

Coast Guard Commandant Admiral Bob Papp's Coast Guard Update

to the

Surface Navy Association

January 12, 2011

Good afternoon Shipmates!

For those of you who have heard me speak, you know that for me, “Shipmate” represents the unique bond that is formed when the people you serve with, and their families, become part of your extended family. How else would you describe persons you spend 24 hours a day with, 7 days a week, sometimes in the most treacherous of circumstances, and other times observing the grandest spectacles of nature that few will ever see.

The term “Shipmate” also encompasses the adrenaline and emotion of our Service: the great joy and satisfaction of a rescue well performed; the deep sorrow when, despite your best efforts, you cannot save someone from the perils of the sea. It’s weathering these storms and difficulties, the crests and troughs, laughing and working—and yes, sometimes crying—giving it your utmost while cold, or hot and sweaty, wet, and tired that forges the bond that is Shipmates.

There is no greater compliment than being known as a great shipmate, and no better goal than to become a good one.

The Surface Navy Association – and its mission of proving surface operators support, professional development programs and activities – makes it one of the Coast Guard’s great shipmates – so thank you!

Today, as this is the “Coast Guard Update” I’d like to start out with my vision for the Coast Guard, and then – consistent with this year’s conference theme of “Relevant Capabilities for a Challenging Future,” I’d like to transition into some the challenges facing Coast Guard surface operations.

As Commandant, I have four guiding principles for the Coast Guard...

- Steady the Service
- Honor our Profession
- Strengthen our Partnerships, and
- Respect our Shipmates

Steady the Service – As I assumed command of the Coast Guard, I could have sought to change our service in an effort to optimize it based upon my experience. This would be easy – it's traditionally what new Commandants have done, and – trust me, I have 35-plus years of ideas! However, upon further reflection, I determined this was not the right time to introduce new organizational change. My past two predecessors undertook broad organizational changes. These changes were well intentioned and designed to make our service stronger.

However, when I assumed the watch, these initiatives had yet to be completed – things like overhauling our chain of command to optimize the delivery of mission support services, and the reorganization of our shore commands to Sectors. Moreover, post 9-11 we had taken on many new missions – missions which we were never fully resourced to perform.

So, rather than proposing additional change, I determined that our best course of action would be to complete these initiatives, and seek to properly resource our new post 9-11 responsibilities. And that's just what my principle of Steady the Service is designed to do – focus our energies on steering these initiatives to completion.

We've made good progress to date. Congress passed our authorization bill which provided the authorities we needed to modernize our mission support delivery system – and we're making good progress in many of the other areas. However, as you all know the current and foreseeable budget climate is extremely challenging. So as we seek to fully resource our post 9-11 missions, and recapitalize our aging fleet, it's imperative that we demonstrate the value we provide to the American public and the Nation.

The American people need to understand that without new multi-mission surface assets, their Coast Guard will not be able to maintain an acceptable level of readiness to perform our missions – we will not be Semper Paratus.

My other three principles are:

Honor our Profession – we will seek to do this by achieving excellence in all our mission areas. We need to get back to basics and focus on seamanship, boatsmanship and airmanship. We've had too many mishaps lately including two recent boating accidents – one in Charleston and one in San Diego where an 8 yr old boy was killed. This is unacceptable. And, we've lost an unprecedented 14 aviators in three separate mishaps over the past 2 years. We must "Honor our Profession" by ensuring our focus is on safety, professionalism and mission success.

Strengthen our Partnerships – to achieve efficiency and to ensure coordination of effort across the many agencies we work with – we must Strengthen our Partnerships. For instance, the Coast Guard and the Navy face many similar challenges –we need to seek innovative approaches and identify operational efficiencies. We must work to ensure continued interoperability of our platforms – and where possible, take advantage of commonalities in training, maintenance and acquisition programs.

Respect our Shipmates – ensuring adequate workforce strength, training, professional development and support is one way we can Respect our Shipmates. If we take care of our Shipmate's needs, they will take care of our Service. Respecting our Shipmates starts with providing adequate and affordable housing, modern well-staffed child development centers and robust family support programs –

It continues by providing our people with doctrine, training and tools – including acquiring the modern, habitable multi-mission cutters they require to safely execute our challenging maritime missions.

So that's an overview of my four guiding principles. Now I'd like to transition into discussing one of our biggest challenges – obtaining the resources to continue recapitalizing our aging fleet:

My number one budget priority is recapitalization of our multi-mission fleet.

This year has been an historic year for Coast Guard surface operations – I can't I recall I period where our Service received such acclaim and attention! That's the good news! In early January after a devastating earthquake in Haiti, followed on April 20 by the Deepwater Horizon Oil Spill, our cutters and crews quickly transitioned from their counter-drug and migrant patrols, to humanitarian assistance and then oil response. While the media continuously broadcast our heroic efforts, there was something the public did not see. Our aging fleet suffered major casualties. Of our 12 major cutters assigned to Haitian relief operations, 10 – or 83 percent – suffered severe break-downs. Two were forced to return to port for emergency repairs; one had to proceed to emergency dry dock.

This high casualty rate was not cause by a lack of oversight by Commands, or poor maintenance by our crews. Rather, the simple fact is that for a very long time we have been relying on outdated and rapidly aging ships. Our fleet of 12, 378-foot high endurance cutters has an average age of 40 years. Let me say that again – the average age of our high endurance cutters is 40 years old. Compare that to 14-years for a U.S. Navy ship. I can tell you, while the Navy is also faced with budget challenges, they don't perform their missions with such antiquated assets.

Maintaining old ships is costly – both in dollars and mission performance. In FY09 we spent 3.5 times our budgeted maintenance funds to keep our high endurance cutters operational. Even so, we lost 569 patrol days to engineering casualties – that equates to an astounding one-quarter of the total available patrol days. This is unacceptable.

Now the good news is the acquisition project to replace 12 high endurance cutters is well underway. They will be replaced with 8 National Security Cutters – known as the Legend Class. To date, 2 of the 8 NSCs are in service – The 3rd, the Cutter STRATTON, was recently christened by Michelle Obama in July, and is 75% complete. And, we've just signed a contract for the 4th.

The new NSC provides much-needed state of the art communications, detection, and security systems and also features excellent crew habitability. They measure 418-feet, and feature increased range and endurance (60–90 day patrol cycles), better sea keeping, and higher transit speeds. They are equipped with multiple small boats; more powerful armament (57mm medium caliber deck gun and a 20mm Close-In Weapon System); a large flight deck and dual hangars for helicopters and unmanned aerial vehicles; chemical, biological and radiological environmental hazard detection and defense; and improved Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) equipment.

Simply stated, the NSC is the most sophisticated and capable cutter the Coast Guard has ever operated.

There's a genuine need for high endurance cutters – they are the asset of choice for long range security and law enforcement missions that are required to be conducted in heavy seas – or far from shore. Besides protecting the Nation's fisheries stocks, recent operational examples include the joint CG-Navy response to the Carnival cruise ship Splendor disabled by fire off Mexico – and the 738-ft merchant vessel Golden Seas that lost propulsion in the treacherous Bering Sea, posing a potential environmental disaster if forced aground. Both of these responses required high-endurance cutters.

As discussed previously, we're also trying to leverage some commonalities with the Navy's Littoral Combat Ship program. Though the NSC and the Littoral Combat Ship have separate hull designs, we are pursuing similar components to maximize the taxpayers' investments. The TRS-3D radar and the 57mm deck gun are two examples.

In addition to increased CG/Navy interoperability, common components can reduce total ownership costs through common training, spares, maintenance and upgrades. We will continue to explore other similar components.

It's vitally important that we obtain all of the 8 planned NSCs! To properly protect our borders and meet mission demand, we need a minimum of 4-5 NSCs underway at any given time – (this requires a minimum of 8 ships to meet requirements for maintenance, training and crew rest) – as well as ensuring adequate surge capacity to respond to national contingencies.

Our medium endurance cutter fleet is also quickly approaching the end of its service life. Our current fleet of 14, 210-foot medium endurance cutters was built in the mid-1960s – and our fleet of 13, 270-foot medium endurance cutters was built in the early 1980s.

We are in the early acquisition stages to replace the 210s and 270s with a singular new hull – the Offshore Patrol Cutter – or OPC. This project anticipates 25 cutters, with delivery of the first OPC in 2019. Similar to the required need for 8 National Security Cutters, in order to keep 4-5 underway, to execute our law enforcement, homeland security and search and rescue missions, we require 25 OPCs to ensure 13 are on-station.

The OPCs will provide a modern versatile fleet that will constitute the first line of maritime border security. They will feature speed, weapons, flight decks, C4ISR equipment, small boat launch and recovery, and the over-the-horizon and force protection capabilities necessary to meet present and future CG and DHS mission needs.

Our operating area includes 95,000 miles of coastline and 3.4 million square miles of U.S. maritime territory including the exclusive economic zone. Having 4 NSCs and 13 OPCs on patrol, with improved communications, speed and endurance, as well as their improved ability to launch boats and helicopters, will provide baseline security and in-depth capability, including:

- Detection and interdiction of threats far from shore – providing leaders more time to act
- Interdiction of illegal drugs in the transit zone – far from U.S. borders – (thus reducing pressure on the increasing violent southwest land border)
- Protection of our fisheries, security to offshore energy projects and resources, and command and control ability to execute multi-agency response operations
- Offshore heavy-weather search and rescue
- And projection of soft-power for U.S. humanitarian operations and international engagement

We also have an acquisition project underway to replace another workhorse of our fleet – our 110'ft island-class patrol boat – with the 154-ft Sentinel Class Fast Response Cutters. The FRCs are named after U.S. Coast Guard enlisted heroes—men and women whose deeds and lives exemplify our core values of Honor, Respect and Devotion to Duty—but whose powerful stories have for too long gone untold.

We plan to build 58 FRCs. They can make 28 knots, hold a crew of 24, and perform independently for a minimum of 5 days at sea, while patrolling 2,500 hours per year. Now the FRC's crew was planned to be 22. However, we were recently faced with a shortage of sea-billets for our graduating Ensigns. So, in order to ensure that all our new officers – excepting those going to flight school – have the ability to go to sea, we're putting new Ensigns on FRCs – as well as our legacy 110s! As I told the Coast Guard Academy Cadets when I spoke to them last week, you can't credibly work in a maritime service if you have not been to sea!

The Command, Control, Communication, Computers, Intelligence, Surveillance, and Reconnaissance,(C4ISR) systems on the FRCs will be fully interoperable with the Coast Guard's existing and future assets, as well as DOD and DHS assets.

The FRC project is on track, and we anticipate delivery of the first three hulls by the end of CY2011. The lead ship, Cutter BERNARD WEBBER, will be delivered in the 3rd quarter of FY11. On 18 Feb 1952, then BM1 Bernard Webber and his crew were awarded the Gold Lifesaving medal for their rescue of 33 survivors from the tanker SS Pendleton which broke in two in a severe winter storm off the coast of Cape Cod, MA. This rescue – retold in the recent book “The Finest Hours” is one of the most gripping stories and greatest rescues in Coast Guard history. So, I’m really looking forward to commissioning this cutter!

We could devote an entire session to the Arctic and Polar Ice Breakers. As you continue to hear in the news, as recently as this Monday’s Washington Post Article on page A-2, the emerging Arctic waters present a significant National Security challenge. The Coast Guard is the only service that operates ice breakers. However, of our three ice breakers, only one – Cutter HEALY – is operational – the other two are undergoing significant dry dock and dock side repairs. POLAR SEA will not be ready for operations until mid 2011. And POLAR SEA will not be ready for operations until FY2013.

The bottom line is that we need to have a very serious national conversation on what type of Arctic surface operational capabilities and capacities we wish to have. What’s the strategy – what’s expected – and what is the public and their Congressional representatives willing to pay for...Polar ice breakers are costly to build, and capital intensive to operate. But, if we want to possess the capability to operate in the Arctic, we need to resource it correctly. Other Arctic Nations are already staking their claims, and expanding their operational capabilities. Our National Strategy seemingly directs us to be doing the same thing. However, our resources are not synchronized with our strategy.

And, in the current budget climate, while you’re working as hard as you can to obtain budget authority to recapitalize your main fleet of multi-mission cutters, obtaining additional monies – the cost of a new ice breaker is estimated to be \$800 million – is highly unlikely. So, in the interim, absent a significant desire to resource expanded polar capabilities, we will need to pursue innovative strategies, and continue to strengthen our partnerships with other Arctic Nations, in order to protect interests.

We are cognizant of budget austerity and its effect on Naval surface capabilities – and particularly acquisitions. However, the Coast Guard’s readiness is being challenged by our reliance on outdated – and in some cases obsolete, and rapidly-aging ships, (as well as aircraft, systems, and shore infrastructure).

While our front line forces and support personnel are masterful at keeping these assets operational, it is beyond the time to replace them. The cost to sustain them continues to rise (both monetarily and in lost patrol days), as their reliability declines. While large acquisition projects such as the NSC are certainly expensive, postponing production will ultimately be more costly – both in terms of dollars and sense! We need new multi-mission cutters to ensure we possess relevant capabilities for our challenging future, as we progress into our third century of service to the Nation!

Semper Paratus.