ignore the rules and order stuff anyway, but we could easily have a back fill plan in place. Why don't we?”
- “As long as we have strong support from MLC we could manage.”
- “Increased use of credit cards and violations of policy in order to meet operational needs.”
- “We're a centralized HQ unit. We could RAS in and process/approve procurements through FPD, but it's not clear if our serving KO's would be in position to continue the processing -- we assume they have a plan. We probably should engage them and test that plan...”
- “[T]wo very large contracting shops are located in the DC area, CG-912 and NPFC. these shops are critical to executing multiple $100s of millions in contracts annually. loss of these staffs would severely hamper operational and administrative functions of the CG.”
- “This would have a severe impact since all the large contracts are issued from MLCA. With the modernization of the Coast Guard and the loss of both complementing MLC’s, this will be extremely difficult in the future.”
- “Lack of authorized authority. Delays in obtaining operational support and or services.”

- "If procurement/contracting personnel were gone for extended periods of time, we may not be able to execute all of our operations funds; resulting in spend down not being met and more importantly, operational requirements could suffer."
- "Additional funds managers would need to be identified so that that funds certification wouldn't be the bottleneck for procurements."
- "At my level, CG-8, if we were out, the CG line units would function... centralized cost accounting and liaison with FEMA and other agencies would be lost. However, the void could possibly be filled by any of the area staffs."
- "Budgeting, accounting, reconciling being done wrong or not at all could have an adverse effect on the CFO audit and could ultimately result in budget cuts if we aren't able to demonstrate sound financial management policies."

Given these considerable challenges, what must be done to start preparing the organization to be more resilient to the human capital dimensions? There are many options for studying and expanding our organization's capability to weather the crisis and storms, even of magnitudes such as major disasters, terrorist attacks and pandemics. Here are a few considerations:

- Consider the use of network modeling to show the interconnectedness of contracting and procurement personnel. Resilience can be enhanced by a network analysis, studying the points within a procurement/contracting network where individuals rely upon the information or actions of one or just a few people to sustain the network during times of failure.
- Is it possible or feasible to have an isolated logistics and financial management command facility located outside major metropolitan areas? The ideal facility would be environmentally quarantined to ensure that the members staffing the facility can remain healthy and support operations.

- Exercise the capability of critical team members to function from home or an alternate work site (i.e., contracting officers, funds managers, procurement officials, legal officers, etc.). Members should have remote access capability from the alternate work site in addition to hard copy publications and files which may possibly be required if network systems, connectivity or electrical power are unavailable.
- Develop alternate methods to allow users to securely and easily collaborate and share information from alternate work sites. Remote Access Servers and the costs to individual units is currently exorbitant and prohibitive to ensure that the right personnel have the capability and practice when necessary.
- Ensure the cross training of employees so that a reduced workforce will not cripple an organization.

Review telecommuting policies, practices and organizational culture issues to ensure that personnel are experienced in telecommuting. It would be detrimental and a crippling strain on IT staffs for logistics and financial management personnel to first attempt telecommuting in the days following a crisis.

G. TRAINING

Coast Guard military, civilian, and Auxiliary personnel are bombarded with training on a continuous basis. The training includes professional duties as well as general military training requirements and the wide range of training mandated under human relations policies. Additionally, financial management, procurement and contracting individuals are placed through additional training and education during the course of each year in order to maintain a variety of professional certifications by the DHS.

The web survey of Coast Guard logisticians and financial managers brought out an interesting assortment of feedback, with many comments pointing towards the issues of training, proficiency, and exercises. When respondents were asked whether there has

been contingency financial/logistical training for operational personnel at the field-level (e.g., Executive Officers, Sector Logistics personnel, Supply Shop personnel, etc.) 56% said that training was not carried out (14 of 25 respondents). The respondents were also asked to comment on the readiness of field-level personnel to carry out several functions, including contingency procurement, logistics, and financial management. Some of the comments included:

Contingency Logistics:

- "Not Prepared - the Coast Guard has little understanding of logistics"
- "Somewhat Prepared - Very little training in ICS or contingency management"

Contingency Procurement:

- "Not Prepared - Little training is available or enforced."
- "Somewhat Prepared - Lack of understanding on credit cards and non-dedicated accounting lines."
- "Prepared - I believe we have a well-trained procurement workforce that fully understands acquisition laws and regulations in response to a disaster response."
- "Well Prepared - Units are capable of efficiently executing procurements within their KO warrant authority."

Contingency Financial Management:

- "Not Prepared -We have very limited repertoire of field personnel trained to do this, and almost none with experience."
- "Somewhat Prepared - Knowledge of financial management policy (rules, restrictions, etc.) is not level throughout the CG. The oil spill community (old M) is well experienced with the NPFC [National Pollution Funds Center] route but the other side of contingency prep is more ad hoc."

- "Prepared - Most units are capable of efficiently managing their own funds, and would have a good idea on how to track CG-wide funding but the problem is that there are no set CG standards on how to do it, so it would be tracked differently from unit to unit."
- "Not Prepared - Even though the information is there not a lot of people know about it."
- "Somewhat Prepared - I still get a lump in my throat when I see a hurricane approach one of my LANT districts. We still do not have a good handoff mechanism so that all districts know what they are required to do and when their job ends and mine begins."

Those professionals that participated in the web survey were also asked to comment on examples of effective readiness and preparation to conduct contingency finance/logistics. Some of the comments which related to training issues included:

- "Since 9/11 & Katrina, there has been a significant increase in training and exercises designed specifically to increase readiness in these areas. The ICS 351 course is well suited to help logistics and finance personnel prepare for these contingencies. SONS [Spill of National Significance] and other similar exercises help keep skills sharp."
- "[C]onducting ICS training and setting up IMTs."
- "There is training available (i.e., ICS 351 course) for response finance & logistics but not a lot of people have had the course and not a lot of people get to practice it before an incident occurs. There are plans and procedures in place, exercises/drills and working relationships w/Fed, State, Local partners that help us work thru things when the need arises. But as the people change often those relationships change and the way we respond changes."

Similar but opposite to the previous question, survey participants were asked to comment on examples of a lack of readiness that they have experienced or witnessed when dealing with contingency logistics in the field. Comments of note included:

- “No enforced training path, no professional logistics corps, few effective ICS courses dealing with logistics.”
- “[We] can't exercise/drill every scenario. Even if we could, there just isn't enough time to commit to them. There are few "professional planners" or trainers dedicated to properly developing exercises or providing training. Right now, it's on the unit, which are usually JO's [junior officers] who don't have any planning/exercise design experience and it takes 90% of their time. Even with the new Exercise Support Teams & contractors the unit is still dedicating someone full time to planning/coordinating training & exercises. That's hard when the planning staff only has 3 people and the JO has no formal training.”

Respondents were then asked directly if training for financial managers and supply personnel at the field level regarding contingencies is adequate. Notable responses included:

- “No, we just get ICS training, which is not CG specific.”
- “Yes for routine disasters. [F]or an event described above, training has been insufficient.”
- “No. The financial management program doesn't even know what the ICS financial and logistical requirements really are.”
- “No absolutely not. Additionally, what training?”
- “No. Not enough ICS-351 classes are offered. ICS-351 is too much info in too short a time. No CG LSC or FSC training. No CG Unit Leader training. Training received is not used in unit exercises. SKs [Storekeepers: financial/supply/procurement personnel] do not receive any ICS training in "A" school, nor is it a practical factor for promotion.”
- “Not ideal... it's ad hoc or irregular. ICS training goes in fits and starts (from what I recall). However, even if training was more standardized and regular there is a problem with time availability and competing demands.”

- "No I believe more training can be provided in determining and documenting sources for various needs. This information could be compiled and updated frequently that would aid in a quicker response."
- "There is not much reimbursement financial management, since there is no clear CG-wide guidance. Units do have decent understanding of logistics and could improve through training."
- "No - our financial experts should be the Storekeepers and Warrant Officers (in addition to civilian personnel / ie. COCOs). Storekeepers are not trained to be financial managers, they are trained to procure w/credit cards and reconcile. Look at HQ, how many Storekeepers and/or Warrant's are assigned to CG-8 (none!)? The CG needs to start developing the Storekeepers into financial managers - the experts."
- "For cost documentation under an ICS environment, probably. Real life scenario that affects a certain region, probably not."

I was also curious what the professional financial managers and logisticians thought were the strongest areas of training for field personnel? Here's some of what they had to say:

- "ICS Logistics/Finance Section Chief course is very good."
- "ICS 300, 320, etc."
- "Contracting, purchase card, ICS"
- "ICS framework, basic budget authority"
- We (CG-5332, NPFC, Yorktown) now have a C school, ICS-351 to teach the basics of logistics in the ICS world, but it does not cover financial management in detail, and it's limited in scope. An ICS-451 is in the works. I don't believe everyone that needs the training (this training or any other) is getting it. Again, the pollution response world has a pretty good model for cost documentation and financial accounting with respect

to pollution contingency response, that model should inform other ESF's and OE/Supplemental processes."

- "There is no formal training program in place for CONTINGENCY finance/logistics other than OTJ [on-the-job] and what PO's [petty officers] would receive in school. the ICS 351 course is one of those course that's not mandated and people only get to if someone knows about it and the command is willing to let them go for a week."
- "All senior officers are exposed to a little training (ie. Sector Commanders) wrt [with regard to] financial policy/procedures over their career, but frankly, you learn it via OJT [on-the-job-training]. All CO's have to rely on their financial staffs (ie. logistics) and expect they have the training to respond effectively. I think our senior E7's and above have had the training, but not really confident in everyone's ability."

What are the weakest areas of training?

- "When we have exercises, we usually don't include logistics in the drill. We expect operations to drive our logistics training instead of having our training stand alone."
- "[t]he lack of contingency training at all levels. For instance, my CDR & CWO would probably do ok but the other SK's wouldn't have the first clue...and those are the folks we need to help us out in times of disaster response since the CDR & CWO would be doing more command/general staff management level things."

A final question was posed to respondents, asking them what areas of training are most in need for logistical preparedness. The items commented on could easily form the basis, or at least the starting point for discussion, for building a syllabus for contingency training. Here are the areas that our professional logisticians and financial managers thought would add value to our contingency readiness:

- “[I]dentifying available resources (Air and sea ports, rail, tug and barge services, alternate fuel sources.)
- “Exercises and CG specific contingency processes. Cost Documentation is also critical and tracking pre-scripted mission assignments for FEMA tasking.”
- “Training on COOP [Continuity of Operations] procedures”
- “Developing robust Comms Plans”
- “Actually filling out Financial/Logistics ICS paperwork”
- “Supplies and replacement platforms to work in a contaminated environment.”
- “How to contract, establish MIPRs, IAGs & other reimbursables in the heat of battle.”
- “Interagency agreements, other sources of supply, etc. Logistics Factor Files associated with Logistics Estimates.”
- “LSC; Comms Unit Leader, Supply Unit Leader (in order of priority) SK "A" school”
- “FM process... accounting line, cost centers, etc, and how to implement, request.”
- “A career path for officers in logistics and finance. If the CG wants experts on this they are going to have to allow folks to become experts instead of officers surviving billets they do not have training to fill.”
- “Integration with DoD to include Joint Operations, Planning and Execution System (JOPES), Global Command and Control System (GCCS), and all of the systems that the Coast Guard should be using but are not.”

In addition to the many comments from respondents in the survey regarding training, feedback was also considered from the Hurricane Katrina Lessons Learned compiled by Maintenance & Logistics Command, Atlantic (MLCA). The report indicated:

> Many personnel involved in Hurricane KATRINA response efforts lacked sufficient ICS training & qualifications and/or had limited experience working a contingency response within an ICS construct… Positions should be filled by individual experience and not rank… ICS proficiency must be a core competency for all Coast Guard personnel (AD, Reserves, Civilians, and Auxiliary)… The population of "personnel potentially involved in response to incidents" should be very expansive and the CG should endeavor to a large resource pool of personnel possessing advanced ICS coursework (i.e., ICS 300 and position specific courses).[72]

While I hesitate to suggest that even more training is required, it is clear that we are not adequately training, and just as importantly, exercising our financial management and logistics personnel for the rare but catastrophic events which they may become involved in. I advocate that we need to reconfigure and effectively market the value and importance of training for Coast Guard planners, logisticians and procurement/supply personnel at all levels.

1. Training & Education

More training is not the panacea for correcting the real or perceived shortfalls in our financial management and logistics infrastructure. Time and again individuals have commented that lessons learned in class rarely prepare you effectively for an event that could be a year or two away. I can attest to this myself, having completed the ICS-351 Finance/Admin course just nine months ago. Today, I would be hard-pressed to put most of those skills to use immediately without spending considerable time in refresher. This is not the fault of the instructors; they were top-notch and were professionally and

[72] IU.S. Coast Guard, "Hurricane KATRINA Response – Maintenance & Logistics Command Atlantic (FOUO)" in the CGSails, section titled "ICS Training and Qualification Comments."

personally invested in seeing each person in the course succeed. Four other factors impinge on our ability to retain intensive course-work such as this: time, breadth, other duties, and incentives.

The first factor which can have detrimental effects on learning retention is the time between training for a contingency and the actual event. Studies have shown that the more time that passes between first learning course material and then putting the course material to use, the less likely the student will be to have retained the knowledge. For the Coast Guard, this can have serious consequences, as we are now providing the majority of introductory ICS training during boot camp and "A" schools which are attended by our junior personnel. As personnel advance, they have opportunities to attend more intensive and focused ICS training (e.g., ICS-351) but not every member responding to an incident is likely to have undergone this more advanced training. For those that do not, they are becoming farther removed from ICS knowledge, skills and practice. Therefore, an initial incident staff at the local level may have very few Coast Guard junior personnel who understand the ICS construct, and even fewer junior (and senior personnel) who are specialized enough in their contingency education and training that they will have the proper skills immediately at their fingertip to put contingency financial management and logistics skills into effect. This makes the use of Incident Management Assist Teams (IMATs) as well as reliefs by more experienced personnel critical as soon as the opportunity presents itself.

Another factor which can impact training retention is breadth of the training provided. Few would argue that most courses within the Coast Guard, and likely those outside, attempt to teach too much material into a very short amount of time, spending less time working on skills or discussing lessons learned from others. ICS courses, as well as those that cover financial management and logistics in particular are no different. Understandably, it is nearly impossible to cover every possible contingency within the span of a one-week or two-week course; much will still be left to learn while on the job. However, there are also many instances where on the job responsibilities have very little relevance to duties which may be assigned during contingency evolutions. This constant attention to other responsibilities is the third interference to training retention; there is not

enough time during the work-day to expect to complete assigned duties in already under-manned offices while also committing individuals to additional training. When individuals are asked to choose between fighting "the battles of today" versus training for an event which may never take place, they often choose the former and accomplish more work that has immediate relevance.

A final factor which may influence the level of retention of training material is a lack of incentive to review and build upon what has been learned. Unless mandated, as much of the initial ICS training was, very few individuals see the relevance of ICS training, and thus, few are inclined to stay current on their skills. The participation in ICS training is not a contributing selection mechanism for most jobs and billets, it is seen throughout much of the organization as a hurdle to be overcome and then forgotten about. Is the ICS training curriculum irrelevant or a non-value-added activity in the Coast Guard? Certainly not. Why then is there such a shortage of specialized ICS professionals and why is there a lack of enthusiasm about participating in cross-agency exercises? We will get to those answers shortly.

2. Exercises

Before moving on to discuss efforts which can be made to remedy a few of these potential shortfalls, it is helpful to consider how well financial management and logistics personnel are integrated into contingency exercises.

- Once again, there is significant value-added in obtaining the "ground truth" from those professionals on the front lines of contingency logistics and finance. When asked about examples that demonstrate a <u>lack of readiness</u> to conduct contingency financial management, some comments from respondents to the web survey included:

- "We rarely leverage the many required exercises for oil spills, port security, natural disasters to validate the processes and readiness for Logistics and Finance."

- "In real life we make it work, that's the CG way. Look to the after action reports from things like the SONS07 [Spill of National Significance] exercise. These exercises typically either don't address financial/logistical requirements, or if they write them in, they end up 'pretending' the hard parts away, because the exercise administrators are mostly operators not familiar with how the logistics part that supports them really happens."

Other shortfalls in exercise participation, or logistics/finance-focused exercises, appeared when respondents were asked: when considering field level logistics and supply personnel, what are the weakest areas of training? Noteworthy comments included:

- "When we have exercises, we usually don't include logistics in the drill. We expect operations to drive our logistics training instead of having our training stand alone."
- "Not enough opportunities to exercise and validate."
- "Not enough people have advance ICS training; specifically position specific training. We don't exercise our plans well enough and often enough."

3. Recommendations to Improve Training, Learning Retention and Exercise Participation

The Coast Guard should act quickly to improve training methods to emphasize learning retention and accessibility. To effect this change, we need to understand how the training, and the value of that training, is being marketed to our personnel. And second, we need to consider alternative methods of bringing information and participation to personnel in the field.

The first step in this process is to encourage and inspire our personnel, especially those fulfilling behind-the-scenes roles in finance, supply and logistics. Understandably, these duties which are crucially important to response and recovery operations are often downplayed in favor of the scene-stealing rescue videos. Leaders need to pay close attention to those duties and responsibilities which, though less glamorous, are keys to

successful mission accomplishment. When these individuals gain recognition from the operators they support, they may begin to realize that the difficult work they complete adds value and needs to be constantly honed. These individuals will likely be more inclined to learn about their duties and put additional emphasis on their own development – to further support the team and the mission.

Other efforts to reinforce the importance and impacts of ICS training can be achieved by using lessons learned, studying recent contingencies and events, and then reinforcing successes and challenges in the logistics and financial management communities. This achieves two aims: markets the importance of ICS and the finance/logistics communities while it also reviews the materials and events of the logistics/finance processes within the ICS structure.

Another consideration for improving the effectiveness and retention of training and exercises, especially with a long-term perspective, is to provide additional mechanisms and systems for the individuals within our community to learn, discuss, argue, recommend, and debate on contingency issues. I advocate the development, implementation and sustained usage of a web-based system that provides coursework, learning and discussion forums, exercises, lessons learned database, quizzes (with monthly prizes for high scores) and contingency response themed-wikis to support the continued development within contingency financial management and logistics. One possible outlet for this, among likely many other alternatives, is the Moodle Course Management System.[73] This system provides many of the features mentioned above, is open source and customizable, and could be supported within the Coast Guard infrastructure. A few commands within the Coast Guard already use or have experimented with Moodle (e.g., Maintenance & Logistics Command, Atlantic, training and education staff).

An implementation of Moodle is not cost-free, however. Building, web-hosting, maintaining (debugging) and managing content on the system would likely require at least one full-time position. This individual, either contracted or a GS-employee could

[73] Moodle Course Management System web-site is available at http://moodle.com/ (accessed August 19, 2008).

become certified and would need to be versed in project management and have a working understanding of the requirements of the end-users (i.e., financial management and logistics professionals).

A final consideration for improving the long-term effectiveness and retention of training and skills related to contingency financial management is to make it a measured factor on performance evaluations and advancement examinations. Enlisted and officer performance evaluations could include behavioral dimensions aimed at improving contingency study, professional competence in ICS-related functions or, at the highest level of performance, personnel would demonstrate participation on ICS exercises or actual contingencies.

This chapter summarized several of the critical areas, within the Coast Guard financial and logistics communities, that need to be emphasized, researched and reinforced in the very near future to ensure they are prepared when disaster strikes. These included:

- Establishing improved financial management and logistics policies for operators and field personnel to understand the importance of cost tracking and how these personnel can immediately take procurement and contracting actions in compliance with law.
- Modifying the accounting line and financial systems readiness to track costs
- Understanding geographic-specific requirements and internal knowledge and develop a plan to share this knowledge and collaboration efforts with other units and agencies. (also involved are the logistics associated with specific unit Pre-scripted Mission Assignments)
- Building resilience in contracting and contingency procurement (this involves Advanced Readiness Contracting and a discussion of the “human aspects” of business continuity planning.

- Reconfiguring and effectively market the training for Coast Guard planners, logisticians and procurement/supply personnel at all levels.

The following chapter will discuss more fully how we can improve the geographic-specific requirements of logistics planning and how to implement a process to develop and foster collaboration.

V. FORMING AND ESTABLISHING GEOGRAPHICALLY-SPECIFIC CONTINGENCY LOGISTICS PLANNING GROUPS

A. CONTINGENCY RESPONSE & PREPAREDNESS

The Coast Guard faced one of its biggest challenges in its 218-year history when Hurricane Katrina made landfall in the northern Gulf of Mexico in the late days of August 2005. The Gulf Coast is well-versed in hurricane readiness and carefully watches each storm system as they meander east to west, feeding off the warm waters of the mid-Atlantic, Caribbean and Gulf of Mexico. The Coast Guard, like many organizations carries out preparedness plans in advance of hurricane season and ensures that they have the commonly needed supplies and stockpiles (water, generators, fuel, etc.) to quickly respond and recover from a storm. Quickly overcoming any damage and getting back to the important business of ensuring the safety of citizens are primary concerns. What made Hurricane Katrina unique in history was not only the sheer ferocity and size of the storm, but also the damage and cascading infrastructure (and governmental) failures that resulted. Over the next several days, the Coast Guard, along with other first responders and Good Samaritans, led vast and heroic rescue efforts, saving tens of thousands of people from hunger, dehydration and threat of disease. But, was the Coast Guard adequately prepared for this task? Were federal, state, local and private partners as equally prepared? Could more emphasis placed on preparedness have reduced the 2,500 casualties which Hurricane Katrina left behind? Are we (i.e., the Coast Guard and our partners at all levels) making the proper changes today to reduce the loss of life for the storms, disasters and nefarious terrorism attacks of the future? In this chapter, we will look at those questions and propose a plan to aid in the efforts at collaborative logistical planning for contingency preparedness.

The last chapter characterized the dangerous position our lack of deliberate planning for logistics has created: geographical high-threat areas (e.g., New York, Boston, Los Angeles/Long Beach, Miami, Galveston, etc.) could become subject to lapses in contingency preparedness as a result of logistical shortcomings. Also

introduced in that chapter was a recommended action for the Coast Guard, and other interagency partners, to initiate efforts at contingency planning for logistics at the local and regional level, based on the National Response Framework (NRF) and the National Preparedness Guidelines (NPG). This chapter discusses this recommendation in more detail and provides a standardized method for starting this planning process as it should be applied to logistics.

Contingency response and preparedness is rarely a single-agency responsibility. Typically dozens or agencies respond to an incident and must cooperate, operationally and logistically, to overcome the challenges. Unity of effort is critical to an organized response, but this can be difficult to achieve with organizations that operate 99.9% of the time in isolation from other potential partners. For the many contingencies that take place on a relatively small scale, it may be acceptable to form ad hoc partnerships after the event has occurred. For instance, planning for response to a downed private aircraft, in areas not populated with airfields or tourists, may not necessitate extensive pre-planning or multi-agency collaboration. On the other hand, the threat of major contingencies in other areas of the country (e.g., New York, Washington DC, Seattle, Miami, etc.) cries out for the development of interagency partnerships well in advance of an event.

The Coast Guard and other partners have not been adequately aggressive at developing these interagency partnerships, even in the immediate wake of disasters such as Hurricane Katrina, which should have served as a clarion call to additional planning at all levels. The Coast Guard Maintenance & Logistics Command (MLC), Atlantic, played a decisive role in supporting Hurricane Katrina response and relief efforts by providing a variety of critical support teams (financial/contracting, communications, medical, legal, environmental, etc.) either directly to the New Orleans area, to the Relocation Center in St. Louis, or remotely from Norfolk, Virginia. Following the extensive response and recovery, MLC created a detailed Lessons Learned resource which focused on a number of effective and ineffective issues which arose during the contingency. The document provides important insight to this research project and, in fact, devotes several sections to the need to develop additional planning and preparedness groups for logistics efforts.

The opening "General Event Comments" from the Lessons Learned immediately speaks to the need for this collaborative planning effort. The report stated that[74]

> [c]lose working relationships should be forged among organizations BEFORE events such as H-KATRINA necessitates coordination of effort between responding agencies. Partnerships need to be pre-existing and then continually fostered as agencies work through operations… On the logistics front, many federal agencies operated pretty much independently from one another and often times there appeared to be a race to obtain some critical support resources among federal partners. There should be a logistics cell established in PFO/JTF [Principal Federal Official/Joint Task Force] type organizations that is accessible to all partners to de-conflict some of these resources issues in the future…Related to this is the need to guard against any kind of turf protection. Some agencies can deliver various services better and more efficiently than others; the PFO should be able take advantage of these inherent agency capabilities. For example, field level contracting, establishing network connectivity, medical services, and legal support are all areas the CG excels in. It should be determined / established which agency has the best capability in all service categories and leverage them…There needs to be a focus on pre-planning and emphasis on exercising – ensuring roles and responsibilities are clearly defined.

The interagency and collaborative planning mentioned in this Lesson Learned is at the heart of the NRF and NPG purpose and aims at some of the important planning capabilities that we must seek to develop within the Coast Guard. This is not a new principle or recommendation, it has been mentioned a number of times in different after-action reports and Lessons Learned, but it is one that seemingly falls short of receiving full attention. A Federal Emergency Management Agency Region VI Hurricane Preparedness Tabletop Exercise (TTX) was conducted in May 2006 with representatives from federal, state, and local governments as well as the private sector in New Orleans, Louisiana. The exercise scenario predicted the effects of Hurricane Oscar, a Category 4

[74] U.S. Coast Guard, "Hurricane KATRINA Response – Maintenance & Logistics Command Atlantic (FOUO)" in CGSails, section titled "General Event Comments."

hurricane that made landfall directly over New Orleans on the Louisiana coast. The Lessons Learned from that exercise revealed the following insightful, but now well-worn refrain:[75]

> Exercise participants identified various planning and response issues and proposed recommendations to improve the region's emergency preparedness. A key objective for federal, state, and local officials during the TTX was to assess their ability to communicate and work with the private sector. Participants discussed the requests from governmental agencies to the private sector for information and resources following a disaster. Private sector participants observed that duplicate requests from different federal, state, and local agencies hindered their ability to contribute to response and recovery operations in past disasters such as Hurricane Katrina. Each duplicate request requires a separate response from private sector personnel, leaving fewer resources available to restore vital services and business operations. In order to limit duplicate requests, participants concluded that government agencies should first coordinate their respective requests to the private sector. The exercise after-action report recommended working through a federal, state, or local command center to coordinate these requests.

Christine Wormuth, a Senior Fellow with the Center for Strategic & International Studies, International Security Program, wrote a similar recommendation to DHS following Katrina. She wrote,[76]

> DHS, working closely with the interagency, should coordinate a baseline survey of federal capabilities and maintain a database of federal capabilities as part of the national preparedness system… At the same time as it works to identify needed requirements and to target capability levels for those requirements, DHS should lead an interagency effort to survey existing federal capabilities that could be used to respond to a catastrophic event. This initiative to establish baselines would enable the federal government to assess potential capability gaps as well as overlaps in agencies' target capability levels, thereby providing a sense of the current readiness of federal capabilities.

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[75] Federal Emergency Management Agency, "Federal Emergency Management Agency Region VI Hurricane Preparedness Tabletop Exercise, 17-18 May 2006, After-Action Report," June 20, 2006, https://www.llis.dhs.gov/member/secure/detail.cfm?content_id=18700 (registration required) (accessed June 19, 2007), 35.

[76] Christine E. Wormuth, "Managing the Next Domestic Catastrophe," Center for Strategic & International Studies (CSIS), Washington, DC: June 2008, 11.

If people within and outside the Coast Guard and the Department of Homeland Security are seeing the need for this level of collaboration and federal agency leadership, why has it not evolved or been thrust to attention? An answer to that question is not readily available. One can assume that the ever-growing "urgency of the moment" continues to push these forward-leaning recommendations to a back-burner position until they become recommendations again following the next catastrophic event. The Coast Guard must not fall into that morass but continue to be on the leading edge of change, innovation and emergency preparedness.

B. WHAT IS PLANNING TO THE WORLD OF CONTINGENCY LOGISTICS?

Within the NPG, planning is described as "a methodical way to think through the entire life-cycle of a potential crisis. Good planning repays the investment of time and effort in development and rehearsal by shortening the time required to gain control over an incident and by providing favorable conditions for rapid and effective exchange of information about a situation, its analysis, and alternative responses."[77]

Rather than attempt to devise and create yet another methodology of preparedness, I advocate that we need to adhere to, promote, employ and strengthen the existing preparedness and planning models that exist within DHS. The National Preparedness Guidelines (NPG) provides an overarching methodology which, if adjusted properly as detailed below, can be used to enhance logistical preparedness. According to the NPG, preparedness can be viewed as a continuous cycle which includes the following steps:[78]

- Plan
- Organize and Staff
- Equip

[77] U.S. Department of Homeland Security, *National Preparedness Guidelines*, (Washington, DC: Government Printing Office, September 2007), 20.

[78] Ibid., 3.

- Train
- Exercise, Evaluate, and Improve

The cycle is seemingly self-explanatory, but for our purposes, keep in mind that this generic process is a macro-level methodology, predominantly aimed at the operational planning level. As noted repeatedly by survey respondents, the Coast Guard culture tends to employ planning in multiple forums, but rarely fully engages the logistics and financial management professionals. For our logistics planners, the aim should be to pull the plans from the operational cycle above, and use that as entering arguments (among others) for determining logistical capability to meet the needs of operations. Even if these personnel are to merely sit back and take notes, the support communities can gain substantially by taking back operational plans for vetting within resources and logistics channels and for attempting to "cost out" the various plans under discussion.

A more thorough example of a planning system which meets the needs of logisticians is the capabilities-based planning system firmly embedded with the NPG. This system relies on studying a series of pre-formatted disaster/attack scenarios, understanding the tasks involved in each agency's response, and then developing "target capabilities" and outcomes that allow the agency to effectively respond to the threat.

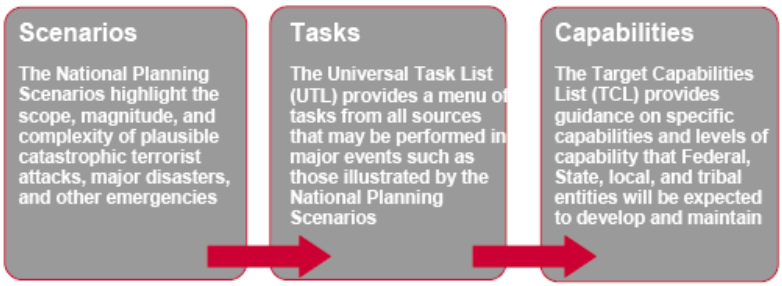

Figure 4. Capabilities-Based Planning Process[79]

This process has a number of important benefits. As discussed in the NPG, "Capabilities-Based Preparedness encourages flexibility and requires collaboration. More importantly, it helps to ensure that operations planners and program managers across the

[79] Capabilities-Based Planning, from "Strengthening National Preparedness: Capabilities-Based Planning" Fact Sheet, DHS, p1.

nation can use common tools and processes when making planning, training, equipment, and other investments, and can produce measurable results."[80]

The scenarios which make the up the National Planning Scenarios include:[81]

1. Nuclear Detonation
2. Biological Attack – Aerosol Anthrax
3. Biological Disease Outbreak – Pandemic Influenza
4. Biological Attack – Plague
5. Chemical Attack – Blister Agent
6. Chemical Attack – Toxic Industrial Chemicals
7. Chemical Attack – Nerve Agent
8. Chemical Attack – Chlorine Tank Explosion
9. Natural Disaster – Major Earthquake
10. Natural Disaster – Major Hurricane
11. Radiological Attack – Radiological Dispersal Devices
12. Explosive Attack – Bombing Using Improvised Explosive Devices
13. Biological Attack – Food Contamination
14. Biological Attack – Foreign Animal Disease
15. Cyber Attack

Ideally, how each agency intends and plans to respond to these theoretical but highly-detailed scenarios will be discussed in a collaborative environment at the local and regional level. We will discuss the mechanics of this collaborative effort later. In the mean time, this is how the capabilities-based planning and preparedness system appears graphically:

[80] *National Preparedness Guidelines*, 10.

[81] U.S. Department of Homeland Security, *National Planning Scenarios,* Version 21.3, (Washington, DC: Government Printing Office, March 2006), i.

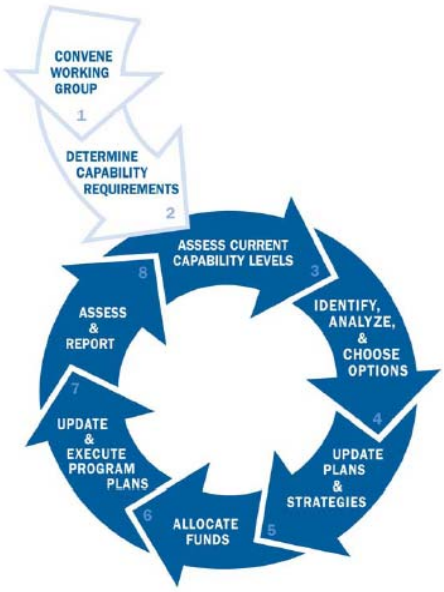

Figure 5. Capabilities-Based Preparedness Process[82]

The NPG describes the individual steps of this system in detail to show that a "capability" can be achieved by focusing on the development and combination of "elements of capability" such as planning, organization and leadership, personnel, equipment and systems, training, and exercises. Ideally, individual organizations and partnerships of organizations, are to focus on developing certain "capabilities" from a prescribed list that achieves a particular outcome. In reality, few agencies are moving forward with carrying out this capabilities-based planning, and even fewer are integrating financial management and logistical planners into the sequence.

More often than not, for a local or regional area to succeed in the midst of a crisis or contingency there must be cooperation and partnerships with multiple response and support agencies. As mentioned briefly earlier, these relationships can be ad hoc and developed quickly in response to a contingency, or they can be discussed in detail and an effective response plan generated well in advance of any crisis. It is likely that the majority of response strategies fall somewhere between these two extremes with some level of familiarization and weak collaboration between organizations.

[82] *National Preparedness Guidelines*, Figure B-2, 33.

C. CONTINGENCY LOGISTICS PLANNING GROUP (CLPG)

1. Membership for an Engaged Partnership

To take full advantage of the capability-based planning process, local and regional areas need to employ the high tenets of collaboration and partnership with participation in a construct I have identified as a Contingency Logistics Planning Group (CLPG). In the spirit of capabilities-based planning, the CLPG will be a standing group in local and regional areas with the intent purpose to identify, via collaboration, the resource and logistics priorities and capabilities of an area in order to prepare, respond and recover from major contingencies. The members of the CLPG should be the lead financial and logistical planners and professionals from local, state, federal, non-profit and private agencies that may be involved, or play a supporting role, during any of the 15 National Planning Scenarios. In addition to these members, it is essential to involve operational planners or strategists that would be responsible for enacting response plans based on the planning scenarios. These individuals will lend the operational intent to discussion scenarios whereas the financial managers and logisticians will develop the logistical response and priority networks. The NRF calls this type of arrangement an “Engaged Partnership”. The NRF goes on to say that "[l]eaders at all levels must communicate and actively support engaged partnerships by developing shared goals and aligning capabilities so that no one is overwhelmed in times of crisis. Layered, mutually supporting capabilities at Federal, State, tribal, and local levels allow for planning together in times of calm and responding together effectively in times of need."[83] Some concepts for developing and fostering this partnership will now be discussed, however, do not get mired in the “group dynamic” details. Instead, bear in mind that it is the concept of the collaborative partnership which must be the focus of the implementation.

[83] *National Response Framework*, 9.

2. Planning Groups Meeting Dynamics

CLPG meetings should be held at regular intervals in consistent locations. If facilities are available, the ideal meeting location would be at Emergency Operations Centers (EOCs), Joint Field Offices (JFOs) or other locations where planning materials and infrastructure is available to facilitate a meeting. Depending on the geographic area and the number of plausible scenarios, the number of potential participants can become large. The space should be large enough to accommodate not only the critical players, but also others that may wish to observe but not participate.

The initial CLPG meetings should be formative in nature, by which the group will still be determining who is present and developing group norms. For the first several sessions, the focus should be on building an understanding of the group members, with each group detailing their responsibilities, resources, funding mechanisms and organizational structure. Many critical functions take place at these types of collective planning meetings and require an array of responsibilities that the group will have to designate, including recorders, group meeting planners, communication methods and protocols, group facilitation, etc. In addition, there are a vast array of books and instructional materials on effective group interaction and group decision methods.[84] I will not belabor the discussion more than to say that the group must develop a method for group interaction which allows each organization, regardless of size or assets, to contribute to the logistical planning process. It is very likely that even the smallest organization has a niche in which it excels and can serve as a force-multiplier in particular scenarios.

The CLPG must then devote a meeting or two towards determining which potential scenarios, of the 15 National Planning Scenarios, realistically exist in the geographic area which the group represents. For instance, cities like San Francisco must contend with the majority of the planning scenarios but may choose to not devote time

[84] One example includes John M. Bryson, *Strategic Planning for Public and Non-Profit Organizations*, 3rd edition (San Francisco: Jossey-Bass, 2004), 297-316, which focuses on the strategic planning and decision processes.

and effort towards planning for a major hurricane. Similarly, the logistical planning group in Miami may choose to devote vastly more time towards considering the agency responses to a major hurricane, but devote very little time the logistics of earthquake response. As the group meets and convenes, it may also become apparent that there are plausible scenarios of major contingencies which are not covered by the 15 National Planning Scenarios. The 15 scenarios should certainly not be limiting; collaborative bodies of operational, logistics and support groups should also devote time to brainstorming other scenarios which may exist in their respective areas, and then develop pertinent scenarios to explore the response. One example which is readily available is wildfires. There is no scenario within the National Planning Scenarios which discusses wildfires yet for several years, portions of California have been involved in major contingency responses of national disaster scope. For planning groups within California or other areas affected by the possibility of wildfire, this should be on their list.

3. CLPG Interaction with National Planning Scenarios

Once the groups are able to determine the plausible scenarios which must be fully investigated, they can use the guidance and explanation of the scenarios from within the NPG as starting points for discussion. At this point, the group should have an understanding of the scenarios and understand which agencies will have significant bearing on the particular contingency. These agencies which are responsible for overseeing the response should present their operational plan and then be followed by each other agency with a role to play. Operational plans can, and certainly should when available, include descriptions of the Emergency Support Functions (ESFs) which they will be called upon to perform as well as the Pre-Scripted Mission Assignments (PSMAs) which discuss specific asset and resource requirements to be met.

As agencies are discussing their plans to the group, there must be documentation being kept which makes an effort to summarize, and where possible, prioritize, the resource requirements of the theoretical disaster response. Only by understanding what types of resources will be required and at what time and to which agency will the group begin to have a full understanding of where shortfalls may occur. The CLPG should also

look to build and share logistical feedback, from their jurisdiction and others, concerning the challenges and successes of resource acquisition. For instance, the Lessons Learned from the leading Coast Guard support commands identified several of these issues during the Hurricane Katrina response which would be shared in a collaborative forum with other agencies via the CLPG:

> Typical initial concerns were bottled water, MREs, lodging (hotels, apartments, other commercial sources, RVs, trailers), shower-laundry-toilet facilities, fuel (gasoline, diesel, AVGAS), fresh water & sewage support for cutters (i.e., barges), safety gear/PPE for responders (general and area/response specific), uniforms (replacements) for responders from impact zone, spare & replacement parts. As operations continued and matured; equipment maintenance & repair requirements became a focal point of support effort, as well as a more longer term focus on personnel support, both for responders and displaced workers to include such as issues establishing messing / field kitchen operations and erecting temporary work spaces such as modular office trailers… Pre-existing Basic Ordering Agreements (BOAs) and extension / expansion of existing service contracts can provide readily available sources of supply for a wide range of disaster response requirements. Similarly, utilization of Indefinite Delivery Indefinite Quantity (IDIQ) can significantly streamline service delivery timelines. IDIQs are particularly beneficial for the repair and renovation of damaged facilities and shore plant infrastructure… Supply lines should be robustly established up front; attempt to overstock / oversupply initially. It's better to have to cut back and withdraw resources than have to wait on critical resource requirements.[85]

As agencies within the CLPG continue to fully explain the logistics of their response plans, one of the most significant challenges that would be evident to CLPG participants is the interdependency and potential conflicts which can arise when looking at shared and common resources. As a basic example, if you consider a major disaster, in this case consider a radiological dispersal device (RDD, or dirty bomb) detonated in the Port of Miami. An event of this magnitude will have considerable response actions by many interagency partners including the Environmental Protection Agency, the Nuclear Regulatory Commission, the Nuclear Security Administration, the Transportation Security Administration, the Department of Homeland Security, the Federal Bureau of

[85] U.S. Coast Guard, "Hurricane KATRINA Response – Maintenance & Logistics Command Atlantic (FOUO)" in the CGSails, section titled "General Logistics & Support Considerations Comments."

Investigations, the Coast Guard, Florida State investigative agencies, many non-governmental organizations and watch-dog groups as well as dozens of relief agencies to care for the sick and wounded. As all these agencies pour into the city (outside the danger zone of course), there will be a demand for many resources to support the investigative, response and recovery operations, but also resources merely to maintain the thousands of responders. Hotels, rental transportation, food, communications providers, and other basic necessities of operation will become heavily taxed. The operational and strategic planners need to clearly have in mind which outcomes take priority in this type of situation (e.g., care for the wounded, investigate the scene, restore city services, etc.). The CLPG must be able to take the desired outcome and work backwards to determine issues such as:

- Which agencies receive priority for resources which are constrained?
- What is the logical infrastructure solution to managing this large influx of responders (i.e., where do you berth them, how shall they be fed, what city services should be focused on providing support to responders)?
- What logistical concerns must be ordered immediately from outside the general area (i.e., what are the necessary items which must immediately begin transit into the area and where are the items located? A RDD scenario may call for housing for tens of thousands of people outside the danger zone as well as bringing in medical supplies to treat victims of radiation poisoning. The supply train into the affected area needs to be optimized to ensure urgent items receive priority.
- Are there economic considerations which need to be addressed? Is there legitimate commercial shipping traffic which needs to be rerouted? Will rerouting particular traffic cause any cascading infrastructure problems (e.g., shipping was bringing in raw materials for critical infrastructure)?

Many more questions such as these will be developed and handed-off to working groups to come up with potential solutions. As the CLPG begins to see the multitude of issues and questions come into play, they will likely feel somewhat overwhelmed by the

complexity of the response and recovery requirements. However, as problems are solved and plans developed, there will likely be an improved sense of accomplishment and preparedness for the community and the nation.

As mentioned earlier, it will be an important tool to build collaborative lists of available and required resources needed by agencies to fulfill their obligations and assignments for the various contingencies (i.e., ESF assignments, Universal Task List resource requirements, etc.). These lists of logistical and resource requirements should be tabulated and organized to support a variety of functions. For instance, by building total lists of resources for various contingencies, it would be fairly simple to build decision support systems capable of supporting the needs of contingency financial managers. A decision support system with the resource requirements embedded could very quickly provide cost estimates for disaster response by simply adjusting for the number of assets requested, on-scene or in-transit. The same support system could also be used to compare the number of likely response assets required for a given scenario versus the number on hand. This type of data can be used to support justifications for additional resource requests, even for budget building and grant proposals. Additionally, the data collected should be protected for security purposes, but also sent to remote locations so that if a major disaster or a series of disasters occurs in a local area that forces the local CLPG to become inoperable, another CLPG in a neighboring jurisdiction could pick up the database, understand the logistical requirements tailored to that region, and begin the process of resourcing the necessary requirements to support missions.

Christine Wormuth with the Center for Strategic & International Studies has also acknowledged that this process of inventory and database compilation has not progressed as far as it should have. In a recent article, she noted the following:

> Finally, no inventory or database has been compiled at the federal level, much less at the state level, listing what capabilities might be available to respond to a catastrophe. Effective planning would require a mechanism to assess the readiness of inventoried capabilities, but individual Cabinet agencies do not even consistently compile and track this kind of information. Although the National Preparedness Guidelines, which were issued by the Department of Homeland Security in September 2007, do envision a preparedness system that would include such inventories and

> assessment mechanisms, to date that system exists only on paper…Unless it undertakes deliberate planning to drive the creation and allocation of required capabilities and resources, the government risks being caught flat-footed during a future disaster.[86]

The CLPG members and participants will also benefit by getting a thorough understanding of the capabilities, the assets and the resources of their partner agencies. I contend that as agencies examine logistical requirements for scenario responses, they will discover many mutually supporting missions and tasks that can be arranged in partnership rather than each agency attempting to "fend for itself." These economies of scale will make logistical arrangements much easier and faster and will also, in most cases, create cost-savings for the locality or the nation.

The private sector has always played a crucial role in disaster response, and they will continue to be an important partner in the CLPG. According to a multi-agency May 2006 report by the National Response Teams (NRT), it has been challenging to find the proper inroad for private sector to be involved in pre-planning. The report stated,[87]

> There has not been an effective mechanism for engaging the capabilities of private sector organizations. For example, private loggers sought to assist in clearing roads, but there was not an effective method to involve them. Although DHS established a private sector database, which was done in conjunction with EPA for hazmat contractors under ESF #10, this did not necessarily assist private companies in determining how they could participate in response activities.

The report went on to recommend that private sector assets which may prove useful during contingencies and disasters should be identified in advance, and those companies should be involved in disaster planning and exercises, especially at the regional and local levels. The CLPG is the mechanism which can make this happen,

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[86] Wormuth, 11.

[87] U.S. National Response Team, "Interim Final Observations and Lessons Learned from Hurricanes Katrina and Rita," National Response Teams/Regional Response Teams, May 19, 2006, http://www.nrt.org/ (accessed September 3, 2008), 8.

providing important updates to available assets and inventories which could then be further integrated into emergency support functions (ESFs) under the National Response Plan.

A final critical benefit of building the resource requirements necessary for logistical support for various scenarios is that the processes discussed in Chapter 5 for Advanced Readiness Contracting and pre-procurement can begin. Understanding the resource shortfalls can allow for the various agencies (or working group acting on behalf of the CLPG) to begin building lists of potential contractors and private partners that can provide resources quickly in the event of a contingency and tailored towards the prioritized agencies for the scenario at hand.

When disasters or other real-world contingencies do occur, a minimized CLPG should be stood up to provide support to the ICS structure, specifically the Planning Section Chief and his or her staff. By this time, the CLPG should have developed logistical plans for a number of scenarios and for the various operational response plans by the individual agencies. The CLPG can provide advice about resource availabilities, sources of supply, pre-contracted resources and prioritization of issuing/providing resources based on the mission assignments. During Hurricane Katrina relief efforts, this type of construct was noted in Lessons Learned reports as a mechanism which could have added significant value to the response efforts. The MLCA Lessons Learned website had the following to say

> Throughout Hurricane KATRINA response efforts, many basic tenets of ICS were used to certain degrees of conviction and effectiveness. But not all roles, responsibilities, and functions were utilized or activated. This led to much inefficiency. For example, logistics issues including personnel, equipment and supplies were ordered through various channels and avenues without a centralized prioritization and validation process. This resulted in many duplicate and confusing resource requests. Financial accounting was problematic; proper procedures were not administered from the onset of operations.[88]

[88] U.S. Coast Guard, "Hurricane KATRINA Response – Maintenance & Logistics Command Atlantic (FOUO)" in the CGSails, section titled "Use of the Incident Command System (ICS) Comments."

This chapter emphasized the need to develop Contingency Logistics Planning Groups (CLPGs) to achieve a number of important benefits. I am confident that these groups will bring the Coast Guard, and the nation as a whole, closer to the vision inspired by the National Preparedness Guidelines. Using the Capabilities-Based Preparedness model as a springboard for the CLPGs will ensure continued alignment with the strategic vision of preparedness envisioned by Homeland Security Presidential Directive 5 and will ensure that each agency is honing their ability to collaborate, cooperate and prepare for a variety of plausible catastrophic scenarios.

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VI. IMPLEMENTING IMPROVED CONTINGENCY-PREPAREDNESS IN THE COAST GUARD

The timing is right for the Coast Guard to make assertive change efforts to support and strengthen contingency preparedness for the financial management and logistics communities. This paper has suggested seemingly common sense changes, but each change initiative, big or small, comes with a price tag, whether the denomination is actual dollars, people's time, or organizational willingness to change to counter the low-probability/high consequence events. But now that these changes have been presented, how can they be implemented and what barriers are likely to be encountered? This chapter aims to present the strategy and efforts which can be launched within the Coast Guard to create change. First, there will be a very brief recap of the changes necessary, a discussion identifying the critical players in moving forward, and finally, an answer to the question: "what must be done right away to advance Coast Guard contingency preparedness?"

A. REVIEW OF CHANGE RECOMMENDATIONS

Five over-arching change initiatives were recommended within this research project. Each would have considerable impact upon the continuity of Coast Guard operations, improve preparedness for the Coast Guard (and other contingency response partners) and help to foster processes that ensure the high level of performance expected of financial planners and logisticians. The changes recommended included:

1. Establishing financial management and logistics policy for operations and field personnel to employ easily and immediately for guidance actions on cost tracking, pre-contracting and rapid procurement. This recommendation will require policy discussion, writing, review and approval of materials generated. Involvement should include field level operations and response personnel as well as an assortment of professionals within the Coast Guard financial management, procurement, contracting and logistics communities.

2. Modifying the accounting line and financial systems readiness to track costs. This change will require considerable investment in financial and organizational planning. There are likely conflicts or challenges associated with pending changes in the line of accounting to be compliant and compatible with DHS. It will be necessary to ensure that the new DHS accounting line has the capability for the level of granularity in cost tracking required to meet cost recovery objectives.

3. Understand geographic-specific logistics requirements and develop a plan and information sharing construct to collaborate with other units and agencies using a Contingency Logistics Planning Group (CLPG). This is the most far-reaching recommendation within this report. This initiative will require the establishment of cross-organizational and collaborative teams in a number of critical geographic areas, especially those that are often the target of terrorism or those that are at considerable risk of natural disasters. The teams will work with other federal, state, local, private sector and non-governmental organizations to study the logistical responses to the 15 National Planning Scenarios, study inventories and shared equipment, and with the cooperation of operational planners, discuss agency responses. Teams will search for asset requirements, priorities of available resources, conflicting expectations, etc. This recommendation will require significant planning time from at least one individual in each geographic area (possibly at the District level), involve a coordinator at Coast Guard Headquarters or Forces Command (FORCECOM) and report to the Principal Federal Official (PFO) in each applicable region.

4. Build resilience in contracting and contingency procurement through several interventions including Advanced Readiness Contracting and meeting the “human aspects” of business continuity planning. This recommendation will study work flow and business networks to determine which areas are most prone to failure during contingency or disaster,

especially disasters that can incapacitate personnel providing necessary logistics and procurement functions (e.g., contracting officers, procurement specialists, local knowledge experts, etc.). This project can be completed with a few full-time individuals who travel to the various logistics and financial management commands for on-site studies. These personnel must be experts in network analysis and planning, preferably with prior-Coast Guard experience. Additionally, several contracting and procurement specialists will interface with members of the Contingency Logistics Planning Group (CLPG) to determine which resources should be secured and/or pre-contracted in each geographic area.

5. Reconfigure and effectively market the training for Coast Guard planners, logisticians and procurement/supply personnel at all levels. This recommendation will require a study of current and proposed ICS, logistics and financial management training. The focus will be on developing a more effective long-term study and participation training program to keep learning current, interesting and growing after initial training has been completed. I recommend several ICS experts become involved along with a full-time individual for development and maintenance of the on-line learning management system (LMS).

B. IDENTIFYING AND ADDRESSING KEY STAKEHOLDERS

With the recommended changes in hand, it is imperative to know which stakeholders involved in Coast Guard contingency planning need to be approached with the vision ahead. A power versus interest grid as shown in the diagram below serves as a reference to which "players" are critical to success and what other power bases exist that must be considered.[89]

[89] Power versus Interest Grids are discussed in John M. Bryson, *Strategic Planning for Public and Non-Profit Organizations*, 3rd edition (San Francisco: Jossey-Bass, 2004), 338, as well as C. Eden and F. Ackermann, *Making Strategy: The Journey of Strategy Management*, (Thousand Oaks, CA: Sage, 1998).

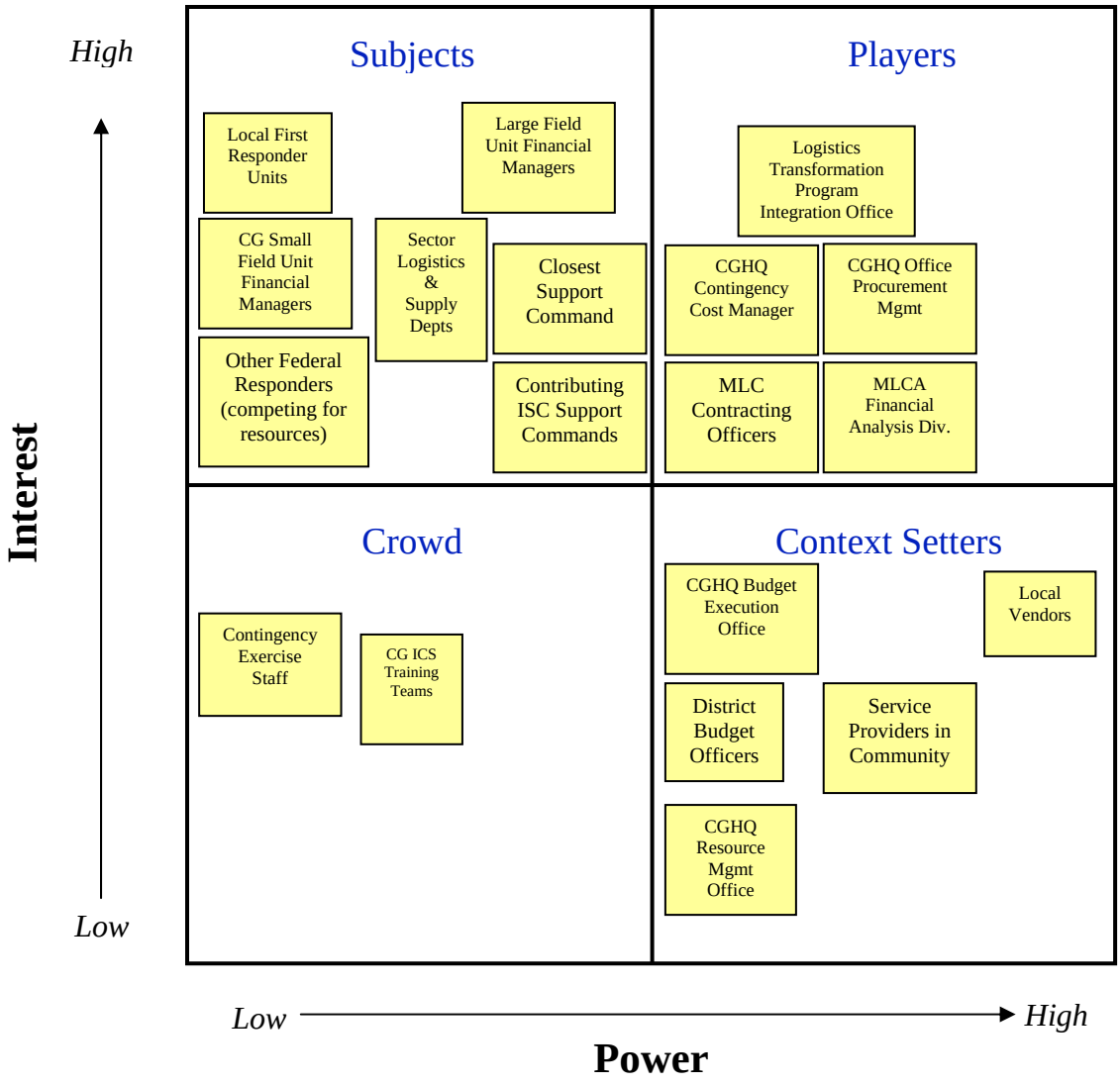

Figure 6. Power vs. Interest Grid

"Subjects" in the upper-left quadrant of the grid are those that are highly interested and vested in seeing the program succeed, but have little power and influence on their own to institute the change efforts. In this case, field level financial managers, which might be Comptrollers at large units or Executive Officers at smaller units, do not have the power necessary to institute the change but they can certainly visualize the danger of not improving our current policies and planning. Other stakeholders in this area include external agencies, whether they are local, state, federal, tribal, private, or

others. They are interested in seeing such an implementation proceed, especially if their agency would benefit substantially from the collaborative efforts, but they are relatively powerless to affect change within the Coast Guard. Overall, the stakeholders in this quadrant should be encouraged to help support and steer the change effort once it gets off the ground to ensure that it will meet the objectives of those entrusted to put plans into action.

"Players", in the top right quadrant, are those that would certainly benefit by change as it would make their own work more efficient and effective. These stakeholders also have the power and influence that they can help to institute the changes necessary to put the plans into practice. Individuals and offices in this area will be an easy sell for the change initiatives and should be leveraged against other groups to help encourage change. They must be consulted early and often.

Stakeholders in the bottom left quadrant constitute the "Crowd" and have little interest in the outcome and relatively low organizational power to influence change. In general, of the stakeholders I had involved, I thought this was primarily the contingency training teams and contingency exercise staff. While these individuals constitute Coast Guard organizational experts in contingency training and exercising, their only "dog in the fight" is that they will be required to change their training syllabus and/or manuals to accommodate changes in the system; and for the most respect, even those changes to the overall playbook will be minimal. Out of all the groups, I saw these as being the most resistant to the change efforts. And yet, because of their constant interaction with these types of events (at least in training and practice forums), they should be able to provide valuable insight and thoughts into how to improve the involvement of contingency financial planners and logisticians from a theoretical perspective. It is known from survey and personal interaction that some of these individuals are highly motivated toward seeing these changes implemented.

The final quadrant in the bottom right of the grid includes the "Context Setters". This is an important group to tailor the message of the thesis towards. These are stakeholders and groups with significant political and organizational power. However, they may be less inclined to make changes in the system without understanding how

important, precarious, or dangerous our current continuity and contingency planning systems are. For these groups, it is important to show them the relevant results of surveys, lessons learned recommendations from major events (e.g., repeated calls for change in the Hurricane Katrina after-action reports), and examples of potential failures in our current system, and how these failures could cascade into operational failures at the most critical of times. The goal, moving forward, must be to increase the interest and understanding of these individuals so that they can be included as "Players".

C. THE PRECURSOR TO CHANGE – FOSTERING AND ENCOURAGING META-LEADERS

With a concept of where we need to go, and where the power players will need to come from, it is necessary to foster a cadre of individuals who are motivated and informed about leading a change effort. These individuals should be carefully screened and interviewed to ensure that they not only understand the changes that are necessary, but that they are willing to expend personal and professional energy in seeing the changes through to implementation. In essence, we are looking for a cadre of *meta-leaders*. The concept of a 'meta-leader' is not new, but was very appropriately introduced in the emergency preparedness context in a working paper by Leonard Marcus and Barry Dorn of the Harvard University Center for Public Leadership and Joseph M. Henderson of the U.S. Centers for Disease Control and Prevention.[90] As described in this well-crafted discussion of collaborative leadership, a meta-leader is one which will be able to influence and inspire change across organizations, acting to build synergies in a multi-jurisdictional, multi-agency, and public-private partnership. If done effectively, the meta-leadership will provide "guidance, direction, and momentum across organizational lines that develops into a shared course of action and a commonality of purpose among people and agencies that are doing what appears to be very different work."[91] The

[90] Leonard J. Marcus, Barry C. Dorn, and Joseph M. Henderson, "Meta-Leadership and National Emergency Preparedness: Strategies to Build Government Connectivity," Working paper, June 1, 2006, http://www.hks.harvard.edu/leadership/images/stories/ksg/PDF/Publications/workingpapers/2005/marcusdornhendersonworkingpaper.pdf (accessed January 28, 2008).

[91] Ibid.,44.

recommendations provided throughout this research span a number of boundaries and partnerships as indicated in the table below.

Table 1. Boundaries and Partnerships for Recommendations

Recommended Change	Boundaries and Partnerships Required
1. Establish Field-Level Financial Management Policy for Contingencies	Operational/Field Level Personnel (Unit Command Cadre, Executive Officers, Storekeepers), MLC & ISC Procurement and Contracting Specialists, District and Headquarters Contingency Cost Managers
2. Accounting System Alignment for Contingency Cost Tracking	Dept. of Homeland Security (DHS) Chief Financial Officer (CFO), District Budget Offices, MLC & Headquarters Budget Execution Offices, CG Finance Center, CG Financial Management Systems (link to Core Accounting System)
3. Geographic-Specific Requirements and Establishment of Contingency Logistics Planning Group (CLPG)	Coast Guard MLC & ISC Procurement & Contracting Specialists, CG Headquarters Fiscal Law Specialists, Coast Guard Contingency Planners, Contingency Exercise Staff. In addition, each geographic area will have a mix of representatives from federal, state, local, tribal, private sector and non-governmental organizations to discuss resource/asset requirements and inventories in response to contingency scenarios.
4. Build Resilience in CG Business Continuity Plans (focus on the human aspects of financial management & logistics continuity)	Coast Guard MLC, ISC & Field-Unit Procurement & Contracting Specialists, CG Headquarters Fiscal Law Specialists, Coast Guard Contingency Planners, Contingency Exercise Staff, District Budget Offices, Contracted Network Analysis Experts
5. Reconfigure and Market Long-Term Training Efforts in ICS	Field-Level Contingency Financial Managers and Logisticians, Contingency Exercise Staffs, ICS Training Teams, Learning Management System (LMS) internal or contracted expertise, Education/Training Content Developers

It is clear that a group of meta-leaders will be necessary to bring these diverse groups together. Many of the aforementioned offices, branches or agencies are separated geographically, organizationally (as in contingency planners vs. financial management or logistics personnel), financially (as in funding streams throughout the Coast Guard), or in different agencies altogether (particularly within the CLPG recommendation). To get beyond the "silo thinking" and achieve cross-agency and intra-agency collaboration, the meta-leaders will need to be among our organizations best and brightest, with earned personal and professional respect that can be leveraged to bring partners to the table to discuss the issues in detail and determine where the best course of actions lie. As authors Howitt and Piangi noted in 2003, "The great challenge facing the nation in further

developing its domestic preparedness program is not only to achieve coordination of effort and function within levels of government, but also to make the intergovernmental relationships work effectively."[92]

This work will not be easy. The individuals involved will exceed their job descriptions, step beyond their experience levels and operate in new territory. There will undoubtedly be resistance from a number of corners. A list, certainly not inclusive all possible barriers, is indicated below.

Table 2. Barriers and Obstacles to Change

Recommended Change	Barriers or Obstacles to Change
1. Establish Field-Level Financial Management Policy for Contingencies	• Concerns about time & effort commensurate to the potential catastrophic threat (cost vs. benefit) • Additional training on already burdened field-level personnel • CG Modernization efforts may impact the financial and logistics support chain. Efforts made too early will require rewrite.
2. Accounting System Alignment for Contingency Cost Tracking	• Accounting System moving to a new DHS-unified accounting line "sometime in the future" • Finance Center may object to effort required to build the tables for the wide-variety of cost centers • Units may have to alter pre-established accounting lines to be compliant with new code scheme
3. Geographic-Specific Requirements and Establishment of Contingency Logistics Planning Group (CLPG)	• No mandatory requirements (at this time) for this high-level of inter-agency participation • Some may argue that 15 National Planning Scenarios are constraining or non-applicable • Concerns about time & effort commensurate to the potential catastrophic threat (cost vs. benefit)
4. Build Resilience in CG Business Continuity Plans (focus on the human aspects of financial management & logistics continuity)	• May be fiscal or legal challenges to pre-contracting or advanced readiness contracting • Significant cross-training of personnel at procurement and contracting offices to ensure redundancy of skills. Union challenges? • CG Modernization efforts may impact the financial and logistics support chain. Efforts made too early will require rewrite.
5. Reconfigure and Market Long-Term Training Efforts in ICS	• Some individuals likely prefer to complete a one-time training and then relearn when an event arises

[92] A. Howitt and R. Pangi, "Intergovernmental Challenges of Combating Terrorism," in *Countering Terrorism: Dimensions of Preparedness*, ed. A. Howitt and R. Pangi (Cambridge: MIT Press, 2003), 17-36.

	• Concerns about time & effort commensurate to the potential catastrophic threat (cost vs. benefit) • How to incentivize an individual to want to participate in long-term training and skills practice

The authors which applied meta-leadership to emergency preparedness emphasize that the benefits of the collaborative efforts are not always what one may expect. Often, the benefits evolve from the relationships which are established. They wrote:[93]

> [F]ormal linkages cannot predict or account for the range of anticipated as well as random interactions in the lead up to and moment of an actual terrorist incident. Those linkages ultimately must be on the people-to-people level. Those responsible for leading terrorism preparedness efforts have commented often on the barrage of meetings and conferences that sprouted in the immediate aftermath of 9/11. The content of these meetings turned out to be almost less important than the opportunities provided for a wide spectrum of officials to become acquainted with one another across agencies that would not have normally interacted. Those meetings led to development of cross-agency teams and workgroups that became an important reference point for the preparedness effort.

D. WHAT TO DO TODAY?

This discussion leads us now to determining exactly what the next steps must be towards higher Coast Guard contingency preparedness. To see the recommendations presented within this effort deliberated and acted upon, I recommend the following:

1. Establish and promulgate Coast Guard Flag-Level support for this effort, especially within the following levels:
   - Commandant of the Coast Guard
   - CG Chief Financial Officer (CG-8)
   - Commanders of Maintenance & Logistics Commands Atlantic & Pacific. As Coast Guard Modernization efforts continue, these may

[93]Leonard J. Marcus, Barry C. Dorn, and Joseph M. Henderson, "Meta-Leadership and National Emergency Preparedness: Strategies to Build Government Connectivity," Working paper, June 1, 2006, http://www.hks.harvard.edu/leadership/images/stories/ksg/PDF/Publications/workingpapers/2005/marcusdornhendersonworkingpaper.pdf (accessed January 28, 2008), 53.

possibly be combined within a single command under Forces Command.

- Secretary of Department of Homeland Security should be involved to the extent desired and necessary by the Department.
- Appropriate Congressional homeland security offices should be apprised of the effort and involved to the extent they desire.

2. Require Coast Guard Headquarters Contingency Cost Managers (CG-832), CGHQ Office of Procurement, and the Finance Divisions of Maintenance & Logistics Commands Atlantic & Pacific (MLCA & MLCP) to review and approve of the overall direction within this report. As Coast Guard Modernization efforts allow, invite the involvement and support of the Logistics Transformation Program Integration Office (LTPIO).
3. Using members of #2 above and including representatives from the field-level, support level (e.g., ISCs, Districts, MLC contracting offices) and headquarters level (e.g., contingency planners), conduct a 3-day Appreciative Inquiry (AI) off-site session to discuss problems outlined in this report. The goals of the 3-day session should include a decision on prioritizing the recommended courses of action, envisioning the future end-state of each of the recommendations, and developing a road-map for achieving the vision. Meta-leaders should be identified or suggested that can lead individual pieces of the project.
4. Establish a forum for continued debate, inquiry, and task accomplishment from the AI off-site. Ensure individuals are in-place to take responsibility for the learning process but keep to stated timelines. The imperative of preparedness needs to remain a mantra throughout the process.

Work groups, under the direction of the identified meta-leaders, accomplish designated tasks towards accomplishment.

There is no time to lose. Let us move forward today with Step #1 and begin the course towards a higher-level of financial and logistical preparedness for the challenges that our nation faces in the future.

E. CONCLUSION

Some people, including those within the Coast Guard, may be surprised to find that our organization, in these early days of September 2008, lies in a precarious position. We have weathered major storms and performed admirably and most consider that we are well-prepared from an operational perspective to face the next big challenge or catastrophe. Amanda Ripley, a journalist for Time magazine wrote a featured article following Hurricane Katrina to highlight this perception of Coast Guard responsiveness and flexibility. She wrote:[94]

> You can learn about the culture of an organization from the stories its members tell. One of the Coast Guard's most celebrated rescues was of the crew of the doomed oil tanker the Pendleton in 1952 off Massachusetts. In 60-ft. seas, during a snowstorm, Coast Guard officers managed to pile all 32 survivors onto a 36-ft. wooden lifeboat moments before the tanker capsized. But when the coxswain radioed his superiors for further direction, his commanders argued over the radio waves about what to do next. Instead of wasting precious time, the coxswain switched off the radio and made up his mind to head for shore. Everyone survived, and the Coast Guard crew received gold lifesaving medals. "There's no place to hide in the Coast Guard," says Rear Admiral Robert Duncan, commander of the Eighth Coast Guard District, which includes the Gulf Coast states. "So we end up with a culture that is not averse to taking measured risk.

Effective risk management, flexibility, responsiveness, autonomy, trust in our people and processes and an all-hazards readiness posture have gone far to create a culture of preparedness within the Coast Guard. And yet, as has been shown by interviews, surveys and reviews of Lessons Learned and After-Action reports within this research, this high-preparedness and trust in our system has gaps within our contingency logistics and financial management communities. We do not unerringly trust that our systems will be able to provide top-notch mission support to the operators in the field.

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[94] Amanda Ripley, "How the Coast Guard Gets it Right," *Time*, October 23, 2005, http://www.time.com/time/magazine/article/0,9171,1122007-1,00.html (accessed September 7, 2008).

This thesis work has emphasized a number of problematic areas and steps which can be taken to propel the Coast Guard to a higher level of logistical and financial management contingency preparedness. In addition, steps for moving the project forward quickly have been described and now await execution. The Coast Guard must strike ahead now, while we remain buoyed by operational success and while our organization culture is prepared for and acting on other change initiatives. Following the next extensive hurricane, terrorist attack or other catastrophic incident, history may not shine so brightly upon the Coast Guard if our logistical errors and financial challenges cause response, rescue or recovery operations to falter. Affirmative action today towards improving contingency preparedness can mean the difference between praise for our actions, or blameful investigations and a loss of trust following poor performance. The Coast Guard should take these actions willingly, eagerly and while we are master's of our own destination.

APPENDIX A. QUALITATIVE SURVEY RESPONSES

The information within this Appendix represents the qualitative, and some quantitative, data obtained via a web-based survey of Coast Guard professionals in the communities of financial management, contracting, procurement, logistics, training, and contingency/incident management. The survey results provided substantial support to the findings and recommendations within this thesis but can also add value to continued work by other individuals in similar research efforts.

1. How many years of experience do you have working in Coast Guard financial management, contracting or logistics planning & execution?

1	23
2	10
3	6
4	7
5	23
6	24
7	4
8	8
9	13
10	15
11	19
12	25
13	11
14	18
15	30
16	17
17	3
18	15
19	16
20	28
21	7
22	4
23	29
24	6
25	32
Total	393
Avg	15.72

2. In the event of a major contingency (e.g., hurricane, major earthquake, pandemic virus, weapon of mass destruction event), how well do you believe the Coast Guard is prepared *logistically* to respond? For example, do you believe that we understand and have planned the necessary logistics at the local level for the wide range of contingencies we may face (i.e., purchase lists, vendors & contractors lists for items, deconflicting with other units which may be requesting same type items, etc.)? Please select a level of preparedness and comment on your response.

   1 = Not Prepared
   2 = Somewhat Prepared
   3 = Prepared
   4 = Well Prepared
   5 = Very Well Prepared

Total = 59, Average = 2.36

1	2	Somewhat Prepared - Not nearly as well prepared as we could or should be. We spend a lot of time on day to day issues, little to no time spent on strategic logistic planning.
2	2	Somewhat Prepared - We rarely exercise this function.
3	2	Somewhat Prepared - We have basic plans in place, but lack depth of resources, capabilities, and detailed plans for such a response.
4	4	Well Prepared -
5	4	Well Prepared -
6	2	Somewhat Prepared - The pollution response world has procedures in place that are well understood by the old "mep" world, but less well understood by the traditional SK/30-coded world, which needs to take on management of these processes in the current CFO Audit world.
7	1	Not Prepared - We continue to talk about our response more than prepare for it. We are also not giving enough dedicated resources to this. Additionally, we do not have professional logisticians in the Coast Guard. By this I mean we do not have a trained officer corp.
8	2	Somewhat Prepared - we have not changed any processes at nat'l or local level. training is sporadic but started. quals sys not in place WQSB varies sector to sector.
9	3	Prepared - COOP plans have been prepared in fits and starts throughout the CG. The rollover to an ICS response structure has spured some of the action. The stand up of IMAT teams has been a result as well.
10	3	Prepared -
11	2	Somewhat Prepared -
12	2	Somewhat Prepared - Quick to respond, but lacking standardization
13	2	Somewhat Prepared -
14	1	Not Prepared -
15	2	Somewhat Prepared - We do have many of the lists and information prepared and with Contracting Officer's for use in the event of a major contingency. The key is keeping this information up to date at all times which may not be case.
16	3	Prepared - I think we are as prepared as our current funding level/resources provide.
17	2	Somewhat Prepared - We always seem to "get it done" but it's because of the people and what they already know...not because of any one overarching process we have in place.
18	2	Somewhat Prepared - Most units do have some planning on what to do on a major contingency event, but lack on knowing what resources are available locally and in establishing contact with local vendors and other responders

19	2	Somewhat Prepared -
20	2	Somewhat Prepared -
21	3	Prepared - It varies by command from Very Well to Not.
22	3	Prepared -
23	2	Somewhat Prepared - Some local preparation but no global policy or guidance
24	4	Well Prepared -
25	2	Somewhat Prepared - Each contingency brings with it it's own nuances and no one can plan for them all. While we did an admirable job responding to Hurricane Katrina, it did not come about without an inordinate amount of work, some of it unnecessary.

3. Similarly, how well is the Coast Guard *financial management* and *contracting infrastructure* ready to support Coast Guard operations for a major contingency? For example, do you believe we have considered the policies and procedures that support units (e.g., ISCs, ESUs, CEUs, etc.) will need to follow so they can operate independently of other headquarters and Area commands to provide local unit support AND support to other units which have lost their support infrastructure due to disaster? Please select a level of preparedness and comment on your response.

   1 = Not Prepared
   2 = Somewhat Prepared
   3 = Prepared
   4 = Well Prepared
   5 = Very Well Prepared

Total = 61, Average = 2.44

1	3	Prepared - We have trained professionals in place. We, (they) will get the job done.
2	3	Prepared -
3	2	Somewhat Prepared - Based on personal experience, beyond the Sector level, ISC/MLCA is somewhat prepared to respond to disruption given the portability of computer systems. Contracting authority is usually the sticking point.
4	4	Well Prepared -
5	4	Well Prepared -
6	2	Somewhat Prepared - Re pollution response during contingencies, we know how to do what we've always done, but we're losing that expertise because it was always in the MST/MEP staff, now owned by the Response staff, but the corporate knowledge that existed is in Prevention.
7	2	Somewhat Prepared - We have taken lessons learned from Katrina and applied them to some extent. However, we are modernizing which is taking time away from being ready.
8	1	Not Prepared - CG-8 & CG-91 are not engaged, they own budget & policy. MLC support is not systematic but personality-dependant. Currently our strategy is we'll figure it out when it happens. Contingency response is not embedded in support unit SOP.
9	2	Somewhat Prepared - We have had several incidents and drills in past several years that have tested our systems (Katrina, SONS, Oil spills, etc)
10	2	Somewhat Prepared -
11	2	Somewhat Prepared -
12	2	Somewhat Prepared -

13	3	Prepared -
14	2	Somewhat Prepared -
15	2	Somewhat Prepared - MLCLANT has supported real CG operations. I believe we could greatly enhance this effort, however, I am not convinced these measures have been put in place.
16	3	Prepared - Again, I think we are as prepared as we could be with our current resources with a good balance. We do not have a stock pile of equipment that would enable us to be Very Well Prepared, but that may not be the best investment of the tax payer's dollars. The Coast Guard gives a great deal of bang for the buck. The only way to be better prepared is to increase resources – money & people.
17	2	Somewhat Prepared - Again, we get it done...but usually the individual unit ends up "eating" the costs. As an organization we need to be more educated on accessing disaster funds/ESF's (all levels), etc...
18	2	Somewhat Prepared - We have made some progress in these areas through lessons learned during 911 and Hurricane Katrina, but there are still many inadequacies in both areas.
19	2	Somewhat Prepared -
20	2	Somewhat Prepared -
21	3	Prepared - Again, some aspects are very well and other are not.
22	4	Well Prepared -
23	2	Somewhat Prepared - The contracting infrastructure is there IF it's not affected by the event. Financial issues would have to be handled locally until reimbursed. What if the local level doesn't have the funds?
24	3	Prepared -
25	2	Somewhat Prepared - Same as above, we get it but I don't think we are as prepared as we should be.

4. Have Coast Guard operational personnel at the field level (e.g., Executive Officers, Sector Logistics Officers, Supply Petty Officers, etc.) been trained to conduct procurement and logistics in a crisis and/or contingency environment? (YES or NO) Yes = 1, No = 0

Total = 11, Average = 0.44

1	No	0
2	No	0
3	Yes	1
4	Yes	1
5	Yes	1
6	No	0
7	No	0
8	No	0
9	Yes	1
10	No	0
11	Yes	1
12	No	0
13	No	0
14	Yes	1
15	Yes	1
16	Yes (Speaking from which I know best, the ISC perspective, the ISC was ready and did so in response to hurricane Katrina)	1
17	Yes	1

18	No	0
19	No	0
20	No	0
21	No	0
22	Yes	1
23	Yes	1
24	No	0
25	No	0

5. If communications with field level commands were suddenly lost in a major contingency event, do you feel operational units in the field would understand how to carry out logistics, procurement and financial management to continue operations? Please answer each individually using a scale of 1 to 5:

   a. Logistics (e.g., understanding supply and resource requirements that will be needed to maintain operations to respond to contingency and/or disaster):
   1 = Not Prepared
   2 = Somewhat Prepared
   3 = Prepared
   4 = Well Prepared
   5 = Very Well Prepared

Total = 59, Average = 2.36

1	1	Not Prepared - 3
2	2	Somewhat Prepared -
3	2	Somewhat Prepared -
4	4	Well Prepared -
5	4	Well Prepared -
6	2	Somewhat Prepared - In some cases, for some aspects, but not uniformely, and not for the full range of potential requirements.
7	1	Not Prepared - the Coast Guard has little understanding of logistics
8	2	Somewhat Prepared - CG personnel typically refuse to fail, and will do their best. However, the focus of preparation is typically on operations not logs or finance.
9	3	Prepared -
10	2	Somewhat Prepared -
11	2	Somewhat Prepared -
12	2	Somewhat Prepared - Very little training in ICS or contingency management
13	3	Prepared -
14	2	Somewhat Prepared - They tend to get the job done and clean up the paperwork later
15	2	Somewhat Prepared - I have actually worked in some of these events and there were some duplications of efforts and communication issues.
16	3	Prepared -
17	2	Somewhat Prepared -
18	3	Prepared - Units at their local level are able to carry out most logistic requirements on their own.
19	1	Not Prepared -
20	2	Somewhat Prepared -
21	3	Prepared - Questions too generic I would say some are and some are not. It also

		depends on the experience of personnel at the unit.
22	3	Prepared -
23	2	Somewhat Prepared - Some yes, others no. It depends on the unit type and personnel involved.
24	3	Prepared - 3
25	3	Prepared - I think they will be able to acquire what is needed however.

b. Procurement (e.g., the understanding and ability to execute purchasing and contracting actions, in compliance with Federal Acquisition Regulations and other instructions, for necessary supplies and services to maintain operations to respond to contingency and/or disaster):

1 = Not Prepared
2 = Somewhat Prepared
3 = Prepared
4 = Well Prepared
5 = Very Well Prepared

Total = 63, Average = 2.52

1	2	Somewhat Prepared - 3
2	2	Somewhat Prepared -
3	3	Prepared -
4	4	Well Prepared -
5	4	Well Prepared -
6	2	Somewhat Prepared - In some ways, in some places, but not consisently throughout. Also, emerging DHS reimbursable policies may require the CG to change the historical used IAGs to fund pollution response activities; big, unseen impact heading toward contracting program mgr.
7	1	Not Prepared - Little training is available or enforced.
8	2	Somewhat Prepared - Field units are typically very limited in spending authority; so a loss of comms & expanded ordering would be devastating.
9	3	Prepared - As evidenced in Katrina, the procurement world is capable of meeting CG needs... the problem is the internal control holes in the system. Also, the current move is to remove most small purchase vehicles (credit cards) from the field operator to ease burden
10	2	Somewhat Prepared -
11	2	Somewhat Prepared -
12	2	Somewhat Prepared - Lack of understanding on credit cards and non-dedicated accounting lines
13	3	Prepared -
14	2	Somewhat Prepared - Many do not know the rules
15	3	Prepared - I believe we have a well trained procurement workforce that fully understand acquisition laws and regulations in response to a disaster response.
16	2	Somewhat Prepared -
17	2	Somewhat Prepared -
18	4	Well Prepared - Units are capable of efficiently executing procurements within their KO warrant authority.
19	3	Prepared -
20	3	Prepared - Up to SAT only. Not major contracting
21	2	Somewhat Prepared - Depends on what level of purchasing and contracting you

		are talking about.
22	4	Well Prepared -
23	2	Somewhat Prepared - Some yes, others no. Again, it depends on the personnel invovled. Field KOs know the rules (or most of them). Small units do not, but do what needs to be done to operate.
24	3	Prepared - 3
25	1	Not Prepared - They may not always follow procurement regs to acquire it.

c. Financial Management (e.g., understanding the necessary cost management and accounting requirements to ensure accountability, transparency and effective tracking of unit-level and CG-wide funding in support of contingency and/or disaster response operations)

1 = Not Prepared
2 = Somewhat Prepared
3 = Prepared
4 = Well Prepared
5 = Very Well Prepared

Total = 53, Average = 2.12

1	1	Not Prepared -1
2	2	Somewhat Prepared -
3	2	Somewhat Prepared -
4	4	Well Prepared -
5	4	Well Prepared -
6	3	Prepared -Pollution response has good model for cost documentation, used by MLC during hurricanes. Works for intended purpose, but will not meet emerging requirements of CFO Audit world, so there is work to be done with respect to UDOs, Certifications, etc.
7	2	Somewhat Prepared -
8	1	Not Prepared -We have very limited repertoire of field personnel trained to do this, and almost none with experience.
9	2	Somewhat Prepared -Knowledge of financial management policy (rules, restrictions, etc) is not level throughout the CG. The oil spill community (old M) is well experienced with NPFC route but the other side of contingency prep is more adhoc.
10	2	Somewhat Prepared -
11	2	Somewhat Prepared -
12	1	Not Prepared -
13	3	Prepared -
14	1	Not Prepared -spend not track mentality
15	3	Prepared -I believe we learned a lot in response to this effort during the course of the response to Hurricanes Katrina and Rita. I am not privy to this effort being captured and put in writing in the event of turnover of people.
16	2	Somewhat Prepared -
17	1	Not Prepared -
18	3	Prepared - Most units are capable of efficiently managing their own funds, and would have a good idea on how to track CG wide funding but the problem is that there are no set CG standards on how to do it, so it would be track differently from unit to unit.
19	3	Prepared -
20	2	Somewhat Prepared -

21	1	Not Prepared -Even thought the information is there not a lot of people know about it.
22	2	Somewhat Prepared -
23	1	Not Prepared -Even though there is local and service wide guidance, Local units are not aware or do not follow the guidance.
24	3	Prepared -
25	2	Somewhat Prepared -I still get a lump in my throat when I see a hurricane approach one of my LANT districts. We still do not have a good handoff mechanism so that all districts know what they are required to do and when their job ends and mine begins.

6. What examples can be provided to demonstrate <u>readiness</u> to conduct logistical, procurement or financial management support in a contingency (e.g., oil spill, terrorism incident, local disaster)?

1	A full and up to date "rolodex" I don't believe its necessary to have a warehouse full of stuff just in case. (except for oil spill remediation equip) Reliable communications, transportation and trained people. A concise plan.
2	D7 Msg prior to Hurricane season that details the evacuation policy and process for TONOs is a great example of pre-planning and readiness.
3	We have conducted responses to 6 major hurricanes on FL west coast since I have been assigned to SSP. I also served in the LANT IMT as the Logistics watch during 9/11 response, and we responded well considering the massive disruption of comms. In each of these cases, logistics response met most of the Incident Commander's expectations.
4	Since 9/11 & Katrina, there has been a significant increase in training and exercises designed specifically to increase readiness in these areas. The ICS 351 course is well suited to help logistics and finance personnel prepare for these contingencies. SONS and other similar exercises help keep skills sharp.
5	Published plans, ICS training, exercise participation
6	Katrina/Rita tested the contingency response of the CG, and for the most part we succeeded, but we succeeded because of our can-do culture, not because we had workable policies/procedures in place and solid COOP systems. We succeeded because we had a few good key experts who could coach everyone else along. The Oil Spill response world is pretty well established, and for the most part has good procurement support for contractors, and good accounting/cost documentation procedures, we can account to the transaction level every dollar spent using a pollution response accounting line (OLSTF, CERCLA, or ESF-10). The pollution response program will need to address emerging challenges with standardized DHS reimbursable policies, which may make obsolete the use of IAGs as we currently do for giving FOSCs the ability to give their federal, state and local governmental partners access to our response funds. The future is that these federal partners will have to do a MIPR or formal MOU, and state/local partners will have to be contracted - both situation requiring KO involvement which will be a significant paradigm shift for both the response program (CG-5332) and the acquisition program (CG-9).
7	
8	1. trained personnel (ICS 351 & ICS 450/460, USFS comms tech) 2. Logs & Finance positions established on unit WQSB w/ appropriate credit card & KO warrants in place; 3. unit exercises that include actual logistics & finance activities (ie. resource scarcity that affects operations; comms limitations that affects ops, etc.) 4. Contingency plans that pre-identify regional sources for critical resources, ID partner agency logisticians & capabilities 5. pre-established medical and comms plans. 6. pre-established initial resource orders. 7. established relations with local agency response partners in logistics & finance. 8. Logs & finance Go kits for all positions. 9. Established relations incl POC identification with expanded ordering sources (MLC,ISC, etc). 10. Demonstrated capability, understanding to implement use of existing national or regional contracts; BOAs, USFS national contracts, etc.

9	NPFC has a robust process and resources to respond to oil spills, chem spills... Since Exxon Valdez, we've maintained a sound process.
10	Contracts and spill response organizations are set up and in place to respond.
11	LOCAL/AREA/HQ COMMAND'S ABILITY TO MOVE PEOPLE TO THE SITE TO ASSIST, REMOTE ABILITY TO SEND SUPPLIES AND EQUIPMENT TO THE SITE
12	A oil spill drill such as SONS is invaluable. Here in Los Angeles, we perform table top exercises that allow us to exercise contingency response.
13	During Katrina we were able to execute procurement with increased credit card purchases, reducing prompt payment periods, increase use of emergency contracting methods by increasing small purchase limits and executing justifications for other than full and open competition. We also have in place several, indefinite delivery order vehicles and GSA ordering sources to respond to immediate need of a multitude of contracts and services.
14	conducting ICS training and setting up IMTs
15	Because we have teams of people in place to react and support a contingency, I feel we are somewhat prepared. Probably prepared more than most. These teams have practiced in drills and real life situations.
16	Responses to past contingencies and exercises that are critique that include logistical, procurement and financial management injects.
17	there is training available (i.e., ICS 351 course) for response finance & logistics but not a lot of people have had the course and not a lot of people get to practice it before an incident occurs. There are plans and procedures in place, exercises/drills and working relationships w/Fed, State, Local partners that help us work thru things when the need arises. But as the people change often those relationships change and the way we respond changes.
18	Both hurricane Katrina and 911 demonstrate that we do a good job logistically and in procurement. But we can improve to make us more efficient by having adequate CG guidance and training. In financial management is where we typically don't do well.
19	Right now the CG really isn't prepared. If something happened in Yorktown area, if we lost connectivity, it would be extremely difficult to maintain readiness. In essence, we would have to utilize other support networks (ISC Portsmouth, etc.). I'd deploy my staff to another unit where they had access to CGDN, FPD, telephones, etc. etc.
20	MLCLANT Contracting Office maintains 24/7 Contracting Support. Individual KO's are well versed and have numerous contracts in place for oil spill response.
21	Use of the Incident Management Assist Team (IMAT). There is a cadre of personnel that have the appropriate set of skills, but the fact that they are needed means that there is no confidence that the local units have the appropriate expertise.
22	
23	During our recent storm activity, the Group supply shop did all the procurement and logistical support even though they had to COOP to another location. This worked well for the Group, but not so for the station.
24	Use of IMAT Logistics Section Chief during Hurricane Katrina greatly enhanced our ability to effect the mission.
25	Accounting lines for FEMA response. ALMIS codes to track flight hours. $400M in recouped FEMA charges.

7. What examples can be provided to demonstrate <u>a lack of readiness</u> to conduct logistical, procurement or financial management support in a contingency (e.g., oil spill, terrorism incident, local disaster)?

1	A lack of awareness of the resources available locally, and regionally. No plan, or worse yet, a plan that is too large, or vague.
2	We rarely leverage the many required exercises for oil spills, port security, natural disasters to

	validate the processes and readiness for Logistics and Finance.
3	I have seen a number of cases (hurricane response in particular), in which we have been less than prepared during an evacuation.
4	Katrina exposed some shortfalls in procurement documentation. Steps have been taken to resolve these issues, but until there is another major disaster, it is hard to know for sure how effective these steps were.
5	Enough personnel to staff out the contingency requirements.
6	In real life we make it work, that's the CG way. Look to the after action reports from things like the SONS07 exercise. These exercises typically either don't address financial/logistical requirements, or if they write them in, they end up "pretending" the hard parts away, because the exercise administrators are mostly operators not familiar with how the logistics part that supports them really happens.
7	No enforced training path, no professional logistics corp, few effective ICS courses dealing with logistics,
8	absence or insufficient of all the above.
9	Honor, respect, devotion to duty only goes so far. We tend to get the job done in the Radar Orielly mode. However, we need to tighten up the internal control. The problem is now how to balance the two. The lack of readiness is not that we won't respond but we may not be able to do it in a repeatable auditable way... obviously it wouldn't matter if the incident is so terrible that some bureaucratic rules become ridiculous.
10	Procurement following all the suggested guidelines is not easy to understand. Having been with DLA for many years, I observed too many processes that existed and clarity on use did not exist.
11	LACK OF KNOWLEDGE TO ACCESS FUNDS WITHIN THE FINANCIAL SYSTEM TO SPEND FUNDING ALLOCATED TO INCIDENT.
12	Within major exercises within the Port of LA/LB, typically the maritime, fire, and response organizations take the leadership based upon experience and lack of abilities withing the CG work force.
13	Lodging has been particularly difficult to secure in planning and during emergencies, but the Coast Guard has been creative in that aspect
14	Operational folks placing orders without authority. Logistics folks not in any planing phase or meeting
15	I believe it takes continual practice and improvement. Although there seems to be a degree of continual practice, I am not sure that we have fully implemented lessons learned in our real life experiences. Maybe we have, I am just not privy to specifically what and how that was implemented.
16	sending a questionnaire to field units asking them how they would respond to certain requirements. See how many respond to questions with “I don’t know.”)
17	can't exercise/drill every scenario. Even if we could, there just isn't enough time to commit to them. There are few "professional planners" or trainers dedicated to properly developing exercises or providing training. Right now, it's on the unit which are usually JO's who don't have any planning/exercise design experience and it takes 90% of their time. Even the with the new Exercise Support Teams & contractors the unit is still dedicating someone full time to planning/coordinating training & exercises. That's hard when the planning staff only has 3 people and the JO has no formal training.
18	Hurricane Katrina was a good example of lack of preparedness in financial management. During the initial response phase there was no clear guidance on how to track cost for units to obtained reimbursement from the CG or from FEMA. If I remember correctly guidance came weeks or even a month after the incident.
19	My guess is that most units don't have a contingency plan in place due to the fact they don't have the time and/or resources to effectively plan! For most of us, financial planning is a very small aspect of our current job - and that restricts our ability to effectively address these types of shortfalls at a unit.
20	If MCLANT is inoperative, subject matter expertise would be lacking.

21	Use of the IMAT same comment as above.
22	
23	The station or small units just did what they needed to continue to operate, then worked to make everything legal afterwards. Training is being held to avoid this in the future.
24	Going back to Hurricane Katrina, the Logistics Section Chief (Sector Logistics Department Head) was a legacy M officer with little to no logistics background.
25	

8. *For the next several questions, assume a tactical nuclear weapon has exploded in downtown Miami (or any other major metropolitan coastal city in your Area of Responsibility).*

    a. Given the catastrophic event noted above has occurred today and without warning, would the Coast Guard be able to rapidly respond with likely *operational* success? (Y=1, N=0)

Total = 19, Average = 0.76

1	1	Yes -
2	0	No - Internally maybe. But not as prescribed in the National Response Framework.
3	1	Yes -
4	1	Yes -
5	0	No - We have very limited resources to move into an area and provide services under those conditions.
6	1	Yes - We always succeed operationally -- at any cost...
7	0	No - Not prepared in any way to handle this. You also need to define operational success
8	1	Yes - We are excellent at understanding & executing operational requirements.
9	1	Yes - our bread and butter.
10	1	Yes -
11	1	Yes -
12	0	No -
13	1	Yes - The coast guard can respond by using other Sector for first response.
14	0	No - Absolutely not, no equipment or training to deal with nuclear devices
15	1	Yes - My experience has been that the CG will always be one of the first to respond and rapidly as seen with 9/11 and Katrina/Rita.
16	1	Yes - that would be very traumatic for every federal and state agency. However, after the initial shock, I'm sure the CG will be able to respond with assets from outside the effective area. Having assets dispersed up and down the coast will help. There will need to be some Just In Time (JIT) training with respect to CBR gear, etc. which is something the large cutter fleet trains for – I'm not sure about patrol boats, small boats, and shore stations.
17	0	No - we have no capability to protect ourselves from a nuclear weapon. any response would be putting our people into direct exposure.
18	1	Yes -
19	1	Yes -
20	1	Yes -
21	1	Yes -
22	1	Yes -
23	1	Yes - IT may be slow at first, but I believe Command and Control would be assumed

		by someone and response would be started but most likely confused.
24	1	Yes -
25	1	Yes - Ops will deploy and take action immediately.

b. Is it your opinion that the Coast Guard would be able to begin cost collection for the response immediately? (Y=1, N=0)

Total = 5, Average = 0.20

1	0	No -
2	0	No - It is the last thing on folks minds.
3	1	Yes -
4	1	Yes -
5	1	Yes -
6	0	No - What's definition of "immediately". Still collecting cost documentation & billing FEMA for reimbursement from Katrina 3 yrs ago. That said, we've recovered 99%+ of all expenditures, the system works, but it WILL NOT meet stated 60 day time lines...
7	0	No - No one would
8	0	No - This is usually considered when op tempo has slowed & other aspects of the response are considered.
9	0	No - if immediately is from minute one... Yes if from day 2 or 3.
10	0	No -
11	0	No -
12	0	No -
13	0	No -
14	0	No - It would take many days just to figure out where people are
15	1	Yes - I would hope so based on our experiences, however, not absolutely sure.
16	0	No - Not immediately but shortly there after. This was one of the lessons learned from Katrina and why I deployed with the COOP advance team that went to St. Louis in May 2008 – specifically for financial management.
17	0	No - it would take us at least a day - we respond first then think about logistics & finance
18	0	No -
19	0	No -
20	0	No -
21	0	No -
22	0	No -
23	0	No - Probably not, unless there was a strong financial mgmt type at the larger command ensuring that guidance was put out in the field to capture costs.
24	1	Yes -
25	0	No - Unlike assets, we have no prepositioned accounting lines.

c. Is cost collection for the response important? (Y=1, N=0)

Total = 23, Average = 0.92

1	1	Yes -
2	1	Yes -
3	0	No - This would be important after the first operational period. The first operational period would likely be total chaos...
4	1	Yes -

5	1	Yes -
6	1	Yes - The BIG money is in pollution (& now debris removal); and those funds, whether OSLTF, CERCLA or ESF requiring billing someone for reimbursment, with a level of accuracy that meets both DOJ court requirements, and CFO financial statement assertion reqmnts
7	0	No - Not in the initial phase. This will be a national response.
8	1	Yes - Absolutely. Ask GAO, OMB, DHS OIG, and Congress. Or, follow the media outlets.
9	1	Yes - eventually the CG needs to be made whole... this will be a Stafford Act operation with Mission Assignments.
10	1	Yes -
11	1	Yes -
12	1	Yes - Critical for supplemental billing
13	1	Yes - Even in an emergency prudent use of funds is important and the system can be abused. Besides, we want to look at effective use of resources
14	1	Yes - to finance folks but not to operators
15	1	Yes - Absolutely important for recovery of costs and accountability.
16	1	Yes - Absolutely, we have to answer to the tax payer, Congress, etc. No such thing as unlimited resources.
17	1	Yes - but only after safety of life
18	1	Yes -
19	1	Yes -
20	1	Yes -
21	1	Yes -
22	1	Yes -
23	1	Yes - Very. If it's a national event or even local, it could determine whether congressional reimbursement is possible.
24	1	Yes -
25	1	Yes - I know of 400M reasons

d. If the District Command Center, Integrated Support Command, and Coast Guard infrastructure throughout Miami and South Florida is destroyed or incapacitated, would another command be able to take over operational control for District 7?

Total = 23, Average = 0.92

1	1	Yes -
2	1	Yes - We would shift to LANT and then COOP to LANT.
3	1	Yes -
4	1	Yes -
5	1	Yes -
6	1	Yes - My guess is Yes, because we did it for New Orleans 3 years ago.
7	1	Yes - Theoretically but this has not been practiced.
8	1	Yes - COOPs & Area Contingency Plans apply
9	1	Yes - Not absolutely sure, but what I have seen at HQ/Area, the Opcon can be shifted.
10	1	Yes -
11	1	Yes -
12	1	Yes - With likely serious delays in set-up.
13	1	Yes -

14	1	Yes - but it would be a mess for a while
15	1	Yes - However, do not consider myself in a position to be fully qualified to answer this.
16	1	Yes - but there will be growing pains and some on the spot decisions made by the Atlantic Area Commander.
17	1	Yes - someone would have to. Don't we have designated command staff throughout the CG to do this?
18	1	Yes - I believe D7 and ISC has figured out what to do in the event they are displaced.
19	1	Yes - But it would take time!
20	1	Yes -
21	0	No - Right now AREA would but not when the reorganization occurs. Another district should be able to, but those agreements are not in place, like a hiearchy of command letter on cutters.
22	0	No -
23	1	Yes - In D13, Yes. The plan is in place and was just tested.
24	1	Yes -
25	1	Yes -

e. Considering (d.) above, would another command be able to take over logistical and support control for assigned operational units in the field? (Y=1, N=0)

Total = 21, Average = 0.84

1	1	Yes -
2	1	Yes -
3	1	Yes - ISC Miami provides minimal direct support to outlying Sectors; many of the ISC functions already exist at Sectors.
4	1	Yes -
5	1	Yes -
6	1	Yes - Again, we'll do it, but we'll be leaving huge holes elsewhere in the organization.
7	1	Yes - Theoretically but again not practiced
8	1	Yes - eventually
9	1	Yes - MLC in coordination with Area/HQ would be able to shift Adcon
10	0	No -
11	1	Yes - BUT WITH LIMITED ACCOUNTABLITY
12	1	Yes - With great pain and effort.
13	1	Yes - The field units could plug and play because similar dispersions exists in various sectors and due to the automation capacity to work across the entire Coast Guard network.
14	1	Yes - again if they can find them and get the information out
15	1	Yes - Same as above
16	1	Yes - I would anticipate that all non affected ISC's would respond and already do so with their support teams.
17	1	Yes - I believe they could - IMAT concept
18	1	Yes - We always finds ways to get things done in the CG. I believe AIRSTA Clearwater will play an important part logistically in D7 & ISC are displaced.
19	1	Yes - But it would be extremely difficult and painful.
20	0	No - I'm not sure they could to the same degree
21	0	No - Right now MLC after reorg no one unless agreements were made with adjoining ISCs.

22	0	No -
23	1	Yes - I would hope so, but that has not been tested. There is a plan, but it's not tested.
24	1	Yes -
25	1	Yes -

9. Do you perceive that logistics (i.e., consider supply ordering and receiving) and financial management (i.e., consider contracting, invoicing and accounting) in your geographic area have different requirements and/or sources of supply than similar units in other areas? If so, why? Please provide examples of the differences? (Y=1, N=0)

Total = 11, Average = 0.46

1	0	No -
2	0	No -
3	0	No -
4	0	No - Same processes, though some small purchases would come from local vendors
5	1	Yes - River tenders have different needs with aids to navigation, and duration of underway trips than coastal cutters.
6	0	No -
7	0	No -
8	1	Yes - scarcity of resources on gulf coast; lack of major metropolitan hub (nearest is Atlanta or Houston)
9	1	Yes - FM slight differences but more so with logistics... supply shops at multiple levels have their own business techniques
10	1	Yes -
11	1	Yes - COMPUTERS HAVE DIFFERENT WAIVER SYSTEMS
12	1	Yes - Accessibility to DOD forces is an advantage, while in LA we are more reliant upon the economy.
13	1	Yes - Cold water ATON and Tropical ATON devices
14	0	No - The rules are the same everywhere but they are not applied everywhere. We tend to make excuses for operator mistakes in logistics and finance on a daily basis
15	0	No - Different requirements, no. Different sources of supply, yes and no. Different sources of supply may be necessary in an event that has wiped out an entire area.
16	1	Yes - Logistics will be different, primarily with different sources of supply. The Financial Management should be the same for the most part since we use the same financial applications Coast Guard-wide.
17	0	No - Many of the contractors operate throughout the NE area or even the entire East Coast.
18	1	Yes - I believe overall we have similar logistic needs and use same financial management methods. The only differences would be the sources used for SMAs and Construction & Service contracts which tend to be local vendors
19		-
20	1	Yes - Contracting invoicing and accounting at the major contracting office is much different that SAT
21	0	No -
22	0	No -
23	0	No - I believe that similar struggles would take place through out the service. There would be differences depending on where the unit was located (major metro area vice rural location)

24	0	No -
25	1	Yes - Climate, geography, mission area focuses are different

10. Given a set of planning scenarios for significant disasters and/or contingencies for your geographic area, would it be possible to forecast necessary supplies and services that would be needed to support Coast Guard rescue, response and recovery operations?

1	Somewhat. You know you'll need fuel, food, parts, ppe, lodging, etc., regardless of the scenario.
2	Absolutely ... the 9700 plans require it for all major contingencies.
3	Yes.
4	Yes
5	Yes it would be possible to forecast necessary supplies and services and the type of platforms necessary to replace those lost in a significant disaster.
6	To a limited degree yes. Look at the BOA contracts MLCA has in place for pollution response - that's the model you want to emulate for the rest of the response world. That said, there will always be something you didn't foresee, and you'll have to retain flexible and responsive acquisition/logistics capabilities.
7	Not efficiently. The Coast Guard does not maintain active and dynamic Logistics Factor Files for planning purposes. We rely on written manuals and not collected data. We also rely on personal experience.
8	probably not 100%, but I would estimate we could predict up to 70% of what is needed. Moreover, I believe that 70% would be consistent regardless of the nature of the incident, ie, oil spill, natural disaster, etc.
9	Yes.
10	no
11	YES GIVEN THAT THE LOCAL COMMAND HAS THE FUNDS TO PROCURE AS THE CURRENT SPEND RATES REQUIRE UNITS TO HIT TARGET RATES AND DEPENDING ON WHAT PART OF THE FY THE INCIDENT HITS
12	I believe that we are not prepared at this time to conduct that level of planning expertise.
13	It is possible to forecast needs with the right input from various levels and disciplines within the organization.
14	Not being an expert in that type of response I can not say but if we use FEMA as an example we are in trouble. That is their function in life and they couldn't pull it out for a while during Katrina
15	Yes, I believe specific supplies and services can be identified with sources. Also companies that are located throughout the US can be identified in the event local sources are incapacitated.
16	Yes, but actually having the resources to do the planning is lacking.
17	A laundry list would be to specific. Having something similar to a BOA for other contingencies (other than just oil) would be ideal (which i understand is being worked on)
18	Absolutly, we already do so when responding to oil spills and other incidents that are part of CG day to day responses. We can do a decent forecast of what is needed and make necessary adjustments through lessons learned from previous incidents.
19	Some things you could forecast, but with limited budget it wouldn't be wise to invest in the unforeseen (ie. getting hundreds of body bags). Our budget don't permit that and if they did,

	most units don't have the ability to store response/recovery supplies (and if they did, who is to say that building wasn't destroyed).
20	Yes, lessons learned should reflect what basic supplies would be needed. Water, shelter, fuel, food, supplies
21	That would depend on the contingency.
22	
23	Possibly but at what costs? If the supplies are available from other areas of the country, should the financial resources be sitting on a shelf just in case?
24	Yes. Bottled water, MREs, fuel, lodging, comms gear are all needed regardless of size/scope of potential disasters. We should stockpile these items.
25	I believe it has already been done.

11. Consider now the training that financial managers and supply personnel at field level commands receive regarding contingency financial and logistical response:

    a. Do you believe that training if sufficient? (YES or NO and WHY?)

1	No. ICS training is not sufficient, and that's the only training being given that I'm aware of.
2	There are good opportunities that are generic ICS but not CG specific trng.
3	No, we just get ICS training, which is not CG specific.
4	Yes
5	Yes for routine disasters, for an event described above, not training as been insufficient.
6	No. The financial management program doesn't even know what the ICS financial and logistical requirements really are.
7	No absolutely not. Additionally, what training?
8	No. Not enough ICS 351 classes are offered. ICS 351 is too much info in too short a time. No CG LSC or FSC training. No CG Unit Leader training. Training received is not used in unit exercises. SKs do not receive any ICS training in "A" school, nor is it a practical factor for promotion.
9	Not ideal... it's ad hoc or irregular. ICS training goes in fits and starts (from what I recall). However, even if training was more standardized and regular there is a problem with time availability and competing demands.
10	no
11	NOT REALLY
12	The initial Logistics Officer, ICS-351 is a good beginning point. Upon completion, there should be more practical training to sharpen the skillsets.
13	No
14	No not really.
15	No I believe more training can be provided in determining and documenting sources for various needs. This information could be compiled and updated frequently that would aid in a quicker response.
16	It has improved since Katrina with courses like ICS-351, but in general, our junior folks need a lot of supervision because the overall training for our SK force was lacking for a few years, and some at the E-6 level have limited knowledge.
17	No.
18	There is no much reimbursement financial management, since there is no clear CG wide guidance. Units do have decent understanding of logistics and could improved through training.
19	No - our financial experts should be the Storekeepers and Warrant Officers (in additional to civilian personnel / ie. COCOs). Storekeepers are not trained to be financial managers, they are trained to procure w/credit cards and reconcile. Look at HQ, how many Storekeepers

	and/or Warrant's are assigned to CG-8 (none!). The CG needs to start developing the Storekeepers into financial managers - the experts.
20	No
21	I think the training is sufficient for the people who deal with this everyday, but awareness training for people who are peripherally involved do not get enough training.
22	yes
23	For cost documentation under an ICS environment, probably. Real life scenario that effects a certain region, probably not.
24	No.
25	No

b. What are the strongest areas of training?

1	ICS
2	ICS Logistics/Finance Section Chief course is very good.
3	ICS 300, 320, etc.
4	Contracting, purchase card, ICS
5	ICS framework, basic budget authority
6	We (CG-5332, NPFC, Yorktown) now have a C school, ICS-351 to teach the basics of logistics in the ICS world, but it does not cover financial management in detail, and it' limited in scope. An ICS-451 is in the works. I don't believe everyone that needs the training (this training or any other) is getting it. Again, the pollution response world has a pretty good model for cost documentation and financial accounting with respect to pollution contingency response, that model should inform other ESF's and OE/Supplemental processes. Other related courses: ICS-341 Incident Response Planning course, ICS-346/7/8 Situation, Resource and Demobilization Unit Leader course, ICS-450 Logistics Section Chief course (in planning stage), ICS-460 Finance Section Chief course (in planning stage).
7	None.
8	Quality of ICS 351 is good, primarily reaching target audiences. So far, that's all we're doing well.
9	ICS training is good... the ICS logistics courses are just now coming on line and available.
10	general knowledge
11	PROCUREMENT UNDER 100K
12	Experienced faculty.
13	
14	Can't say haven't seen it yet
15	I would suspect that ICS training is the strongest.
16	ICS courses – COMDT required and tracked.
17	There is no formal training program in place for CONTINGENCY finance/logistics other than OTJ and what PO's would receive in school. the ICS 351 course is one of those course that's not mandated and people only get to if someone knows about it and the command is willing to let them go for a week.
18	
19	All senior officers are exposed to a little training (ie. Sector Commanders) wrt financial policy/procedures over their career, but frankly, you learn it via OJT. All CO's have to rely on their financial staffs (ie. logistics) and expect they have the training to respond effectively. I think our senior E7's and above have had the training, but not really confident in everyone's ability.

20	I don't believe there are any strong areas of training.
21	Financial training.
22	procurement
23	mission readiness.
24	We are trained well to do our daily jobs, but not all of us are trained to deal with catastrophes.
25	

c. What are the weakest areas of training?

1	When we have exercises, we usually don't include logistics in the drill. We expect operations to drive our logistics training instead of having our training stand alone.
2	Not enough opportunities to exercise and validate.
3	CG-specific scenario training.
4	Property tracking
5	
6	There really isn't good, specific training. What needs to happen is for the program to work with the training folks to do a good Front End Analysis (FEA) on this issue, and then determine what the appropriate interventions are. You're questions imply it's a training issue; and training is almost certainly part of the solution. BUT, there may also be policy, procedure, IT, aspects to the solution that are more appropriate than training. Maybe a good job aides solves a particular problem.
7	All areas. There is no formal consistent training.
8	See 11 a above.
9	financial management and cost accounting.
10	specific knowledge of special contingencies (e.g., Stafford act funding)
11	CONTRACTING OVER 100K, LACK OF MOU'S WITHIN AN AREA FOR SUPPORT AND OR SERVICES, ABILITY TO KEEP TRACK OF EXPENDITURES TO CHARGE TO THE INCIDENT PRIOR TO AREA/HQ IDENTIFYING FUNDS,
12	Insufficient time.
13	Establishing and utilizing Coast Guard Accounting system properly
14	to many people in charge and many levels of duplication in efforts. No one wants to follow procedures in stressful events even if it ensures a better success rate. I have been present during events and you will get a request for "pumps" nothing else listed or explained and if you ask for more information you are now part of the problem and not the solution. Can't order something if you do not know what it is or what it is being used for.
15	Different areas of expertise having the necessary information at their fingertips such as sources of supply, pricing information, regional area sources. This stems across multiple items of supply and service needs.
16	The big picture in financial management; entering obligations, etc. SK's seem to know property or small procurement or transportation or account management/reconciliation, but rarely do you have one that knows all.
17	the lack of contingency training and all levels. For instance, my CDR & CWO would probably do ok but the other SK's wouldn't have the first clue...and those are the folks we need to help us out in times of disaster response since the CDR & CWO would be doing more command/general staff management level things.
18	
19	There is no real training structure in place for our financial folks. To maintain a contracting warrant, all must complete annual training, but even that isn't well defined - with most going to Management Concepts (the websites and college course proves difficult to find).
20	COOP plans are written so poorly that the information is blurred.

21	Logistics training.
22	true management
23	Operational and contingency planning, but I think it's getting better.
24	Not enough people have advance ICS training; specifically position specific training. We don't exercise our plans well enough and often enough.
25	

d. List several areas of training that you consider most in need for logistical preparedness.

1	identifying available resources. Air and sea ports, rail, tug and barge services, alternate fuel sources.
2	Exercises and CG specific contingency processes. Cost Documentation is also critical and tracking pre-scripted mission assignments for FEMA tasking.
3	-Training on COOP procedures -Identifying resources -Developing robust Comms Plans -Actually filling out Financial/Logistics ICS paperwork
4	Communications (primary, secondary), methods of requesting assistance.
5	Supplies and replacement platforms to work in a contaminated environment.
6	How to contract in the heat of battle. How to establish MIPRs, IAGs, & other reimbursables in the heat of battle.
7	Interagency agreements, other sources of supply, etc. Logistics Factor Files associated with Logistics Estimates.
8	LSC; Comms Unit Leader, Supply Unit Leader (in order of priority) SK "A" school
9	FM process... accounting line, cost centers, etc, and how to implement, request. Stafford Act vs. basic cost accounting
10	Not in my field of experience
11	MEMORANDUMS OF UNDERSTANDING (MOU) FOR SERVICES OR SUPPORT TIED TO FUNDING, CONTRACTING
12	Planning, & cost accounting/recovery. Presently, it is assumed that there is always an open checkbook.
13	Understanding the overall plan and goal.
14	A career path for officers in logistics and finance. If the CG wants experts on this they are going to have to allow folks to become experts instead of officers surviving billets they do not have training to fill.
15	I don't feel I can speak to anything except the procurement side of this effort and I consider my experience limited with logistical preparedness. I know we did have difficulty pinning down specific needs due to many requests being much too vague.
16	
17	response finance; understanding of disaster funds/ESF's. What's the link between FOSC/R's case cost documentation training and actual SK type finance? There is none right now but it seems there should be some sort of cross training or link of understanding between the two.
18	
19	I don't even know of any such training. I would have to research and see what is available.
20	Contingency finance training at every level of support.
21	Integration with DoD to include Joint Operations, Planning and Execution System (JOPES), Global Command and Control System (GCCS), etc and all of the systems that the Coast

	Guard should be using but are not.
22	management
23	I don't know what training is out there, and the limited training I've taken wasn't real relavent to our AOR.
24	ICS Training, position specific training, shadowing wild fire fighters in ICS command posts.
25	

12. Can you identify potential chokepoints or bottlenecks in our financial management and logistics systems? Are these obstacles primarily related to communication systems (i.e., phone systems, e-mail, Coast Guard Data Network), policies (i.e., Simplified Acquisition Procedures, Financial Resources Management Manual, etc.), personnel (i.e., COCOs, COTRs, SKs, other personnel, etc.), or some or all of these? Please provide a few examples of those bottlenecks that you consider most important.

1	Communications definatly. Pre-established emergency procedures for procurement and accounting.
2	
3	-Loss of cell phones -Loss of CGDN (the server for the FL West Coast is 4' above sea level) -Lack of COCOs & Insufficient Contracting Warrants: Waiting 14+ days for a $2,500 service contract to get approved during an emergency is untenable from an operational standpoint.
4	FPD (dependent on CGDN) Personnel can quickly be flown in to respond as they were for Katrina.
5	Personnel and FPD availability would most likely be the potential chokepoints.
6	I think the legacy expertise resides in prevention shops at the sectors (and their counterparts throughout the chain of command); while the currently responsibility lies with the response chain of command. It's not clear we're growing/developing new people to fill the role in the new response world. It's not clear the field knows what they don't know. We've got some centers of excellence, like the NSFCC, MLCA and NPFC, but it's not institutionalized and not systematic.
7	Systems, Personnel. SK's are not fully prepared to deal with these situations. Our systems do not readily talk to other DOD systems. There needs to be common links among all responding systems. The COCO's have the greatest latitude to conduct business but the admin follow up is a huge burden. A majority of our personnel are extremely risk averse which will also hinder them in contingency situations.
8	1. Ability to execute purchases w/o access to FPD & CGDN. Huge! 2. personnel sourcing (obtaining qualified personnel resources for the incident): this is a policy/system problem (none exists) 3. Procurement: personnel problem (lack of training) and policy (lack of high level engagement) 4. Lack of pipeline/source for CG comms unit leaders 5. Lack of personnel qualification system or means to track personnel with qualifications.
9	Most district, area, MLC and HQ staffs can be bottle necks for field execution... however, these staffs tend to quickly flex and adjust to needs of line personnel during disasters as per Katrina.
10	not my field of experience
11	INTERNATIONAL SUPPORT FOR A DISASTER WHO WILL FUND IF THE CG IS DIRECTED TO ASSIST. RESPONSE IS FASTER THAN THE LOGISTICS AND FINANCIAL RESOURCES CAN BE PUT IN PLACE
12	Our accounting system to update the accounting line requires an outside person to run a

	script to activate the accounts. There needs to be a pre-determined line of accounting, with practical guidance to ensure better management of scarce resources.
13	Financial approval chains as they exist in FPD. The approval will need to be centralize to one entity. The FRMM may limit purchase of highly necessary items to deal with the emergency.
14	all these problems are experienced by any agency during a event. We are not experts on this stuff and we struggle to get our regular jobs done with the time we have and all the collateral duties. There just doesn't seem to be any time to plan for something that might happen. I think the rules are fine and have a purpose and with any rule there are provision to allow flexibility. The personnel are the biggest problem as they are not trained very well. If you learn something in ICS training and never get the opportunity to apply it for years you don't retain it.
15	I would consider a major chokepoint being communication systems.
16	FPD has problems in a normal environment due to connectivity problems. We worked with our team that was deployed to NOLA, and entered items into the finance system for them – they faxed us a preprinted spreadsheet that they were able to hand write the information onto. It was important to us at the ISC to capture the data but we had a rather robust staff.
17	Comms is always an issue...no one (CG, industry, first responders (FD & PD's), CST's, etc...all have different toys.
18	
19	Absolutely, the chokeholes would clearly be lost communications - additionally, getting logistical personnel the time and support to develop contingency plans at each unit is almost impossible.
20	FPD requirements. Warrant management system process for issuance of emergency warrants. Purchase card authority for APCs (authority restricted to geographic area)
21	Cannot think of any of the top of my head.
22	comms systems...
23	Communications is a weak area and everyone knows. If the towers and cell phones go down, what next? We are working on a solution but at this time, communications I think will be the weak link.
24	Limitation on contracting warrants at the local level.
25	AREA IMT wants to run ops, when in a disaster it should be the operational commander closest to the action. This breeds an unhealthy tension.

13. Consider a massive pandemic event in the United States (e.g., pandemic influenza, smallpox, SARS, etc.). Has your office or unit considered the ramifications of a large portion of the work force not showing up for weeks at a time? Please answer as you consider implications to the following areas:

    a. How would the logistics procedures be affected by absences of people for extended periods of time?

1	We would have to order in TAD folks to fill the gap.
2	I suspect it would slow down. Technology and the ability to reach out to other commands for support really help.
3	Significant disruption.
4	If more than 1/2 of the workforce is out, it would be difficult to maintain same level of logistic support. Cross training should allow for absence of up to 50% of staff, at least for a few wks.
5	They would most likely be severely impacted or stopped or switched to alternative locations.
6	N/A.
7	Same as in 1918. Limited capability even among those that can or could work.
8	Logistics (& eventually ops) would come to a standstill until unaffected units could assume

	responsibility. Logistics is normally a local activity.
9	Field logistics would not be impacted by loss of HQ or HQ area units... as an example, the flooding of HQ during FY2003 or 2004 closeout had zero impact on the field logistics or financial management.
10	Ukn
11	BROKEN MILITARY VS CIVILIAN MEMBERS. IN ABILITY TO EXECUTE FUNDS. LACK OF SYSTEM AUTHORIZATION TO APPROVE, CREATE DOCUMENTS, CONTRACT AND TRANSFER FUNDS.
12	Depending upon the season (transfer), holiday, and leave, it would be impossible to go for extended periods without augmentation.
13	Our office could work remotely through intranet access very easily under a quarantine environment. TISCOM would need to be able to plug in many users through remote access and passwords over the phone and by validation of the unit commanders.
14	we make due with what we have and go up our chain of command until someone provides help
15	I consider people the most vital resource. In a scenario such as this, I would think this would significantly impact the ability to respond. I am not privy to my command addressing a situation such as this.
16	with the loss of key personnel, this will be significantly impacted.
17	We'd probably be ok. Less people, less work logistically. Operationally we'd probably have a greater need w/ship movements & additional requirements...unless there was a restriction of the ship movements...
18	Logistic could come to a hold if the proper personnel are not in place either from the unit or from a remote site.
19	As a training center, it doesn't impact us as much as operational units. However, I think we could adequately support our unit with only a few Storekeepers (ie. credit card holders) if need be for a temporary period of time.
20	Lack of subject matter experts resulting in time delayed response.
21	It depends on which people would be absent.
22	unknown
23	Not much if the missing folks had the ability to work remotely. If they do not, then everything will stop.
24	I don't believe we've planned adequately for this eventuality.
25	

b. How would the procurement and contracting procedures be affected by absences of people for extended periods of time?

1	Could have a serious impact. What if our KO and Credit card holders are out? I suppose you could ignore the rules and order stuff anyway, but we could easily have a back fill plan in place. Why don't we?
2	As long as we have strong support from MLC we could manage.
3	Minimal disruption, b/c some of this can be done from home w/RAS tokens & phone.
4	Procurements would likely need to be prioritized to ensure minimal impact on operations.
5	Increased use of credit cards and violations of policy in order to meet operational needs.
6	We're a centralized HQ unit. We could RAS in and process/approve procurements through FPD, but it's not clear if our serving KO's would be in position to continue the processing -- we assume they have a plan. We probably should engage them and test that plan...
7	
8	Less impact but still significant. MLC & ISCs should be experienced in providing procurement support remotely, ie, by phone, email etc.

9	two very large contracting shops are located in the DC area, CG-912 and NPFC. these shops are critical to executing multiple $100s of millions in contracts annually. loss of these staffs would severely hamper operational and administrative functions of the CG.
10	ukn
11	COME TO ALL STOP
12	Same as question 13a.
13	Using emergency procedures, procurement can be streamlined but and procurement could work remotely through intranet access very easily under a quarantine environment. TISCOM would need to be able to plug in many users through remote access and passwords over the phone and by validation of the unit commanders.
14	another office would have to process orders and it would be a mess
15	Procurement would be greatly affected. It would take having multiple sites responding with their available resources and I would consider this would further enhance the level of confusion.
16	This would have a severe impact since all the large contracts are issued from MLCA. With the modernization of the Coast Guard and the loss of both complementing MLC's, this will be extremely difficult in the future.
17	Again, probably ok. We could reach out to others out of the area for help.
18	In the event of an emergency procurement actions can take place from remote sites, if necessary as long as the individuals have the proper procurement authority.
19	It would affect the operation of Training Center Yorktown, but I know we work around it with a few highly skilled Storekeepers.
20	Lack of authorized authority. Delays in obtaining operational support and or services.
21	Again depends on which people, but if the wrong people were absent certain aspects would cease to function.
22	this would be an issue...limited KOs, etc
23	Same as above.
24	If procurement/contracting personnel were gone for extended periods of time, we may not be able to execute all of our operations funds; resulting in spend down not being met and more importantly, operational requirements could suffer.
25	

c. How would the <u>financial management</u> procedures be affected by absences of people for extended periods of time?

1	Could be messy, again, it would be easy enough to have a plan in place.
2	Same as above.
3	Minimal disruption, b/c some of this can be done from home w/RAS tokens.
4	Additional funds managers would need to be identified so that that funds certification wouldn't be the bottleneck for procurements.
5	Spend/Burn rates would be inaccurate until personnel returned to work to resolve and update.
6	From the pollution side, we've demonstrated we can manage that pretty well. Worst case is we correct the accounting lines that were used to reflect the appropriate accounting line as the dust settles. Again, after Katrina, paperwork piled up until support staffs in MLC could start entering it all into the system. Technically, the officially accounting records we not current, and that would likely be the case in any COOP situation.
7	Huge effect. It would be across the board. In addition, there is not widespread practice of reliable remote access to systems in order to conduct business from anywhere (including home)
8	It would be a huge impact w/ serious impact to operations if it affected both MLCs. Otherwise, one MLC could absorb work of the other. This will change when the MLCs are consolidated

	into 1 location in the CG's modernization plan.
9	At my level, CG-8, if we were out, the CG line units would function... centrallized cost accounting and liaison with FEMA and other agencies would be lost. However, the void could possibly be filled by any of the area staffs.
10	ukn
11	NO ACCESS TO KEEP CONTROL OF FUNDS SPENT. TRACKING OF EXPENDITURES
12	There would we a serious degradation after one week, due to lack of a fully trained staff.
13	Financial management could also be accomplished in a virtual environment with some process changes.
14	easy, the paperwork would not be done and the vendors would not get paid and we would not track expenses until after the event when it is too late
15	Same
16	Probably the easiest to over come as long as there is clear guidance from HQ.
17	would have to figure out new chain of approval processes for all the on-line/databases we use...ensure someone is available at all times to approve items.
18	It would be difficult to properly track costs with lack of personnel.
19	Yorktown has a limited budget, however, we could function adequately for a short duration with absent personnel. Most are training to fill the role of others if needed.
20	Lack of accountability, poor to non existent accountability of funding.
21	This function is spread out enough that it would be OK, but some specific functions would fail if the wrong people were absent.
22	depending on the people...this could also be affected
23	Most likely, cost documentation would not occur. Not sever and can be corrected later but at the expense of man hours.
24	Budgeting, accounting, reconciling being done wrong or not at all could have an adverse effect on the CFO audit and could ultimately result in budget cuts if we aren't able to demonstrate sound financial management policies.
25	

d. What practices could be put in place to counter the danger of a contagious viral attack (e.g., remote access systems, digital signatures to documents, voice over internet and phone conferencing, etc.)?

1	
2	Not sure ...
3	All of the above.
4	A shift towards allowing more telecommuting would be a strong benefit in this regard. Even some people who were ill could contribute somewhat.
5	Work off line with updates via a more secure network.
6	We really need to invest in the ability for all CG employees to work from home, and make that an expectation of employment -- not just something for the "type A" personalities, or the tech geeks. That would be expensive. Additionally, the IT folks will need to establish policies and procedures that ensure firewalls, PII, and other "security" issues don't hamstring the employees success.
7	All of the above. Use the US Army AKO system as an example. It works and business can be conducted.
8	Cross training between MLCs. Consistent policies & SOP between ISCs, Sectors & MLC. Train & exercise across the CG. National BOAs & standing MOUs w/ other agencies for national contracts. Identify means to execute procurement without access to FPD & CGDN.
9	Yes to all the examples. Also, for logistics, some pre-prepared streamlined process to contract.

10	ukn
11	SEPARATE LOGISTICS SYSTEM OR A DUAL EMERGENCY ONLY SYSTEM TO PROCURE, CONTRACT AND TRACK FUNDS
12	Remote Access systems is a great start. The CG needs to advance into the 21st century with regards to leveraging of technology.
13	Our office could work remotely through intranet access very easily under a quarantine environment. TISCOM would need to be able to plug in many users through remote access and passwords over the phone and by validation of the unit commanders.
14	Logistics can be provided from anywhere it is just getting the field and operators to work with them.
15	All identified in the question.
16	All those listed above. We currently have some folks with RAS tokens but not all have them.
17	Make telecommuting easier. Not everyone has ras capabilities and only so much can be done via treo. Get the CG onboard w/online systems we can remotely log onto. For instance, schools and businesses can log onto outlook via the internet.
18	
19	Would prove extremely difficult - I would stage my staff in a remote location (ie. another CG unit).
20	Not sure I understand this question.
21	A lot of these options are already in existence but not many people take advantage of them, nor do people have the training and equipment to do so if needed.
22	unknown...some kind of technical (yet transparent) solution
23	Remote access would have to be expanded. System is very slow now under normal circumstances. acceptance of digital signatures would speed up the processes.
24	Unk.
25	Telecommute from home.

14. What other individuals who may be interested in logistical and contingency preparedness would you recommend to be contacted as part of this research?)

The responses for this question have been withheld for privacy reasons. Requests can be made to provide information through contacting LCDR Benjamin Berg via e-mail at Benjamin.D.Berg@uscg.mil.

15. Would you be willing to discuss your answers more fully in person, on the phone or during a focus group? (YES or NO)

The responses for this question have been withheld for privacy reasons. Requests can be made to provide information through contacting LCDR Benjamin Berg via e-mail at Benjamin.D.Berg@uscg.mil.

APPENDIX B. CONTINGENCY COST CENTER TABLE

The following table provides an example of how cost centers can be pre-established to cover a wide range of contingencies at various location, while still providing a range of cost centers to cover simultaneous or multiple events.

Table 3. Sample of Pre-Designated Cost Centers for Contingency Events

INCIDENT	LOCATION/ATU	COST CENTER RANGE		
Nuclear Detonation	USCG HQ Org	50000	through	50009
Nuclear Detonation	USCG HQ Units	50010	through	50019
Nuclear Detonation	Atlantic Area	50020	through	50029
Nuclear Detonation	Pacific Area	50030	through	50039
Nuclear Detonation	1st District	50040	through	50049
Nuclear Detonation	5th District	50050	through	50059
Nuclear Detonation	7th District	50060	through	50069
Nuclear Detonation	8th District	50070	through	50079
Nuclear Detonation	9th District	50080	through	50089
Nuclear Detonation	11th District	50090	through	50099
Nuclear Detonation	13th District	50100	through	50109
Nuclear Detonation	14th District	50110	through	50119
Nuclear Detonation	17th District	50120	through	50129
Nuclear Detonation	MLC Atlantic	50130	through	50139
Nuclear Detonation	MLC Pacific	50140	through	50149
Biological Attack - Aerosol Anthrax	USCG HQ Org	50150	through	50159
Biological Attack - Aerosol Anthrax	USCG HQ Units	50160	through	50169
Biological Attack - Aerosol Anthrax	Atlantic Area	50170	through	50179
Biological Attack - Aerosol Anthrax	Pacific Area	50180	through	50189
Biological Attack - Aerosol Anthrax	1st District	50190	through	50199
Biological Attack - Aerosol Anthrax	5th District	50200	through	50209
Biological Attack - Aerosol Anthrax	7th District	50210	through	50219
Biological Attack - Aerosol Anthrax	8th District	50220	through	50229
Biological Attack - Aerosol Anthrax	9th District	50230	through	50239
Biological Attack - Aerosol Anthrax	11th District	50240	through	50249
Biological Attack - Aerosol Anthrax	13th District	50250	through	50259
Biological Attack - Aerosol Anthrax	14th District	50260	through	50269
Biological Attack - Aerosol Anthrax	17th District	50270	through	50279
Biological Attack - Aerosol Anthrax	MLC Atlantic	50280	through	50289
Biological Attack - Aerosol Anthrax	MLC Pacific	50290	through	50299
Biological Disease Outbreak - Pandemic Influenza	USCG HQ Org	50300	through	50309
Biological Disease Outbreak - Pandemic Influenza	USCG HQ Units	50310	through	50319
Biological Disease Outbreak - Pandemic Influenza	Atlantic Area	50320	through	50329
Biological Disease Outbreak - Pandemic Influenza	Pacific Area	50330	through	50339
Biological Disease Outbreak - Pandemic Influenza	1st District	50340	through	50349
Biological Disease Outbreak - Pandemic Influenza	5th District	50350	through	50359

INCIDENT	LOCATION/ATU	COST CENTER RANGE		
Biological Disease Outbreak - Pandemic Influenza	7th District	50360	through	50369
Biological Disease Outbreak - Pandemic Influenza	8th District	50370	through	50379
Biological Disease Outbreak - Pandemic Influenza	9th District	50380	through	50389
Biological Disease Outbreak - Pandemic Influenza	11th District	50390	through	50399
Biological Disease Outbreak - Pandemic Influenza	13th District	50400	through	50409
Biological Disease Outbreak - Pandemic Influenza	14th District	50410	through	50419
Biological Disease Outbreak - Pandemic Influenza	17th District	50420	through	50429
Biological Disease Outbreak - Pandemic Influenza	MLC Atlantic	50430	through	50439
Biological Disease Outbreak - Pandemic Influenza	MLC Pacific	50440	through	50449
Biological Attack - Plague	USCG HQ Org	50450	through	50459
Biological Attack - Plague	USCG HQ Units	50460	through	50469
Biological Attack - Plague	Atlantic Area	50470	through	50479
Biological Attack - Plague	Pacific Area	50480	through	50489
Biological Attack - Plague	1st District	50490	through	50499
Biological Attack - Plague	5th District	50500	through	50509
Biological Attack - Plague	7th District	50510	through	50519
Biological Attack - Plague	8th District	50520	through	50529
Biological Attack - Plague	9th District	50530	through	50539
Biological Attack - Plague	11th District	50540	through	50549
Biological Attack - Plague	13th District	50550	through	50559
Biological Attack - Plague	14th District	50560	through	50569
Biological Attack - Plague	17th District	50570	through	50579
Biological Attack - Plague	MLC Atlantic	50580	through	50589
Biological Attack - Plague	MLC Pacific	50590	through	50599
Chemical Attack - Blister Agent	USCG HQ Org	50600	through	50609
Chemical Attack - Blister Agent	USCG HQ Units	50610	through	50619
Chemical Attack - Blister Agent	Atlantic Area	50620	through	50629
Chemical Attack - Blister Agent	Pacific Area	50630	through	50639
Chemical Attack - Blister Agent	1st District	50640	through	50649
Chemical Attack - Blister Agent	5th District	50650	through	50659
Chemical Attack - Blister Agent	7th District	50660	through	50669
Chemical Attack - Blister Agent	8th District	50670	through	50679
Chemical Attack - Blister Agent	9th District	50680	through	50689
Chemical Attack - Blister Agent	11th District	50690	through	50699
Chemical Attack - Blister Agent	13th District	50700	through	50709
Chemical Attack - Blister Agent	14th District	50710	through	50719
Chemical Attack - Blister Agent	17th District	50720	through	50729
Chemical Attack - Blister Agent	MLC Atlantic	50730	through	50739
Chemical Attack - Blister Agent	MLC Pacific	50740	through	50749
Chemical Attack - Toxic Industrial Chemicals	USCG HQ Org	50750	through	50759
Chemical Attack - Toxic Industrial Chemicals	USCG HQ Units	50760	through	50769
Chemical Attack - Toxic Industrial Chemicals	Atlantic Area	50770	through	50779
Chemical Attack - Toxic Industrial Chemicals	Pacific Area	50780	through	50789
Chemical Attack - Toxic Industrial Chemicals	1st District	50790	through	50799
Chemical Attack - Toxic Industrial Chemicals	5th District	50800	through	50809
Chemical Attack - Toxic Industrial Chemicals	7th District	50810	through	50819
Chemical Attack - Toxic Industrial Chemicals	8th District	50820	through	50829
Chemical Attack - Toxic Industrial Chemicals	9th District	50830	through	50839

INCIDENT	LOCATION/ATU	COST CENTER RANGE		
Chemical Attack - Toxic Industrial Chemicals	11th District	50840	through	50849
Chemical Attack - Toxic Industrial Chemicals	13th District	50850	through	50859
Chemical Attack - Toxic Industrial Chemicals	14th District	50860	through	50869
Chemical Attack - Toxic Industrial Chemicals	17th District	50870	through	50879
Chemical Attack - Toxic Industrial Chemicals	MLC Atlantic	50880	through	50889
Chemical Attack - Toxic Industrial Chemicals	MLC Pacific	50890	through	50899
Chemical Attack - Nerve Agent	USCG HQ Org	50900	through	50909
Chemical Attack - Nerve Agent	USCG HQ Units	50910	through	50919
Chemical Attack - Nerve Agent	Atlantic Area	50920	through	50929
Chemical Attack - Nerve Agent	Pacific Area	50930	through	50939
Chemical Attack - Nerve Agent	1st District	50940	through	50949
Chemical Attack - Nerve Agent	5th District	50950	through	50959
Chemical Attack - Nerve Agent	7th District	50960	through	50969
Chemical Attack - Nerve Agent	8th District	50970	through	50979
Chemical Attack - Nerve Agent	9th District	50980	through	50989
Chemical Attack - Nerve Agent	11th District	50990	through	50999
Chemical Attack - Nerve Agent	13th District	51000	through	51009
Chemical Attack - Nerve Agent	14th District	51010	through	51019
Chemical Attack - Nerve Agent	17th District	51020	through	51029
Chemical Attack - Nerve Agent	MLC Atlantic	51030	through	51039
Chemical Attack - Nerve Agent	MLC Pacific	51040	through	51049
Chemical Attack - Chlorine Tank Explosion	USCG HQ Org	51050	through	51059
Chemical Attack - Chlorine Tank Explosion	USCG HQ Units	51060	through	51069
Chemical Attack - Chlorine Tank Explosion	Atlantic Area	51070	through	51079
Chemical Attack - Chlorine Tank Explosion	Pacific Area	51080	through	51089
Chemical Attack - Chlorine Tank Explosion	1st District	51090	through	51099
Chemical Attack - Chlorine Tank Explosion	5th District	51100	through	51109
Chemical Attack - Chlorine Tank Explosion	7th District	51110	through	51119
Chemical Attack - Chlorine Tank Explosion	8th District	51120	through	51129
Chemical Attack - Chlorine Tank Explosion	9th District	51130	through	51139
Chemical Attack - Chlorine Tank Explosion	11th District	51140	through	51149
Chemical Attack - Chlorine Tank Explosion	13th District	51150	through	51159
Chemical Attack - Chlorine Tank Explosion	14th District	51160	through	51169
Chemical Attack - Chlorine Tank Explosion	17th District	51170	through	51179
Chemical Attack - Chlorine Tank Explosion	MLC Atlantic	51180	through	51189
Chemical Attack - Chlorine Tank Explosion	MLC Pacific	51190	through	51199
Natural Disaster - Major Earthquake	USCG HQ Org	51200	through	51209
Natural Disaster - Major Earthquake	USCG HQ Units	51210	through	51219
Natural Disaster - Major Earthquake	Atlantic Area	51220	through	51229
Natural Disaster - Major Earthquake	Pacific Area	51230	through	51239
Natural Disaster - Major Earthquake	1st District	51240	through	51249
Natural Disaster - Major Earthquake	5th District	51250	through	51259
Natural Disaster - Major Earthquake	7th District	51260	through	51269
Natural Disaster - Major Earthquake	8th District	51270	through	51279
Natural Disaster - Major Earthquake	9th District	51280	through	51289
Natural Disaster - Major Earthquake	11th District	51290	through	51299
Natural Disaster - Major Earthquake	13th District	51300	through	51309
Natural Disaster - Major Earthquake	14th District	51310	through	51319

INCIDENT	LOCATION/ATU	COST CENTER RANGE		
Natural Disaster - Major Earthquake	17th District	51320	through	51329
Natural Disaster - Major Earthquake	MLC Atlantic	51330	through	51339
Natural Disaster - Major Earthquake	MLC Pacific	51340	through	51349
Natural Disaster - Major Hurricane	USCG HQ Org	51350	through	51359
Natural Disaster - Major Hurricane	USCG HQ Units	51360	through	51369
Natural Disaster - Major Hurricane	Atlantic Area	51370	through	51379
Natural Disaster - Major Hurricane	Pacific Area	51380	through	51389
Natural Disaster - Major Hurricane	1st District	51390	through	51399
Natural Disaster - Major Hurricane	5th District	51400	through	51409
Natural Disaster - Major Hurricane	7th District	51410	through	51419
Natural Disaster - Major Hurricane	8th District	51420	through	51429
Natural Disaster - Major Hurricane	9th District	51430	through	51439
Natural Disaster - Major Hurricane	11th District	51440	through	51449
Natural Disaster - Major Hurricane	13th District	51450	through	51459
Natural Disaster - Major Hurricane	14th District	51460	through	51469
Natural Disaster - Major Hurricane	17th District	51470	through	51479
Natural Disaster - Major Hurricane	MLC Atlantic	51480	through	51489
Natural Disaster - Major Hurricane	MLC Pacific	51490	through	51499
Radiological Attack - Radiological Dispersal Devices	USCG HQ Org	51500	through	51509
Radiological Attack - Radiological Dispersal Devices	USCG HQ Units	51510	through	51519
Radiological Attack - Radiological Dispersal Devices	Atlantic Area	51520	through	51529
Radiological Attack - Radiological Dispersal Devices	Pacific Area	51530	through	51539
Radiological Attack - Radiological Dispersal Devices	1st District	51540	through	51549
Radiological Attack - Radiological Dispersal Devices	5th District	51550	through	51559
Radiological Attack - Radiological Dispersal Devices	7th District	51560	through	51569
Radiological Attack - Radiological Dispersal Devices	8th District	51570	through	51579
Radiological Attack - Radiological Dispersal Devices	9th District	51580	through	51589
Radiological Attack - Radiological Dispersal Devices	11th District	51590	through	51599
Radiological Attack - Radiological Dispersal Devices	13th District	51600	through	51609
Radiological Attack - Radiological Dispersal Devices	14th District	51610	through	51619
Radiological Attack - Radiological Dispersal Devices	17th District	51620	through	51629
Radiological Attack - Radiological Dispersal Devices	MLC Atlantic	51630	through	51639
Radiological Attack - Radiological Dispersal Devices	MLC Pacific	51640	through	51649
Explosives Attack - Bombing w / Impr. Explosive Devices	USCG HQ Org	51650	through	51659
Explosives Attack - Bombing w / Impr. Explosive Devices	USCG HQ Units	51660	through	51669
Explosives Attack - Bombing w / Impr. Explosive Devices	Atlantic Area	51670	through	51679
Explosives Attack - Bombing w / Impr. Explosive Devices	Pacific Area	51680	through	51689
Explosives Attack - Bombing w / Impr. Explosive Devices	1st District	51690	through	51699
Explosives Attack - Bombing w / Impr. Explosive Devices	5th District	51700	through	51709
Explosives Attack - Bombing w / Impr. Explosive Devices	7th District	51710	through	51719
Explosives Attack - Bombing w / Impr. Explosive Devices	8th District	51720	through	51729
Explosives Attack - Bombing w / Impr. Explosive Devices	9th District	51730	through	51739
Explosives Attack - Bombing w / Impr. Explosive Devices	11th District	51740	through	51749
Explosives Attack - Bombing w / Impr. Explosive Devices	13th District	51750	through	51759
Explosives Attack - Bombing w / Impr. Explosive Devices	14th District	51760	through	51769
Explosives Attack - Bombing w / Impr. Explosive Devices	17th District	51770	through	51779
Explosives Attack - Bombing w / Impr. Explosive Devices	MLC Atlantic	51780	through	51789
Explosives Attack - Bombing w / Impr. Explosive Devices	MLC Pacific	51790	through	51799

INCIDENT	LOCATION/ATU	COST CENTER RANGE		
Biological Attack - Food Contamination	USCG HQ Org	51800	through	51809
Biological Attack - Food Contamination	USCG HQ Units	51810	through	51819
Biological Attack - Food Contamination	Atlantic Area	51820	through	51829
Biological Attack - Food Contamination	Pacific Area	51830	through	51839
Biological Attack - Food Contamination	1st District	51840	through	51849
Biological Attack - Food Contamination	5th District	51850	through	51859
Biological Attack - Food Contamination	7th District	51860	through	51869
Biological Attack - Food Contamination	8th District	51870	through	51879
Biological Attack - Food Contamination	9th District	51880	through	51889
Biological Attack - Food Contamination	11th District	51890	through	51899
Biological Attack - Food Contamination	13th District	51900	through	51909
Biological Attack - Food Contamination	14th District	51910	through	51919
Biological Attack - Food Contamination	17th District	51920	through	51929
Biological Attack - Food Contamination	MLC Atlantic	51930	through	51939
Biological Attack - Food Contamination	MLC Pacific	51940	through	51949
Biological Attack - Foreign Animal Disease	USCG HQ Org	51950	through	51959
Biological Attack - Foreign Animal Disease	USCG HQ Units	51960	through	51969
Biological Attack - Foreign Animal Disease	Atlantic Area	51970	through	51979
Biological Attack - Foreign Animal Disease	Pacific Area	51980	through	51989
Biological Attack - Foreign Animal Disease	1st District	51990	through	51999
Biological Attack - Foreign Animal Disease	5th District	52000	through	52009
Biological Attack - Foreign Animal Disease	7th District	52010	through	52019
Biological Attack - Foreign Animal Disease	8th District	52020	through	52029
Biological Attack - Foreign Animal Disease	9th District	52030	through	52039
Biological Attack - Foreign Animal Disease	11th District	52040	through	52049
Biological Attack - Foreign Animal Disease	13th District	52050	through	52059
Biological Attack - Foreign Animal Disease	14th District	52060	through	52069
Biological Attack - Foreign Animal Disease	17th District	52070	through	52079
Biological Attack - Foreign Animal Disease	MLC Atlantic	52080	through	52089
Biological Attack - Foreign Animal Disease	MLC Pacific	52090	through	52099
Cyber Attack	USCG HQ Org	52100	through	52109
Cyber Attack	USCG HQ Units	52110	through	52119
Cyber Attack	Atlantic Area	52120	through	52129
Cyber Attack	Pacific Area	52130	through	52139
Cyber Attack	1st District	52140	through	52149
Cyber Attack	5th District	52150	through	52159
Cyber Attack	7th District	52160	through	52169
Cyber Attack	8th District	52170	through	52179
Cyber Attack	9th District	52180	through	52189
Cyber Attack	11th District	52190	through	52199
Cyber Attack	13th District	52200	through	52209
Cyber Attack	14th District	52210	through	52219
Cyber Attack	17th District	52220	through	52229
Cyber Attack	MLC Atlantic	52230	through	52239
Cyber Attack	MLC Pacific	52240	through	52249

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