

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

Phenomenal.

That's a word you'll hear several times today.

And it's the word Gen. John Kelly – the Secretary of Homeland Security and our service secretary – used in front of Congress to describe the men and women of the United States Coast Guard just last month.

I can think of no better word to describe our workforce.

I am truly humbled by all that our men and women do. I could not be more grateful for each of our active duty, reserve, civilian and auxiliary members! A remarkable team predisposed to put service before self.

And serve they do – every day – to ensure the security and prosperity of this great nation!

The Coast Guard is a unique instrument of national security.

We are, first and foremost, an armed service.

We are the only branch of the U.S. Armed Forces that has broad law enforcement authorities and a portfolio of more than 60 bi-lateral agreements that extend our jurisdiction around the globe.

We secure our maritime borders thousands of miles before a threat reaches our homeland. We advance our maritime commerce and economic security. We do this all in ways that no other service can. And it is all done by our phenomenal people.

To expand upon Secretary Kelly's characterization of our service - what a phenomenal year it has been for our Coast Guard! Let me just give you a list of some of the amazing things our Coast Guard men and women have done this past year:

We awarded Phase II to complete build out of our fleet of 58 Fast Response Cutters – at an affordable price – and the last four, numbers 19 through 22, were delivered by Bollinger Shipyards with zero discrepancies.

We awarded the landmark acquisition for the first nine Offshore Patrol Cutters to Eastern Shipbuilding Group, a down payment for our program of record of 25 of these capable platforms that meet our requirements – all at an affordable price.

We awarded long lead-time materials to Huntington Ingalls Shipyard for a ninth National Security Cutter. As global threats emerge, this program of record has grown from eight to nine to meet that demand.

We stood up an Integrated Program Office with the Navy and just recently awarded industry studies to accelerate the delivery of a new heavy icebreaker and to commence build-out of a fleet of three heavy and three medium icebreakers. We are sprinting out of the starting blocks to deliver the first heavy icebreaker by 2023.

Working with CBP, ICE, DEA, DOJ, DOD, Treasury, the Director of National Intelligence and all of our international allies, we achieved a record removal of cocaine – 201 metric 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.

On its maiden voyage, our fourth National Security Cutter, Coast Guard Cutter Hamilton, offloaded more than 26 metric tons of cocaine worth \$767 million wholesale – the combined results of our assets working in this region and our capable interagency network.

And Coast Guard Cutter James, currently underway, is tracking to have a similarly successful – or possibly even more successful – maiden voyage! In fact, 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!

And, it wouldn't happen without our Helicopter Interdiction Tactical Squadron's aerial expertise. In fact, James' case just last Friday marked HITRON's 500th interdiction using airborne use of force and precision disabling fire! We have leveled the playing field against what had been an elusive fleet of drug-laden go-fasts. Yet more proof that our intelligence-driven operations pack quite a punch in the campaign against transnational criminal networks.

But there were 580 events last year that we were aware of but could not target. This is an issue of capacity.

This Administration and Congress – they get it – as we recapitalize our legacy fleet across three cutter classes with ships that have proven to be a quantum leap over their predecessors – true game changers!

But the flow of drugs toward our shores continues to increase. As more cocaine is being cultivated and produced in Colombia – the number one exporter of cocaine; more is being consumed by the number one consumer – the United States.

The Coast Guard and the U.S., writ-large, cannot defeat the threat of criminal networks alone.

Just last week, I met with one of our key allies in this campaign – Colombia. President Santos is committed to stepping up his nation's efforts to stamp out this shared threat to our regional stability.

Last year we apprehended over 5,000 Cuban migrants at sea, the highest number we have seen in a decade.

Moving north, we stood up and hosted the Arctic Coast Guard Forum comprised of the coast guards from each of the eight Arctic Council nations. This is a venue where I have an open dialogue with the seven other Arctic Council coast guards to include my peer from the Russia Federation. Yes – we are a unique instrument of diplomacy that begins with collaboration. And next week, we hand off the reigns to Finland as they chair the Arctic Council and Arctic Coast Guard Forum for the next two years.

We created a Cyber Protection Team.

We received our fourth consecutive clean financial audit opinion.

The number of sexual assault reports is trending downward. From 2014 to 2016, we have seen a 38 percent reduction in reports and at the same time, we see an increased propensity to file an unrestricted report that reflects trust in our network of victim advocates, special victims counsel and a discreet and sensitive investigative process that upholds standards of accountability.

The Coast Guard is not a service of “by-standers” – we are “by-doers!” – committed to ridding ourselves of this scourge.

We are a service that lives by the principle of Duty to People. On that note, we increased maternity leave from 6 to 12 weeks, and, in consultation with the Department of Defense, we are looking to provide expanded leave for primary and secondary caregivers.

And what organization wouldn’t be envious of our all-volunteer workforce of almost 30,000? Our Coast Guard Auxiliary is truly the envy of the world. On an annual basis, they contribute nearly 4 million hours in support of our missions.

And when it comes to the economic prosperity of our great nation, perhaps the most overlooked aspect of our missions is the many hardworking men and women on our prevention team; marine inspectors, technical experts in the maritime industry who ensure the security and safety of, and facilitate, maritime commerce that translates to economic prosperity.

Make no mistake: we are a strategy-driven organization where intelligence drives operations to make the best use of our scarce resources.

Add to that, a talented workforce with a propensity to put service before self, and you have a Coast Guard that offers tremendous returns on a relatively nominal investment.

I can state – objectively and unequivocally – this has been a phenomenal year for our Coast Guard.

So, what is the state of today’s Coast Guard?

We are the gold standard. We are the preeminent coast guard of the world. I can say with conviction, after visiting with many of the coast guards worldwide, they all want to be like our United States Coast Guard!

After hearing that list of successes, it might be tempting to sit back and ride out my term as commandant.

But I am in the business of ensuring the readiness of our force. Of ensuring our men and women are properly trained and equipped to carry out their mission and ensure the security and prosperity of this great nation far into the 21st century and beyond!

To a person, and especially me, we must be eternally vigilant!

We live in a world that is not exactly breaking out in tranquility.

We face the emergence of non-state actors and asymmetrical threats – transnational criminal organizations that generate over \$750 billion each year from their illicit activities and erode regional stability.

We face the largest flow of migrants and refugees since WWII.

We face human trafficking. Piracy. Illegal, unreported, unregulated fishing when approximately three billion of the world’s seven billion people depend on fish as their primary source of protein.

We face trafficking in drugs, weapons, bulk cash. All at a time when oceans are expanding as Arctic sea ice retreats.

I shared this scene setter before more than one hundred navies and coast guards this past September at the International Seapower Symposium. And the demand signal for the U.S. Coast Guard to engage on a global scale has never been greater because of these asymmetrical threats. In fact, just two weeks ago, we were deployed around the world, off the coast of all seven continents.

We have always prided ourselves as a service that punches above our weight class. Yet, as our nation's fifth 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!

We are moving in the right direction! We are "bulking up!" The Coast Guard is recapitalizing at a pace that has not been seen since Alexander Hamilton approved the construction of 10 revenue cutters back in 1790 and I am immensely pleased with the pace that has been set. And it is critical to our nation's security that we sustain this pace.

Beyond this recapitalization, there are several critical cogs that must be machined to help us remain the preeminent coast guard.

More than \$4.5 trillion of our nation's economic activity occurs on our waterways on an annual basis.

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.

Overall, I'm talking about millions of trucks removed from our roads.

These waterways – our maritime highway – are maintained by our inland fleet of 35 cutters. Twenty-five of these cutters are more than 50 years old, with the oldest being 73. Most of them are not configured for mixed-gender crews. All of them are being monitored for lead abatement and asbestos mitigation. The time to replace this legacy – or perhaps geriatric class of cutters – arrived over a decade ago.

We face similar challenges with our shore infrastructure. Our infrastructure backlog currently exceeds \$1.6 billion. Today, we are ostensibly only making the interest payment on this backlog so we do not go deeper into the red. We depend on self-help projects to patch roofs and restore utilities.

As a service competing with Silicon Valley for the best possible talent, our ability to self-actualize – ascribing to Maslow's Hierarchy of Needs – is impeded when our men and women are diverted from focusing on operations to dealing with leaking roofs, gas line breaks and failed electrical systems. Yes, living at the very bottom of Maslow's pyramid attending to basic shelter.

And while it's refreshing to see the new generation of major cutters arrive at our piers, we – the Coast Guard, Department of Homeland Security and Department of Defense – are lacking enough "eyes in the sky." We simply do not have enough surveillance platforms to track to complement our squadron of manned aircraft staged on foreign soil and interdict threats before they reach our homeland. The Coast Guard must acquire land-based, unmanned or remotely piloted systems in a meaningful way.

Then there is our information technology backbone. We are far from state-of-the-art when it comes to our IT infrastructure. We need to overcome the fiscal challenges of migrating to Microsoft Windows 10. It's mission-critical in reducing our cyber vulnerabilities.

On the topic of fiscal challenges, some may believe those woes are behind us as increases in military spending grow ever more promising.

Yet there is a single phrase that has boxed in the Coast Guard; that has attributed to our annualized operating and maintenance appropriation being funded well below the Budget Control Act floor for each of the past five years.

That phrase is “Non-Defense Discretionary Funding.”

We must invest to restore our military readiness. Our capability. Our capacity.

The Coast Guard is an armed service. Yet we are not postured to benefit from vital national security investments because our funding is classified incorrectly. Our men and women are military members who operate on the front lines to secure our nation and our borders. Yes, we are in the business of national security – at home and abroad. Our service must be categorized and funded accordingly.

As I said before, we are a service that punches above our weight class! We need to move up. Our funding needs to reflect the power of the Coast Guard punch!

We need to restore the 1,100 reserve billets that were cut due to sequestration and offsets.

We need to retain our civil servant workforce that is integral to our mission support and execution.

We need to grow our active duty component, 5,000 people in the next five years.

To the men and women of the Coast Guard – active, reserve, civil servant, auxiliary – those standing the watch on shores near and far.

To the myriad, indispensable specialties that you apply to the mission – every day – to ensure our national security and prosperity.

And to our military families.

To a person – you have been phenomenal! And you are the backbone of what has made this such a tremendous year for our service.

It is your heavy lifting – across every community – that has uplifted our United States Coast Guard!

So I close by saying prepare to lace up your gloves and get in the ring as the middleweight contenders that define our punching power. This is no longer a world for flyweights!

God bless our Coast Guard and these United States of America!

Semper Paratus!