Commandant
United States Coast Guard

2703 Martin Luther King Jr Ave SE Washington, DC 20593-7000

Staff Symbol: CCG Phone: (202) 372-4411 FAX: (202) 372-8302

TESTIMONY OF ADMIRAL LINDA L. FAGAN COMMANDANT, U.S. COAST GUARD

ON "THE COAST GUARD'S FISCAL YEAR 2025 BUDGET REQUEST"

BEFORE THE HOUSE TRANSPORTATION AND INFRASTRUCTURE SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION

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Introduction

Chairman Webster, Ranking Member Carbajal, and distinguished Members of the Subcommittee, thank you for inviting me to testify. I am grateful for your continuing support of the United States Coast Guard. Today, I look forward to discussing how the Administration's FY 2025 Budget request positions the Service to sustain recent strides in growing and supporting a resilient workforce, increases meaningful presence in the Indo-Pacific, enhances support for the maritime community, and delivers capable assets to the fleet, while building the Coast Guard of the future.

The Coast Guard remains the world's premier, multi-mission, maritime service responsible for the safety, security, and stewardship of the Nation's waters: we offer a unique and enduring value to the American public. At all times a military service and branch of the U.S. Armed Forces, a federal law enforcement agency, a first responder, a regulatory body, and a member of the U.S. Intelligence Community, the Coast Guard serves on the front lines for a Nation whose economic prosperity and national security are inextricably linked to the sea. This pivotal connection was highlighted on March 26th, when the M/V DALI allided with the Francis Scott Key Bridge in Baltimore, resulting in the devasting loss of six lives and continuing impacts to the Nation's most significant port for light vehicles and other critical cargoes. We are working closely with federal, state, and local partners to restore the flow of commerce in this vital waterway and enable efficient operation of nearby ports and the Marine Transportation System.

Last year, your Coast Guard navigated unique challenges presented by our increasingly connected and rapidly changing world. In FY 2023, the Service saved over 5,500 lives, assisted over 40,000 people, and removed over 212,000 pounds of cocaine and 54,000 pounds of marijuana with an approximate wholesale value of \$2.9 billion. It responded to 28 weather or climate disaster events, protected 3.5 million square miles of Exclusive Economic Zone, and boarded over 50 foreign vessels to suppress illegal, unreported, and unregulated fishing. In the same year, the Coast Guard maintained nearly 45,000 buoys and beacons across the Marine Transportation System and conducted over 10,000 waterborne patrols to protect critical infrastructure and key resources. It also provided support to U.S. Central Command to advance security cooperation, maritime security, and counter-piracy objectives in the Arabian Gulf, and deployed the Nation's only two icebreakers – the cutters *Polar Star* and *Healy* – to further U.S. geopolitical, security, and economic interests in the High Latitudes.

The Coast Guard continued to serve as a highly effective partner, uniquely qualified to lead the interagency in multiple capacities, including incident response and search and rescue. In June 2023, the Coast Guard led search and recovery efforts for the missing submersible *Titan* in the Northern Atlantic. In August, crews from Coast Guard Station Maui rescued 17 people fleeing the fires that devastated the community of Lahaina. Coast Guard personnel also deployed in response to Hurricane Lee and Tropical Storm Idalia, saving or assisting 16 lives and rapidly restoring trade across the Marine Transportation System.

The Service safeguards our Marine Transportation System, a vital part of U.S. economic prosperity and national security. In February 2024, the President signed an Executive Order to bolster the Coast Guard's authority to directly address cyber threats and strengthen port security. To complement this action, the Service issued a Maritime Security Directive on cyber risk management actions for ship-to-shore cranes manufactured by People's Republic of China state-owned companies and published a Notice of Proposed Rulemaking (NPRM) on cybersecurity in the Marine Transportation System.

In addition to protecting our ports and maritime partners from evolving threats, we also began to expand our presence in the Indo-Pacific, a region vital to U.S. security, by homeporting the *Harriet Lane*, the Service's first dedicated Indo-Pacific Cutter, in Hawaii. This multi-mission cutter's presence in the region is already promoting maritime governance through meaningful engagements with regional allies and partners. During its first "Operation Blue Pacific" patrol, the *Harriet Lane* worked closely with Vanuatu, Fiji, Samoa, and other partners to complete numerous bilateral shiprider operations, advancing capacity building with island nations and upholding international rules-based order.

While I am incredibly proud of our Coast Guard Active Duty, Reserve, Civilian, and Auxiliary workforce and remain optimistic about our future, we must adapt to the growing demand for the Coast Guard in the face of evolving global threats. In order to transform our Service and continue to provide our unique capabilities to the American people, we need Congressional support.

The ability for the Coast Guard to generate sustained workforce and mission readiness is paramount to our ability to protect the Nation's maritime safety, security, and prosperity. The FY 2025 President's Budget provides needed investment in these areas and helps position the Coast Guard for the future.

Generate Sustained Workforce and Mission Readiness

Workforce Readiness

My highest priority remains modernizing our talent management system, which has not significantly changed in 75 years, to best recruit and retain our workforce in the 21st century. I am committed to fostering a Service culture that attracts the best talent and empowers a resilient force of Coast Guard women and men ready to take on tomorrow's challenges.

The FY 2025 budget requests \$160 million to bolster military and civilian pay and benefits; funding to enhance our culture through efforts related to integrated primary prevention (IPP), victim advocacy, anti-hate and anti-harassment prevention and response, and modernizing our officer evaluations system. Investments to expand our IPP program will promote prevention efforts across all harmful behaviors, to include sexual harassment and sexual assault, by facilitating the

swift implementation of policies and procedures to ensure everyone experiences a workplace with enhanced protective factors and increased outreach. To further those efforts, support for our recently created Enterprise Victim Advocate role – the first of its kind across the armed forces – will further advance the connection between victims of harmful behavior, stakeholder groups, and Coast Guard leadership. In addition to these strides for our workforce, the request provides \$7 million to bolster our workforce's support of the U.S. maritime community by fielding personnel to improve the Coast Guard's ability to combat sexual misconduct in the maritime industry and to support the transformation of the Mariner Credentialing Program.

Mission Readiness

The Coast Guard must continue to adapt to a constantly evolving environment and remain resilient to change. The demand for the Coast Guard has never been higher; we continue to demonstrate our value across the globe but increasingly so in the Indo-Pacific, where our unique capabilities position us to effectively and meaningfully advance U.S. strategy. Through foreign partner interactions and work with regional organizations, the Coast Guard is a relevant, non-escalatory resource which strengthens maritime governance, the rule of law, and democratic institutions.

The FY 2025 budget requests \$263 million to expand Coast Guard operations in the Indo-Pacific along three primary lines of effort: Increased Presence, Maritime Governance, and Meaningful Engagements. This investment includes the acquisition of two Fast Response Cutters (FRC) and the addition of a Marine Transportation System Assessment Team, a Maritime Engagement Team, and various regional liaisons and attachés, and will continues the Service's transition from episodic to persistent presence in the region.

The Coast Guard operates in dynamic conditions, and changes in the strategic environment impact our missions every day. Given evolving national security threats, we must prepare now for the challenges of tomorrow.

We will employ our assets and resources to the highest priority missions that we are uniquely capable to perform, build on our ability to lead in crisis, strengthen existing and forge new partnerships to improve global maritime governance, and safeguard a rapidly changing Marine Transportation System.

The FY 2025 budget requests funding for the operations, maintenance, crew, and mission support elements for six FRCs; shoreside maintenance and support personnel for Offshore Patrol Cutters (OPC) #3 and #4; crew for Waterways Commerce Cutter #1; funds to support four hyperbaric recompression chambers; and crew, operations, and maintenance for four MH-60T helicopters and eight Maritime Security Response Team boats. Additionally, the budget includes \$10 million for the operations and maintenance of newly acquired or recapitalized shore facilities.

Build the Coast Guard of the Future

I remain steadfast in our commitment to ensure the Coast Guard has the capable, modern assets necessary to meet evolving mission demands.

Surface

The OPC is one of the Service's highest acquisition priorities and is absolutely vital to recapitalizing the capability provided by our legacy fleet of 210-foot and 270-foot Medium Endurance Cutters (MEC). In October 2023, the Service christened and launched the first hull in the class, the *Argus* – we look forward to continued progress on this critical class of vessels. The FY 2025 request provides \$530 million for construction of the seventh OPC and long lead time materials for the eighth cutter. The legacy assets the OPCs will replace have been workhorses for decades and continue to serve the Nation with distinction. Thirteen of these venerable cutters have been in operation for more than 50 years. The MEC fleet will only become more difficult and expensive to maintain, and we will continue to see decreasing readiness and operational availability.

The Service's other acquisition priority remains the Polar Security Cutter. In FY 2025 we expect to rely on prior appropriations to continue construction of the first hull. In future years it will be important that the Nation continue to invest in the heavy polar icebreakers that the United States needs to protect America's sovereign interests in the polar regions. These cutters are national assets, and revitalizing the defense industrial base to produce this first-in-class ship is a necessary investment that will pay dividends for decades.

Some of our inland tenders have been in service since the 1940s, maintaining both fixed and floating aids to navigation for the Marine Transportation System – the 25,000 miles of rivers and navigable channels that support \$5.4 trillion in annual commerce and 30 million jobs. The FY 2025 request for \$135 million supports program management, long lead time material for future hulls, and construction of three Waterways Commerce Cutters. These cutters – which will replace our legacy inland tender fleet – will feature modern designs for propulsion and crew habitability to enable men and women to serve in the heartland, where they help ensure that some of America's most critical waterways remain navigable despite constantly changing conditions and water levels.

As we consider aging assets, one of the most critical elements of the Service's surface budget request is the In-Service Vessel Sustainment program. That request for \$148 million is vital to extending the service life of cutters and boats, including our 47' motor life boats, Coast Guard Cutter *Healy* – one of the Nation's two polar icebreakers – the 270' MECs, our 175' coastal buoy tenders, and even our 418' National Security Cutters. These upgrades provide legacy assets with modern capabilities, repair wear and tear on major systems, and overall deliver incredible return on investment.

The FRC is an incredibly capable asset, with a proven track record of successful mission execution around the globe. Our FRCs demonstrate endurance and agility in their near-shore operations but have also displayed an inimitable ability to patrol the Indo-Pacific and engage with our partners, increasing presence and promoting governance throughout the region. The FY 2025 request provides \$216 million to support the construction of two FRCs that will expand Coast Guard presence to support the Indo-Pacific Strategy of the United States. FRCs are uniquely equipped to conduct the types of engagements that support our partners, deter our adversaries, and promote good maritime governance in this vital region.

Aviation Assets

Coast Guard aviation is integral to accomplishing our wide spectrum of missions. Aviation assets and support infrastructure are, and will continue to be, a major target of future investments. The FY 2025 request includes \$206 million to recapitalize and sustain fixed and rotary-wing aircraft, including support for growth of the MH-60T helicopter fleet through the acquisition of four aircraft that will continue our transition away from the MH-65E as that aircraft reaches its end of service life in the late 2030s.

Shore Infrastructure

Shore facility recapitalization is critical to mission success. As the Service deploys new, more capable assets, infrastructure projects like pier construction, maintenance and industrial support buildings, and facilities that support our workforce cannot be viewed as optional. The FY 2025 request includes targeted investments to continue the buildout of Base Charleston, South Carolina; funds the construction of a FRC homeport in Astoria, Oregon; delivers new facilities for Sector Lower Mississippi in Memphis, Tennessee; and supports the buildout of Forward Operating Locations for FRCs in the Indo-Pacific. Given the Coast Guard's broad infrastructure needs, these investments are necessary to ensure the Service has the resilient infrastructure required to meet the operational demands of today and tomorrow.

Conclusion

The Coast Guard is the only military Service outside the Department of Defense and the only Armed Force that is primarily funded via non-defense appropriations. Funding the Coast Guard at the levels below those requested in this budget could jeopardize the long-term readiness of the Service, putting American lives, national security, and the Marine Transportation System at risk. I ask for your support to ensure the Coast Guard – like every U.S. Armed Force – has the resources necessary to safeguard the Nation.

Now is the time to move the U.S. Coast Guard forward. Our commitments at home to protect, defend, and save, grow every day, while demand for the Service around the globe has never been higher. To meet the rising challenges, we must invest to secure the Homeland and counter strategic competitors.

With the support of the Administration and Congress, your Coast Guard will continue to live up to our motto – *Semper Paratus* – Always Ready. Thank you for your enduring support.