



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

Washington, DC 20515

Bill Shuster
Chairman

Peter A. DeFazio
Ranking Member

Christopher P. Bertram, Staff Director

Katherine W. Dedrick, Democratic Staff Director

April 10, 2015

MEMORANDUM

TO: Members, Subcommittee on Coast Guard and Maritime Transportation
FROM: Staff, Subcommittee on Coast Guard and Maritime Transportation
RE: Hearing on “An Overview of the U.S. Coast Guard’s Missions”

PURPOSE

On Wednesday, April 15, 2015, at 2:00 p.m., in 2253 Rayburn House Office Building, the Subcommittee on Coast Guard and Maritime Transportation will hold a hearing to examine how the Coast Guard allocates hours and resources among its multiple statutory missions, as well as how the Service measures mission performance. The Subcommittee will hear from the Coast Guard’s Deputy Commandant for Operations, Vice Admiral Charles D. Michel.

BACKGROUND

United States Coast Guard

The Coast Guard was established on January 28, 1915, through the consolidation of the Revenue Cutter Service (established in 1790) and the Lifesaving Service (established in 1848). The Coast Guard later assumed the duties of three other agencies: the Lighthouse Service (established in 1789), the Steamboat Inspection Service (established in 1838), and the Bureau of Navigation (established in 1884).

The Coast Guard remained a part of the Department of the Treasury until 1967, when it was then transferred to the newly created Department of Transportation. On March 1, 2003, the Service was transferred to the Department of Homeland Security (DHS). As one of the five armed services, the Coast Guard maintains defense readiness to operate as a specialized service in the Navy upon the declaration of war or when the President directs. The Coast Guard is composed of approximately 40,000 active duty military members, 7,500 reservists, and 8,300 civilian employees.

The Coast Guard operates a diverse fleet of surface and air assets. Vessels under 65 feet in length are classified as “boats” and usually operate near shore and on inland waterways. The Coast Guard operates roughly 1,000 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 247 cutters, including harbor tugs, buoy tenders, construction tenders, patrol cutters, and three polar icebreakers (only two of which are operational). Additionally, the Coast Guard maintains an inventory of roughly 192 fixed and rotary wing aircraft.

The Coast Guard is organized geographically into areas, districts, and sectors. It is divided into two areas, the Atlantic and the Pacific, each of which is commanded by a vice admiral. These two areas are composed of nine districts. The Coast Guard has 24 air stations, 6 air facilities, 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 192.



Coast Guard Missions

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

1. Marine Safety: Enforce laws which prevent death, injury, and property loss in the marine environment. In 2014, the Coast Guard inspected over 12,500 U.S. flagged commercial vessels to ensure compliance with safety and security requirements.
2. Marine Environmental Protection: Enforce laws which deter the introduction of invasive species into the maritime environment, stop unauthorized ocean dumping, and prevent and respond to oil and chemical spills.

3. Search and Rescue: Search for, and provide aid to, people who are in distress or imminent danger. In 2014, the Coast Guard responded to over 17,500 such incidents and saved over 3,400 lives.
4. 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.
5. Living Marine Resources: Enforce laws governing the conservation, management, and recovery of living marine resources, marine protected species, and national marine sanctuaries and monuments.
6. 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.
7. 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.
8. Drug Interdiction: Stem the flow of illegal drugs into the United States. In 2014, the Coast Guard interdicted over 140 metric tons of illegal drugs, more than the amount seized by all other federal agencies combined.
9. Migrant Interdiction: Stem the flow via maritime routes of undocumented alien migration and human smuggling activities. In 2014, the Coast Guard interdicted 3,587 illegal migrants.
10. 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. The Service currently has six cutters conducting port security operations in the Persian Gulf.
11. 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.

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.”

| Non-Homeland Security Missions | Homeland Security Missions |
|---------------------------------|---------------------------------------|
| Marine Safety | Ports, Waterway, and Coastal Security |
| Marine Environmental Protection | Drug Interdiction |
| Search and Rescue | Migrant Interdiction |
| Aids-to-Navigation | Defense Readiness |
| Living Marine resources | Other Law Enforcement |
| Ice Operations | |

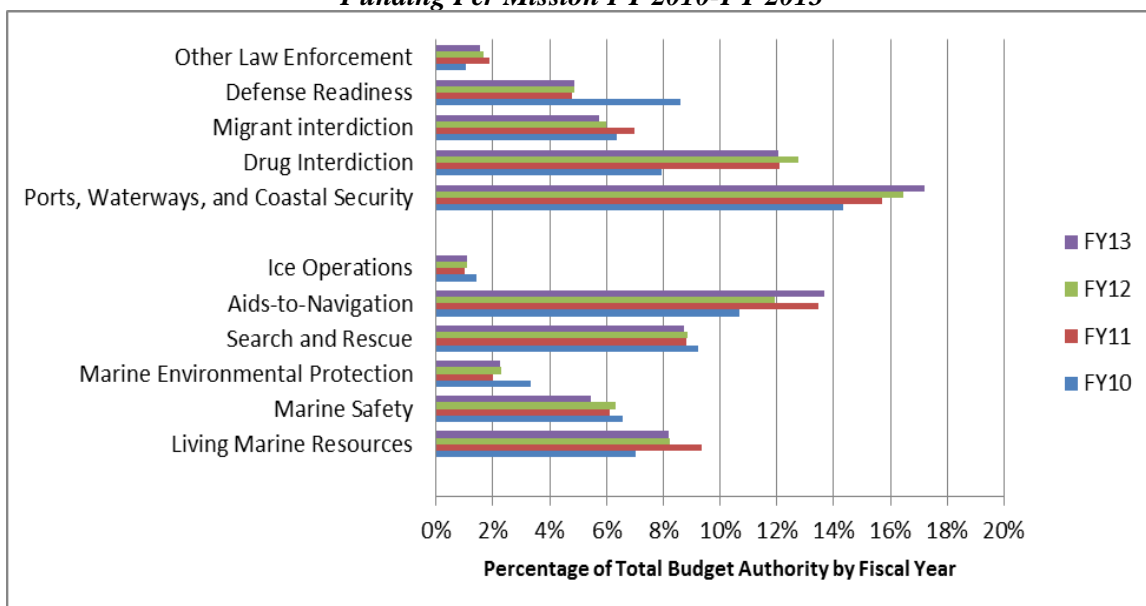
Tracking Mission Balance and Performance

To track Coast Guard mission balance and performance in each fiscal year (FY), three metrics are primarily used: funding per mission, resource hours per mission, and a set of performance measures developed by the Coast Guard pursuant to the Government Performance and Results Act (P.L. 103-62).

Funding Per Mission

The Coast Guard reports funds spent on each of its statutory missions in its annual budget request to Congress. In FY 2013, the Service dedicated about 50 percent of its funding for non-homeland security missions and about 50 percent of its funding for homeland security missions. Since FY 2001, the largest percentage of funding continues to be dedicated to the ports, waterways, and coastal security (PWCS) mission.

Funding Per Mission FY 2010-FY 2013

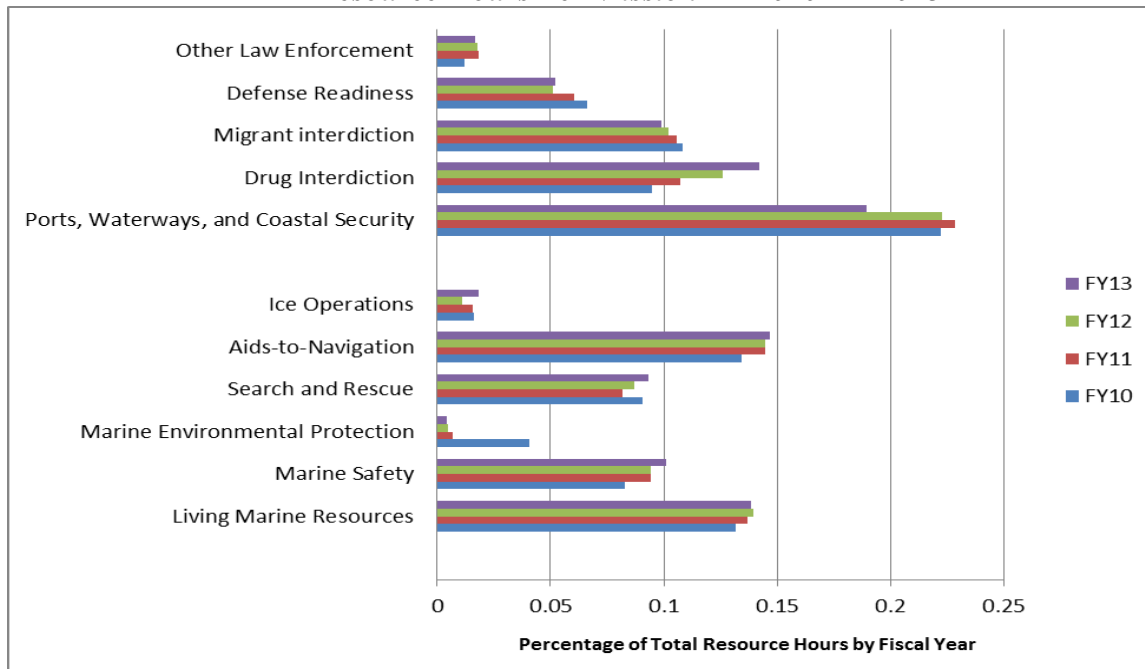


Resource Hours Per Mission:

Resource hours are the number of flight hours (for aircraft) and underway hours (for boats and cutters) used to carry out a specific mission. Resource hours are tracked internally by the Coast Guard and reported annually by the DHS Office of Inspector General (OIG) in its “Annual Review of the United States Coast Guard’s Mission Performance.” In its annual reviews, the DHS OIG compares resource hours per mission in the latest fiscal year to previous fiscal years, as well as to a baseline of pre-September 11, 2001, data.

In its “Annual Review of the United States Coast Guard’s Mission Performance (FY 2013)” the DHS OIG found 49.9 percent of resource hours were spent on homeland security missions, versus 50.1 percent for non-homeland security missions. Since FY 2001, the largest percentage of resource hours has been dedicated to the PWCS mission. In FY 2013, PWCS accounted for 19 percent of resources hours. Homeland security mission resource hours decreased by approximately 19 percent from FY 2012 to FY 2013, but remain 53 percent above the FY 2001 baseline. Non-homeland security mission resource hours decreased by about 12 percent from FY 2012 to FY 2013, and are 4 percent below the FY 2001 baseline. The latest DHS OIG report is available at: http://www.oig.dhs.gov/assets/Mgmt/2014/OIG_14-140_Sep14.pdf.

Resource Hours Per Mission FY 2010-FY 2013



Performance Measures

Each year, the Coast Guard undertakes a Standard Operational Planning Process (SOPP) it uses to establish a Strategic Planning Directive (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, and 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.

In FY 2013, the Coast Guard used 23 different performance measures to track its success in meeting SPD mission goals. The Service reported that it met or exceeded 15 of 23 summary performance measures. This included 9 of 12 non-homeland security performance measures and 6 of 11 homeland security performance measures.

FY 2013 Performance Measure Summary

| Mission | Measure | Met | Not Met |
|---|--|------------|----------------|
| Non-Homeland Security Missions | | | |
| Living Marine Resources | Fishing Regulation Compliance Rate | X | |
| Marine Safety | 5-Yr Average Number of Recreational Boating Deaths and Injuries | X | |
| | 5-Yr Average Number of Commercial Mariner Deaths and Injuries | X | |
| | 5-Yr Average Number of Commercial Passenger Deaths and Injuries | | X |
| | 5-Yr Average Number of Commercial and Recreational Boating Deaths and Injuries | X | |
| Marine Environmental Protection | Average Number of Chemical Discharge Incidents in the Maritime Environment | X | |
| | Average Number of Oil Spills in the Maritime Environment | X | |
| Search and Rescue | Percentage of People in Imminent Danger Saved in the Maritime Environment | | X |
| | Percent of Time Rescue Assets are On-Scene within 2 Hours | | X |
| Aids-to-Navigation | Availability of Maritime Navigation Aids | X | |
| | Average Number of Navigational Accidents | X | |
| Ice Operations | Number of Days Critical Waterways Are Closed to Commerce Due to Ice | X | |
| Total Non-Homeland Security Performance Measures | | 9 | 3 |
| Homeland Security Missions | | | |
| Ports, Waterways, and Coastal Security | Percentage Reduction of all Maritime Security Risk Subject to USCG Influence | X | |
| | Percent Reduction of Maritime Security Risk Resulting from USCG Consequence Management | X | |
| | Percent Reduction of Maritime Security Risk Resulting from USCG Efforts to prevent a Terrorist Entering the United States via Maritime Means | X | |
| | Percent Reduction of Maritime Security Risk Resulting from USCG Efforts to Prevent a Weapon of Mass Destruction from Entering the United States via Maritime Means | X | |
| | Annual MTSA Facility Compliance Rate with Transportation Worker Identification Credential Regulations | X | |
| | Security Compliance Rate For High Risk Maritime Facilities | | X |
| Drug Interdiction | Removal Rate for Cocaine from Non-commercial Vessels in Maritime Transit Zone | X | |
| Migrant Interdiction | Percentage of Undocumented Migrants who Attempt to Enter the United States via Maritime Routes that are Interdicted | | X |
| | Percent of Undocumented Migrants who Attempt to Enter the United States via Maritime Routes Interdicted by the USCG | | X |
| Defense Readiness | Defense Readiness Assessment of all USCG High-Endurance Cutters, Patrol Boats, and Port Security Units | | X |
| Other Law Enforcement | Number of Detected Incursions of Foreign Fishing Vessels Violating U.S. Waters | | X |
| Total Homeland Security Performance Measures | | 6 | 5 |
| Total USCG Performance Measure | | 15 | 8 |

The Coast Guard maintains the SPD and Performance Measure Summary is the best method it currently has to properly assign and balance resources by mission and measure mission performance. The Service has previously testified that numerical targets such as resources hours and funding for a particular mission are not adequate tools to make conclusions concerning mission balance and performance in a multi-mission service.

Variables Impacting Mission Balance and Performance

Many variables impact Coast Guard mission balance and performance, including:

1. Asset Availability: The age of Coast Guard vessels and aircraft, coupled with an increased tempo of operations, have led to increased rates of failure among the assets' parts and major systems. These factors, in turn, have increased scheduled and unscheduled maintenance costs and reduced patrol hours, which has negatively impacted operational readiness and mission performance.

The DHS OIG reported that the total number of resource hours in FY 2013 dropped to 570,344 from 683,594 hours in FY 2011, a decline of approximately 17 percent. The Coast Guard has attributed the decreasing number of resource hours to the decreased availability of cutters and aircraft due to increased rates of asset failures. Delays in the delivery of important new planned assets, such as the Offshore Patrol Cutter, are expected to exacerbate operational stress placed on legacy assets.

2. Emergencies: The Coast Guard responds to a wide range of natural and man-made disasters in the U.S. and abroad. On several occasions over the last decade, the Service surged its personnel and assets from locations across the U.S. to respond to national and international emergencies. In 2005, the Service surged hundreds of assets, including 40 percent of its helicopter fleet and over 5,000 personnel to the Gulf Coast to respond to Hurricane Katrina, saving over 32,000 lives. In January 2010, the Coast Guard led response and humanitarian relief efforts in the wake of the Haitian earthquake surging dozens of assets and over 800 personnel. In April 2010, the Service moved over 150 assets and 7,500 personnel to the Gulf Coast to lead response efforts to the DEEPWATER HORIZON Oil Spill.

Each time the Coast Guard surges assets and personnel to respond to an emergency, it takes those resources away from a programmed mission. As a result, funding and resource hours are reduced and performance suffers for certain missions. For instance, surging assets and personnel to respond to the Haitian earthquake and the DEEPWATER HORIZON Oil Spill resulted in a reduction in resource hours and funding for aids-to-navigation, drug interdiction, and PWCS in FY 2010.

WITNESS LIST

Vice Admiral Charles Michel
Deputy Commandant for Operations
United States Coast Guard