



**TESTIMONY OF
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**ON
“THE COAST GUARD’S FISCAL YEAR 2021 BUDGET REQUEST”**

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

MARCH 10, 2020

Introduction

Madam Chairwoman and distinguished members of the subcommittee, I appreciate the opportunity to testify today and thank you for your enduring support of the United States Coast Guard. In particular, the significant investments you provided in the Fiscal Year (FY) 2020 Consolidated Appropriations Act represent meaningful contributions to restore Coast Guard readiness and set the conditions for building the Coast Guard the Nation needs, and the Armed Force our extraordinary service members and their families deserve.

As a maritime nation, America’s security and prosperity are inextricably linked to our unfettered access to oceans, inland rivers, deep water ports, and other connecting waterways. As we have for 230 years, the Coast Guard addresses national priorities and emerging threats in the homeland and across the globe – saving those in peril, thwarting illicit and coercive maritime activities, and fostering economic prosperity and environmental stewardship. Yet, the maritime domain in which we operate is becoming increasingly complicated. Great-power competition; well-financed and highly adaptive transnational criminal organizations (TCOs); rapid technological advancements and cyber threats in our seaports and aboard ships calling on those seaports; and natural disasters are all straining global systems for maritime governance.

Accordingly, demand for Coast Guard services has never been higher, and I am extremely proud of the mission excellence we delivered last year. We surged forces in response to natural disasters around the world – including the devastating impacts from Hurricane Dorian – saving lives and providing leadership in times of crisis. In support of the Department of Defense (DoD), Patrol Forces Southwest Asia crews continued our enduring commitment to CENTCOM, and the National Security Cutter BERTHOLF plied the Taiwan Straits to promote “Rules Based Order” in support of INDOPACOM. We employed new capabilities and techniques, including the use of shipboard-based unmanned aerial systems, to combat cartels who use narco-submarines and other illicit craft to smuggle drugs and contraband destined for U.S. soil. We continued to work across the government, international forums, and industry to keep pace with an increasingly sophisticated maritime domain, including complex cyber terrain. We promoted “free and open seas” and modeled adherence to the “rules-based order” in the global commons, and once again, sent our aging icebreakers to the Arctic and Antarctic to project sovereign presence and advance our national interests in these increasingly competitive and important strategic regions.

While I remain incredibly proud of the exceptional service the Coast Guard provides to the American taxpayer, increasing mission demands and constrained resource levels continue to challenge Service readiness for both steady-state missions and contingency operations. Hence, **READINESS REMAINS MY TOP PRIORITY**, and while I am encouraged by our collective focus to address funding gaps and shortfalls, much work remains to set the Service on a sustainable path going forward. Notably, the strong support we received in the FY 2020 appropriation enabled the Coast Guard to begin addressing long-standing concerns, and now our FY 2021 budget request before the Congress reflects our continued keen focus on **READINESS**.

Restore Readiness

People: Building and sustaining a “mission-ready total workforce” is the cornerstone of our success, and I remain committed to providing our dedicated and talented people with the tools, resources, and policies that will enable them to professionally thrive and personally grow. In FY 2019, we introduced a number of personnel management policies to broaden diversity and enhance inclusion across the Service, as well other initiatives to improve the support we provide our members and their families. Through your support in the FY 2020 appropriation, the Coast Guard continued our transition to Electronic Health Records, increased childcare subsidies for military families living in high cost areas, expanded recruiting and readiness initiatives, and increased throughput at flight school for aspiring Coast Guard aviators.

Going forward, we will continue to pursue policies and practices that maximize readiness and enable us to recruit, train, and retain a workforce increasingly more representative of the American public we serve. We remain committed to creating an environment that not only attracts the best of our Nation’s diverse talent, but also provides an inclusive environment and rich experience that positions the Coast Guard to be an employer of choice in a highly competitive marketplace for talent. To this end, our FY 2021 budget requests includes nearly \$175 million for pay and benefits; \$13 million for workforce initiatives to modernize our antiquated training system, and to expand diversity and inclusion initiatives; and \$2 million to continue our transition to Electronic Health Records.

Assets and Infrastructure: Recapitalizing the Coast Guard’s aging fleet of vessels, aircraft, and shore infrastructure is critical to success. With the support of the Administration and Congress, we are making significant progress toward building a Polar Security Cutter (PSC), the Nation’s first heavy icebreaker in almost half a century. April 2019 saw the award of the Detailed Design and Construction (DD&C) contract for the construction of the first of three heavy icebreaker PSCs. The FY 2020 Appropriation provided funding for long lead-time materials for the second PSC, and now this FY 2021 President’s Budget proposes fully funding its construction.

Further, the FY 2021 budget request includes \$546 million for the Offshore Patrol Cutter (OPC) program, the Coast Guard’s highest acquisition priority. Continued progress on the OPC program is absolutely vital to recapitalizing our legacy fleet of 210-foot and 270-foot Medium Endurance Cutters (MECs), some of which have been in service for over 50 years! The program of record of 25 OPCs will comprise 70% of the Coast Guard’s future offshore surface presence for decades to come. Coupled with the extended range and capability of the Coast Guard’s National Security Cutter (NSC), and the enhanced coastal patrol and expeditionary capabilities of the Fast Response Cutter (FRC) fleet, the Service will be well positioned to effectively enforce federal laws, secure our maritime borders, disrupt TCOs, and respond to modern day threats.

The nature of Coast Guard operations requires the Service to strategically and dynamically allocate operational resources in response to emergent national security, economic prosperity, or safety of life missions. In addition to our top surface acquisitions, our FY 2021 budget request includes \$154 million for aviation initiatives, including the missionization of medium range fixed-wing surveillance aircraft; the sustainment and modernization of MH-60 and MH-65 rotary wing fleets; and the deployment of Small Unmanned Aircraft Systems onboard our NSCs. To this end, the FY 2021 budget also requests \$29 million to convert Air Station Borinquen, Puerto Rico from MH-65 to MH-60 helicopters, capitalizing on the increased range and capabilities of that aircraft across the Caribbean.

I am also particularly mindful of the condition of our aging shore infrastructure and the adverse effects it has on readiness across all mission areas. The Coast Guard currently has a \$2 billion shore infrastructure construction backlog that includes cutter piers; sectors, stations, aviation and base facilities; training centers; and military housing units.

Your support makes a substantive impact. In 2018 and 2019, the Coast Guard completed \$152 million of shore infrastructure recapitalization, improving the physical condition and resilience of facilities in Massachusetts, New York, New Jersey, North Carolina, California, Oregon, and Hawaii. We awarded contracts for another \$73 million of construction projects in Maine, Virginia, South Carolina, Texas, California, Alaska, and Guam. We also appreciate the support of Congress for more than \$70 million in funding in the FY 2020 appropriation to support critical investments in California, Washington, and Hawaii. And our FY 2021 budget request builds upon this momentum by including \$140 million for family housing; aviation and shore forces readiness; physical security; and vessel homeport infrastructure in South Carolina, Washington, Florida, New York, Pennsylvania, Maine and Maryland.

Technology: Rapid maritime industrial innovation and sophisticated adversaries are changing the threat landscape of maritime operations. In order to meet these challenges, the Coast Guard must improve antiquated hardware and software, as well as introduce a data analytics capability. Years of difficult investment tradeoffs in a constrained budget environment have brought our information technology systems to the brink of failure. Just this past summer, over 95 vital systems went offline for several days due to a single server malfunction, impacting our ability to save American citizens, thwart criminals, and even defend the Nation.

Degraded readiness puts lives at risk, and we are embarking upon a “Whole-of-Service” effort to ensure our dedicated people are supported by a reliable, mobile, and integrated information system. The FY 2021 budget requests over \$30 million to begin replacing the Coast Guard’s failing information technology infrastructure, and to improve underway connectivity to our major cutter fleet. These are the first steps, but they cannot be the last – going forward we must invest in our network architecture, hardware, software, mobile technologies, and the modern data analytics capabilities needed to ensure mission success in the 21st century.

Conclusion

The Coast Guard is in the midst of the largest recapitalization effort in its history – an effort that is critical to building the Coast Guard the Nation needs in order to meet increasingly complex national and economic security requirements. We must maintain momentum.

However, new assets alone are insufficient to sustain a mission-ready Coast Guard. Readiness requires investments in people, assets, infrastructure and technology. With the continued support of the Administration and Congress, your Coast Guard will live up to our motto – *Semper Paratus* – Always Ready. Thank you for your enduring support of the men and women of the Coast Guard.

FY 2021 BUDGET HIGHLIGHTS

BUDGET PRIORITIES:

- **Modernize Operational Capabilities**—As a branch of the U.S. Armed Forces, a law enforcement organization, a regulatory agency, a member of the U.S. Intelligence Community, and a first responder, the Coast Guard is in high demand to meet the National Security needs of a changing global strategic environment.
- **Restore Readiness**—Every Armed Force faces readiness challenges, and the Coast Guard is no exception. While the Coast Guard’s ongoing recapitalization efforts are essential to meeting the needs of the Nation, they must be coupled with targeted investments in people, assets and infrastructure, and technology to ensure a mission-ready Coast Guard.

The FY 2021 Budget requests **\$8.38 billion** for Operations and Support (O&S) and **\$1.64 billion** for Procurement, Construction and Improvements (PC&I). Budget highlights include:

MODERNIZE OPERATIONAL CAPABILITIES:

- **\$1.18 billion** for vessels, including: \$546 million for the construction of OPC #3 as well as long lead time materials for OPC #4; \$555 million for PSC, including construction of PSC #2; \$31 million for post-delivery activities for National Security Cutters (NSCs) #8-11; and \$25 million for Waterways Commerce Cutter (WCC) to recapitalize the capabilities provided by the current fleet of inland tenders and barges (PC&I).
- **\$67 million** for shore infrastructure improvements to support new acquisitions, including the PSC homeport in Seattle, WA, and infrastructure to support a fifth NSC in Charleston, SC (PC&I).
- **\$55 million** for new assets including: operations and maintenance funds for Fast Response Cutters (FRCs) #43-44 and NSC #9; crews for FRC #44 and OPC #1; shoreside personnel and support for FRCs #19-20, 34-35, 39-40, and OPC #1; and support for NSC capabilities, including tactical cryptology and small Unmanned Aircraft Systems (sUAS) (O&S).
- **\$33 million** to expand Coast Guard cyber operations, including: cyber enabling operations; facilitating prevention, response, and resilience for cyber incidents in the Marine Transportation System; and defense of Coast Guard networks (O&S).

RESTORE READINESS:

People

- **\$116 million** for requisite military pay and allowances per National Defense Authorization Act requirements, maintaining parity with the military branches within the Department of Defense, and **\$59 million** for civilian pay and benefits (O&S).
- **\$15 million** for workforce readiness, including recruiting, retention, Diversity and Inclusion, training, and healthcare (O&S).

Assets and Infrastructure

- **\$154 million** to sustain Coast Guard aircraft, including: \$20 million to support service life extensions for MH-60T helicopters; \$45 million for a service life extension and avionics upgrade on the MH-65 helicopter fleet; and \$78 million for missionization of fixed-wing HC-27J and HC-144A aircraft (PC&I).
- **\$100 million** to sustain Coast Guard cutters and boats, including \$15 million to support service life extension of CGC POLAR STAR and \$83 million to support service life extension of the 47-foot motor life boats and 270-foot medium endurance cutters (PC&I).
- **\$75 million** for shore infrastructure projects supporting air operations in the National Capital Region and Clearwater, FL; facility upgrades in Buffalo, NY, and Philadelphia, PA; and construction of housing in Perry, ME (PC&I).
- **\$38 million** to transition Air Station Borinquen, Puerto Rico from MH-65 to MH-60 helicopters and to improve the operational availability of fixed and rotary-wing aircraft (O&S).

Technology

- **\$24 million** to improve the readiness of the Coast Guard's information technology infrastructure (O&S).
- **\$17 million** for the enterprise mission platform, including military satellite and secure mobile communications (PC&I).
- **\$7 million** for cutter underway connectivity improvements to meet mission requirements (O&S).