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

ON "TAKING THE HELM: THE COMMANDANT'S VISION FOR THE U.S. COAST GUARD"

BEFORE THE HOUSE HOMELAND SECURITY SUBCOMMITTEE ON TRANSPORTATION & MARITIME SECURITY

JULY 14, 2022

Introduction

Good morning Chairwoman Watson Coleman, Ranking Member Gimenez, 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. I am humbled and grateful for the confidence and trust of President Biden, Secretary Mayorkas, and the Congress.

I appreciate the opportunity to describe the state of the Coast Guard today, share my vision for the Service and describe how the Administration's FY 2023 Budget request best positions the Coast Guard to advance our national, economic, and environmental security interests in an increasingly complex and connected world.

The Coast Guard makes significant contributions to global maritime safety, security, and economic prosperity by applying our unique blend of authorities and capabilities. The Service's broad authorities and collaborative approach are increasingly vital to national objectives in a broad spectrum of strategic challenges. The racing stripe on our ships is a symbol of professionalism, good governance, and hope. Coast Guard presence abroad creates security at home and strengthens partners and allies as they counter threats to their sovereignty and prosperity. This past year, the Coast Guard's cutters operated with partners and allies across the globe. Coast Guard Cutter MUNRO participated in cooperative at-sea exercises with the Royal Australian Navy in the South China Sea, while BERTHOLF enforced regional fisheries management with maritime law enforcement entities from Canada, the Republic of Korea, and Japan during Operation North Pacific Guard. In the Atlantic, the cutter MOHAWK will conduct law enforcement exercises with six African nations to help them strengthen their own maritime governance.

Last year the Coast Guard commissioned and fielded three new 154-foot Fast Response Cutters which now operate from Coast Guard Forces Micronesia/Sector Guam. These new assets are strategically placed to support the Indo-Pacific Strategy of the United States, which details the need for an expanding Coast Guard presence in the region to work collaboratively with partners and bolster Indo-Pacific security.

In the Arctic, Coast Guard Cutter HEALY transited the Northwest Passage and circumnavigated North America. On this important deployment, scientists onboard HEALY mapped the seafloor and analyzed meltwater from Greenland's glaciers. This work improved navigation routes, and advanced the scientific understanding of the ways the ocean, atmosphere, and ice interact in a changing climate. In Antarctica, the Nation's only heavy polar icebreaker, the Coast Guard Cutter POLAR STAR, created a navigable path through ice as thick as 21 feet to enable the annual replenishment of America's McMurdo Station.

As America's maritime first responder, the Coast Guard is woven into communities along the Pacific, Atlantic, Arctic, and Gulf Coasts as well as the Great Lakes and navigable inland rivers. We provide essential services to the American public: we rescue mariners in distress, protect vital marine natural resources, break ice to facilitate commerce, inspect ships to verify safety and pollution controls, deliver aid after a disaster, mark navigable waterways to keep mariners safe from hazards, secure our ports and harbors, and interdict illegal drugs. In 2021, the Coast Guard saved 4,747 lives in search and rescue cases, interdicted 380,000+ pounds of cocaine, responded to 11,000+ pollution incident reports, surged forces in response to domestic natural disasters such as Hurricane Ida, and facilitated the free flow of commerce worth \$5.4 trillion across the Marine Transportation System (MTS).

Readiness to Meet the Challenges of the Future

Today, the Coast Guard faces both new challenges and new opportunities. My vision for the Service is responsive to this changing world and includes three tenets: Transform our Total Workforce, Sharpen Our Competitive Edge, and Advance Our Mission Excellence.

Transform the Total Workforce: The Coast Guard workforce is my highest priority and requires innovative tools, inclusive policies, trustworthy technology, modernized training, and exceptional support to meet demand today and tomorrow. The world's most capable and talented Coast Guard has over 57,000 active duty, reserve, and civilian personnel, supported by 21,000 Auxiliary volunteers. Moving forward, we will continue to pursue policies and practices that enable us to recruit, train, and retain a workforce representative of the American public we serve. We will build an inclusive culture that enables a sense of belonging, empowering all to deliver their personal best while serving as part of the world's best Coast Guard.

We will seek improved opportunities for our workforce and their families to access high quality healthcare, housing, and childcare. We will remain relentless in our effort to eradicate harmful behaviors, such as sexual assault and sexual harassment, from our Service, and continue our work to implement the military justice reforms from the 2022 National Defense Authorization Act. We will continue to revisit policies that deter otherwise qualified members from continuing their careers, and instead we will actively encourage our brightest talent to stay. Similarly, we will pursue new training designs to engage our workforce in meaningful learning, whether in a classroom or in the field. These actions will improve quality of life for our workforce and strengthen our operational readiness.

The FY 2023 budget requests \$170 million for pay and benefits and \$53 million to enhance recruiting and retention initiatives, further expand diversity, equity, inclusion, and accessibility efforts, modernize training, and better support the needs of our workforce. These new initiatives will attract the mission-ready total workforce we need today and into the future, and enable our field leaders to bolster the resiliency of our people and their families.

Sharpen our Competitive Edge: The Coast Guard must lean forward to remain the world's best Coast Guard. Constantly evolving technology requires the Service to develop new capabilities to keep pace. The Coast Guard is in the midst of our largest recapitalization effort since World War II – an effort critical to ensuring our Nation has the capable, modern assets it needs to meet the unprecedented growth in demand for Coast Guard services. However, until fully recapitalized, the Coast Guard continues to conduct missions with legacy assets, some of which are over 50 years old.

Surface Assets

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 Polar Security Cutters (PSCs) will provide the global reach and icebreaking capability necessary to ensure U.S. presence in the Arctic and Antarctic regions in support of the National Security Strategy and the National Defense Strategy.

The FY 2023 request also includes the acquisition, modification, and operation of a commercially available polar icebreaker to add near-term national capability in the Arctic, train icebreaker sailors, and help inform capability requirements for the future acquisition of Arctic Security Cutters (medium icebreakers). As melting sea ice creates new routes in the High Latitudes that increasingly attract human activity, scientific discovery, and economic prospects, the Nation needs year-round surface access to the critically important geo-strategic Polar Regions.

Continued progress on the Offshore Patrol Cutter (OPC) program is absolutely vital to recapitalizing the capability provided by our legacy fleet of 210-foot and 270-foot Medium Endurance Cutters (MECs). The OPCs are assets our crews deserve and our Nation needs. The FY 2023 request provides \$650 million for construction of the fifth OPC and long lead time materials for the sixth. Last month the Coast Guard awarded a contract for the construction of the second phase of 11 OPCs, a vital step as we progress towards our program of record of 25 hulls. The legacy assets the OPCs will replace have been workhorses for decades and have served the Nation with distinction, but the MEC fleet is becoming more difficult and expensive to maintain, and we continue to see degradation in its operational availability.

The FY 2023 request also includes \$77 million to support the detailed design and construction of the Waterways Commerce Cutter (WCC) program. Recapitalization of our fleet of inland tenders – some of which have been in service since the 1940s – is essential to maintaining both the fixed and floating aids that enable safe navigation on the MTS. This system includes over 25,000 miles of rivers and navigable channels that connect America's consumers, producers, manufacturers, and farmers to domestic and global markets, with an annual economic impact of \$4.6 trillion. The marine highways are critical to American prosperity.

Aviation Assets

The FY 2023 request continues the Coast Guard's transition of our rotary wing fleet with \$100 million for an additional four MH-60T helicopters. Our current fleet includes 98 MH-65 Dolphin and 48 MH-60 Jayhawk helicopters. Both helicopters are undergoing essential Service Life Extension Programs (SLEP) to push current capabilities into the late 2030s. Growing the Coast Guard's fleet of MH-60s via the purchase of new hulls, or the conversion of low-hour former Navy air frames at our Aviation Logistics Center, is crucial to sustaining Coast Guard air operations and meeting mission demands.

Cybersecurity and C5I Modernization

Evolving cyber threats continue to present challenges to the security of the Coast Guard's network and of the MTS. The FY 2023 request promotes continued efforts to modernize and protect the Coast Guard's networks pursuant to Executive Order 14028 on Improving the Nation's Cybersecurity, while positioning the Service to have the robust suite of cyber tools and professionals necessary to keep pace with technological advances and increasing cyber threats.

Additionally, we are leveraging the momentum of recent Congressional support for our "Technology Revolution" – a "Whole of Service" effort to ensure our workforce has reliable, mobile, and integrated information systems to leverage data and empower operations.

Shore Infrastructure

Every Coast Guard mission begins and ends at a shore facility. Our facilities, piers, and runways are as critical for operations as our ships and aircraft, and the buildings where our people eat and sleep while standing duty are as important to workforce retention as our talent management policies. Additionally, the Nation's reliance upon the Coast Guard to serve as a first responder after man-made and natural disasters underscores the importance of resilient facilities. Coast Guard shore infrastructure is located in areas prone to hurricanes, flooding, earthquakes, and other natural disasters. We greatly appreciate the \$434 million provided by the Congress as part of the Infrastructure and Investment and Jobs Act, and the \$355 million provided in FY 2022 to support critical shore facility investments.

The Coast Guard continues to focus on recapitalizing our shore infrastructure, updating and where possible replacing legacy military housing and support facilities, and modernizing waterfront facilities to be ready for new assets. Despite these efforts, substantial backlogs for both the recapitalization of infrastructure and asset maintenance remain. While we are making consistently strong headway on recapitalizing our cutters and aircraft, that progress requires making tough annual trade-offs that continue to impact shore infrastructure investment needs. The FY 2023 request includes targeted investments to improve the condition of our aging shore facilities, and to prepare for the Coast Guard's future fleet. Given the scope of the challenge, additional investments and a modern approach to project planning, prioritization, and execution are necessary to ensure the Service has the adequately maintained and resilient infrastructure required to meet operational demands into the future.

Advance Our Mission Excellence: The Coast Guard thrives in the increasingly complex and unforgiving maritime environment by continuing our tradition of exceptional service in our core missions, while innovating to meet the changing needs of the American people.

The Coast Guard is committed to the Secretary of Homeland Security's priorities, including maritime border security, full participation in crisis response, and the protection of critical infrastructure, including in the cyber domain. In 2021, Coast Guard responders provided critical healthcare and other logistical support to meet surging demand on the Southwest Border. With our unique authorities and capabilities, the increasing demand for Coast Guard services comes from all levels of government and from abroad. As the sole military service within the Department of Homeland Security, the Coast Guard is uniquely positioned support coordination with the Department of Defense across the full spectrum of integrated National Security, National Defense, Homeland Security, and Homeland Defense missions.

The Coast Guard will continue to be a leader in global maritime governance. We are ideally positioned as the preferred maritime partner for many nations. We will use our unique authorities and capabilities to uphold America's longstanding commitment to a stable and open international system that adheres to the rule of law and good maritime governance. The FY 2023 request provides the Coast Guard \$118 million to expand the Service's operations in regions vital to America's national security and prosperity – the Arctic, Indo-Pacific, and the Atlantic Basin.

Conclusion

As we look to FY 2023 and beyond, we must continue to resource the Coast Guard to maintain a ready and resilient force. Funding provided in the FY 2023 President's Budget will enable the Service to protect the Homeland, save those in peril, enhance our economic prosperity by supporting the maritime industry, protect our national resources, adapt to climate change, and strengthen the international rules-based order. I look forward to working with this Committee to be a more adaptive and connected Coast Guard that generates sustained readiness, resilience, and capability in new ways to enhance our Nation's maritime safety, security, and prosperity.

With the continued support of the Administration and Congress, your Coast Guard will live up to our motto – *Semper Paratus* – Always Ready. I thank the committee for your dedication and support of the Coast Guard and its workforce.

FY 2023 BUDGET HIGHLIGHTS

BUDGET PRIORITIES:

- > Restore Readiness— The Coast Guard must maintain momentum restoring Service readiness. More than ever, the Nation needs a ready Coast Guard with the personnel, tools, and support systems to operate in an increasingly complex, interconnected, and technologically advanced maritime domain.
- > Build the Coast Guard of the Future— The Coast Guard is in the midst of the largest recapitalization effort since World War II an effort critical to ensuring the Service has the capable, modern assets it needs to meet the unprecedented growth in demand for Coast Guard services.

The FY 2023 Budget requests \$9.62 billion for Operations and Support (O&S) and \$1.65 billion for Procurement, Construction and Improvements (PC&I). Budget highlights include:

RESTORE READINESS (O&S):

Support the Mission Ready Total Workforce

- > \$170 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 \$49 million for civilian pay and benefits (O&S).
- > \$53 million for workforce readiness, including recruiting, retention, diversity, equity, inclusion, accessibility, training, and support.

Modernize Operational Capability

- > \$100 million for new assets including: operations and maintenance for OPC #2; crew for OPC #3; operations and maintenance for National Security Cutter (NSC) #10 and crew for NSC #11. Additionally, the Budget provides funding for operations, maintenance, and crew for three C-27J aircraft.
- > \$11 million for marine safety capacity to modernize and oversee the merchant mariner credentialing program, and additional personnel to conduct timely and thorough marine inspections and investigations to enable commerce and maritime security.

Expanding Operations: Arctic, Oceania, and the Atlantic Basin

- > \$30 million to crew a commercially available polar icebreaker to expand Coast Guard capacity, and near term enhanced capability to conduct Arctic operations, grow High Latitude sailors, and inform Arctic strategy.
- ➤ \$48 million to expand operations in the Indo-Pacific in order to promote economic prosperity, combat IUUF, promote environmental resilience, and ensure unrestricted lawful access to the region's maritime environment.
- > \$40 million to support activities in the Partnership for the Atlantic Basin initiative to address maritime security issues.

Cybersecurity and C5I Modernization

- > \$47 million to operate, maintain, secure, and protect Coast Guard IT networks, enhance the cybersecurity of maritime critical infrastructure, and conduct cyber effects operations to deter and respond to cyber-attacks on the Marine Transportation System (MTS).
- > \$7 million to transition to modern software and provide mobile solutions for the workforce.

RECAPITALIZE LEGACY ASSETS AND INFRASTRUCTURE (PC&I):

- > \$1.2 billion for vessels, including: \$650 million for construction of OPC #5 and long-lead time materials for OPC #6; \$167 million for the PSC program, including project management and construction of PSCs #1-2 and long-lead time materials for PSC #3; \$60 million for post-delivery activities for NSCs #9-11; \$77 million for the Waterways Commerce Cutter (WCC) program, including project management and long-lead time materials; and \$125M to acquire a commercially available polar icebreaker.
- ➤ \$182 million to recapitalize and sustain fixed and rotary-wing aircraft including: sustainment of the current MH-60T helicopter fleet and funding for fleet expansion; modernization and sustainment of MH-65 helicopters to extend service lift into the 2030s; and continued missionization of HC-27J medium-range fixed wing surveillance aircraft.
- > \$180 million for shore infrastructure improvements to support new acquisitions and the execution of Coast Guard operations including: PSC homeport in Seattle, Washington; FRC homeport in St. Petersburg, Florida; WCC homeports; continued buildout of the consolidated Goperational base in Charleston, South Carolina; and other infrastructure repairs and upgrades.