U. S. Department of Homeland Security

United States Coast Guard

Commandant
United States Coast Guard

2100 Second Street, S.W.
Washington, DC 20593-0001
Staff Symbol: CG-0921
Phone: (202) 372-3500
FAX: (202) 372-2311

TESTIMONY OF
VICE ADMIRAL JOHN P. CURRIER
VICE COMMANDANT
ON

"COAST GUARD READINESS:
EXAMINING CUTTER, AIRCRAFT, AND COMMUNICATIONS NEEDS"

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

JUNE 26, 2013

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, as I did a year ago, to update you on our continued efforts to recapitalize our aging cutters, small boats, aircraft, and Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems.

Over the last year, we have laid the keel on the fourth National Security Cutter (NSC), begun construction on the fifth NSC, and awarded the production contract of the sixth NSC. We delivered the first six Fast Response Cutters, awarded production of the Over the Horizon Mark IV Boat, awarded the contract for the Long Range Interceptor Mark II Boat, and accepted 33 additional Response Boats Medium (RB-Ms), bringing the total to 133 RB-Ms. Within the aviation domain, we accepted the 15th HC-144A aircraft, awarded contract options for two additional aircraft, and completed initial Operational Test and Evaluation. We awarded the production of three C-130J aircraft and completed the first C-130H avionics upgrade and center wing box installation. Additionally, we completed Discrete Segment Three on HH-65s and are approximately halfway through completing Discrete Segment Four on the fleet of 99 aircraft. We completed Rescue 21 deployments in the continental United States and marked the 51,000th Search and Rescue (SAR) case completed leveraging this system. We continue to deploy Nationwide Automatic Identification System and Watchkeeper to key ports throughout the country and are installing a new C4ISR baseline on NSCs.

As I discussed when I last testified before this Subcommittee, the Coast Guard is committed to allocating 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 surface fleet, the aging of fixed and rotary wing air assets, and the projected timelines to replace 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.

We will continue to instill a culture of efficiency so that every dollar is used to its best advantage. We will ensure that our people remain Semper Paratus—"always ready"—and are properly equipped with reliable and capable assets to carry out our most pressing missions. We are committed to realizing a balanced force structure necessary to address future national interests in the maritime domain.

THE COAST GUARD ACQUISITIONS ENTERPRISE

With the establishment 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, and built and maintained a highly capable and trained acquisition workforce. These improvements have been codified in the most recent revision to the Coast Guard's Major Systems Acquisition Manual (MSAM), which was released this past January, and are guided by the principles and requirements under the Department of Homeland Security (DHS) - Homeland Security Acquisition Manual (HSAM) and Federal Acquisition Regulations (FAR). We continue to implement reforms 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. To better balance the acquisition and budget processes, DHS and the Coast Guard are conducting an acquisition portfolio review. The portfolio review initiated in 2013 will help develop acquisition priorities and inform the appropriate asset mix to achieve operational requirements within the funding projections.

As a result of these ongoing efforts, Coast Guard acquisition personnel were recognized as recipients of four 2012 DHS Acquisition Awards, including Acquisition Professional of the Year, Program Manager of the Year, DHS Program of the Year, and Component Acquisition Executive Team of the Year. The Coast Guard also received four DHS Competition and Excellence in Acquisition Awards this year recognizing the efforts of our contracting and procurement teams in supporting the full scope of acquisition portfolio. Most importantly, we continue to deliver operational capability on-cost, on or ahead of schedule, and in a controlled risk environment.

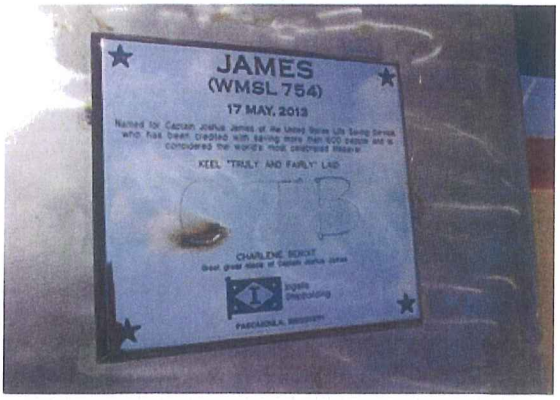
RECENT ACQUISITION SUCCESSES

As the Commandant testified earlier this year, the Coast Guard has made great strides in our efforts to recapitalize the Coast Guard fleet and support systems over the past year. The Service continues to accept delivery of new cutters, aviation assets, small boats, and C4ISR capabilities bolstering our mission readiness and performance.

FRC 6 (USCGC PAUL CLARK) delivered – May 2013

Last month, the Coast Guard accepted delivery of the sixth Fast Response Cutter (FRC), which will complete the complement of FRCs scheduled to be based at Sector

Miami. With our next delivery, scheduled for August, we will begin the process of outfitting our second homeport, Sector Key West, with deliveries to Sector San Juan set to follow in early 2015. The FRC project recently conducted Initial Operational Test and Evaluation (IOT&E) aboard the USCGC RICHARD ETHERIDGE with final results expected shortly.



Steel plate bearing the initials of the cutter's sponsor to authenticate the keel of NSC 5 (JAMES) as "truly and fairly laid" – May 2013

Our National Security Cutter (NSC) project also achieved several key milestones during the past year, including the first deployment of an NSC to the Arctic as a part of Operation Arctic Shield, 2012. Through the experience gained during the construction of the first three hulls and a shift to a fixed price construct, the NSC project controlled risk and achieved stability in cost and schedule. The project recently laid the keel for the fifth NSC, USCGC JAMES, and is preparing for the christening of the fourth NSC, USCGC HAMILTON this fall. The Coast Guard also recently awarded contracts for production of the sixth NSC, USCGC MUNRO, and Long Lead Time Materials for the seventh NSC. The contract for production of NSC six was awarded for nearly the same price as the fourth and fifth. 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.

The Offshore Patrol Cutter (OPC) project will be governed by the MSAM from initiation to completion. Last year following continued consultation with industry, the Coast Guard released the Request for Proposal with an emphasis on competition and affordability.

LRI-II performs tests during OT&E – Jan 2013

Following open competitions, the Coast Guard awarded fixed-price production contracts in 2012 for two standardized cutter boat classes, the 11-meter Long Range Interceptor II (LRI-II) and 7-meter Over the Horizon IV (OTH-IV). The lead production boat of each class has been delivered, and each has successfully completed Operational Test and Evaluation (OT&E). The LRI-II recently was credited with its first interdiction of illegal drugs while conducting operational testing in conjunction with USCGC BERTHOLF. The Service also continues to oversee the production of the Response Boat-Medium (RB-M) and the Response Boat-Small II (RB-S II), currently being delivered to Coast Guard stations nationwide.

The Coast Guard has initiated several pre-acquisition activities to support the acquisition of a new Polar Icebreaker to maintain Coast Guard mission capabilities in the high latitude regions. These efforts are complemented by ongoing consultation and coordination with the Canadian Coast Guard as they continue requirements and a design for a heavy icebreaker.

H-60 helicopters undergoing enhancements as part of the transition to the MH-60T model at the Aviation Logistic Center, Elizabeth City, N.C.

Within the aviation domain, the Coast Guard recently accepted delivery of the fifteenth Maritime Patrol Aircraft (MPA) and awarded contracts for one additional MPA, five Mission System Pallets (MSP), and three HC-130J Long Range Surveillance aircraft. Additionally, ongoing conversion and sustainment projects will equip our H-60 and H-65 helicopter fleets with enhanced avionics and sensors, as well as the commencement of avionics enhancement and structural improvements aboard our legacy HC-130H fleet.

We continue to work with the U.S. Navy and U.S. Customs and Border Protection to leverage their existing programs to develop cutter and land-based Unmanned Aerial Systems (UAS) to supplement manned aircraft to meet maritime surveillance requirements. Last year, the Coast Guard began a series of evaluations of a cutter-based small UAS. This included a series of operations in conjunction with our National Security Cutters, including the first time a Coast Guard UAS played an integral role in a drug interdiction. At the end of May, while embarked aboard cutter BERTHOLF, the cutter-based small UAS relieved an MPA that had spotted a suspected go-fast. The UAS maintained surveillance and subsequently handed off pursuit to BERHOLF's deployed armed helicopter and Long-Range Interceptor. The result was the successful interdiction of nearly 600 kilograms of cocaine.

Finally, we continue to deploy command and control systems, such as Rescue 21, WatchKeeper, and the Nationwide Automatic Identification System to save lives and enhance maritime awareness in our ports and on the inland and coastal waterways. Our C4ISR systems remain critical for maintaining secure interoperability among our many resources and missions. The Coast Guard is making good progress deploying baseline C4ISR upgrades aboard our NSC fleet, further enhancing NSC capabilities. 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.

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 conducts countless operations to protect those on the sea, protect the Nation from threats delivered by the sea, and to protect the sea itself. Our acquisition workforce is, likewise, working each day to acquire and deliver the assets and capabilities needed to support those critical operations.

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.