



**TESTIMONY OF  
VICE ADMIRAL CHARLES W. RAY  
DEPUTY COMMANDANT FOR OPERATIONS  
AND  
VICE ADMIRAL SANDRA L. STOSZ  
DEPUTY COMMANDANT FOR MISSION SUPPORT**

**ON**

**BUILDING A 21<sup>ST</sup> CENTURY INFRASTRUCTURE FOR AMERICA:  
COAST GUARD SEA, LAND, AND AIR CAPABILITIES**

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

**JUNE 07, 2017**

Good morning, Mr. Chairman and distinguished members of the Subcommittee. We appreciate the opportunity to testify today and thank you for your enduring support of the United States Coast Guard.

As the world's premier, multi-mission, maritime service, the Coast Guard offers a unique and enduring value to the Nation. The only branch of the U.S. Armed Forces within the Department of Homeland Security (DHS), a federal law enforcement agency, a regulatory body, a first responder, and a member of the U.S. Intelligence Community – the Coast Guard is uniquely positioned to help secure the maritime border, combat transnational criminal organizations (TCO), and safeguard commerce on America's waterways.

Indeed, the Coast Guard's combination of broad authorities and complementary capabilities squarely align with the President's national security and economic prosperity priorities. We are proud of the return on investment your Coast Guard delivers on an annual basis.

We appreciate the unwavering support of this Subcommittee to address our most pressing needs. We will continue working with Secretary Kelly and this Congress to preserve momentum for our existing acquisition programs, and employ risk-based decisions to balance readiness, modernization, and force structure with the evolving demands of the 21<sup>st</sup> century.

Appropriately positioned in DHS, the Coast Guard is a military service and a branch of the Armed Forces of the United States at all times.<sup>1</sup> We are also an important part of the modern Joint Force<sup>2</sup> and a force multiplier for the Department of Defense (DoD). We are proud of our enduring defense contributions to Combatant Commanders around the globe.

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<sup>1</sup> 14 U.S.C. § 1; 10 U.S.C. § 101

<sup>2</sup> In addition to the Coast Guard's status as an Armed Force (10 U.S.C. § 101), see also Memorandum of Agreement Between the Department of Defense and the Department of Homeland Security on the Use of Coast Guard Capabilities and Resources in Support of the National Military Strategy, 02 May 2008, as amended 18 May 2010.

Secretary Kelly leads the Department's efforts to secure our borders, and the Administration's strategy "to deploy all lawful means to secure the Nation's southern border"<sup>3</sup> relies on the Coast Guard supporting this comprehensive security strategy. The Coast Guard protects the U.S. maritime border – not just by operating in U.S. territorial waters, but also by conducting operations off the coasts of South and Central America. As Secretary Kelly has stated, "the defense of the southwest border really starts about 1,500 miles south."<sup>4</sup>

We continue to face a significant threat from TCOs. The Coast Guard is best positioned to combat these criminal networks where they are most vulnerable: at sea. We leverage over 40 international maritime law enforcement bilateral agreements to enable partner-nation interdictions and prosecutions. We also employ a robust interdiction package consisting of assets, specialized personnel and broad authorities to seize multi-ton loads of drugs at sea before they can be broken down into small quantities ashore.

In close collaboration with partner nations and agencies, the Coast Guard works to engage threats as far from U.S. shores as possible. In 2016, Coast Guard and partner agencies interdicted more cocaine at sea than was seized at the land border and across the entire Nation by all federal, state and local law enforcement agencies combined. The same year, a Service-record 201.3 metric tons of cocaine (7.1 percent of estimated flow)<sup>5</sup> was removed from the western transit zone, and 585 smugglers were detained for further prosecution.

Coast Guard readiness relies on the ability to simultaneously execute our full suite of missions and sustain support to Combatant Commanders, while also being ready to respond to contingencies. Your Coast Guard prides itself on being *Semper Paratus* – Always Ready – and predictable and sufficient funding is necessary to maintain this readiness in the future. Prudence demands that we continue investing in a modernized Coast Guard. Indeed, recapitalization remains our highest priority, and today's efforts will shape your Coast Guard and impact national security for decades. Your support has helped us make tremendous progress, and it is critical we build upon our successes to field assets that meet cost, performance, and schedule milestones. We are encouraged by our progress to date.

In 2016, we awarded a contract to complete buildout of our fleet of 58 Fast Response Cutters at an affordable price, and the last five ships (numbers 19 through 23) were delivered by Bollinger Shipyards with zero production discrepancies. In September, we awarded a contract for Detail Design and Construction of the Offshore Patrol Cutter (OPC).

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<sup>3</sup> Executive Order on Border Security and Immigration Enforcement Improvements, 25 January 2017.

<sup>4</sup> Secretary Kelly Hearing Testimony, "Ending the Crisis: America's Borders and the Path to Security" before the House Homeland Security Full Committee and Subcommittee on Border and Maritime Security Joint Hearing on America's Borders, Panel 1, 07 February 2017.

<sup>5</sup> US Department of Homeland Security, Office of Inspector General, *Review of U.S. Coast Guard's Fiscal Year 2016 Drug Control Performance Summary*, OIG Report, OIG-17-33, February 1, 2017.

These cutters will eventually comprise 70 percent of Coast Guard surface presence in the offshore zone. OPCs will provide the tools to enforce federal laws more effectively, secure our maritime borders by interdicting threats before they arrive on our shores, disrupt TCOs, and respond to 21<sup>st</sup>-century threats. We will order long-lead-time material for the first OPC later this year, and plan for its delivery in 2021.

We also generated momentum to build new polar icebreakers. In July of last year, we made the commitment and partnered with the Navy to establish an Integrated Program Office to acquire new heavy icebreakers. This approach leverages the expertise of both organizations and is delivering results. The recent award of multiple Industry Studies contracts – a concept the Navy has utilized in previous shipbuilding acquisitions to drive affordability and reduce schedule and technical risk – is an example of the positive results of this partnership. We will refine the system specification and release a request for proposal for Detail Design and Construction in FY 2018.

We are working to recapitalize our long-overlooked fleet of 35 river, construction and inland buoy tenders, with an average age of 52 years. This fleet is critical to sustaining the overall safety of the inland river maritime transportation system.

We are also making progress with unmanned aerial systems. A recent small Unmanned Aerial System (sUAS) proof of concept aboard a National Security Cutter (NSC) conducted actual interdiction operations, which enhanced the overall effectiveness of the cutter. In its inaugural month underway, Coast Guard Cutter STRATTON's sUAS logged 280 flight hours, providing real-time surveillance and detection imagery for the cutter, and assisted the embarked helicopter and law enforcement teams with the interdiction or disruption of four go-fast vessels carrying more than 5,000 pounds of contraband. In addition, we are exploring options to build a land-based UAS program that will improve domain awareness and increase cued intelligence that our surface assets rely on to close illicit pathways in the maritime transit zone. While long-term requirements are being finalized, we are moving quickly to field this much-needed capability.

In concert with efforts to acquire new assets, we are also focused on improving the existing fleet of cutters and aircraft through sustainment programs. The current work being conducted at the Coast Guard Yard in Curtis Bay, Maryland, includes a Service Life Extension Project (SLEP) to enhance mission readiness and extend the service life of the 140-foot icebreaking tug class by approximately 15 years. Also, last year, the Coast Guard initiated a Midlife Maintenance Availability on 225-foot sea-going buoy tenders that will address obsolescence of critical ship components and engineering systems. The work on these two platforms is vital to sustaining current mission performance and essential to maritime commerce. Additionally, the Aviation Logistics Center in Elizabeth City, North Carolina, conducts centralized, world-class depot maintenance activities to enhance mission performance of our rotary and fixed-wing aviation assets.

We are also ever mindful of the condition of our shore infrastructure. In some cases, aging infrastructure adversely affects operational efficiency and readiness across mission areas. The Coast Guard currently has a \$1.6 billion shore infrastructure construction backlog comprising of over 95 projects that include piers, Sectors, stations, aviation facilities, Base facilities, training centers, and housing facilities. Investments in shore infrastructure are vital to modernizing the Coast Guard and equipping our workforce with the facilities they require to meet mission.

While readiness and modernization investments improve current mission performance, the right force is central to success. We are incredibly proud of our 88,000 active duty, reserve, civil service, and auxiliary members. We are working aggressively to validate a transparent and repeatable model to identify the appropriate force structure required for the Coast Guard to respond simultaneously to global, national, and regional events.

Funding 21<sup>st</sup>-century Coast Guard platforms, infrastructure, and personnel is a smart investment, even in this challenging fiscal environment. Investments in Coast Guard personnel are especially important, as our greatest strength will always be our people. Coast Guard operations require a capable, proficient, and resilient workforce that draws upon the broad range of skills, talents, and experiences found in the American population. Together, modern platforms and a strong, resilient workforce will maximize the Coast Guard's capacity to meet future challenges.

History has proven that a responsive, capable, and agile Coast Guard is an indispensable instrument of national security. With the continued support of the Administration and Congress, the Coast Guard will continue to live up to our motto. We will 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. We look forward to your questions.