THE STATE OF THE UNITED STATES COAST GUARD TWO-THOUSAND AND EIGHTEEN ADMIRAL PAUL F. ZUKUNFT COMMANDANT

(as drafted)

In the past, we've characterized the state of the Coast Guard in a metaphor – one that has often cast a shadow on our Service – "dull knife," "curse of Semper Paratus," uncertain and stormy seas..." Metaphors that do not illuminate the great deeds of the men and women of our Service.

Last year I stated that, for a <u>Service that punches above its weight class</u>, it's high time we were <u>budgeted accordingly</u>. Quite honestly, we had a fly-weight class budget so there was only one way to punch – but up!

More recently, I directed my senior leaders to abandon a do-or-die suicide squeeze bunt stance when it comes to building our budget and approach the plate by swinging for the fences. Seize the initiative.

Today, I am here to report that, thanks to this Congress and this Administration, we have hit our stride, and to quote our Commander in Chief, President Trump, "no brand has gone up like the Coast Guard brand… incredible people that have done an incredible job."

I couldn't agree more. The Coast Guard brand is up - way up!

In fact, to say that the State of the Coast Guard is strong would be an understatement.

Our truly incredible workforce has faced curveball after curveball in our response, prevention, and mission support enterprises, but our men and women consistently rise to the occasion... in fact, they hit it out of the park.

I could not be more proud to lead this incredible branch of our Armed Forces.

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Our brand is like our stock... so, how do we keep our stock on the rise? Well, what inspires investors to stay in the stock market? It's trust. Trust and confidence. It was Confucius who said, "a State cannot survive without the confidence of its people."

Nor can any company. Nor can the Coast Guard.

Our Coast Guard cannot survive without the trust and confidence of the Administration... of Congress... and most importantly, of the public we serve.

So I am profoundly grateful to this Administration and Congress... for the trust and confidence they have placed in our Service and in our Service members... for their vision and their

leadership to restore military readiness... and for their efforts to help us secure our borders, and to ensure our National and economic security.

Truly, in this uncertain global environment, countering the many threats that face our Nation demands an "all hands on deck" approach – working collaboratively within our DHS, DoD, interagency, and private sector families.

And it is fitting that on this day, <u>March 1st</u>, <u>exactly 15 years ago</u>, the <u>Department of Homeland Security officially opened its doors</u>, and the unique military service that is the United States Coast Guard finally found its ideal home - where our capabilities and broad authorities align perfectly with the DHS missions.

It took DoD over 200 years to become Joint Services under the 1986 Goldwater-Nichols Act. Yet, in a mere 15 years, our Department presents a united front... an alliance that integrates the authorities and personnel from each component to secure our borders and our homeland under the leadership of our Secretary, Kirstjen Nielsen.

Ever since the father emeritus of the Coast Guard - Alexander Hamilton - charged our first Commanding Officers to "be impatient of everything that bears the least mark of a domineering spirit, haughtiness, rudeness, or insult" – sustaining public trust has been a constant in our 227 plus years of Service.

As military and law enforcement officers, members of the intelligence community and enablers of the maritime industry, as lifesavers and first responders – the Coast Guard uses every tool we have to earn the trust placed in us.

Day in and day out, our men and women employ our broad authorities to ensure the security and prosperity of our Nation. While doing so, they stand ready to respond to any disaster – natural or manmade.

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This past fall, our Nation experienced one of the most catastrophic hurricane seasons on record. Working alongside federal, state, and local partner agencies... with FEMA, CBP, and the countless volunteers this incredible Nation breeds, the Coast Guard surged nearly 3,000 first responders and more than 200 helicopters, cutters, small boats, and fixed wing aircraft.

And we put them to good use, saving nearly 12,000 Americans.

Most of those men, women, and children were rescued from the roofs and flooded streets of Houston, Beaumont, and Port Arthur, Texas... areas not generally accustomed to seeing Coast Guard helicopters circling overhead, dangling rescue swimmers into urban settings, as water engulfed their homes...

You saw the images on the news... heard the stories...

Our crews hoisting a young mother clutching her children to her chest....

Stranded children transported to the hospital to get dialysis... just in time... and then you saw Ensigns Greg Velliky, James Gardner, and others like them go to the hospital when they got some time off to visit the children their efforts helped save.

But something you didn't see is that our men and women were responding despite catastrophic losses at home... these cities and towns hit by the hurricanes, they are our homes, our communities as well. With spouses and children evacuating, our members showed up to work. Senior Chief Joshua Martin literally lost everything... his house, his beloved motorcycle, everything. But he showed up to work and would not leave until his command practically ordered him to do so.

And Petty Officer Travis Hebrank left his elderly mother to answer the call. But when he flew over her neighborhood he saw that his mother's home was completely immersed in floodwater, and he saw no sign of his mother. Once on deck, unable to reach his mother, he stopped every arriving flight crew between sorties to ask if they'd seen her. After several gut-wrenching hours, Travis finally learned that his mother was, in fact, hoisted to safety by one of the many helicopters operating out of Air Station Houston and was in the care of a nearby hospital.

Yes – It gets personal.

In the end, 700 Coast Guard families lost their homes and had to be relocated. The most profound impact to our members and their dependents was in Puerto Rico and the U.S. Virgin Islands – communities ravished by Hurricane Maria... communities just starting down the path to long-term recovery as I stand here today.

With most dependents evacuated, our men and women stayed and reported to work. In Puerto Rico, Auxiliarist Mariano Velazquez showed up as Maria was still overhead. He left his home to reconstitute our Coast Guard base... to restore perimeter fencing, remove debris, and fix the damaged radio tower to restore communications.

And then he moved out to reconstitute the island. To ensure aids to navigation were watching properly, and to open the ports to get supplies flowing. An Auxiliarist – a volunteer – a trusted member of his community.

The efforts of our Prevention teams to restore and reconstitute the region's economically essential ports and waterways, clearly demonstrated the value of our waterways management mission to our Nation. Those ports were opened before commodities were ready to flow!

I could not be more proud.

The American public trusted us to respond. And respond we did.

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While so many endured these natural disasters, Transnational Criminal Organizations continued to raise havoc and stir civil disorder in the Western Hemisphere.

These networks persistently harm America and our way of life. They undermine social order through drug trafficking and human smuggling networks, increase violent crimes, spur illegal activity along our borders, and directly contribute to historically high drug-related deaths of U.S. citizens each year.

Without question, these criminal organizations are cancerous groups that directly threaten our national security, and the Coast Guard is working to put them in remission.

Last year, our campaign to protect the U.S. border far out at sea netted \$7.2 billion worth of cocaine – before it could reach our shores - our streets – our friends and families.

Equally important, last fiscal year, we referred 606 smugglers to the Department of Justice right here in the United States, for prosecution. Evidence we obtained at sea helped our HSI, DEA, and FBI partners open a window into this cancerous world and that enabled them to cripple major networks that capitalize on an illicit and poisonous trade. Prosecution begets more prosecution, and our whole of government approach advances security and prosperity in our backyard.

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We are also paying attention to our northernmost border. Our 4th Coast. <u>As an Arctic nation</u>, leadership in this most arduous and largely unexplored domain has, for the most part, defaulted to the United States Coast Guard.

We are trusted in the Arctic to preserve our sovereignty over precious oil and minerals, to ensure access to opening shipping routes, and, let's not forget, to keep our border secure in a region with an emerging U.S. coastline and a mounting Russian footprint.

In fact, the Coast Guard provides, and is the single point of failure, for assured surface access – and the preservation of our national interests - in both the Arctic and Antarctic. But our <u>Coast Guard men and women need the right tools</u> to accomplish this mission... it will take <u>the recapitalization of our Polar Icebreakers</u>.

That is why I am pleased to announce that, very soon we will release a request for proposal, with the support of both the Administration and Congress, to acquire the first heavy icebreaker! The first installment that will recapitalize our Nation's fleet of icebreakers.

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But none of our borders – north, south, east, or west – are truly secure without a secure cyber domain. Terrorists used our transportation system as a weapon against us on 9/11. We are trusted to ensure the same does not happen through manipulation of the cyber domain today.

We secure our maritime critical infrastructure – ports, waterways, and commerce that translates to 4.6 trillion dollars in economic activity on an annual basis.

We now have a <u>Cyber Security Program of Record</u>, we have constituted cyber protection teams on budget, and, in 2019, <u>we will launch a cyber major at the Coast Guard Academy</u> in New London, Connecticut.

We must continually innovate and adapt to this ever-changing world of work and that begins with harnessing the talent across our active duty, reserve, civil servant, and auxiliary workforce. We have the right triad – Prevention, Response, and Mission Support - to sustain our Service... as long as we uphold the gold standard of public trust and continually attract, grow, and sustain the enormous talent of our workforce.

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But we don't live in a perfect world – and, similarly, the Coast Guard has not always been perfect. If public trust was a bank, there have been times when we had to make a withdrawal.

Just a decade ago, we were sitting in front of Congress to explain our faltering acquisitions program. But, we owned our mistakes, did some introspective learning, and ultimately improved. And today, I'd put our acquisition team up against any in the world... bringing gamechanging assets online...on-budget and on-schedule... that meet our operational requirements.

Beyond acquisitions, and with full transparency, we opened our ledgers and attained our 5th consecutive clean financial audit this year...5th! But that only came after many years of hard work to be entrusted stewards of our taxpayers' precious resources.

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But there is no greater breach of trust, than a breach against one of our own... I'm talking about sexual assault. We embarked on a campaign over 4 years ago to protect our victims and hold those who breach this sacrosanct standard of trust and respect accountable.

We continue to make strides toward removing sexual assault from our ranks. But, there is still so much more we need to accomplish.

To the victims of this crime who continue to stand the watch in the Coast Guard. Thank you for your service and your strength. You have my commitment that we will continue to protect your privacy, your dignity, and your opportunity to serve. And, significantly, this year's Sexual Assault Prevention and Recovery Strategic Plan will include a specific focus on victim recovery.

All of this rolls into our steadfast commitment to imbue a culture of respect towards and among our entire Coast Guard team... a team enriched by an incredible and ever growing diverse workforce. And our work is far from over.

I must emphasize – that while I require every senior member of our service – every Flag Officer, every Senior Executive, every Gold Badge – to emulate a culture of respect... every single one of us share this quintessential responsibility.

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When I take a look back, not long ago, our piers were chock full of tired and aging cutters. Today, you'll smell fresh paint and see new National Security Cutters... <u>Fast Response</u> <u>Cutters...</u> on the way are <u>Offshore Patrol cutters...</u> we're closer than we've ever been to new Ice Breakers... and we're working to field new Waterway Commerce Cutters that will replace our oldest fleet on the water today – some of which are over 70 years old! And <u>we are investing in remotely piloted aircraft</u>... and the human capital that comes with all of it.

We are building out the Coast Guard of tomorrow and will need 5 percent annualized growth in operations and maintenance account and a 2 billion floor for acquisitions to continue to do so. It is a small ask for the smallest Armed Service whose full appropriation is less than one line item on the appropriations of the other 4 Armed Services.

We are on the right track – by swinging for the fences – and with the enduring support of this Administration and the 115th Congress – we've hit the sweet spot! But the ball is still in play, so to say, and this is just one inning in an infinite game with many at-bats to come!

In fiscal years 2018 and 2019, we are on the cusp of making a major dent in our infrastructure backlog – a list that had swollen to over \$1.6 billion dollars worth of necessary projects - a sum that would have taken well over a decade to buy down based on past funding levels.

And none of this would have been possible without public trust... Public trust that originates on the front lines of our Service.

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This is my last SOTCGA.

Even though my last name means "future" in German, I can't predict the future. But when I look back at the more than 4 decades that I have served, I see a continuum. A continuum that provides more than a glimpse into that future...

A continuum of professional growth;

A continuum of complexity in a world that is not exactly breaking out in tranquility... and in a world that looks to our United States - and many times the United States Coast Guard - to be the broker of peace and prosperity;

A continuum of ever increasing relevancy and demand placed upon our Coast Guard missions;

And a continuum of being the standard bearers that every coast guard around the world aspires to be... All built upon a rock solid foundation of trust.

To our men and women serving around the world... to our active duty, reserve, civil servant, auxiliary, and especially to our families – you are the light that has illuminated our Service and I could not be more humbled to serve you as your Commandant.

In my 40 years, I have witnessed such incredible progress... a brand whose glide slope soars ever higher – year after year... a glide slope that will continually gain altitude. And I can say with certainty, on June 1st, your 26th Commandant will take the helm of - what is and will continue to be - the World's Best Coast Guard. Trust me!

So true to our Coast Guard brand that reflects the State of the Coast Guard – our brand is trending up – Way Up! Yes, the State of the Coast Guard can be summed up by the opening stanza of our Service Song... "we're always ready for the call – we place our trust in thee!"

Thank you and Semper Paratus!