

**ORAL TESTIMONY OF ADMIRAL ROBERT J. PAPP, JR.
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“USCG FY 2013 BUDGET”

**BEFORE THE
SENATE APPROPRIATIONS COMMITTEE ON HOMELAND SECURITY**

MAY 9, 2012

Chairman Landrieu, Ranking Member Coats, (Chairman Inouye, Ranking Member Cochran), distinguished members of the Subcommittee, it is my honor to appear before you today to testify regarding the Coast Guard’s fiscal year 2013 budget.

On behalf of all the men and women of the Coast Guard, I want to thank you for your stalwart support of our service as this Subcommittee is well aware – we are facing challenging fiscal times.

We must never forget that America is first, and foremost a maritime nation. 95% of our foreign trade arrives – or is shipped by sea – the maritime transportation system accounts for nearly \$700 billion of the U.S. gross domestic product and 51 million U.S. jobs. Our economy, its security, and our nation’s prosperity depend upon safe and secure maritime approaches.

But, these same approaches are also used by criminals. In the offshore transit zones we face growing transnational crime, drug and human trafficking, and piracy. Just over a month ago, our new HC-144 aircraft, on its first flight of its first deployment to the Caribbean used its state of the art sensors to detect a drug sub and vector in two Coast Guard cutters for an end-game response.

This is the 5th drug sub we’ve interdicted in the Caribbean since July 2001 – drug subs are just one of the offshore threats we are facing.

Our natural resources are also threatened by illegal fishing which is increasing pressure on our valuable fish stocks.

Offshore exploration – driven by an expanding global thirst for fossil fuel – is also on the rise. Oil exploration is planned in U.S. Arctic waters this summer – and, closer to our shores, we face the threat of transboundary pollution from ongoing drilling on Cuba’s continental shelf.

Our Coast Guard is charged with ensuring the safety, security and stewardship of this broad range of maritime activity.

We protect people on the sea, we protect the nation from threats delivered by sea, and we protect the sea itself.

No other agency has the equivalent authorities, competencies and capabilities to provide for the nation's maritime security on the water and in the air, from far offshore and within our ports.

This unique mosaic is a foundational characteristic ... it's what makes the U.S. Coast Guard just as effective in responding to major catastrophes like Deepwater Horizon and Hurricane Katrina as it is performing our "every day" operations.

Our layered maritime security strategy focuses on three regions: overseas, offshore, and inshore. This strategy seeks to optimize the use of our assets and authorities throughout the maritime continuum.

To ensure the Coast Guard remains capable of confronting future threats, however, we must judiciously invest in the assets we need to effectively operate in each region of this continuum.

In the decade since 9-11, we've focused on investing in resources to strengthen our capabilities to counter risks in the ports and coastal areas – our inner layer.

We acquired more small boats, capable aircraft and more personnel to operate them. We deployed the Rescue 21 distress communication system. We unified field operations through creation of sectors to fully integrate and leverage our prevention and response activities. We enhanced regulatory, inspection and compliance programs, and we built effective deployable specialized forces. We also strengthened partnerships with the many agencies we operate alongside. And, while there will always be more work to do, these near-shore forces are far more prepared to address our risks than in the offshore layer.

Simply put – we have built a strong defense in the inner layer – but the last place you want to discover and confront a threat is near shore or in your ports! So, we now need to focus on our building our offense in the offshore layer.

But, the offshore layer is also where I am most concerned.

Our offshore cutter fleet is aging, antiquated and increasingly less effective. Even with the best efforts of our crews – and the support from this subcommittee – the state of our major cutter fleet – most of which is in excess of 40-years old – is alarming.

Our legacy high endurance cutters are only achieving 70% of their programmed underway hours – and more than 50% of the time they are sailing with major equipment casualties. This is cause for concern – because the key to interdicting threats offshore is maintaining a persistent presence to rapidly respond, interdict, and address threats. If we do not have capable and reliable cutters, we cannot mount a response, we cannot enforce our laws, and we cannot adequately protect our national interests - it's that simple.

This is why we must continue to build new major cutters such as the 6th national security cutter as quickly as possible – I am thankful to the secretary for her support and leadership in this regard.

Maintaining momentum is what allowed us to put NSCs 4 and 5 on contract for nearly the same price. We are now reaping the benefits of efficient shipyard processes and experienced shipbuilders – now is the time to keep production going – now is the time to deliver these ships as inexpensively as possible – now is the time to ensure the Coast Guard is capable of interdicting offshore threats for the next 30-to-50 years.

The FY 2013 Budget reflects the threshold I need to acquire new cutters and aircraft designed to address our greatest threats. Right now, we are delivering these new assets at minimum production levels. This ensures we keep the most critical acquisition projects moving forward while at the same time maintaining front-line operations.

As this committee clearly recognizes, given your stalwart support for the NSC program, we are balancing our investment in future assets against the resources required to maintain front-line operations. Doing so requires tradeoffs. But, that's what leaders do – leaders make tough choices in challenging times.

As we work together to confront these challenges, the men and women of the Coast Guard are standing the watch to protect our Nation. The budget submitted to you seeks to provide them with the tools they require to continue performing our challenging maritime missions.

Thank you for the opportunity to testify before you, and for steadfast support of our Coast Guard. I look forward to answering your questions.

Semper Paratus.