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DEPARTMENT OF HOMELAND SECURITY  
UNITED STATES COAST GUARD  
STATEMENT OF  
ADMIRAL THOMAS H. COLLINS  
ON THE  
FISCAL YEAR 2005 BUDGET  
BEFORE THE  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION  
SUBCOMMITTEE ON OCEANS, FISHERIES, AND COAST GUARD  
U.S. HOUSE OF SENATE  
APRIL 7, 2004

Introduction

Good afternoon, Madam Chairwoman and distinguished members of the Subcommittee. Thank you for the opportunity to discuss the Coast Guard's fiscal year 2005 budget request and its impact on the essential services we provide to the American public.

First let me thank this Subcommittee for support in passing the Coast Guard Authorization Bill last week, which provides improvements to homeland security, fishery enforcement, marine safety, and environmental protection. It also provides critical benefits for Coast Guard personnel and raises the number of officers the Coast Guard may have, for the first time since 1993. These additional officers are critical to executing the FY 2005 budget request and implementing the Maritime Transportation Security Act.

I am also pleased to testify alongside Margaret Wrightson of GAO. We value and welcome GAO's assessments because they help make the Coast Guard better. GAO is currently involved in, or has recently completed, 16 audits on the Coast Guard. GAO has been productively involved with our Deepwater modernization program from its inception and their wise counsel has helped shape our approach. Their latest Deepwater contract management audit makes a number of helpful recommendations which we are aggressively acting on. We are committed to good stewardship of this critical project and will make periodic reports back to them on our progress.

GAO and others have also examined 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. Clearly, we have been faced with increasing operational tempo since 9/11. But from outcome and performance

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perspectives, we continue to hold our own across all missions. In retrospect, we have been able to sustain this level of operations due to several factors:

- First, our flexible allocation of limited assets to the greatest risk, both within and across missions. We are a risk-based organization. We manage, we invest, we operate based on risk.
- Second, we are effectively improving our tactics and leveraging intelligence, technology, and partnerships.
- Third, we have invested in multi-mission platforms and people. They give our organization the flexibility to react effectively and efficiently to shifting mission priorities.
- Fourth, the dedication, patriotism, hard work, and professionalism of Coast Guard men and women.
- And finally because we are growing ... thanks to the support of Secretary Ridge, President Bush, and this committee. Between fiscal year 2002 and 2004, our discretionary budget grew from 4.1 billion dollars to 5.8 billion dollars, an increase of 41%, and we added over 3000 personnel. We have added capability and capacity. For example, our total annual boat/cutter/aircraft hours have increased from the pre-9/11 average of 534,000 to the fiscal year 2004 level of 89,000 -- a 68% increase.
- The Coast Guard's fiscal year 2005 budget continues this growth trend with a proposed budget authority of 7.46 billion dollars. From fiscal year 2003 to 2005, our operating expense budget will have grown 54%. This growth supports the President's National Strategy for Homeland Security ... and it supports the full range of Coast Guard missions.

#### Four Priorities

The FY05 budget request provides the resources necessary for the Coast Guard to continue to fulfill its responsibilities to the American public. We have four priorities embedded in this budget. They are:

- Number 1, to recapitalize our aging and technologically obsolete aircraft, boats, and cutters through our Deepwater modernization program. Our legacy systems are wearing out at a much faster rate than their current rate of replacement. From my perspective, this is the greatest threat to continued mission performance.

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- Second, to ensure operational excellence across all missions by ensuring the right force structure and capabilities are in place. The 2005 budget includes:
  - Operational funding for eleven coastal patrol boats and for five 179-foot ships transferring from the Navy; and
  - Funding to add over 1300 people to our workforce in 2005.
- My third priority is aggressive implementation of the Maritime Transportation Security Act of 2002. Over 100 million dollars and 791 new personnel support this critical security initiative. We are on track to enforce compliance effective July 1<sup>st</sup> of this year.
- My fourth priority is to expand Maritime Domain Awareness, critical to enhancing our performance across all missions. We must identify and understand threats and disseminate timely information to our operational commanders and partners, to best respond to terrorist threats, drug smuggling, illegal migration, distressed boaters, or illegal fishing. The start of this effort is included in the 2005 budget request.

Of course, Coast Guard people make our operational excellence possible. They routinely put service to our Nation above all else. They are my highest priority. This budget request improves the quality of life for Coast Guard men and women by providing a pay raise and improving Basic Allowance for Housing. Most importantly, through Deepwater, Rescue 21, and other initiatives, Coast Guard men and women will have the quality equipment they deserve to do their jobs.

### Conclusion

Thank you for the opportunity to testify before you today. I will be happy to answer any questions you may have.