

**Testimony of Lawrence Korb Before the Subcommittee on Coast Guard and Maritime
Transportation Regarding "Coast Guard Readiness: Examining Cutter, Aircraft and
Communications Needs"**

June 26, 2013

Chairman Hunter and Ranking Member Garamendi, I appreciate the opportunity to appear before you today to discuss the critical subject "Coast Guard Readiness: Examining Cutter, Aircraft, and Communications Needs."

It is also an honor to appear with Vice Admiral John Currier, the longest serving Coast Guard Aviator, Ronald O'Rourke, who has done such great work on these issues over the years for the Congressional Research Service, and retired Army Colonel Steven Bucci, who served the country for three decades, most of it in the Special Forces.

My associations with and respect for the nation's oldest continuous maritime service date back to the 1960s. It began during my time as a naval officer working with Coast Guard people patrolling off the coast of Vietnam in the late 1960s, continued during my four years as an instructor at the U.S. Coast Guard Academy in the 1970s, and carried on through my five years in the Pentagon in the 1980s when I was Secretary Weinberger's point man on the war on drugs. Most recently, I observed the Coast Guard's contributions to the war in Iraq during my three trips to the country. I might also add that on more than

one occasion the long range aids to navigation (Loran) facility they maintained in the Western Pacific kept my patrol planes from becoming helplessly lost.

Over the years of my association with and appreciation for the Coast Guard, one aspect of the culture has troubled me. The men and women of the Coast Guard's unofficial motto seems to be "we can do more with less." Unfortunately, in today's bureaucratic culture, you get less even if you do more, unless you mount a large public relations effort.

Compare the reactions of the other military services to sequestration to that of the Coast Guard.

According to the Navy, sequestration will return it to where it was before World War I. The Army and Air Force have painted similarly apocalyptic scenarios. But the Commandant of the Coast Guard was much more restrained when he told you, on April 16, 2013 that, "much like the weather and the seas we face on a daily basis, the Coast Guard cannot control the environment in which we operate. We will make the best use of the resources you provide to safely and efficiently conduct operations in the area of greatest risk to the nation." This is a noble line befitting the best traditions of the service. But it is time we stopped letting the Coast Guard face these storms alone.

As Senator John McCain(R-AZ) pointed out in an article he wrote for *Foreign Policy* on April 26, 2013, the nation's other military services have more of a management problem than a monetary problem. Senator McCain argued that:

"We have to acknowledge an inconvenient fact: Sequestration has occurred, in part, because of a growing public frustration with the culture of waste and inefficiency at the Defense Department [which]

went unaddressed for too long. During my time in the Senate, I have witnessed the emergence of a military-industrial-congressional complex that has corrupted and crippled the defense acquisition process. This system can now be said to be successful only in one respect: turning billions of taxpayer dollars into weapons systems that are consistently delivered late, flawed, and vastly over budget – if, that is, these systems are delivered at all.”

“For example, there was the Expeditionary Combat Support System, which the Air Force had to cancel last year after wasting roughly \$1 billion and receiving no combat capability. The Littoral Combat Ship already costs nearly twice as much per ship as planned. A recent study found that from 2004 to 2010 cancelled programs consumed an average of 35-45 percent of the Army's annual budget for research, development, testing, and evaluation (RDT&E). The Joint Strike Fighter, which will become the first trillion-dollar weapon system in history, is being purchased before being properly tested, which drives up costs enormously. And even now the system is still not fully proven. These chronic cost overruns even extend to our military basing; the estimated cost of realigning U.S. force posture in the Asia-Pacific region had nearly tripled before the Senate Armed Services Committee intervened and effectively demanded a new plan.”

“If Republican internationalists want to save our military from this sequester and future sequesters, we will have to demand a lot more from the Defense Department. This means insisting that they “buy smart” – focusing their limited resources on systems and services that promise a return on investment. It means ensuring that the Defense Department is as good at buying defense programs as industry is at selling them. It means encouraging real competition for contracts, setting realistic program goals, and managing them aggressively in ways that encourage innovation and productivity. It means making hard,

unpopular choices to limit the spiraling growth of personnel and health care costs that are devouring the defense budget. And on overseas military force posture, it means moving away from expensive permanent basing arrangements in favor of less costly rotational deployments, possibly co-located in host nation facilities. Absent real changes like these, public pressure will only build to cut defense more and more.”

But unlike the other military services, the Coast Guard has a serious money problem. In FY 2006, the base defense budget was \$410 billion; by FY 2012 it had grown to \$526 billion, an increase of \$116 billion or 28 percent. During that same period the Coast Guard budget grew from \$8.9 billion to only \$10.4 billion, an increase of only \$1.5 billion or under 17 percent. The total investment budget of the Coast Guard for FY 2014 is less than \$1 billion and will remain at that level for the next five years. This is less than the cost of procuring one Virginia class submarine. By way of contrast the Pentagon’s investment budget is:

“\$167.6 billion for equipment, systems, research, technology development, and weapons for FY 2014. Of this amount, \$67.6 billion is for RDT&E efforts, and \$99.3 billion for Procurement of equipment (also, an additional \$0.7 billion is budgeted for other Investment related expenses). Of this amount, 40 percent (\$69.4 billion) is being budgeted for the Major Defense Acquisition Programs (MDAP) efforts, to include primarily war fighting weapon systems.”¹

The Coast Guard request for FY 2014 is \$9.7 billion, while the Navy’s request is \$155.7 billion. This means that the Navy wants 16 times more money than the Coast Guard, even though the Navy has only 8 times more people than the Coast Guard and the average age of Coast Guard ships is three times that

of the Navy. Meanwhile, the Navy will spend \$16 billion on RDT&E², nearly double the Coast Guard's entire budget.

The obvious answer to the Coast Guard's modernization needs is to provide it more funding, as the House Appropriations Committee recently noted:

“Over the last several years, the Department has continually requested a substantial reduction in funding that would degrade the Coast Guard’s operational capabilities and military workforce without proposing a compensatory proposal to rebuild the depleted capacity in the long term by investing in recapitalized assets. Those proposals had obvious, adverse implications for the Coast Guard’s critical statutory missions of maritime safety, coastal security, and drug interdiction; ignored current threat activity and the ramifications for the Department’s broader security and response efforts; and were resoundingly rejected by Congress.

The fiscal year 2014 proposal is even more egregious, and gives the impression that this Administration does not appropriately value the work of the Coast Guard. It includes the lowest level of drug interdiction effectiveness in the past five years and reduces recapitalization funding to unsustainable levels. Over the past decade when our Nation has called for help, the Coast Guard has responded: they responded on the morning of 9/11 by helping untold numbers of people evacuate the devastation of lower Manhattan; they responded during the aftermath of Katrina by saving survivors stranded on rooftops; they responded by being the first to arrive in Haiti after an earthquake hit the country and killed thousands; and more recently, they responded to the worst oil spill in the history of our Nation.

If the country intends for the Coast Guard of tomorrow to be as effective as the Coast Guard we have today, and have depended on for decades, these reductions must be resoundingly rejected. Within the recommendation, the Committee has made targeted increases to address the inadequacy of the Department's request—adding capacity to the Coast Guard for today and for tomorrow.”

In my view, as we pointed out in our report *Building a Coast Guard for the 21st Century*, the Coast Guard budget should be at least \$15 billion. The question is: where the money will come from in this period of austerity?

The obvious answer is for the Administration and Congress to develop a Unified National Security Budget, as a number of defense experts have long advocated, which would allow the executive and legislative branches to make trade-offs between all the military services, not just those in the Department of Defense. For example, if we are concerned about a nuclear threat from Iran, should we build East Coast missile sites, at a cost of several hundred million dollars and without much demonstrated success, or give that money to the Coast Guard for port security? Are the Iranians or any country more likely to launch a missile with a return address, knowing we could launch an overwhelming response, or are they more likely to try to smuggle it in through one of our vulnerable ports?

Other steps that could be taken include making the Commandant a voting member of the Joint Chiefs of Staff (the head of the National Guard was just added) and appointing a high level civilian equivalent to a service secretary to become an advocate for the Coast Guard within the Department of Homeland Security.

In conclusion let me say that the Coast Guard is, always has been, and always will be one of America's great bargains. While its budget pales in comparison with that of the other military services, the functions it performs for the country rival those of the other military services. But unlike the other services, for too long it has been content to embrace its unofficial motto of doing more and more with less and less. This must change.

It is time for the Coast Guard and the nation to fully embrace its official motto, *semper paratus* – always ready. The Coast Guard needs to continue fulfilling the security responsibilities thrust upon it since the September 11th terrorist attacks and must deal with the problems caused by climate change. As such, its baseline budget should increase immediately by \$5 billion to about \$15 billion a year, and it should remain at that level in real terms for at least five more years, so that the Coast Guard can manage its acquisition programs rationally. This level of funding would still be far less than that allocated to many individual programs in the Department of Defense, let alone any of the nation's four other armed services. In addition, it must make the organization and administrative changes that I have already outlined.

If it does not receive the additional funds and make these changes, the consequences for the nation could be severe. To take just one example: if Iran, North Korea, or a violent extremist is able to smuggle a nuclear weapon into this country in a shipping container because the Coast Guard did not have the manpower or equipment to stop it, the results could be catastrophic. The responsibility falls on the

Administration and Congress to ensure that the Coast Guard can make the organizational changes and acquire the resources necessary to always be ready.

¹ Source: United States Department of Defense Fiscal Year 2014 Budget Request Overview:
http://comptroller.defense.gov/defbudget/fy2014/FY2014_Budget_Request_Overview_Book.pdf

² Information Paper: http://www.finance.hq.navy.mil/fmb/14pres/FY_2014_PB_Overview.pdf