



**Committee on Transportation and Infrastructure
U.S. House of Representatives**

Washington, DC 20515

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June 10, 2016

SUMMARY OF SUBJECT MATTER

TO: Members, Subcommittee on Coast Guard and Maritime Transportation
FROM: Staff, Subcommittee on Coast Guard and Maritime Transportation
RE: Hearing on “Coast Guard Mission Needs and Resources Allocation”

PURPOSE

On Tuesday, June 14, 2016, at 10:00 a.m., in 2167 Rayburn House Office Building, the Subcommittee on Coast Guard and Maritime Transportation will hold a hearing on Coast Guard Mission Needs and Resources Allocation. The Subcommittee will hear from the U.S. Coast Guard and the U.S. Government Accountability Office.

BACKGROUND

United States Coast Guard

The Coast Guard is a multi-mission, maritime Service responsible for the safety, security, and stewardship of United States’ waters. The Service protects and defends more than 100,000 miles of coastline and inland waterways, saves thousands of lives per year, and safeguards 4.5 million square miles of the United States Exclusive Economic Zone. At the end of fiscal year 2015, the Service had 54,425 employees: 39,116 active duty personnel (6,566 officers, 1,728 Chief Warrant Officers, and 30,822 enlisted); 7,109 reservists; and 8,200 civilians.

The Coast Guard is organized by geographic area and descending size into areas, districts, and sectors. The Coast Guard is divided into two areas, the Atlantic and the Pacific, each of which is commanded by a vice admiral. There are nine districts that comprise these two areas. The Coast Guard has 26 air stations and 35 sectors that work for the districts, each of which is typically commanded by a captain. Attached to sectors are small boat stations, of which the Service has 280.



Coast Guard Missions

Section 888 of the Homeland Security Act of 2002 (6 U.S.C. 468) groups the Coast Guard’s 11 statutory missions into “Non-Homeland Security” and “Homeland Security” missions and requires the Service to maintain without significant reduction its “authorities, functions, and capabilities” to perform all of its missions. It also prohibits the Secretary of Homeland Security from reducing “substantially or significantly... the missions of the Coast Guard or the Coast Guard’s capability to perform those missions.”

Pursuant to section 2 of Title 14, United States Code, the Coast Guard is responsible for 11 statutory missions:

| | Mission | Description |
|---------------------------------------|---------------------------------|--|
| Non-Homeland security missions | Marine Safety | Enforce laws which prevent death, injury, and property loss in the marine environment |
| | Marine Environmental Protection | Enforce laws which deter the introduction of invasive species into the maritime environment, stop unauthorized ocean dumping, and prevent oil and chemical spills |
| | Search and Rescue | Search for, and provide aid to, people who are in distress or imminent danger |
| | Aids-to-Navigation | Mitigate the risk to safe navigation by providing and maintaining more than 51,000 buoys, beacons, lights, and other aids to mark channels and denote hazards |
| | Living Marine Resources | Enforce laws governing the conservation, management, and recovery of living marine resources, marine protected species, and national marine sanctuaries and monuments |
| | Ice Operations | The Coast Guard is the only federal agency directed to operate and maintain icebreaking resources for the United States. This includes establishing and maintaining tracks for critical waterways, assisting and escorting vessels beset or stranded in ice, and removing navigational hazards created by ice in navigable waterways |

| | Mission | Description |
|-----------------------------------|--|---|
| Homeland security missions | Ports, Waterway, and Coastal Security (PWCS) | Ensure the security of the waters subject to the jurisdiction of the United States and the waterways, ports and intermodal landside connections that comprise the Marine Transportation System (MTS), and protect those who live or work on the water, or who use the maritime environment for recreation |
| | Drug Interdiction | Stem the flow of illegal drugs into the United States |
| | Migrant Interdiction | Stem the flow via maritime routes of undocumented alien migration and human smuggling activities |
| | Defense Readiness | The Coast Guard maintains the training and capability necessary to immediately integrate with Department of Defense forces in both peacetime operations and during times of war. Currently the Service has six cutters conducting port security operations in the Persian Gulf |
| | Other Law Enforcement | Enforcement of international treaties, including the prevention of illegal fishing in international waters and the dumping of plastics and other marine debris |

To fulfill its missions, the Coast Guard operates fleets of diverse assets. Vessels under 65 feet in length are classified as boats and usually operate near shore and on inland waterways. The Coast Guard operates 1,750 of these boats, ranging in size from 64 feet in length down to 12 feet. A “cutter” is any Coast Guard vessel 65 feet in length or greater. The Coast Guard has 245 cutters, including harbor tugs, icebreakers, buoy tenders, construction tenders, patrol cutters, and three polar class icebreakers (two are operational). Additionally, the Coast Guard maintains an inventory of 203 fixed and rotary wing aircraft.

Coast Guard headquarters is responsible for developing national strategies and policies for operations, but does not control direct operational control of assets. Area commanders (Atlantic and Pacific) control the assets and translate headquarter policies into operational objectives through theater plans for Service missions. District commanders are responsible for regional operations and sector commanders for local operations. Each Area, district and sector commander manages its assets to fulfill missions within their area of geographic responsibility. While Coast Guard headquarters does not assert operational control over the assets, each fiscal year it does allocate resource hours to each area, district and sector commands in accordance with Coast Guard and Department of Homeland Security priorities.

In fiscal year 2008, the Coast Guard implemented the Standard Operating Planning Process (SOPP) to develop and communicate annual strategic commitments and allocate resource hours by asset type. Coast Guard headquarters produces an annual *Strategic Planning Direction* (SPD), which determines mission priorities based on risk and helps guide the Service in allocating resources among statutory missions for the next fiscal year. The SPD takes into account historic funding levels, predicted asset availability, planned and potential environmental and geopolitical events, the Service’s strategic priorities, as well as DHS priorities laid out in the Quadrennial Homeland Security Review (QHSR). The QHSR sets a strategic framework meant to guide the activities of DHS and identifies mission areas for DHS agencies to focus on. Area and District Commands use the SPD to develop their *Area Operational Planning Document* and a district level *Operational Planning Document*, respectively.

Mission Needs Statement

The Coast Guard’s Mission Needs Statements (MNS) provide an overview of its statutory missions and its assets’ capabilities and capacities¹ in context with current and emerging threats.

¹ The Coast Guard uses *capability* as a qualitative term, to refer to the kinds of missions that can be performed, and *capacity* as a quantitative term, to refer to how much (i.e., to what scale or volume) a mission can be performed.

The first MNS was released in 1996, with updates in 2000, 2004, and 2015. The 2004 MNS, the second update and full rewrite, aligned the Integrated Deepwater System (IDS)² with Department of Homeland Security missions, vision, and strategic goals. The 2004 MNS also included projected gaps between mission demands and assets capacities and capabilities as seen in the following figure.

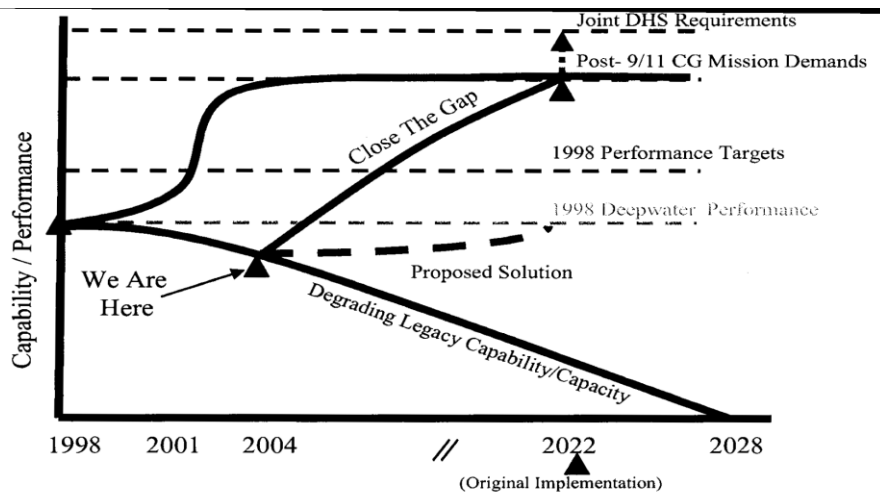


Figure 1 Performance Gap

In 2011, the Service disaggregated the IDS program to redistribute individual project funding into existing subappropriations. The 2015 MNS provides an overview of Coast Guard’s missions within the context of current and emerging threats; however, it does not identify asset gaps or a material solution to meet Coast Guard’s mission needs. Instead, the Service includes performance measures, either strategic or management,³ for each of its 11 missions in the 2015 MNS. The Service includes in its Capital Investment Plan (CIP) how new assets would meet mission requirements and address capability gaps.

Government Accountability Office Review of Coast Guard Resource Allocation

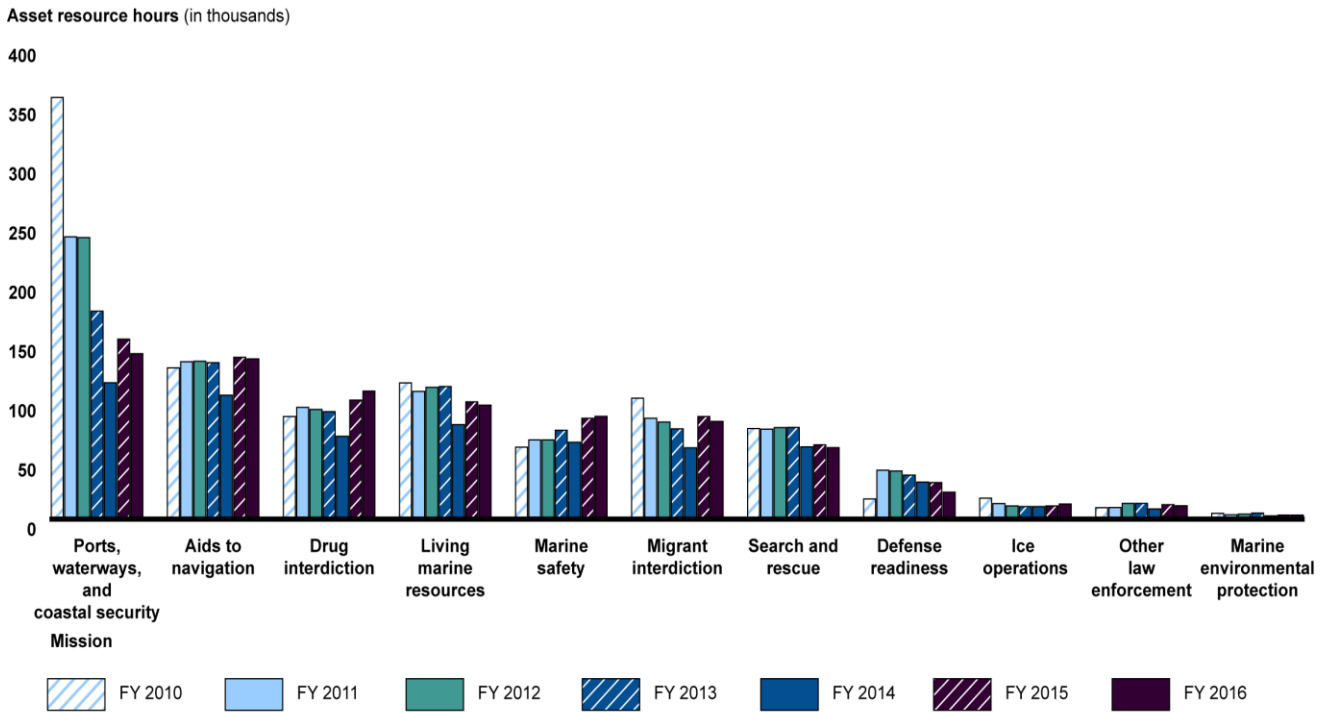
The Government Accountability Office (GAO) issued in May 2016 a report titled *Coast Guard: Actions Needed to Improve Strategic Allocation of Assets and Determine Workforce Requirements*. GAO reviewed the Coast Guard’s resource allocation process and reported on the extent to which the Coast Guard employs an effective process to strategically allocate assets to meet its mission responsibilities and the extent to which the Coast Guard has determined its workforce requirements and addressed identified personnel needs. GAO reviewed Coast Guard workforce requirement documents and asset performance data from fiscal years (FY) 2010 through 2015.

² The IDS program is a long-term acquisition. The original IDS was based on 1998 needs, it did not meet Government Performance and Results Act (GPRA) targets or reflect post 9/11 mission demands.

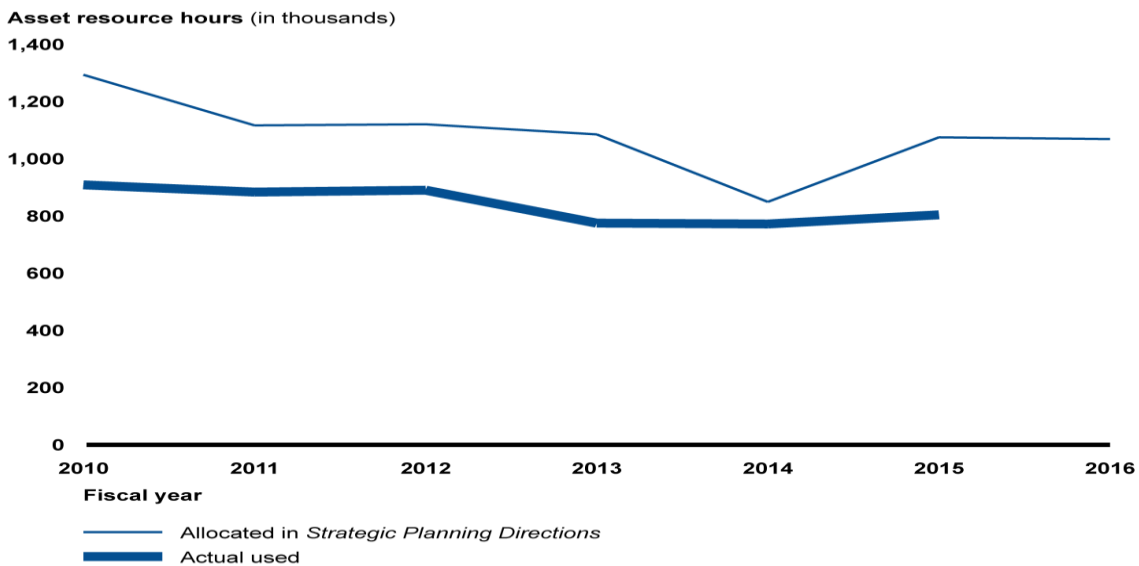
³ Strategic measures may be released as part of DHS Annual Performance Report. Management measures are reported internally to DHS, OMB and Congress, but may or may not be reported publicly.

GAO found for the period of their review, that headquarters used an asset’s maximum performance capacities when issuing asset resource hours in the SPD, as shown in the following figure.

Coast Guard allocated asset resource hours⁴ per mission for fiscal years 2010 through 2016:

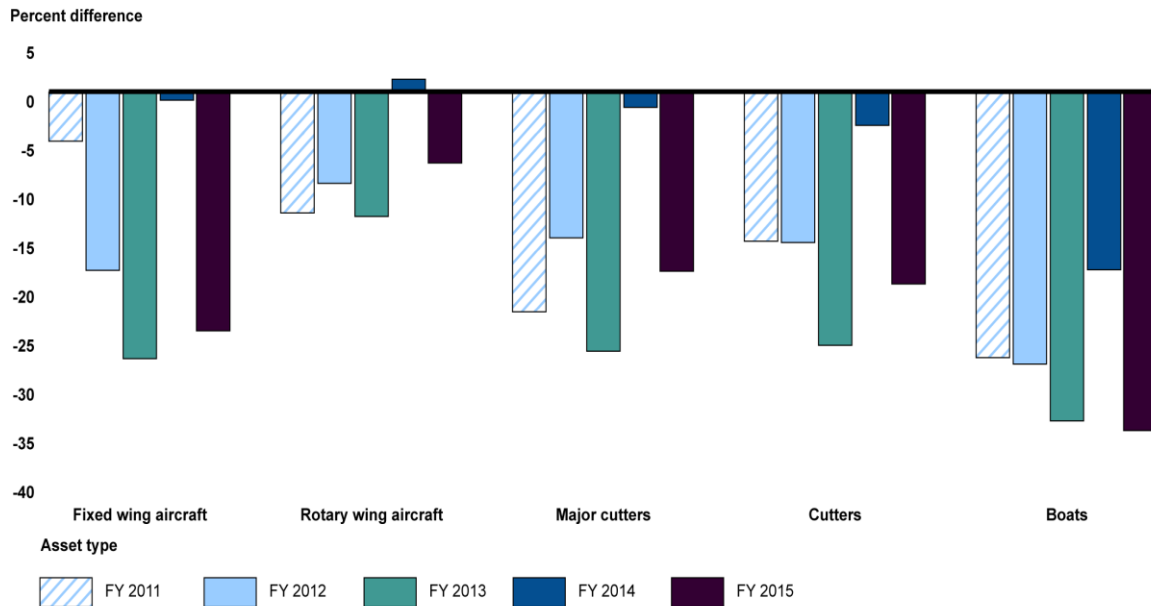


GAO compared allocated to actual asset resource hours in the following figure, showing actual hours have not met allocated hours.



⁴ Resource hours show hours allocated to aircraft, cutters, and boats. It does not include assets with specialized capabilities or assets used exclusively for training purposes.

To track asset usage per mission, field units⁵ are required to record the hours an asset is used, by mission, into a data system. GAO found that field units did not uniformly record the data. For instance, six of nine districts record one mission per asset deployment, while the other three districts record hours spent on each mission. The field units recorded asset usage data are incorporated into an *Operational Performance Assessment (OPA) Report*. Headquarters uses the OPA report to inform its next year's SPD. Coast Guard officials reported to GAO that while the report is used to inform the SPD, it does not impact the number of asset resource hours allocated in the SPD. The following GAO figure shows the percentage difference of allocated and actual asset hours.



Source: GAO analysis of U.S. Coast Guard data. | GAO-16-379

GAO reported that the Coast Guard has acknowledged the data limitations, but the Service believed the resource hour data were accurate enough for operational planning purposes. However, the Service is taking steps to improve consistency of data collected by having field units provide definitions, policies, and processes for reporting operational activities. The Service has also established a council to coordinate changes among the operational systems used by the different field units.

GAO also noted concerns with the National Marine Security Risk Assessment (NMRA) and Manpower Requirement Analysis (MRA). The Service conducts an NMRA every two years and uses it to inform allocations for seven of the eleven statutory missions. The Service discusses these risks in briefings but does not formally document them; thereby making it difficult to assess how the risk assessments have affected asset allocation decisions across its missions. The MRA turns documented mission requirements into manpower requirements. Field units use the information to compare against actual personnel assigned.⁶ According to the Service, it is behind in conducting necessary MRAs due to insufficient resources. Without the MRA data, GAO notes

⁵ GAO referred to area, district and sector commands as field units in its report.

⁶ A gap between the MRA and actual personnel assigned (i.e. shortages or lack of competencies), Coast Guard describes as a unit risk. A unit or program manager can use the resource reconciliation process to mitigate the risk.

the Service does not have reasonable assurance that its high priority mission activities are fully supported with the appropriate number of staff possessing the right mix of skills and abilities.

GAO made three recommendations in the report. First, the Service should use field unit data from the OPA reports to inform its annual SPD regarding the allocation of asset resource hours. Second, the Service should document how the risk assessments conducted were used to inform and support the allocation of asset resources hours. Lastly, the Service should develop a systematic process that prioritizes manpower requirements analyses for units that are the most critical for achieving mission needs. The Coast Guard responded to the GAO report stating it is taking action to implement the three recommendations.

Additional information on funding per mission, resource hours per mission, and performance measures to track mission goals is included in an attachment.

WITNESS LIST

Admiral Charles Michel
Vice Commandant
United States Coast Guard

Ms. Jennifer Grover
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Homeland Security and Justice Issues
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