

U. S. Department of
Homeland Security

United States
Coast Guard



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DEPARTMENT OF HOMELAND SECURITY

UNITED STATES COAST GUARD

STATEMENT OF

ADMIRAL THOMAS H. COLLINS

ON THE

FISCAL YEAR 2005 BUDGET

BEFORE THE

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON HOMELAND SECURITY

U.S. HOUSE OF REPRESENTATIVES

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Introduction

Good morning, Mr. Chairman and distinguished members of the Subcommittee. It is a pleasure to appear before you today to discuss the Coast Guard's fiscal year 2005 budget request, and its critical importance in your Coast Guard being able to deliver essential daily services to the American public.

The Coast Guard's fiscal year (FY) 2005 budget proposes budget authority of \$7.46 billion, a nine percent increase over FY 2004, and continues our effort to enhance capability and competencies to perform both safety and security missions. It supports the goals of the President's National Strategy for Homeland Security to prevent terrorist attacks, reduce our vulnerabilities, and minimize damage from attacks that do occur.

Before I discuss our FY 2005 budget, I would like to take a few moments to discuss some of our accomplishments during the past year. You deserve a quick report on how we have used the resources this Subcommittee has provided us in the past and I am proud of the results that Coast Guard men and women continue to deliver for the country. During FY 2003, the Coast Guard:

- Interdicted over 6,000 undocumented migrants attempting to illegally enter the country by sea.
- Prevented more than 136,800 pounds of cocaine, over 14,000 pounds of marijuana and more than 800 pounds of hashish from reaching U.S. shores.
- Aggressively conducted more than 36,000 port security patrols, including 3,600 air patrols, 8,000 security boardings and over 7,000 vessel escorts.
- Deployed the largest contingent of Coast Guard personnel overseas since the Vietnam War to support Operation Iraqi Freedom, including 11 cutters, two shoreside support units, and over 1,200 personnel.
- Saved the lives of nearly 5,100 mariners in distress and responded to more than 31,500 calls for assistance.
- Boarded more than 3,400 fishing vessels to enforce safety, environmental and economic laws.
- Mobilized 64% of our reserve force to enhance protection of our ports, waterways and critical infrastructure during heightened states of alert, and to support the Combatant Commanders.
- Kept critical shipping channels clear of ice in the Great Lakes and New England ensuring the availability of critical energy products.
- Maintained more than 50,000 federal aids to navigation along 25,000 miles of maritime transportation highways.
- Responded to over 19,000 reports of water pollution or hazardous material releases.

- Completed the most difficult re-supply of McMurdo Station (Antarctica) during Operation Deep Freeze in 40 years. USCGC *Polar Sea* and USCGC *Healy* smashed through 50 miles of ice more than 13-feet thick to enable U.S. scientists to continue their studies of the Earth's climate.

In addition, we have become a proud member of the Department of Homeland Security that consolidated 22 agencies and nearly 180,000 employees. We are committed to working with our partner agencies as one team engaged in one fight, and I truly believe having one Department responsible for homeland security has made America more secure today. An example of this one team-one fight motto is very evident in the developing events in Haiti. Under the direction of the Secretary of Homeland Security, the Homeland Security Task Force – Southeast was stood-up as part of OPERATION ABLE SENTRY. Led by Coast Guard Rear Admiral Harvey Johnson, the task force is comprised of many agencies chartered to plan, prepare, and conduct migrant interdiction operations in the vicinity of Haiti due to the escalation of violence in that country and the threat of a mass exodus of undocumented migrants. In the first week of interdiction operations, the task force demonstrated impressive agility and synergy:

- Coast Guard cutters, many with Citizenship and Immigration Service (CIS) asylum pre-screening officers and interpreters aboard, interdicted 17 Haitian vessels with 1,076 undocumented migrants,
- Coast Guard and Immigration and Customs Enforcement (ICE) aircraft patrolled the skies throughout the operating area,
- Coast Guard, ICE, and Customs and Border Protection (CBP) boats conducted coordinated patrols off the Florida coast,
- Coast Guard and ICE conducted a coordinated boarding of a boat suspected of being hijacked off the coast of Miami,
- Coast Guard, CBP, ICE, and the Transportation Security Administration command center, public affairs, and intelligence staffs fully engaged,
- Federal Emergency Management Agency (FEMA) deployed three Information and Planning Specialists to the task force in support of contingency planning.

In addition, we have begun aggressively implementing the Maritime Transportation Security Act thanks in large part to a herculean inter-agency effort. Final Rules were published in October 2003 and security plans from approximately 9,000 vessels and 3,200 facilities were due on December 31, 2003. To date, approximately 97% have been received. We will continue to aggressively pursue 100% compliance, and have instituted a phased implementation of penalties to ensure that all regulated facilities have implemented approved security plans by the 1 July 2004 deadline. We completed eleven port security assessments, and have established 43 Area Maritime Security Committees to provide enhanced planning, communication and response for our nation's ports. We have met with nearly sixty countries representing the vast majority of all shippers to the U.S., reinforcing a commitment to the International Ship and Port Facilities Security (ISPS) code. We have commissioned additional Maritime Safety and Security Teams (MSSTs) and plan to have 13 teams by the end of CY 2004. We are installing an Automatic Identification System (AIS) network in nine coastal locations that have Vessel Traffic Services improving our awareness of the maritime domain, and are simultaneously designing a nationwide system.

The Need to Sustain Growth in FY 2005

Despite these accomplishments, there is still much to do. The last few weeks paint a clear and vivid picture of the breadth, scope and national importance of all Coast Guard missions. Rescue personnel from our mid-Atlantic units responded to the distress call from the burning and sinking Singaporean tanker *Bow Mariner*, and six crewmen were saved from 44-degree water. A Coast

Guard cutter seized the entire catch from a fishing vessel off the New England coast for having twice the legal limit of lobster on board and more importantly having female egg bearing lobsters that a biologist indicated had been scrubbed of eggs. Our search and rescue and living marine resource response capability was sustained even as 15 cutters, 6 aircraft, and approximately 1,550 personnel deployed south positioning from the coast of Haiti to the approaches to South Florida as part of Homeland Security Task Force-Southeast, and interdicted 1,075 Haitian migrants. Simultaneously, we have four Patrol Boats, two Port Security Units, and 377 personnel deployed in support of operations in Iraq. Just last week the Coast Guard Cutter MIDGET returned home from a patrol in the Eastern Pacific after seizing 27,000 pounds of cocaine in three boardings, setting a record for the most cocaine seized by a cutter in a single patrol. As you can see, demand for Coast Guard resources continue to expand, while our ships and aircraft continue to age. The Coast Guard is the nation's lead federal agency for maritime homeland security and marine safety. Critical new resources are required to establish a new level of maritime security while continuing to perform the full range of Coast Guard missions.

The budget requests resources that are necessary for the Coast Guard to fulfill its responsibilities to the American public. For fiscal year 2005, my priorities are:

- Recapitalize operational assets;
- Enhance performance across all missions by leveraging Coast Guard authorities, capabilities, competencies and partnerships;
- Aggressively implement the comprehensive requirements of MTSA; and
- Expand awareness of activities occurring in the maritime domain

Recapitalize Operational Assets

The Coast Guard's greatest threat to mission performance continues to be that our aircraft, boats and cutters are aging, technologically obsolete, and require replacement and modernization. The majority of these assets will reach the end of their service life by 2008, and have increasing operating and maintenance costs, which results in lost mission performance, mission effectiveness, unnecessary risks, and wear and tear on people. These assets are failing at an alarming rate. Recent asset failures and their subsequent impact on operational readiness exemplify the downward readiness spiral created by increasingly aging capital assets coupled with a more demanding operational tempo. Frankly, the existing system is failing in numerous areas and I am concerned that we are reaching a "declining readiness spiral" phenomenon. Deferred modernization results in reduced patrols and readiness, corresponding increased maintenance needs and higher total ownership costs. Recapitalization funds are then needed to keep old assets operating, which only defers modernization starting this declining cycle over again. The Coast Guard is faced with trading asset modernization funding toward legacy asset maintenance and capability to address immediate safety and reliability concerns. Some examples of why I am so concerned:

- HH-65 Helicopter engine system casualties: in-flight engine partial power losses occurred at a rate of 63 per 100,000 flight hours in FY 2003, and is significantly higher so far in FY 2004. This rate far exceeds the FAA standard of one per 100,000 hours and the U.S. Navy Safety Center guidelines of no more than 10 mishaps per 100,000 flight hours. HH-65 helicopters are critical to Coast Guard operations including ongoing efforts off the coast of Haiti.
- 110-foot Patrol Boats: to date, 20 hull breaches requiring emergency dry docks. One cutter required emergency dry dock for hull breach only 14 weeks after a 10-month hull renewal project that had cost \$2 million. The 110-foot fleet is the high-speed workhorse during migrant interdiction operations such as the ongoing events in the vicinity of Haiti, and has repatriated 927 Haitian migrants thus far.

- 378-foot High Endurance Cutter: 3 out of total class of 12 ships have recently missed operations due to unscheduled maintenance to failing sub-systems. A 378-foot cutter is currently serving as the on-scene command ship for Haitian operations.

All three of these asset classes (HH-65, 110, 378) are currently supporting the Coast Guard missions such as migrant and drug interdiction operations, ports waterways and coastal security, fisheries enforcement, and search and rescue, and the Coast Guard continues to be successful in spite of casualties and readiness levels. This success comes through the extraordinary efforts of Coast Guard personnel, and I'm concerned about our ability to continue this performance in the future. Cocaine seizures to date in FY 2004 total 38.9 metric tons, nearly double last year's pace which yielded the second highest seizure total ever (62.1 metric tons). The threat of a mass migration from Haiti, coupled with the flow of illegal drugs and undocumented migrants from other countries towards the U.S., highlights the value that the U.S. Coast Guard provides our nation.

The Integrated Deepwater System (IDS) is the answer to these concerns and entails far more than the progressive replacement of our aging inventory. IDS is an integrated systems approach to upgrading existing legacy assets through a completely integrated and interoperable system. All of Deepwater's highly capable assets will be linked with modern command, control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR) architecture. The ability to link and network disparate platforms seamlessly over vast distances is an essential aspect to providing the Coast Guard the capability to detect and interdict potential threats prior to reaching our shores and ports. Deepwater assets are America's first line of defense to counter threats in the maritime domain, and thwart catastrophes to vulnerable infrastructure (oil rigs, deepwater channels, shipping). Funding for the Deepwater program is a critical investment in homeland safety and security and means a more secure United States of America.

The Coast Guard's deepwater assets are not the only capital assets that desperately need replacement. The FY 2005 budget also requests resources for:

- Rescue 21 project, which will be the primary command and control system to perform the functional tasks of detection, classification, and command and control in the inland and coastal zones for Search and Rescue. The existing National Distress System is inadequate to meet the safety requirements of growing marine traffic, and is not capable of meeting the requirements of the International Convention for the Safety of Life at Sea (SOLAS) treaty. Rescue 21 will expand existing capability through greater area coverage, and improved direction finding capability to enhance Coast Guard emergency response;
- Great Lakes Icebreaker, which is scheduled to replace USCGC MACKINAW in 2006 after 57 years of continuous service;
- Response Boat – Medium, which will replace the aging 41-foot Utility Boat, and will meet mission requirements for search and rescue, and emerging homeland security missions.

Enhance Mission Performance

To enhance mission performance the Coast Guard must optimize its unique authorities, capability, competency, and partnerships; while gaining the capacity in each to complete our full range of missions. Due to the Coast Guard's multi-mission nature, resources provided will assist in the performance of all missions. New assets will be used to conduct fishery patrols and search and rescue cases as well as protect the nation against terrorist attacks.

FY 2005 budget initiatives that add capacity to enable mission performance include:

- Operational funding for eleven 87-foot Coastal Patrol boats built in 2004;
- Operational funding for five 179-foot Patrol Coastals being transferred to the Coast Guard from the Navy;

- Safety configuration changes to the 47-foot Motor Life Boat, which will allow crews to safely conduct missions in deteriorating weather conditions.

Aggressively Implement the Maritime Transportation Security Act of 2002

During the past year, the Coast Guard led the international maritime community in adopting a new international security regime requiring vessels and port facilities to develop security plans. This effort paralleled the requirements this committee helped establish through enactment of the Maritime Transportation Security Act (MTSA) of 2002. These regulations require that United States ports, vessels, and facilities each have a plan to protect against terrorist attacks. Aggressive implementation of MTSA is essential if we are to maintain the security of our ports and waterways at acceptable levels. To implement and enforce these regulations, the Coast Guard has a recurring requirement to develop, review, approve, and ensure vessels and facilities are sustaining their own security responsibilities for all aspects of maritime security. Approximately 97% of required vessel and facilities have turned in security plans to date. We are issuing notices of violation to the ten percent that missed the deadline, are starting the process of approving security plans, and have commenced training of Coast Guard personnel to complete on-site verification. Providing the Coast Guard with the resources necessary to undertake this implementation and enforcement effort is a key step toward enhanced port, vessel and facility security.

We cannot have a safe and secure marine transportation system without the ability to properly safeguard merchant mariner documents and licenses. It was recently announced that the Coast Guard identified nine individuals holding merchant mariner credentials with possible associations to terrorism through Operation Drydock, a cooperative investigation with the FBI that has also led to approximately a dozen arrests for providing fraudulent information to the government on merchant mariner credential applications. Support of the FY 2005 budget will enable the Coast Guard to continue implementation of Mariner Licensing and Documentation (MLD) Program security improvements to safeguard the mariner credentialing system from criminals and terrorists. These security enhancements include sustained robust screening and evaluation of applicants, increased contact with the mariner, improved identification validation and record keeping technology and are intended to ensure a system with greater accountability of who is using Coast Guard credentials and enhance marine safety and national security.

Maritime Domain Awareness

Expanding awareness of activities occurring in the maritime domain is critical to enhancing Coast Guard performance in all mission areas. The U.S maritime jurisdiction is enormous, covering some 3.5 million square miles of ocean and 95,000 miles of coastline. In addition, the Coast Guard projects a defense-in-depth presence in other areas such as the Caribbean and eastern Pacific to deter, detect, and interdict drug and migrant smugglers. The Coast Guard operates at times and in places no U.S. forces operate. The ongoing events off the coast of Haiti highlight the need for a robust maritime domain awareness capability. The Coast Guard has minimal capability to monitor the activities occurring within this maritime zone without the presence of a cutter or aircraft. We must identify and understand threats, and disseminate timely information to our operational commanders and our homeland security partners in order to respond to emerging threats such as terrorist attacks, drug smuggling, illegal migration, location of distressed boaters, or illegal fishing before they reach our borders. An intelligence and warning system that detects indicators of potential terrorist activity before an attack occurs is necessary to take preemptive and protective action. We are currently installing Automatic Identification System (AIS) in our Vessel Traffic Service (VTS) ports, and are formalizing the operational requirements to award a contract for installation of a nation-wide AIS network. \$4 million is requested in FY 2005 to continue this important project. This budget submission also

includes 35 people to integrate all of our projects that provide maritime domain awareness (MDA), including AIS, Deepwater and Rescue 21, and these people will partner with the other Department of Homeland Security agencies, the Navy, and other entities to unite our joint efforts.

Conclusion

Thank you for your support in the fiscal year 2004 Emergency Supplemental. Funding is ensuring Coast Guard forces remaining in Iraq are properly resourced for the rest of fiscal year 2004.

None of what the Coast Guard has accomplished or is striving to achieve is possible without our people—the bedrock of our service. They routinely put their service above all else and I am convinced of their unwavering dedication to the security of this nation and the safety of its citizens. They are our highest priority and most valuable resource.

The Coast Guard's fiscal year 2005 budget request improves the quality of life for Coast Guard men and women and their families by providing a pay raise, and continuing improvements in Basic Allowance for Housing (BAH) reducing out-of-pocket expenses from 3.5% to zero, and gives them the equipment and assets that will allow them to best contribute their time and talents to the safety and security of our nation.

I have asked every member of the Coast Guard to continue to focus intently and act boldly on the three elements of my direction: improve Readiness; practice good Stewardship; and enhance the growth, development and well being of our People. With this diligence we will fulfill our operational commitment to America and maintain our high standards of excellence.

I look forward to working with you to that end.

Thank you for the opportunity to testify before you today. I will be happy to answer any questions you may have.