Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Bill Shuster
Chairman

Nick J. Rahall, II
Ranking Member

Christopher P. Bertram, Staff Director

James H. Zoia, Democrat Staff Director

February 22, 2013

SUMMARY OF SUBJECT MATTER

TO:	Members, Subcommittee on Coast Guard and Maritime Transportation
FROM:	Staff, Subcommittee on Coast Guard and Maritime Transportation
RE:	Hearing on "Coast Guard Mission Balance and Capabilities"

PURPOSE

On Tuesday, February 26, 2013, at 10:00 a.m., in 2167 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.

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 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 38,000 military personnel, 8,000 reservists, 6,000 civilian employees, and 35,000 volunteers of the Coast Guard Auxiliary.

The Coast Guard operates a fleet of diverse 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 of these vessels, 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 over 260 cutters, including harbor tugs, icebreakers, buoy tenders, construction tenders, patrol cutters, and three polar class icebreakers (only one of which is operational). Additionally, the Coast Guard maintains an inventory of roughly 211 fixed and rotary wing aircraft.

The Coast Guard is organized by geographic area into areas, districts, and sectors. The Coast Guard is divided into two areas, the Atlantic and the Pacific, each of which is commanded by a vice admiral. There are nine districts that comprise these two areas. The Coast Guard has 26 air stations 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 280.

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.

2) Marine Environmental Protection: Enforce laws which deter the introduction of invasive species into the maritime environment, stop unauthorized ocean dumping, and prevent oil and chemical spills.

3) Search and Rescue: Search for, and provide aid to, people who are in distress or imminent danger. In 2011, the Coast Guard responded to over 20,510 search and rescue cases and saved over 3,800 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 2011, the Coast Guard interdicted over 93 metric tons of illegal drugs.

9) Migrant Interdiction: Stem the flow via maritime routes of undocumented alien migration and human smuggling activities.

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. Currently the Service 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." Finally, Section 888 requires the DHS Inspector General (IG) to annually assess and report to Congress on the performance by the Coast Guard in the execution of its statutory missions (see discussion below).

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	

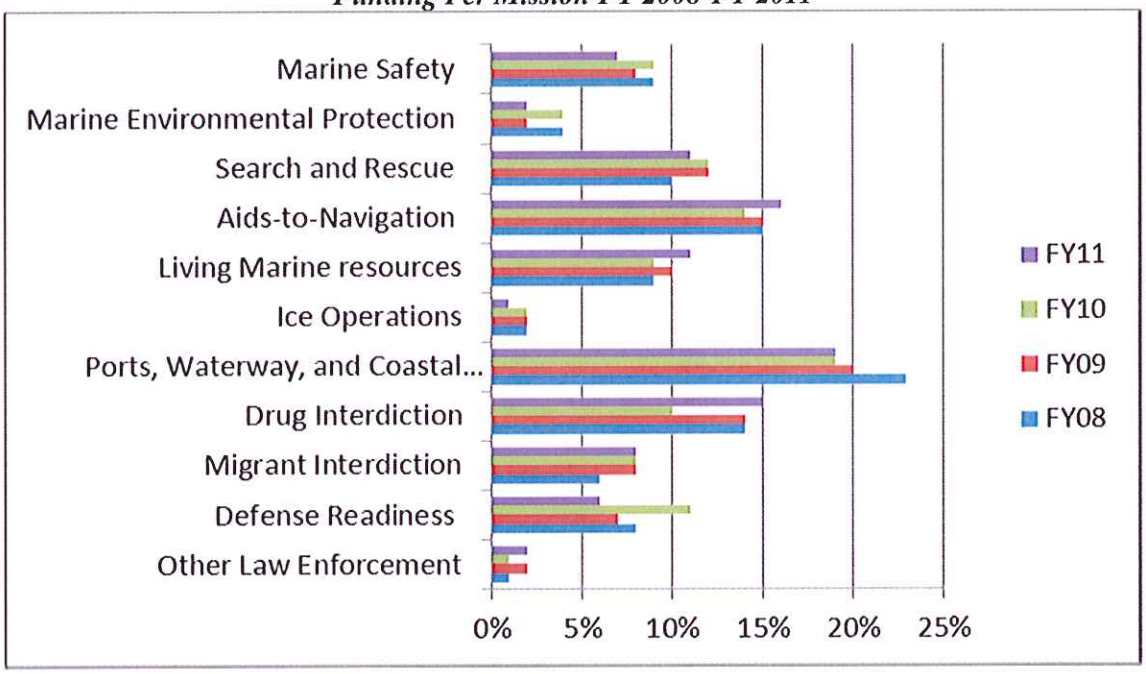
Tracking Mission Balance and Performance

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 2011, the Service spent approximately the same percentage of its funding for non-homeland security missions (49.6 percent) as homeland security missions (50.4 percent). Since FY 2001, the largest percentage of funding has been dedicated to the ports, waterways, and coastal security (PWCS) mission. In FY 2011, 19 percent of funds were spent on the PWCS mission.

Funding Per Mission FY 2008-FY 2011



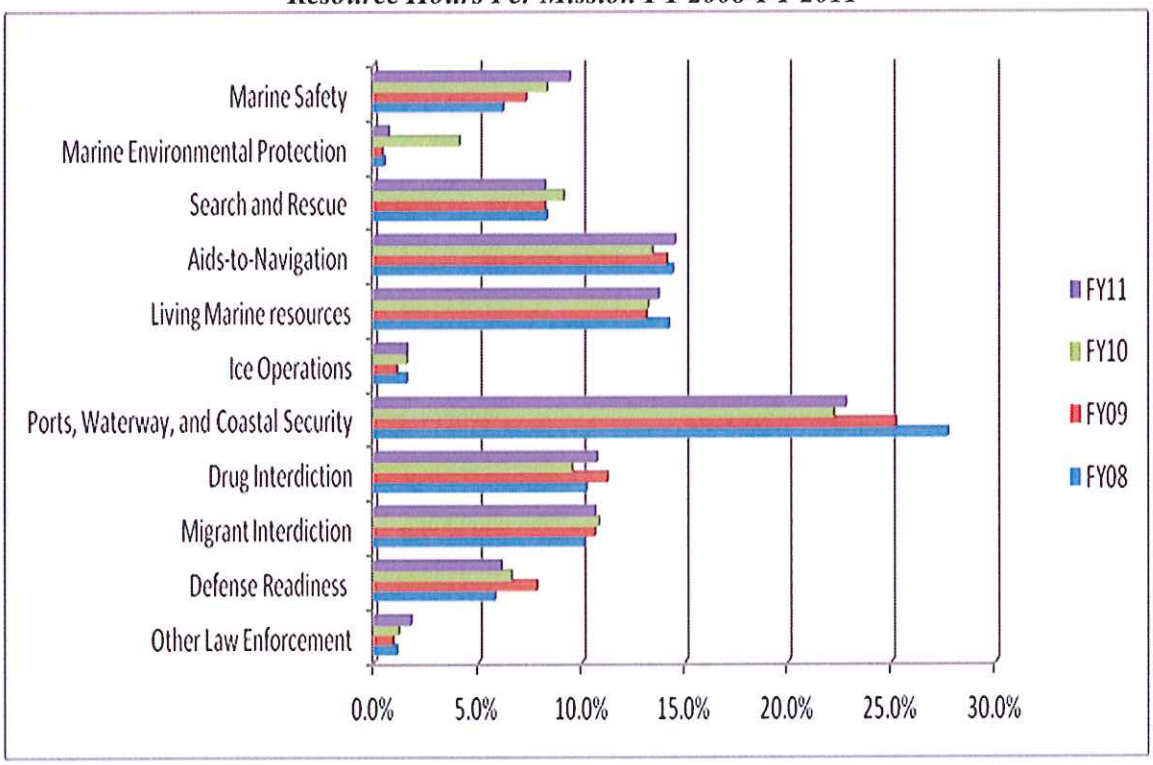
Resource Hours Per Mission

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 IG in its *Annual Review of the United States Coast Guard's Mission Performance*. In its annual reviews, the DHS IG 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 for FY 2011* the DHS IG found 52 percent of resource hours were spent on homeland security missions, versus 48 percent for non-homeland security missions. Since FY 2001, the largest percentage of resource hours has been dedicated to the PWCS mission. In FY 2011, PWCS accounted for 23 percent of resource hours. Compared to the baseline data from FY 2001, homeland security mission resource hours remain approximately 91 percent above the baseline. Non-homeland security mission resource hours remain only 10 percent above the baseline. The latest DHS IG report is available at: www.oig.dhs.gov/assets/Mgmt/2012/OIG_12-119_Sep12.pdf.

Resource Hours Per Mission FY 2008-FY 2011



Performance Measures

Each year, the Coast Guard undertakes a Standard Operational Planning Process 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, 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 2011, 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 14 of 23 summary performance measures. This included 9 of 12 non-homeland security performance measures and 5 of 11 homeland security performance measures.

FY 2011 Performance Measure Summary

Mission	Performance Measure	Met	Not Met
Non-Homeland Security Missions			
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-Nagivation	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	
Living Marine Resources	Fishing Regulation Compliance Rate	X	
Marine Safety	5-Yr Average Number of Commercial and Recreational 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 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	
TOTAL NON-HOMELAND SECURITY PERFORMANCE MEASURE		9	3
Homeland Security Missions			
Post, 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 U.S. via Maritime Means		X
	Percent Reduction of Maritime Security Risk Resulting From USCG Effots to Prevent a Weapon of Mass Destruction from Entering the U.S. via Maritime Means		X
	Annual MTSA Facility Compliance Rate with Transportation Worker Identification Credential Regulations	X	
	Percent of Maritime Facilities In Compliance with Security Regulations		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 U.S. by 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		5	6
TOTAL USCG PERFORMANCE MEASURES		14	9

The Coast Guard maintains the SPD and the 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 resource 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 asset availability and emergencies.

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 have negatively impacted operational readiness and mission performance.

The DHS IG reported that the total number of resource hours in FY 2011 dropped to 683,594 from 742,386 hours in FY 2008, a decline of approximately 8 percent. The Coast Guard attributes this decline to the decreased availability of cutters and aircraft due to increased rates of asset failures.

Emergencies

The Coast Guard responds to a wide range of natural and man-made disasters in the United States and abroad. On several occasions over the last decade, the Service surged its personnel and assets from locations across the United States 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 Peter Neffenger
Deputy Commandant for Operations
United States Coast Guard