



**TESTIMONY OF
VICE ADMIRAL JOHN P. CURRIER
VICE COMMANDANT**

ON

**“COAST GUARD MISSION EXECUTION:
HOW IS THE COAST GUARD MEETING MISSION GOALS”**

**BEFORE THE
HOUSE COAST GUARD AND MARITIME TRANSPORTATION SUBCOMMITTEE**

DECEMBER 11, 2013

Introduction

Good morning Chairman Hunter, Ranking Member Garamendi and distinguished members of the Subcommittee. On behalf of the men and women of my Service, I thank you for your oversight of and advocacy for the Coast Guard. I am honored to appear before you today, to update you on the Coast Guard’s mission performance and our continued efforts to best serve the American people today and into the future.

The United States faces a challenging array of maritime hazards to people, cargo, conveyances and the environment. The ports, coastal areas and waterways of the United States are vulnerable to natural disasters and other threats as well as exploitation by transnational criminal and terrorist organizations. U.S. maritime regions, including the Arctic, continue to be used for a broad range of activities including offshore energy production, fisheries, recreation, and transportation. The challenges are significant and demand effective maritime governance. The Coast Guard’s application of unique authorities and capabilities, combined with key federal, state, local and industry partnerships, are important components of the United States’ “whole of government” approach to maritime governance, and homeland and national security.

Coast Guard Authorities, Responsibilities and Concept of Operations

To meet the challenges, the Coast Guard plays a vital role in the Department of Homeland Security’s (DHS) layered, multi-faceted approach to maritime security. Our complimentary and extensive suite of authorities enables the Coast Guard to govern U.S. maritime interests through regulation, monitoring and enforcement operations to ensure the safety, security and stewardship of our nation’s waters. We employ a risk-based strategy that makes the best use of our available resources to mitigate and respond to myriad threats in the maritime environment.

This strategy relies on a regime of integrated, layered prevention and response operations that leverages our authorities as an armed service, federal law enforcement agency and a member of the intelligence community. This strategic approach helps the Coast Guard balance the

execution of our statutory missions and responsibilities to focus on our nation's highest risks in the maritime domain.

Mission Performance Planning

The Coast Guard uses an iterative mission performance planning process to identify gaps, establish performance objectives, develop initiatives and promulgate performance plans. This Planning, Programming, Budgeting and Execution process accounts for a wide variety of internal and external drivers and reflects our best estimation of risk(s), all informed by the fiscal environment. This process permits the Service to adjust to operational risk bounded by fiscal realities. As a matter of practice, the performance planning and target setting process coincides with our annual budget submission to the Department.

To establish expectations for future performance, the Coast Guard sets ambitious targets using baseline data adjusted for internal and external drivers. These drivers vary and can include concept of operation changes, benefits of new capabilities, better intelligence, changes in economic activity, adversary capabilities, available resources, and/or prior year spending impacts including sequestration. While we make every effort to identify, estimate the effect of, and manage our mission performance drivers, there will be times when mission performance targets may not fully capture all the impacts and interactions amongst these drivers. This is particularly applicable in times of increased budget uncertainty, or in the case of a significant natural disaster or other threat that alters operations tempo or adversely impacts our own facilities.

Operational Performance Overview

The Coast Guard's performance is documented in a recent DHS Office of Inspector General (OIG) report that reviewed the Coast Guard's Fiscal Year (FY) 2012 Mission Performance. According to the report, the Service met or exceeded 11 of the 23 summary performance measures in fiscal year 2012.

Sequestration was a contributing factor to reduced performance observed in FY 2013 as it required the Coast Guard to reduce air and surface asset operations. The Coast Guard was able to preserve our ability to respond to the highest-priority mission activities, including search and rescue, critical security and emergency response operations while maintaining operational proficiency in all mission areas.

Our approach is to align with strategic priorities while allowing operational commanders sufficient flexibility to manage risk, leverage partnerships, and make trade-offs in responsible ways that make sense for their areas of operations. The impacts of sequestration, however, are erosive in nature. To prevent furloughs and RIFs in 2013 – as civilians are a central figure in our workforce, many standing watch alongside our active duty members - we deferred depot level maintenance on our assets and shore infrastructure, reduced spare parts levels, cancelled training classes, and risked meeting minimum proficiency levels for our cuttermen, airmen, and boat crews. Over the long term these trends reduce the proficiency of our workforce, increase risk to our crews and reduce the availability of our assets. These are short-term adjustments that cannot be sustained without the hollowing out of our force, defined as marginally trained crews operating obsolete equipment, often in dangerous environments. We are looking at hard choices and tradeoffs as we plan for the continuation of a highly constrained fiscal environment across government.

Amidst an uncertain fiscal outlook, the Coast Guard is committed to responsibly recapitalizing our fleet while preserving the most critical front-line operations. This strategy is essential to address the degraded condition of our aging legacy fleet, to sustain our mission performance and provide the expected service to our nation into the decades ahead. Through the support of the Administration and the Congress, the Coast Guard is making important strides toward recapitalizing air and surface capability and capacity essential to safeguarding U.S. security and prosperity. Our new assets, including National Security Cutters (NSC), Response Boats-Medium (RB-M), Fast Response Cutters (FRC), Ocean Sentry maritime patrol aircraft and the Rescue 21 communications system, are replacing our aging legacy assets and improving the Coast Guard's ability to operate in the offshore, coastal and inland domains with improved response time, coverage, reliability, effectiveness and safety. However, significant work remains in our recapitalization efforts, specifically the replacement of medium endurance cutters which is projected to be the largest capital investment in DHS and Coast Guard history. Recapitalization must continue efficiently and must be affordable. Failure to optimize the acquisition of capable assets degrades both our capability and our capacity to provide the level of service the nation requires.

Since my last appearance before the Subcommittee, the Coast Guard, with the strong support of Congress and particularly this Subcommittee, has achieved a number of significant accomplishments in our efforts to recapitalize the Coast Guard fleet and support systems. These will help provide the Service the capability and capacity to improve mission performance in the future.

Investment in the inland and coastal regions continues to improve our ability to meet mission performance objectives. Last month, the seventh FRC, USCGC CHARLES DAVID JR, was commissioned into service at Sector Key West, initiating operations at our second FRC homeport. The Coast Guard also recently took possession of the eighth FRC, USCGC CHARLES SEXTON, ordered six additional FRCs (hulls 19-24), completed Initial Operational Test and Evaluation and achieved full-rate production approval.

Following completion of Operational Test and Evaluation, the Coast Guard has placed production orders for both the 11-meter Long Range Interceptor II (LRI-II) and 7-meter Over the Horizon IV (OTH-IV) cutter boat classes and established the OTH-IV as the standardized cutter boat for the FRC class. The Service also continues to oversee the production of the RB-M and the Response Boat-Small II (RB-S II), currently being delivered to Coast Guard stations nationwide.

The Service's enhanced command and control systems, such as Rescue 21, WatchKeeper, and the Nationwide Automatic Identification System continue to save lives and enhance maritime awareness in our ports and on the inland and coastal waterways. Our Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance (C4ISR) systems remain critical for maintaining secure interoperability among our many resources and missions. Enhanced C4ISR equipment and software provide situational awareness, data processing and information awareness tools required to modernize and recapitalize our shore sites, surface and aviation assets.

As we replace our obsolete high endurance cutter fleet, continued investment to maintain our offshore capability and recapitalize these critical assets remains our highest priority. The fourth NSC, USCGC HAMILTON, was recently christened and is scheduled for delivery later this fiscal year. Meanwhile, production of the fifth and sixth NSCs is ongoing. Through the

experience gained during the construction of the first three hulls and a shift to a fixed price construct, the NSC project has achieved stability in risk, cost, and schedule. From counter-drug operations in the Transit Zone to supporting the national and Coast Guard Arctic Strategies during Arctic Shield 2012 operations, the NSC provides operational commanders with essential capabilities to perform the full range of Coast Guard missions in the offshore environment.

The Coast Guard continues to move toward design of an affordable Offshore Patrol Cutter (OPC) and has benefitted greatly from considerable consultations with industry during the pre-solicitation phases.

Within the aviation domain, we awarded the contract for the 18th HC-144A in February this year, with delivery expected in 2015. We are also planning to stand up the fourth HC-144A air station in Corpus Christi, TX in 2014. The production contract for the 10th HC-130J Long Range Surveillance aircraft is expected in early 2014. Additionally, ongoing conversion and sustainment projects are equipping our H-60 and H-65 helicopter fleets with enhanced avionics and sensors and our legacy HC-130H fleet with avionics enhancements and structural improvements.

We continue to work with the U.S. Navy and U.S. Customs and Border Protection to leverage their existing programs to develop cutter- and land-based Unmanned Aircraft Systems (UAS) to meet maritime surveillance requirements. Ongoing efforts to evaluate cutter-based small UAS continue and will enter the final demonstration phase in early 2014.

To ensure the Coast Guard can meet near term demands in ice covered regions we recently reactivated CGC POLAR STAR, which departed for Operation Deep Freeze 2014 earlier this month. We continue to evaluate the requirements for a new polar icebreaker. The Coast Guard has also completed developing a Mission Needs Statement, Concept of Operations, and Environmental Conditions Analysis Report and has initiated activities to support the acquisition of a new Polar Icebreaker to maintain long-term Coast Guard mission capabilities in the high latitude regions. These efforts are complemented by ongoing coordination with stakeholders across the federal government as well as close consultation with the Canadian Coast Guard, as they continue to develop requirements and a design for a heavy icebreaker.

Conclusion

For 223 years, the Coast Guard has safeguarded our nation's maritime interests and natural resources on our rivers, in the ports, on the high seas, and in theaters around the world. Fundamentally, our missions have not changed but the threats to our nation are dynamic and shift, at any given time, in quantity, complexity and geography.

Careful consideration will be required if we are to sustain a Coast Guard capable of delivering the mission performance that the American taxpayer has come to expect and the necessary capability to serve National interests in the decades ahead.

Thank you for the opportunity to testify before you today and for all you do for the men and women of the U.S. Coast Guard. I look forward to answering your questions.