When Admiral Paul Zukunft assumed the duties of the 25th Commandant of the U.S. Coast Guard on May 30, 2014, he also assumed a role which puts him closer to the general public and the industries that he regulates than any of his peers in the other armed services could ever imagine. But, that’s the nature of the Coast Guard’s multi-missioned mandate. As such, its CEO should in theory be a little better-rounded. That’s ADM Zukunft, in a nutshell.

Prior to his confirmation as Commandant, Zukunft served as Commander, Coast Guard Pacific Area, where he was operational commander for all U.S. Coast Guard missions in an area encompassing more than 74 million square miles and provided mission support to the Department of Defense and Combatant Commanders. In 2010, he served as the Federal On-Scene Coordinator for the Deepwater Horizon Spill of National Significance where he directed more than 47,000 responders, 6,500 vessels and 120 aircraft during the largest oil spill in U.S. history. Before that, he served extensively in the cutter fleet where he commanded the cutters CAPE UPRIGHT, HARRIET LANE, and RUSH. He graduated from the U.S. Coast Guard Academy in 1977; from Webster University in 1988 with a Master of Arts degree in Management; and from the U.S. Naval War College in 1997 with a Master of Arts degree in National Security and Strategic Studies. He is a graduate of Harvard’s Kennedy School of Government National Preparedness Leadership Initiative course.

In July, MarPro caught up with ADM Zukunft at the gleaming, brand new U.S. Coast Guard headquarters, where – although he’s had little chance to catch his breath since assuming command – he spent an hour laying out what’s to come next, why, and how that should all come about for the nation’s fifth uniformed military service. On his way to the top, Zukunft says that a management style of inclusiveness, transparency, and empowerment has served him well. “E-1 to O-10, everyone has an observation and a contribution to make to the service,” said the Commandant, adding, “As a senior leader, oftentimes you’re the messenger of those great ideas, and then, figuring out how to get those great ideas funded into the budget process.”

Covering a lot ground in those 60 minutes, the Commandant’s focus always seemed to come back to just one thing: people. That said; Zukunft focuses less on headcount than he does on the competence and morale of however many coastguardsmen (and women) that the federal budget allows. It is here where industry should sit up and take notice.

**Job 1: 21st Century Assets**

Reinvesting in 21st century assets is Zukunft’s first priority.
He says that this is a ‘continuity theme’ from his predecessor, explaining, “Admiral Papp’s legacy will clearly be the national security cutter. But as you look at where our next largest gap is going to be in terms of our capability and capacity, it’s in the offshore domain right now, and that will be the offshore patrol cutter (OPC).” He added for emphasis, “The National Security Cutter and our polar ice breakers are actually our largest hulls, as well as the Healy. The Arctic is a whole other challenge for us. We need to look at the Arctic separately, which would require a top-end adjustment to our budget right now to be able to bring on a heavy ice breaker into our shipbuilding process.” Zukunft admits that the money simply isn’t there.

The Arctic remains a serious problem for the Coast Guard. Absent another modern icebreaker, the Coast Guard says Zukunft, finds itself once again ‘doing more with less.’ “The national security cutter was never designed to operate in the Arctic domain. Conditions are such that there is a relatively ice-free season which coincides with the peak in human activity in the Arctic. And, so we are able to deploy national security cutters during that narrow ice-free season which still hasn’t even commenced yet. It provides some modicum of presence - but not persistent presence - in the Arctic domain.”

Where the National Security Cutter has proven their value, he insists, is in the fact that the Coast Guard no longer does 75-day patrols with national security cutters. Instead, these now deploy. He adds, "The fact that we can have that degree of presence and then work across the full scope of our offshore mission threats is really a testimony to the capability, not just of these platforms, but it really comes down to the people that man them.”

Alluding to the Coast Guard’s all-important mission of drug interdiction, Zukunft told Maritime Professional, “It really does come down to capacity. There’s a lot of ocean out there and just not enough resources. And the Navy is challenged, as well. They’re bringing the Perry-class frigates out of service, and those are the exact same hulls that we put our law enforcement teams to expand our capacity in the transit zone.”

Coming back full circle to the Arctic, however, Zukunft says the Coast Guard needs an icebreaker. Pointing to what he characterizes as ‘the value proposition in the Arctic,’ he says, “There are other countries that are making tremendous investments in the Arctic where the United States is not, Russia in particular. We have not ratified the Law of the Sea Convention, yet we have an extended continental shelf that’s roughly twice the size of California, in addition to our EEZ. Eventually, there may be offshore oil in production in the Arctic domain, 24/7, not seasonal. So this becomes an issue of national sovereignty, and if there is a threat in those sovereign waters, other than the ice-free season, what are you going to do about it? And it takes years to be able to design and build a heavy ice-breaker, and right now time is not in our favor.”

By some estimates, a new icebreaker could cost $1 billion, and if built, would almost certainly entail a top line adjustment to the Coast Guard budget. But, says Zukunft, this issue isn’t necessarily just a Coast Guard problem. "There are a number of stakeholders that have equity in the Arctic, and this really is a policy issue first of how do we invest in the Arctic going forward.”

**Marine Safety**

Zukunft wants a more inclusive relationship with the industry that the Coast Guard regulates - with caveats. “That’s a relationship. It’s not a partnership, but it’s a relationship. There’s a nuance between the two but I don’t think any of us would consider our relationship a partnership, for example, with the Internal Revenue Service. We have an inherent relationship, but if you’re a regulator, you can’t be a partner at the same time. But you need to listen to the industry that you regulate.”

Zukunft worked in the marine safety department during one phase of his 37-year career. At the time, he felt that the Coast Guard provided a very good one-stop shop for maritime governance. At the same time, he recognizes gaps in service that require attention. “Industry is changing at a much more rapid rate than our marine inspectors that go out and ensure that these vessels come into compliance. We get very good at the way we operate aircraft, because those aviators they go to flight school and then they stay in that program right up through the time that they’re an instructor pilot and maybe beyond. But we haven’t done the same thing with our marine safety program, so I’m committed to making a similar investment in our human resource capital that we grow marine inspectors that understand and are the subject matter experts in the industry that we regulate, as well.”

Indeed, a May 2013 report issued by the Office of the Inspector General, Department of Homeland Security took the service to task, saying, in part, “The USCG does not have adequate processes to investigate, take corrective actions, and enforce Federal regulations related to the reporting of marine accidents. These conditions exist because the USCG has not developed and retained sufficient personnel, established a complete process with dedicated resources to address corrective actions, and provided adequate training to personnel on enforcement of marine accident reporting.”

Zukunft brings with him to the Commandant’s office a plan to fix all of that. Diverging from former Commandant ADM Papp just a little bit, he sees little if any value to ensuring that everyone goes to sea at one point or another in their Coast Guard career. He explains, “Fundamentally, we try to get every junior officer, every ensign coming out of the Coast Guard Academy, into a seagoing billet. But, there are not enough ships and as a result, there’s very little value in sending 15 ensigns to a national security cutter when there are not 15 meaningful jobs for them to do.”

With that in mind, the Commandant also insists that coast-
guardsmen, at a much earlier point in their career path, make a decision as to what they want to do. This is especially true, he says, in the field of marine safety. Emphasizing his point, Zukunft says, “Certainly, within ten years of anyone’s Coast Guard career, any individual should be able to say ‘I am a subject matter expert in at least one area.’ At a more senior level, perhaps, that’s not necessary. But, for the first ten years, you should be at the tactical level a proven expert in any one of the number of fields that we have in the Coast Guard.” And that’s exactly where he hopes to bring the Coast Guard’s marine safety division. Time will tell.

Subchapter M – the Towboat Rule: when?

For the domestic towboat industry – arguably the backbone of the U.S. merchant marine that includes more than 40,000 hulls, of which all but perhaps 700 can be considered brown water, shallow draft vessels – the passage of the so-called subchapter M towboat rules is a hot button issue. Rarely is there a time and a place where both industry and the Coast Guard are so squarely on the same page as one another in terms of regulatory change. Industry stakeholders and advocates – notably the voice of the domestic tug and barge industry, the American Waterways Organization (AWO) – have called for the rule’s swift enactment. And yet, the process drags on. On that subject, Zukunft had plenty to say, but perhaps not necessarily what the commercial waterfront necessarily wanted to hear. “With our rule-making process, we fully engage our federal advisory committees. We go through the notes of proposed rule-making through the hearing process, the reconciliation, and then before it goes to final rule, then there is a separate clearance process that goes into place. That’s a challenge. So it’s not a timeline that I can guarantee because it does go through several other layers of review here at the federal government. But at the end of the day, I will assure that industry has their say before we come out with a final rule. So the process that we follow, protracted as it may be – the hearing process, the rebuttal to those hearing comments, the feedback that we provide, and especially listening to our federal advisory committees – all of those are critical links as we aim to put good regulations out on the street for industry.”

Deepwater: no longer a dirty word

The so-called Deepwater recapitalization program had its
starts and stops, well-publicized problems, failures and cost overruns. Eventually, the Coast Guard stood up its own acquisition group to address those issues. Zukunft was asked to rate their performance in recent years. According to the Commandant, it has come a long way. “As we came out of the starting block with our major acquisition program, what we learned from that is how to generate requirements. And we know what the Coast Guard needs into the 21st century. What we didn’t have when we took on Deepwater is the certified professionals, the acquisition experts, to oversee a program of that magnitude. I’m pleased to say today, in fact we just had the Department of Homeland Security put out an annual list of recipients of procurement and acquisition awards, and the Coast Guard took 5 of the 7.”

As proof of that, Zukunft points to the policy of fixed-cost contracting, and the fast response cutters being built in Bollinger shipyard coming out on-time, on-budget. And, he says, the third national security cutter is also proceeding on-time, on-budget. “Actually, I could not be more pleased with the professionalism that now exists within our acquisition program. It just didn’t exist before the integrated Deepwater system came to be. And we quite honestly didn’t appreciate the magnitude of how much this would consume the Coast Guard, not for a one-time buy but for the lifecycle of the systems that we’re bringing on board.”

People: not head count

The Department of Homeland Security describes the Coast Guard as a force about 42,000 members, but that number is actually about 39,600. That’s because for the last several years with unpredictable budgets, they’ve been forced to trim their workforce. Zukunft shakes his head at those numbers and says, “That’s almost an irrevocable risk that you take, because I can’t buy those back, absent what I call a ‘black swan event.’ So, if I have to surge for a hurricane this season, and then I have another event, what I end up doing is stripping people from one area that may be at lower risk. But, there is never ‘zero’ risk. Right now, as I told my team, as we go forward, we need to ‘hold fast.’ But, we cannot draw the Coast Guard down any smaller than we are today.”

If he could get those numbers back up to 42,000, Zukunft would do it in a heartbeat – again, with caveats: “We need to be smart about what we do, and we need to demonstrate what the value of each and every one of those individuals have been. We often look at a person as a dollar line item, and we tend to underestimate the investment that we have made for them to become leaders and competent at the work that they do.”

This has to begin, says Zukunft, with benchmarking what is it that the Coast Guard needs to complete all of its regulatory missions. That’s something the Commandant says has never been done. A dd to this the challenges presented by budget cycles that often necessitate a drawdown in force and the policy
of moving people every two to three years, and the problem becomes even more exacerbated. Laments Zukunft, “Ironically, we move them right in the peak of our search and rescue and hurricane season; during the summer months.” Questioning the need to move people as frequently as the service does today, he offers, “We should provide them better geographic stability. It makes them more proficient at what they do. It allows industry to better understand and build on that relationship. And it’s less stress on the families, as well.”

Zukunft again emphasized the need to invest in people with an immediate goal of ridding the Coast Guard of sexual assault. Within the service, however, and at the deck plate level, members are tired of hearing senior officers talk about ridding sexual assault from the Coast Guard. Zukunft responds by saying, “I get paged out every time there is an allegation of sexual assault anywhere in the service. And the day I can go more than a month – because right now I can’t go more than three days without an allegation of a sexual assault in the Coast Guard – I will get off this pedestal.”

Zukunft can (and will) talk all day about his service members and their families. “People are our most valuable asset in our service. It’s not just the people, it’s the families that don’t take an oath, but they support our folks just as much as anybody else. I want to look at the investment we make to make people proficient at what they do, leaders within the service, and within the community, and admired among industry, as well. That’s an investment that I will make.”

Zukunft equates taking even one person out of service to the painful task of laying up a ship. That’s because, he says, “I can’t surge proficiency; I can’t surge expertise in time of a crisis or a time of a regulatory change. So I’m keeping a very close eye on the health of our service right now, at a time when outside employment opportunities are actually improving. Right now, we’re probably about a thousand short in meeting this year’s recruitment goals for our recruits coming through Cape May.”

Zukunft’s Coast Guard
For his part, ADM Zukunft yearns for a day when strategy drives his budget, as opposed to the budget driving strategy, as so often happens during the budget process. That won’t be easy. “We can start by asking what the Coast Guard needs to look like in four to five years. In the past, we’ve taken an approach of trying to look out twenty years, but quite honestly in twenty years, you can’t predict a ‘Katrina.’ You can’t predict a 9/11. And those are what I call black swan events. Those will
be challenges. You can maybe look out five years, but trying to look out twenty years is a bit of a challenge for us."

Looking beyond the obvious challenges facing him over the course of the next four years, Zukunft is clearly optimistic about what’s to come. And, he’s pleased with the hand he’s been dealt. “Really, we are the best coast guard in the world. I don’t say that to be arrogant, but I’ve seen most of them, and been to more countries than we have states in the union. And to a person, they all model themselves after the U.S. Coast Guard. They can build the neat ships. They can paint them white with that orange stripe, but they can’t replicate the one thing that we have and that’s the character and the quality of our people."

As usual, any discussion that involves the Coast Guard always leads the Commandant back to his people. The next four years may be, on the surface, all about getting the National Security Cutters funded and built. It may also be about the OPC sweepstakes and, perhaps, it will involve the process necessary to fund another icebreaker for the Coast Guard. None of that will be possible, says the Coast Guard’s 25th Commandant, without the right people to get the job done. With a weather eye on the human aspect of his command, Zukunft, just two months into his tenure at the top, is already hard at work.