



**TESTIMONY OF
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ON**

**“COAST GUARD READINESS:
EXAMINING CUTTER, AIRCRAFT, AND COMMUNICATIONS NEEDS”**

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

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INTRODUCTION

Good morning Chairman Hunter, Ranking Member Garamendi and distinguished members of the Subcommittee. On behalf of the men and women of the U.S. Coast Guard, I thank you for your oversight of and advocacy for the Coast Guard. I am honored to appear before you today, to update you on our continued efforts to recapitalize our aging cutters, boats, aircraft, Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems, and shore infrastructure.

The Coast Guard continues to face a dynamic and complex array of challenges in performing the service's many missions to secure, safeguard and exercise stewardship over activities in our inland, coastal and offshore waters. Chief among these challenges is the age and condition of existing assets not yet addressed by our ongoing recapitalization program and the impact that declining readiness of those legacy cutters, boats, aircraft, support systems and shoreside infrastructure have on mission performance. For this reason, the Commandant continues to place the highest priority on advancing the planned recapitalization programs that will provide our men and women in the field with new and enhanced platforms and capabilities necessary to achieve mission success.

As the Chief Acquisition Officer of the Coast Guard, I lead a talented team of professionals dedicated to delivering the goods and services the Coast Guard needs to carry out its missions. I see the impact our acquisition enterprise is having every day when I read reports outlining the key role that our newly acquired assets and capabilities, such as the National Security Cutter (NSC), Fast Response Cutter (FRC), HC-144 Ocean Sentry, Response Boat-Medium (RB-M), and Rescue 21 system, play in improving mission performance, safety and reliability. As we acquire new assets, we are also focused on sustaining and improving our existing assets, including the Medium Endurance Cutter fleet and our MH-60T and MH-65D helicopters that play a vital role in rescuing mariners in distress and interdicting threats before they reach American shores. This subcommittee has been instrumental in supporting the Coast Guard's acquisition programs, and we are realizing the results of those critical investments in every mission area.

Over the last year, we have achieved a number of successes on the way to attaining our acquisition program of record. In March, we awarded a contract for production of the eighth and final NSC, which will allow the Acquisition Directorate to transition to the Commandant's next acquisition priority: delivery of an affordable and capable Offshore Patrol Cutter (OPC). The OPC will serve as the backbone of the Coast Guard's strategy to project and maintain offshore presence in concert with the extended range and capability of the NSC and the enhanced coastal patrol capability of the Fast Response Cutter (FRC). The twelfth Fast Response Cutter was commissioned in Key West in late March, completing the fleet of six cutters there and in Miami, where FRCs are already proving invaluable to counter-drug and counter-migration efforts in the Straits of Florida and maritime approaches to the southeastern United States. In addition to our efforts to recapitalize the surface fleet, we established the C-27J Asset Project Office (APO) in Elizabeth City, NC, and have begun the process of inducting the C-27J aircraft transferred from the Air Force. We also completed deployment of the Rescue 21 communications and monitoring system along the Atlantic, Pacific, and Gulf coasts, Great Lakes, Hawaii, and U.S. territories, which has been employed in more than 75,000 search and rescue cases to date.

Recapitalization is a key component to the Coast Guard's strategy to efficiently allocate resources to meet today's operational requirements while investing in future capability to best serve the Nation. Our acquisition enterprise is working every day to ensure every appropriated dollar is used to its best advantage.

THE COAST GUARD ACQUISITIONS ENTERPRISE

With the creation of the Acquisition Directorate in 2007, the Coast Guard consolidated its portfolio of major and minor acquisition projects, contracting and procurement functions, research and development programs, logistics support and transition to sustainment functions, and other elements of acquisition support under a single command. Further, the Service established an acquisition governance structure, strengthened our processes, institutionalized the role of our technical authorities, and built and maintained a highly capable and trained acquisition workforce. These improvements have been codified in the Coast Guard's Major Systems Acquisition Manual and are guided by the principles and requirements under Department of Homeland Security (DHS) - Acquisition Management Directive 102-01 and Federal Acquisition Regulations (FAR). We continue to implement initiatives to minimize acquisition risks and maximize affordability within our projects. We leverage the experience and expertise of our partners to perform key functions and guide Coast Guard decision-makers throughout the acquisition life cycle.

As a result of these ongoing efforts, Coast Guard acquisition personnel were recognized as recipients of five Fiscal Year (FY) 2013 DHS Acquisition Awards. More importantly, we continue to deliver operational capability on-cost, on or ahead of schedule, and in a controlled risk environment.

RECENT ACQUISITION SUCCESSES

The Coast Guard has made great strides in our efforts to recapitalize the Coast Guard fleet and support systems. The Service continues to accept delivery of new cutters, aviation assets, boats, C4ISR capabilities, and upgraded shore infrastructure, bolstering our mission readiness and performance.

In 2014, the Coast Guard awarded contracts for preliminary and contract design of the OPC to three shipyards – Bollinger Shipyards Lockport LLC (Lockport, Louisiana), Eastern Shipbuilding Group Inc. (Panama City, Florida), and General Dynamics, Bath Iron Works (Bath, Maine). Acquisition program staff recently conducted Preliminary Design Reviews with each of the three shipyards and the program remains on schedule..



The fifth National Security Cutter (JAMES) conducts at-sea trials, April 2015. Photo courtesy of Huntington Ingalls.

In addition to the recent production award for the eighth NSC, the Coast Guard accepted delivery of and commissioned the fourth NSC (USCGC HAMILTON) into service last year, christened the fifth NSC (JAMES), began fabrication of the sixth NSC (MUNRO) and initiated pre-fabrication activities for the seventh NSC (KIMBALL). In April, we conducted successful at-sea trials on board JAMES in advance of the cutter's scheduled delivery and commissioning later this year. NSCs are proving very successful at providing Area Commanders the requisite capabilities to perform the full range of Coast Guard missions in the offshore environment.

Last month, the Coast Guard accepted delivery of the 13th FRC, which will be the first FRC to be based at Sector San Juan, Puerto Rico. A Request for Proposal was released to industry in advance of the scheduled Phase II production award in fiscal year 2016. The contract will include options for the acquisition of up to 26 FRCs on a firm fixed price basis with an economic price adjustment. The Coast Guard has provided the Re-procurement Data Licensing Package (RDLP) from the phase I FRC contract to interested offerors. The RDLP includes design data, drawings, materials lists, and testing and technical information needed to submit a proposal. We are pursuing a full and open competition for the second phase contract to maximize affordability of the program while maintaining a single class of cutters with standardized major systems and components.



WPC 1112 (ISAAC MAYO) was commissioned into service March 2015 at Sector Key West, Florida. U.S. Coast Guard photo.

We continue to acquire two standardized cutter boat classes, the 11-meter Long Range Interceptor II (LRI-II) and 7-meter Over the Horizon IV (OTH-IV). Five LRI-IIs have been delivered to date and are supporting deployable operations onboard the NSC class, and 27 OTH-IVs have been delivered to FRCs at Sectors Miami and Key West as well as the first five NSCs.

Earlier this year, the Coast Guard received delivery of the 174th RB-M, achieving full operating capability and transitioning the program from the acquisition stage to sustainment. Operational commanders have praised the RB-M's speed, handling and capabilities to perform the full spectrum of Coast Guard missions over the legacy 41-foot Utility Boats and other station boats



An RB-M assigned to Station Galveston performs operations off the Texas coast in December 2014. U.S. Coast Guard photo.

the RB-M replaces. Our strategy to standardize and update station boat capabilities also includes the acquisition of the Response Boats-Small II (RB-S II), of which more than 130 have been delivered to Coast Guard stations nationwide.

The Coast Guard has initiated activities to support the acquisition of a new Polar Icebreaker to maintain Coast Guard mission capabilities in the high latitude regions. This includes development of a Preliminary Operational Requirements Document and completion of an Alternatives Analysis. These efforts are complemented by ongoing consultation and coordination with

international partners, including the Canadian Coast Guard as they continue requirements and a design for a heavy icebreaker.

The Coast Guard's In Service Vessel Sustainment program is carrying out key sustainment projects, including a Service Life Extension Project (SLEP) for the 140-foot icebreaking tug to enhance mission readiness and extend the service life of this nine-vessel class by approximately 15 years. The Coast Guard also completed the first of four planned SLEP phases on Coast Guard Cutter EAGLE earlier this month. EAGLE SLEP will enhance habitability, remediate hazardous materials and complete major maintenance necessary to ensure the vessel remains safe for operations. The Coast Guard is also developing work plans and documentation to guide a Midlife Maintenance Availability on the 225-foot sea-going buoy tender fleet with the first vessel scheduled to arrive this year.

Within the aviation domain, the Medium Range Surveillance aircraft program has been adapted to include the transfer of 14 C-27J medium-lift aircraft formerly operated by the U.S. Air Force. The C-27Js will complement the 18 HC-144 Ocean Sentinels that have been delivered and are performing operations at four Coast Guard air stations. The Coast Guard has established a C-27J APO, co-located with the Aviation Logistics



CGNR-2714, the first C-27J to be regenerated by the Coast Guard performs a training and logistics mission at Air Station Clearwater, Florida, April 2015. U.S. Coast Guard photo.

Center at Elizabeth City, North Carolina, to oversee the generation of Coast Guard-specific operational, maintenance, training and test and evaluation procedures as well as the regeneration and missionization of the aircraft. Following delivery to the APO, the Coast Guard plans to further missionize the aircraft with specialized components such as surface search radar and electro-optical/infrared sensors to enhance the aircraft's capability to carry out the full range of Coast Guard maritime operations.

The service also recently accepted the delivery of two C-130J aircraft and will also receive another C-130J this summer, which will be the lead aircraft to undergo missionization with the next-generation Minotaur Mission System Suite. Minotaur integrates specialized systems, including radar, sensors, and other C4ISR equipment to collect and process surveillance information for transmission to shore and surface operators. Minotaur is an open-architecture, government-owned system that is currently in use by the Navy and Customs and Border Protection. The Coast Guard has



The seventh C-130J long range surveillance aircraft arrives in Greenville, South Carolina, Feb. 26, 2015, where it will undergo missionization prior to final delivery. U.S. Coast Guard photo.

released a Request for Proposal to missionize up to five new C-130Js as well as retrofits on the first HC-130Js delivered to the Coast Guard. The Coast Guard is developing a Minotaur-based solution to missionize the HC-144 Ocean Sentry and HC-27J fleet, as well as to enhance commonality and reduce life-cycle costs across the fixed wing fleet.

The Coast Guard has initiated an examination of the aviation program of record to determine what changes are needed following the planned introduction of 14 missionized C-27Js. The updated fleet mix analysis will be used to guide decisions on the numbers and types of assets needed to be acquired in the future as well as potential revisions to basing strategies to best meet fixed-wing aviation mission needs.

Additionally, ongoing conversion and sustainment projects extended the service life of our H-60 and H-65 helicopter fleets and provided these aircraft with enhanced avionics and sensors. In addition, we have initiated development of an MH-65E prototype. All of these improvements have enhanced the safety and reliability of the rotary wing fleet.

We continue to work with the U.S. Navy and U.S. Customs and Border Protection to leverage their existing programs to develop Unmanned Aerial Systems (UAS) to supplement manned aircraft to meet maritime surveillance requirements. Last year, the Coast Guard's Research and Development Center concluded a series of evaluations of cutter-based UAS. The Acquisition Directorate has initiated a non-major program to acquire small UAS for the NSC class, and we continue to evaluate available systems and how they may complement Coast Guard missions.

The Coast Guard is continuing deployment of new and updated C4ISR systems on our deployable assets and shore facilities around the country. We are continuing deployment of Rescue 21 along the Western Rivers and in Alaska as well as the Nationwide Automatic Identification System to save lives and enhance maritime awareness in our ports and on the inland and coastal waterways. The service recently achieved full operating capability of the Rescue 21 system along the Atlantic, Pacific and Gulf coasts, Great Lakes, Hawaii and U.S. territories. The WatchKeeper system, which provides real-time joint planning and operational capabilities to the Coast Guard and intergovernmental partners and industry has been deployed in 37 locations nationwide. Finally, the Coast Guard recently demonstrated an updated C4ISR Segment 2 baseline on board USCGC WAESCHE that has been incorporated into production of NSCs 5-8 and will be retrofitted on BERTHOLF, STRATTON and HAMILTON. C4ISR equipment and software provide situational awareness, data processing and information awareness tools required to modernize and recapitalize our shore sites, surface and aviation assets.

FY 2016-2020 CAPITAL INVESTMENT PLAN

The Coast Guard is committed to prioritizing available resources to address today's greatest maritime safety and security needs while making the necessary investment in recapitalization to ensure the viability of the Coast Guard well into the future. The condition and serviceability of the Coast Guard's air and surface fleet, and the projected timelines to replace and sustain these assets require the Coast Guard to continue investment in recapitalization to maintain the capability necessary to operate in areas strategically important to our Nation.

The FY 2016-2020 Capital Investment Plan summarizes the Coast Guard's latest projections for Acquisition, Construction, and Improvements and is consistent with the funding levels outlined in the FY 2016-2020 Future Year Homeland Security Program report to Congress.

CONCLUSION

Since 1790, the Coast Guard has safeguarded our Nation's maritime interests and natural resources on our rivers, in the ports, on the high seas, and in theaters around the world. Each day, the Coast Guard carries out its missions to protect lives, protect the environment, secure our maritime borders and facilitate commerce. Our acquisition workforce is, likewise, working each day to acquire and deliver the assets and capabilities needed to support these critical missions in a manner that maximizes the Nation's return on its investment.

Thank you for the opportunity to testify before you today and for all you do for the men and women of the U.S. Coast Guard. I look forward to answering your questions.