

U. S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

2703 Martin Luther King Jr Ave SE
Washington, DC 20593-7000
Staff Symbol: CG-0921
Phone: (202) 372-4411
FAX: (202) 372-8300

**TESTIMONY OF
ADMIRAL CHARLES D. MICHEL
COAST GUARD VICE COMMANDANT**

**ON
“COAST GUARD MISSION NEEDS AND RESOURCE ALLOCATION”**

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

JUNE 14, 2016

Introduction

Good morning Mr. Chairman and distinguished Members of the Subcommittee. It is my pleasure to be here today to discuss Coast Guard mission needs and resource allocation.

The U.S. Coast Guard is the world’s premier, multi-mission, maritime service responsible for the safety, security and stewardship of U.S. waters. At all times a military service and branch of the U.S. Armed Forces, a federal law enforcement agency, a regulatory body, a first responder, and a member of the U.S. Intelligence Community, the Coast Guard operates on all seven continents and throughout the homeland, serving a nation whose economic prosperity and national security are inextricably linked to vast maritime interests.

The Coast Guard protects and defends more than 100,000 miles of U.S. coastline and inland waterways, saves thousands of lives per year, and safeguards the world’s largest Exclusive Economic Zone (EEZ), encompassing 4.5 million square miles of ocean. Indeed, the Coast Guard is fully engaged answering the call and balancing a multitude of dynamic maritime risks facing our nation.

The Coast Guard is also in high demand globally as an instrument of international diplomacy. Many nations model their maritime forces after the U.S. Coast Guard to address transnational crime, human smuggling, maritime safety and security, and foreign incursions into their respective waters.

Service to Nation

The Coast Guard has a proud, 225-year history of operational success. We safeguard the nation’s maritime interests through our broad authorities, unique capabilities, and vast partnerships.

To ensure our service is aligned with national strategies and best positioned to address these complexities, we have developed a five-year Strategic Intent and continue to focus on our Western Hemisphere, Arctic, Energy and Cyber strategies. By using these strategies as guideposts, leveraging the intelligence community, and employing a risk-based approach to direct our resources where they are needed most, we are able to address maritime threats with greater precision and effect. While I am proud of our achievements, work remains, and I look forward to continued support and partnerships within the Administration and with Congress to position the Coast Guard to fully address these increasingly dynamic 21st Century threats and challenges.

Southern Approaches and Transnational Organized Crime (TOC)

The Coast Guard, along with the U.S. Customs and Border Protection (CBP), plays a pivotal role in securing our nation's maritime domain. Persistent threats include illegal migration, human trafficking and illicit flows of drugs. The prevalence of Transnational Organized Crime (TOC) networks exacerbates these threats. TOC networks are driven by immense profits from drug trafficking and other illicit activity, and their indiscriminate use of violence weakens regional governments in Central America, stymies legitimate economic activity and development, terrorizes peaceful citizens, and fuels migrant flows.

Coverage by Coast Guard assets in the maritime approaches pays significant dividends by employing timely intelligence from an expanding network of partners. The new National Security Cutters (NSCs), Fast Response Cutters (FRCs) and our legacy cutter and aircraft fleets achieved impressive operational successes in Fiscal Year 2015. Critical acquisitions like the Offshore Patrol Cutter (OPC), a more capable and reliable replacement for our outdated Medium Endurance Cutters (MEC), are essential to our long-term success. We expect to take a major step forward in the OPC acquisition by down-selecting to one vendor by the end of Fiscal Year 2016.

In Fiscal Year 2015, the Coast Guard worked with interagency partners to help remove 191.8 metric tons of cocaine and detain over 700 smugglers for prosecution, 144 metric tons and 500 smugglers were removed by Coast Guard assets alone. We also repatriated 2,700 Cuban and 425 Haitian migrants, and we are closely monitoring maritime migration patterns as our relationship with Cuba continues to evolve. Thus far in Fiscal Year 2016, three NSCs alone have made over 25 drug interdictions in the Eastern Pacific, including two cases involving Self-Propelled Semi-Submersible vessels, stopping 28 metric tons of cocaine from reaching our streets. In fact, the Coast Guard is on track to have a record breaking year for drug removals, having already nearly eclipsed Fiscal Year 2015 numbers.

Polar Regions

Changes in weather patterns and ice continue to introduce risks and opportunities in the Arctic. As sea lanes open and access to natural resources increases, Coast Guard is promoting the safe and responsible use of this vital region. The Coast Guard adjusted our presence to better prepare for response when human activity and risk are greatest. This August, the cruise ship CRYSTAL SERENITY is planning an historic voyage from Anchorage, Alaska to New York City via the Northwest Passage. With over 1,000 passengers and 650 crew, the cruise sold out in weeks and is expected to prompt similar voyages in the future.

We have worked with the owners, as well as our Canadian partners, to increase the safety and security of this voyage and minimize the inherent risk in this challenging environment. The Coast Guard, in concert with our Arctic Nation partners, will continue to solidify maritime governance regimes, strengthen prevention and response capabilities and capacities, and increase awareness of this vast and rapidly changing region.

The formalization of the Arctic Coast Guard Forum is a major step in the right direction, as is the recapitalization of our icebreaker fleet, but enduring success hinges upon assured access and U.S. Sovereign rights in the Polar Regions. In this regard, our aging national icebreaking fleet cannot reliably meet our mission needs, and, I look forward to continuing to work with the Administration and Congress to answer the President's call for new heavy polar icebreakers as soon as they can be built. Preserving maritime safety and security will require improved governance and enhanced unity of effort among our partners in the Polar Regions. Our national credibility and ability to protect our interests would be greatly advanced by a ratified Law of the Sea Convention.

Cyber Domain

Cybersecurity is not only a vital component of economic and national security, but it is also critical to our ability to fulfill the Coast Guard's statutory responsibilities. In addition to safeguarding our own networks from malicious cyber-activity, the Coast Guard is developing regulatory approaches that will instill stronger cybersecurity protocols into our nation's critical Maritime Transportation System infrastructure. Thus far in Fiscal Year 2016, the Coast Guard has worked with industry partners to conduct cyber vulnerability assessments on vessels and facilities in the Ports of Houston, Miami, Seattle, and Savannah and will use the results to share cyber hygiene best practices. Our Area Maritime Security Committees (AMSC) are incorporating cybersecurity specific subcommittees into their current practices. Success hinges upon building, developing, and retaining an appropriate cyber skill set in our workforce. Given the growing global demand for cyber professionals, we will be challenged to remain competitive for this highly specialized and uniquely qualified workforce.

Maritime Safety, Security, and Stewardship

The prosperity of our nation is inextricably linked to a safe and efficient Maritime Transportation System. Increased recreational and commercial waterway usage, coupled with growing domestic natural gas extraction and transport, deeper U.S. ports, and the expansion of the Panama and Suez Canals, lead to MTS congestion and continues to place more people and property at risk. Continued uncertainty and volatility in the domestic energy sector requires dynamic planning efforts on the part of the Coast Guard and its partners to effectively regulate existing and emerging technologies and ensure the safety, security and environmental stewardship of our nation's waterways.

In Fiscal Year 2015, we completed more than 16,000 search and rescue cases, saving more than 3,500 lives, assisting 26,000 more and preserving more than \$432 million in property from loss. We responded to more than 2,800 oil spills, mitigating damage to sensitive natural resources.

We also completed over 5,200 security inspections of maritime facilities, more than 8,500 small vessel security boardings and more than 20,000 security patrols of critical maritime infrastructure—and continued the deployment of six patrol boats and 250 personnel to protect critical Iraqi maritime infrastructure and to train Iraqi naval forces.

We also patrolled the largest EEZ in the world, protecting our sovereign rights and suppressing illegal fishing. We maintained the world’s largest aids to navigation system, released more than 22,000 safety notices to mariners, identified more than 1,100 icebergs and expended over 14,000 operational hours to enable movement of commerce through ice impeded waters of the Great Lakes and Eastern Seaboard.

Coast Guard Mission Needs

To preserve our vast interests at home and abroad, the Coast Guard employs its broad authorities, expansive network of interagency, military, and industry relationships, unique operational capabilities and international partnerships to maximum strategic effect. Each of the Coast Guard’s eleven statutory missions contributes to national policy objectives and is fundamental to preserving the maritime interests of the United States.

As the maritime domain has become more complex, Coast Guard mission execution has continued to evolve as modern assets with new technologies have been delivered to the field. To reflect these changes in mission trends, new technologies, and fleet composition over the last decade, the Coast Guard completed an update to its Mission Needs Statement in 2015. This document will inform the development of a new operational baseline by identifying current mission trends and the capabilities needed to carry out the Coast Guard’s statutory requirements now and into the future. In conjunction with the Mission Needs Statement, the Coast Guard is completing a new fleet mix analysis, which will apply the most recent operational data and take into account assets that were not part of the Coast Guard’s previous modeling efforts – for instance, C-27J aircraft and a ninth National Security Cutter.

This analysis allows the Coast Guard to compare mission performance across different fleet mixes. It also allows the Coast Guard to evaluate performance variances between different types of assets. In total, the analysis will shape long-term acquisition efforts. Combined, these efforts will allow the Coast Guard to reset its operational baselines for the first time since 2004.

Resource Allocation

The strategic allocation of resources, including specific asset capabilities and capacities, is critical to the Coast Guard’s ability to operate in dynamic, vast and diverse areas of responsibility. The Coast Guard has adopted the Standard Operational Planning Process (SOPP) as a deliberate planning system to communicate strategic intent and influence mission execution. The system, after considering all the competing demands for Coast Guard resources, operational risk, and platform availability, designates mission priorities and distributes available asset resource hours optimally across Coast Guard missions.

Central to the Coast Guard's success is the delegation of tactical control of assets to operational commanders, providing them with the capability and flexibility to perform day-to-day operations while also being ready to respond to major national emergencies. The approach is to align resources 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. Feedback loops are integrated into the system, and the Coast Guard has established asset allocation processes to ensure mission accomplishment and metrics to measure outcomes.

Building the 21st Century Coast Guard

History has proven that a responsive, capable, and agile Coast Guard is an indispensable instrument of national security. Funding 21st century Coast Guard platforms and people is an especially prudent investment. To ensure we are equipped to address the demands of our rapidly evolving operating environment, the Coast Guard, with the continued strong support of the Administration and Congress, will maintain momentum for ongoing asset recapitalization programs while also maintaining our track record of accountability as witnessed by three consecutive clean financial audits. Fiscal uncertainty presents challenges, but we are positioned to complete the NSC and FRC programs of record, award the contract for the OPC to replace vessels nearing 50 years of service, and conduct design work to accelerate the acquisition of Polar Icebreakers. These are all tremendous successes and critical for our nation's 21st Century Coast Guard. However, our greatest strength is undoubtedly our people, and Coast Guard operations require a resilient, capable workforce that draws upon the broad range of skills, talents and experiences found in the American population. Recognizing our platforms are hollow without a capable and proficient workforce, we will continue emphasis on talent management by implementing our Human Capital Strategy and our Diversity and Inclusion Strategic Plan. Together, modern platforms and a strong, resilient workforce will ensure the Coast Guard is prepared to meet future challenges.

Conclusion

As we approach our 226th anniversary, history has proven that no other investment will return more operational value on every dollar than the extraordinary men and women of the U.S. Coast Guard – including 48,000 Active Duty and Reserve members, 8,500 civilians, and over 27,000 members of the Coast Guard Auxiliary. While many challenges still lie ahead, with the continued support of the Administration and Congress, the Coast Guard's future is bright and we will continue to live up to our motto to be Semper Paratus – Always Ready. Thank you for the opportunity to testify before you today and for all you do for the men and women of the Coast Guard. I look forward to your feedback and answering your questions.