



# UNITED STATES COAST GUARD

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POSTURE  
STATEMENT

2017  
BUDGET  
IN BRIEF

2015  
PERFORMANCE  
HIGHLIGHTS



The Coast Guard Cutter ALERT, a 47-year-old medium endurance cutter, belongs to the Reliance-class of ships that entered service between 1964 and 1969. The FY 2017 Budget provides funding for long lead time materials required to begin building the next generation of medium endurance cutters, the Offshore Patrol Cutter (OPC).





## THE COMMANDANT OF THE UNITED STATES COAST GUARD

WASHINGTON, D.C.

Today's 21st Century Coast Guard operates in a complex and ever changing environment. Increasing demands across the maritime domain require near-term agility while strategically investing finite resources for tomorrow. Aligned with Department of Homeland Security and National strategies, Coast Guard strategies inform the 2017 budget request, ensuring continued Service to the Nation through fiscal stewardship and value to the American public. The Posture Statement provides the strategic context for our external environment and highlights my focus for Fiscal Year 2017.



The Fiscal Year 2017 Budget illustrates the Coast Guard's dedication to strategically investing for the future while sustaining mission excellence. I am exceptionally pleased this budget includes a major investment to accelerate acquisition of an additional heavy icebreaker to meet future challenges in the Polar Regions. It also provides funding to procure long lead time materials for the first Offshore Patrol Cutter, a major milestone toward replacement of our aging medium endurance cutters. Investing in the 21st Century Coast Guard also means an unwavering commitment to our people, ensuring every member has the resources required to conduct today's challenging missions while providing a safe and professional workplace environment. We will continue to meet our missions by attracting, developing and retaining the most talented maritime professionals.

As a unique force with both military and civil authorities, the Coast Guard and its missions touch nearly every facet of the Nation's expansive maritime domain. Coast Guard authorities, people and assets are essential to national security and economic prosperity. I am extremely proud of the results our active duty, civilian, reservists and auxiliary personnel accomplish daily in support of national priorities. The 2015 Performance Highlights demonstrate the enduring, multi-mission character of the Coast Guard and our intrinsic value to the United States.

A fully equipped, flexible and forward looking Coast Guard can meet any operational demand. Today and into the future we will keep the Nation's waterways secure and its maritime gateways connected to the world. We will remain *Semper Paratus* – Always Ready.

A handwritten signature in blue ink that reads "Paul F. Zukunft".

PAUL F. ZUKUNFT  
Admiral, U.S. Coast Guard



# POSTURE STATEMENT

## America's Coast Guard

As the world's premier, multi-mission, maritime service responsible for the safety, security and stewardship of the Nation's waters, the United States Coast Guard offers a unique and enduring value proposition to the Department of Homeland Security and the American public.

At all times a military service and branch of the U.S. Armed Forces, a federal law enforcement agency, a regulatory body, a first responder, and a member of the U.S. Intelligence Community, the Coast Guard serves on the front line for a Nation whose economic prosperity and national security are inextricably linked to vast maritime interests.

To preserve these interests at home and abroad, the Coast Guard employs its broad authorities; expansive network of interagency, military, and industry relationships; unique operational capabilities and international partnerships to maximum strategic effect.

## Strategic Landscape

Global trends and geostrategic threats continue to rapidly change our world, and the increasingly complex maritime domain has introduced new challenges and opportunities to our operating environment. While technological advancements in maritime shipping and industries have improved safety, vulnerabilities in the cyber domain are creating new risks. Transnational Organized Crime (TOC) networks, shifting human migration patterns away from poverty and violence and weakening sovereign nation states demand well-reasoned approaches to sustaining maritime security. Finally, energy trends and climate change represent emerging factors in our strategic planning.

Amidst these changes, the Coast Guard remains an indispensable instrument of national security and prosperity. Our capabilities, capacities, partnerships and authorities, together with our record of building unity of effort and interagency collaboration, uniquely position our Service to meet the rapidly evolving and complex opportunities and threats facing our Nation.

The evolving fiscal environment requires a risk-based approach to our operations and support initiatives as we position our Service to meet the evolving demands of the 21st century. Enduring success requires a continuing commitment to meet rapidly changing conditions that will have the greatest impacts on our Nation's security and prosperity. Most importantly, we must sustain our unwavering commitment to our workforce. Consistent with our 225-year history, success hinges upon attracting, developing, and retaining a proficient, diverse and adaptable workforce.

## Strategic Focus

While many factors shape U.S. maritime interests, five areas of strategic focus continue to drive Coast Guard operations and capital investments. Because the Coast Guard must stay ready for daily operations and a vast array of incidents that come with increasingly uncertain times, these five focus areas represent a unifying strategic agenda for our Service. Aligned with

national and departmental level strategies and coordinated with Department of Defense priorities, the following focus areas reflect a risk-informed approach to our strategic landscape:

**I. The Rise and Convergence of Transnational Organized Crime (TOC) Networks** – TOC networks are fueled by immense profits from drug and human trafficking. Their indiscriminate use of violence weakens regional governments, stymies legitimate economic activity and development, terrorizes peaceful citizens and constitutes a threat to regional stability and security. In Fiscal Year 2015, coverage by Coast Guard assets in the maritime approaches yielded interdiction of an impressive 179 metric tons of illegal narcotics and 500 suspected drug smugglers detained for prosecution. However, long-term success demands a government-wide effort to sever financial supply lines and TOC networks at the source.

To help combat TOC networks, the Coast Guard will:

- Build upon the strong base of over 40 international counter-drug bilateral agreements to advance regional and international partnerships and grow partner nation capacity.
- Promote unity of effort at home and abroad.
- Maximize intelligence-driven and counter network operations.
- Use interdictions, and intelligence gathered from these interdictions, to inform and reinforce TOC disruption.
- Continue recapitalization of the major cutters and aircraft that conduct interdictions.

**II. Imperative for Southern Maritime Border Security** – The southern maritime border consists of economically-vital maritime ports of entry and the vast distances between them; including the waters of southern California, the Gulf of Mexico, and the Caribbean extending to Central America and the northern waters of South America. Persistent threats to our southern maritime border include illicit flows of people and goods such as drug and human trafficking and illegal migration. Securing our southern border and approaches is a top priority for the Department of Homeland Security (DHS). As the lead federal agency for maritime law enforcement, the Coast Guard plays an important role in this effort.

To enhance southern maritime border security, the Coast Guard will:

- Continue to promote information sharing and building unity of effort in the maritime domain in support of the Department of Homeland Security Southern Border and Approaches Campaign Plan.
- Continue to deter illegal migration activity via maritime means and provide necessary situational awareness and warnings for the U.S. concerning maritime mass migration.

**III. Increasing Maritime Commerce** – The prosperity of our Nation is inextricably linked to a safe and efficient Maritime Transportation System (MTS). Increased domestic energy extraction and transport, deeper U.S. ports and the expansion of the Panama and Suez Canals create MTS congestion and demand robust safety and security regimes.

To address increasing maritime commerce, the Coast Guard will:

- Continue to enforce compliance with the laws and regulations that promote a safe, efficient and resilient MTS.
- Continue prevention and response initiatives that enhance marine safety competency, keep pace with industry changes and minimize the adverse effects of maritime incidents.
- Improve regulatory frameworks to keep pace or stay ahead of industrial advancements.

**IV. Emerging Cyber Risks** – Cyber technology has fueled unprecedented growth and efficiency in our increasingly globalized economy, but it has also spawned increasing challenges and risks to both public and private sector cyber networks. Coast Guard's strategic focus is on efforts to strengthen internal Coast Guard networks and promote strong cyber security practices for critical systems that operate in our Nation's ports and on our waterways.

To address emerging cyber risks, the Coast Guard will:

- Implement our recently promulgated Cyber Strategy.
- Coordinate cyber regulatory and technical assistance activities across Federal, state and local maritime industry stakeholders.

**V. Meeting Future Challenges in the Polar Regions** – Climate change introduces risks and opportunities, particularly in the Arctic maritime environment. As ice melts, sea lanes and access to precious natural resources will expand, increasing the cause for safe and responsible use of this vital region. Projected increases in Arctic activity forecast increasing demand across several Coast Guard missions. In particular, the President’s recent call to develop and maintain capacity for year-round access to greater expanses within the Polar Regions will require renewed heavy icebreaking capability.

To support national objectives in the Polar Regions, the Coast Guard will:

- Accelerate the current acquisition of a heavy icebreaker and plan for additional icebreakers.
- Continue to build unity of effort with the Department of State and other Federal and international partners in support of the U.S. Chairmanship of the Arctic Council.
- Advance the Arctic Coast Guard Forum.
- Support the United Nations Convention on the Law of the Sea (UNCLOS) ratification.

## Building the 21st Century Coast Guard

The Fiscal Year 2017 Budget priorities lay the foundation for the Service to address today’s challenges and key focus areas over the next five years. We will invest in the 21st century Coast Guard by building the necessary platforms to meet missions, sustain mission excellence to meet current demands and maximize value to the Nation by driving efficiency and effectiveness throughout all activities.

Furthermore, our excellence in mission execution relies on the Service’s greatest strength – our people. Coast Guard operations require a resilient, capable workforce that draws upon the broad range of skills, talents, and experiences found in the American population. The 21st century Coast Guard will maintain a proficient, diverse and adaptable workforce that responds effectively to changing technology, an increasingly complex operating environment and dynamic partnerships. Together, modern platforms and a strong, resilient workforce will maximize the Coast Guard’s capacity to meet future challenges.





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# FY 2017 BUDGET PRIORITIES

The Coast Guard's FY 2017 Budget preserves Coast Guard operations and continues recapitalization efforts for cutters, boats, aircraft, systems and infrastructure. The Budget also efficiently allocates resources to optimize Coast Guard mission performance. The Coast Guard must continue meeting today's operational requirements while investing in future capability to best serve the Nation.

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The Coast Guard's FY 2017 Budget priorities are:

**Invest  
in the 21st Century  
Coast Guard**

**Sustain  
Mission  
Excellence**

**Maximize  
Value to  
Nation**

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# THE FY17 BUDGET IN BRIEF

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## Invest in the 21st Century Coast Guard

Coast Guard mission demands continue to grow and evolve. The complexities and challenges facing the Nation require well-trained Coast Guard men and women with capable platforms providing the persistent presence necessary to conduct operations. Given the age and condition of the Coast Guard's legacy assets, future mission success relies on continued recapitalization of Coast Guard boats, cutters, aircraft, systems and infrastructure.

The FY 2017 Budget accelerates acquisition of a new polar icebreaker to meet growing demands in the Polar Regions. It provides funds for the acquisition of four Fast Response Cutters, continues to invest in an affordable Offshore Patrol Cutter and funds vessel sustainment projects for two 140' WTGB Icebreaking Tugs and a 225' Seagoing Buoy Tender. The budget also continues sustainment and conversion work on in-service fixed and rotary wing aircraft, missionization of the C-27J aircraft received from the Air Force, and investment in Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems.

## Sustain Mission Excellence

The FY 2017 budget ensures the Coast Guard can conduct today's highest priority operations in support of national objectives. Most importantly, it sustains the Coast Guard's workforce and supports proficiency, maximizing operational safety and effectiveness. In 2017, the Coast Guard will decommission four Coastal Patrol Boats (WPBs) that are being replaced by more capable Fast Response Cutters. The Coast Guard will also decommission one High-Endurance Cutter (WHEC) while accepting the delivery of a new National Security Cutter. In all, the FY 2017 budget increases the workforce by 328 FTE to support the Coast Guard's eleven missions.

## Maximize Value to Nation

In best serving the Nation, the Coast Guard must continue to meet evolving mission requirements stemming from national priorities and remain a trusted steward of public resources. The 2017 Budget sustains frontline operations by efficiently allocating resources across all mission programs. Coast Guard Operational Commanders will maintain search and rescue coverage, protect critical infrastructure, counter illicit threats from entering the United States, facilitate safe navigation within the vital Maritime Transportation System (MTS), safeguard the maritime environment and support foreign policy objectives and defense operations.





## Acquisition, Construction, and Improvements (AC&I)

### Surface Assets \$704,100 (0 FTE)

The budget provides \$704.1 million for the following surface asset recapitalization and sustainment initiatives:

- ▶ **National Security Cutter (NSC)** – Provides funding for Post Delivery Activities for the fourth through eighth NSCs, test and evaluation activities, and unmanned systems. The acquisition of the NSC is vital to performing DHS missions in the far off-shore regions, including the harsh operating environment of the Pacific Ocean, Bering Sea, and Arctic. The NSC also provides a robust command and control platform for homeland security contingency operations;
- ▶ **Fast Response Cutter (FRC)** – Funds procurement of four FRCs. These assets replace the less capable 110-foot patrol boats, enhancing the Coast Guard's coastal capability to conduct Search and Rescue operations, enforce border security, interdict drugs, uphold immigration laws, prevent terrorism, and enhance resiliency to disasters;
- ▶ **Offshore Patrol Cutter (OPC)** – Supports technical review and analysis of preliminary and contract design phase deliverables for the OPC project. Funding also provides for procurement of Long Lead Time Materials for the lead ship. The OPC will replace the Medium Endurance Cutter classes that conduct missions on the high seas and coastal approaches;
- ▶ **Polar Icebreaker** – Accelerates the acquisition of a new polar icebreaker to begin production activities in 2020. The new icebreaker will provide continued U.S. Polar icebreaking capability for years to come;
- ▶ **Cutter Boats** – Continues funding for production of multi-mission cutter small boats that will be fielded on the Coast Guard's major cutter fleet beginning with the NSC;
- ▶ **In-Service Vessel Sustainment** – Continues funding for sustainment projects on 140-foot ice breaking tugs, 225-foot seagoing buoy tenders, the training Barque EAGLE, and 47-foot motor lifeboats;
- ▶ **Survey and Design** – Continues funding for multi-year engineering and design work for multiple cutter classes in support of future sustainment and acquisition projects. Funds are included to conduct engineering survey and design work to either reactivate or extend the life of an existing heavy polar-class icebreaker.

## Air Assets \$201,300 (0 FTE)

The budget provides \$201.3 million for the following air asset recapitalization and enhancement initiatives:

- **HC-144A** – Funds mission system processor upgrade on the HC-144A Ocean Sentry aircraft;
- **HC-27J** – Funds continued activities of the C-27J Asset Project Office (APO). The APO organizes logistics, training, maintenance support, and ensures these newly acquired aircraft are ready for induction into the operational fleet. Funds aircraft regeneration, spares, initial training, mission system development, ground support equipment; also begins missionization of aircraft;
- **HH-65** – Continues modernization and sustainment of the Coast Guard's fleet of HH-65 helicopters, converting them to MH-65 Short Range Recovery (SRR) helicopters. The modernization effort includes reliability and sustainability improvements, where obsolete components are replaced with modernized sub-systems, including an integrated cockpit and sensor suite;
- **HC-130J** – Funds upgrade of the mission system processor and initial spare parts and equipment required to maintain the operational availability of the HC-130J Long Range Surveillance aircraft.

## Other (Asset Recapitalization) \$59,355 (0 FTE)

The budget provides \$59.355 million for other initiatives funded under the Acquisition, Construction and Improvements account, including the following equipment and services:

- **Program Oversight and Management** – Funds activities associated with the transition of the Coast Guard's assets from acquisition to operations, including delivery, provision of logistics, training and other services necessary to ensure seamless integration into the operational fleet;
- **CG-Logistics Information Management System** – Continues development and deployment of this system to Coast Guard operational assets.
- **Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR)** – Provides design, development, upgrades and assistance on C4ISR hardware and software of new and in-service assets;

## Shore Units & Aids to Navigation (ATON) \$51,100 (0 FTE)

The budget provides \$51.100 million to recapitalize shore infrastructure that supports Coast Guard assets and personnel, as well as construction and improvements to ensure public safety on waterways:

- **Specific Projects** – Funds a service life extension of Air Station Elizabeth City airfield apron and taxiways and minor shore infrastructure projects;
- **ATON Infrastructure** – Maintains transportation safety on Federal waterways through construction and improvements to short-range aids and infrastructure. Funds initial phase of an aid to navigation relocation in the Delaware River;
- **Major Acquisition System Infrastructure** – Funds modification and construction of facilities to support newly delivered assets. Includes upgrades and construction for a Fast Response Cutter homeport and upgrades to existing aviation facilities.

## Acquisition Personnel & Management \$120,933 (897 FTE)

The budget provides \$120.933 million for pay and benefits of the Coast Guard's acquisition workforce.



# Operating Expenses (OE)

## Operating & Maintenance Funds for New Assets +\$121,100 (+300 FTE)

Increases funding for operations and maintenance of shore facilities and provides sustainment funding for new cutters, boats, aircraft, and associated C4ISR subsystems delivered through acquisition efforts:

- **Shore Facilities** – Funds operation and maintenance of shore facility projects scheduled for completion prior to FY 2017;
- **Rescue 21 (R21)** – Provides funding to support Rescue 21, the Coast Guard's primary system that facilitates command, control, and communications in the inland and coastal zones, which will be fully delivered to the Western Rivers and Alaska in FY 2017;
- **FRC** – Funds operation and maintenance of FRCs #22-25, provides funding for personnel for hulls #23-26, and funds shore-side support personnel for hulls #24-28;
- **NSC** – Funds operations, maintenance, and personnel for NSC #6 and 7, and funds a permanent increase in crew size for all NSCs deployed or under contract (#1-7);
- **C-27J Aircraft** – Funds operations, maintenance, and personnel for C-27J airframes #5 and 6, as well as support personnel at the Aviation Logistics Center, Aviation Technical Training Center, and Aviation Training Center;
- **HC-130J Aircraft** – Funds operations, maintenance, and personnel funding for HC-130J airframes #8 and 9, as well as upgrades necessary to ensure two airframes comply with FAA requirements and remain usable in all flight regimes and airspace;
- **MH-60T Helicopter** – Funds operations, maintenance, and personnel funding for MH-60T helicopter #45.

## Pay & Allowances +\$99,900 (0 FTE)

Maintains parity with DoD for military pay, allowances, and health care, and for civilian pay raise and retirement contributions, including providing a 1.6% military and civilian pay raise in FY 2017. As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act, which include pay and personnel benefits for the military workforce.

## Asset Decommissionings

As the Coast Guard recapitalizes its cutter and aircraft fleets and brings new assets into service, the older assets that are being replaced will be decommissioned.

- **Patrol Boat (WPB)** **-\$4.6 M (-55 FTE)**  
Decommissions four 110-ft WPB patrol boats. These assets are being replaced with Fast Response Cutters (FRCs).
- **High Endurance Cutter (WHEC)** **-\$7.3M (-92 FTE)**  
Decommissions one 378-foot High Endurance Cutter (WHEC). These assets are being replaced with National Security Cutters (NSCs).

## Operational Adjustments

In FY 2017, the Coast Guard will make sound, risk-based adjustments while investing in critical recapitalization and new workforce initiatives:

- **National Capital Region Footprint Consolidation**  
**-\$3.9M (0 FTE)**  
Savings generated by reduction of the Coast Guard's physical footprint in the National Capital region through consolidation of personnel and offices into the Douglas A. Munro Coast Guard Headquarters building at St. Elizabeths; completes the transfer of all staff from Ballston;
- **National Security Cutter Energy Efficiency**  
**-\$13.5M (0 FTE)**  
Reflects savings from a re-calculation of National Security Cutter (NSC) energy costs based on observed energy expenditures during NSC operations, without impacting the ability to carry out those operations;
- **Workforce Support Improvement**  
**+\$8.6M (27 FTE)**  
Provides necessary funding and personnel to enhance military justice capabilities, including the handling of sexual assault allegations, and to conduct Personnel Security (PERSEC) and suitability background investigations required to maintain the Coast Guard workforce.

## Table 1: Appropriation Summary

Appropriation (\$000)	FY 2015 Revised Enacted <sup>1</sup>	FY 2016 Enacted	FY 2017 President's Budget
Operating Expenses (OE)	6,844,406	6,901,488	6,986,815
Acquisition, Construction and Improvements (AC&I)	1,230,008	1,945,169	1,136,788
Environmental Compliance and Restoration (EC&R)	13,197	13,221	13,315
Reserve Training (RT)	114,572	110,614	112,302
Research, Development, Test and Evaluation (RDT&E)	17,892	18,019	18,319
Alteration of Bridges	---	---	---
Health Care Fund Contribution (HFC)	176,970	168,847	160,899
<b>Sub-total (Discretionary Funding)</b>	<b>\$8,397,045</b>	<b>\$9,157,358</b>	<b>\$8,428,438</b>
Retired Pay	1,450,626	1,604,000	1,666,940
Boat Safety	112,830	114,326	116,088
Maritime Oil Spill Program	182,266	107,329	107,868
Gift Fund	1,703	1,621	2,214
<b>Sub-total (Mandatory Funding)</b>	<b>\$1,747,425</b>	<b>\$1,827,276</b>	<b>\$1,893,110</b>
OSLTF Contribution	[45,000]	[45,000]	[45,000]
Overseas Contingency Operations	213,000	160,002	---
Rescission of Unobligated Balances	(66,723)	(32,385)	---
<b>Sub-total (Transfers and Supplementals)</b>	<b>\$146,277</b>	<b>\$127,617</b>	<b>\$0</b>
<b>TOTAL BUDGET AUTHORITY</b>	<b>\$10,290,747</b>	<b>\$11,112,251</b>	<b>\$10,321,548</b>

<sup>1</sup> Reflects reprogrammings/transfers, as applicable.

## Table 2: FY 2017 Net Discretionary Budget Authority – Breakout by Statutory Mission

Coast Guard Mission (\$000)	FY 2015 Revised Enacted	FY 2016 Enacted	FY 2017 Request	FY 2016 +/- FY 2017
Aids to Navigation	1,239,832	1,372,094	1,313,144	(58,950)
Defense Readiness	618,356	486,750	552,382	65,632
Drug Interdiction	1,286,495	1,638,132	1,290,051	(348,081)
Ice Operations	186,209	203,804	348,806	145,002
Living Marine Resources	914,577	1,040,066	847,662	(192,404)
Marine Environmental Protection	231,903	205,827	198,679	(7,148)
Marine Safety	551,755	586,919	556,044	(30,875)
Migrant Interdiction	608,665	788,023	738,330	(49,693)
Other-Law Enforcement (Foreign Fish)	158,805	171,793	112,285	(59,508)
Ports, Waterways and Coastal Security	1,791,272	1,745,922	1,631,504	(114,418)
Search and Rescue	809,176	918,028	839,551	(78,477)
<b>Net Discretionary Excluding Supplementals and Transfers</b>	<b>\$8,397,045</b>	<b>\$9,157,358</b>	<b>\$8,428,438</b>	<b>(\$728,920)</b>
<b>Mandatory Funding</b>	<b>\$1,747,425</b>	<b>\$1,827,276</b>	<b>\$1,893,110</b>	<b>\$65,834</b>
OSLTF Contribution	[45,000]	[45,000]	[45,000]	[45,000]
Overseas Contingency Operations	213,000	160,002	---	---
Rescission of Unobligated Balances	(66,723)	(32,385)	---	---
<b>Sub-total (Transfers and Supplementals)</b>	<b>\$146,277</b>	<b>\$127,617</b>	<b>\$0</b>	<b>(\$127,617)</b>
<b>TOTAL BUDGET AUTHORITY<sup>1</sup></b>	<b>\$10,290,747</b>	<b>\$11,112,251</b>	<b>\$10,321,548</b>	<b>(\$790,703)</b>

<sup>1</sup> The Coast Guard budgets by appropriation rather than by individual missions. The Coast Guard projects resource allocations by mission through the use of an activity-based costing system. Actual allocations will vary depending on operational environment and mission need.

**Table 3: FY 2017 Acquisition, Construction, and Improvements (AC&I)**

Appropriations (\$000)	FY 2017 Request
Vessels	<b>\$704,100</b>
Survey and Design - Vessel and Boats	6,500
In-Service Vessel Sustainment	79,000
National Security Cutter (NSC)	127,000
Offshore Patrol Cutter (OPC)	100,000
Fast Response Cutter (FRC)	240,000
Cutter Boats	4,000
Polar Icebreaker	147,600
Aircraft	<b>\$201,300</b>
Maritime Patrol Aircraft (MPA)	25,500
HC-27J Conversion/Sustainment	130,000
HH-65 Conversion/Sustainment	25,000
Long Range Surveillance Aircraft (C-130H/J)	20,800
Other	<b>\$59,355</b>
Program Oversight and Management	20,000
C4ISR	24,300
CG-LIMS	7,000
Other Equipment and Systems	8,055
Shore and ATON	<b>\$51,100</b>
Major Shore, ATON and S&D	18,100
Major Acquisition Systems Infrastructure	28,000
Minor Shore	5,000
Personnel and Management	<b>\$120,933</b>
Direct Personnel Costs	120,933
<b>TOTAL</b>	<b>\$1,136,788</b>

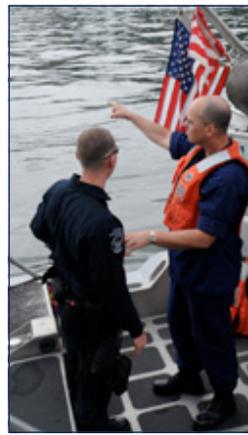
# Table 4: Operating Expenses FY 2016 Request to FY 2017 Request

## FY2016 TO FY2017 BUDGET CHANGE

(DOLLARS IN THOUSANDS)

	Pos.	FTE	AMOUNT
<b>FY 2015 REVISED ENACTED <sup>1</sup></b>	<b>47,914</b>	<b>45,704</b>	<b>\$6,844,406</b>
<b>FY 2016 ENACTED</b>	<b>48,104</b>	<b>47,927</b>	<b>6,901,488</b>
<b>ADJUSTMENTS-TO-BASE</b>			
TRANSFERS TO AND FROM OTHER ACCOUNTS			
WCF TRANSFER	-	-	(983)
TRANSFER TO ACQUISITION, CONSTRUCTION AND IMPROVEMENT (AC&I)	-	-	(3,555)
TRANSFER	-	-	147
	<b>TOTAL TRANSFERS</b>	<b>-</b>	<b>(4,391)</b>
INCREASES			
ANNUALIZATION OF PART YEAR FUNDING	-	322	58,754
MANDATORY PERSONNEL ENTITLEMENTS			
ANNUALIZATION OF 2016 MILITARY AND CIVILIAN PAY RAISE	-	-	15,784
2017 MILITARY PAY RAISE	-	-	26,859
2017 CIVILIAN PAY RAISE	-	-	9,552
2017 MILITARY ALLOWANCES	-	-	49,464
2017 CIVILIAN ALLOWANCES	-	-	1,204
OPERATIONAL ADJUSTMENTS			
FEDERAL PROTECTIVE SERVICE FEE	-	-	179
GSA AND OTHER GOVERNMENTAL RENT	-	-	1,720
MILITARY JUSTICE REORGANIZATION	28	15	2,847
PERSONNEL SECURITY & SUITABILITY INVESTIGATIONS	23	12	3,501
PERFORMANCE MANAGEMENT & LEARNING SYSTEMS	-	-	395
OPERATING AND MAINTENANCE FUNDS FOR NEW ASSETS			
SHORE FACILITY FOLLOW-ON	-	-	3,540
RESCUE 21 (R21) FOLLOW-ON	8	5	5,371
LOGISTICS INFORMATION MANAGEMENT SYSTEM (LIMS) FOLLOW-ON	-	-	2,744
FAST RESPONSE CUTTER (FRC) FOLLOW-ON	175	86	21,488
NATIONAL SECURITY CUTTER (NSC) FOLLOW-ON	306	131	38,672
C-27J AIRCRAFT SUPPORT FOLLOW-ON	73	37	28,052
HC-130J AIRCRAFT FOLLOW-ON	66	34	17,302
MH-60T HELICOPTER FOLLOW-ON	27	7	3,900
BASE RE-ALLOCATIONS (NON-ADD)			
MILITARY AND CIVILIAN FTP AND FTE TRANSFER	[32]	[32]	[3,318]
PPA FUNDING ADJUSTMENT	-	-	[5,493]
	<b>TOTAL INCREASES</b>	<b>706</b>	<b>291,328</b>
DECREASES			
TERMINATION OF ONE-TIME COSTS	-	-	(94,873)
PART YEAR MANAGEMENT ANNUALIZATIONS	-	(89)	(16,589)
MANDATORY PERSONNEL ENTITLEMENTS			
2016 CIVILIAN COMPENSABLE WORK DAY	-	-	(2,954)
OPERATIONAL ADJUSTMENTS			
HIGH VALUE UNIT ESCORT REDUCTION	(28)	(14)	(924)
HUMAN RESOURCES EFFICIENCIES	(48)	(29)	(2,192)
CHIEF FINANCIAL OFFICER (CFO) PERSONNEL REDUCTION	(15)	(9)	(984)
NATIONAL CAPITAL REGION (NCR) FOOTPRINT CONSOLIDATION	-	-	(3,900)
AIR STATION LOS ANGELES LEASE TERMINATION SAVINGS	-	-	(1,081)
MAINTENANCE EFFICIENCIES	(29)	(15)	(2,489)
NATIONAL SECURITY CUTTER FUEL EFFICIENCY	-	-	(13,481)
MANAGEMENT AND IT EFFICIENCIES	53	27	(8,772)
PROFESSIONAL SERVICES CONTRACT REDUCTION	-	-	(35,000)
ASSET DECOMMISSIONINGS AND RETIREMENTS			
FOUR 110-FOOT PATROL BOATS	(72)	(55)	(4,559)
ONE HIGH ENDURANCE CUTTER (WHEC)	(184)	(92)	(7,275)
MANNED COVERT SURVEILLANCE AIRCRAFT	(11)	(6)	(2,722)
ONE SEAGOING BUOY TENDER (WLB) CREW	(47)	(47)	(3,815)
	<b>TOTAL DECREASES</b>	<b>(381)</b>	<b>(201,610)</b>
<b>Total Adjustments-to-Base</b>	<b>325</b>	<b>320</b>	<b>85,327</b>
<b>FY 2017 CURRENT SERVICES</b>	<b>48,429</b>	<b>48,247</b>	<b>6,986,815</b>
<b>FY 2017 REQUEST</b>	<b>48,429</b>	<b>48,247</b>	<b>6,986,815</b>
<b>FY 2016 TO FY 2017 TOTAL CHANGE</b>	<b>325</b>	<b>320</b>	<b>85,327</b>

<sup>1</sup> EXCLUDES FUNDING PROVIDED TO THE COAST GUARD FOR OVERSEAS CONTINGENCY OPERATIONS (OCO).



## On an average day, the Coast Guard:

*Conducts* **45** search and rescue cases; *saves* **10** lives; *saves over* **\$1.2M** in property;  
*seizes* **874** pounds of cocaine and **214** pounds of marijuana;

*conducts* **57** waterborne patrols of critical maritime infrastructure; *interdicts* **17** illegal migrants;

*escorts* **5** high-capacity passenger vessels; *conducts* **24** security boardings in and around U.S. ports;

*screens* **360** merchant vessels for potential security threats prior to arrival in U.S. ports;

*conducts* **14** fisheries conservation boardings; *services* **82** buoys and fixed aids to navigation;

*investigates* **35** pollution incidents; *completes* **26** safety examinations on foreign vessels;

*conducts* **105** marine inspections; *investigates* **14** marine casualties involving commercial vessels;

*facilitates* movement of **\$8.7B** worth of goods and commodities through  
the Nation's Maritime Transportation System.

**Semper Paratus – *Always Ready***



An aviation survival technician, walks across the flight deck of the Coast Guard Cutter ALEX HALEY during practice hoist operations while at sea. Cutter and helicopter crews train together frequently to maintain proficiency in challenging tasks such as ship-based hoists.



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# 2015 PERFORMANCE HIGHLIGHTS

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The Coast Guard effectively and efficiently performs activities that support the Department of Homeland Security in its mission priorities: *Prevent Terrorism and Enhance Security, Secure and Manage Our Borders, Enforce and Administer Our Immigration Laws, Safeguard and Secure Cyberspace and Strengthen National Preparedness and Resilience.*

Coast Guard activities cross six mission programs:

1. Maritime Law Enforcement;
2. Maritime Response;
3. Maritime Prevention;
4. Maritime Transportation System Management;
5. Maritime Security Operations;
6. Defense Operations.

Every day Coast Guard men and women work with DHS, DOD, and other Federal, State, local, and international partners to provide the service the Nation has come to expect over our 225 year history. In 2015, operations across the six Coast Guard mission programs supported National goals and achieved tremendous results.



Coast Guard Cutter  
WAESCHE crewmember  
offloads illegal narcotics  
after a vessel interdiction in  
the eastern Pacific Ocean.

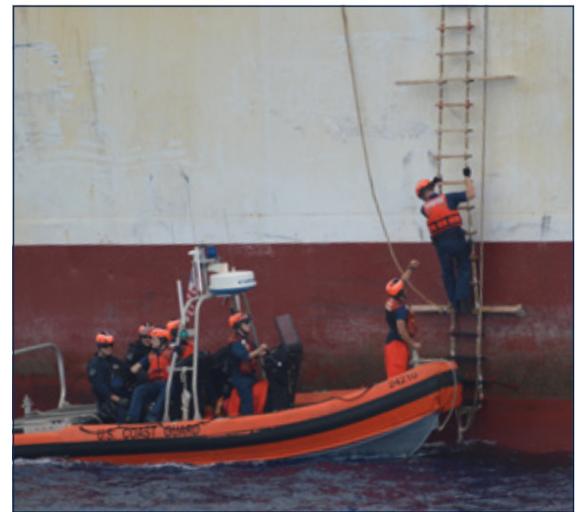
# MARITIME LAW ENFORCEMENT

The Maritime Law Enforcement program preserves America's jurisdictional rights within our maritime borders and suppresses violations of U.S. Federal law on, under, and over the seas. The Coast Guard is the lead Federal maritime law enforcement agency for securing and managing our Nation's maritime borders, and enforcing national and international law on the high seas, outer continental shelf, and inland from the U.S. Exclusive Economic Zone (EEZ) to inland navigable waters, including the Great Lakes.

New, state-of-the-art ships and enhanced intelligence capabilities complement the work of Coast Guard crews to stem the maritime drug flow. In 2015, the Service surpassed its 2014 mark of 140 metric tons of illegal drugs from the maritime domain, interdicting 179 metric tons and detaining 503 suspected smugglers for prosecution in the United States. In a period of less than 30 days, the crew of the Coast Guard Cutter (CGC) BERTHOLF conducted 12 drug interdictions, resulting in the removal of over 33,000 pounds of cocaine and detention of 32 suspected smugglers. These operations included a record-breaking recovery of 15,000 pounds of cocaine from a single self-propelled semi-submersible smuggling vessel.

To protect America's natural resources, endangered marine species, and marine sanctuaries, the Coast Guard conducted over 5,000 fisheries boardings on U.S. vessels. Close collaboration with partner agencies was a key part of this effort. For example, Coast Guard supported enforcement of Illegal, Unregulated, and Underreported (IUU) fishing. IUU fishing is global in reach, harmful to ecosystems and a threat to global food security. The Coast Guard's efforts are critical to stemming this illegal activity. The Coast Guard detected 224 incursions of foreign flagged fishing vessels into America's exclusive economic zone (EEZ) as part of these efforts in 2015.

The Coast Guard secures the Southern Border and Approaches by conducting patrols and coordinating with other Federal agencies and foreign countries to interdict undocumented migrants at sea, denying them entry via maritime routes to the United States, its territories and possessions. Thousands of people try to enter this country illegally every year using maritime routes, many via smuggling operations. Interdicting migrants at sea reduces the safety risks involved in such transits. Migrants can be quickly returned to their countries of origin, avoiding the more costly processes required if they successfully enter the United States. During 2015, the Coast Guard interdicted 6,000 undocumented migrants attempting to illegally enter the United States by maritime routes.



## OUR BUDGET AT WORK

As the lead federal agency for drug interdiction on the high seas, Coast Guard operations support national and international strategies to deter and disrupt illegal drug traffickers. These efforts are crucial to federal efforts to dismantle Transnational Organized Crime (TOC)/ Drug Trafficking Organizations (DTOs) and prevent transnational threats from reaching U.S. shores.

**\$4.9**  
billion

Wholesale value of illegal narcotics removed by the Coast Guard in 2015.

Crewmembers aboard a 45-foot Response Boat-Medium, from Coast Guard Station Charleston, S.C., approach an overturned boat approximately 12 miles off the Charleston coast. The boat was found during a search for four overdue boaters who were later rescued by Station Charleston crews.



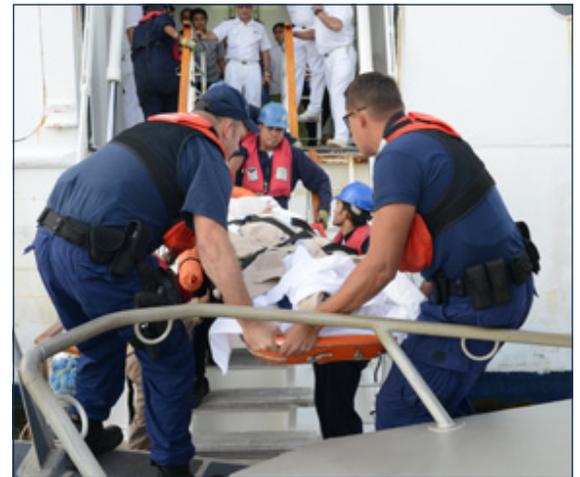
# MARITIME RESPONSE

The Maritime Response program mitigates the consequences of marine casualties and disastrous events. The Coast Guard minimizes loss of life and property by searching for and rescuing persons in distress in the maritime environment. Coast Guard preparedness efforts ensure incident response and recovery resources are fully ready and capable to minimize impacts of disasters to people, the environment and the economy.

As the federal expert in search and rescue and marine pollution response, the Coast Guard is an effective leader in the maritime domain. Coast Guard's presence in the Arctic and our work with the Coast Guard Arctic Forum are improving the Nation's capability to respond to a maritime incident in the region.

The Coast Guard's robust multi-mission capabilities and ready-force posture enable protection of life, property, and the environment in response to disasters. This multi-mission capability ensured the Service was ready to respond to over 16,400 Search and Rescue (SAR) cases in 2015, resulting in over 3,500 lives saved. In July 2015, a Coast Guard rescue swimmer deployed to assist a fishing vessel that had run aground near Cape Blanco, Oregon. Overcoming 5 ft seas, 30 mph winds, 57 degree water, and a pitch-black night, the Coast Guard member swam nearly a mile to individually tow four fishermen from their life raft to shore, saving all four lives.

As the principal Federal Maritime Security Coordinator and Federal On-Scene Coordinator in the coastal zone, the Coast Guard coordinates the response to oil and other hazardous materials spills in navigable waterways up to and including Spills of National Significance. In May 2015, Coast Guard Sector Los Angeles/Long Beach was notified of an oil discharge from a pipeline. Approximately 140,000 gallons of oil were discharged into the Pacific Ocean around Refugio State Beach in Santa Barbara County, California. The Coast Guard directed cleanup efforts, which involved 10 federal, state, and local government agencies, Native American tribes, and 55 environmental non-governmental agencies. At the peak of the response, more than 1400 workers were in the field, plus several hundred assigned to various command posts and supports roles.



## OUR BUDGET AT WORK

The Coast Guard provides emergency response to save lives in peril, minimize loss of life, injury, and property damage. Responsible for the execution of the National Search and Rescue Plan, the Coast Guard plans searches, organizes and dispatches assets to search, locate and rescue mariners in distress, and provides initial medical advice, assistance, and evacuation. The Coast Guard relies on extensive partnerships to conduct SAR and coordinates SAR operations with international, federal, state, local and tribal authorities.

# 3,536

Lives saved  
during Coast Guard  
operations in 2015

Member of the Coast Guard Sector Honolulu Prevention Department, prepare to board a foreign vessel to perform a Tank Vessel Exam Certificate of Compliance inspection off the coast of the Island of Oahu.



# MARITIME PREVENTION

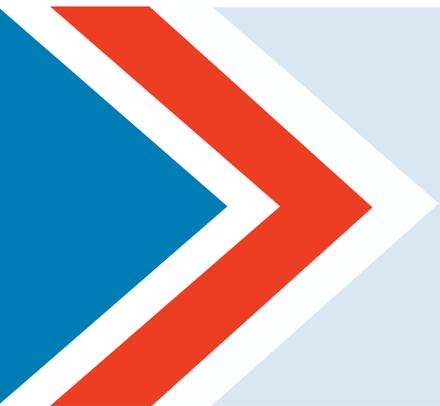
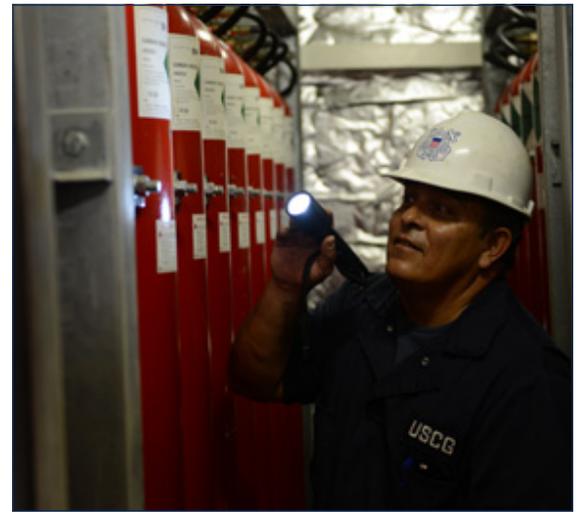
The Maritime Prevention program mitigates the risk of human casualties and property losses, minimizes security risks, and protects the marine environment. The Coast Guard does so by providing the maritime governance that ensures the safe, secure, and environmentally sound maritime approaches to the Nation.

Maritime governance is established by Coast Guard regulations and operating standards for domestic vessels and marine facilities. Enforcement of those regulations occurs primarily through comprehensive inspections. In 2015, the Service conducted over 20,700 container inspections and monitored 1,024 cargo transfers to ensure security of the maritime domain. The Coast Guard also inspected more than 4,200 marine facilities for compliance with safety and environmental protection regulations. In addition, the Coast Guard conducted over 4,000 safety and security examinations on vessels operating on the Outer Continental Shelf. The Service also investigated over 5,200 reportable marine casualties involving commercial vessels.

The Coast Guard also regulates recreational boating. In 2015, the Coast Guard conducted over 50,000 recreational vessel boardings and issued over 9,800 citations, and conducted 2,800 recreational boat inspections in conjunction with state efforts to provide education and ensure compliance with federal regulations.

As an active member of the International Maritime Organization (IMO), the Coast Guard shares a global responsibility to facilitate safe and secure maritime commerce. Through the Port State Control program, the Coast Guard conducted nearly 9,400 safety examinations on foreign commercial vessels, resulting in 185 IMO detentions.

The Coast Guard also minimizes security risks to the homeland through its preventative actions. In 2015, 131,276 merchant vessels were screened to identify potential risks prior to arrival in a U.S. port. Coast Guard personnel also visited 43 maritime trading partner countries to assess the effectiveness of anti-terrorism measures in over 140 foreign port facilities.



## OUR BUDGET AT WORK

A component of the Department of Homeland Security and member of the Intelligence Community, the Coast Guard minimizes security risks to the Nation by screening merchant vessels prior to arrival in a U.S. port.

# 131,276

Merchant vessels screened for potential security threats in 2015.

Crew members from Coast Guard Aids to Navigation Team Jacksonville install a new dayboard to a piling on the St. Johns River.



# MARITIME TRANSPORTATION SYSTEM MANAGEMENT

The Maritime Transportation System Management program ensures a safe, secure, efficient and environmentally sound waterways system. The Coast Guard minimizes disruptions to maritime commerce by assessing and mitigating risks to safe navigation by providing waterways restoration capabilities after extreme weather events, marine accidents or intentional incidents. The Coast Guard works in concert with other Federal agencies, state and local governments, marine industries, maritime associations, and the international community to optimize balanced use of the Nation's Maritime Transportation System.

Our Nation's waterways support \$3.2 trillion in economic activity for the United States. The Coast Guard's maintenance of more than 47,000 navigation aids played a critical role in facilitating the safe transport of goods and services within the Maritime Transportation System.

The Coast Guard is leveraging technology to improve safety and resilience of the Maritime Transportation System. In conjunction with port partners and industry stakeholders, electronic aids to navigation are being tested in locations in which they can best augment, and possibly replace, the existing physical system of buoys and beacons. The Coast Guard envisions an integrated system where a combination of electronic and physical Aids to Navigation improves the overall safety, efficiency and resiliency of our waterways. In 2015, the Coast Guard established 148 Automatic Identification System aids to navigation, providing immediate updates to mariners and facilitating safe, continuous traffic along U.S. waterways.

The Coast Guard also worked with maritime industry and other stakeholders to recognize and address growing cyber security risks to the Maritime Transportation System.

During the Great Lakes ice season, Coast Guard domestic icebreakers, in concert with the Canadian Coast Guard, facilitated the safe movement of 25 million tons of bulk cargo and over 20 million barrels of gasoline, diesel, and heating oil to industries and people within the Great Lakes region.



## OUR BUDGET AT WORK

The Coast Guard is responsible for maintaining a Maritime Transportation System that facilitates secure, safe and efficient commerce. Efforts require close coordination with all levels of government and the maritime industry to effectively manage inland and coastal navigational aids and keep critical maritime routes open during winter months.

# \$3.2 trillion

Economic activity linked to U.S.  
waterways every year.

# MARITIME SECURITY OPERATIONS

Maritime Security Operations encompass activities conducted to detect, deter, prevent, and disrupt terrorist attacks, and other criminal acts in the U.S. maritime domain. It includes the execution of antiterrorism, response, and select recovery operations. This program conducts the operational element of the Coast Guard's Ports, Waterways, and Coastal Security mission and complements our Maritime Prevention efforts.

The Ports, Waterways, and Coastal Security mission is a critical component of a layered approach to homeland security. It is conducted in coordination with other Department of Homeland Security agencies and the Department of Defense. The approach places a premium on intercepting threats before they reach U.S. shores by conducting layered, multi-agency, maritime security operations and by strengthening the port-security posture of strategic economic and military ports. In this construct, the Coast Guard conducts both offshore and inshore security operations.

Preventing and disrupting terrorist attacks requires integrated, comprehensive operations that maximize effectiveness without duplicating efforts. The Coast Guard is a critical component in the effort to safeguard the Maritime Transportation System. The Service uses its unique authorities, competencies, operational capabilities and partnerships to board suspect vessels, escort ships that pose a significant risk to our ports and waterways, enforce fixed security zones around maritime critical infrastructure and key resources and patrol the maritime approaches, coasts, ports, and rivers of America. In addition, the Coast Guard plays a key role in the surge response to known security threats and high-profile events.

To help protect the American people from maritime security threats, the Coast Guard conducted 20,775 waterborne patrols of critical maritime infrastructure, escorted over 1,955 high-capacity passenger vessels and conducted nearly 8,600 security boardings in and around U.S. ports during 2015.



## OUR BUDGET AT WORK

Coast Guard efforts to enhance port security involve detecting, deterring, preventing, disrupting, and aiding in recovery from terrorist attacks and other criminal acts in the maritime domain.

# 442

High interest vessels boarded for potential security risks to the United States in 2015.

# DEFENSE OPERATIONS

The Defense Operations program exercises the Coast Guard's unique authorities and capabilities to support the National Military Strategy. The program portfolio comprises eight activities including: Maritime Interdiction Operations; Combating Maritime Terrorism; Port Operations Security and Defense; Military Environmental Response Operations; Coastal Sea Control Operations; Maritime Operational Threat Response (MOTR); Rotary Wing Air Intercept Operations; and Support for Theater Security Cooperation Initiatives.

The Coast Guard is involved in fighting terrorism not only in U.S. waters but around the world through its support of Department of Defense (DoD) partners. As both a federal law enforcement agency and an Armed Service, the Coast Guard is uniquely positioned to conduct defense operations in support of Combatant Commanders by performing rotary-wing air intercept operations and providing assets to work with U.S. naval forces. An example of the synergy between the Services is the Cooperative Strategy for 21st Century Seapower; this strategy reaffirms the importance of the maritime domain and the Coast Guard, Navy, and Marine Corps' role in supporting national, defense, and homeland security priorities across the globe. Coast Guard multi-mission forces are able to integrate with DOD in a wide range of maritime operations. Overseas deployments demonstrate to the DOD, Joint Forces, and Combatant Commanders that the Coast Guard possesses relevant competencies that can contribute to the successful accomplishment of naval warfare missions and Theater Security Cooperation (TSC) initiatives. For example, Coast Guard Port Security Units (PSUs) have been deployed almost continuously to strategic ports in Kuwait since 2002 for port security; Island class patrol boats have conducted security for Iraqi oil platforms continuously since 2002 and in more recent years have been conducting TSC missions throughout the U.S. Central Command's area of responsibility.

The Coast Guard is also uniquely positioned to assist other nations in developing maritime forces and is involved in a diverse range of productive Security Sector Assistance (SSA) partnerships around the world. The Coast Guard is a full-service maritime development partner with the technical and professional capabilities to address a range of small-service maritime development issues. As a Service with a global reputation for humanitarian response, the Coast Guard often enjoys a level of entry not afforded other U.S. or foreign military organizations.



## OUR BUDGET AT WORK

The Department of Homeland Security's efforts to combat terrorism and enhance security include detecting, deterring, preventing, disrupting, and aiding in recovery from terrorist attacks and other criminal acts in the maritime domain. The Coast Guard also has a leading role in the National Capital Region Air Defense mission to provide 24/7 continuous airspace protection over the National Capital Region.

# 72

DoD directed Rotary Wing Air Intercept operational missions conducted by the Coast Guard in 2015.



U.S. COAST GUARD HEADQUARTERS  
WASHINGTON, D.C.

[www.uscg.mil/budget](http://www.uscg.mil/budget)