

Purpose: Provide remarks at the 30th Annual Surface Navy Association National Conference. The theme for the conference is “Surface Forces and Cross-Domain Integration.”

Audience: SNA members from the active duty, retired, reservist, Officer, Enlisted and civilian communities.

Media: This event is open to the media and for attribution.

Strategic Intent: Foster understanding of Coast Guard value proposition.

Duration / Format: 30 minutes for remarks, 15 for Q&A / Slides

SLIDE 1: TITLE SLIDE [EXTEMPORANEOUS WELCOME]

- In the wake of the tragic incidents in the 7th Fleet, the Secretary of the Navy directed a **Strategic Readiness Review**. The report, which I imagine most of you in this room have read, was submitted last month.
- As a Service Chief, and a ship driver, I’ve been watching this closely and engaging with the Joint Chiefs... I have read the report a few times because there is one thing for which I’m certain... **the Coast Guard is not immune**.
- The thing 40 years of Service has taught me is that **MISHAPs are a guaranteed. We work to minimize them and strive to avoid them, but the environments in which our military forces operate are complex and demanding**. A demand that is only increasing in this world that is anything but breaking out in tranquility.
- But the **readiness concerns that plague our military forces has compounded that risk beyond an acceptable degree**. And it requires our **collective and immediate attention**.

SLIDE 2: WARN ORDER

- I thought I’d rewind not 30 years like the report, but just a few years ago to the mentality that was shared across the armed forces.
- These words were directly pulled from a WARNORD for fiscal year guidance... “scale and cut,” “reductions,” “smaller force structure.” For years, this “do more with less” mentality made us leaner, but not more efficient.
- **And this Navy Report – the Strategic Readiness Review – is a WARNORD for me.**
- We’re all very aware of the fiscal landscape we find ourselves in. I believe at last report, the interest alone that we pay on our national debt will surpass all defense spending by 2021. Oh, and by the way most of that debt is held by foreign nations – we may be the first Nation in history that is paying for our adversary’s military. But the words written here tell of a mindset as well. A mindset counter to readiness.

SLIDE 3: INCREASING DEMANDS / COMPLEX ENVIRONMENT

- At the same time the demands on the Navy have been steadily growing, demands on the Coast Guard have been increasing as well.

- **[ARMED FORCE]** I just released my 2018 reading list. I recommend all of the books listed, but two in particular...Graham Allison's *Destined for War* and T.R. Ferrenback's *This Kind of War: The Classic Korean War History*.
 - We are on the brink of an era that threatens peer on peer competition unlike we've seen since the Cold War that will only add to the asymmetric threats facing our Nation today.
 - First and foremost, the Coast Guard is an Armed Force. The defense of our Nation comes first and the Coast Guard brings our broad authorities, versatile competencies, and global partnerships to the fight.
- **We plug in strategically, and are written into our plans in the event of... and hopefully to avoid conflict, but we are also working to ensure the security of our Nation in places where DoD must be less focused.** Admiral Tidd likes to call the Coast Guard, SOUTHCOM's Navy.
- **And our operating environment is becoming increasingly complex.** To succeed, our ships are launching unmanned aerial systems, armed helos, and small boats after using the incredible intelligence suites onboard and CBP MPAs to locate the target. **Our adversaries are innovating and we must as well.**

SLIDE 4: SECURING OUR BORDERS

- **[WHEM]** In addition to peer-on-peer competition, America is under a different kind of attack by organized networks that prosper off weakened governance, instability, and violence in our region. They are the cause for the flow of migrants to our southern border and peddle the poison that kills more Americans in a year than the entire Vietnam War.
 - In the week between Christmas and New Years, the Coast Guard, in unity with our interagency and international partners, executed 4 cases taking more than 12,000 lbs of cocaine out of play... along with the criminals who would profit from the misery those drugs cause.
- This requires a full court press! This is the Attorney General attending one of our recent offloads in San Diego – to be effective and inform intelligence we see cases through to prosecution here in the U.S.
 - That is more than 55,000 pounds of cocaine and a smaller amount of heroin you are looking out. The Coast Guard and its interagency partners seized over 455,000 pounds of cocaine worth more than \$6 billion wholesale in Fiscal Year 2017, breaking the U.S. record for most cocaine seized in a single year.

SLIDE 5: ARCTIC

- [ARCTIC] I'm also paying attention to our northernmost border. The Coast Guard is the sole U.S. surface presence critical to exerting our sovereignty and preserving U.S. strategic depth in the face of increasing encroachment by Russia and China.
 - The race is on in the Arctic and Russia is winning. Russia is boosting economic spending despite population decline... they are increasing their military foothold... I've pretty much lost count of how many icebreakers they are building to add to their already impressive fleet – especially when you compare that number to our fleet of 2. If this image doesn't strike you – it should.
 - And China is playing the long game globally, but especially in the Arctic. It's not on my book list, but I recommend reading Anne-Marie Brady's book titled *China as a Polar Great Power*. China is very much worth paying attention to...

SLIDE 6: SECURING OUR WATERS

- [MTS / CYBER] And while our Navy partners are pulled for important reasons far from our shore, the Coast Guard is the military force charged with protecting and facilitating \$4.6 trillion of economic activity that occurs annually on our waterways and ensuring the security of both our physical borders and our cyber borders in the maritime industry.
 - I visited Maersk in Long Beach after their Notpetya malware incident. Unlike our Services, they were able to essentially walk into Best Buy and upgrade to Windows 10 in order to stay secure. After my entire tenure as Commandant fighting for it, my system at work was finally upgraded last week.

SLIDE 7-8: HISTORIC SURGE

- Add to that the peaks... the disasters – both manmade and natural – that the Coast Guard responds to. **This year, our Nation endured an historic hurricane season... and so did our Service.**
 - The U.S. had never been hit by two Category 4 hurricanes in the same season and we faced 2 in less than 2 weeks. And then Maria and her utter devastation to USVI and Puerto Rico.
 - The Coast Guard surged nearly 3,000 personnel and 200 assets. Nearly 12,000 lives were saved by our men and women. I could not be more proud of our response.
- Our response came at yet another cost. It consumed even more of our future readiness. Everything is cumulative... it is compounding... and there is a breaking point.

SLIDE 9: STRECHED THIN

- I will not mince words, the Coast Guard... just like our Navy brethren, is stretched thin.
- We are doing more and more, in more complex and dangerous environments, with what I used to call aging platforms... but they are outright deteriorating.
- This is the Coast Guard Cutter Reliance and our Yard is doing their best to keep her true to her name. She is one of our 50+ year-old Medium Endurance Cutters. **The fleet of Off-Shore Patrol Cutters that will replace these ships are my highest investment priority.** The first is scheduled for delivery in FY21. I can't get them in the fleet fast enough.
- **My other highest priority is recapitalizing our icebreaking fleet** – starting with the heavy icebreakers and building out to 3 heavy and 3 medium. Secretary Tillerson went so far as to say our sole national heavy icebreaker is “crummy” – and he's exactly right. I have a crew operating in one of the harshest operating environments on earth – in Antarctica – right now. If she is to become stuck... who will I call? Russia?
- **Ensuring our security and sovereignty requires global assured access – and we need to recapitalize now.**
- **But recapitalization does not just end with the steel in the water. Our operating and maintenance funding must keep up. And training and retaining a truly specialized workforce is paramount.** I have spent the majority of my career as a ship driver... It would take me months to qualify on one of our new platforms. That is a lesson that cannot be lost.

SLIDE 10: OUR GREATEST ASSET

- I've spent a lot of time today talking about the real issues we must tackle together. But, you don't have to look hard to find a good news story. Despite growing demands and strains on our Services – we are still, bar none, the world's greatest.
- You need look no further than the people who chose to serve our Nation.
- This is Recruit Company B-19... the class that graduated boot camp when hurricane Irma hit. **There is no question, we are bringing in the best and the brightest – the top 1%.**
- **We owe it to them – but even more, we owe it to the American public that we serve – to focus on our readiness.** To have lessons learned – not just lessons identified.
- **Jointly, we must think and be strategic,** now more than I think has ever been required in my 40 years of service.
- I'll leave you with one other book from my reading list then open for your questions. The book is *Antifragile: Things that Gain from Disorder* by author Nassim Taleb. **The concept behind antifragile is to not just be resilient – but to actually become stronger. To learn... to grow... to be better. Antifragile organizations (like nature)**

embrace stress because it is what makes them stronger... We have an opportunity to be antifragile – I say we take it.

SLIDE 11: TITLE

➤ [Open for Q&A]