



**UNITED STATES
COAST GUARD**

POSTURE STATEMENT
2016 BUDGET IN BRIEF
2014 PERFORMANCE HIGHLIGHTS

Crewmembers from Coast Guard
Maritime Safety and Security Team
Kings Bay, Ga., patrol Baltimore's
Inner Harbor.





THE COMMANDANT OF THE UNITED STATES COAST GUARD
WASHINGTON, D.C.

The United States Coast Guard operates in a complex, diverse and rapidly changing world. To ensure we meet the demands of today while preparing for tomorrow, the Service will align our actions and investments with the Department of Homeland Security (DHS) and National strategies. The Posture Statement provides the strategic context of the external environment and highlights my focus for Fiscal Year 2016.



The Fiscal Year 2016 Budget reflects our continuous and sound stewardship of constrained resources as we prioritize and economize our investments in the 21st century. Investments in the Offshore Patrol Cutter, improved aviation capabilities, integrated command and control systems and a proficient workforce are all critical to our future success. We will adapt to address today's challenges while positioning the Coast Guard for sustained mission excellence deep into the 21st century. I am firmly committed to prioritizing operations and resources to Maximize Service to the Nation.

As a unique force with both military and civil authorities, Coast Guard missions touch nearly every facet of the Nation's strategic maritime interests. Coast Guard authorities, people and assets are essential to national security and economic prosperity. I am extremely proud of the results our Coast Guard active duty, civilian, reservists and auxiliary personnel accomplish daily in support of national priorities. The 2014 Performance Highlights demonstrate the enduring, multi-mission character and intrinsic value of the Coast Guard to the United States.

As we approach 225 years of service, history has demonstrated a responsive, capable and agile Coast Guard will meet any operational demand and is a vital instrument of national security. We will remain Semper Paratus – Always Ready.

A handwritten signature in blue ink that reads "Paul F. Zukunft".

P. F. ZUKUNFT
Admiral, U.S. Coast Guard



POSTURE STATEMENT

America's Coast Guard

At all times an Armed Force, a regulatory agency, a humanitarian service, a federal law enforcement agency and a member of the intelligence community, the Coast Guard is responsible for the safety, security and stewardship of the Nation's waters. The Coast Guard employs broad authorities and capabilities, leverages expansive partnerships and projects effective and persistent presence to ensure the most vital national interests in the maritime operating environment are met.

Strategic Landscape

Transnational trends and geostrategic challenges are rapidly changing our world. Transnational Organized Crime networks, technological advancements in marine industries, cybersecurity risks, impacts of climate change, shifting human migration patterns and weakening sovereign nation states all pose significant challenges for U.S. National Security and economic prosperity. Our maritime domain has never been so complex, and increased opportunities for economic prosperity are accompanied by new challenges in the maritime domain. As such, the Coast Guard must look to the future, adapt its operations and prepare for the demands ahead.

Strategic Focus

While external trends continue to increase risk in our operating environment, fiscal and budgetary realities necessitate strategic approaches that optimize efficiency and effectiveness. The Coast Guard has begun development of a suite of regional and functional strategies that address the most pressing risks the Coast Guard will face in the next ten years. The first two of these strategies – the Coast Guard Arctic Strategy and the Coast Guard Western Hemisphere Strategy – have clearly defined our highest priorities in the respective regions. Future strategies, such as the Coast Guard Cyber Strategy, will focus on priorities associated with specific trends, such as the rise of cyber threats in our operating environment. These strategies are informed by applicable national and department-level strategy, the Quadrennial Homeland Security Review (QHSR) and the Quadrennial Defense Review (QDR).

While the Coast Guard will remain active globally – from the Polar ice caps to the Persian Gulf – the Western Hemisphere represents a critical front for U.S. National interests. To meet the demands of the Nation in the coming year, the Coast Guard must focus on several key areas:

- I. Combating Transnational Organized Crime (TOC) networks.** In our own hemisphere, threats and challenges are growing, including the instability in Central and South America linked to TOC networks. Fueled by immense profits from drug trafficking, these networks are involved in activities that span terrorism, human smuggling, trafficking in persons and weapons, piracy and environmental crime. These networks weaken governments, thwart legitimate economic development and terrorize peaceful citizens.

To combat TOC networks, the Coast Guard will:

- Build the network of interagency and international partners to combat TOC networks. Collaborate within The Interdiction Committee (TIC) to identify, target and defeat illicit networks.
- Continue building upon 41 international counter-drug bilateral agreements and work with the interagency and international partners to grow partner nation capacity.

- Use intelligence to drive interdictions at sea, resulting in the prosecution of smugglers and the disruption and defeat of TOC networks.
- Increase offshore presence to interdict drugs at sea – where they are in their highest quantity, highest purity and most vulnerable – in order to sever criminal revenue sources.
- Invest in the Offshore Patrol Cutter (OPC) to replace the aging fleet of Medium Endurance Cutters.

II. Securing the Southern Border. Securing the Nation’s maritime borders is one of the Coast Guard’s greatest challenges. In recent years, border threats to our Southern Approaches have grown dramatically. The Caribbean basin, Central America and South America represent an extremely diverse and expansive region, which includes several U.S. territories including Puerto Rico. The U.S. has strong and highly productive international relationships with many countries in the region to our south, but many of the region’s nations suffer from economic hardship, ineffective governance and other societal challenges.

To secure the southern border, the Coast Guard will:

- Build unity of effort within the Department of Homeland Security Southern Border and Approaches Campaign Plan.
- Deter illegal migration activity and provide the necessary indications and warnings for the U.S. concerning maritime mass migration.

III. Safeguarding Maritime Commerce. The Nation’s prosperity is inextricably tied to the stability and safety of our Marine Transportation System (MTS) and the reliability of our maritime critical infrastructure. The MTS is the lifeblood of the National economy and is the conduit for 90 percent of U.S. trade by volume. The safe and efficient movement of commerce within the Nation’s waterways is critical to every citizen. Dramatic changes in U.S. energy production have increased the demand on the entire MTS. Increased congestion, larger vessels, greater complexity of port operations and expanded movement of energy resources and hazardous materials increases the overall risk of an incident that could inhibit economic productivity and have environmental consequence.

To safeguard commerce, the Coast Guard will:

- Conduct a comprehensive review of oversight and regulatory frameworks to improve safety and maximize efficiency of the Nation’s MTS.
- Increase the proficiency of the Marine Safety workforce.
- Focus on innovative technologies to improve waterways management and the aids to navigation system.

IV. Enhancing Cybersecurity. Cyber technology has not only fueled unprecedented growth and efficiency in our globalized economy, but has also spawned a growing number of challenges and risks that jeopardize our Nation’s security and prosperity. Government and commercial systems face emerging cyber threats from adversaries that possess substantial resources and employ sophisticated tools. These threats pose significant risks to the MTS and could compromise or limit the ability of the system to function efficiently.

To increase cybersecurity, the Coast Guard will:

- Continue to align with DHS and DOD in developing a cyber strategy to defend our own network and work with port partners to protect maritime critical infrastructure and the MTS.
- Coordinate our cybersecurity activities across Federal, state, local and maritime industry stakeholders.

V. Adapting in the Polar Regions. Resource development and opportunities for new trade routes are growing in the Arctic. Management of these issues is critical to a safe and responsible use of this vital region now and in the future. Climate change consequences are wide ranging and are most readily seen in the polar regions. The impacts of decreasing ice coverage in the Arctic include increased human activity and a greater interest in the region’s natural resources.

To achieve national objectives in the polar regions, the Coast Guard will:

- Cooperate with the Department of State and other Federal and international partners as the U.S. assumes Chairmanship of the Arctic Council.
- Lead the Coast Guard Arctic Forum.
- Support Law of the Sea Convention ratification.
- Advocate for national capability in the polar regions.

VI. Committing to Coast Guard Men and Women. Cutters, boats and aircraft are the most visible symbols of the Coast Guard, but its people provide the unique capabilities and competencies the Nation has come to rely upon for nearly 225 years. In looking forward, the Coast Guard must continue investing in its nearly 40,000 active duty, 7,500 reservists, 8,000 civilians and 30,000 volunteer auxiliaries by providing them the right platforms, tools and training to proficiently and safely serve the Nation's maritime interests.

To most effectively execute its missions, the Coast Guard will:

- Foster a culture of respect in which leaders promote and sustain a climate that does not tolerate sexual assault, sexual harassment and enabling behaviors.
- Revolutionize human capital management to recruit and retain the most talented, diverse and proficient workforce for the 21st Century Coast Guard.
- Develop a force planning construct defining current and future Coast Guard workforce requirements.

Building America's 21st Century Coast Guard

The Coast Guard must continue evolving to address emerging demands. Enhanced integration across DHS, rapid innovations and more complicated operations necessitate greater unity of effort. The Coast Guard must keep pace to best serve the Nation. Further, advances in technology and the growing complexity of the maritime operating environment demand modern, affordable and integrated assets to support coordinated command and control, flexible operational capability and surge capacity. Multifaceted missions, changing demographics and knowledge-driven workplace systems require an adaptable, proficient and diverse workforce with increased technical skill sets.

The Fiscal Year 2016 Budget priorities lay the foundation for the Service to address today's challenges and key focus areas over the next five years. We will invest in the 21st century Coast Guard by building the necessary platforms to meet future missions, sustain mission excellence to meet current demands and maximize service to the Nation by driving efficiency and effectiveness throughout all activities. Finally, the Coast Guard's overall mission performance will demonstrate its value in protecting America's national security interests and preserving its economic prosperity.





FY 2016 BUDGET PRIORITIES

The Coast Guard's FY 2016 Budget preserves Coast Guard operations and continues recapitalization efforts for the cutters, boats, aircraft, systems and infrastructure. The budget also efficiently allocates resources to optimize Coast Guard mission performance. The Coast Guard must continue meeting today's operational requirements while investing in future capability to best serve the Nation.

The Coast Guard's FY 2016 Budget priorities are:



**Invest
in the 21st Century
Coast Guard**



**Sustain
Mission
Excellence**



**Maximize
Service to
the Nation**

THE FY16 BUDGET IN BRIEF

Invest in the 21st Century Coast Guard

Coast Guard mission demands continue to grow and evolve. The complexities and challenges facing the Nation require well-trained Coast Guard men and women with capable platforms providing the persistent presence necessary to conduct operations. Given the age and condition of existing assets, future mission success relies on continued recapitalization of Coast Guard boats, cutters, aircraft, systems and infrastructure.

In support of DHS's strategic objectives and in furtherance of the Coast Guard Western Hemisphere and Arctic Strategies, the FY 2016 Budget provides for the acquisition of six Fast Response Cutters, continues to invest in pre-acquisition activities for an affordable Offshore Patrol Cutter and funds vessel sustainment projects for two 140-foot Icebreaking Tugs and a 225-foot Seagoing Buoy Tender. The budget also continues sustainment and conversion work on legacy fixed and rotary wing aircraft, missionization of the HC-27J aircraft received from the Air Force and investment in Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems.

Sustain Mission Excellence

The FY 2016 Budget ensures the Coast Guard can conduct today's highest priority operations in support of national objectives. Most importantly, it sustains the Coast Guard's commitment to its workforce and supports proficiency, maximizing operational safety and effectiveness. In 2016, the Coast Guard will decommission two 110-foot Patrol Boats that are being replaced by more capable Fast Response Cutters. The Coast Guard will also decommission three HC-130H aircraft and corresponding support personnel while accepting the delivery of new HC-130J aircraft and HC-27J aircraft. In all, the FY 2016 Budget sustains the Coast Guard's highest priority operations with current operational assets and the necessary workforce.

Maximize Service to Nation

In best serving the Nation, the Coast Guard must meet evolving mission requirements stemming from national priorities and remain a trusted steward of public resources. The 2016 Budget sustains critical frontline operations by efficiently allocating resources across all mission programs. Coast Guard Operational Commanders will continue maintaining search and rescue coverage, protecting critical infrastructure, countering illicit threats from entering the United States, facilitating a safe Marine Transportation System (MTS) to minimize physical and cyber disruptions to the transit of maritime commerce, safeguarding the maritime environment and supporting foreign policy objectives and defense operations.





Acquisition, Construction, and Improvements (AC&I)

Surface Assets \$533.9M (0 FTE)

The budget provides \$533.9 million for the following surface asset recapitalization and sustainment initiatives:

- **National Security Cutter (NSC)** – Provides funding for the Structural Enhancement Drydock Availability (SEDA) for the NSC and Post Delivery Activities for the fifth through eighth NSCs, completing the recapitalization of the Coast Guard's High Endurance Cutter fleet. The acquisition of the NSC is vital to performing DHS missions in the far off-shore regions, including the harsh operating environment of the Pacific Ocean, Bering Sea and Arctic;
- **Fast Response Cutter (FRC)** – Provides funding to procure six FRCs. These assets replace the aging fleet of 110-foot patrol boats that provide the coastal capability to conduct search and rescue operations, enforce border security, interdict drugs, uphold immigration laws, prevent terrorism and enhance resiliency to disasters;
- **Offshore Patrol Cutter (OPC)** – Supports technical review and analysis of preliminary and contract design phase deliverables for the OPC project. The Administration's request includes a General Provision permitting a transfer to the OPC project if the program is ready to award the next phase of vessel acquisition in FY 2016. The OPC will replace the Medium Endurance Cutter classes that conduct missions on the high seas and coastal approaches;
- **Polar Icebreaker (WAGB)** – Continues pre-acquisition activities for a new polar icebreaker;
- **Cutter Boats** – Continues funding for production of multi-mission cutter small boats that will be fielded on the Coast Guard's major cutter fleet beginning with the NSC;
- **In-Service Vessel Sustainment** – Continues funding for sustainment projects on 140-foot ice-breaking tugs, 225-foot Seagoing Buoy Tenders, the training Barque EAGLE, and initial sustainment activities for the 47-foot motor lifeboats;
- **Survey and Design** – Continues funding for multi-year engineering and design work for multiple cutter classes in support of future sustainment and acquisition projects

Air Assets \$200.0M (0 FTE)

The budget provides \$200.0 million for the following air asset recapitalization or enhancement initiatives:

- **HC-144A** – Funds spare parts required to maintain the operational availability of the HC-144A Ocean Sentry aircraft;
- **HC-27J** – Funds continued activities of the HC-27J Asset Project Office (APO). The APO organizes logistics, training, maintenance support and ensures these newly acquired aircraft are ready for induction into the operational fleet. Funds aircraft regeneration, spares, initial training, mission system development, ground support equipment to stand up first operational unit;
- **HH-65** – Continues modernization and sustainment of the Coast Guard's fleet of HH-65 helicopters, converting them to MH-65 Short Range Recovery (SRR) helicopters. The modernization effort includes reliability and sustainability improvements, where obsolete components are replaced with modernized sub-systems, including an integrated cockpit and sensor suite;
- **HC-130J** – Funds initial spare parts required for stand up of the second operational HC-130J unit.

Other (Asset Recapitalization) \$65.1M (0 FTE)

The budget provides \$65.1 million for other initiatives funded under the Acquisition, Construction and Improvements account, including the following equipment and services:

- **Program Oversight and Management** – Funds activities associated with the transition of the Coast Guard's assets from acquisition to operations, including delivery, provision of logistics, training and other services necessary to ensure seamless integration into the operational fleet;
- **Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR)** – Provides design, development, upgrades and assistance on C4ISR hardware and software, creating a common operational picture and ensuring interoperability of all new and in-service assets;
- **CG-Logistics Information Management System** – Continues development and deployment of a unified logistics system for Coast Guard operational assets.

Shore Units & Aids to Navigation (ATON) \$101.4M (0 FTE)

The budget provides \$101.4 million to recapitalize shore infrastructure for safe, functional, and modern facilities that support Coast Guard assets and personnel:

- **Specific Projects** – Funds pier improvements in Little Creek, Virginia, to facilitate 210-foot WMEC homeport shift, renovation and restoration of electrical system at Air Station Barbers Point, Hawaii; funds the first phase of the replacement of aging dry-dock facilities at the Coast Guard yard; erosion control work at Station Siuslaw River, Oregon; provides permanent facilities at Station Vallejo, California;
- **ATON Infrastructure** – Maintains transportation safety on Federal waterways through construction and improvements to short-range aids and infrastructure to improve the safety of maritime transportation.
- **Major Acquisition System Infrastructure** – Funds modification and construction of facilities to support newly-delivered acquisitions. Includes upgrades and construction for NSC homeports, Medium Range Surveillance aircraft operational and maintenance facilities and engineering, feasibility and environmental studies for future projects.

Acquisition Personnel & Management \$116.9M (881 FTE)

The budget provides \$116.9 million for pay and benefits of the Coast Guard's acquisition workforce.



Operating Expenses (OE)

Operating & Maintenance Funds for New Assets **\$89.9M (222 FTE)**

Provides funding for operations and maintenance of shore facilities, as well as cutters, boats, aircraft and associated C4ISR subsystems delivered through acquisition efforts:

- **Shore Facilities** – Funds operation and maintenance of shore facility projects scheduled for completion by FY 2016;
- **Response Boat-Medium** – Funds operation, maintenance and support of 4 RB-Ms;
- **FRC** – Funds operation and maintenance of FRCs #18-21 and provides funding for personnel to operate and maintain hulls #19-22, including the shore-side support personnel;
- **NSC** – Funds personnel for NSC #6, and costs for shore-side support personnel for NSCs #4-5 (to be homeported in Charleston, South Carolina);
- **HC-27J Aircraft** – Funds operations, maintenance and personnel funding for the first four C-27J aircraft that will be assigned to Air Station Sacramento, California.

Pay & Allowances

\$80.8M (0 FTE)

Maintains parity with DoD for military pay, allowances and health care, and for civilian pay raise and retirement contributions. As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act, which include pay and personnel benefits for the military workforce.

Asset Decommissionings

As the Coast Guard recapitalizes its cutter and aircraft fleets and brings new assets into service, older assets being replaced will be decommissioned or retired.

- **Patrol Boat (WPB) -\$1.1 M (-14 FTE)**
Decommissions two 110-ft WPB patrol boats. These assets will be replaced with FRCs in the 7th Coast Guard District.
- **HC-130H Aircraft Retirement -\$11.7M (-53 FTE)**
Eliminates funding and personnel associated with the retirement of three HC-130H to the Air Force for transfer to the U.S. Forest Service as outlined in the FY 2014 National Defense Authorization Act. Newly acquired HC-130J and HC-27J aircraft will provide increased operational reliability.

Operational Adjustments

In FY 2016, the Coast Guard will make sound, risk-based adjustments while investing in critical recapitalization initiatives. These adjustments include: :

- **Cybersecurity Remediation +\$5.2M (0 FTE)**
This increase reflects a portion of a DHS-wide plan to address identified vulnerabilities related to a component controlled system and the Department will track remediation of these vulnerabilities commencing in FY 2015.
- **Support Structure Review and Rebalancing -\$2.5M (-18 FTE)**
A thorough review of the Coast Guard's support delivery structure identified personnel reductions at various locations that can be taken with no direct operational impacts and a minimal loss of current service delivery;
- **National Capital Region Footprint Consolidation -\$3.0M (0 FTE)**
Reduces the Coast Guard's physical footprint in the National Capital Region through consolidation of personnel and offices into the Douglas A. Munro Coast Guard Headquarters Building at St. Elizabeths;
- **Professional Services Contract Reduction -\$44.9M (0 FTE)**
Reduces or scales professional services contracts and redirects savings to higher priorities;
- **Manual Continuous Monitoring Reduction -\$1.2M (0 FTE)**
Due to increased capabilities of the Continuous Diagnostics and Mitigation (CDM) program, the need for manual cybersecurity monitoring is reduced and the Coast Guard is able to achieve savings with no loss of IT system security;
- **Headquarters Directorate Reduction -\$5.0M (0 FTE)**
Reduces funding for the overhead costs of Coast Guard headquarters directorates through a focused effort to minimize duplicative spending on consumable supplies and materials.

Table 1: Appropriation Summary

Appropriation (\$000)	FY 2014 Revised Enacted ¹	FY 2015 President's Budget	FY 2016 President's Budget
Operating Expenses (OE)	\$6,782,607	\$6,750,733	\$6,821,503
Acquisition, Construction and Improvements (AC&I)	\$1,373,135	\$1,084,193	\$1,017,269
Environmental Compliance and Restoration (EC&R)	\$13,164	\$13,214	\$13,269
Reserve Training (RT)	\$120,000	\$109,605	\$110,614
Research, Development, Test and Evaluation (RDT&E)	\$19,200	\$17,947	\$18,135
Alteration of Bridges	---	---	---
Health Care Fund Contribution (HFC)	\$185,958	\$176,970	\$159,306
Sub-total (Discretionary Funding) ²	\$8,494,064	\$8,152,662	\$8,140,095
Retired Pay	\$1,460,000	\$1,443,896	\$1,605,422
Boat Safety	\$105,874	\$112,830	\$115,776
Maritime Oil Spill Program	\$186,225	\$101,000	\$101,000
Gift Fund	\$2,049	\$80	\$1,621
Sub-total (Mandatory Funding)	\$1,754,148	\$1,657,806	\$1,823,819
OSLTF Contribution	[\$45,000]	[\$45,000]	[\$45,000]
Transfer to ICE for UACs	[-\$29,000]		
Hurricane Sandy Supplemental Funding from AC&I to OE	[\$26,800]	---	---
Overseas Contingency Operations	\$227,000	---	---
FY 2013 § 505 Rescission	(\$3,879)	---	---
Rescission of unobligated balances	-\$149,459	---	---
Transfer to DHS for UAC Emergency Reprogramming	[-\$2,500]		
Sub-total (Transfers and Supplementals)	\$73,662	---	---
TOTAL BUDGET AUTHORITY²	\$10,321,874	\$9,810,468	\$9,963,913

¹ Reflects reprogrammings/transfers, as applicable, and actual FTE.
² Small differences due to rounding of individual appropriations.

Table 2: FY 2016 Net Discretionary Budget Authority – Breakout by Statutory Mission

Coast Guard Mission (\$000)	FY 2014 Revised Enacted ¹	FY 2015 President's Budget	FY 2016 President's Budget	FY 2015 +/- FY 2016
Aids to Navigation	\$1,418,797	\$1,433,560	\$1,564,990	\$131,430
Defense Readiness	\$691,488	\$704,234	\$632,814	-\$71,420
Drug Interdiction	\$1,575,875	\$1,444,134	\$1,332,122	-\$112,012
Ice Operations	\$135,808	\$214,064	\$239,211	\$25,147
Living Marine Resources	\$1,030,729	\$1,029,137	\$1,097,021	\$67,884
Marine Environmental Protection	\$458,606	\$370,213	\$337,841	-\$32,372
Marine Safety	\$812,468	\$750,608	\$805,057	\$54,449
Migrant Interdiction	\$748,096	\$695,479	\$715,688	\$20,209
Other-Law Enforcement (Foreign Fish)	\$186,698	\$176,599	\$128,710	-\$47,889
Ports, Waterways and Coastal Security	\$2,126,006	\$2,064,948	\$2,114,159	\$49,211
Search and Rescue	\$1,063,641	\$927,492	\$996,302	\$68,810
Net Discretionary Excluding Supplementals and Transfers	\$8,494,064	\$8,152,662	\$8,140,095	-\$12,567
Mandatory Funding	\$1,754,148	\$1,657,806	\$1,823,819	\$166,013
OSLTF Contribution	[\$45,000]	[\$45,000]	[\$45,000]	[\$45,000]
Transfer to ICE for UACs	[-\$29,000]	---	---	---
Hurricane Sandy Supplemental Funding from AC&I to OE	[\$26,800]	---	---	---
Overseas Contingency Operations	\$227,000	---	---	---
FY 2013 § 505 Rescission	(\$3,879)	---	---	---
Rescission of unobligated balances	-\$149,459	---	---	---
Transfer to DHS for UAC Emergency Reprogramming	[-\$2,500]	---	---	---
TOTAL BUDGET AUTHORITY²	\$10,325,753	\$9,810,468	\$9,963,913	\$153,445

¹ Pursuant to PL 113-76: \$153.3 million was rescinded in FY 2014 (\$149.4 million in AC&I funds and \$3.9 million in OE funds).
² The Coast Guard budgets by appropriation rather than by individual missions. The Coast Guard projects resource allocations by mission through the use of an activity-based costing system. Actual allocations will vary depending on operational environment and mission need.

Table 3: FY 2016 Acquisition, Construction, and Improvements (AC&I)

Appropriations (\$000)	FY 2016 Request
Vessels	\$533,900
Survey and Design - Vessel and Boats	\$9,000
In-Service Vessel Sustainment	\$68,000
National Security Cutter (NSC)	\$91,400
Offshore Patrol Cutter (OPC)	\$18,500
Fast Response Cutter (FRC)	\$340,000
Cutter Boats	\$3,000
Polar Icebreaker	\$4,000
Aircraft	\$200,000
Maritime Patrol Aircraft (MPA)	\$3,000
HC-27J Conversion/Sustainment	\$102,000
HH-65 Conversion/Sustainment Projects	\$40,000
Long Range Surveillance Aircraft (C-130H/J)	\$55,000
Other	\$65,100
Program Oversight and Management	\$20,000
C4ISR	\$36,600
CG-LIMS	\$8,500
Shore and ATON	\$101,400
Major Shore, ATON and S&D	\$41,900
Major Acquisition Systems Infrastructure	\$54,500
Minor Shore	\$5,000
Personnel and Management	\$116,869
Direct Personnel Costs	\$116,869
TOTAL	\$1,017,269

Table 4: Operating Expenses FY 2015 Request to FY 2016 Request

BUDGET CHANGE (DOLLARS IN THOUSANDS)

	Pos.	FTE	AMOUNT
FY 2014 REVISED ENACTED¹	48,396	46,400	\$6,782,607
FY 2015 PRESIDENT'S BUDGET	47,644	48,116	6,750,733
ADJUSTMENTS-TO-BASE			
TRANSFERS TO AND FROM OTHER ACCOUNTS			
TRANSFER	2	2	5,984
TOTAL TRANSFERS	2	2	5,984
INCREASES			
ANNUALIZATION OF PART YEAR FUNDING	-	176	54,959
MANDATORY PERSONNEL ENTITLEMENTS			
ANNUALIZATION OF 2015 MILITARY AND CIVILIAN PAY RAISE	-	-	7,180
2016 MILITARY PAY RAISE	-	-	20,177
2016 CIVILIAN PAY RAISE	-	-	7,587
2016 MILITARY ALLOWANCES	-	-	42,942
2016 CIVILIAN ALLOWANCES	-	-	2,954
OPERATIONAL ADJUSTMENTS			
GSA AND OTHER GOVERNMENTAL RENT	-	-	1,650
HIGH RISK INTERNAL CYBERSECURITY REMEDIATION	-	-	5,171
OPERATING AND MAINTENANCE FUNDS FOR NEW ASSETS			
SHORE FACILITY FOLLOW-ON	-	-	3,310
RESPONSE BOAT - MEDIUM (RB-M) FOLLOW-ON	1	1	453
LOGISTICS INFORMATION MANAGEMENT SYSTEM (LIMS) FOLLOW-ON	-	-	2,452
FAST RESPONSE CUTTER (FRC) FOLLOW-ON	161	69	17,191
NATIONAL SECURITY CUTTER (NSC) FOLLOW-ON	146	44	6,061
C-27J AIRCRAFT SUPPORT FOLLOW-ON	152	77	47,420
HC-130J AIRCRAFT FOLLOW-ON	33	17	7,615
MH-60T HELICOPTER FOLLOW-ON	27	14	5,359
AIR STATION LOS ANGELES RELOCATION: PHASE 1	1	1	3,415
ATTC UNDERWATER EGRESS FACILITY SUPPORT FOLLOW-ON	2	2	171
sUAS SERVICE CONTRACT	2	1	2,560
BASE RE-ALLOCATIONS (NON-ADD)			
MILITARY FTP AND FTE TRANSFER TO CIVILIAN	[7]	[7]	[789]
PPA FUNDING ADJUSTMENT	-	-	[35,544]
TOTAL INCREASES	525	402	238,627
DECREASES			
TERMINATION OF ONE-TIME COSTS	-	-	(21,422)
PART YEAR MANAGEMENT ANNUALIZATIONS	-	(616)	(78,811)
OPERATIONAL ADJUSTMENTS			
SHORE-SIDE SUPPORT STRUCTURE REVIEW & REBALANCING	(16)	(8)	(607)
LOGISTICS & SERVICE CENTER SHARED SERVICE EFFICIENCIES	(18)	(10)	(1,900)
NATIONAL CAPITOL REGION FOOTPRINT CONSOLIDATION	-	-	(3,000)
FUEL LOGISTICS MANAGEMENT PROGRAM REVIEW	-	-	(300)
HEALTH SERVICES DELIVERY REVIEW & REBALANCING	(14)	(7)	(3,799)
HEADQUARTERS DIRECTORATE REDUCTION	-	-	(5,000)
CELLULAR WIRELESS SAVINGS	-	-	(4)
PROFESSIONAL SERVICES CONTRACT REDUCTION	-	-	(44,999)
CONTINUOUS MONITORING REDUCTION	-	-	(1,254)
ASSET DECOMMISSIONINGS AND RETIREMENTS			
TWO 110-FOOT PATROL BOATS	(27)	(14)	(1,061)
THREE HC-130 AIRCRAFT	(106)	(53)	(11,684)
TOTAL DECREASES	(181)	(708)	(173,841)
TOTAL ADJUSTMENTS-TO-BASE	346	(304)	70,770
FY 2016 CURRENT SERVICES	47,990	47,812	6,821,503
FY 2016 REQUEST	47,990	47,812	6,821,503
FY 2015 TO FY 2016 TOTAL CHANGE	346	(304)	70,770

¹ Excludes funding provided to the Coast Guard for Overseas Contingency Operations (OCO).



On an average day, the Coast Guard:

Conducts **48** search and rescue cases; *saves* **9** lives;

assists **73** people in distress; *saves over* **\$132,000** in property;

seizes **297** pounds of marijuana and **549** pounds of cocaine worth **\$8.2** million;

services **134** buoys and fixed aids to navigation; *interdicts* **6** illegal migrants;

conducts **24** security boardings in and around U.S. ports; *escorts* **5** high-capacity passenger vessels;

conducts **54** waterborne patrols of critical maritime infrastructure;

investigates **24** pollution incidents; *inspects* **127** vessels, containers and marine facilities;

issues **173** credentials to merchant mariners; *facilitates* movement of **\$8.7** billion worth of goods and commodities through the Nation's marine transportation system.

Semper Paratus – Always Ready



A Coast Guard engineer inspects the Eads Bridge in St. Louis, Missouri.



2014 PERFORMANCE HIGHLIGHTS

The Coast Guard effectively and efficiently performs activities that support the Department of Homeland Security in its mission priorities: *Prevent Terrorism and Enhance Security, Secure and Manage Our Borders, Enforce and Administer Our Immigration Laws, Safeguard and Secure Cyberspace and Strengthen National Preparedness and Resilience.*

Coast Guard activities cross six mission programs:

1. Maritime Law Enforcement;
2. Maritime Response;
3. Maritime Prevention;
4. Marine Transportation System Management;
5. Maritime Security Operations;
6. Defense Operations.

Every day Coast Guard men and women work with DHS and other Federal, state, local and international partners to provide the service the Nation has come to expect over our 225 year history. In 2014, Coast Guard operations supported national goals and achieved tremendous results.

Crewmembers from the Coast Guard Cutter STRATTON unload narcotics from a smuggling vessel intercepted by the crew in the Eastern Pacific Ocean.





USCG
MISSION
PROGRAM

MARITIME LAW ENFORCEMENT

The Maritime Law Enforcement program preserves America's jurisdictional rights within our maritime borders and suppresses violations of U.S. Federal law on, under and over the seas. The Coast Guard is the lead Federal maritime law enforcement agency for enforcing national and international law on the high seas, outer continental shelf and inward from the U.S. Exclusive Economic Zone (EEZ) to inland navigable waters, including the Great Lakes.

As the Nation's lead maritime law enforcement agency, the Coast Guard directly supports the security and management of our Nation's maritime borders, including waters of the Great Lakes, U.S. Territorial Seas, the U.S. Exclusive Economic Zone and the high seas. The Coast Guard's success in the interdiction of illegal drugs is emblematic of its role as the Nation's lead maritime law enforcement agency. In 2014, the Coast Guard combatted Transnational Organized Crime (TOC) networks by removing over 140 metric tons of illegal drugs from the maritime domain, more than the amount seized by all other Federal agencies combined, and detaining over 340 suspected smugglers for prosecution in the U.S.

In the interest of protecting America's natural resources, endangered marine species and marine sanctuaries, the Coast Guard conducted over 5,900 fisheries boardings on U.S. vessels in addition to 69 boardings of foreign vessels to enforce laws that prohibit illegal, unregulated, and underreported (IUU) fishing. IUU fishing is global in reach and Coast Guard efforts are critical to stemming this illegal activity that is harmful to ecosystems and a threat to global food security.

The Coast Guard secures the Southern Border and Approaches by conducting patrols and coordinating with other Federal agencies and foreign countries to interdict undocumented migrants at sea, denying them entry via maritime routes to the U.S., its territories and possessions. Thousands of people try to enter this country illegally every year using maritime routes, many via smuggling operations. Interdicting migrants at sea reduces the safety risks involved in such transits and means migrants can be quickly returned to their countries of origin without the costly processes required if they successfully enter the U.S.. During 2014, the Coast Guard interdicted 3,587 total illegal migrants, including 1,103 from Haiti and 2,111 from Cuba.

OUR BUDGET AT WORK

As the lead federal agency for drug interdiction on the high seas, Coast Guard operations support national and international strategies to deter and disrupt illegal drug traffickers. These efforts are crucial to federal efforts to dismantle Transnational Organized Crime (TOC)/Drug Trafficking Organizations (DTOs) and prevent transnational threats from reaching U.S. shores.

\$3 billion

Street value of illegal drugs removed by the Coast Guard in 2014.



A Coast Guard member operates the winch during the hoist of a survivor of a fishing vessel emergency to a Coast Guard MH-60 Jayhawk helicopter in Kodiak, Alaska. The air station launched to conduct 12 search and rescue cases including five medevacs during the month of August 2014 with a total of 11 lives saved and seven lives assisted.



USCG
MISSION
PROGRAM

MARITIME RESPONSE

The Maritime Response program mitigates the consequences of marine casualties and disastrous events. The Coast Guard minimizes loss of life and property by searching for and rescuing persons in distress in the maritime environment. Coast Guard preparedness efforts ensure incident response and recovery resources are fully ready and capable to minimize impact of disasters to people, the environment and the economy.

As the Federal expert in search and rescue and marine pollution response, the Coast Guard has proven to be an effective leader in the maritime domain, including in the Arctic where Coast Guard presence and work through the Coast Guard Arctic Forum have made the Nation more ready to respond to a maritime incident in the region.

The Coast Guard's robust multi-mission capabilities and ready-force posture enable it to protect life, property, and the environment in response to disasters. This multi-mission capability ensured the Service was ready to respond to over 17,500 search and rescue cases in 2014, resulting in over 3,400 lives saved. In October 2013, when a passenger vessel capsized off Miami, a Coast Guard 45-foot Response Boat, MH-65 medium-range helicopter and a volunteer Coast Guard Auxiliary unit responded and quickly rescued 30 individuals from the water and ensured all passengers were safely returned to shore.

As the principal Federal Maritime Security Coordinator and Federal On-Scene Coordinator in the coastal zone, the Coast Guard coordinates the response to oil and other hazardous materials spills in navigable waterways up to and including Spills of National Significance. In 2014, a collision involving an oil tank barge resulted in the discharge of approximately 168,000 gallons of oil into Galveston Bay near Texas City, Texas. The Coast Guard established and led an interagency team of Federal, state and local responders to protect the sensitive areas located near and around the area of discharge, including protecting threatened and endangered species placed at risk by the spill. The Coast Guard-led team quickly established a safety zone and removed the hazardous material from the affected waterway.



OUR BUDGET AT WORK

The Coast Guard provides emergency response to save lives in peril and minimize loss of life, injury and property damage. Responsible for the execution of the National Search and Rescue Plan, the Coast Guard plans searches, organizes and dispatches assets to search, locate and rescue mariners in distress and provides initial medical advice, assistance and evacuation. The Coast Guard relies on extensive partnerships to conduct SAR and coordinates SAR operations with international, Federal, state, local and tribal authorities

3,443

Lives saved during
Coast Guard operations in 2014.

A Coast Guard marine inspector inspects machinery equipment aboard a vessel moored in Richmond, Calif.





USCG
MISSION
PROGRAM

MARITIME PREVENTION

The Maritime Prevention program mitigates the risk of human casualties and property losses, minimizes security risks and protects the marine environment. The Coast Guard does so by providing the maritime governance that safeguards maritime commerce by ensuring safe, secure and environmentally sound maritime approaches to the Nation.

That maritime governance is instituted by the Coast Guard's development of regulations and operating standards for domestic vessels and marine facilities and enforcement of those regulations through comprehensive inspections. In 2014, the Coast Guard inspected over 12,500 U.S.-flagged commercial vessels to ensure compliance with safety and security requirements. The Service completed inspections on over 25,300 containers finding over 2,000 deficiencies, which led to shipments being placed on hold until dangerous conditions were corrected. The Coast Guard also inspected over 3,600 marine facilities to ensure compliance with safety and environmental protection regulations. In addition, the Coast Guard conducted over 4,800 safety and security examinations on vessels operating on the Outer Continental Shelf. The Service also investigated over 5,800 reportable marine casualties involving commercial vessels.

The Coast Guard ensures the safety of recreational boaters as well as commercial mariners. In 2014, the Coast Guard conducted over 43,700 recreational vessel boardings and issued over 10,500 citations and warnings. Efforts to keep boaters safe were also furthered by Coast Guard visits to over 400 U.S. boat manufacturers to ensure compliance with Federal regulations, provide manufacturers with regulatory updates and disseminate boating safety educational materials.

OUR BUDGET AT WORK

The Coast Guard ensures a safe maritime workforce by screening and providing credentials to mariners who work in our Nation's marine transportation system. These credentials are issued in accordance with guidelines in order to show evidence of a mariner's qualifications. The Coast Guard conducts background security screenings as part of this process, mitigating risk to the Nation.

63,000

Merchant Mariner credentials
verified and issued by the
Coast Guard in 2014.

Members of the Coast Guard Cutter KATMAI BAY break ice on the St. Marys River in northern Michigan at sunset.





USCG
MISSION
PROGRAM

MARINE TRANSPORTATION SYSTEM MANAGEMENT

The Marine Transportation System Management program ensures a safe, secure, efficient and environmentally sound waterways system. The Coast Guard minimizes disruptions to maritime commerce by assessing and mitigating risks to safe navigation by providing waterways restoration capabilities after extreme weather events, marine accidents or terrorist incidents. The Coast Guard works in concert with other Federal agencies, state and local governments, marine industries, maritime associations and the international community to optimize balanced use and champion development of the Nation's marine transportation system.

In 2014, approximately \$1.7 trillion worth of commerce transited over 25,000 miles of our Nation's waterways. The Coast Guard's maintenance of more than 49,000 navigation aids played a critical role in facilitating the safe transport of these goods within the Marine Transportation System.

The Coast Guard is leveraging technology to improve safety and resilience of the Marine Transportation System. In conjunction with port partners and industry stakeholders, electronic aids to navigation are being tested in locations in which they can best augment, and possibly replace, the existing physical system of buoys and beacons. The Coast Guard envisions a balanced, integrated system where a combination of electronic and physical Aids to Navigation improves the overall safety, efficiency and resiliency of our waterways.

The Coast Guard also worked with maritime industry and other stakeholders to recognize and address growing cybersecurity risks to the Marine Transportation System.

During one of the harshest winters on record in the Great Lakes, Coast Guard domestic icebreakers, in concert with the Canadian Coast Guard, facilitated the movement of more than 35 million tons of bulk cargo and over 20 million barrels of gasoline, diesel and heating oil in the ice-laden Great Lakes region.

OUR BUDGET AT WORK

The Coast Guard is responsible for domestic ice breaking on the Great Lakes. The efforts of Coast Guard vessels ensure commerce is not halted by the effects of ice and weather.

35 million

Tons of bulk cargo allowed to transit the Great Lakes due to the Coast Guard in 2014.



USCG
MISSION
PROGRAM

MARITIME SECURITY OPERATIONS

The Maritime Security Operations program encompasses activities conducted to detect, deter, prevent and disrupt terrorist attacks, and other criminal acts in the U.S. maritime domain. It includes the execution of antiterrorism, response and select recovery operations. This program conducts the operational element of the Coast Guard's Ports, Waterways, and Coastal Security mission and complements the other two elements: the establishment and oversight of maritime security regimes, and maritime domain awareness.

Preventing terrorism requires integrated, comprehensive operations that maximize effectiveness without duplicating efforts. The Coast Guard is a critical component in this effort to safeguard the Marine Transportation System. The Service uses its unique authorities, competencies, operational capabilities and partnerships to board suspect vessels, escort ships that pose a significant risk to our ports and waterways, enforce fixed security zones around maritime critical infrastructure and key resources and patrol the maritime approaches, coasts, ports and rivers of America. In addition, the Coast Guard plays a key role in the surge response to known security threats and high-profile events.

To protect the American people from terrorist threats, during 2014, the Coast Guard conducted over 19,700 waterborne patrols of critical maritime infrastructure, escorted over 1,800 high-capacity passenger vessels and conducted over 8,600 security boardings in and around U.S. ports.

OUR BUDGET AT WORK

Coast Guard efforts to combat terrorism and enhance security involve detecting, deterring, preventing, disrupting and aiding in recovery from terrorist attacks and other criminal acts in the maritime domain.

32,624

**Maritime Security Response
Activities conducted in 2014.**



DEFENSE OPERATIONS

The Defense Operations program provides unique authorities and capabilities to support the National Military Strategy. The program portfolio comprises eight activities including: Maritime Interdiction Operations; Combating Maritime Terrorism; Port Operations Security and Defense; Military Environmental Response Operations; Coastal Sea Control Operations; Maritime Operational Threat Response (MOTR); Rotary Wing Air Intercept Operations; and Support for Theater Security Cooperation Initiatives.

The Coast Guard is involved in fighting terrorism not only in U.S. waters but around the world through its support of DOD partners. As both a Federal law enforcement agency and an Armed Service, the Coast Guard is uniquely positioned to conduct defense operations in support of Combatant Commanders by performing rotary-wing air intercept operations and providing assets to work with U.S. naval forces as outlined in the 2008 DOD-DHS Memorandum of Agreement on the Use of U.S. Coast Guard Capabilities and Resources in Support of the National Military Strategy. The Service directly supports DOD's theater security cooperation efforts by conducting port operations, maritime interception operations and training international partners.

In addition, Coast Guard Patrol Forces Southwest Asia (PATFORSWA) supports U.S. military operations in the Middle East with a continued maritime humanitarian presence and by providing the U.S. Navy's 5th Fleet with combat-ready assets and unique vessel boarding capabilities to address maritime threats in the region.

The Coast Guard is also uniquely positioned to assist other nations in developing maritime forces and is involved in a diverse range of productive Security Sector Assistance (SSA) partnerships around the world. The Coast Guard is a full-service maritime development partner with the technical and professional capabilities to address a range of small-service maritime development issues. As a Service with a global reputation for humanitarian response, the Coast Guard often enjoys a level of entry not afforded other U.S. or foreign security organizations, allowing for greater impact in preventing terrorism abroad.

OUR BUDGET AT WORK

The Coast Guard has a leading role in the National Capital Region Air Defense Force mission providing 24/7 continuous airspace protection over the National Capital Region. The Coast Guard's efforts to combat terrorism and enhance security involve detecting, deterring, preventing, disrupting and aiding in recovery from terrorist attacks and other criminal acts in the maritime domain.

71

DOD directed Rotary Wing Air Intercept operational missions conducted by the Coast Guard in 2014.



U.S. COAST GUARD HEADQUARTERS
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