



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

**ON
“THE COAST GUARD’S FISCAL YEAR 2024 BUDGET REQUEST”**

**BEFORE THE
HOUSE APPROPRIATIONS
SUBCOMMITTEE ON HOMELAND SECURITY**

APRIL 19, 2023

Introduction

Chairman Joyce, Ranking Member Cuellar, and distinguished Members of the Subcommittee, thank you for inviting me to testify and I am grateful for your continuing support of the United States Coast Guard. Today, I look forward to discussing how the Administration’s FY 2024 Budget request positions the Service to generate sustained readiness, resilience, and capability while building the Coast Guard of the future.

As the world’s premier, multi-mission, maritime service responsible for the safety, security and stewardship of the Nation’s waters, the Coast Guard offers 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.

Last year, your Coast Guard navigated unique challenges presented by our increasingly connected and rapidly changing world. Throughout the course of FY 2022, the Service saved or assisted over 24,000 people, removed over 335,000 pounds of cocaine and 60,000 pounds of marijuana with an approximate wholesale value of \$4.2 billion, provided humanitarian assistance to over 12,500 non-citizens intercepted at sea, inspected over 15,000 shipping containers for structural and hazardous material compliance, maintained nearly 45,000 buoys and beacons across the Marine Transportation System, conducted over 10,000 waterborne patrols to protect critical infrastructure and key resources, and provided nearly 21,000 hours of support to U.S. Central Command to advance security cooperation, maritime security, and counter-piracy objectives in the Arabian Gulf.

In the aftermath of Hurricanes Ian, Fiona, and Nicole, Coast Guard personnel from across the country surged to Puerto Rico, Florida, Georgia, South Carolina, North Carolina, and Virginia where we saved or assisted nearly 1,000 persons in distress, responded to pollution incidents, and reopened vital ports and waterways to help communities recover.

In the Antarctic, Coast Guard Cutter (CGC) *Polar Star*, the Nation's only heavy polar icebreaker, created a navigable path through thick ice to enable the annual replenishment of America's McMurdo Station. In the Great Lakes, CGC *Mackinaw* – the Coast Guard's only heavy domestic icebreaker – opened passages to facilitate commercial shipping across the region.

In the Indo-Pacific, 418-foot National Security Cutters and 154-foot Fast Response Cutters conducted combined operations and exercises with allied and partner nations to counter Illegal, Unreported, and Unregulated fishing and facilitate interoperability with like-minded nations throughout the region. In the Caribbean, the Coast Guard surged assets from across the Atlantic seaboard to respond, in coordination with other federal agencies, to historic irregular maritime migration on our southern maritime border.

While I remain incredibly proud of our Coast Guard Active Duty, Reserve, Civilian, and Auxiliary workforce, we must adapt to ensure the accelerating pace of change does not overtake our ability to protect, defend, and save the American public we serve. Geopolitical competition, economic volatility, climate change impacts, shifting workforce expectations, evolving technologies, and new enterprises at sea are converging and driving changes we must make for our Service.

The FY 2024 President's Budget is the first step in advancing our efforts to transform our total workforce, sharpen our competitive edge, and advance our mission excellence as we build the Coast Guard of the future. These investments are vital to ensuring the Service has the assets, systems, infrastructure, and support needed to further the Nation's maritime safety, security, and prosperity.

Generate Sustained Readiness, Resilience, and Capability

Transform our Total Workforce

A shrinking American workforce combined with changing expectations by both employees and employers is driving significant challenges in recruiting and hiring. American workers seek flexibility, innovation, purpose, and desire employers who foster a workplace where all people are respected and empowered.

My highest priority is to modernize 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 deploying innovative recruiting practices; revolutionizing talent management policies; developing individually tailored, on-demand, and modernized learning; and delivering point of need healthcare and family services.

The FY 2024 budget requests \$273 million in military and civilian pay and benefits; \$21 million to increase retention, bolster medical services, improve the Service's training systems, and better support the workforce; as well as \$12 million to enhance the Coast Guard's recruiting capability by funding additional recruiting personnel and nine new recruiting offices.

Sharpen our Competitive Edge

New and rapid advancements are making access to technology ubiquitous. These technological advancements expose global systems and people to modern threats, including growing cybersecurity concerns, supply chain disruptions, and navigation vulnerabilities. However, emerging technologies also present novel opportunities to maintain a competitive edge over malign actors.

To accomplish the broad spectrum of Coast Guard missions, we will leverage new technology to enable rapid information sharing and provide decision advantage to our operational commanders. Smart application of advanced data analysis capabilities will enable us to make the best decisions as we inspect new commercial vessels, search for overdue recreational boaters, bolster our talent management system, and seek to disrupt the flow of illicit drugs across our maritime border.

The FY 2024 budget requests \$49 million to sustain enterprise collaboration tools, search and rescue IT systems, and C5I capabilities on board operational assets. Additionally, the budget includes \$15 million for data analytic technology development, improving how data is collected, analyzed, and leveraged to empower operations and support the workforce. Requested funding also supports the rapid development of mobile applications and bolsters telework capabilities.

Advance our Mission Excellence

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 2024 budget requests \$77 million for the operations, maintenance, crew, and mission support elements for four Fast Response Cutters; operations and maintenance for the second Offshore Patrol Cutter; crew, operations, and maintenance for a commercially available polar icebreaker; crew for the first Waterways Commerce Cutter; and crew, operations, and maintenance for four MH-60T helicopters, one HC-130J aircraft, and one HC-27J aircraft. Additionally, the budget includes \$18 million for the operations and maintenance of newly acquired or recapitalized shore facilities.

Build the Coast Guard of the Future

The Service continues our largest recapitalization effort since World War II - vital to providing the capable, modern assets necessary to meet the unprecedented demand for Coast Guard services. Additionally, the Coast Guard continues to prioritize investments in our shore infrastructure because our facilities, piers, runways, and the buildings where our people eat and sleep while standing duty are as critical for operations as our ships and aircraft.

Surface

With the continued strong support of both the Administration and Congress, we are acquiring the Nation's first new heavy polar icebreakers in almost half a century. The FY 2024 request of \$170 million sustains the program and procures an additional portion of long-lead time materials for the third Polar Security Cutter (PSC). When fully operational, PSCs will provide the global reach and icebreaking capability necessary to advance our national interests in the Arctic and Antarctic regions, projecting U.S. sovereignty and influence while conducting Coast Guard statutory missions in the high latitudes.

The FY 2024 request also funds the acquisition of a commercially available polar icebreaker, including the modifications and integrated logistics support required to reach initial operating capability for Coast Guard missions. The purchase and modification of a commercially available polar icebreaker represents an effective strategy to increase near-term presence in the Arctic until the PSC fleet is operational and to add regional capacity in the long-term.

The Offshore Patrol Cutter (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). The FY 2024 request provides \$579 million for construction of the sixth OPC and long lead time materials for the seventh of a program of record for 25 hulls. The legacy assets the OPC's will replace have been workhorses for decades and continue to serve the Nation with distinction. With 13 of these cutters exceeding 50 years of Service, the MEC fleet is becoming more difficult and expensive to maintain, and we continue to see degradation in its operational availability.

Some of our inland tenders have been in service since the 1940s, maintaining both fixed and floating aids to navigation for the U.S. Marine Transportation System – the 25,000 miles of rivers and navigable channels that support \$5.4 trillion in annual commerce and 31 million jobs. The FY 2024 request for \$98 million supports program management, long lead time material for future hulls, and construction of the first article of the Waterways Commerce Cutter fleet. 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.

Aviation Assets

The FY 2024 request includes \$115M to recapitalize and sustain fixed and rotary-wing aircraft, including: sustainment of the current MH-60T helicopter fleet; modernization and sustainment of the Coast Guard's MH-65 helicopter fleet to improve reliability into the 2030s, align recapitalization efforts with DoD's Future Vertical Lift program and transition to an all MH-60 fleet; and continued missionization of HC-27J medium-range surveillance aircraft.

Shore Infrastructure

Shore facility maintenance and recapitalization is critical to mission success. As the Service deploys new, more capable assets, infrastructure projects like pier construction and workforce facilities are equally vital. The FY 2024 request includes targeted investments to continue the buildout of Base Charleston, South Carolina, funds the construction of a Fast Response Cutter homeport in Seward, Alaska, and funds construction of a Waterways Commerce Cutter homeport.

Given the Coast Guard's broad infrastructure needs, these investments and a modern approach to project planning, prioritizing, and execution are necessary to ensure the Service has the adequately maintained and 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. Not funding the Coast Guard at the levels requested in this budget could jeopardize the long-term readiness of the Service, putting American lives, national security, and the U.S. 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.