

As delivered

Admiral Thomas H. Collins
State of the Coast Guard Address
National Press Club
25 March 2004

I. Amenities:

Thank you. Thank you for that kind introduction, Sheila, and thanks to Shawn Bullard and the entire National Press Club for providing such a spectacular venue for our annual State of the Coast Guard Address.

Ladies and Gentlemen, I'm delighted to be here with you this afternoon. I am glad to see so many friends in the audience to talk about our Coast Guard. Let me offer a special welcome to Dr. Rich Falkenrath from the Homeland Security Office – great to have you with us; Rear Admiral Dave Stone, my colleague in the Department of Homeland Security from the Transportation Security Administration. We have two former Commandants, who keep me on my toes, here today: Admiral Paul Yost and Admiral Bill Kime, thank you for joining us today.

II. One-Year Anniversary/214th birthday/halfway through tour as Commandant:

I join you today at a time of incredible change for our nation's fifth armed force. This month the Coast Guard is celebrating our one-year anniversary under the Department of Homeland Security. With the mandate to deliver effective, integrated security operations to the homeland, Secretary Ridge's motto is "One Team, One Fight." From my viewpoint, the 22 agencies and over 180,000 people who combined to form the Department of Homeland Security have taken that motto to heart, and because of it, the Department is quickly and effectively implementing the President's National Strategy for Homeland Security. Together, we are making substantial improvements to the security of our nation.

In addition to being the anniversary of our first year in the new department, this is an incredibly important inflection point in the evolution of the Coast Guard: we are in the midst of decisions and actions that will lay the groundwork in determining the Coast Guard of tomorrow. Our major recapitalization project, known as Deepwater, is designed to replace all our

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major aircraft and vessels. It is the largest and most important project in the history of this Service. We are also defining and developing the competencies our people must have to continue operational excellence in tomorrow's missions, using tomorrow's equipment. These are long-term, transformational issues for our Service.

On a personal note, this spring also marks a milestone for me – I'm halfway through my tour as Commandant and it's gone by at lightning speed.

So, for all these reasons, I'd like to take the opportunity this afternoon to review the current state of play for the Coast Guard ... to discuss my strategic focus for our nation's smallest armed service and by the way, the only one with a dual character as a federal law enforcement agency. I'll use a nautical metaphor -- I'll take a fix of where we are today, determine our set and drift to assess where we are in achieving our goals; and lastly, share my view of where our service needs to adjust our track line for the future.

III. Scorecard – Commandant's Direction of Readiness, People, Stewardship

The day I assumed the duties of Coast Guard Commandant, I listed my priorities for the Service in a document known as the Commandant's Direction. Its major themes are Readiness, People, and Stewardship. These themes have served us well as our "lines of position" -- ways to assess our performance.

A. Readiness

The first line of position is Readiness – Have we delivered on our motto, Semper Paratus – Always Ready?

1. Semper Paratus/Operational Excellence – past accomplishments:

After 9-11, our maritime security mission rightly took on much greater importance ... our clear priority was, and is, to build out our readiness to mitigate security risks to the homeland. Clearly, we still have and will continue to have challenges and risks in the maritime. They will persist. The good news is that we have a comprehensive Maritime Homeland Security Strategy plan that we're working on in earnest with a sense of urgency to build out, with a focus:

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- on increasing our awareness of risks in the maritime associated with people, cargo, vessels, and other activity;
- to build a security regime in the maritime transportation industry that did not exist before;
- to increase our operational presence in our ports and coastal waters, for deterrent and protection purposes; and,
- to improve our ability to respond to incidents if and when they do occur.

The events in Madrid of just two weeks ago remind us that we must stay focused on these priorities. All these tasks have put substantial pressure on us. But these increasing demands on our people and our resources have not affected our resolve to perform all our missions, to deliver operational excellence in all our missions, and we have sustained operational excellence across all of them. Our record over the last year reflects that:

- We have reduced security risk in our ports and waterways:
 - By conducting thousands of port security patrols, air patrols, security boardings, and vessel escorts;
 - By maintaining security zones -- new security zones around the country in different alert conditions;
 - By instituting new capabilities such as Sea Marshals and deployable Maritime Safety and Security Teams, airborne use of force from helicopters, adding boats and patrol boats and associated crews; and
 - Very importantly, by instituting a new, comprehensive security regime under a new regulation, for ships and ports.
- We deployed the largest contingent of Coast Guard personnel and assets overseas since Vietnam to meet the Combatant Commander's requirements for unique Coast Guard capabilities during Operation Iraqi Freedom.
- We have saved the lives of nearly 5,100 mariners in distress, responding to more than 31,000 calls for help.
- We seized or disrupted the delivery of nearly 137,000 pounds of cocaine ... a near record, due largely to our ever-improving intelligence capability.
- We interdicted over 6,000 undocumented migrants, and
- We boarded more than 3,400 fishing vessels to enforce safety, environmental, and economic laws.

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A sampling of operational highlights from just the past month clearly reflect that the pace and diversity of the mission tasking that we had and it's here to stay:

- For example, right now, today, we have four 110-foot cutters, two Port Security Units, and 477 people currently providing critical support to Central Command in the Arabian Gulf, proudly participating along with our fellow service members in the multi-front Global War on Terrorism.
- The Coast Guard, working with many other agencies, this month completed a 14-month investigation into the records of over 200,000 U.S.-documented merchant mariners, which revealed 9 individuals who have suspected ties with terrorist groups, as well as mariners who fraudulently obtained their credentials. Appropriate prosecutions are underway.
- This month, the BOW MARINER, a 570-foot tanker, carrying 3.5 million gallons of highly volatile ethanol, exploded, burned, and sank 50 miles off Chincoteague. Nine Atlantic units leapt into action in this large search-and-rescue effort. Our rescue swimmer deployed in 44-degree, oil-covered water to save six crewmen, the only survivors. Representatives of some of those units are here today:
 - from AirSta Atlantic City, Petty Officer Third Class Zee Lee;
 - from Cutter ALBACORE, Second Class Petty Officer Robert Wooldridge, and
 - from Air Sta Elizabeth City, Lieutenant Steve Mckechnie and AST Dave Foreman. PO Foreman is the Rescue Swimmer who actually entered the water to rescue the six survivors.
 - Gentlemen, would you please stand and would the audience please give these folks a round of applause?
- Also this month, the Coast Guard Cutter MIDGETT returns home to Puget Sound after a very successful patrol in the eastern Pacific off Columbia and Central America. In three boardings, the crew seized over 29,000 pounds of cocaine – with a street value of more than 264 million dollars. I think that paid for that ship's budget!

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- This month, 18 cutters, 8 aircraft, and almost 1400 personnel participated in Operation Able Sentry as part of Homeland Security Task Force-Southeast, the first joint task force under the new department. As conditions deteriorated in Haiti, Coast Guard cutters intercepted over a thousand Haitians and safely repatriated every single one of them, thus fulfilling the President's mandate to prevent mass migration. And the operation continues, as we are now the Maritime Component Commander to Joint Task Force-Haiti under General Hill, the Combatant Commander at SOUTHCOM.

Wow -- that's an exciting month by anyone's standards ... our engines continue turning, full speed ahead!

I should note however, that despite these positive outcomes, there are storm warnings along our track line. There are clear warning signals that our ability to sustain our readiness into the future is increasingly at risk. Our greatest threat to mission performance continues to be that our aircraft, our boats, and our cutters are aging, technologically obsolete, and require replacement and modernization. We are experiencing system failure at a steadily increasing rate. For example:

- Our HH65 helicopters, the core of our helicopter fleet, have experienced 70 in-flight -- yes, in-flight -- power losses so far this fiscal year, over twice as many as last year. We have instituted operational flight restrictions to maintain safety.
- Last year, we had 676 unscheduled maintenance days for our cutters -- a 41% increase over the year before. This is equivalent to losing the operating hours of four cutters.
- Our 110-foot cutters are well beyond their planned service lives and have experienced 20 hull breaches -- yes, that's water coming in -- resulting in emergency dry docks.

2. Where we are going

These indicators of eroding readiness dictate that we adjust our Deepwater modernization track line. Accordingly, we have made recent decisions to restack our priorities including:

- The rapid re-engining of the HH65 helicopters,

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- The acceleration of the Fast Response Cutter to replace existing deteriorating 110-foot patrol boats, and
- Moving ahead smartly on design of the Offshore Patrol Cutter, the platform slated to replace our Medium Endurance Cutter fleet.

Obviously, our fiscal year '04, '05, and future budgets are a critical part of our plan for modernization and readiness. The President's \$7.46 billion budget for the Coast Guard in '05 is a 9% increase over fiscal year '04. The President clearly is supporting the build out of the United States Coast Guard in addressing our readiness concern. With Congress' support of that budget, we will, in addition to investing in Deepwater, achieve the following in 2005:

- Expand what both the CNO, Admiral Clark, and I are describing as Maritime Domain Awareness. This is an important initiative ... perhaps the highest priority of our overall Maritime Homeland Security Strategy ... because it will serve as the foundation for smart and effective prevention, protection, and response operations. On an average day, 670 vessels larger than 300 gross tons approach the U.S. from foreign and domestic ports, carrying goods and passengers. An additional untold number of vessels approach the U.S. and penetrate our Exclusive Economic Zone, bound for non-U.S. ports and are therefore not required to report to us, nor are they accurately tracked. We must identify and understand threats, and disseminate timely information to our operational commanders and our homeland security partners to respond to terrorist attacks, drug smuggling, illegal migration, distressed boaters, or illegal fishing.
- The '05 budget also continues our critical distress alerting and location project known as Rescue 21.
- The budget also enhances performance across all missions by building additional capabilities and capacity, including eleven new patrol boats and five 179-foot patrol boats transferring from the U.S. Navy. The grey hull will get a coat of white real soon!
- And also as a part of this budget, aggressively implementing the comprehensive requirements that I alluded to, of the Maritime Transportation Security Act of 2002, which ensures the safety of our ports and vessels through a whole new set of security standards for both domestic and foreign ports and vessels.

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B. Stewardship

Over the past 3 years, our operating budget has grown – if we realize the '05 budget, it will have grown over 51%. In that same period, our workforce will have grown over 12%. Good trend from my perspective, but there are still challenges. Our mission growth has outstripped in many ways this budget growth, so our ability to sustain operational readiness is also dependent upon our ability to use existing resources wisely ... this is about sound stewardship ... and that's the second strategic theme of my Commandant's Direction.

- Our “stewardship” approach over the past year and into the future involves effective use of our reserve and Auxiliary workforces to augment our active-duty forces and provide a temporary force-structure “bridge,” if you will, until we achieve appropriate active-duty levels. For example, we successfully mobilized over 64% of our reserve force to participate in expeditionary operations last spring and to enhance protection of U.S. ports at home during that evolution. In addition, we received over two-and-a-quarter million hours – yes, million hours -- from our all-volunteer Coast Guard Auxiliary -- terrific.
- We have been working with the Department of Homeland Security to integrate our logistics and to develop department-wide processes, earning economies-of-scale for the Department in functions such as acquisitions and information technology.
- We have also laid the groundwork for judicious use of technology to leverage our assets and achieve better performance outcomes and increased productivity. Our better use of intel, for example, has brought near-record drug seizures with fewer operational platforms. That's stewardship.
- Building partnerships to enhance mission outcomes is also a stewardship imperative ... we have aggressively partnered with the new department to help with its evolution and to help build integrated support processes including HR processes and accounting system integration. The development and maintenance of strategic partnerships within the Department, with the Department of Defense, and internationally will be a persistent feature of our Maritime Homeland Security Strategy going forward.

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- Good stewardship also means having the right match between organizational structure and missions. One of the organizational course adjustments we are making is to combine our unit-level Marine Safety Office, Group, and Air Station field commands into new integrated commands called Sectors. This organizational restructuring, the most comprehensive field reorganization in modern Coast Guard history, will help us meet our changing mission demands and sustain our operational excellence by providing unity of command in our ports, better alignment of field commands, and improved overall operational effectiveness. It will also position us well for operations within the new department, with our new departmental partners and state, local, and private sector entities. It will start this summer.

C. People

Ultimately, progress in readiness and stewardship depends on people, our third and most important strategic theme.

We pride ourselves on the individuals who make up our organization – and rightly so. Our people are the reason for every one of our successes. We have heroes among us – people who, when put to the test, rise to the occasion and make us all proud to be part of the Coast Guard. You need look no further than those involved in the Bow Mariner case.

The successes of our Service are due to our people and the successes of our people are due in large part to their leaders – from the leading Seaman to the Commanding Officer and on up. To recognize outstanding leadership in our officer corps and enlisted ranks, we established some leadership awards – one known as the Witherspoon Award and another, the McShan Award and I'm proud to recognize this year's winners: Commander Keith Smith from our Maritime Safety and Security Team in San Pedro, California, one of the new teams that we set up – pioneering teams, and Senior Chief Petty Officer Stacey Dolly from the Aviation Detachment in Guantanamo Bay, who single-handedly kept our effort going in Haiti. Would you two please stand up? Let's recognize these great leaders of our Coast Guard. We had a ceremony this morning for them and they both gave a little leadership speech – it's better than my speech here. They were absolutely awesome. We are very, very fortunate to have men and women of their caliber in our organization.

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I also want to recognize our Elite Athletes of the Year, YN3 Erin Slycord, in the sport of Tae Kwon Do and First Class Petty Officer Steven Mlujeak, a cyclist. If you look at a box of Cheerios lately, he's on the box. He's actually one of the leading national athletes in cycling. He's not here today because he's in the middle of a 6-day race – you know, there's priorities and then there's priorities -- so he couldn't join us today, but Petty Officer Slycord, would you please stand? She looks very benign, but she's a tough lady.

1. What we have done

We are a people organization – our people routinely put service above self and they must be our highest priority. We've been moving forward in a number of ways to take care of them ... several quick examples:

- First and foremost, we are carefully growing our workforce ... we're ensuring the right investments in our training infrastructure, for example.
- We ensured pay parity with DOD including aggressive application of sea pay compensation.
- We invested over \$16 million in personal protection equipment in the past 3 years for our men and women at sea; and
- we increased the educational opportunities our people have, tripling the annual tuition assistance cap since 2000.

And I'm happy to report that our people recognize the investments we're making in them and they appreciate our efforts – so much so, that last year we enjoyed our second-highest enlisted retention rate since 1958 -- 87.6 percent! Our Junior Officers also echo that – they're staying in the Coast Guard after their initial obligation to the tune of 94.5%!

2. Where we are going

For the future of our people, we remain committed to providing them with professional development opportunities to better prepare them for increased responsibility and for individual success. These include:

- a leadership and management course for all E-5s, junior officers, and mid-grade civilians,

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- a Command Master Chief's course initially for all Gold Badges, then adding all Silver Badges. Those are special advisors to commands throughout the Coast Guard, and
- a professional military education program.

By this time next year, we will have a service-wide physical fitness program in place and, in the continuing effort to recognize our top performers, at next year's State of the Coast Guard, in addition to recognizing our officer and enlisted award winners, I will also recognize our top civilian leader. Additionally, I have asked the Secretary to authorize in-zone promotions in promotion boards, meaning that the boards can adjust seniority within the promotion zone.

IV. Conclusion:

So, now that we've taken a fix on our position, what IS the State of today's Coast Guard? From the Readiness-Stewardship-People perspective, it's very, very good today and it's getting better. As I noted, our biggest challenge is the condition of our Deepwater legacy systems and the need to move ahead smartly, crisply with modernization ... my expectation is that Congress will join the Administration in strong support of our recapitalization efforts.

I'm frequently asked whether we will be able to sustain our pace of operations and support our full range of missions, all while making homeland security a priority. In retrospect, we have been able to sustain this level of operations and I think it's due to several factors...

- First, our flexible allocation of limited assets to the greatest risk, both within and across missions. We are a risk-obsessed organization. We manage, we invest, we operate based on risk.
- Also, the support we receive from the Department, the Administration, and the American public has been absolutely superb and has been a reason for our success.
- Our increasing use of technology and strategic partnerships I think is another absolutely fundamental key factor.
- The oversight we receive from Congress and the General Accounting Office. Thanks to the Congressional staffers who are here today. We – believe it or not – welcome GAO audits and we welcome

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Congressional staff oversight because they help us manage our Coast Guard better. And that's good stewardship.

- And most importantly, because of the dedication, patriotism, hard work, and professionalism of our people – active duty, reserve, civilian, and Auxiliary.

As we go through all this massive transformation, whether it's capital equipment, workforce changes and growth, or meeting new mission demands, I tell you, I sleep well at night – not that I'm not apprehensive here and there, but I sleep well at night, confident in our operational excellence and the Coast Guard men and women standing their watches literally around the world. No matter what the mission our country has asked us to perform, our basic, fundamental characteristics and values don't change. They remain our North Star:

- We are a military, multi-mission, and maritime Service.
- We live our core values: Honor, Respect, and Devotion to Duty.
- And we are Semper Paratus – always ready to answer the nation's call.

Now, I've been with this service for 40 years and I've never been more proud of the work we do today and our people who make the Coast Guard, "America's Lifesavers and Guardians of the Sea."

Thank you so much for your attention, Semper Paratus, and God bless this great country.