



[Extemporaneous Welcome] Great to be back at the Air War College!

I don't want to stand up here and lecture to you for an hour – I want to leave plenty of time for question and answer. So I'm just going to walk you through a number of pictures.

Last September I was in Newport, Rhode Island at the NWC for the International Seapower Symposium. When I got up, I talked to this audience of more than 100 navies and coast guards about the asymmetrical threats that I'm facing -- Transnational criminal networks... illegal migration... human smuggling... balancing security and prosperity in the Maritime Transportation System... water where there used to be ice in the Arctic... guarding against threats in the cyber domain... depleting fish stocks where 3 of the nearly 7 billion people on this earth rely on fish as their only source of protein... increasing severity of storms...

After my address, they could have re-titled it the "International Coast Guard Symposium." These asymmetrical threats are plaguing the globe. And many countries from around the world have to make the decision – do we operate like a navy or a coast guard? Because of these threats, many of the services present mirror themselves after the United States Coast Guard. Because of our unique ability to get after these threats.

Don't worry, after some good dialogue, the CNO of the Indian Navy asked to go back to theater ballistic missile defense... And the "World's Premier Navy" was back in the spotlight.



The Coast Guard is, first and foremost, a military service.

I sit with the Joint Chiefs in the Tank where we apply the National Military Strategy - the “4 plus 1,” (North Korea, Russia, Iran, China, + violent extremism) in which the Coast Guard plays an important role.

- The Coast Guard has global reach. We operate in the waters off every continent and partner with navies and coast guards around the world to tackle regional challenges.
- Take Russia and China – The Coast Guard has unique access to those nations. They join us on regional associations like the North Pacific Coast Guard Forum and the Arctic Coast Guard Forum. These associations foster cooperative partnerships and multilateral cooperation on a wide array of issues. You probably can’t list too many other U.S. agencies that are currently sitting at the same table collegially with these nations.
- We extend our reach through unique authorities and trusted partnerships and operate jointly with our DoD counterparts.

While the Coast Guard plugs strategically into the National Military Strategy, we also ask, where is DoD not? With our DoD counterparts necessarily pulled far from the homeland, we focus where they are not / cannot be – to ensure national security, secure our borders, and promote economic prosperity.

In other words, just like our National Military Strategy – I have my own 4+1. And I’m looking right here in the Western Hemisphere, we are securing our MTS. We are focused on the Arctic, in the cyber domain, securing our MTS, and my “plus one” is focused on attaining the right force structure.



WHEM:

The Coast Guard is on the front lines, combating criminal networks in our hemisphere and securing our borders. Here in the Western Hemisphere, criminal networks drive rampant instability. Indiscriminate drug-fueled violence in Central America has weakened governments, stymied legitimate economic activity, and terrorized peaceful citizens. This is a primary cause of the migrant flow we see toward our SW border.

As a nation, we play defense at the border and the Coast Guard plays offense, far from our shores.

The Coast Guard has over 60 bilateral agreements around the globe – extending our reach and pushing out our borders.

And just last year, we achieved a record removal of cocaine – 201 metric tons. TONS. And, we brought 585 smugglers – members of transnational criminal organizations – to justice here in the United States where we have a nearly 100 percent prosecution rate, as compared to the less than 10 percent in their countries of origin.

But there were 580 events last year that we were aware of but could not target. This is a *serious* threat to our national security. The flow of cocaine continues to increase and we are the number one consumer. Governments just south of our border are flailing.

Ostensibly, the United States is losing this battle because the flow continues to increase – this is an issue of capacity.

- I was in Colombia a few weeks ago and met with President Santos, a key ally in combating transnational crime. He remains committed to stamping out this shared threat to our regional stability.

- We need more “eyes in the sky”

- We can’t lose focus on this – it is a national security imperative. While investment in the Coast Guard is making a difference, more is required.



MTS:

Keeping our Maritime Transportation System safe, secure, and resilient is a national security imperative. And the Coast Guard is at the heart of it.

The United States has one largest systems of ports and waterways in the world. And before you discount what I'm talking about here - I'm talking about a system that contributes over \$4.5 trillion of our Nation's economic activity on an annual basis – *trillion* - and it supports over a ¼ of a million American jobs – I think that should have your attention.

And the Coast Guard is the only federal presence on most of our Nation's inland waterways, as well.

These waterways are a critical part of our infrastructure. They provide resiliency while they relieve other modes of transportation. Case in point: just one tank barge takes the equivalent of 144 trucks off our already congested highways. A single common tow arrangement on our inland rivers removes more than 2,000 tanker trucks from the road.



CYBER:

This is the Long Beach Container Terminal. Long Beach is the second-busiest port in the United States. It handles more than 6.8 million containers, per year, which carry more than \$180 billion in cargo. And *everything* is automated.

As we all know, exploitation, misuse, or simple failure of cyber systems can derail vital activities and cause massive financial losses. It can also cost lives. The cyber domain should be considered another border – a virtual border - that we must secure.

So, the Coast Guard has accelerated the implementation of our Cyber Strategy. We are focused on three strategic priorities in our newest operational domain: Defending Cyberspace, Enabling Operations, and Protecting Infrastructure

And we are uniquely positioned to do so –

- The Secretary of Defense and the Secretary of Homeland Security recently signed an MOA that clearly and closely aligns the two departments in cybersecurity and leverages our authorities and role within DHS and DOD.
- A Coast Guard 3-Star is the Director of J6 on the Joint Staff.
- We have members at the U.S. Cyber Command, including a flag officer as their J7.
- We are a member of the National Intelligence Community.

To keep our port facilities and vessels Safe – Secure – Resilient - we leverage our broad authorities and our mature relationship with the maritime industry to advance a prevention and response regime for cybersecurity. But, to truly operate effectively in this area - to maneuver against threats inside our own networks and to use it as a tool to advance our operations, we must build a cyber workforce that is fluent and capable.

Last month we designated an O-2 as the lead for our inaugural Cyber Protection Team (CPT). Let me just say, we are not looking at people my age to man this new operating domain. Moving forward, it will take a significant investment to recruit, train, and retain talented individuals like this O-2. No doubt, this will continue to be a challenge for all of us.



ARCTIC:

Just as the demand signal is increasing to combat networks and secure our borders... to facilitate maritime commerce and ensure economic prosperity... to protect and utilize the cyber domain... The demands on the Coast Guard in the Polar Regions continue to expand as well.

Make no mistake - China and Russia are exerting their influence.

- [militarization] Russia has more than 40 nuclear and non-nuclear polar icebreakers. Further, Russia has expressed a clear intent to increase its military presence in the Arctic. In addition to establishing an Arctic military command, Russia has plans to add two armed Arctic corvettes to its fleet by 2020.
- [resources] The USGS concluded that about 30% of the world's undiscovered conventional natural gas and 13% of the world's undiscovered conventional oil resources (or 90 billion barrels) may be found north of the Arctic Circle. On top of that, ½ of these energy resources are located in Alaska! Of those, USGS estimates 30 billion barrels of oil and 181 trillion cubic feet of gas may be technically recoverable. Arctic and non-Arctic Nations alike are vying for rights to these rich resources. This summer, Russia submitted a new extended continental shelf claim to the UN while China has conducted research in our EEZ and on our ECS (R/V XUE LONG).
- [safety, security, stewardship] Of course, it's not only Nation states operating in the Arctic. Last summer, the cruise ship CRYSTAL SERENITY sailed from Alaska to New York through the Northwest Passage with 1700 people onboard. This summer, an additional large cruise ship, the BREMEN (POB ~203) will join CRYSTAL SERENITY.

As I mentioned before, the Coast Guard is a member of regional associations such as the North Pacific Coast Guard Forum and the Arctic Coast Guard Forum that afford unique engagement with Russia and China. Continued leadership within these forums forges substantive cooperation. These forums are one way that Coast Guard uses our unique roles to enhance our Nation's diplomacy.

However, that diplomacy and cooperation needs to be accompanied by a fleet of Polar Icebreakers that can provide assured year round access and exert our sovereign rights. We are working to recapitalize our tired fleet – our nation's only operational heavy icebreaker is 40 years old. We are working closely with the Navy [IPO] on this front and are moving out toward three heavy and three medium icebreakers.



ENDURING CG VALUE:

The Coast Guard has always prided ourselves as a Service that punches above our weight class.

Yet, as an armed service, we are budgeted at the very bottom and the line items we struggle to get on budget and fund are considered “rounding errors” within other branches of the government. Using a boxing metaphor: we are funded in a flyweight class. After 226 years of service – the time is long overdue to up our weight class to at least the middleweight division. Our funding needs to reflect the power of our punch.

So as the Commandant, I am working to “bulk up” our Service. I have to, given the demands on our service that I have just outlined (and those are just a few of them).

And the Coast Guard is recapitalizing like never before – and the investment is making a difference.

This is the CGC BERTHOLF – our first National Security Cutter. We now have 5 NSCs. I’ll be commissioning the 6th in less than one week. And I christened the 7th just a few weeks ago. Our program of record was initially for 8 but as global threats emerge and the demand on our Service continues to grow, this program of record has grown from eight to nine.

These capable platforms have been true game changers!

[HAMILTON narrative – our 4th NSC – IN LESS THAN 100 DAYS – migrants, drugs, hurricane Matthew readiness, diplomacy (int engagements), SAR.

[JAMES HITRON success – 500th interdiction]

I like to say that our NSC’s pay for themselves on their maiden voyages - I cannot think of another asset in our entire U.S. inventory that more than pays for itself in less than 100 days. The value of cocaine these assets remove – in a single patrol – is worth more than their entire acquisition cost. And these platforms will be in service to our nation for decades to come.

In addition to our NSCs, [58 FRCs], [25 OPCs]

We are acquiring assets like never before in our 226 year history. But, we must keep the momentum going! Because, the demand signal is anything but decreasing.



So, that's my 4, in my 4+1.

1. combating networks and securing our borders here in the Western Hemisphere
2. facilitating maritime commerce and ensuring our nation's economic prosperity
3. protecting our cyber domain and using it as a vital asset to enable operations
4. exerting our national sovereignty and ensuring our national security in the Polar Regions.

But my "+1" is probably my most important. By now in your career, you all know that our ships, our planes, our boats – they are hollow without our people. I am truly humbled by all that our Coast Guard men and women do. I

But dated platforms... lack of modern tools like UAS and ISR to get the job done... insufficient manning across the board still plague our service... it stretches my workforce thin. We punch above our weight class, but now is the time to move up.

[Reserve strength] I am currently contending with the smallest reserve force we've had in over 50 years. When Hurricane Matthew headed toward our East Coast last summer, it had my full attention. And the Cascadia Subduction Zone in the Pacific Northwest keeps me awake at night... Our Coast Guard men and women do extraordinary things. But if a major contingency or compound event were to occur, my concern turns to capacity. I'm looking to rebuild and restore the 1,100 billets that have been cut due to sequestration and offsets.

[Civilians] Our civilians are invaluable. Integral to both our mission support and execution.

[Active] And I need to grow our active duty component as well – 5000 people over the next 5 years.

Driven by our Human Capital Strategy, we are currently developing a force planning construct to systematically assess where we are and where we need to be. Because without the right people – without a talented, specialized workforce – we will fail at our mission.



That is where the Coast Guard is strategically focused – we use our broad and unique authorities to ensure our national security, border security, and economic security.

And where I'm focused – on restoring our readiness to combat the threats of today and into the future.

So, let's open up for a dialogue. What questions do you have for me?