



**TESTIMONY OF
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**ON
AUTHORIZATION OF COAST GUARD
AND MARITIME TRANSPORTATION PROGRAMS**

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

APRIL 4, 2017

Good afternoon Mr. Chairman 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.

As the world's premier, multi-mission, maritime service, the Coast Guard offers a unique and enduring value to the Nation. The only branch of the U.S. Armed Forces within the Department of Homeland Security (DHS), a federal law enforcement agency, a regulatory body, a first responder, and a member of the U.S. Intelligence Community – the Coast Guard is uniquely positioned to help secure the border, combat transnational criminal organizations (TCO), and safeguard America's economic prosperity.

Indeed, the Coast Guard's combination of broad authorities and complementary capabilities squarely align with the Administration's priorities, and I am proud of the return on investment your Coast Guard delivers on an annual basis.

I appreciate the unwavering support of this Subcommittee to address our most pressing needs. I will continue working with Secretary Kelly, the Administration, and this Congress to preserve momentum for our existing acquisition programs and employ risk-based decisions to balance readiness, modernization, and force structure with the evolving demands of the 21st century.

Appropriately positioned in DHS, the Coast Guard is a military Service and a branch of the Armed Forces of the United States at all times.¹ We are also an important part of the modern Joint Force,² and a force multiplier for the Department of Defense (DoD). I am proud of our enduring defense contributions to Combatant Commanders around the globe.

¹ 14 USC § 1.

² In addition to the Coast Guard's status as an Armed Force (10 U.S.C. § 101), see also Memorandum of Agreement Between the Department of Defense and the Department of Homeland Security on the Use of Coast Guard Capabilities and Resources in Support of the National Military Strategy, 02 May 2008, as amended 18 May 2010.

In addition to the six cutters operating as part of Patrol Forces Southwest Asia (PATFORSWA) since 2003, other defense operations include:

- Port Security Units (PSUs) support Combatant Commanders with 24-hour protection of vessels, waterways, and port facilities. These specialized teams have deployed almost continuously to strategic ports in Kuwait and in Guantanamo Bay, Cuba, since 2002.
- Deployable Specialized Forces Advanced Interdiction Teams support U. S. Central Command (CENTCOM) vessel board, search, and seizure operations.
- Aircrews perform rotary-wing air intercept operations in support of the North American Aerospace Defense Command (NORAD). Specially trained aviators intercept aircraft that enter restricted airspace in the National Capital Region and during National Security Special Events around the country.
- Assets and personnel deploy worldwide in support of defense operations and fully participate in major international exercises. As the Coast Guard is similar in size, composition, and missions to most of the world's navies, we are a frequent engagement partner of choice to support Combatant Commander goals.

Like the other military Services, the Coast Guard supports all efforts to rebuild the Armed Forces.

Secretary Kelly leads the Department's efforts to secure our borders, and the Administration's strategy "to deploy all lawful means to secure the Nation's southern border..."³ relies on the Coast Guard supporting a comprehensive security strategy. The Coast Guard protects the maritime border – not just here at home, but also off the coast of South and Central America. As Secretary Kelly has stated, "...the defense of the southwest border really starts about 1,500 miles south..."⁴

We continue to face a significant threat from TCOs, and the Coast Guard is positioned to attack these criminal networks where they are most vulnerable, at sea. We leverage over 40 international maritime law enforcement bilateral agreements to enable partner nation interdictions and prosecutions, and employ a robust interdiction package to seize multi-ton loads of drugs at sea before they can be broken down into small quantities ashore.

In close collaboration with partner Nations and agencies, the Coast Guard works to engage threats as far from U.S. shores as possible. In 2016, Coast Guard and partner agencies interdicted more cocaine at sea than was removed at the land border and across the entire nation by all federal, state and local law enforcement agencies – combined. A service record 201.3 metric tons of cocaine (7.1% of estimated flow)⁵ was removed from the western transit zone, 585 smugglers were detained, and 156 cases were referred for prosecution.

³ Executive Order on Border Security and Immigration Enforcement Improvements, 25 January 2017.

⁴ Secretary Kelly Hearing Testimony, "Ending the Crisis: America's Borders and the Path to Security" before the House Homeland Security Full Committee and Subcommittee on Border and Maritime Security Joint Hearing on America's Borders, Panel 1, 07 February 2017.

⁵ [US Department of Homeland Security, Office of Inspector General, *Review of U.S. Coast Guard's Fiscal Year 2016 Drug Control Performance Summary*, OIG Report, OIG-17-33, February 1, 2017.]

Coast Guard readiness relies on the ability to simultaneously execute our full suite of missions and sustain support to Combatant Commanders, while also being ready to respond to contingencies. Your Coast Guard prides itself on being *Semper Paratus* – Always Ready, and predictable and sufficient funding is necessary to maintain this readiness in the future. Prudence also demands we continue investing in a modernized Coast Guard. Indeed, recapitalization remains my highest priority, and today’s activities will shape our Coast Guard and impact national security for decades. Your support has helped us make tremendous progress, and it is critical we build upon our successes to field assets that meet cost, performance, and schedule milestones. I am encouraged by our progress to date.

In 2016, we awarded a contract to complete build out of our fleet of 58 Fast Response Cutters – at an affordable price – and the last four ships (numbers 19 through 22) were delivered by Bollinger Shipyards with zero discrepancies. In September, we achieved a monumental goal with the award of a contract for Detail Design and Construction of the Offshore Patrol Cutter (OPC). These cutters will eventually comprise 70 percent of Coast Guard surface presence in the offshore zone. OPCs will provide the tools to more effectively enforce federal laws, secure our maritime borders by interdicting threats before they arrive on our shores, disrupt TCOs, and respond to 21st century threats. With the continued support of the Administration and Congress, we anticipate ordering long lead time material for the first OPC later this year, and plan for its delivery in 2021.

We also generated momentum to build new polar icebreakers. In July of last year I sat before this subcommittee and made a commitment to partner with the Navy to establish an Integrated Program Office to acquire new heavy icebreakers. This approach leverages the expertise of both organizations and is delivering results. The recent award of multiple Industry Studies contracts – a concept the Navy has utilized in previous shipbuilding acquisitions to drive affordability and reduce schedule and technical risk – is an example of the positive results of this partnership. We will continue refining the system specification and prepare to release a request for proposal for Detail Design and Construction in FY 2018.

We are also making progress with unmanned aerial systems. A recent small Unmanned Aerial System (sUAS) proof of concept aboard a National Security Cutter (NSC) validated this capability and will enhance the effectiveness of these cutters. In its inaugural month underway, STRATTON's sUAS flew 191 flight hours, providing real-time surveillance and detection imagery for the cutter, and assisting the embarked helicopter and law enforcement teams with the interdiction or disruption of four go-fast vessels carrying more than 5,000 pounds of contraband. In addition, we are exploring options to build a land-based UAS program that will improve domain awareness and increase the cued intelligence our surface assets rely upon to close illicit pathways in the maritime transit zone. While long-term requirements are being finalized, I can fully employ a squadron of six platforms outfitted with marine-capable sensors now and am moving out to field this much-needed capability.

In addition to the focus on recapitalizing our surface and aviation fleets, we are also mindful of the condition of our shore infrastructure. Investments in shore infrastructure are also critical to modernizing the Coast Guard and equipping our workforce with the facilities they require to meet mission.

America's economic prosperity is reliant on the safe, secure, and efficient flow of cargo through the Maritime Transportation System (MTS), which sees \$4.5 trillion of economic activity annually. The Nation's maritime industry and the MTS face many challenges, including growing demands, a global industry-driven need to reduce shipping's environmental footprint, and the ever-increasing complexity of systems and technology.

Coast Guard marine safety programs employ our unique capabilities to ensure a safe, secure, and environmentally sound MTS. We do this by developing risk-based standards, training and employing a specialized workforce, and conducting investigations into accidents and violations of laws so standards can be improved. We are mindful of the need to facilitate commerce, not impede it, and remain committed to our prevention missions.

While readiness and modernization investments will improve current mission performance, the right force is central to success. I am incredibly proud of our 88,000 active duty, reserve, civil service, and auxiliary members. I am working aggressively to validate a transparent and repeatable model to identify the appropriate force structure required for the Coast Guard to simultaneously respond to global, national, and regional events.

Funding 21st century Coast Guard platforms and people is a smart investment, even in this challenging fiscal environment. Modern assets bring exceptional capability, but our greatest strength will always be our people. Coast Guard operations require a capable, proficient, and resilient workforce that draws upon the broad range of skills, talents, and experiences found in the American population. Together, modern platforms and a strong, resilient workforce will maximize the Coast Guard's capacity to meet future challenges.

History has proven that a responsive, capable, and agile Coast Guard is an indispensable instrument of national security. With the continued support of the Administration and Congress, the Coast Guard will continue to live up to our motto. We will be *Semper Paratus – Always Ready*. Thank you for the opportunity to testify before you today and for all you do for the men and women of the Coast Guard. I look forward to your questions.