

Coast Guard Fiscal Year 2015 Budget
House Appropriations Committee
Subcommittee on Homeland Security
Opening Statement by the Commandant
March 12, 2014

Chairman Carter, Ranking Member Price, distinguished members of the Subcommittee, thank you for the opportunity to appear before you today, and for your continued support for our Coast Guard. I am honored to be here to represent those brave men and women who have chosen to serve our great nation.

I'd like to begin by thanking you for the support you provided in the *Consolidated Appropriations Act 2014*. This Act helps relieve the erosive effects of sequestration on our Service. It will restore front-line operations and badly needed training hours, and ease many of the personnel management restrictions we have faced over this past year.

I would also like to take this opportunity thank Secretary Jeh Johnson for his clear leadership and support since his confirmation to lead the Department of Homeland Security. I deeply appreciate his concern for our people and his strong advocacy for our Service's critical recapitalization needs.

America is a maritime nation. We rely on the safe, secure and free flow of goods across the seas and into our ports and waterways. I firmly believe that one measure of a nation's greatness is its ability to provide safe and secure approaches to its ports. This system of uninterrupted trade is the lifeblood of our economy.

You can see a great example of this today on our Great Lakes, where our cutters have been working in some of the heaviest ice cover of the last 30 years. The icebreaker MACKINAW recently completed almost two months of continuous icebreaking in the passages between the Great Lakes, providing escorts and direct assistance to commercial traffic, and validating decisions made nearly 15 years ago to build that icebreaker.

You can also see it as we work to secure our maritime borders. During 2013, the Coast Guard interdicted over 2,000 migrants attempting to enter our country illegally – and deterred countless others. Our new Fast Response Cutters have become the workhorses of our interdiction operations in the approaches to Florida and Puerto Rico, and they continue to be delivered on time and on budget.

Every day the Coast Guard acts to both *prevent* and *respond to* an array of threats that, if left unchecked, would impede trade, weaken our economy and create instability. These threats disrupt regional and global security, the economies of our partner nations, and access to both resources and international trade. All of these are vital elements of our national prosperity, and in turn our national security.

In previous testimony I used the term “layered security” to describe the way the Coast Guard counters maritime threats facing the United States. This layered security first begins in foreign ports and spans the high seas, because the best place to counter a threat is *before* it reaches our borders. It then encompasses our exclusive economic zone – the largest in the world at over 4.5 million square miles – and continues into our territorial seas, our ports, and our inland waters.

Our Nation faces a range of risks and vulnerabilities that continue to grow and evolve. We continue to see persistent efforts by terrorists and transnational criminal networks to exploit the maritime environment. The global economy is spurring investment in ever larger vessels to ship goods across the seas. And the arctic is seeing exponential increases in vessel traffic and human activity.

The work to address these challenges is being done by committed Coast Guardsmen who face these risks every day. Earlier this year I was reminded once again of the dangerous work they do when Deputy Secretary Mayorkas and I attended the memorial service for Boatswains Mate Third Class Travis Obendorf of the Cutter WAESCHE. Petty Officer Obendorf was mortally wounded during a rescue operation in the Bering Sea. His death provided a fresh reminder that downstream from every decision we make here in Washington are young men and women who are often cold, and wet and tired, and who stand the watch to keep our Homeland safe.

It is the Coast Guard’s responsibility to detect and interdict contraband and illegal drug traffic, enforce U.S. immigration laws, protect valuable natural resources, and counter threats to U.S. maritime and economic security worldwide. And it is often most effective to do this as far from our shores as possible.

A capable offshore fleet of cutters is critical to the layered security approach – and this is the area that causes me the greatest concern.

Our fleet of major cutters has reached obsolescence and is becoming increasingly expensive to maintain. The average Reliance-class Medium Endurance Cutter is forty-six years old; the oldest turns *fifty* this year.

I sailed aboard one of these cutters, the VALIANT, as a cadet at the Coast Guard Academy. By the time I was commissioned, VALIANT had been sailing the better part of a decade. And due solely to the determination of our cuttermen, naval engineers, and our modernized mission support system, VALIANT will still be sailing when I leave the Service this May after nearly 40 years.

But as good as our people and support systems are, this is no longer sustainable.

I am fully aware of the fiscal constraints we face as a nation, but we must continue to support recapitalization of our offshore fleet. Two weeks ago we awarded the Preliminary and Contract Design contracts for our Offshore Patrol Cutter, and I am committed to working with the Department, the Administration and the Congress to ensure we continue to provide safe and secure approaches to our ports in an affordable and sustainable manner.

Over the past ten years we have rebuilt our acquisition workforce and created a culture of efficiency and proven stewardship. We did this with one goal in mind: to build a model acquisition force for the Federal government. We have accomplished that goal.

Last June, DHS announced the annual Program Management Awards, which looked across the Department to recognize the accomplishments of acquisition professionals who have demonstrated superior performance. Out of five possible awards, our Coast Guard acquisition team took four.

And this year we became the first military Service to achieve a clean financial audit. This was the result of the dedicated efforts of our financial managers, program managers, operators, and mission support personnel in every corner of the organization.

We now sit at a critical point in time where the vital necessity to recapitalize our aging offshore fleet connects with the expertise and strong competition to do so affordably. To lose this opportunity would affect the very shape of our Service and impact our ability to conduct our missions for the next forty years. All we need now is stable and predictable funding.

As the Nation's Maritime Governance force, the Coast Guard's possesses unique authorities, capabilities and partnerships. Coupled with capable cutters, aircraft and boats, operated by highly proficient personnel, we maximize those authorities and capabilities to execute layered security throughout the entire maritime domain.

We are a ready force on continuous watch with the proven ability to surge assets and our people to crisis events when and where they occur.

Thank you for the opportunity to testify today. I look forward to your questions.