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AN OVERVIEW OF THE U.S. COAST GUARD'S MISSIONS

(114–13)

HEARING

BEFORE THE

SUBCOMMITTEE ON
COAST GUARD AND MARITIME TRANSPORTATION

OF THE

COMMITTEE ON
TRANSPORTATION AND
INFRASTRUCTURE
HOUSE OF REPRESENTATIVES

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April 10, 2015

MEMORANDUM

TO: Members, Subcommittee on Coast Guard and Maritime Transportation
FROM: Staff, Subcommittee on Coast Guard and Maritime Transportation
RE: Hearing on "An Overview of the U.S. Coast Guard's Missions"

PURPOSE

On Wednesday, April 15, 2015, at 2:00 p.m., in 2253 Rayburn House Office Building, the Subcommittee on Coast Guard and Maritime Transportation will hold a hearing to examine how the Coast Guard allocates hours and resources among its multiple statutory missions, as well as how the Service measures mission performance. The Subcommittee will hear from the Coast Guard's Deputy Commandant for Operations, Vice Admiral Charles D. Michel.

BACKGROUND

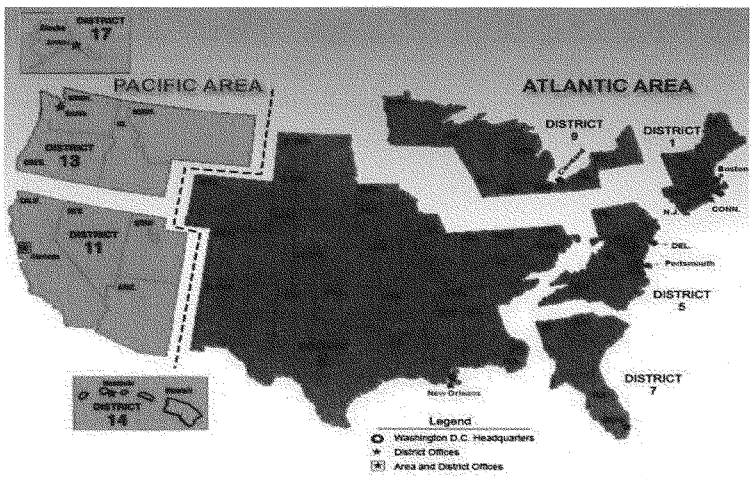
United States Coast Guard

The Coast Guard was established on January 28, 1915, through the consolidation of the Revenue Cutter Service (established in 1790) and the Lifesaving Service (established in 1848). The Coast Guard later assumed the duties of three other agencies: the Lighthouse Service (established in 1789), the Steamboat Inspection Service (established in 1838), and the Bureau of Navigation (established in 1884).

The Coast Guard remained a part of the Department of the Treasury until 1967, when it was then transferred to the newly created Department of Transportation. On March 1, 2003, the Service was transferred to the Department of Homeland Security (DHS). As one of the five armed services, the Coast Guard maintains defense readiness to operate as a specialized service in the Navy upon the declaration of war or when the President directs. The Coast Guard is composed of approximately 40,000 active duty military members, 7,500 reservists, and 8,300 civilian employees.

The Coast Guard operates a diverse fleet of surface and air assets. Vessels under 65 feet in length are classified as "boats" and usually operate near shore and on inland waterways. The Coast Guard operates roughly 1,000 boats, ranging in size from 64 feet in length down to 12 feet. A "cutter" is any Coast Guard vessel 65 feet in length or greater. The Coast Guard has 247 cutters, including harbor tugs, buoy tenders, construction tenders, patrol cutters, and three polar icebreakers (only two of which are operational). Additionally, the Coast Guard maintains an inventory of roughly 192 fixed and rotary wing aircraft.

The Coast Guard is organized geographically into areas, districts, and sectors. It is divided into two areas, the Atlantic and the Pacific, each of which is commanded by a vice admiral. These two areas are composed of nine districts. The Coast Guard has 24 air stations, 6 air facilities, and 35 sectors that work for the districts, each of which is typically commanded by a captain. Attached to sectors are small boat stations, of which the Service has 192.



Coast Guard Missions

Pursuant to Section 2 of Title 14, United States Code, the Coast Guard is responsible for 11 statutory missions:

1. Marine Safety: Enforce laws which prevent death, injury, and property loss in the marine environment. In 2014, the Coast Guard inspected over 12,500 U.S. flagged commercial vessels to ensure compliance with safety and security requirements.

2. Marine Environmental Protection: Enforce laws which deter the introduction of invasive species into the maritime environment, stop unauthorized ocean dumping, and prevent and respond to oil and chemical spills.

3. Search and Rescue: Search for, and provide aid to, people who are in distress or imminent danger. In 2014, the Coast Guard responded to over 17,500 such incidents and saved over 3,400 lives.

4. Aids-to-Navigation: Mitigate the risk to safe navigation by providing and maintaining more than 51,000 buoys, beacons, lights and other aids to mark channels and denote hazards.

5. Living Marine Resources: Enforce laws governing the conservation, management, and recovery of living marine resources, marine protected species, and national marine sanctuaries and monuments.

6. Ice Operations: The Coast Guard is the only federal agency directed to operate and maintain icebreaking resources for the United States. This includes establishing and maintaining tracks for critical waterways, assisting and escorting vessels beset or stranded in ice, and removing navigational hazards created by ice in navigable waterways.

7. Ports, Waterway, and Coastal Security (PWCS): Ensure the security of the waters subject to the jurisdiction of the United States and the waterways, ports, and intermodal landside connections that comprise the Marine Transportation System (MTS), and protect those who live or work on the water, or who use the maritime environment for recreation.

8. Drug Interdiction: Stem the flow of illegal drugs into the United States. In 2014, the Coast Guard interdicted over 140 metric tons of illegal drugs, more than the amount seized by all other federal agencies combined.

9. Migrant Interdiction: Stem the flow via maritime routes of undocumented alien migration and human smuggling activities. In 2014, the Coast Guard interdicted 3,587 illegal migrants.

10. Defense Readiness: The Coast Guard maintains the training and capability necessary to immediately integrate with Department of Defense forces in both peacetime operations and during times of war. The Service currently has six cutters conducting port security operations in the Persian Gulf.

11. Other Law Enforcement: Enforcement of international treaties including the prevention of illegal fishing in international waters and the dumping of plastics and other marine debris.

Section 888 of the Homeland Security Act of 2002 (6 U.S.C. 468) groups the Coast Guard's 11 statutory missions into "Non-Homeland Security" and "Homeland Security" missions and requires the Service to maintain, without significant reduction, its "authorities, functions, and capabilities" to perform all of its missions. It also prohibits the Secretary of

Homeland Security from reducing "substantially or significantly… the missions of the Coast Guard or the Coast Guard's capability to perform those missions."

Non-Homeland Security Missions	Homeland Security Missions
Marine Safety	Ports, Waterway, and Coastal Security
Marine Environmental Protection	Drug Interdiction
Search and Rescue	Migrant Interdiction
Aids-to-Navigation	Defense Readiness
Living Marine resources	Other Law Enforcement
Ice Operations	

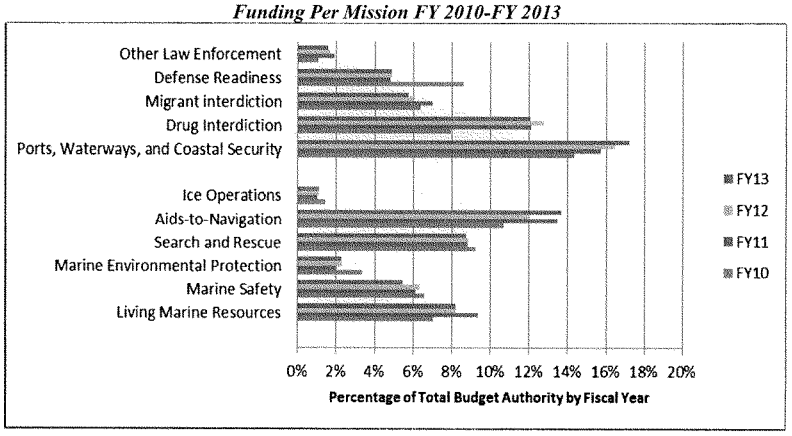
Tracking Mission Balance and Performance

To track Coast Guard mission balance and performance in each fiscal year (FY), three metrics are primarily used: funding per mission, resource hours per mission, and a set of performance measures developed by the Coast Guard pursuant to the Government Performance and Results Act (P.L. 103-62).

Funding Per Mission

The Coast Guard reports funds spent on each of its statutory missions in its annual budget request to Congress. In FY 2013, the Service dedicated about 50 percent of its funding for non-homeland security missions and about 50 percent of its funding for homeland security missions. Since FY 2001, the largest percentage of funding continues to be dedicated to the ports, waterways, and coastal security (PWCS) mission.

Funding Per Mission FY 2010-FY 2013

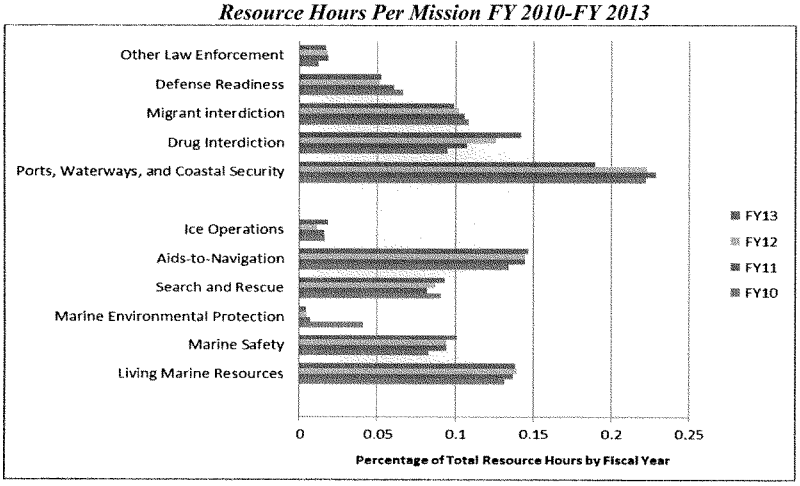


Resource Hours Per Mission:

Resource hours are the number of flight hours (for aircraft) and underway hours (for boats and cutters) used to carry out a specific mission. Resource hours are tracked internally by the Coast Guard and reported annually by the DHS Office of Inspector General (OIG) in its "Annual Review of the United States Coast Guard's Mission Performance." In its annual reviews, the DHS OIG compares resource hours per mission in the latest fiscal year to previous fiscal years, as well as to a baseline of pre-September 11, 2001, data.

In its "Annual Review of the United States Coast Guard's Mission Performance (FY 2013)" the DHS OIG found 49.9 percent of resource hours were spent on homeland security missions, versus 50.1 percent for non-homeland security missions. Since FY 2001, the largest percentage of resource hours has been dedicated to the PWCS mission. In FY 2013, PWCS accounted for 19 percent of resources hours. Homeland security mission resource hours decreased by approximately 19 percent from FY 2012 to FY 2013, but remain 53 percent above the FY 2001 baseline. Non-homeland security mission resource hours decreased by about 12 percent from FY 2012 to FY 2013, and are 4 percent below the FY 2001 baseline. The latest DHS OIG report is available at: http://www.oig.dhs.gov/assets/Mgmt/2014/OIG_14-140_Sep14.pdf.

Resource Hours Per Mission FY 2010-FY 2013



Performance Measures

Each year, the Coast Guard undertakes a Standard Operational Planning Process (SOPP) it uses to establish a Strategic Planning Directive (SPD), which determines mission priorities based on risk and helps guide the Service in allocating resources among statutory missions for the next fiscal year. The SPD takes into account historic funding levels, predicted asset

availability, planned and potential environmental and geopolitical events, and the Service's strategic priorities, as well as DHS priorities laid out in the Quadrennial Homeland Security Review (QHSR). The QHSR sets a strategic framework meant to guide the activities of DHS and identifies mission areas for DHS agencies to focus on.

In FY 2013, the Coast Guard used 23 different performance measures to track its success in meeting SPD mission goals. The Service reported that it met or exceeded 15 of 23 summary performance measures. This included 9 of 12 non-homeland security performance measures and 6 of 11 homeland security performance measures.

FY 2013 Performance Measure Summary

Mission	Measure	Met	Not Met
Non-Homeland Security Missions			
Living Marine Resources	Fishing Regulation Compliance Rate	X	
Marine Safety	5-Yr Average Number of Recreational Boating Deaths and Injuries	X	
	5-Yr Average Number of Commercial Mariner Deaths and Injuries	X	
	5-Yr Average Number of Commercial Passenger Deaths and Injuries		X
	5-Yr Average Number of Commercial and Recreational Boating Deaths and Injuries	X	
Marine Environmental Protection	Average Number of Chemical Discharge Incidents in the Maritime Environment	X	
	Average Number of Oil Spills in the Maritime Environment	X	
Search and Rescue	Percentage of People in Imminent Danger Saved in the Maritime Environment		X
	Percent of Time Rescue Assets are On-Scene within 2 Hours		X
Aids-to-Navigation	Availability of Maritime Navigation Aids	X	
	Average Number of Navigational Accidents	X	
Ice Operations	Number of Days Critical Waterways Are Closed to Commerce Due to Ice	X	
Total Non-Homeland Security Performance Measures		9	3
Homeland Security Missions			
Ports, Waterways, and Coastal Security	Percentage Reduction of all Maritime Security Risk Subject to USCG Influence	X	
	Percent Reduction of Maritime Security Risk Resulting from USCG Consequence Management	X	
	Percent Reduction of Maritime Security Risk Resulting from USCG Efforts to prevent a Terrorist Entering the United States via Maritime Means	X	
	Percent Reduction of Maritime Security Risk Resulting from USCG Efforts to Prevent a Weapon of Mass Destruction from Entering the United States via Maritime Means	X	
	Annual MTSA Facility Compliance Rate with Transportation Worker Identification Credential Regulations	X	
	Security Compliance Rate For High Risk Maritime Facilities		X
Drug Interdiction	Removal Rate for Cocaine from Non-commercial Vessels in Maritime Transit Zone	X	
Migrant Interdiction	Percentage of Undocumented Migrants who Attempt to Enter the United States via Maritime Routes that are Interdicted		X
	Percent of Undocumented Migrants who Attempt to Enter the United States via Maritime Routes Interdicted by the USCG		X
Defense Readiness	Defense Readiness Assessment of all USCG High-Endurance Cutters, Patrol Boats, and Port Security Units		X
Other Law Enforcement	Number of Detected Incursions of Foreign Fishing Vessels Violating U.S. Waters		X
Total Homeland Security Performance Measures		6	5
Total USCG Performance Measure		15	8

The Coast Guard maintains the SPD and Performance Measure Summary is the best method it currently has to properly assign and balance resources by mission and measure mission performance. The Service has previously testified that numerical targets such as resources hours and funding for a particular mission are not adequate tools to make conclusions concerning mission balance and performance in a multi-mission service.

Variables Impacting Mission Balance and Performance

Many variables impact Coast Guard mission balance and performance, including:

1. Asset Availability: The age of Coast Guard vessels and aircraft, coupled with an increased tempo of operations, have led to increased rates of failure among the assets' parts and major systems. These factors, in turn, have increased scheduled and unscheduled maintenance costs and reduced patrol hours, which has negatively impacted operational readiness and mission performance.

   The DHS OIG reported that the total number of resource hours in FY 2013 dropped to 570,344 from 683,594 hours in FY 2011, a decline of approximately 17 percent. The Coast Guard has attributed the decreasing number of resource hours to the decreased availability of cutters and aircraft due to increased rates of asset failures. Delays in the delivery of important new planned assets, such as the Offshore Patrol Cutter, are expected to exacerbate operational stress placed on legacy assets.

2. Emergencies: The Coast Guard responds to a wide range of natural and man-made disasters in the U.S. and abroad. On several occasions over the last decade, the Service surged its personnel and assets from locations across the U.S. to respond to national and international emergencies. In 2005, the Service surged hundreds of assets, including 40 percent of its helicopter fleet and over 5,000 personnel to the Gulf Coast to respond to Hurricane Katrina, saving over 32,000 lives. In January 2010, the Coast Guard led response and humanitarian relief efforts in the wake of the Haitian earthquake surging dozens of assets and over 800 personnel. In April 2010, the Service moved over 150 assets and 7,500 personnel to the Gulf Coast to lead response efforts to the DEEPWATER HORIZON Oil Spill.

   Each time the Coast Guard surges assets and personnel to respond to an emergency, it takes those resources away from a programmed mission. As a result, funding and resource hours are reduced and performance suffers for certain missions. For instance, surging assets and personnel to respond to the Haitian earthquake and the DEEPWATER HORIZON Oil Spill resulted in a reduction in resource hours and funding for aids-to-navigation, drug interdiction, and PWCS in FY 2010.

WITNESS LIST

Vice Admiral Charles Michel
Deputy Commandant for Operations
United States Coast Guard

AN OVERVIEW OF THE U.S. COAST GUARD'S MISSIONS

WEDNESDAY, APRIL 15, 2015

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION,
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:06 p.m. in room 2253, Rayburn House Office Building, Hon. Duncan Hunter (Chairman of the subcommittee) presiding.

Mr. HUNTER. Good afternoon. The subcommittee will come to order. The subcommittee is meeting this afternoon to review how the Coast Guard allocates its assets and personnel to carry out each of its 11 statutory missions, as well as the challenges the Service faces in performing its missions and measuring performance.

Under section 2 of title 14, the Coast Guard is responsible for a wide range of missions, from search and rescue, ice breaking, and marine environmental protection, to port security and drug interdiction. In fiscal year 2014, the Service responded to over 17,500 search and rescue cases, saving over 3,400 lives; conducted over 21,000 safety, security, and environmental inspections of U.S.- and foreign-flagged vessels; and interdicted over 3,587 undocumented migrants and 140 metric tons of illegal drugs. Try to understand even a small part of that is more than we get in the entire country with every single law enforcement agency combined.

These are impressive numbers, but they don't tell us exactly how well the Coast Guard is performing. One of the best ways to gauge the Coast Guard's capability to carry out its missions is to review mission performance data. In 2014 the Service used 23 different performance measures to track its success in meeting its mission goals. The Service stated that it met or exceeded 15 of 23, or 65 percent, of its performance measures.

In December 2014, the DHS inspector general released its annual review of Coast Guard mission performance objectives for fiscal year 2013. The report indicated that the Coast Guard's total number of mission resource hours, the number of flight hours for aircraft and underway hours for boats and cutters, had fallen 17 percent since 2011.

The Coast Guard has attributed this reduction in patrol hours and other issues affecting readiness to the fact that its fleets of aircraft and vessels are no longer reliable, having surpassed their

service lives and become increasingly prone to failures. You got a bunch of old ships.

Representing southern California, I am particularly concerned about the Service's capability and ability to secure our borders against illegal drugs and migrants, and maintain its defense readiness. I look forward to working closely with the Coast Guard and my colleagues to get new assets operating as quickly as possible and to find other ways to improve readiness and enhance mission performance in a cost-effective manner.

I thank the witnesses for coming—the witness, Admiral. And I look forward to your testimony. With that, I yield to Ranking Member Garamendi.

Mr. GARAMENDI. Mr. Chairman, thank you for putting this hearing together. I enjoy working with you, and working with the Coast Guard on the maritime issues.

Admiral Michel, thank you very much for being here. Appreciate the conversation we had in my office a couple of days ago. And we will probably cover some of those issues yet again. I see that our ranking member of the full committee is here, and he gets rather excited about some of these things, too.

As I have mentioned at prior hearings, the Coast Guard is indispensable to commerce, to this Nation's security, and environmental protection of this Nation. A maritime, multimission military service, the Coast Guard is responsible for the safety and security of our Marine Transportation System, a diverse, intermodal network that moves more waterborne cargo and $649 billion worth of cargo annually, and about 13 million jobs.

Unfortunately, the Coast Guard, apparently, is a victim of its own success, often overlooked by policymakers who are looking at all the other things that we need to do, and forget about the Coast Guard. You are always there, you are always ready to call, and we always—whenever you are called upon, you do the job. Maybe if you didn't one day, somebody would be paying more attention. Paradoxically, it can be said the Coast Guard is a victim of your own success. And if you take a look at 9/11, Superstorm Sandy, and other tragedies that hit this Nation, the Coast Guard is there, providing service that nobody thought you did—could do, but you did.

And, to its credit, the Coast Guard has responded professionally and competently and effectively on the many challenges for homeland security, most of which were enunciated by our chairman just a moment ago, and I will simply echo what he said.

And so, Mr. Chairman, I thank you for putting together this hearing. I look forward to the information that we receive, and get on with making sure the Coast Guard has all the assets it needs, including icebreakers. We like icebreakers.

[Laughter.]

Mr. GARAMENDI. And a few other things. And, as this hearing commences, there are a few things I will toss in with some questions and some comments along the way.

Mr. HUNTER. Thank the ranking member. And I would like to recognize Mr. DeFazio here, because it is not very often we get such important people at our little subcommittee.

[Laughter.]

Mr. HUNTER. The gentleman is recognized.

Mr. DEFAZIO. I was wondering why we got delegated to this small room here, Mr. Chairman. Thank you, Mr. Chairman. Thanks for holding this hearing.

You know, I can't think of another Federal agency that has as challenging a portfolio—you know, national defense, armed force, regulatory agency, humanitarian service, you know, Federal maritime law enforcement, border enforcement, and part of the intelligence network of the United States. So that is extraordinary. And I think John said it well. It is like sometimes I think the fact that you can do and you have done with diminished resources, it is not properly recognized by some of our colleagues here.

You know, I was just at Station Newport, and they—I mean just looking around, this is so beautiful, I mean, this old building and this—"Yes, you know, we did it ourselves." Well, I can't remember the last time I was on an Army base or an Air Force base and, you know, went into the headquarters or a barracks and they said, "Oh, yes, we did the work here ourselves, you know." No, that is not the way the other services work. So that is extraordinary. And I hope and I think Chairman Hunter and John and I all share the desire to do a little bit better by your needs.

You got a lot of new challenges. And John referenced the icebreaker. I did have the privilege of visiting the icebreaker just last month, and was taken by the unique construct of it, the fact that it is essentially a design that can't be replicated by any shipyard in America, or maybe in the world today, that the alloy used in the ice band is absolutely unique, and I am really going to look forward to, when you haul it, to see what the integrity of that hull is.

And if it is that great, I think we need definitely to look at the option of what John calls repurposing. I call gut-and-stuff, which is, you know, turn it into a modern icebreaker, using that unique configuration, if that would be a more cost-effective way to go, and a more expedient way to go. Plus, some of the spares you get off there, like the transistors from the sixties, and some of the critical functions could be used on the other icebreaker, until we can upgrade that one. So that is one particular concern, and I hope the committee will look favorably on that.

And the other is, you know, when I look at the performance measure summary, I am distressed to see—I mean I am a boater, I live on a boat here, actually, in DC. And, you know, one of the things that—and I represent half the Oregon coast in a very cold-water environment and a difficult ocean. And to see that the percentage of people in imminent danger saved in the maritime environment was not met, and the percentage of people—and then the next one, the percent of time rescue assets are on-scene within 2 hours, and again, it wasn't met, I know you are trying, but I don't think we have given you the adequate resources.

But I am going to say, given the fact that there were proposed cuts in two lifesaving stations, and one of them being Newport, in the center of the Oregon coast, that does half the rescues, and we would have had to divert assets either from Astoria or North Bend, which means, you know, a much longer flying time and, you know, is not going to help me with—on the scene within 2 hours, and I think that we would have—we would end up having casualties that could have been prevented.

So, I partnered with some of my delegation and we said it couldn't be closed, and I am going to look for ways to help you deal with your budget problems, but I just can't support a closure of critical lifesaving stations. And I want to see those two Xs on the other side of the ledger when we get the next performance measure summary. And I want to do anything and everything I can to help you get there. So, thank you.

Thank you, Mr. Chairman. Appreciate the opportunity.

Mr. HUNTER. Thank you. And if you want to address his questions, comments, or concerns right now, feel free. We will say that was the first recognized question.

Admiral MICHEL. Sure. We can talk about a number of things. I know we are going to talk about the icebreakers in detail.

But I am glad you really were able to see that, sir. And I would offer to any of the Members, I would be happy to accompany you up there, if you really want to take the flashlight tour of the *Polar Sea*. It truly is a unique ship, and designed for a very specific purpose in a very specific environment. And we haven't built a ship like that in this country for over 40 years.

We are going to have to figure out what we are going to do with *Polar Sea*. I am desperately trying to avoid an icebreaker gap. If we are going to build towards a new one, or use a refurbished one, or something like that, because there are—the Nation has current needs for heavy icebreaking capability, and right now we have one ship that is available to do that, and that causes me great concern. But I do appreciate you looking at that. Part of the survey work we are going to look at is going to look at, you know, how much it would take to get 7 to 10 years' life, or even a longer period, if we can get out of there.

My gut reaction on this, sir, is that ship is still 40 years old, and we are going to have to take a hard look at that, as to whether we want to take that one back, or whether we want to try for something new. And, as a sailor, and as a naval engineer, you are going to have to take a very hard look at that, just because it is a very unique capability, and it operates under tremendous conditions. I mean this ship can crash through 21-foot-thick ice, and only us and the Russians operate these very unique ships. So I appreciate you taking a look at that.

On AIRFAC Newport, roger that, sir. We got the message loud and clear, and we are working very hard to ensure that all our citizens throughout the United States are protected. We try very hard to meet our 2-hour standard. Last year we fell a few percentage points short. We would, obviously, always like to be 100 percent. Sometimes we are not able to do that because of weather or different capabilities that we don't have. For example, some of the helicopter replacements we wanted to make along the way, we haven't been able to do that, because we don't have any flexibility in our helicopter system.

But, believe me, when you talk search and rescue, sir, my goal 100 percent of the time is 100 percent of the people rescued, 100 percent meeting our standard. So eyes on search and rescue, sir. And I greatly appreciate the fact that you share that exact same concern for citizens. So thank you.

Mr. DEFAZIO. Thank you. And just, you know, in—you know, when I went to the icebreaker, I also went down to the school at, you know, Cape Disappointment, where I understand the chairman went, but the chairman had what I am told was nice weather but big waves. I had unseasonably nice weather, and it was, as I was told by one officer, FAC, which is—which was not a fun ride.

[Laughter.]

Mr. DEFAZIO. So I now have to go back again and with a—I want to be like the video they show there, where you are crashing through those 18-foot waves, and everybody is like, "Woo," and you are all getting wet. And I want John to come with me. He is going to love the ride. It was so calm, they let me drive the boat.

Admiral MICHEL. We will try to order up a storm for you.

[Laughter.]

Mr. DEFAZIO. OK, thank you.

Thank you, Mr. Chairman.

Mr. HUNTER. Thank you. And I will now—belatedly, you are recognized for your statement, if you want to give one. Otherwise, we can go to questions, or whatever you like.

TESTIMONY OF VICE ADMIRAL CHARLES D. MICHEL, DEPUTY COMMANDANT FOR OPERATIONS, U.S. COAST GUARD

Admiral MICHEL. If I could make a brief statement, Chairman Hunter, Ranking Member Garamendi, Ranking Member DeFazio, members of the subcommittee, thank you for the opportunity to testify today on Coast Guard missions. My complete statement has been provided to the subcommittee, and I ask that it be entered into the record, and I be allowed to summarize my remarks.

The Coast Guard is a global maritime service recognized for its ability to perform a broad and complementary set of maritime missions across vast geographic areas. Each of our diverse missions plays an essential and interrelated role in the Coast Guard's overall ability to perform its primary mission, which is ensuring the safety, security, and stewardship of the Nation's waters.

The Coast Guard's missions, coupled with our broad array of authorities and culture of adaptability allow us the ability to rapidly shift from one mission to another as national priorities demand. The true value of the Coast Guard to the Nation is not in its ability to perform any single mission, but it is in its highly adaptive, multimission character, which can be applied across broad national maritime interests.

The Coast Guard performs its missions by employing an expansive array of capabilities, competencies, authorities, and partnerships. At all times an armed service, a Federal law enforcement agency, a regulatory agency, a humanitarian service, and a member of the U.S. intelligence community, the Coast Guard is uniquely positioned to confront the complex and evolving maritime risks of the 21st century. As such, the Coast Guard remains a unique and indispensable instrument of national and homeland security.

The challenges the Coast Guard is confronting today transcend any single mission. Increasing risks are rapidly changing the maritime domain, creating new efficiencies in some areas, and additional mission demands in others. Transnational criminal organizations, technological advancements in maritime industries, increas-

ing maritime activity, and reliance on the maritime transportation system, rapidly changing energy markets, cyber risks, diminishing ice coverage in the Arctic, shifting human migration patterns, and weakening sovereign nation states all pose significant challenges.

These trends are driving increased and unprecedented demands across all our Coast Guard missions, and require strategic approaches that ensure safety of lives at sea; the Nation's maritime transportation system remains safe, secure, and effective; our sovereign maritime territories and resources are safeguarded; and our marine environment is adequately protected. These challenges coincide with fiscal pressures that demand ever-increasing effectiveness and efficiency in performance of all Coast Guard missions at a time when the Coast Guard must recapitalize critical operational assets in our aging fleet.

As history has repeatedly shown, the fleet the Coast Guard is able to recapitalize today will constitute tools it must rely on to perform its missions many decades into the future. The Coast Guard disrupts smuggling organizations in the transit zone, where transnational criminal organizations are most vulnerable. These criminal networks are fueling epidemic regional violence, destabilizing governments, undermining rule of law, terrorizing citizens, and contributing to illegal migration from Central America to the United States. Protecting U.S. maritime borders, which encompasses the Nation's territorial seas, contiguous zone, and exclusive economic zone requires adaptable and coordinated approaches that utilize capable platforms.

Hence, ongoing acquisition projects such as the C127–J Maritime Patrol Aircraft and the Offshore Patrol Cutter, which will replace our aging fleet of Medium Endurance Cutters, are essential to ensure the security of our homeland. As an armed force, the Coast Guard is fully engaged with the Department of Defense across the globe at the strategic, operational, and tactical levels, as part of our defense operations mission.

The Coast Guard is also party to the cooperative maritime strategy with the Navy and Marine Corps, a strategy that has been revised to reflect emerging opportunities and challenges.

In conclusion, while the Coast Guard's missions remain unchanged, the maritime challenges and opportunities of the Nation continually evolve. The Coast Guard's ability to perform a broad and complementary set of missions ensures the Service is always ready to meet the Nation's maritime security interests.

Thank you for the opportunity to testify before you today, and for all you do for the men and women in the United States Coast Guard. I look forward to hearing your concerns and questions. Thank you.

Mr. HUNTER. Thanks, Admiral. And I would like to recognize Mr. Curbelo over here for the first question, if you don't mind. No one ever shows up, we are just so happy when people do, it is fun.

[Laughter.]

Mr. CURBELO. Thank you very much, Mr. Chairman. I come for you, to be honest with you.

[Laughter.]

Mr. CURBELO. And for the ranking member, as well.

Admiral, thank you very much for being here today. I represent Florida's southernmost district. And, as my colleague, Ms. Frankel, can attest, we are big fans of the Coast Guard in the State of Florida, especially in my case, representing the Florida Keys. And we depend so much on the Coast Guard for our safety and for our security.

Just to give some of my colleagues an idea of how significant the Coast Guard's mission is in south Florida, 1 year ago this week the Coast Guard intercepted a shipment of 3,300 kilos of cocaine on Miami Beach. Rough street value of that, $330 million. And this interdiction was part of the Coast Guard's Operation Martillo. In south Florida we use Spanish words for Coast Guard operations. That means "hammer" in English. That operation targets international shipments of cocaine coming into America, usually through south Florida.

Admiral, last year General John Kelly, commander of the U.S. Southern Command, testified before the Senate Armed Services Committee that they're only able to intercept about 26 percent of the drugs smuggled into the country from Latin America through Florida. This was his quote, "Because of asset shortfalls, we are unable to get after 74 percent of suspected maritime drug smuggling. Without assets, certain things will happen. Much larger amounts of drugs will flow up from Latin America, we will do less and less engagement with our friends and partners in the region."

Can you comment a little on whether there has been any improvement in General Kelly's assessment of last year?

Also, as much as you can, here in open session, what are the smuggling routes that have seen the greatest increase in traffic over the past few years, and the measures the Coast Guard has taken to address those threats?

Admiral MICHEL. Yes, sir. Well, the figures have gotten a little bit better because our Commandant has increased the amount of ships that are available to JIATF South and the Coast Guard on those Western Hemisphere transit zones, smuggling routes.

And I greatly appreciate you raising that, because this is one of the aspects of the Coast Guard that is absolutely critical. The maritime movement of cocaine—and virtually all the cocaine either moves by maritime or air, and the vast majority by maritime at some point of its voyage—is the tactical advantage that the United States has. And it is the United States Coast Guard with the international partners, with the Navy, who provide the tactical advantage.

And you mentioned about 3.3 metric tons that were seized on that one particular piece. Last year, the United States Coast Guard seized—just the United States Coast Guard—91 metric tons of cocaine. All the law enforcement agencies within our borders—Federal, State, local, tribal, plus all the seizures at our air, land, and sea borders—and that includes the Southwest border—put together, multiply that by almost two times, and that is what the United States Coast Guard got.

I used to be director of JIATF South there, in Key West, Florida. And when I was there, there was one Coast Guard boarding team that seized a semisubmersible that had 9.3 metric tons of cocaine. The typical take at the Southwest border on any given year is 6

or 8 metric tons. So one Coast Guard boarding team took down, for cocaine, what was taken down at the entire Southwest border in a year. And that is not to mean the people at the Southwest border are not great Americans doing a great job, but they are tactically disadvantaged because the Coast Guard boarding team is tactically exposed, out on the water, because it is necessary for shipment, concentrated loads of pure cocaine. And that single boarding team can take that down.

And, oh, by the way, if you take it down on the water before it gets into Central America, it doesn't create the corruption and crime and death and destruction that we see with beheaded bodies and all these other things. Plus you get the witnesses and the evidence much closer to the head of the snake of the guys who are starting the chain in Colombia, and trying to work a kilo down from the Southwest border, or an eighth-of-an-ounce buy on some street corner in New York City.

So, the Nation—the reason the Coast Guard was created was—by Alexander Hamilton—was to take advantage of—that tactical advantage of intercepting things at sea. That is why the cutter service was created. But you need ships to do the business. So we are the Nation's forward defense for cocaine. We defend the streets of America. We defend our neighbors. And we use that tactical maritime advantage in order to get at it.

And General Kelly is exactly right. We have way more intelligence than we do ships to actually action that intelligence. We are trying to buy some of that down. The Commandant has put additional ships down into the transit zone. But that is the Nation's defense, and it requires investments from the Nation in ships in order to get the business——

Mr. CURBELO. So you would say that, despite your successes, you are still sorely lacking in resources in the area covered by JIATF South?

Admiral MICHEL. Absolutely. And I will give you the latest figures on that. But my guess is, just based on operational—probably 50 percent of the high-confidence intelligence cases cannot be acted on because there is no ship available.

Mr. CURBELO. Thank you, Admiral. Thank you very much, Mr. Chairman. I appreciate it.

Mr. HUNTER. Thank the gentleman. The gentlelady from Florida is recognized.

Ms. FRANKEL. Thank you. Thank you, Mr. Chair. First, I wanted to thank you from south Florida.

I don't know if you followed this down in Florida. There is a—this is a great issue for the Committee on Transportation and Infrastructure, because we have a new rail line coming on board called All Aboard, which will be a direct route from Miami, Fort Lauderdale, West Palm Beach, Orlando. And it will go up and down 32 times. And it has to go over a couple of bridges that the boats need to go under. Are you familiar with that? Yes, yes. It is something.

Well, you have taken on a great responsibility, because I know that you are—the Coast Guard is trying to figure out the schedule. And I just would like if you could just state for the record, from the Coast Guard's perspective, how do you—what is your policy,

relative to the boating industry, in terms of the movement of those bridges?

Admiral MICHEL. Well, I appreciate you bringing that up, because that is a part of the Coast Guard that many people don't know that the Coast Guard actually does, which is we administer all bridges over navigable waters of the United States. And we are—stand as the arbiter for these competing rights. I mean this is a classic public policy. I don't want to call it slicing the baby, but you can understand that the trains need to operate on their schedule at the same time. Because of the low clearances of the bridges, certain sailboats——

Ms. FRANKEL. No clearance in Fort Lauderdale.

Admiral MICHEL. Right, right. And if there is no clearance, then, obviously, no boats get by. Some of them are low enough maybe a motorboat can get under it. But bigger commercial traffic or sailboats can. It depends on the actual bridges.

But we have got a whole process that we work through with all the stakeholders on this. And we try to, to the extent possible, meet people's needs. So we try to keep the openings predictable and responsive to the traffic that operates in that water, whether it is recreational traffic or commercial traffic or otherwise. At the same time, we work with the bridge owner, so that it doesn't become overly burdensome for them, because they may have to employ a bridge tender or other types of things. And they have also got to operate the trains.

But we do an entire regulatory process, including public outreach, to make sure that we have heard all stakeholders. We have criteria that we judge against on, you know, when are adequate opening times, depending on the type of maritime traffic that comes through, depending on the needs of the train or surface operator, if it is a surface bridge. But we have a whole program that takes that.

And this one, I can tell you, is at the upper levels of the Coast Guard, just because it is very important. It is an important project for the train operators, to be able to prove that they can do all this stuff. And we don't want the bridges to become an unreasonable obstruction to their business. At the same time, there are maritime operators who use those waterways for commercial purposes or recreational purposes or otherwise.

Ms. FRANKEL. Well, especially in Fort Lauderdale, to the west of the bridge are most of the repair yards for the boats and the yachts. It is about a $39 billion industry there. So when the boats can't get under that bridge, it is a huge economic impact.

On the other hand, we do want the railroad—the train to succeed.

[Laughter.]

Ms. FRANKEL. This is really a hard one. You know, so I guess you are very brave. You have no choice but to take it on. But I am glad it has trickled up to you, because this is a very serious issue for—especially for Fort Lauderdale. And up in Jupiter they have a similar issue there. So I will be following it closely.

Admiral MICHEL. Well, I appreciate it, ma'am. And we have—the beauty of it is we have great contacts down at the local level, and

we have great experience with working through these processes. So we have actually got processes that encourage that public input.

Ms. FRANKEL. Right.

Admiral MICHEL. And we have a great track record. Not perfect, but a great track record of being able to find deals that people can live with, and folks can get their business done, and not get in each other's way too much.

Ms. FRANKEL. All right. Well, thank you for your cooperation. We will stay in touch.

I yield back.

Mr. HUNTER. Thank the gentlelady.

OK. Admiral, thank you very much for being here. It was good to talk to you yesterday. Basically, the crux of this hearing is to ask a couple of things, and to find out what we can do for you, the Coast Guard, that the Coast Guard is either not doing for itself, or not communicating to your leadership or the administration.

You guys took a massive cut, massive acquisition funding cut. You are the only department in Homeland Security that got cut the way that you did. Every other department in Homeland Security got more money. So I guess I would start—just the opening question for the whole hearing is, why do you think that is? I mean why would you get cut, and—when it—especially when you have ships that are 30, 40, 50 years old, where it is actually cutting down on your ability, even by your own metrics, to accomplish the missions that you have been given? Why would they cut you?

Admiral MICHEL. Well, I can't make any comparison versus other parts of the Department of Homeland Security, and how they may or may not——

Mr. HUNTER. We already did it for you. And you were the only ones to get cut. So trust me.

Admiral MICHEL. Right. So I can't do that comparison work, because I just don't sit in a chair high enough for that. And here is what I will say, sir——

Mr. HUNTER. No, but I do. But I am telling you that is what happened. So you don't have to do it, we have already done it. Right? You were the only ones who got cut that way, out of the entire department.

Admiral MICHEL. Well, I mean, yes. You have analyzed the budget, yes, sir. So I will tell you that the biggest cut that we took was in our acquisitions account, and our acquisitions account which is, in my opinion, was one of the most critical accounts—because, as you and I have talked about before, that is what recapitalizes our aging assets—what I can say is that account is always at risk, because those are very expensive items that work through those accounts.

Now, as I have described before, those items are 30-, 40-, 50-year-old items. But getting them in a particular budget yet has always been challenging. So, the entire time I have been working with the AC&I account for the recapitalization of our fleet, that always is a very difficult object to move forward. And we are at about $1 billion right now. Our prior Commandants have testified that $1.5 billion to $2 billion is what we need for a responsible and efficient recapitalization. We obviously aren't at those numbers. We

will work at the billion-dollar level, but those are always very tough sells, because they are very expensive assets.

Mr. HUNTER. So let me ask you this. If we just passed the President's budget request for you as-is, what would you stop building next year, or this year?

Admiral MICHEL. Well, the budget, as it currently stands in fiscal year 2016, will allow us to continue with the Fast Response Cutter, including the recompetition of the Fast Response Cutter, which is supposed to occur in 2016. So we would be on track for that. It finishes out the work on the National Security Cutter, and we would be on track for that.

The Offshore Patrol Cutter, there is $18 million in the fiscal year 2016 budget. We need another $70 million to do the detailed design work. Now, we have been told that there will be an internal reprogramming within DHS to give us that $70 million. If we don't get that $70 million, then we are going to fall behind on the OPC, and it is going to get pushed further to the right. We have been told we are going to get that internal reprogram.

If we get that, we can keep the OPC on track, understanding that, even if the OPC remains on track, as we have currently set it out on what our projected budgets are—and I know you have got our latest capital investment plan—the ships it replaces, the 270-foot class, will be over 35 years old when they come off the line, and the 210s will be over 55. And that is if everything stays on track.

Mr. HUNTER. And so you are saying—let me get this straight—with the President's request, if we don't add any money to the President's request, you can still finish out the FRC line, finish the last NSC, and even start with the OPCs. That is what you think?

Admiral MICHEL. No, sir. Keep on track the FRCs. Remember, there are going to be 58 of these——

Mr. HUNTER. Keep on track the FRCs.

Admiral MICHEL. We are up to 32——

Mr. HUNTER. Twenty-something left.

Admiral MICHEL. Right. And the recompete will be for hulls 33 through 58. But that will keep that line on track, and it has got six FRCs. So it doesn't complete the program, but it keeps it on track. It does complete the NSC program, and that would be at eight, and—which is the program of record.

The OPC, as I said before, there is an identified $70 million gap for the detailed design work. But we have been told that that will be taken care of through an internal reprogram.

Mr. HUNTER. Through DHS?

Admiral MICHEL. Correct.

Mr. HUNTER. OK. All right. Thank you, Admiral.

Mr. Garamendi?

Mr. GARAMENDI. Let's just run through what Mr. DeFazio started. This is page 9, I think, of it, a 2013 performance measure summary. All of the ones on the left-hand side have been met, and we appreciate that. Thank you for doing that. The handful on the right-hand side, not met. Let's just run down through those quickly, and a quick why-not-met. What do you need to move from the right to the left? I don't know if you have—do you have this?

Admiral MICHEL. I have a different document. Maybe you and I can talk about—I think we are talking about the same thing, but—well, you can just go down the list. I think I have got them covered here, sir.

Mr. GARAMENDI. OK.

Admiral MICHEL. I will have staff here look for the paper.

Mr. GARAMENDI. Average number of commercial passengers deaths and injuries.

I think it would be easier—you will be able to find them quicker on our list.

Admiral MICHEL. So this was the 5-year average number of——

Mr. GARAMENDI. Right.

Admiral MICHEL. Which, commercial mariner deaths or——

Mr. GARAMENDI. Commercial passenger.

Admiral MICHEL. The commercial passenger deaths, OK. So, our—let's see. Our fiscal year 2014 target was less than 254, and our fiscal year 2014 results were at 306. And our fiscal year 2015 target is 304. So we were supposed to have had less than an average of 254, and we were up at 306 for commercial passenger deaths.

Mr. GARAMENDI. And injuries. So I——

Admiral MICHEL. And injuries. Yes, sir.

Mr. GARAMENDI. Maybe we got a cruise ship out there that had an epidemic of flu or bad food or whatever.

Admiral MICHEL. It could be a number of different things, because commercial passengers exist in different things. So they are small passenger vessels that operate on the Nation's waterways, ferries, and those type of things, and then there are also larger cruise ships—typically, is what you are talking about for passenger——

Mr. GARAMENDI. I think the issue here is are you able to do the inspections?

Admiral MICHEL. Yes, sir. Yes, sir. No, we are not behind on any issuance of certificate of inspections, particularly for passenger vessels, which are always on the Coast Guard's radar, because the public has an expectation that a common carrier is going to meet their standards.

Mr. GARAMENDI. OK. Let's move on down the line. We are getting into Mr. DeFazio's Oregon coast here, and that has the percentage of people in imminent danger saved in maritime environment. You didn't meet your metric. Was this the shortage of the equipment that we just talked about?

Admiral MICHEL. Yes, sir. There is two captured in there, the percentage of the people in imminent danger saved in the maritime environment, our goal is 100 percent, and won't ever be anything less than 100 percent, not from the Coast Guard. And we were able to—79.4 percent. I can tell you, having looked behind that, it is an inability to meet the 2-hour standards, particularly in certain offshore environments, and also in weather conditions.

I will give you an example. Up on the Great Lakes—I was just up at Air Station Traverse City, up in Michigan, and they operate the HH–65 helicopter. And it meets the 2-hour standards, but it doesn't have any deicing capability. And in certain—and it doesn't have a very long range. So, in certain scenarios, it becomes harder

to actually get to people who fall in the ice. And—or otherwise endangered up on the Great Lakes. And we have been looking at trying to get more capable helicopters up there, but there is just not enough helicopters in the inventory right now. It is a project—it is one of my projects that I am working on right now to try to get additional capability.

But that is an example of where an equipment shortfall or mismatch could be remedied, if we were to have the flexibility in our system to reassign assets that sometimes we have and sometimes——

Mr. GARAMENDI. Our chairman spoke a moment ago about us helping you meet your requirements. If you could match these shortfalls of your metrics to specific shortfalls of equipment or personnel or whatever, it then helps us with the argument. And helicopter, you talk about that earlier, but you put it in a general nature, now you are down to a specific icing situation. So if you could do that, it would help us make the argument.

I am going to move on down to——

Admiral MICHEL. Yes, sir, I will do that.

Mr. GARAMENDI [continuing]. Security compliance rate for high-risk maritime facilities. We have moved way down to ports, waterways, and coastal security. High-risk maritime facilities. I assume these must be like—I suppose oil depots, things of that sort?

Admiral MICHEL. Yes, high-risk maritime facilities would be exactly that description. I am looking at my sheet here to find out where the actual number is. And I wish I could tell you the number there, because I don't think that that number is anything but just a few percentage points off. And those are the types of facilities that we hold to a very high standard. And those facilities, I am telling you, we do not have a lack of assets in order to actually determine that compliance rate. So my guess is it is because of strict enforcement procedures.

And, again, I wish I had the sheet here to tell you how many percentage points we missed that by——

Mr. GARAMENDI. I am putting you in a real bind, so——

Admiral MICHEL. Here it is. This is what I wanted to—my staff just gave it to me. So our goal was 100 percent, and we got 99.3 percent. So we missed .7 percent of those, sir.

Mr. GARAMENDI. All right. We will move on down to percentage of undocumented migrants. We talked about this earlier. Again, it may be——

Admiral MICHEL. Right. Our—again, we just missed by a couple percentage points. Our goal was greater than 74.1, and we were at 72.8. And again, I can tell you, having worked on migrants for a while, that is primarily a resource challenge, and also a maritime domain awareness challenge. A lot of these migrants come through on very small pangas and yolas, either through the Straits of Florida, or through the Mona Pass, or those type of areas. And sometimes they just slip through. And if you had better coverage out there, either with the aircraft or sensor systems or additional surface vessels, you could buy down that. But again, you know, I think we only missed it by a percentage point or so.

Mr. GARAMENDI. I thought we might come to that. Over on the Armed Services Committee some of our work deals with ISR, intel-

ligence, surveillance, reconnaissance. In the new NDAA—I haven't shared this with the chairman yet, but I represent Beale Air Force Base. And we have spent a lot of time with drones and ISR assets there. The Navy is getting a new asset called the—it is a Global Hawk, naval version.

Admiral MICHEL. I think that is Triton, is that right?

Mr. GARAMENDI. It is—yes, it is. And they will be operating that out of what I call Camp Malibu, otherwise known as Point Mugu, in Ventura. It will be operating, I suspect, in naval exercises off San Diego and various kind of training exercises and the like. I want you to look into working with the Navy on getting the information that they don't need, but they do have on ships and pangas and other things that are operating there. They are probably going to meet everything from night to daytime, and maybe doing it almost all the time.

And so I am going to work this into the NDAA, so that we can cross-fertilize here. And you might have ISR assets available off the southern California coast that you don't even know about today. Or maybe you do know about it.

Admiral MICHEL. Yes, sir. Well, I think you mentioned this to me last time at the other hearing, so I already put feelers out to do that. And, just coincidentally, I am flying to San Diego this afternoon to meet with—when she comes in with about 12 metric tons of cocaine. And my host there will be the sector commander, who is actually a very close friend of mine, and he also participates in the regional coordinating mechanism there. And I am going to reiterate to him the importance of the opportunity you have identified, sir.

Mr. GARAMENDI. We will work on the—with the chairman's help, work on the NDAA side, to make sure that they are aware of the opportunity that they have to help you.

OK, there was another issue, and General Kelly was mentioned. And his work and your work interact. And you mentioned just a moment ago the lack of assets in the Caribbean.

One of the assets that was discussed at a previous hearing some time ago was the ability to have a ship available to you on which you could position your aircraft—helicopters, principally. I assume that remains a problem. Could you discuss that shortage of equipment, particularly the kind of equipment that would be necessary to further interdict drugs? And I think particularly off the Central America coast.

Admiral MICHEL. Yes, sir. So, about 80 percent of the flow now moves by go-fast boats, which are speed boats, very high-powered, with engines, most of which operate at night. And the only way you can really interdict those is to shoot the engines out of them, and that is done via helicopter and a highly trained gunnery crew on that helicopter.

So, in order to get to about 80 percent of the flow—and most of that is what we call littoral flow, where it operates relatively close to shore on both the eastern Pacific side and the Caribbean side, you need to have the ability to position those airborne use-of-force assets if you are really going to get at that threat stream. So that requires flight decks and, even better, mobile flight decks.

So, you know, you can look at ideas like barges. But if they are not mobile, bad guys find out where they are very quickly, and they just don't go there any more. Mobile flight decks that are attached to things like Coast Guard cutters or Navy ships with good sensor capabilities, good command and control networks, that is really the name of the game, the ability to do day, night, airborne use of force from mobile flight decks, from ships with sophisticated sensors, and command and control capabilities. That is the Cadillac, that is the proven formula for operating against most of the traffickers down there.

So, I have heard General Kelly mention—and there are places for a—for staging bases. And if someone were to offer one up, I am sure General Kelly could find a use for it. But the real nugget is, as I described, those flight deck-equipped ships. That is what we really need in order to get at that business, sir.

Mr. GARAMENDI. I think we ought to explore something less than a Cadillac, and see if some sort of a semimobile platform, which might be a barge with a tug, or maybe some sort of a mobile barge, or some ship—perhaps a naval ship that is less than a Cadillac—might be available.

We understand the flight deck, we understand the fueling. But I would like you to look into this in a more—and particularly with General Kelly on South Command, as to what might be useful, but not a Cadillac. We are not going to find a Cadillac any time soon, but we might be able to find a semimobile flight deck for you in some way. So we will work on it.

Mr. Chairman, thank you for the extra time.

Mr. HUNTER. Thank the gentleman.

Mr. Zeldin, recognized.

Mr. ZELDIN. Thank you, Mr. Chairman, and good afternoon, Admiral. I represent the First District of New York, which is on the East End of Long Island. Our congressional district is almost completely surrounded by water. Actually, I don't know if Carlos Curbelo or I—which one is closest to having a district completely surrounded by water. It is home of some of the most scenic beaches and boating destinations, a very heavy Coast Guard presence, obviously, all around the First Congressional District.

As the high season—we also have—we are also home of the 106th Air Rescue Wing. As the high season rapidly approaches, it is inevitable that the search-and-rescue capability of the Coast Guard will be called upon to help save lives of stranded boaters and swimmers off of eastern Long Island. I just wanted you to take this opportunity to let me know how you feel about the current search-and-rescue capabilities of this critical mission in a time when the Coast Guard is being called upon to do so much in other areas, such as the migrant interdiction.

Admiral MICHEL. Well, sir, I can tell you, as far as your district goes, you are actually very well situated. And I know for a fact that you are—completely meet our 2-hour standards, either from helicopters or stations. There are a number of surface stations that operate in that area, there are a number of air stations that overlap that area. And, even better, you are a full recipient of Rescue 21, which is our system that is designed to take the search out of search and rescue. It is very much an ISR-type system that actu-

ally allows us to determine where situations of distress are, pinpoint those locations, and immediately dispatch the assets. So you are in pretty good shape.

You know, you have got your district, and I have got the entire national SAR system that I have to operate. And it has gotten so much better over the years, largely because of increased knowledge and increased ability to pinpoint those boaters, instead of just having to randomly search out there. And boaters have been a part of it, too. They have got—they are more connected, and have more communication devices than they have ever had in the past. And each one of those devices that they take with them provides us with an opportunity to determine the—that they are in distress, and to determine location, and then send an asset actually out to do the business.

So, we are in good shape. There is more work that can—obviously, can be done over time. But I am really proud of what—the strides that we have made in our search-and-rescue system.

Mr. ZELDIN. Thank you, Admiral. And thank you, Chairman, for holding this hearing. Very helpful, and I—please thank all of your men and women who are serving us very honorably, especially in my home congressional district. So thank you.

Admiral MICHEL. Thank you, sir.

Mr. HUNTER. Ms. Frankel, do you have anything else you would like to ask? OK.

OK, let's go through—I want to know, too, how you prioritize the missions that you do, based on the budget that you have.

Admiral MICHEL. Well, we have gone through some of the performance measures, and, obviously, those are on my task——

Mr. HUNTER. We have a hearing, I think, next month, where the GAO looks at the way that you do your own metrics. Right? So we have a hearing on that, because you guys do—you obviously hold yourselves to high standards, but it is always hard in the box, when you are in the box, to gauge how you are doing in the box. Right? It is good to have somebody else.

But not necessarily the performance standards, but how do you—when you move stuff around, you say, "Look, we need to spend more time on this right now, we don't have enough to do this," give me an example of what you have done in the last 6 months, for example, where you have had to move stuff and reprioritize.

Admiral MICHEL. I will give you a specific example. And this goes to General Kelly's issues. So the instability down in Central America is causing all kinds of problems. Just a symptom of this was 50,000 or so unaccompanied children showing up at our border. You know, their parents thought it was better to turn their children over to coyotes for a potential life in the United States, rather than live in a country like Honduras, with a murder rate that is unbelievable.

As a matter of fact, just as it stands right now, if you are a boy born in Honduras today, you have got a 1 in 9 chance of being murdered before the age of 25. And that is, in large part, created because of the transnational criminal organizations that are creating corruption, instability, lack of rule of law in that area. And our Commandant felt it was very important, and he tasked me with moving assets into the transit zone to have a more significant pres-

ence to get at that 75 percent of the targets that the Nation may never get another whack at again. And he told me, "Work with our area commanders to figure out where we are going to take risk in other mission sets." And we came up with a plan.

We were able to—I am not going to talk specific numbers. I can talk to you afterwards about specific numbers, but I don't want the narcos to know exactly the numbers we have downrange right now. But a significant increase in the amount of surface vessels, flight deck-equipped ships sent down there, and they were taken from other mission sets. They were taken from—for example, we were going to send a ship up to Arctic Shield to work up off the north coast of Alaska to ensure that we had a national presence up there for the increased human activity that is occurring in the Arctic.

That ship is not going to go there now. We may ultimately divert, if Shell decides they want to drill, and we are going to have to take a look at that. But we took additional risks there. We took additional risk in the offshore fisheries set, and tried to replace that with some additional knowledge and monitoring capabilities, so that we could free up a ship there. Our Commandant turned down multiple requests from combatant commanders—I won't—I can tell you which ones, if you want to ask about them—multiple demand signals from combatant commanders, and our Commandant said, "No, we are going to put our emphasis here, in the Western Hemisphere transit zone."

And he tasked me with meeting those priorities, and I have got a finite basket of things, and I juggle those things, and I try to backfill to the extent possible. But those ships that are down there, protecting the Nation—not only that, but our neighbors, they came from other mission areas, and they were not sitting in port doing nothing. We took additional risk in those mission sets of fisheries enforcement, marine environmental protection, and the other things that Coast Guard cutters do.

Mr. HUNTER. So let's say that the CENTCOM combatant commander asks you for Coast Guard ships to patrol the Arabian Gulf, for instance, or to protect—do whatever, watch for small boats under the big ships. Do you take into consideration the Asia pivot? Is that what you are—or is it a drug-only kind of thing?

Admiral MICHEL. No, sir. We take into—all that into account. As a matter of fact, I was just up testifying on the cooperative strategy. Matter of fact, you heard—at the hearing that you held jointly—and part of the sort of agreement between the Navy and the Coast Guard was, as the Navy pivoted to the Pacific, and was less able to provide Navy hulls in the Western Hemisphere, the Coast Guard would try, to the extent possible, backfill for those hulls here. But we weren't going to be able to send those hulls over to the Pacific area that we had done in the past. And I will tell you that the Coast Guard has got a very relevant role out there in the Pacific. If you are taking a look at who is operating, and who is doing a lot of the stuff out there, it is the Coast Guard. Whether it is China Coast Guard, Philippine Coast Guard, Vietnam Coast Guard, et cetera. And there is a huge role.

But we don't have the ships right now to be able to send it. Same thing for the piracy mission that CENTCOM has. And there is also the Africa Partnership Station that AFRICOM wants us to do. And

there is a huge migrant problem in the Mediterranean—actually, much bigger than ours, from a maritime perspective—that UCOM would like us to assist with. But there is only so much Coast Guard to go around. There is way more demand out there for Coast Guard than there is for Coast Guard to back it up. And we have had to tell people no.

Mr. HUNTER. So let's go on that. If you guys—you are in a sea—I mean when is the last NSC going to be done, and the shipyard closed down? Eighteen? Seventeen?

Admiral MICHEL. Seventeen or eighteen when it is actually full up and ready to go. We have already contracted for it, so—but I think 17 or 18 for—number 8 is online.

Mr. HUNTER. And so—I mean you have a few years, then, to look at—if you kept the line hot, and you could punch out one more NSC, would that increase your capability?

Admiral MICHEL. Well, certainly, adding another NSC would increase our capability. We can't afford it. I mean I can just tell you flat out, we cannot afford a ninth National Security Cutter. The Offshore Patrol Cutter, which is our lower end workhorse that we need, we have got to get that one online, and we cannot afford another ninth National Security Cutter. We just don't have the money for it.

Mr. GARAMENDI. It is operation and maintenance.

Admiral MICHEL. It is everything, sir. It is the acquisition cost, it is the operation and maintenance, and it is even the facilities that would have to be constructed. I mean these are bigger ships than existed before, and they need additional pier space, power considerations, additional training dollars. I mean this is a very high-end ship. And, frankly, we don't need a ninth NSC. We need to get the OPC line underway and start replacing those really old Medium Endurance Cutters. That is our priority, sir.

Mr. HUNTER. But that could change, based on who the Commandant is. Remember Commandant Papp was talking about an extra NSC. That was 2 years ago. But it is based on whatever priorities your leadership has. Right?

And what I am saying, you only have a small window, if you choose to take advantage of it. If your minds don't change in the next 2 or 3 years, and you won't have one—but if you do, you only have a hot line, which mitigates a lot of that cost. I mean you said it is almost $100 million just to design the OPC. Right? Just to put it on paper so that they can build it you are talking about $100 million. Right? Or $70 million.

Admiral MICHEL. To do the detailed design work, yes, sir.

I talked to Admiral Zukunft. I will speak for him. He says we can't afford, don't need, don't want a ninth NSC. We need the Offshore Patrol Cutter. And I can't say that in any clearer terms, sir. And I can't speak for Admiral Papp, but I work for Admiral Zukunft right now.

Mr. HUNTER. On a second note, on—when it comes to the FRCs, the FRCs were supposed to be a clean recompete of the exact same ship that they are—that you already built. Is that correct?

Admiral MICHEL. No, sir. We allowed some variability, and the RFP reflects that. We weren't looking for a complete cookie cutter down to the bolt level. At the same time, we are not interested in—

really, in having two classes of ships. So we set some basic parameters.

So the whole form has to be the same. The main propulsion systems have to be the same. The generators have to be the same, but we allowed for some flexibility in the auxiliary systems, because we wanted—we didn't want to just give it to the shipyard, who is building them now, who is using all that exact same stuff. We wanted to provide some flexibility to allow for a decent recompetition amongst partners. So we did allow for some variability in that second class of ships. But the basic machinery systems, hull form, those type of things will have to be consistent, because we don't want to have two different classes of ships to support——

Mr. HUNTER. How about cost? What is your cost threshold, when it comes to changing the design parameters of a ship, mid-build?

Admiral MICHEL. Well, I mean, the cost is going to be whatever the proposer says, "I can build the"——

Mr. HUNTER. Well, it is not going to be less, right, than you are doing—I mean if you make changes to an existing ship that is already being built on a hot line, you don't think the cost goes down with variations, do you?

Admiral MICHEL. Well, our desire is that the cost is going to go down. I mean that is why we would recompete. Not for a more expensive ship.

Mr. HUNTER. OK. But if you are building a ship, and you make changes to that ship, and let's say that you recompete it and it goes to a different company that is not making them now, that has never made them, so they have got to start a brandnew line, you don't think that will be more expensive than what you are paying now?

Admiral MICHEL. My hope is that it isn't. I mean we purchase and plan——

Mr. HUNTER. Well, not your hope——

Admiral MICHEL [continuing]. So that we can share this parent craft with other people. And this parent craft has been built. There is a practice that this parent craft has been built. The recompete was not designed to cost the taxpayers more money, and——

Mr. HUNTER. But if you make variations, it costs more. I mean that is always—whether it is an airplane or a ship, if you make changes it costs money. That is—requirement creep is a real thing, right?

Admiral MICHEL. This is not designed—requirement creep. This is designed to recompete a class of ships for hulls number 33 to 58. Well, I don't want to say it is my hope, but I think somebody is going to come in here and want to do this work, and they are going to want to do it at a profitable, yet affordable price. And that is how we have queued the program up, sir.

Mr. HUNTER. I guess the committee, then, had a misunderstanding of what the recompete was for. We thought it was for the same ship that we agreed to fund in the first place, simply having a recompete so you can see if anybody else can come in cheaper and make it, not for a changing ship that could change on the whim of whoever is in charge of writing the requirements for it at that time. I mean that was the—the committee's understanding was it was a recompete for the same ship.

Admiral MICHEL. The basic——

Mr. HUNTER. And you are telling me that that is not the case.

Admiral MICHEL. Well, it is not going to be an identical ship. It is going to be substantially the same in the basic parameters of the ship. But there is some flexibility in some of the things like the auxiliary equipment systems. We are not looking for a photocopy of the other vessel, and the RFP is written that way.

Mr. HUNTER. OK. Let's jump over really quick to—part of your testimony—I mean, basically, what we are looking at is looking at your missions, how you perform your missions by your own standards.

In your testimony you mentioned cybersecurity at ports. There is no law that says the Coast Guard is responsible for cybersecurity at ports. You all don't have, as far as I know, any real core competency in doing cybersecurity. You might have some people—you might have a part of your organization that does it, but you are not like Cyber Command or anything. So you are going to—you are talking about taking on a whole other role as the cybersecurity port people.

Admiral MICHEL. A number of comments I could make on what you said there, sir, and I just want to make sure that we are talking from the same set of facts here. So the Coast Guard has a number of different responsibilities for cybersafety and cybersecurity. And we can talk about both aspects.

On the cybersecurity side of the house, as far as regulated port partners, the Maritime Transportation Security Act places the responsibility on the Secretary of Homeland Security to avoid transportation security incidents to the maximum extent practicable. When you read through what transportation security incidents are, that includes from whatever source they may come from. And my JAG has opined that that includes security breaches that may result in the transportation security incidents that arise from cyber. And with the maritime industry being incredibly automated today, you can think about the various ways that a transportation security incident might come along through a cyber incident.

So, the Secretary—and then delegated to the Commandant—has responsibilities in this area. And not only that, but also has authorities in this area to require vulnerability assessments and security plans for security incidents that come from cyber. So that—yes, we have not only authority, but responsibility in cybersecurity for MTSA-regulated partners.

Even beyond that, with the automation in the industry today—for example, engine control systems, industrial control systems, and things like that, are all controlled by computers, many of which are networked. And, even from a security perspective aside from a safety perspective, the Coast Guard has to be able to get at that.

So, for example, we have ships right now that are being pushed patches for their main engine. And the master of the ship may not even know that his computer software is being changed on his engine. And we have had a circumstance where an offshore drilling rig was pushed a patch by an authorized person, but the patch had a bug in it, caused the offshore drilling platform to go off-station. And the Coast Guard has got bunches of responsibilities for regu-

lating safety of machinery systems on offshore platforms, on ships, on port infrastructure, et cetera, et cetera.

All these network systems and automation that are being brought online, the Coast Guard has clear responsibility and authority in these areas, sir. And I mean I am happy to provide you background information, but I don't even think this is sort of—at least, in my world——

Mr. HUNTER. I would say——

Admiral MICHEL [continuing]. Not debatable.

Mr. HUNTER. DHS has the authority and the responsibility to take care of that.

What I am trying to get at here is, though, you keep telling us all the different things that you are going to be doing, but none of them you are able to do extremely well, except save people. I mean that is what your—that is the number-one thing that you do, and do well, and you have the assets to do it well. Everything else has kind of fallen by the wayside a little bit. I mean it is like you said, the number of ships that SOUTHCOM has, you have increased those, but those come from somewhere else.

So now, you are going to add cyber into there, where the Coast Guard is going to be responsible for making sure that the software patches that get pushed out to drilling platforms are bug-free? You guys are going to be jack of all trades, master of none, except for saving people, because I think you are doing too many things.

I mean are you going to start your own Cyber Command within the Coast Guard? And what is it going to cost? And how many people are going to be in it? And where are you going to take the people from? And where are you going to get the money from?

Admiral MICHEL. We already have a Cyber Command in the Coast Guard, actually, sir. There is an admiral who is the head of Coast Guard Cyber Command, who works directly for me. And we have—I don't want to talk specific numbers of people—we have quite a large number of people, and a large investment already in this. We already have a Coast Guard admiral who is in U.S. Cyber Command as their J7, and we have a whole staff of people who work on U.S. Cyber Command.

The Coast Guard is a very unique organization, sir. Remember, we are the only one in Government that is an armed force and has all the connections there, a member of the intelligence community, a law enforcement agency, a regulatory agency, a humanitarian agency, a transportation agency, an environmental agency, and all these other things. We operate in .mil, .gov, and .com, and there is nobody else out there that I am aware of that does this. The Coast Guard is already deeply into cyber on a whole bunch of different areas.

As far as our cyber responsibilities for the maritime——

Mr. HUNTER. Is there—let me ask you this.

Admiral MICHEL. Sir.

Mr. HUNTER. Is there crossover from Cyber Command on the military side to you guys?

Admiral MICHEL. Absolutely. Yes, sir. Yes, sir. Always has been and always will be. The Coast Guard rides on the Defense—Department of Defense information network. I mean we are .mil players. But we also have huge responsibilities in Homeland Security

in the .gov realm, and then we have a whole regulated industry. We are the only one like that, that I am aware of. And we have got responsibilities in all those areas, including cybersafety and cybersecurity.

Mr. HUNTER. And the ranking member just mentioned, too, we would like to have—if we could, we would do a classified hearing on what you guys do on Cyber Command. And I am curious, too, how you prioritize, and what percentage—what your breakdown is, when it comes to missions, where you say, "We don't have enough of this, but we have enough of something else," meaning you don't have enough boat drivers, for instance, but you are putting people in Coast Guard Cyber Command. Right?

I mean they had to come from somewhere. You are dealing with a finite pool, and I am just trying to understand where you are hurting or sacrificing to keep putting people out in these, you know, different organizations, because that is fairly new, I would guess, what, your Coast Guard Cyber Command, 5 years old, 10 years old, 2 years old?

Admiral MICHEL. It is relatively new. And, like anything in Coast Guard, kind of bits and pieces have been patched together from previous organizations, or from other parts of the Coast Guard.

The thing about our Cyber Command things, now, you may just think it is all just about defending our networks. It is not all about that. And I don't want to get too much into classified here, but we use cyberspace also to enhance our mission accomplishment. So getting at some of the target sets that we talked about before, whether a transnational criminal organizations or a search-and-rescue case, are actually aided by our understanding of what actually goes on in cyberspace.

I don't want to get into too many details. Maybe we save that for a future classified hearing. But the Coast Guard is deeply in this area, because of where we sit in Government, and where our responsibilities are.

Mr. HUNTER. The ranking member is recognized.

Mr. GARAMENDI. The cyber area is really important. I raised part of this just in ISR, which is arguably cyber. And we really should have a classified hearing on it and go into it. I know we did this about 3 years ago. I think it was in this room, around that table, and we probably ought to go back and redo that.

There are some questions that I just—I think I had better get to here. I had my notes, but I just pushed them off to one side.

I have yet to go to a hearing where we haven't talked about sequestration. And I think this is something that I am concerned about as we rewrite the Coast Guard reauthorization, which we are probably going to do, at least hopefully do this year. We would like to do this year?

Mr. HUNTER. Yes.

Mr. GARAMENDI. And I just noticed from the Committee on Transportation and Infrastructure that we are constantly decreasing the authorization to match the appropriation. We have done that almost always, it seems. And it seems to me that what we are doing is to continue to downsize critical organizations. In this case, downsizing the—we did it last time we authorized. The authorization was—I forget what the number was, but the authorization up

here, the appropriation came down here, and we brought the authorization down to match the then-appropriation.

And I am raising this issue because it is of deep concern to me that, over time, we will continually diminish the role of numerous organizations—in this case, the Coast Guard. And so I want to bring this issue up. It is, in part, driven by sequestration, which, over time, downsizes everything.

Could you comment on this, the role or the impact of authorizations, and then the appropriations? And the chairman appropriately raised a very significant question about your appropriation level in the President's budget. So how did all this play together?

Admiral MICHEL. Well, let me see if I can take a look at it.

You know, obviously, the authorizing committee set—gave the Coast Guard authorities. They also set personnel, they set authorized—and, over time, there has been a disconnect between authorizations and appropriations. Or maybe authorizations have followed appropriations.

Back—if you look kind of at the history, my understanding of the history is you used to have to have an authorization before you could have an appropriation, and then they became kind of separate things. And I guess you are saying maybe they are coming back in line, but the authorization is following the appropriation.

I guess my comment on that is that authorization matters. It matters a lot. It sends a signal. I am concerned, with you, that if we are sending a signal that less is being authorized, then that is not a good signal to send. And I take my cues from you on that, sir.

You know, the actual numbers that the administration would support in any sort of proposed authorization bill, we would have to run that through the administration process. But I think that authorizations do matter, and they definitely send signals, and they should send signals to appropriators, as well. I mean, like I said, my understanding of the history was you weren't supposed to make an appropriation without an authorization. I am not a historian, but just—I guess just your average citizen's knowledge——

Mr. GARAMENDI. I raised this issue, I think, more for us, my colleagues on this committee, in that we are being driven by the sequestration. It is downsizing most everything, and forcing the kind of decisions that the President made about how to deal with the Department of Homeland Security and who is going to get cut. And the chairman appropriately raised the very serious question that it is the Coast Guard that took the hit.

I want to be aware that last time we authorized the Coast Guard, we matched the authorization to the then-appropriation, which was driven by sequestration. We don't have to do that. We don't have to do that. And when we do that, we downsize, in a permanent—in a more permanent way. Because, when it comes back to increasing to meet the needs of the Coast Guard and this Nation's security, we then have to find the money. We have to find the offset, which is extremely difficult to do.

So, my concern here—and I guess this is as much for my colleagues—it is for my colleagues. We must be aware of what we are setting in place for the next round. And I want us to be very, very cognizant that when we bring down the authorization, and we want

to build a new offshore cutter, or we want to build a billion-dollar icebreaker, we have got to increase the authorization. And that requires an offset. Now, it is bad enough to get the money for the appropriation. And if I am wrong about this, then I would love to have a debate. But I think I am right. And I am troubled by it.

There is a whole series of questions. I do want to go in—I do want to have that cybersecurity issue, because it covers a lot of things, some of which I am interested in, which is the navigational issues, and we can talk about those later. We did talk about the issue of resources on many of your work, particularly patrolling off the California coast—or, excuse me, the west coast—on the marine environment, which I suspect you are shifting resources. I heard you shifted resources out of that to deal with other areas.

Of particular interest to me is the integration of the military assets to assist the Coast Guard. We had a discussion a moment ago with the chairman about the Coast Guard assisting the military. They ought to go the other way, also. Military has a lot of assets that are used off the coast. Could those assets assist the Coast Guard in the ISR? They are obviously not going to go out and make arrests for fishing fleets that are doing the wrong thing, but they might be able to identify where the fishing fleets are.

So, if we can have a discussion about that, I don't think this is going to work right now, because I think we are about to shut down. But I want to have that discussion about how we integrate the military assets to assist the Coast Guard in its role. So if you can think that through, and maybe the next time we get together we can pick that up.

And if there is something that is pending, the chairman and I are going to write, together with our 52 other colleagues, a National Defense Authorization Act. And we could tell them to help you. OK? So let us know.

I am finished. Thank you, Mr. Chairman.

Mr. HUNTER. Thank the ranking member.

Hey, let's end it this way, Admiral, on a story. Could you tell us about the first drug bust you had after you left here and went out and captained a ship?

Admiral MICHEL. I will tell you this is maybe not the first, but the first really memorable one. So in the—this was—I was first assigned to Coast Guard Cutter *Decisive* in 1985 and I came from the Coast Guard Academy. And we were scheduled to be on patrol during the whole month of December, and I had never missed Christmas with my parents ever before, and they lived in Tampa, Florida—ever before.

And so, we were patrolling the days before Christmas, and we got an intelligence report about a mother ship that was off the west coast of Florida, and it was running small boats in, and things like that. And I was the boarding officer, went on board that ship. And at that time they just had the bales out on deck, they didn't even bother hiding it in hidden compartments, or anything like that. So we arrested all these dopers, and things like that. We brought that boat in on Christmas Eve, got specific permission to bring it in to Tampa on Christmas Eve, and I stepped off that cutter and was able to spend Christmas with my parents.

And I would also like to say that was the best and my only gift that I ever got from a narco trafficker, was Christmas at home with my parents, Christmas 1985, sir.

Mr. HUNTER. Good. Well, with that, the hearing is adjourned. Thank you.

[Whereupon, at 3:19 p.m., the subcommittee was adjourned.]

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TESTIMONY OF
VICE ADMIRAL CHARLES D. MICHEL
DEPUTY COMMANDANT FOR OPERATIONS

ON
"COAST GUARD MISSIONS"

BEFORE THE
HOUSE COAST GUARD AND MARITIME TRANSPORTATION SUBCOMMITTEE

APRIL 15, 2015

Introduction

Good afternoon Mr. Chairman and distinguished Members of the Subcommittee. It is a pleasure to be here today to discuss Coast Guard Missions.

The primary mission of the United States Coast Guard is to ensure the safety, security, and stewardship of the Nation's waters. The Coast Guard protects those on the sea, protects the Nation from threats delivered by the sea, and protects the sea itself. The Coast Guard is a global maritime service, and it is recognized for its agility in performing a broad and complementary set of maritime missions across vast geographic areas. The Coast Guard is present on all seven continents and safeguards over 3.4 million square nautical miles of ocean; 95,000 miles of coastline; 12,000 miles of navigable waterways; 1,500 miles of international maritime border with Canada; and 361 ports that make up our Western Hemisphere area of operations.

The Coast Guard performs its diverse set of maritime missions by leveraging a broad array of authorities, capabilities, competencies, and partnerships. At all times an armed service, a federal law enforcement agency, a regulatory agency, a humanitarian service, and a member of the U.S. Intelligence Community, the Coast Guard is uniquely positioned to confront the complex and evolving maritime risks of the 21st Century. As such, the Coast Guard remains an indispensible instrument of national security.

The Coast Guard safeguards the Nation's maritime interests through the performance of all its missions. This past year, the Coast Guard responded to more than 17,500 search-and-rescue cases, saving more than 3,400 lives; seized over 91 metric tons of cocaine and 49 metric tons of marijuana destined for the United States, worth an estimated $3 billion (wholesale); detained over 340 suspected drug smugglers; interdicted more than 3,500 undocumented maritime migrants; conducted more than 4,000 risk-based vessel escorts to ensure the security of high capacity passenger ferries, cruise ships, vessels carrying dangerous cargoes, as well as United States Navy combatants; conducted more than

25,000 container inspections; completed more than 9,600 Safety of Life at Sea (SOLAS) safety exams on foreign vessels; completed over 12,500 U.S. flagged vessel inspections; issued 82,294 merchant mariner credentials and 128,663 merchant mariner medical certificates; and responded to approximately 8,000 reports of pollution.

Modern Risks Transcend Any One Mission

All Coast Guard missions are impacted as we confront modern challenges. Increasing risks are rapidly changing the maritime domain, creating new efficiencies in some areas and additional mission demands in others. Transnational Organized Crime (TOC) networks, technological advancements in maritime industries, increasing maritime activity and reliance on the Maritime Transportation System (MTS), rapidly changing energy markets, cyber risks, diminishing ice coverage in the Arctic, shifting human migration patterns, and limited foreign government capacity all pose significant challenges in the Coast Guard's operating environment. These challenges coincide with austere fiscal realities that demand optimal effectiveness and efficiency in the performance of all Coast Guard missions, at a time when the Coast Guard must recapitalize critical operational assets in our aging fleet.

The prosperity and security of the Nation depend upon a safe, secure, and responsibly managed maritime domain, which in turn relies on the optimal performance of all Coast Guard missions and effective relationships with our maritime partners. The interrelated nature of the Coast Guard's 11 missions[1], coupled with the Coast Guard's broad array of authorities and culture of adaptability, provide the Service with the ability to rapidly shift from one mission to another as national priorities demand. The true value of the Coast Guard to the Nation is not in its ability to perform any single mission, but in its highly adaptive, multi-mission character, which can be applied across broad national maritime interests.

Globally, the Coast Guard is fully engaged with the Department of Defense (DOD) at the strategic, operational, and tactical levels as part of our Defense Operations mission. At the tactical level, our cutters and deployed forces include six cutters as part of Coast Guard Patrol Forces Southwest Asia in the Persian Gulf, a port security unit guarding the harbor in Guantanamo Bay, and training teams working with DOD around the world. At the operational level, the Coast Guard provides liaison officers at all the Combatant Commands, and fills important senior leadership positions in Northern Command and Southern Command. At the Strategic level, the Coast Guard has personnel assigned to the Office of the Secretary of Defense, the Navy Staff, and the Joint Staff at the Pentagon. As a service chief, the Commandant of the Coast Guard is invited and participates in all meetings of the Joint Chiefs of Staff, and the Coast Guard cooperates on numerous initiatives including a Navy-Coast Guard National Fleet Policy.

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[1] The Coast Guard's eleven statutory missions are: (1) Ports, waterways, and coastal security; (2) Drug interdiction; (3) Aids to Navigation; (4) Search and rescue (5) Living marine resources; (6) Marine safety; (7) Defense readiness; (8) Migrant interdiction (9) Marine environmental protection; (10) Ice operations; (11) Other law enforcement. Homeland Security Act (HSA) of 2002, (Pub.L. 107–296, 116 Stat. 2135, enacted November 25, 2002).

The Coast Guard is also party to the Cooperative Maritime Strategy with the Navy and the Marine Corps, a strategy that has just been revised to reflect emerging opportunities and challenges.

Emerging Frontiers: Energy, Cyber, and the Arctic

In America in 2013, each and every day a new tank barge entered the stream of commerce, moving product on our maritime highways to fuel the United States economy. There has been a significant increase in barge transits carrying oil and natural gas on the Mississippi River in the last five years. The Coast Guard plays an important role in ensuring the safe and secure movement of commerce on the Nation's waterways. To keep pace with the maritime industry we regulate, the Coast Guard will continue ongoing initiatives to improve our marine safety workforce, and support innovative technologies to improve waterways management and the aids to navigation system.

As a regulatory agency for the maritime industry, the Coast Guard is responsible for: (1) setting standards for commercial vessels, facilities, and mariners; (2) ensuring compliance with those standards; and (3) conducting investigations of violations and incidents involving safety, security, and environmental stewardship standards. In these three roles, the Coast Guard distinguishes itself as the only agency in the world responsible for all three aspects of these regulatory efforts. Additionally, the Coast Guard operationally responds to incidents that occur when vessels and facilities do not follow regulations.

Changes in U.S. energy production have increased the traffic levels at some of our ports. Larger tanker vessels, greater complexity of port operations, and expanded movement of energy and hazardous materials increase the overall risk of an incident that could have severe environmental consequences.

Cyber technologies will help the Coast Guard realize new efficiencies in a variety of missions, but will continue to pose significant demands in others. E-Navigation technologies are transforming the way users transit the MTS, but a growing array of cyber threats to maritime critical infrastructure will require significant planning with our port partners to ensure the Nation's MTS remains safe and efficient. As the Sector Specific Agency (SSA) for the maritime mode of the transportation systems sector, the Coast Guard plays a critical role in helping maritime infrastructure stakeholders secure their cyberspace, as outlined in the National Infrastructure Protection Plan. We will remain in lockstep with other components of DHS and Department of Defense (DOD) efforts to enhance cyber security to defend our own network and work with port partners to protect maritime critical infrastructure and operators.

Diminishing ice coverage is leading to increased maritime activity in the Arctic. Ice Operations and several other Coast Guard missions, including Marine Environmental Protection, Search and Rescue, Marine Safety, Living Marine Resources, Aids-to-Navigation, Defense Readiness, and other Law Enforcement, will need to evolve as the changes occur. Tourism activity may increase demands for Coast Guard response resources.

The Arctic is also extremely rich in natural resources, which adds to its geostrategic significance. Faced with limited infrastructure, extreme weather, and science gaps, emergency response to incidents like oil spills are even more challenging in the Arctic.

The challenges posed by Polar environments demand specialized capabilities and personnel who are trained and equipped to operate in the most unforgiving places on Earth. With reactivation of POLAR STAR, the Coast Guard has returned to breaking out a channel, and escorting petroleum and break bulk carriers, to resupply the United States base of operations in McMurdo Sound. POLAR STAR is the only ice breaker in the United States fleet capable of conducting this mission and providing assured access.

Emerging Threats: Transnational Organized Crime, Violence, and Instability

As part of the President's strategy to enhance stability, prosperity, and governance in Central America, the Coast Guard is repositioning legacy forces and investing in the people and platforms necessary to carry out an offensive strategy that targets Transnational Organized Crime networks, which operate with impunity throughout the Central American region, and disrupt their operations where they are most vulnerable, at sea.

Combating Networks

The increase in illicit trafficking of humans, drugs, and weapons into our transit zones and southern approaches is the direct result of Transnational Organized Crime networks operating with impunity throughout the Central American region. These organizations are vying for power through drug-fueled violence, the effects of which are destabilizing governments, undermining the rule of law, terrorizing citizens, and driving illegal migration from Central America to the United States, including the inhumane and perilous migration of unaccompanied children.

The Coast Guard is a well-positioned resource in the coordinated fight against TOC networks in the Western Hemisphere, as a result of its capabilities and legal authorities to perform a variety of interdiction missions. The Coast Guard disrupts those smuggling operations that support TOC networks in the transit zone where they are largely unchallenged by regional partners, and where they are most vulnerable to disruption of their illicit activities. Over the last five years, Coast Guard cutters and aircraft have removed over 450 metric tons of pure uncut cocaine, with a wholesale value of nearly $15 billion.

The Coast Guard is a major asset provider to Joint Interagency Task Force South (JIATF-S) and deploys a variety of offshore assets to combat drug traffickers in the Western Hemisphere Transit Zone. Assets include flight deck-equipped major cutters, long and medium range fixed-wing aircraft, Airborne Use of Force (AUF) capable helicopters, and Coast Guard Law Enforcement Detachments embarked on U.S. Navy ships and Allied Nation vessels. Major cutters and surface combatants, combined with AUF capable aircraft and supported by long-range search aircraft have continuously proven to be an extremely effective interdiction system, especially for cocaine trafficking.

Maritime interdictions capture over three times the total amount of cocaine seized at our borders and domestically. Additionally, these interdiction operations significantly reduce the flow of illicit narcotics across the U.S. southern border and their destabilizing influence within the Central American countries. Network-targeted interdiction operations support the goal of dismantling TOC networks; 23 of 31 (74 percent) of Colombian Consolidated Priority Organizational Targets (CPOTs) extradited to the United States from 2002 to 2011 were linked to Coast Guard interdictions.

Securing Borders

U.S. maritime interests encompass the expanse of the Nation's territorial sea, the contiguous zone, and the exclusive economic zone (EEZ). Effective maritime border security relies on adaptable and coordinated approaches which utilize capable sensors and assets that can project well beyond the homeland to identify and interdict threats as far from the Nation's shores as possible. In its work to provide maritime security, the Coast Guard executes a strategic approach based upon maritime domain awareness, prioritizing threats, and an adaptable, defense-in-depth posture. The Coast Guard leverages partnerships with federal, state, local, and tribal stakeholders, as well as our international partners.

In addition to the interdiction operations detailed above, Coast Guard resources protect our national fisheries and fish stocks, particularly in the expansive areas of the EEZ off of Alaska and New England. Beyond the limits of our EEZ, the Coast Guard must also enforce the High Seas Drift Net Act across the vast distances in the North Pacific, which protects migratory fish stocks of significant economic interest to the U.S. commercial fishing industry.

The Coast Guard's Ports, Waterways, and Coastal Security mission is another important tool in securing our maritime interests. The Maritime Security Response Team, based in Chesapeake, Virginia, gives the U.S. additional capability to counter terrorist threats in the maritime environment. Maritime Security and Safety Teams give the Coast Guard the capability to surge antiterrorism and force protection to ports around the country. Two Coast Guard Maritime Force Protection Units provide dedicated and robust surface protection for U.S. Navy ballistic missile submarines transiting in and out of port in Kings Bay, Georgia and Bangor, Washington. Port Security Units represent the Coast Guard's expeditionary port security capability, able to deploy as part of a Joint Force in an opposed combat environment.

In January, Secretary Jeh Johnson issued the Department's Campaign Plan for the U.S. Southern Border and Approaches, formalizing this unified department-wide approach to protecting the homeland. This Campaign Plan addresses threat vectors not only at the border, but also extending out through the maritime region to Central and South America where these threats originate. The overarching goals of this campaign are to enforce our immigration laws and interdict threats to our land, maritime areas, and airspace; degrade transnational criminal organizations involved in the illicit market-driven flows of illegal drugs, migrant smuggling, human trafficking, and black-market export of arms and bulk cash; and decrease the terrorism threat to the Nation, all while facilitating the flow of lawful commerce and travel.

Safeguarding Commerce

U.S. trade relationships with Western Hemisphere nations has increased. Of the 20 nations with which the U.S. has established free trade agreements (FTAs), more than half are in the Western Hemisphere.[2] Direct U.S. investment within the hemisphere exceeds U.S. investment in Asia and is second only to Europe.[3] As trade relationships continue to link our economies, these trends, as well as potential threats, will likely have a much greater impact on our future security and prosperity. The Coast Guard strives to assure the safe flow of commerce through security activities in foreign ports. The Coast Guard's International Port Security (IPS) Program was established in 2003 to reinforce implementation of the International Ship and Port Facility Security (ISPS) Code. Partnering with 154 nations, including all but two nations in the Western Hemisphere, the program seeks to standardize maritime security practices globally. Through the assessment of ISPS Code implementation and other anti-terrorism security measures in foreign ports, the Coast Guard IPS Program seeks to reduce risks to U.S. ports and ships, and to the entire MTS.

Conclusion

The Coast Guard's primary mission is to ensure the safety, security, and stewardship of the Nation's waters. The Coast Guard accomplishes this goal through the balanced performance of 11 statutory missions, which support several vital national interests. These extremely diverse missions require the Coast Guard to manage risks as they evolve, and strategically position the Coast Guard to maintain the capability and capacity to prevent and respond to the continually emerging maritime threats and challenges facing the Nation.

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[2] http://export.gov/fta/

[3] http://www.fas.org/sgp/crs/misc/RS21118.pdf.

Question#:	1
Topic:	Coast Guard Operations/Mission Execution in Alaska
Hearing:	Coast Guard Missions
Primary:	The Honorable Don Young
Committee:	TRANSPORTATION (HOUSE)

Question: On March 11th of this year, the National Journal featured an article entitled "The U.S. Is Not Ready for a Melting Arctic" and went on to note that emergency response, navigation, and charting has not kept pace with the rapidly changing polar region. The article continued saying that: "Vast stretches of polar waters have not been charted or mapped to modern-day standards, and the Coast Guard has been forced to make do with a shrinking fleet of icebreakers, powerful ships that play a key role in search and rescue operations as well as Arctic exploration." Needless to say I have a concern about whether the Coast Guard will be able to carry out all of its missions in the region of my State of Alaska and competently and cost effectively monitor such activities as illegal fishing, Great Circle Route and Bering Straits traffic, oil exploration, polar ice flow movements, etc.

Please comment on the Coast Guard's capability to carry out its missions in this northern region. Specifically, what steps has the Coast Guard taken to use modern technologies, such as satellite surveillance and monitoring, to make up for any shortfalls in funding and capability?

Response: The Coast Guard maintains a 'mobile and seasonal' approach to operations in the Arctic through the annual execution of Operation Arctic Shield. The Coast Guard performs select missions and operations scaled to respond to activity levels in the Arctic. These operations advance Arctic maritime domain awareness, improve preparedness and response capabilities, test capabilities, and refine Arctic resource requirements.

While infrastructure and capabilities are limited in the Arctic region, the Coast Guard leverages a multitude of available sources and technologies to increase awareness. One example is the Cooperative Research and Development Agreement (CRADA) that the Coast Guard has with the Marine Exchange of Alaska (MEX) (http://www.mxak.org/index.html). Through the CRADA, Coast Guard has real time access to the Vessel Tracking system run by the MEX, which includes Automatic Identification System (AIS) track line data. Through partnerships with state, local, and Tribal government partners and industry stakeholders, the Coast Guard also gains knowledge of potential future activities in the Arctic.

The Coast Guard in collaboration with DHS S&T is currently investigating use of satellite technology to enhance Coast Guard mission performance. The Coast Guard is seeking reliable, cost effective technology solutions to enhance domain awareness in the Arctic through partnerships with the Department of Defense and Canada.

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In addition, the Coast Guard conducts research to enhance our operations. This includes addressing Oil Spill Technologies for detecting and mapping oil under ice, use of skimmers designed for recovering oil from ice-laden waters, use of unmanned vehicles, and testing of a suite of communications equipment.

Finally, DHS S&T has recently established an Arctic Domain Awareness Center of Excellence, led by the University of Alaska, Anchorage. This new Center will focus its activities on developing and transitioning technology solutions, innovative products and educational programs to improve situational awareness and crisis response capabilities posed by the dynamic Arctic environment. The Center is currently partnered with the University of Alaska, Fairbanks, Maine Maritime Academy, University of Washington, Woods Hole Oceanographic Institution, University of Idaho, as well as industry.

Leveraging partnerships and modern technology enables the Coast Guard to achieve its strategic vision to ensure safe, secure and environmentally responsible maritime activity in the Arctic.

Question#:	2
Topic:	Coast Guard Alaska-based 110' WPB "Island-Class-Patrol-Boats"
Hearing:	Coast Guard Missions
Primary:	The Honorable Don Young
Committee:	TRANSPORTATION (HOUSE)

Question: It is my understanding that there are seven Island Class cutters based in the Gulf of Alaska: Ketchikan (2); Seward; Auke Bay; Valdez; Petersburg; Homer. It is also my understanding that the Coast Guard is assigning two Fast Response Cutters to Alaska, and these will be assigned to Ketchikan. It is reported that the USCG may sell two Island Class cutters--Roanoke Island (Homer); Long Island (Valdez).

Are each of the existing seven Island Class Cutters deployed in the Gulf of Alaska going to be replaced with Fast Response Cutters on a one-for-one basis?

Response: The Coast Guard plans to replace the seven Island Class cutters currently based in Alaska with six larger, more capable FRCs.

Question: If so, are there any plans to change the home ports? If not, which Alaska ports/communities will lose the Island Class cutters?

Response: Two FRCs will arrive in Ketchikan in March and May of 2017 (based on current production rates). The Coast Guard has begun to evaluate additional Alaska locations for the remaining FRCs. The Coast Guard will evaluate viable locations based on mission needs, distance to primary operating area, work-life, logistics support, current and future infrastructure costs, and environmental impacts before making a final home-porting decision.

Question: When will final homeport decisions be made?

Response: The total cutter homeport decision process may take up to four years to complete.

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