

2019 STATE OF THE UNITED STATES COAST GUARD  
"WITH OUR PEOPLE"  
ADMIRAL KARL SCHULTZ

Good Morning. Thank you, Master Chief Vanderhaden for that kind introduction. And thank you all for joining me to talk about our Coast Guard.

Today, I'm here at Base Los Angeles-Long Beach with our people; in the field where our tremendous men and women are on the front lines of the Nation's maritime interests every day. Our people and leaders have earned the trust and confidence of the American public and our partners worldwide. Leaders like those sitting here with me this morning, such as our Pacific Area Commander and her Senior Enlisted Advisor - Vice Admiral Linda Fagan and Master Chief Adwoa Hendricks.

Often, when asked about our Service, we tend to talk about our missions and operations, or our platforms. And don't get me wrong, that's important, because mission accomplishment is our value to the American people. But if you want to truly understand the Coast Guard, look to the men and women of our Service - they define our strength, our character, and are the foundation of our military readiness.

Our mission ready total workforce is the civilian port security specialist striving to enhance safety and security standards. The rescue swimmer who saves the fishermen minutes before their boat sinks; the cutter crew intercepting illicit drugs carried aboard a low-profile vessel; the elite deployable specialized forces team boarding non-compliant vessels in the Arabian Gulf; and the volunteer Coast Guard Auxiliarist, educating recreational boaters on the Great Lakes. Together, these men and women are your United States Coast Guard.

Our people operate in a complicated and dynamic environment, where asymmetrical threats pose unique challenges to our nation. Working together with our fellow components in

the Department of Homeland Security, and with the Department of Defense, we leverage our broad authorities and unique capabilities to lead in the maritime community and exert global influence.

The strength of our workforce continually reveals itself in difficult times, as the nation observed during the recent 35-day partial lapse in appropriations. Our people stood the watch and fulfilled our promise to the American public. Ultimately, this was a powerful testament of our resilience as a military service, and to the strength of our committed workforce.

But while difficult, we learned that we do not stand alone. Across the Nation, communities pulled together to support their Coast Guard – reflecting our enduring value to the American people. Take for example, Jenna Hall, the Ombudsman here at Sector Los Angeles–Long Beach. Jenna coordinated with community organizations to ensure that our members and their families received essential support. Jenna reflects the dedication and patriotism of Coast Guard families, as well as everyday citizens across the nation, who directly contributes to keeping our Coast Guard Semper Paratus – Always Ready!

Thanks to the backing of our DHS Secretary, the Honorable Kirstjen Nielsen, as well as the support of this Administration and the United States Congress. The recent funding provided in 2019 appropriations, and that requested for 2020, helps ensure our Coast Guard men and women remain forward leaning. These budgets help deliver a Ready, Relevant, and Responsive force poised to meet the needs of the nation – from the Western Pacific to the Atlantic Coast, from the heartland to the Polar Regions. Let's now have a little fun and introduce you to some of the men and women of your United States Coast Guard.

There's a reason why I chose to give this address here in Los Angeles. Look around you - Los Angeles and Long Beach are the two busiest container ports in the United States and

together they form the eighth largest port complex in the world, with a combined throughput of 17-million twenty-foot equivalent units. But the tons of cargo moving through these ports are only one part of the story. Our nation's economy relies on the safe, secure, and free flow of goods into our ports and on our nation's waterways. More than 90% of trade into and out of America is conducted on ships. What does this maritime commerce represent to the American public? It involves products like the smart phone in your pocket, the car you drive to work, even the gas in your vehicle's tank. All of these goods arrived by ship into this port, and ports on every coast, before reaching shelves in stores across America.

The Coast Guard workforce helps protect this flow of goods through the global transportation system, and facilitates the safe arrival of maritime commerce to U.S ports. In fact, our safety and security regimes begin overseas – through collaborative partnerships with our International Port Security Program. At home, our highly trained Coast Guard marine safety professionals continue to protect our ports by ensuring that arriving vessels meet all safety, security, and environmental standards.

For example, just last month, marine inspectors at Sector Los Angeles-Long Beach, Chief Warrant Officers Dan Reed, Chris Keister, and Derek Shay, discovered multiple hull fractures and cracks on a container ship holding nearly a million gallons of oil, potentially threatening both the environment and the watertight integrity of the vessel. These Coast Guard marine inspectors identified the damage, oversaw the repairs, and thus safeguarded the port. Each year our Coast Guard people inspect nearly 50,000 vessels, facilitating the maritime commerce that drives our Nation's economy.

America's waterways, from our inland rivers to our global ports like this one, form what we call the "Marine Transportation System" or MTS, a highly efficient means of transporting

goods. The MTS is the lifeblood of our economic engine, contributing over 23 million jobs and \$4.6 trillion dollars annually to the national economy. The MTS, and the Coast Guard workforce who facilitate this system, are integral to our nation's prosperity.

As you might imagine, the MTS is not static. Like any complex system, it requires skilled workers, capable tools, and regular investments for maximum productivity. To ensure the economic prosperity of our nation, the MTS of the future will require a sufficient number of highly-trained Coast Guard inspectors, efficient mobile technology to support just-in-time supply chains, and well-maintained waterways to transport goods to market.

But, the future isn't going to wait, and neither will the Coast Guard. This past fall, I released the Maritime Commerce Strategic Outlook, our vision for sustaining America's economic advantage. Additionally, over the past nine months, we've equipped nearly 600 marine inspectors with tablets, a first step in accelerating our workforce modernization. And I'm proud to report that over the next decade, we will be replacing our fleet of 35 aging inland river tenders, averaging 55 years old, with a new Waterways Commerce Cutter.

Together, these investments represent important steps for our Nation to remain globally competitive for decades to come. However, our work in the MTS grows more challenging every year while the nation's transportation infrastructure continues to deteriorate. As Congress considers recapitalizing this pillar of our economic prosperity, the Coast Guard stands ready to do our part to advance this vital enabler of trade and commerce.

When you look to the horizon, past the port infrastructure, 1500 miles southwest of here, vessels carrying multi-ton loads of cocaine are racing northward. These transnational criminals seek to sell their poison on our streets, and their illicit activities bring instability and violence wherever they operate. Today, National Security Cutter WAESCHE is on patrol in the Eastern

Pacific Transit Zone. And tomorrow in Miami, the 270-foot Medium Endurance Cutter TAMPA will offload 12 metric tons, that's over 26,000 pounds of cocaine interdicted at sea in recent weeks!

Coast Guard men and women are on the front lines combating transnational criminal organizations that actively harm Americans and our way of life. These organizations are a direct and immediate threat to our security.

Over the last three years, working with our international and interagency partners, the Coast Guard has been conducting an aggressive campaign far from our borders. We have removed over 1.4 million pounds of uncut cocaine from the transit zone, and delivered 1,800 smugglers apprehended at sea to the Department of Justice for prosecution. If you watched the recent trial of Joaquin Guzman, better known as El Chapo, the leader of the violent Mexican Sinaloa cartel, you saw the impact of Coast Guard joint operations. Initial evidence in building the case against Guzman was derived from Coast Guard at-sea interdictions led by boarding team members, like Maritime Enforcement Specialist Samantha Constant. **[Video of ME3 Samantha Constant conducting boarding and rescue operations]**

Petty Officer Constant's story is a mere glimpse of one Coastie, from one cutter, on one single patrol, but her dedication and responsiveness represents our entire workforce. Today, Samantha serves on one of our Medium Endurance Cutters, some of which are over 50 years old. But soon, she will be able to go back to sea on a new Offshore Patrol Cutter, what we call the OPC, which will be exponentially more capable and accommodating to our mixed gender crews. Today, the Offshore Patrol Cutter and Polar Security Cutters are our top investment priorities. This next generation surface capability, beginning with the ARGUS, is already under construction. The OPC program of record is set to deliver 25 hulls and that fleet will eventually comprise over

70% of our offshore presence. In the future, Petty Officer Constant and her shipmates will be able to more effectively respond to 21st century threats.

And that future starts right here. Right here in Los Angeles-Long Beach, we will homeport our first two OPCs beginning in 2021; and for that, I am very excited!

Coast Guard crews are already experiencing and benefiting from the game-changing capabilities of our new platforms. Our National Security Cutters, which we term the NSC—the flagships of our cutter fleet—outfitted with an Unmanned Aerial System, airborne use-of-force helicopters, and over the horizon boats target the myriad threats to our nation. Earlier this year the 132-person crew of the STRATTON deployed for 104 days, conducting operations ranging from the Bering Sea in the north to the coast of Colombia, South America. STRATTON's crew traveled over 23,000 nautical miles to enforce fisheries laws and to combat drug smugglers, exemplifying the agile and diverse capabilities of both the cutter and her assigned crew.

During this patrol, STRATTON employed the ScanEagle Unmanned Aerial System, to great effect across a wide range of missions. **[Video of UAS support to drug interdictions]**

You can see how effective the ScanEagle automatic surface-search and cueing sensors are in this video. With our modern fleet, enabled by intelligence and air support, our Coast Guard men and women, like the crews of STRATTON and WAESCHE, will optimize our disruption of bulk loads of pure cocaine at sea, where it is most vulnerable to interdiction. Large drug interdictions at sea reduce “push factors” in Central America. Push factors are the drug related violence and corruption that fuel economic and political instability, and that sow the seeds for illegal migrants to seek safer havens in the United States. In short, our at-sea interdictions reduce pressure on our southwest border.

ScanEagle is truly a game-changer for our crews. And I'm proud to report that this technology is coming to every NSC in our Fleet! But, not quickly enough. I'd like to accelerate the fielding of this technology, doubling the delivery of this key mission enabler from two to four systems per year. At that rate, by the end of my tenure as Commandant, we will field full ScanEagle capability across our entire NSC fleet!

Additionally, we will aggressively work to ensure each of our OPCs sail from the shipyard equipped with UAS technology. Here today, at the gateway to the Pacific, is an opportune time to reflect on how the Coast Guard is deployed around the world. We play a critical role ensuring an open, prosperous, and inclusive world order. We are truly a locally based, nationally relevant and globally connected Coast Guard. Wherever Coast Guardsmen deploy, we protect our Homeland, project global influence, and model appropriate maritime governance to countries around the world.

At this very moment, on the other side of the Pacific, the crew of Coast Guard Cutter BERTHOLF is deployed supporting the Department of Defense Indo-Pacific Combatant Commander, contributing our unique authorities to support the United States Navy and our allies amidst the backdrop of great power competition.

Coast Guard operations in the Indo-Pacific are indicative of our global reach and support to all DOD Combatant Commanders. On the Arabian Gulf, 300 Coast Guard men and women operate six island class patrol boats that protect essential infrastructure and key maritime approaches, while our training teams bolster interoperability and build partner-nation capacity in support of U.S. Central Command.

However, our deployed workforce cannot continue to operate effectively in this harsh and demanding environment with antiquated equipment. Thanks to the support of Congress and the

Administration, four new Fast Response Cutters have been funded, and upon arrival in the CENTCOM theater will provide even more capability as they conduct regional maritime security operations.

At the other extreme of operating environments, our Coast Guard men and women are on the front lines of the rapidly-changing, increasingly accessible, and geo-strategically important Polar Regions. Similar to our work in the Indo-Pacific Theater, the Coast Guard builds trust and diplomacy to ensure a collaborative environment through international forums and joint exercises.

The Arctic and Antarctic hold vast resources, and aspiring near-peer competitors – such as China and Russia – are expanding their icebreaker fleets as well as their bases, access, and influence. My greatest concern for these regions lies with America's very limited icebreaking fleet. Currently, our Nation has only two operational icebreakers – one medium and one heavy. And, our heavy icebreaker, the POLAR STAR, is 43 years old and well past her service life.

Having recently returned from Operation Deep Freeze in Antarctica – the most remote and unforgiving environment on the planet – POLAR STAR's crew successfully broke through dozens of miles of ice to resupply our American colleagues and international partners at McMurdo Station – the logistics hub of the U.S. Antarctic program. Without this American presence on the continent, we cede future influence in the region.

In the Polar Regions, presence absolutely equals influence! However, our presence is harder to maintain with each passing year. In the midst of her successful deployment, the POLAR STAR broke her centerline shaft seal due to the stress of ice operations, allowing water to flood into the ship. I want to commend the dedication and tenacity of her assigned crew. Hundreds of miles from the nearest safe port, a joint Coast Guard and Navy dive team braved the icy ocean to



apply a patch that slowed the flooding. Meanwhile engineers – immersed in 30-degree bilge water and using specialized tools fabricated onboard, successfully repaired the ship.

Every year I observe this type of innovation and dedication to mission excellence from the men and women aboard the POLAR STAR. That is why our Polar Security Cutter acquisition is so critical to our national security and prosperity in the high-latitudes. This is not lost on the Administration and the United States Congress, who provided the remaining \$675 million dollars to fully fund the first Polar Security Cutter and provided the initial long lead materials For the second Polar Security Cutter.

As we build these new icebreakers, I will continue to advocate for what I call the “6-3-1 Approach.” We need six icebreakers, at least three of which must be Polar Security Cutters, and today, I am proud to say we will award the construction contract this spring for our first one.

And none of this is possible without champions, like senior Alaska Senator Lisa Murkowski, sitting right here in the audience with us today.

However, the Polar Security Cutters are only one part of a larger strategy. Senator Murkowski knows better than anyone that the Arctic landscape has changed—it has become more competitive between nations vying for influence and resources. This change necessitates fresh thinking as an Arctic Nation. And we must double down on our leadership in this developing region. That’s why today, we are poised to release an essential update to our Arctic Strategic Outlook.

While deployed globally, as we’ve just discussed, our highly adaptable Coast Guard men and women stand ready to respond in the Homeland for both daily operations and crises. As many of you here today can appreciate, manmade and natural disasters alike require innovative and effective crisis response.

When recent hurricanes devastated American communities, the Coast Guard was there as the Nation's maritime first responder. You saw us "on-scene" across disasters in the Caribbean, the Pacific, the Gulf, and along the Atlantic seaboard, saving over 13,000 lives. There were many unsung Coast Guard heroes – today, we're going to hear from a very special pilot. **[Video of Lt. Ronaqua Russell receiving Air Medal]**

Many of our Coast Guard heroes don't make the front page; instead they work behind the scenes supporting our frontline operators. These mission support enablers are critical to our success. I'm reminded of a perfect example from last July, when a charter airplane crashed in the mountains of Alaska. While transporting survivors to medical care, the responding Coast Guard rescue helicopter was forced to land due to low fuel. Back in Ketchikan, the support team quickly sprang into action. Chief Machinery Technician Graham Edwards, Mr. Dennis Diamond, and Mr. Jon Vanessen, rapidly engineered a custom portable fuel transfer kit for a second helicopter. As they prepared the kit, Storekeepers Isaac Castruita and Seth Mason expeditiously sourced local materials, while Electronics Technician Michael Leska coordinated on-scene training for the flight crews to operate the equipment. Every operational success in the Coast Guard has its foundation in the vital work of our mission support workforce. And in this case, 11 plane crash survivors were brought home safely to their loved ones due to the unified efforts of our crews in Alaska.

This is the epitome of team Coast Guard – in both daily work and in crisis response. Our people take warranted risk, act decisively, and develop solutions to answer the nation's call for Coast Guard services.

The spirit of innovation demonstrated by our shipmates in Alaska reflects 228 years of Coast Guard history. As Secretary Nielsen said Monday at the State of Homeland Security

Address – we must “anticipate, adapt and respond quickly” across our mission sets. For while the solutions to many of our readiness challenges lie in the need for additional resources, we must also continue to innovate. One recent example comes from our 2018 Annual Innovation Awards. Lieutenant Nathan Shakespeare and Auxiliarist David Hoffman created a mobile app that optimized rescue operations during Hurricane Harvey. We continue to improve upon this platform so that when the next hurricane hits, our response posture will be enhanced – we will be Semper Paratus!

Now we must extend that innovative spirit to the Cyber domain. When you look around at this port you can clearly see cranes, containers, and ships – the physical structure of our MTS. Cyber is the spinal cord of this vital system and we must protect it from increasingly present and challenging threats. That’s why today, the Coast Guard has 300 service members supporting U.S. Cyber Command and Department of Homeland Security cyber operations – defending cyberspace, enabling operations, and protecting infrastructure.

Underlying everything we do – from our response to hurricanes to countering criminal networks – there is an ongoing technological revolution. Technology has created opportunity for efficiencies, but it has also increased vulnerabilities. As a law enforcement agency, a member of the National Intelligence Community, and as an Armed Service, Coast Guard men and women are positioned to meet the rising challenges in this domain.

In fact, right here at Sector Los Angeles-Long Beach we have the Coast Guard’s first Port Cyber Security Specialist, Chris Regan, who has the unique role of sharing maritime cyber threat intelligence with local, state, federal, and private-sector partners.

Within DHS’s Cyber Security framework, Coast Guard men and women – alongside the Interagency, assess risks, identify threats, and respond to attacks on our nation's critical

infrastructure, and not just the MTS. During the recent 2018 mid-term elections, Intelligence Specialist, Chief Connor Beurelein utilized his expertise to improve the cyber security of local and state election systems.

In the military, our people define our Service; they are more than mere employees. The key to Coast Guard success has always been our diverse workforce. To recruit, develop, and retain today's incredibly talented American youth in our all-volunteer military force, we must continually adapt to maintain our competitive edge. I want the Coast Guard to be an employer of choice.

To achieve this, my top priority as Commandant is Service Readiness. As I've mentioned earlier, increasing global complexities and the increasing demand for Coast Guard services necessitate the best people, the best tools, and our best performance. This begins and ends with our people. But real change requires new ways of thinking.

We must make a difference today, for the Coast Guard of tomorrow. I am committed to delivering real change to address important issues to our members – like childcare accessibility, affordable housing, and talent management initiatives to infuse better flexibility and permeability within our ranks. We must apply this thinking across the full spectrum of personnel support systems, and bring the best ideas to bear in an expedient fashion.

Shortly after becoming Commandant, I established the Personnel Readiness Taskforce, a full-time team of seven Active Duty, Reserve and Civilian members led by our Vice Commandant, Admiral Ray. The task force is charged with turning ideas into actionable changes that better our Coast Guard workforce. One area for improvement and continual focus is our inclusivity.

All of these changes ring hollow if we are not a fully inclusive Service. That's why 25 years ago the Coast Guard developed and codified our core values – Honor, Respect and Devotion to

Duty. To be a Service that embodies these lofty ideals - they must be more than just words – they must be our call for action!

My vision for the Coast Guard is that every member of our team has the right and the expectation to come to a safe workplace. To be part of a Service that values them as an individual, that is free from threats and discrimination, and that is absolutely committed to each member's success, and that of their families.

We are accelerating our field-informed initiatives to drive organizational change. Last year we commissioned a Women's Retention Study to understand why the Coast Guard retains women at a disproportionately lower rate than men, and to help identify areas for improvement. The results of this study will be publicly released next week.

Our Personnel Readiness Task Force has been directed to identify immediate opportunities to implement the study's recommendations. We've heard the voices of Coast Guard women committed to both their careers and their families. And today, I am proud to announce a new policy that will utilize surge staffing from our Coast Guard Reserve corps to backfill members on convalescent and caregiver leave, including new parents. Now our truly dedicated women can better focus on their families and their well-being without worrying about the impacts of their absence on their workplace and colleagues.

Building on the success of the Women's Retention Study, I'm pleased to announce that the Coast Guard will undertake a similar holistic retention study for underrepresented minorities beginning this spring.

Today, your Senior Leadership team is exploring more forward-leaning policy changes to recruit and retain a workforce reflective of the Nation we serve, including easing the existing

tattoo policy, removing single parent disqualifiers, and revising outdated weight standards that disproportionately affect women.

These actions are the first steps in a dedicated campaign to identify barriers to inclusion, and to help frame solutions that challenge the status quo. They are small ripples that will lead to a groundswell of cultural change. Join me in building this tidal wave to ensure all of our members are respected, all of our members are empowered, and all of our members are included. Inclusion allows for the development of the critical bonds that will put us on course to mission success and ultimately, help us maintain our standing as the world's best Coast Guard.

Similarly, we must align our governance to allow all members of our workforce to fully contribute their talents with today's increasing demands for Coast Guard services. Our Reserve Force, manned by dedicated Americans from across the nation, is a key element of our operational success, which is why we are shifting governance of our Reserve program directly under our Deputy Commandant for Operations.

And, with the support of the President's budget, we are increasing our Reserve training. Not only that, but I'm also proud to announce that the budget carves out \$2.7 million dollars for tuition assistance for our Reservists – the first time in recent years we will fund Reserve requests for tuition assistance without the requirement to be on Active Duty.

Our missions have never been more relevant or demanding than today; however, we face very real Readiness challenges – so much so, that we're approaching a tipping point. Coast Guard men and women are doing more and more, in increasingly complex and dangerous environments, with aging platforms and infrastructure. Yet, our people answer the call every single day. And here's an incredible example: **[Video of MST2 Edwards rescue]**

It is my responsibility – my moral obligation – to ensure that extraordinary Coastguardsmen like Petty Officer Edwards have the necessary tools, not just to do their jobs, but to excel. I am committed to securing modern, capable assets and the fiscal resources needed for our people to operate in the face of today’s dynamic threats.

Over the last eight years, our Operations and Support (O&S) funding has essentially been flat-lined, eroding our Service’s purchasing power almost 10%. Imagine bringing home 10% less in your paycheck to cover essential bills.

In a modestly funded organization like the Coast Guard, this has resulted in deferred maintenance, a strained and undersized workforce, and antiquated information systems. And, we continue to face an extensive shore infrastructure backlog that now exceeds \$1.7 billion dollars. That’s particularly problematic for an organization with facilities spread far and wide across the Nation. In addition to our backlog, we also need to build modern infrastructure to support home porting our newest assets—including Polar Security and Offshore Patrol Cutters — and provide our people with the facilities they deserve.

Looking to the future, the key is stable and predictable funding for our acquisition programs in order to continue to meet delivery milestones. Once in the fleet, our modern, capable, and interoperable cutters serve a critical role safeguarding our nation. Today, with the support of the Administration and Congress, we are currently building National Security, Fast Response, and Offshore Patrol Cutters; and in short order, Waterways Commerce and Polar Security Cutters.

Beyond ships, the Coast Guard is fielding new C130J aircraft and making investments to leverage more capability from our existing C27 and C144 fleets, while continuing upgrades to our helicopters. And for the first time ever, we’ve added a \$14 million dollar line item for cyber

and enterprise mission platform upgrades that will improve operations in a secure and mobile environment. We are building the Coast Guard of tomorrow – today!

There is no better place than Los Angeles-Long Beach to showcase our operational investments. Just up the coastline at Point Mugu, we are building a new Air Station at the Ventura County Naval Station. And the pier to my left will be the homeport of our newest cutters. Not only will the first two Offshore Patrol Cutters be stationed here, but the port will soon have four new Fast Response Cutters, including the ROBERT WARD, commissioned a few short weeks ago, and the TERRELL HORNE, which will join the fleet here tomorrow.

To be the Coast Guard that America needs takes more than just recapitalization. It requires sufficient operating and support funding to maintain our platforms, to train and equip our crews, and to support our Coast Guardsmen and their families. We're appreciative of the fiscal year 2019 enacted budget, which provided over \$2.2 billion dollars for capital investments and ensured continued frontline operations. I am also thankful for the President's fiscal year 2020 budget request, which will sustain our Service.

However, to be an absolutely Ready, Relevant, and Responsive Coast Guard requires a 5% annual increase in operating and support funding. As Congress makes tough fiscal decisions and looks at the best ways to spend the Nation's precious resources, there's not a better return on investment in government than the United States Coast Guard.

Throughout my remarks, I've tried to highlight our greatest strength, and the cornerstone of our Readiness, the dedicated men and women of the United States Coast Guard. As I look to the future, I am tremendously optimistic that the Coast Guard will remain strong, adaptive, and resilient to the challenges ahead. That optimism and enthusiasm is founded upon almost 36 years of personal experiences with our people.



Our people have never been more talented, or more capable, than they are today. Our Coast Guard men and women are united by a shared commitment and eagerness to serve, to demonstrate skill and courage, so that America's Coast Guard will remain Semper Paratus—Always Ready—to meet the challenges confronting our Nation today and tomorrow.

Thank you - God Bless the United States of America and our United States Coast Guard!