

Responses to questions by the US Commission on Ocean Policy to
RADM James Underwood, Commander, Seventeenth Coast Guard District

- Q. Please provide the Commission with the Roles and Missions Study of the U.S. Coast Guard for 2000. (Note: at the Anchorage field hearing, one of the Commissioners asked if the 1999 Coast Guard Roles and Missions study had subsequently been updated, especially in light of 9/11. The comments below respond to both the written request and the question originally posed in Anchorage.)
- A. Major Roles and Missions Studies, such as the 1999 Inter-Agency Task Force (IATF) on the U. S. Coast Guard's Roles and Missions, are complex and costly efforts undertaken only rarely (the last previous CG Roles and Missions study was in 1980). The 1999 effort was undertaken to ensure that the proposed major Coast Guard recapitalization of its Deepwater assets was an expenditure that was in the nation's best long term interests. It has not been updated.

The IATF panel considered every significant Coast Guard role, mission and function in order to determine if these activities served vital national interests and if those interests would likely endure into the 21st Century. The panel was also asked to determine if the Coast Guard was the right agency in government to perform the functions assigned to it.

After an exhaustive analysis, including input from the Coast Guard, other agencies, affected industries and the public, the IATF panel concluded that the Coast Guard's then current suite of Roles and Missions did serve vital national interests and that those interests would continue well into the 21st Century. The panel also concluded that, with a few minor exceptions, the Coast Guard was the right agency within the federal government to perform the assigned tasks. For those functions that could be assigned to other agencies (e.g., administration of bridges over navigable waters), there were no projected savings or other benefits to justify the cost and disruption of a transfer. Finally, the IATF panel concluded that the proposed recapitalization of the Coast Guard's aged and obsolescent Deepwater assets was in the national interest and that the Coast Guard's proposed method of obtaining replacement assets was an appropriate approach.

The events of September 11th, 2001, do not change the validity of the IATF panel's findings. As noted in the President's National Strategy for Homeland Security, those things the Coast Guard does for America that were important before 9/11 remain important after 9/11 and must not get lost while the Coast Guard addresses urgent Homeland Security tasking. What has changed, however, is that the Coast Guard's work list has grown to include significantly expanded Homeland Security functions and the relative priorities between different functions may have shifted. As a result, the Coast Guard faces a requirements-to-capability mismatch that will take several years to correct. Accordingly, the level of effort devoted to a given pre-9/11 activity

in a post-9/11 world may not rise to (or remain at) the pre-9/11 level until such time as the capability shortfall has been resolved.

While it is building its capability, the Coast Guard will continue to do what it has always done – allow its distributed field command structure to balance risks and allocate available resources across the full mission spectrum according to local needs and understanding, subject only to certain overriding priorities and statutory mandates.

The Commission has already been provided with copies of both full and summary versions of the December, 1999 Inter-Agency Task Force report entitled "A Coast Guard for the 21st Century: the Report of the Interagency Task Force on U.S. Coast Guard Roles and Missions." In his remarks to the Commission on November 13, 2001, Admiral Loy suggested that the Commission carefully consider the IATF panel's findings and conclusions and asked that the Commission then validate the IATF panel's conclusions, especially on the urgent need to recapitalize the Coast Guard. Admiral Loy's comments remain as pertinent today as they were a year ago.

- Q. [Identify] additional assets required if the transfer of the U. S. Coast Guard to the Office of Homeland Security [sic] takes place as requested by the Administration.
- A. The Coast Guard's need for additional assets is not driven by the President's proposal to move the Coast Guard to a new Department of Homeland Security. Rather, the Coast Guard's status as the lead federal agency in maritime homeland security resulted in President Bush identifying increased Coast Guard capabilities as a priority and major initiative in his National Strategy for Homeland Security. Whether or not the Congress approves the President's re-organization proposal, the Coast Guard's expanded tasking reflects clear national priorities and the Coast Guard's need for additional resources is projected to continue into the foreseeable future.

For a variety of reasons, the Coast Guard is somewhat constrained in how fast it can grow its work force and acquire new capital assets. While some of these constraints are budgetary, there are other limits. For example, the service can only recruit and train new accessions at the rate supported by our training infrastructure and recruiting success. Further, it takes time to develop operational concepts to meet the new and unprecedented threats we now face and to then acquire the needed operational assets (boats, sensors, communications, etc.).

The Coast Guard's approved FY 2002 budget required a number of ship and aircraft decommissionings in order to stay within Congress's approved budget. Before the fiscal year even began, however, September 11th changed the Coast Guard's FY '02 operational priorities and budget needs. Congress and the President, recognizing the changed circumstances, approved two supplemental appropriations to cover the Coast Guard's needs. The Administration has continued that trend for FY '03 when it included the largest budget increase in Coast Guard history in the President's FY '03 budget submission to the Congress. While we don't yet know what Congress will finally approve, we are hopeful that the Administration's request will be approved.

For the longer term, it would not be appropriate for the Coast Guard to release preliminary FY '04 (or beyond) budget figures before these have been fully developed and approved within the Administration. However, it is noteworthy that the President's National Strategy for Homeland Security calls for recapitalization of the Coast Guard and the President's FY '03 budget provides a solid down-payment on the projected multi-year growth the Coast Guard will need if it is to be able to fully meet the needs of the American people across the entire range of missions.

FY '01, '02 and '03 budget information is provided below for the two main Coast Guard budget accounts of primary concern – Operating Expenses (OE) to cover most operations and maintenance costs, including payroll, and the capital asset acquisition account, more properly known as Acquisition, Construction and Improvements (AC&I). Also shown are personnel end-strengths provided in the Coast Guard's budgeted appropriations for the same three fiscal years.

Summary Budget Information

(\$Millions)	<u>OE</u>	<u>AC&I</u>	<u>Total</u>
FY '01 Total Appropriations	3,295.2	406.0	3,701.2
FY '02 Original Appropriations	3,377.9	635.6	4,013.5
FY '02 Supplemental Appropriations	398.1	66.0	464.1
FY '02 Total Appropriations	3,776.1	701.6	4,482.5
FY '03 President's Budget Submission	4,131.4	725.0	4,856.4

Coast Guard Personnel Strength

(positions for which funding is appropriated)

	<u>Active Military</u>	<u>Civilian</u>	<u>Reserve Military</u>	<u>Auxiliary*</u>
FY '01	36,580	6,457	7,977	32,950 est.
FY '02 after Supplements	36,624	6,639	8,200	33,876 est.
FY '03	38,416	6,830	9,000	40,767 est.

*The Coast Guard Auxiliary is a volunteer public-service organization and is not subject to budget-based or other Congressional limits on membership.

The Coast Guard is still refining its operational concepts and related resource requirements for the new Homeland Security (HLS) tasking. Further, much of the resource requirements will fall into the still unapproved budgets for FY '04 or later and it is not possible to provide a detailed list of additional resource requirements as requested by the Commission. However, it is possible to discuss these requirements in general terms.

In the immediate period following the September 11th attacks, little was known about the possibility of further imminent attacks on America, but such attacks could not be ruled out. Accordingly, the Coast Guard redirected many of its offshore fisheries, drug and migrant law enforcement assets into security operations for ports and waterside transportation and energy infrastructure. Assets performing other functions, such as aids to navigation and marine safety, were similarly redirected. In the months following, many of these resources have been returned to their earlier tasks, but the offshore activity levels have not been fully restored. As new HLS resources are brought on-line, activity levels in other areas should move closer to pre-9/11 levels.

In order to bolster its port security capability, the Coast Guard will be establishing a number of Maritime Safety and Security Teams (MSSTs) composed of approximately 106 individuals and equipped with weapons, communications, and air-transportable boats. Four were provided in FY '02 supplemental funding and 2 more are requested in the President's FY '03 budget submission. MSSTs will be strategically located around the country. In addition, each of the 45 Captains of the Port will receive additional staff to increase port security activities.

As has been previously briefed to the Commission, improving our Maritime Domain Awareness (MDA) is a high priority Coast Guard HLS goal. Enhancing our MDA capability will also improve performance in fisheries, drug and migrant enforcement, search and rescue, marine safety and environmental protection. While requirements for enhanced MDA are still being developed, we know that sensors, communications and information collection and analysis capabilities will be required. Work has already begun on implementing those system elements for which requirements are defined and funding is available. Strong Commission support for the MDA concept is requested.

The Coast Guard's Rescue 21 project (formerly known as the National Distress and Response System Modernization Project) is a pre-9/11 effort that has assumed greater importance in the post-9/11 world. The current National Distress System is the maritime equivalent of 9-1-1 for help in an emergency. It is also a key link in the Coast Guard's coastal zone command and control system. The existing system is technologically obsolete, limited in capacity and suffers from significant coverage gaps. Rescue 21 will be far more reliable and capable and will also be a significant element in our MDA capability. A contract has recently been awarded to build Rescue 21. Strong Commission support for this project is requested.

Finally, another pre-9/11 Coast Guard capital project that is important to both post-9/11 tasking and pre-9/11 missions of particular concern to the Commission (i.e., fisheries

enforcement) is the Integrated Deepwater System through which the Coast Guard will replace its aging and obsolescent offshore assets. A contract for this multi-year (up to 20 years) project was recently awarded. Recent analysis indicates that the project's costs could be reduced and our capabilities increased more rapidly if the project were shortened through increased year-to-year funding in the initial stages. As previously requested by Admiral Loy, the Commission is encouraged to give its full support to the Coast Guard's vitally important Deepwater project.

As the various resource shortfalls are resolved, the Coast Guard will rebalance its level of effort across all mission areas with the objective of providing the appropriate and necessary attention to all of its many missions.