

UNITED STATES COAST GUARD



POSTURE STATEMENT

2018 Performance Highlights
2020 Budget Overview

CONTENTS

Letter of Promulgation	3
Posture Statement	4
FY 2018 Performance Highlights	20
FY 2020 Budget Overview	34
FY 2020 Budget Tables	44



THE COMMANDANT OF THE UNITED STATES COAST GUARD

A unique instrument of national power, the Coast Guard is an Armed Force which serves as a first responder, law enforcement agency, maritime regulator, and member of the intelligence community. As the challenges to our national and economic security grow more complex, the Coast Guard is poised to leverage our full spectrum of maritime capabilities to protect the American people, our homeland, and our way of life.

I am pleased to present the Coast Guard's annual Posture Statement, which provides strategic context for the service, describes performance highlights from 2018, and outlines my Fiscal Year 2020 Budget Priorities. Our investment priorities are in direct alignment with the *Coast Guard Strategic Plan 2018-2022*, which emphasizes our need to invest in Service readiness, while fine-tuning mission execution and operational support to ensure a safe, secure, and prosperous homeland.

The Coast Guard is locally based, nationally responsive, and globally impactful and I am exceptionally proud of the operational successes of our active duty, civilian, reserve, and auxiliary personnel who comprise our mission ready total workforce. Our men and women deploy worldwide to support all Combatant Commanders as a component of the Joint Force. At home, we surge our people and assets wherever they are needed to protect Americans from disasters and respond to crisis. Throughout the country, we live in the communities we serve, saving our neighbors from peril and facilitating the maritime commerce on which our economy depends.

Maintaining service readiness in the face of complex threats and technological sophistication requires modern assets and the resources to operate and maintain them. The FY 2020 budget request advances key Coast Guard priorities to enhance the readiness of our people, assets, and infrastructure. Investment in our workforce goes beyond front line operations to build critical capabilities to operate into the future. We enjoy robust support from the Administration, Congress, and our Department, and the Coast Guard has made great progress recapitalizing our assets, including five major ongoing surface acquisition programs. The Capital Investment Plan supports our highest recapitalization priorities, including the Offshore Patrol Cutter and the Polar Security Cutter, and is critically important to sustaining the Coast Guard's ability to meet our Nation's evolving needs.

As we have for nearly 229 years, we will continue to adapt to emerging national demands and the dynamic international environment. Our FY 2020 Budget supports your *Ready, Relevant and Responsive* Coast Guard, capable of meeting the challenges facing our Nation, our Department, and the Combatant Commanders across the globe. With continued support of the Administration and Congress, the Coast Guard will continue to live up to our motto - *Semper Paratus - Always Ready*.



Karl L. Schultz

Admiral, U. S. Coast Guard
Commandant

AMERICA'S COAST GUARD

Since 1790, the Coast Guard has safeguarded the American people and promoted our national security, border security, and economic prosperity in a complex and evolving maritime environment. We are on the front lines of our Nation's effort to protect the American people, our homeland, and our way of life.



The need for a *Ready, Relevant, and Responsive* Coast Guard has never been greater.




Petty Officer 1st Class Krystyna Duffy drives a 47-foot Motor Lifeboat near the Golden Gate Bridge. Petty Officer Duffy is just the fourth active female surfman in the Coast Guard, earning the highest rank in Coast Guard boat operations and a coveted title which dates back more than 200 years to the U.S. Life-Saving Service.

As challenges to our national security and global influence grow more complex, the need for a *Ready, Relevant, and Responsive* Coast Guard has never been greater. Throughout its long and proud history, the Coast Guard has adapted its assets and people and leveraged its unique authorities and capabilities to meet emerging national demands and international challenges, maintaining a legacy as the world's best Coast Guard.

Today, the Coast Guard remains locally based, nationally responsive, globally impactful, and *Semper Paratus* – “Always Ready.”

STRATEGIC ENVIRONMENT

The United States is a maritime Nation. We depend on the sea for our security and prosperity. The maritime domain is inherently vulnerable to transnational crime, terrorist activity, drug smuggling, illegal exploitation of natural resources, unlawful border crossings, and illicit territorial expansionism. To sustain our strength, America must protect our borders from unlawful intrusion and defend sovereignty while safeguarding and facilitating commerce.



**The Coast Guard faces readiness challenges
in an uncertain budget climate.**



Transnational criminal organizations (TCOs) and non-state actors threaten maritime governance, the rule of law, and regional stability. These networks disrupt America's neighbors and partners in the Western Hemisphere, driving migrants to our borders, emboldening human traffickers on our shores, and enabling the movement of illicit substances into our communities.

Near-peer competitors, such as China and Russia, are attempting to diminish American and partner-nation influence abroad. These rival powers jeopardize democratic institutions, escalate conflict, poach maritime resources, imperil access to critical sea lanes, and ultimately disrupt peaceful regions.

The cyber domain is strategically important. Adversarial nation states, non-state actors, and individuals are attacking our digital infrastructure and eroding the protections historically provided by our geographic borders. While improved interconnectivity expands our capabilities, we must account for the corresponding increase in risk.

Our role in the Arctic is growing. Diminishing Arctic sea ice is expanding accessibility to the region and attracting the attention of rival states across the globe. For more than a century, the Coast Guard has been a visible U.S. presence in the Arctic ensuring security and sovereignty for American resources and our role there has never been more crucial.

Catastrophic events, whether man-made or natural, can have enormous consequences on our coastal communities and disrupt our just-in-time global economy.

While keeping pace with the dynamic security environment and changing character of maritime operations, the Coast Guard faces readiness challenges in an uncertain and resource-constrained budget climate. Aging surface and aviation assets, as well as antiquated shore and information technology infrastructure, bring new challenges to our operational readiness.

While we are working to recapitalize essential assets, we also require the resources to sustain and operate them. Moving forward, the Service requires stable and predictable funding to be ready to meet our current mission demands and invest in the necessary capabilities to effectively serve our Nation far into the future.

OUR VALUE TO THE NATION

The Coast Guard is the principal Federal agency responsible for maritime safety, security, and environmental stewardship in U.S. ports and inland waterways, along more than 95,000 miles of U.S. coastline, throughout the 4.5 million square miles of U.S. Exclusive Economic Zone (EEZ), and on the high seas. The Coast Guard applies military, regulatory, incident management, and law enforcement expertise to ensure safety, security, and resiliency across the Homeland Security enterprise.



The Coast Guard confronts threats to the homeland wherever they emerge, from the Arctic to the Arabian Gulf.



Members of Maritime Security Response Team - East fast rope onto the deck of Cutter Richard Etheridge.

As a military service, our unique authorities, capabilities, and partnerships also complement the Department of Defense (DoD). As national security challenges grow more complex, the Coast Guard cooperates in ways that other military services cannot in order to support our national goals of preserving peace through strength and advancing American influence. The Coast Guard is deployed daily around the globe in support of Combatant Commanders to promote peace, fortify alliances, attract new partners, and challenge threats far from U.S. soil.

Fundamentally, the key to Coast Guard success has always been our people—our diverse workforce of Active Duty, Reserve, Civilian, and Auxiliary. The Coast Guard trusts and empowers its workforce at every level to lead with a bias for action – taking on-scene initiative and bringing solutions to complex problems.

By confronting threats to the homeland wherever they emerge – from the Arctic to the Arabian Gulf – the Coast Guard prevents terrorism, secures our borders, saves lives, and reduces the physical and cyber security risks faced by our Nation.

STRATEGIC PRIORITIES

The Coast Guard is fundamentally a strategy-driven organization. The *Coast Guard Strategic Plan 2018-2022* identified strategic priorities to set the course for the future of our service. These priorities reflect and directly support the National Security Strategy, Department of Homeland Security goals and priorities, and the National Defense Strategy. Further, the plan operationalizes existing Coast Guard strategies and outlooks, addressing targeted challenges in our operating environment.



These strategic priorities position the Coast Guard to protect America's economic prosperity and national security.



Maximize Readiness Today and Tomorrow

To meet the Nation's needs, the Coast Guard will recruit, train, support, and retain a mission ready total workforce that is empowered to excel across all Coast Guard operations. We must also continue to build momentum on our current recapitalization efforts, including cutters, aircraft, infrastructure, technology and other mission enablers.

Address the Nation's Complex Maritime Challenges

Our ability to address challenges in the maritime domain ranges from education and partnerships to regulation and enforcement to high-end, specialized operations. The Coast Guard partners at every level, from individual mariners to local police departments, to the world's top navies and coast guards. Our aim is to integrate wherever possible to achieve collective goals.

Deliver Mission Excellence Anytime, Anywhere

We are an agile, adaptive force whose greatest value to the Nation resides in our ability to rapidly shift among our missions to meet national priorities. To promote national security and build resiliency, we will align all of our Service's initiatives to promote organizational efficiency, agility, and effectiveness – delivering excellence anytime, anywhere.

BUDGET PRIORITIES

The Coast Guard's top priority is Service readiness. Similar to the other Armed Services, an uncertain, constrained budget environment has eroded our operational readiness. At the same time, the increasing global complexity and expanding demand for Coast Guard services necessitates the best people, modern technology, resilient infrastructure, and highly capable assets. With a clear understanding of the fiscal environment, we will support our people, invest in mission enabling technologies, and modernize our assets to guarantee we are ready for the challenges of today while preparing for the threats of tomorrow.



The Coast Guard's top priority is Service readiness.



A Coast Guard Cutter Munro crewmember embraces his children after the cutter returned home to Alameda, CA, following a 105-day, 17,000-nautical mile, multi-mission deployment to the Western Pacific Ocean.

READINESS

PEOPLE

The Coast Guard must recruit, train, support, and retain a mission ready total workforce that is equipped with the knowledge, tools, and support systems needed to excel across the full spectrum of Coast Guard operations.

ASSETS

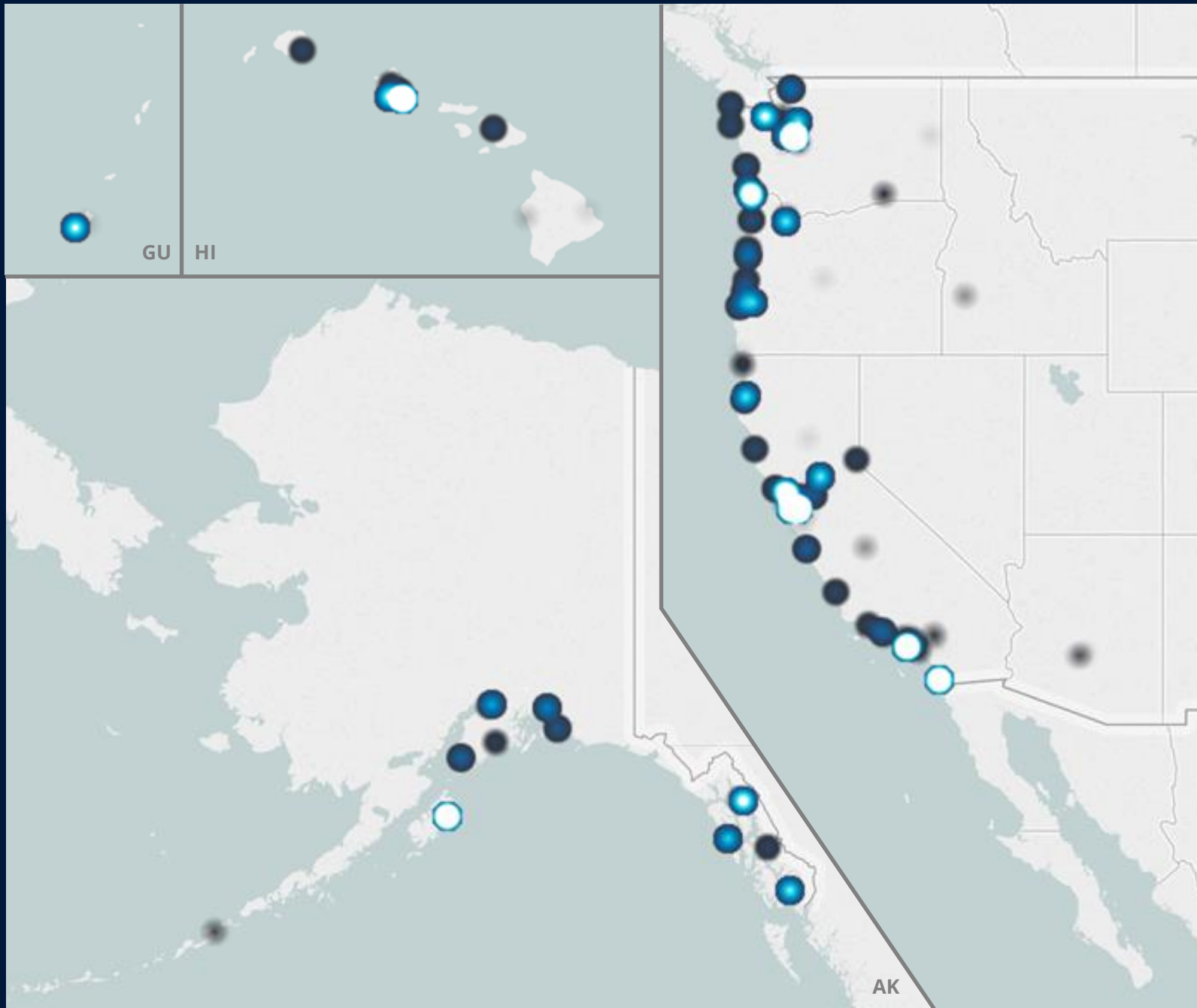
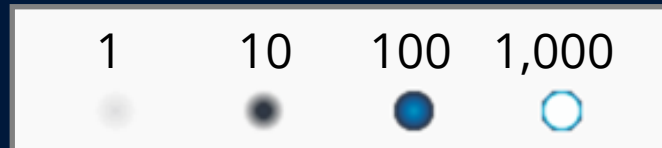
We must continue momentum on efforts to recapitalize our surface and aviation fleets. New acquisitions will help mitigate the risks posed by our aging assets and will revolutionize the way we conduct operations in the future.

INFRASTRUCTURE

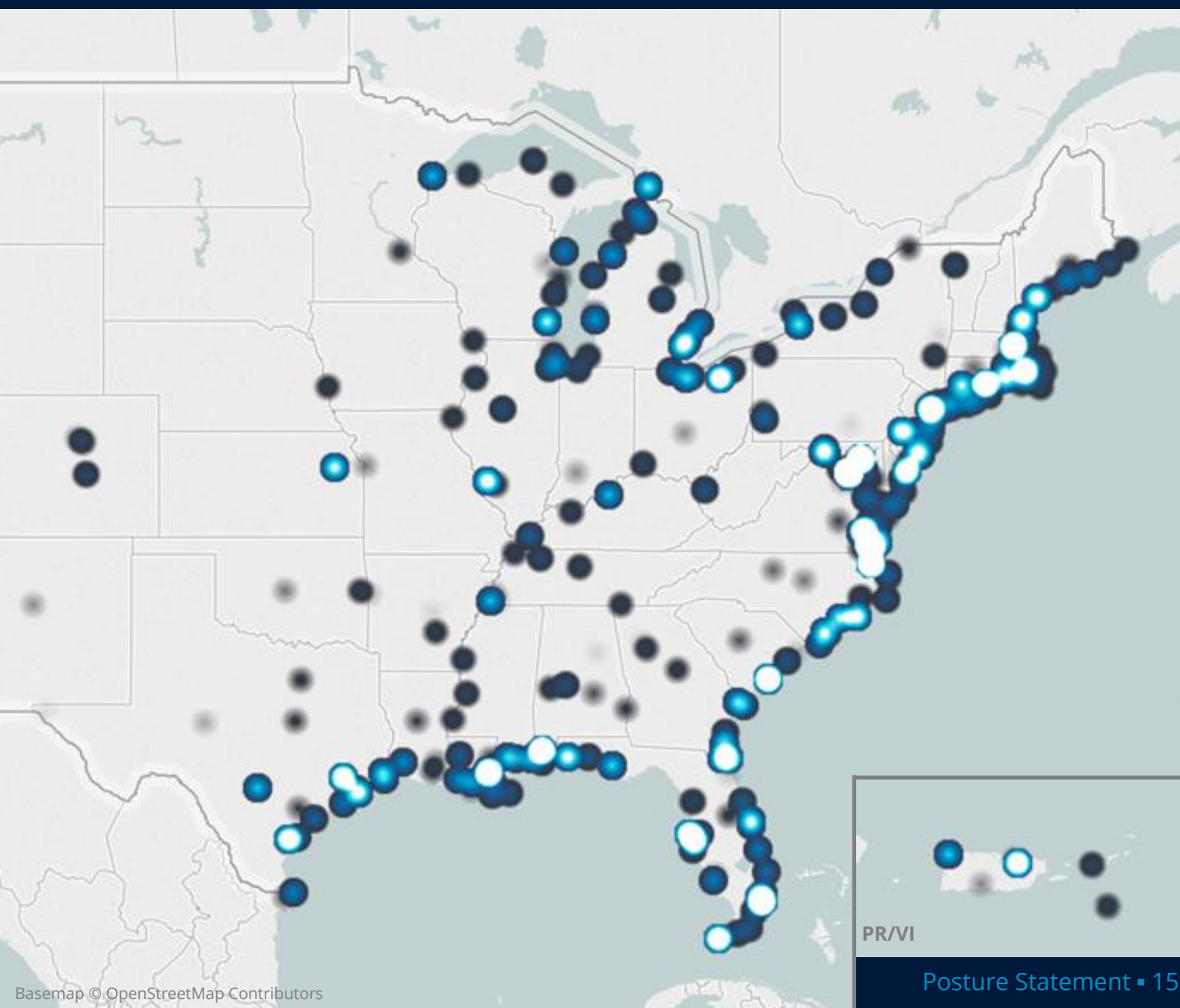
Our increasingly digital world requires reliable access to Coast Guard information systems for our people and assets while also defending our networks against cyber threats. Resilient shore infrastructure is directly connected to operational readiness and successful mission execution.

LOCALLY BASED

The Coast Guard's 54,000-strong Active Duty, Reserve, and Civilian workforce is strategically positioned to meet America's needs. In addition to those depicted below are nearly 450 Coast Guard men and women who are permanently stationed overseas and approximately 25,000 volunteers that comprise the Coast Guard Auxiliary.



The Coast Guard is a locally-based organization, with units broadly distributed across our Nation. Coast Guard men and women are proud to live and work in the communities that they serve. This diverse geographic footprint enables us to be responsive to both local emergencies and national crises. Within communities across America, Coast Guard units stand ready to perform our missions and coordinate with Federal, State, local, territorial, and tribal agencies, as well as private sector partners, to meet the challenges facing our Nation.



NATIONALLY RESPONSIVE

Operation
Arctic Shield

Fisheries Enforcement
Deployments Protect
Sovereign Natural
Resources Critical to Our
Nation's Prosperity

Cybersecurity
Improves
Marine
Transportation
Resilience

Domestic
Icebreaking
Keeps Vital
Shipping Lanes
Open

Vessel Salvage
Operations
Remove
Post-Hurricane
Pollutants

6

Migrant
Interdiction
Deployments
Counter
Human
Smuggling

Counter-Drug
Operations

The Coast Guard is the Nation's premier first responder. We are an agile, adaptive force whose value to the Nation resides in our ability to rapidly shift among our missions to meet national priorities during steady state and crisis.



Operation Arctic Shield

2018 marked the 151st year of Coast Guard Operations in the American Arctic. *Operation Arctic Shield* is the current extension of this presence. Forward-deployed Coast Guard air and surface assets provide a mobile, seasonal presence in the Arctic and facilitate Federal access to the Polar Regions. The Coast Guard effectively surges assets to the Arctic to meet the rise in seasonal activity associated with greater availability of the Arctic to shipping.



Disaster Response

When hurricanes Florence, Lane, Olivia, and typhoon Mangkhut threatened the Mid-Atlantic States, Hawaii, and Guam, the Coast Guard mobilized over 8,650 Active Duty, Reservists, and Civilians for hurricane response operations. In coordination with FEMA and other Federal, State, and local response organizations, the Coast Guard saved 992 lives and established an effective process to stabilize, recover, and resume operations at over 20 impacted ports.



Counter-Drug Operations

The Coast Guard deploys cutters and aircraft to the Eastern Pacific Ocean in support of the whole of government effort to interrupt the flow of illegal narcotics, which causes instability in Central and South America, driving migration to our borders. The Coast Guard combats Transnational Criminal Organizations by targeting drug shipments where they are most vulnerable—at sea. In 2018, through fortified alliances in the Western Hemisphere, the Coast Guard removed over 462,000 pounds of cocaine.

GLOBALLY IMPACTFUL

The Coast Guard is deployed globally to promote peace, fortify alliances, attract new partners, and challenge threats. Our leadership in global maritime governing bodies and our collaborative approach drives stability,



Port Security Units deploy in support of the Department of Defense to protect Naval Station Guantanamo Bay, Cuba from security threats and directed terrorist activities.



A Landing Signal Officer instructs a Mexican Navy helicopter during UNITAS, a longstanding, multi-national maritime exercise conducted annually in Latin America and the Caribbean to enhance security cooperation and improve coalition operations.



Arctic
Coast Guard
Forum

Africa
Maritime Law
Enforcement
Partnership



The Coast Guard facilitates multilateral counter-drug summits, bringing together diverse representatives from nearly 25 countries to build inter-operability to effectively combat illicit trafficking.

Maritime Security Response Team-West participated in Pacific Shield 2018, an exercise in Japan to practice boarding vessels in search of weapons of mass destruction materials. The team also participated in the U.S. Navy-sponsored 'Rim of the Pacific' exercise.



North Pacific
Coast Guard
Forum



Patrol boats and boarding teams deployed in the Arabian Gulf support U.S. Central Command security cooperation, maritime security, and counter-piracy objectives.

Cutter Oliver
Berry Deploys
to Oceania



Cutter Polar Star breaks ice in McMurdo Sound near Antarctica in support of Operation Deep Freeze 2018, the U.S. military's contribution to the National Science Foundation-managed U.S. Antarctic Program. Coast Guard Polar icebreakers support national security and sovereignty, and National Science Foundation missions in the Polar Regions.

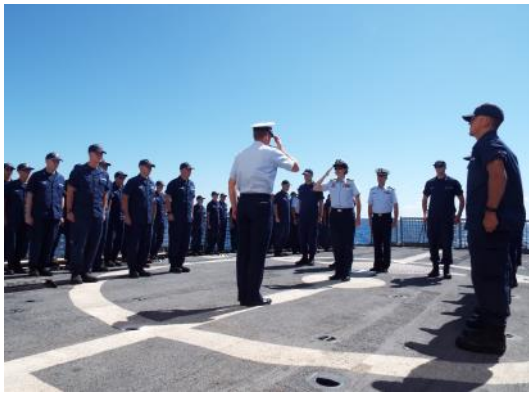
Coast Guard inspectors and investigating officers train government officials from the Republic of South Africa on vessel prevention, detection, and enforcement of pollution regulations.



PERFORMANCE HIGHLIGHTS

A truly multi-mission organization, the Coast Guard leverages our unique authorities, capabilities, and partnership to conduct our eleven statutory missions, which are managed within six mission programs.

USCG Mission Programs	Homeland Security Act Missions
Maritime Prevention	Ports, Waterways & Coastal Security — Prevention Activities Marine Safety Marine Environmental Protection — Prevention Activities
MTS Management	Aids to Navigation Ice Operations
Maritime Security Operations	Ports, Waterways & Coastal Security — Response Activities
Maritime Law Enforcement	Migrant Interdiction Drug Interdiction Living Marine Resources Other Law Enforcement
Maritime Response	Search and Rescue Marine Environmental Protection — Response Activities
Defense Operations	Defense Readiness



In addition to those outlined in the Homeland Security Act of 2002, the Coast Guard has other mission responsibilities, including products and services for the Intelligence Community; activities and efforts provided in support of U.S. diplomacy and international relations; Cyber Security; Bridge Administration, Great Lakes Pilotage and other Waterways Management functions supplementary to Aids to Navigation.

To measure mission performance, strategic, management, and operational measures exist for each program area. The results are used to develop strategic plans and initiatives, drive budgetary priorities, and formulate operational direction to improve program performance.

Maritime Law Enforcement

The Maritime Law Enforcement mission program protects America's maritime borders, defends the Nation's maritime sovereignty, facilitates legitimate use of the waterways, and suppresses violations of U.S. Federal law on, under, and over the seas to include illegal migration and Transnational Organized Crime.

Joint Agency Migrant Interdiction

Late in October 2018, an Air Station Miami HC-144 aircraft conducting a law enforcement patrol located a target of interest approximately nineteen nautical miles east of Haulover Inlet, FL. The Coast Guard aircraft was relieved by a Customs and Border Protection patrol aircraft, which monitored the vessel as it continued heading westbound toward Haulover Inlet. A Station Miami law enforcement boat and three Customs and Border Protection Air Marine Operations surface units engaged in pursuit of the target and interdicted the 25-foot Hydrasport Cuddy Cabin with sixteen illegal migrants and one human trafficker. Successful outcomes like this are a direct result of the joint nature of maritime migrant interdiction operations and the Coast Guard's strong partnerships with fellow DHS components as well as with neighboring international partners.



Maritime Law Enforcement by the Numbers:

3,603 undocumented migrants interdicted at sea.

2,534 Haitian, **724** Dominican, **551** Mexican, and **351** Cuban migrants repatriated.

462,000 pounds of cocaine and **21,564** pounds of marijuana removed.

\$6.1 billion approximate wholesale value of narcotics removed.

602 suspected smugglers detained for prosecution.

6,624 U.S. fishing vessels boarded; issued **144** significant fishery violations.

51 reports to assist with stranded, distressed or entangled animals.

201 incursions into the U.S. EEZ detected; interdicted **63** vessels.

111 foreign vessels boarded to suppress illegal, unreported and unregulated fishing.

Maritime Response

The Maritime Response mission program seeks to mitigate the consequences of marine casualties and disastrous events. The Coast Guard is the Nation's premiere maritime first responder, minimizing loss of life and property by searching for and rescuing persons in distress. The Coast Guard is capable of rapidly mobilizing resources to provide an immediate and reliable response to maritime incidents in coordination with, and in support of, Federal, State, local, territorial, and tribal agencies, as well as private sector partners.

Coast Guard Supports International Search and Rescue

On September 14, 2018, Coast Guard Rescue Coordination Center (RCC) Miami received a report from the Jamaican Defense Force that a 131-foot fishing vessel that was on fire in the vicinity of Serranilla Bank, Colombia. RCC Miami contacted the Colombian Navy who dispatched several assets to the position. Upon arriving on scene, the Colombian Navy assets were unable to locate any survivors and requested air support from the U.S. Coast Guard. RCC Miami dispatched an HC-130 aircraft from Coast Guard Air Station Clearwater. Once on scene, the HC-130 located approximately fifteen people inside several life rafts. RCC Miami located the closest Good Samaritan vessel, and diverted the vessel and crew to rescue all fifteen people in distress. The Coast Guard relies on international SAR partners, shipping industry stakeholders and other good Samaritans to save lives at sea each year.



Maritime Response by the Numbers:

15,634 Search and Rescue cases:

41,093 people assisted.

3,965 lives saved.

\$66 million in property protected.

992 additional lives saved during response to Hurricane Florence.

11,894 pollution incident reports responded to.

296 federal cleanup projects managed, costing more than **\$22.5 million**.

7,341 submissions for compliance with the Oil Pollution Act of 1990.

479 exercises, **160** contingency preparedness notification drills completed.

Deployed the National Strike Force to support Coast Guard and EPA for:

4 natural disasters.

4 special events.

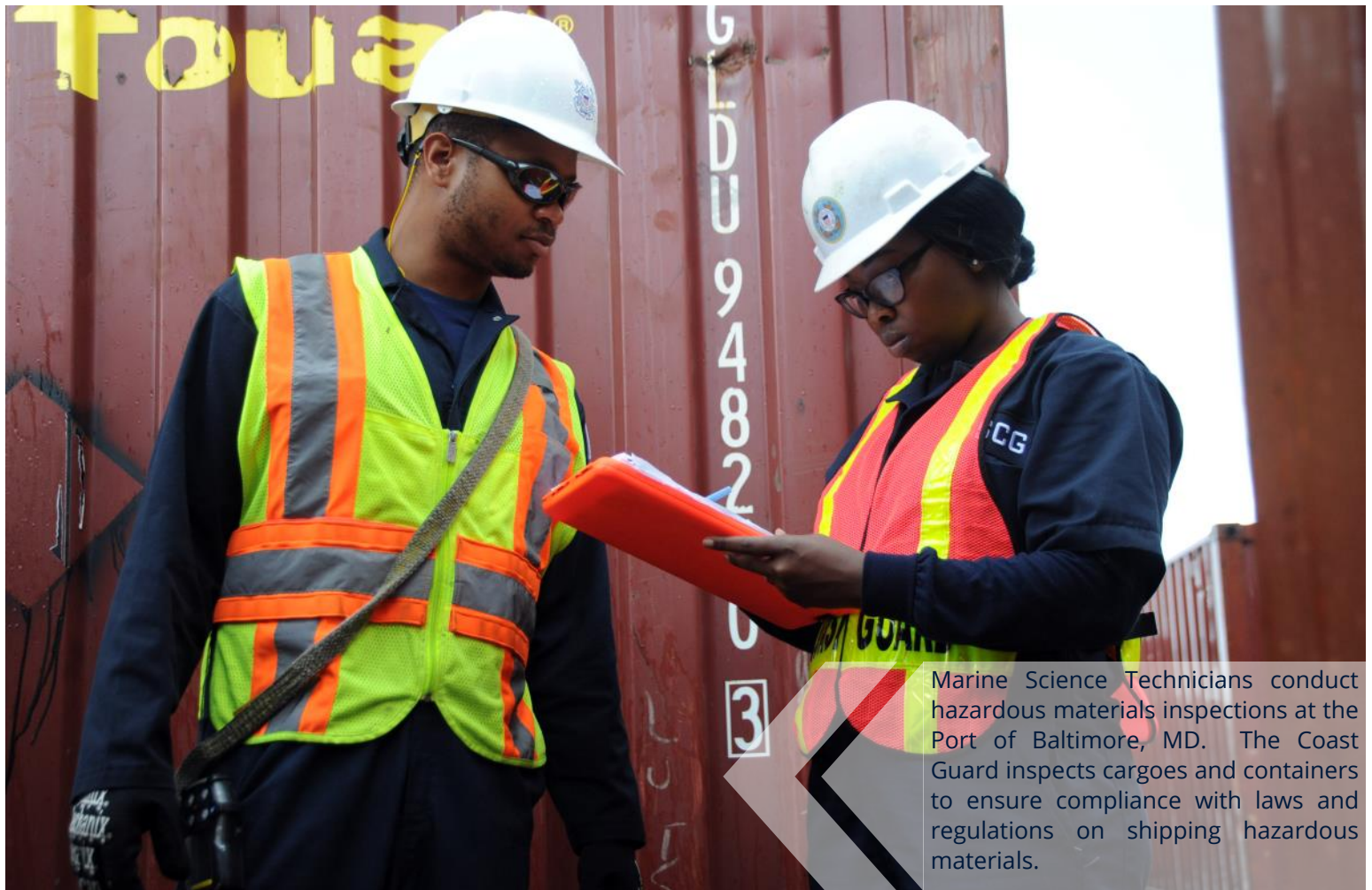
20 oil and hazardous substance incidents.

Maritime Prevention

The Maritime Prevention mission program seeks to prevent marine casualties and property losses, minimize security risks, and protect the marine environment. The Coast Guard does so by developing and enforcing federal regulations, conducting safety and security inspections, and analyzing port security risk assessments

Subchapter M Implementation Begins

Towing vessels are essential to America's commerce, moving significant quantities of goods and providing essential services to U.S. ports and waterways. Beginning in 2009, the Coast Guard underwent a significant regulatory project to publish a new vessel inspection Subchapter M in Title 46 of the Code of Federal Regulations that established safety regulations governing the inspection, standards and optional safety management systems on towing vessels. This rule, which became effective July 20, 2018, included provisions covering specific electrical and machinery requirements for new and existing towing vessels, the approval and use of third-party organizations, and procedures for obtaining a Certificate of Inspection (COI). By the end of FY 2018, 145 towing vessels had received COIs under the new rule.



Marine Science Technicians conduct hazardous materials inspections at the Port of Baltimore, MD. The Coast Guard inspects cargoes and containers to ensure compliance with laws and regulations on shipping hazardous materials.

Maritime Prevention by the Numbers:

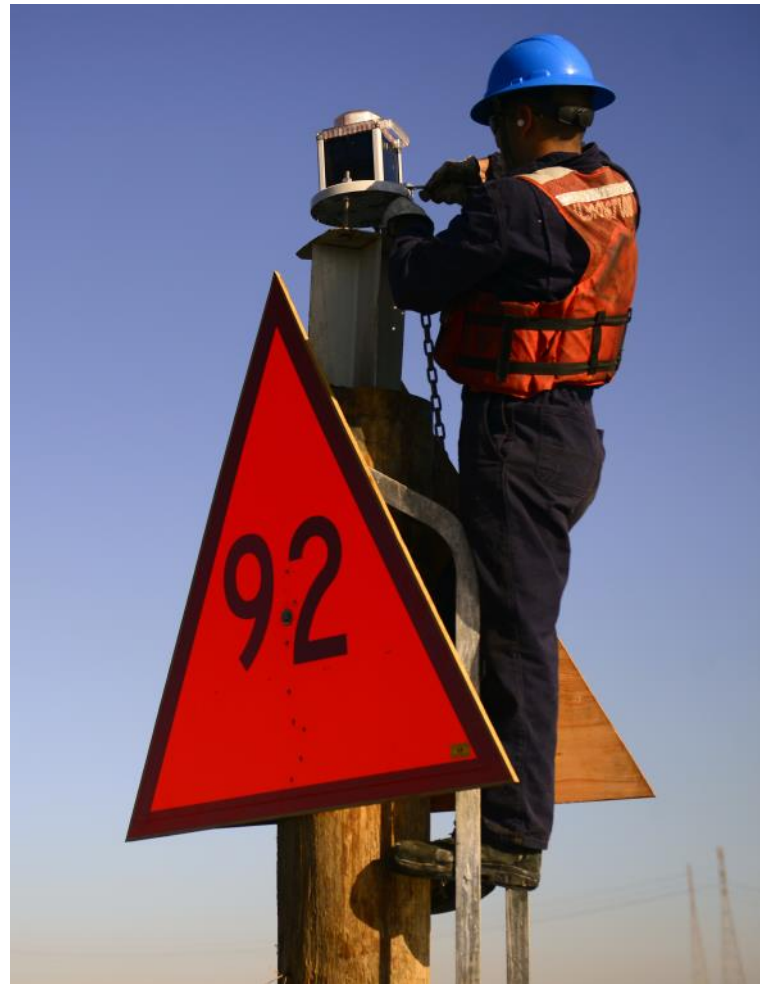
- 5,500** security inspections at Maritime Transportation Security Act facilities.
- 9,400** International Ship and Port Facility Security foreign vessel exams conducted.
- 150** International Port Security Program assessments completed in **50** countries.
- 19,000** inspections on U.S. flagged commercial vessels, resulting in **33** detentions.
- 6,600** commercial fishing vessel exams conducted; issued over **3,400** safety decals.
- 16,000** inspections of facilities handling regulated hazardous cargoes.
- 10,400** foreign vessels screened prior to arriving in the U.S.
- 9,600** Port State Control examinations of foreign vessels, resulting in **95** detentions reportable to the International Maritime Organization.
- 19,200** preliminary investigations initiated including:
 - 2,500** pollution incidents.
 - 42** major marine casualties or marine casualties involving a public vessel.
- 6,300** enforcement actions for marine safety laws and regulations violations.
- 23,000** containers inspected for structural and hazardous materials compliance.
- 12** environmental crimes cases referred to the Department of Justice for prosecution.

Marine Transportation System Management

The Marine Transportation System Management mission program seeks to ensure a safe, secure, and environmentally sound waterways system. The Coast Guard works in concert with other Federal, State, local, tribal and territorial agencies, the marine industry, maritime associations, and the international community to safeguard the efficient and economical movement of \$4.6 trillion in overall economic activity flowing through the Nation's ports and waterways.

Bering Strait Routing Measures Approved by IMO

In November 2017, the U.S. and Russia submitted a joint proposal to the International Maritime Organization (IMO) for ship routing measures for the Bering Strait and Bering Sea. The IMO approved the proposal in May 2018. Taking effect on December 1, 2018, the six two-way routes and six precautionary areas are the first internationally recognized ship routing measures the IMO has approved for Polar Waters. The routes are voluntary for all domestic and international ships and do not limit commercial fishing or subsistence activities. This effort demonstrates the Coast Guard's role as the National lead in the Arctic through the ability to leverage the Coast Guard mission set to achieve multiple national objectives.



Marine Transportation System Management by the Numbers:

44,720 buoys and beacons maintained across the Marine Transportation System.

6,383 discrepancies to aids to navigation infrastructure corrected.

6,757 hours of icebreaking to support movement of **17.3 million** tons of dry bulk and liquid cargoes through ice-impeded waters of the Great Lakes.

208 icebergs identified and tracked in the North Atlantic shipping lanes.

1,164 waterways controls established supporting Coast Guard Captains of the Port:

99 addressed safety concerns related to obstructions/hazards to navigation.

58 related to commercial vessel movements.

51 to dredging and infrastructure projects.

3,133 applications reviewed and **831** marine event permits issued.

268 disruptions to the Marine Transportation System addressed:

36 related to vessel breakaways, groundings, and other navigation hazards.

82 related to ice/extreme weather/low visibility/river levels.

38 related to bridge/lock malfunctions or operational deviations.

36 bridge permits issued with a total project cost of **\$1.84 billion**.

Maritime Security Operations

The Maritime Security Operations mission program encompasses activities to detect, deter, prevent, and disrupt terrorist attacks, and other criminal acts in the U.S. maritime domain. It includes the execution of antiterrorism, response, and select recovery operations. This mission performs the operational element of the Coast Guard's Ports, Waterways, and Coastal Security mission and complements our Maritime Response and Prevention efforts.

Counter Unmanned Aircraft Systems (C-UAS)

The proliferation of UAS technologies has increased in recent years, with applications ranging from recreational to military and commercial use. In particular, the exploitation of UAS by terrorist organizations, particularly ISIS, is steadily increasing in frequency, complexity and lethality. UAS have been observed operating over Coast Guard vessels and shore units; near ongoing law enforcement boardings, escorts, and airborne aircraft. Working closely with the Federal Aviation Administration, UAS operations were restricted at over ten critical Coast Guard facilities. These restrictions took effect on June 20, 2018



Maritime Security Operations by the Numbers:


- 4,441** Small Vessel Security Boardings in/around U.S. ports, waterways, and coasts.
- 30,383** waterborne patrols of maritime critical infrastructure and key resources.
- 350** waterborne enforcement activities of fixed security zones.
- 476** escorts of vessels carrying certain dangerous cargoes.
- 3,824** escorts of high-capacity passenger vessels such as ferries and cruise ships.
- 60** escorts of high-value naval vessels transiting U.S waterways.
- 509** boardings of “high-interest” vessels — those posing a greater-than-normal risk.
- 47** military cargo vessel transits escorted.
- 131** military out load security zones enforced.
- 177** U.S. Navy ballistic missile submarine escorts during homeport surface transits.

Defense Operations

The Defense Operations mission program exercises the Coast Guard's unique authorities and capabilities to support the National Defense Strategy. The Coast Guard is deployed daily around the globe in support of Combatant Commanders to protect the security of our Nation far from U.S. soil.

Building Partner Nation Capacity to Counter Threats

Coast Guard teams provided key support to Department of Defense led security cooperation efforts in the Middle East, Africa and Central America. The Patrol Forces Southwest Asia Maritime Engagement Team (MET), conducted visit, board, search and seize training with coalition forces operating in support of Combined Task Force 150 (CTF 150). CTF 150's mission includes a commitment to disrupting terrorist organizations and their related illegal activities within an area spanning two million square miles, including the Red Sea, Gulf of Aden, Indian Ocean, and Gulf of Oman. The MET also participated in Cutlass Express 2018, a U.S. Africa Command sponsored exercise designed to assess and improve participating nations' ability to respond to illicit maritime trafficking, piracy, illegal fishing and search and rescue situations.



Cutter Bertholf steams alongside U.S. Navy and allied naval vessels during 'Rim of the Pacific', the world's largest international maritime exercise. In 2018, 25 nations participated in the event, which is hosted by the U.S. Pacific Fleet.

▶ The Coast Guard operated six patrol boats and an Advanced Interdiction Team in the Arabian Gulf to support U.S. Central Command security cooperation, maritime security, and counter-piracy objectives.

▶ The Coast Guard cyber program continued to support Department of Defense cybersecurity missions with 23 personnel permanently assigned to U.S. Cyber Command.

▶ Port Security Units deployed to Guantanamo Bay conducted 7,500+ waterside and 17,000 shore-side hours of Anti-Terrorism/Force-Protection, interdicted 297 contacts of interest, and provided 130 vessel escorts.

▶ Coast Guard Tactical Law Enforcement Teams conducted 14 counter-narcotics deployments on board U.S. and allied navy vessels in support of U.S. Southern Command.

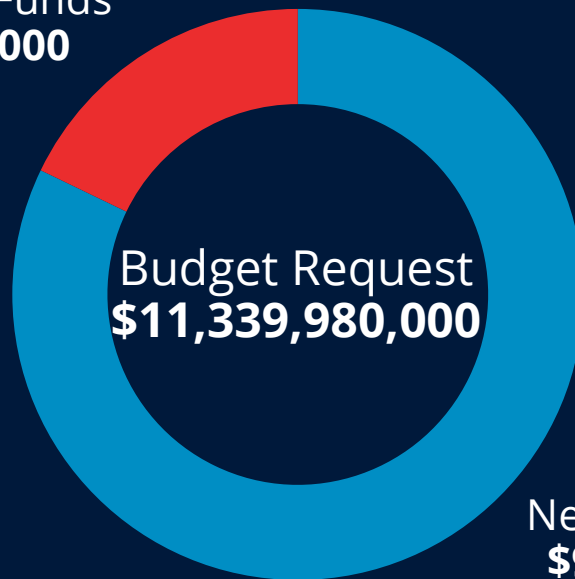
▶ Coast Guard MH-65 helicopters provided Rotary Wing Air Intercept capability in support of U.S. Northern Command's Operation NOBLE EAGLE, and responded to 120 active air defense threats to the Washington, DC area.

▶ Deployable Rotary Wing Intercept assets deployed a record 21 times, spanning 165 days. They responded to 122 alerts, and were scrambled 64 times in response to DoD-identified tracks of interest.

FY 2020 BUDGET OVERVIEW


The Coast Guard's FY 2020 President's Budget Request supports our top priority of Service readiness through investments in our people, assets, and infrastructure. It reflects difficult choices made to carefully balance our limited resources against a growing demand for our services.

Mandatory,
Fees, & Trust Funds
\$2,022,873,000



Budget Request
\$11,339,980,000

Net Discretionary
\$9,317,107,000



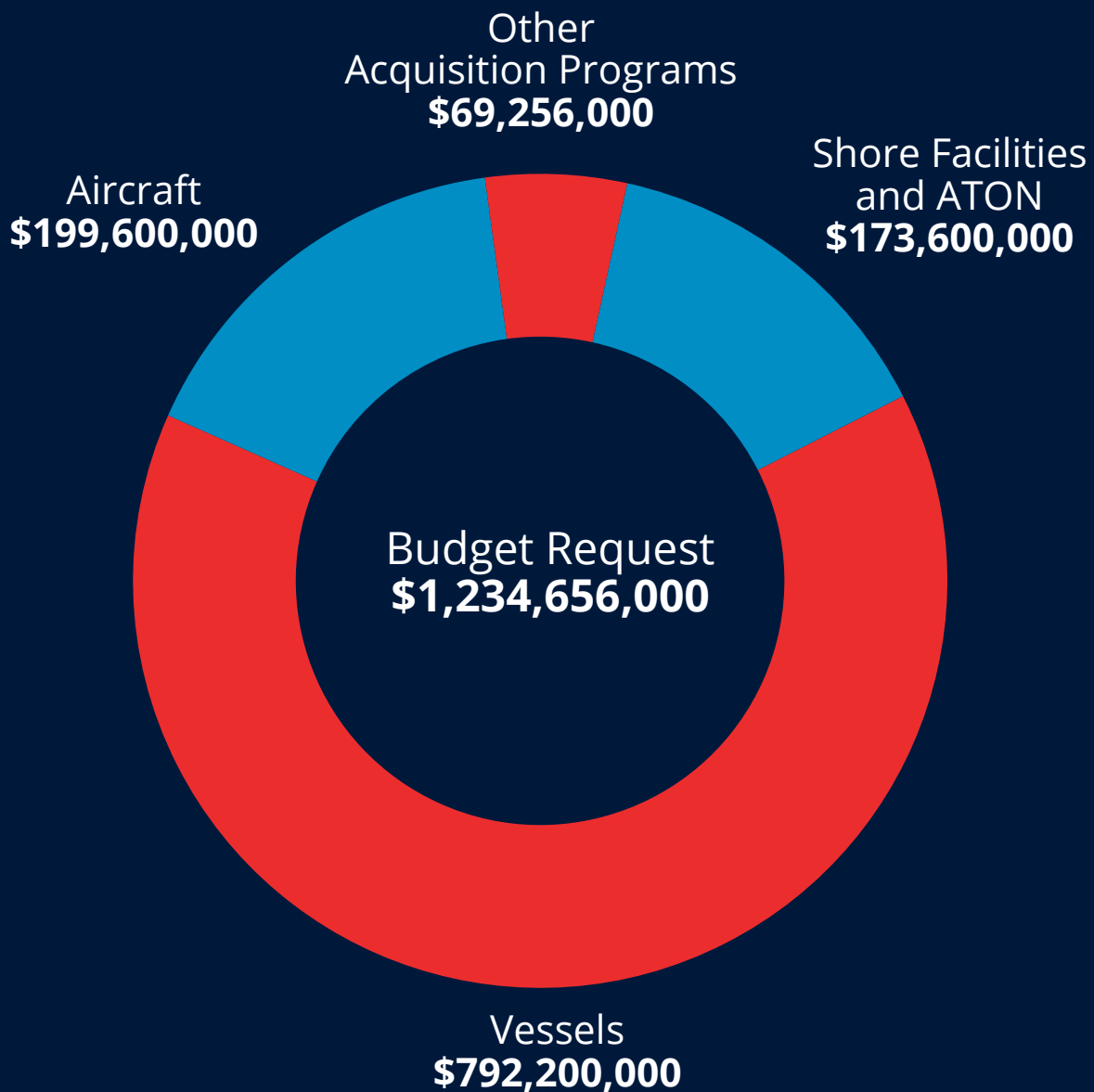
An MH-65 helicopter crew from Air Station Miami conducts hoist and rescue swimmer training with Cutter Bernard C. Webber in the vicinity of Fort Lauderdale, Florida.

The Coast Guard's FY 2020 President's Budget Request reflects investments in the readiness of our people by fully funding military pay and personnel allowances, while also supporting improvements to enterprise-wide personnel services, including the transition to electronic health records. The request also strengthens the marine safety program through investments in training, accession, and positions for this critical component of our workforce.

The budget request supports asset readiness through the continuation of our critical acquisition programs, including the Offshore Patrol Cutter, Polar Security Cutter, Fast Response Cutter, and National Security Cutter. It also begins to restore eroded vessel and aircraft readiness by addressing critical maintenance and inventory backlogs, while sustaining existing assets through service life extensions and mission upgrades to our legacy cutters and aircraft.

The Coast Guard's FY 2020 President's Budget Request also improves infrastructure readiness through investments in our physical and technological infrastructure. It begins to address the Coast Guard's multi-billion dollar shore infrastructure maintenance backlog while also preparing homeports to host newly acquired assets as they become operational. The request also facilitates cyber defense and information technology improvements.

Procurement, Construction, and Improvements





Vessels - \$792.2M

Offshore Patrol Cutter (OPC) - \$457M

Provides funding to begin construction of the third OPC and Long Lead Time Material for the fourth and fifth OPCs. The OPC will replace the aging Medium Endurance Cutter classes that conduct missions on the high seas and coastal approaches.

Fast Response Cutter (FRC) - \$140M

Funds procurement of two FRCs to replace the less capable 110-foot patrol boats, enhancing the Coast Guard's coastal capability to conduct search and rescue operations, enforce border security, interdict drugs, uphold immigration laws, prevent terrorism, and enhance resiliency to disasters.

In-Service Vessel Sustainment (ISVS) - \$77.9M

Continues funding for sustainment projects on the 140-foot Icebreaking Tugs, 270-foot Medium Endurance Cutters, and 225-foot Seagoing Buoy Tenders.

National Security Cutter (NSC) - \$60M

Supports Post-Delivery Activities (PDA) for the seventh through eleventh NSCs that are necessary to make these cutters ready for operations, as well as class-wide activities, including Test and Evaluation and program execution and support.

Polar Security Cutter (PSC) - \$35M

Continues program management for construction of the first PSC. This acquisition is recapitalizing the Coast Guard's heavy polar icebreaker fleet to support national interests in the Polar Regions and provide assured surface presence in those ice-impacted waters.

Polar Star Service Life Extension Project (SLEP) - \$15M

Supports a multi-year Service Life Extension Project (SLEP) for POLAR STAR, the Nation's only operating heavy icebreaker and only organic capability to assure year-round access to the Polar Regions to support national interests.



Aircraft - \$199.6M

HC-27 - \$103M

Supports missionization of the 14 newly acquired medium range surveillance aircraft. Continues funding for initial spares and logistics; training; and mission system development, production, and testing.

HC-144 - \$17M

Supports continued Minotaur mission system retrofits, including high definition electro-optical infrared camera and other sensor upgrades, to meet DHS joint operational requirements.

MH-65 - \$50M

Supports continued modernization and sustainment of the Coast Guard's MH-65 helicopter fleet. The modernization effort includes reliability and sustainability improvements where obsolete components are replaced with modernized sub-systems, including an integrated cockpit and sensor suite.

MH-60 - \$20M

Supports continuation of a service life extension for the Coast Guard fleet of MH-60T helicopters. The MH-60T contains time-limited structural fittings and dynamic components that necessitate a 20,000 hour service life limit. This program will extend the service life of MH-60T helicopters into the mid-2030s to align the Coast Guard's recapitalization of these airframes with Department of Defense Future Vertical Lift acquisitions.

Small Unmanned Aircraft Systems (sUAS) - \$9.4M

Continues to fund the installation of sUAS capability on the NSC, to include procurement and installation of sUAS components. The sUAS is intended to address the NSC's requirement for a persistent airborne surveillance capability, and will serve as an information, surveillance, and reconnaissance platform for the cutter.



Shore Facilities and ATON - \$173.6M



Major Acquisition Systems Infrastructure - \$116.6M

Supports shore facility infrastructure modifications, upgrades, and new construction associated with homeporting and logistics, maintenance, and training support for new or modified cutters, boats, and aircraft. Includes projects to support the OPC and FRC homeport in Kodiak, AK; the FRC homeports in Boston, MA and Sitka, AK; and FRC depot maintenance at the Coast Guard Yard in Baltimore, MD.



Major Shore, Housing, ATON, and S&D - \$52.0M

Supports Coast Guard shore facility infrastructure, including recapitalizations, modifications, upgrades, and new construction associated with execution of Coast Guard operations. Addresses the Coast Guard's highest priority shore infrastructure requirements including: utility upgrades at Air Station Ventura, CA; boat haul-out replacement at Station Tillamook Bay, OR; boat moorings replacement and erosion control at Station Siuslaw River, OR; and aviation pavement repairs at Sector Columbia River, OR.



Other Acquisition Programs - \$69.3M



Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) - \$25.2M

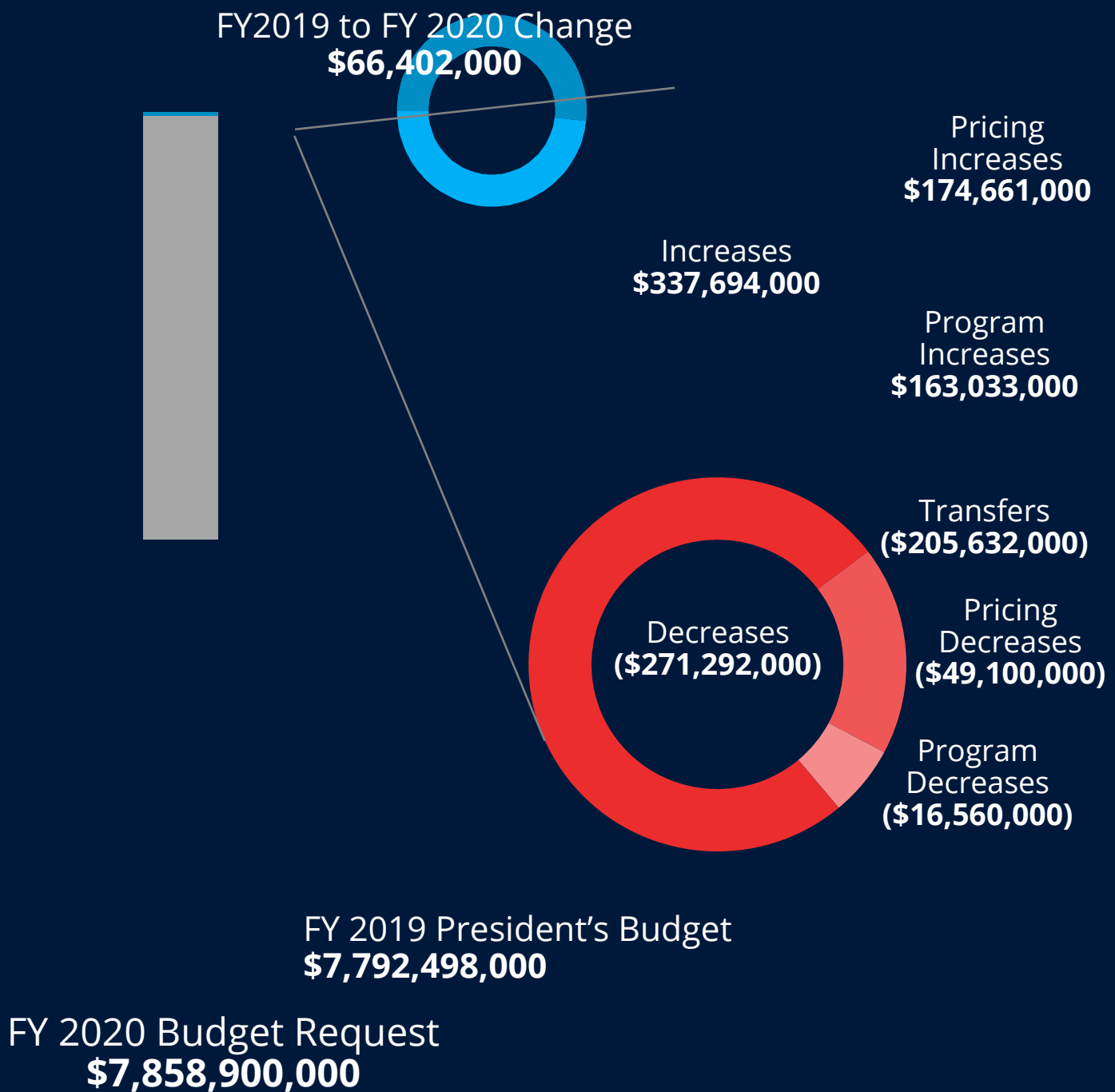
Supports the design, development, and information assurance posture of C4ISR Integrated hardware and software systems on NSCs, OPCs, PSCs, FRCs, WCCs, and legacy 270-foot WMECs undergoing SLEPs. These assets are using interoperable C4ISR system designs to optimize lifecycle costs and operational effectiveness.



Cyber and Enterprise Mission Platform - \$14.2M

Initiates funding for emerging Command and Control, Communications, Computer, Cyber, and Intelligence (C5I) capabilities. FY 2020 funding starts recapitalization of MILSATCOM capabilities at shore stations with the Mobile User Objective System (MUOS), replaces the obsolete Maritime Security Risk Analysis Model (MSRAM) with a web-based application supporting the suite of risk analysis tools, and begins transition to a network infrastructure that supports operations in a secure mobile environment.

Operations and Support





Pricing Increases - \$174.7M

Military Pay and Personnel Allowances - \$117.5M

Maintains parity with DOD for military pay, allowances, and health care, and for civilian retirement contributions, including a 3.1 percent military pay raise in 2020. As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act, which include pay and personnel benefits for the military workforce.

Annualization of Prior Year Initiatives - \$50.5M

GSA Rent and Security Increases - \$6.7M

Transfers - (\$205.6M)

CAS Transition - (\$198.4M)

In FY 2019, USCG transitioned to the DHS Common Appropriations Structure (CAS). Conversion to CAS resulted in the consolidation of legacy EC&R, RT, and MERHCF appropriations and acquisition personnel funding into O&S for the FY 2019 President's Budget. For FY 2020, EC&R and MERHCF appropriations were removed from O&S and retained as separate appropriations. Additionally, for FY 2020, personnel and other overhead costs were moved from the R&D appropriation to the O&S appropriation.

Other Transfers - (\$7.2M)

Transfers to DHS Management Accounts for centralized management of programs and facilities, including St. Elizabeths.



Program Increases - \$163M

Operations and Maintenance of New Assets

Funds operations and maintenance of shore facilities and provides sustainment funding for new cutters, boats, aircraft, and associated C4ISR subsystems delivered through acquisition efforts.

Fast Response Cutter (FRC) - \$24.3M (112 FTE)

Funds operations and maintenance of FRCs #37-41, as well as personnel for FRC crews #39-43 and shore-side support for FRC homeports in Key West, FL and Apra Harbor, Guam.

National Security Cutter (NSC) - \$14.4M (110 FTE)

Funds the crew of NSC #9, personnel for NSC Sensitive Compartmentalized Information Facility (SCIF) crew and analytical support, and shoreside support for the NSC homeport in Charleston, SC.

HC-130J Aircraft - \$8.1M (37 FTE)

Funds personnel, operation and maintenance, and support for HC-130J airframe #12, the fifth and final airframe to be based in Kodiak, AK.

Offshore Patrol Cutter (OPC) - \$6.2M (31 FTE)

Funds part of the initial crew of the first OPC, as well as personnel to support development of doctrine and qualification standards, pre-commissioning, and shore-side support for the OPC homeport in Los Angeles/Long Beach, CA.

Shore Facilities - \$5.3M (4 FTE)

Funds operations and maintenance of shore facility projects scheduled for completion prior to FY 2020.

C-27J Aircraft - \$0.6M (3 FTE)

Funds the final installment of support personnel for C-27 fleet sustainment and depot level overhaul activities at the Aviation Logistics Center as well as mission system operations instructors at Aviation Training Center Mobile.

Operational Adjustments

FAA Compliance and Obsolete Equipment Replacement - \$29.1M

Provides funding for necessary upgrades and associated equipment replacement to ensure compliance with Federal Aviation Administration (FAA) requirements. Also provides funding to replace obsolete communications equipment for the cutter fleet, including the Mobile User Objective System, to ensure communication in theater with Department of Defense counterparts, in disaster areas, and in remote latitudes.

Cybersecurity and IT Infrastructure - \$16.2M (38 FTE)

Provides critical positions to mature the cybersecurity defense program. Also provides funding for an information technology framework and platform to establish a consolidated user interface primarily for Command Centers, with a focus on timely and efficient access to operational and mission support data.

Human Capital and Support Infrastructure - \$16.8M (22 FTE)

Provides improvements to enterprise-wide support, including the transition to electronic health records, and funds training and support to the Coast Guard Reserve.

Restoring Depot Readiness - \$10.0M

Begins to restore eroded vessel and aircraft readiness and address critical information technology maintenance and inventory backlogs. This funding directly impacts the execution of Coast Guard missions through the readiness of its surface and aviation fleet.

Marine Safety, Security, and Commerce - \$6.2M (20 FTE)

Provides funding and personnel to strengthen the Coast Guard's marine safety program through improved marine inspector training, establishment of a third party oversight and auditing program, expansion of the marine inspector workforce, and improved accession opportunities for marine inspectors.

Counter Transnational Criminal Organizations (TCOs) - \$6.5M (26 FTE)

Expands the Coast Guard's capacity to execute a multi-layered approach in the Western Hemisphere maritime transit zone, dismantle TCOs, and secure our Nation's borders from illicit smuggling of all kinds.

Program Decreases - (\$16.6M)

Asset Decommissionings and Retirements - (\$11.8M (119 FTE))

As the Coast Guard recapitalizes its cutter fleet and brings new assets into service, older assets that are being replaced will be decommissioned. In FY 2020, one 378-foot High Endurance Cutter (WHEC) and three 110-foot Patrol Boats (WPB) will be decommissioned as new acquisitions become operational.


FY 2020 BUDGET TABLES

Table 1: Appropriation Summary

**Table 2: Net Discretionary Budget Authority
by Statutory Mission**

**Table 3: FY 2020 Procurement, Construction,
and Improvements (PC&I)**

**Table 4: Operations and Support FY 2019 to
FY 2020 Budget Change**



**"A few armed vessels, judiciously stationed at the entrances
of our ports, might at a small expense be made useful
sentinels of the laws."
- Alexander Hamilton**

Table 1: Appropriation Summary

Appropriation (\$000)	FY 2018 Enacted	FY 2019 President's Budget	FY 2020 President's Budget
Operations and Support	\$7,210,313	\$7,792,498	\$7,858,900
Procurement, Construction, and Improvements	\$2,694,745	\$1,886,750	\$1,234,656
Research and Development	\$29,141	\$19,109	\$4,949
Environmental Compliance and Restoration	\$13,397	-	\$13,495
Reserve Training	\$114,875	-	-
Medicare-Eligible Retiree Health Care Fund Contribution	\$204,136	-	\$205,107
Subtotal (Discretionary Funding)	\$10,266,607	\$9,698,357	\$9,317,107
Retired Pay	\$1,676,117	\$1,734,844	\$1,802,309
Boat Safety	\$118,416	\$114,682	\$116,700
Maritime Oil Spill Program	\$101,000	\$101,000	\$101,000
Funds	\$2,864	\$2,864	\$2,864
Subtotal (Mandatory Funding)	\$1,898,397	\$1,953,390	\$2,022,873
OSLTF Contribution	[\$45,000]	[\$45,000]	[\$45,000]
Overseas Contingency Operations	\$163,000	-	-
Total Budget Authority	\$12,328,004	\$11,651,747	\$11,339,980

Table 2: Net Discretionary Budget Authority Breakout by Statutory Mission

Coast Guard Mission (\$000)	FY 2018 Enacted	FY 2019 President's Budget	FY 2020 President's Budget	FY 2019 +/- FY 2020
Aids to Navigation	\$1,331,120	\$1,418,378	\$1,263,712	-\$154,666
Defense Readiness	\$659,613	\$593,158	\$516,799	-\$76,359
Drug Interdiction	\$1,950,823	\$1,414,803	\$1,675,707	\$260,904
Ice Operations	\$238,225	\$259,435	\$390,647	\$131,212
Living Marine Resources	\$1,115,371	\$934,103	\$821,370	-\$112,733
Marine Environmental Protection	\$225,538	\$260,573	\$212,007	-\$48,566
Marine Safety	\$554,495	\$703,793	\$888,157	\$184,364
Migrant Interdiction	\$1,201,321	\$927,193	\$924,535	-\$2,658
Other-Law Enforcement (Foreign Fish)	\$121,181	\$114,835	\$326,851	\$212,016
Ports, Waterways and Coastal Security	\$1,837,423	\$2,142,061	\$1,332,379	-\$809,682
Search and Rescue	\$868,497	\$929,995	\$964,943	\$34,948
Net Discretionary (Excluding Supplementals and Transfers)	\$10,103,607	\$9,698,327	\$9,317,107	-\$381,220
Retired Pay	\$1,676,117	\$1,734,844	\$1,802,309	\$67,465
Boat Safety	\$118,416	\$114,682	\$116,700	\$2,018
Maritime Oil Spill Program	\$101,000	\$101,000	\$101,000	\$0
Gift Fund	\$2,864	\$2,864	\$2,864	\$0
Mandatory Funding	\$1,898,397	\$1,953,390	\$2,022,873	\$69,483
OSLTF Contribution	[\$45,000]	[\$45,000]	[\$45,000]	[\$45,000]
Overseas Contingency Operations	\$163,000	\$0	\$0	\$0
TOTAL BUDGET AUTHORITY	\$12,165,004	\$11,651,717	\$11,339,980	-\$311,738

Note: The Coast Guard Budgets by appropriation rather than by individual missions. The Coast Guard projects resource allocations by mission through the use of an activity-based costing system. Actual allocations will vary depending on operational environment and mission need.

Table 3: FY 2020 Procurement, Construction, and Improvements (PC&I)

Appropriation (\$000)	FY 2020 President's Budget
Vessels	\$792,200
Survey and Design - Vessels and Boats	\$500
In-Service Vessel Sustainment	\$77,900
National Security Cutter	\$60,000
Offshore Patrol Cutter	\$457,000
Fast Response Cutter	\$140,000
Cutter Boats	\$4,300
Polar Security Cutter	\$35,000
Waterways Commerce Cutter	\$2,500
Polar Sustainment	\$15,000
Aircraft	\$199,600
HC-144 Conversion/Sustainment	\$17,000
HC-27J Conversion/Sustainment	\$103,200
MH-65 Conversion/Sustainment	\$50,000
MH-60T Sustainment	\$20,000
Small Unmanned Aircraft Systems	\$9,400
Other Acquisition Programs	\$69,256
Other Equipment and Systems	\$3,500
Program Oversight and Management	\$20,000
C4ISR	\$25,156
Coast Guard Logistics Information Management System	\$6,400
Cyber and Enterprise Mission Platform	\$14,200
Shore Facilities and Aids to Navigation (ATON)	\$173,600
Major Shore, Housing, ATON, Survey and Design	\$52,000
Major Acquisition Systems Infrastructure	\$116,600
Minor Shore	\$5,000
Total	\$1,234,656

Table 4: Operations and Support FY 2019 to FY 2020 Budget Change

	Pos.	FTE	Amount
FY2018 Enacted¹	48,747	47,181	7,210,313
FY 2019 President's Budget	50,141	48,541	7,792,498
Adjustments-to-Base			
Transfers to and from Other Accounts			
Transfer to EC&R from O&S/EC&R for CAS Transition	(25)	(23)	(13,429)
Transfer to MERHCFC from O&S/MERHCFC for CAS Transition	-	-	(199,360)
Transfer to O&S/Personnel & Lease Shift from R&D	96	83	14,397
Transfers to MGMT/CFO, CIO, CPO, OCRSO, OCHCO, and OCRSO from USCG	-	-	(7,240)
Total Transfers	71	60	(205,632)
Pricing Changes			
Increases			
Annualization of Prior Year Initiatives	-	259	50,488
Mandatory Personnel Entitlements			
Annualization of Prior Year Pay Raise - Military	-	-	15,486
Budget Year Pay Raise - Military	-	-	55,505
Budget Year Allowances - Military	-	-	26,966
FERS Agency Contribution Increase	-	-	15,711
Budget Year Allowances - Civilian	-	-	3,794
Operational Adjustments			
GSA Rent and Security Increases	-	-	6,711
Transfer	24	12	
PPA Technical Base Funding Adjustments			
PPA Funding Adjustment	-	-	[0]
Total Increases	24	271	174,661
Decreases			
Termination of Prior Year One-Time Costs	-	-	(32,093)
Annualization of Prior Year Initiative Reductions	-	(56)	(17,007)
Total Decreases	-	(56)	(49,100)
Total Adjustments-to-Base	95	275	(80,071)
Program Changes			
Increases			
Operating and Maintenance Funds for New Assets			
Shore Facility Follow-On	6	4	5,314
Fast Response Cutter (FRC) Follow-On	181	112	24,254
Offshore Patrol Cutter (OPC) Follow-On	52	31	6,166
National Security Cutter (NSC) Follow-On	199	110	14,446
C-27J Aircraft Support Follow-On	4	3	592
HC-130J Aircraft Follow-On	40	37	8,056
Operational Adjustments			
Aircraft FAA Compliance & Obsolete Equipment Replacement	-	-	22,210
MILSATCOM Obsolete Equipment Replacement	-	-	6,871
Cutter Underway Connectivity	-	-	302
Acquisition Support Personnel	60	32	5,459
Cyber Security and IT Infrastructure	75	38	16,181
Human Capital and Support Infrastructure	31	22	16,779
Maritime Safety, Security and Commerce	27	20	6,197
Rescue & Survival and Training Equipment Refresh	-	-	6,276
Accession Point and TRACEN Instructor Increase	19	10	2,101
Aviation Enhancements in Transit Zones	17	9	1,475
Counter TCO Initiatives	48	26	6,531
Enhancing Reserve Workforce Retention	-	-	2,700
Restoring Depot Readiness	-	-	9,952
Increase Counterintelligence Personnel & Mission Support	1	-	71
Increase Counterintelligence Infrastructure	5	3	1,100
Total Increases	765	457	163,033
Decreases			
Operational Adjustments			
Information Technology Streamlining	46	24	(3,673)
Administrative Program Reductions	(1)	(1)	(582)
Aviation Life Support Equipment Centralization	1	1	(49)
Eliminate Joint Maritime Test Facility Personnel	(4)	(4)	(408)
Asset Decommissionings and Retirements			
Decommission One High-Endurance Cutter (WHEC)	(184)	(92)	(9,273)
Decommission Three 110-foot Patrol Boats	(54)	(27)	(2,575)
Total Decreases	(196)	(99)	(16,560)
Total Program Changes	569	358	146,473
FY 2020 Current Services	50,805	49,174	7,858,900
FY 2020 Operations & Support Request	50,805	49,174	7,858,900
FY 2019 to FY 2020 Operations & Support Total Change	664	633	66,402
FY 2020 R&D	-	-	4,949
FY 2020 EC&R	25	23	13,495
FY 2020 MERHCF	-	-	205,107
FY 2020 PC&I	-	-	1,234,656
FY 2020 Total Discretionary	50,830	49,197	9,317,107

¹ Excludes funding provided to the Coast Guard for Overseas Contingency Operations (OCO).



**WE ARE AMERICA'S READY, RELEVANT,
AND RESPONSIVE U. S. COAST GUARD.**

SEMPER PARATUS



*With honor and integrity, we will safeguard the
American People, our homeland, and our values.*



*Honor, Respect, and
Devotion to Duty.*