

Admiral Thad W. Allen,
COMMANDANT
UNITED STATES COAST GUARD

Remarks Delivered to the
Surface Naval Association

Wednesday, January 16, 2008

1 ADMIRAL ALLEN: Well, good morning. It is great to be here. I
2 have been telling everybody for about the last four or five
3 weeks what a difference a year makes.

4 When I stood before you last year, there had just been
5 several articles printed in the New York Times and the
6 Washington Post regarding our acquisition structure in the deep
7 water acquisition. And, quite frankly, in about two weeks will
8 be the one year anniversary of an editorial that ran in the
9 Washington Post that said Admiral Thad Allen better get his act
10 together or more stringent measures will be required. I wrote
11 that one on my calendar, folks.

12 (Laughter.)

13 ADMIRAL ALLEN: And I think the last question I took
14 last year was from somebody in the middle saying what is going
15 to happen with deep water and I remember saying I am
16 accountable, I am the Commandant, I will take care of it.

17 We have been about the business of doing that for the
18 last year in the Coast Guard. This last summer we set up our
19 new acquisition directorate as the first step towards creating a
20 larger organizational structure in the Coast Guard, a new deputy
21 commandant for mission support, which will, for an organization
22 the size of a Coast Guard that does not have the critical throw

1 away to create systems commands for our various domains, will
2 basically unify acquisition life-cycle management, technical
3 authority responsibility into a single point in the Coast Guard
4 that will be accountable to a three-star technical flag officer.

5 The pieces are coming together nicely. We still have
6 work to do. We are not out of the woods. But we are chopping
7 down trees, folks.

8 Two key events that are going to occur the next few
9 weeks and months. The first one will be the finishing of the
10 developmental test and evaluation of the mission pallet for our
11 cost of 235 aircraft being acquired under deep water and the
12 certification of that avionics package to operate.

13 But most importantly, we are moving from machinery
14 trials into builders trials and acceptance trials in February
15 and March for our national security cutter.

16 Again, we were pleased with the machinery trials that
17 were conducted recently down off Pascagoula. But we do
18 understand there are risks moving forward. And what we have
19 tried to do is move items associated with risk to the left and
20 deal with those early on with our partners in ICGS, Lockheed
21 Martin and Northrop Grumman.

22 To ensure we have adequate oversight of the acceptance

1 trials for the first time in Coast Guard history we will use the
2 Navy in-serve board to do the acceptance trials for the national
3 security cutter.

4 We have already been in close contact with them,
5 exchanging information and briefing materials so that they will
6 be prepared in March to do the acceptance trials on the Coast
7 Guard Cutter BERTHOLF.

8 We are very pleased with the performance of the
9 machinery. The big issue and my concern right now is making
10 sure that the certifications are okay and we take acceptance of
11 that ship that it operates to standard within all the admission
12 testing that is required and we are moving forward on that.

13 I believe with the stand-up of our CG-9 acquisition
14 organization and our transition to the deputy commandant for
15 mission support we will have delivered on the promises made, not
16 just a year ago, but really started when I became Commandant to
17 take a good look at the businesses processes in the Coast Guard
18 and where we need to take this organization to reposition it in
19 the 21st Century.

20 And this is all-inclusive of finance, logistics, life-
21 cycle maintenance, changing everything we do down to the boat
22 docks and the boat deck, capturing things like our small boat

1 maintenance systems under a larger, single unified logistics
2 process for the Coast Guard. And that will continue for several
3 years. But, again, what a difference a year makes. I am
4 pleased where we are going.

5 I had the extraordinary honor and pleasure a few weeks
6 ago to appear before the House Armed Services Committee with Jim
7 Conway and Gary Roughead. And we talked about ship building and
8 acquisition as part of that hearing, although it was directed at
9 maritime strategy, which I will talk about in a little bit as
10 well.

11 A lot of talk these days about the National Security
12 Cutter and the Littoral Combat Ship. I am scheduled to have
13 warfighter talks with Admiral Roughead in early February. That
14 is the primary agenda item for us. I think we all need to
15 understand and many of you in the audience already do, that
16 there are specific reasons why we have a Littoral Combat Ship
17 and a National Security Cutter.

18 The Coast Guard places a very high premium on
19 endurance, radius of operations, sea-keeping ability and so
20 forth because we operate independently at great distances from
21 shore, out in the Pacific, up in the Bearing Sea, off the west
22 coast of South America and drug interdiction operations.

1 And because of that, and the National Security Cutter
2 is designed with a premium on endurance and sea-keeping, on the
3 other hand, Littoral Combat Ship emphasizes agility, flexibility
4 and speed. And with a reduced distance of operation, a higher
5 speed, usually operating in the presence of an oiler and ability
6 to refuel.

7 While those are very, very different models of
8 operations, they are not mutually exclusive regarding the
9 applications of these hulls to the mission sets of the Coast
10 Guard and the Navy.

11 And as Admiral Roughead and I testified before the
12 House Armed Services Committee, we will have conversations about
13 opportunities moving forward. Right now, between the two
14 platforms, we are looking at systems and sub-systems like the 57
15 millimeter gun, the fire control systems, the radars, electronic
16 warfare systems. But I think in the future we have the promise
17 and the opportunity to take a look at other systems, generator
18 sets, propulsion units and so forth.

19 I do believe, however, that sooner or later we need to
20 engage in a discussion about the application of these hulls to
21 mission. Because there are some places where the National
22 Security Cutter will effectively carry out long-range missions

1 using a single platform that could be helpful in global fleet
2 station and some of the initiatives that are contemplated in the
3 maritime strategy.

4 On the other hand, with the speed and the sprint
5 capability and the pounce capability and the mission packages
6 that are contemplated for Littoral Combat Ship, there are areas
7 that we operate in where that might be useful for the Coast
8 Guard.

9 And I think we need to continue these discussions and I
10 have every intention of doing that with Admiral Roughead as we
11 move forward. I fully expect that our historic testifying
12 before Congress together will be repeated several times in the
13 coming year.

14 Let me shift now to the maritime strategy and talk just
15 a little bit about that. Again, another historical event, the
16 International Sea Power Symposium in Newport. Commandant of the
17 Marine Corps, Chief of Naval Operations, Commandant of the Coast
18 Guard speaking sequentially in support of the new maritime
19 strategy.

20 I know there has been a lot of discussion regarding the
21 strategy. It has been reviewed, critiqued for what it is and
22 what it isn't. But I think everybody understands the value of

1 the collaboration that went into this, the discussions with the
2 country that took place, many of which I represented the three
3 of us.

4 And I think what came out of that, while it can be
5 approved in the future, we will continue to evolve our thinking
6 and strategy, represents a significant step forward in thinking
7 about maritime strategy and presence.

8 I could give you a lot of examples why this is an idea
9 whose time has come and a very, very important step in maritime
10 strategy in the country's history, but let me give you one
11 anecdote that I think sets the stage.

12 I was at Newport. We were having a break. And I saw
13 the commandant of a coast guard of a nation that we deal with
14 frequently and I did not expect to see him in Newport because he
15 is from a country that does not have a defense force.

16 And I walked up to him and I said "what are you doing
17 here? He said, "I was allowed to attend this meeting with the
18 support of my government because your name is on the document."
19

20 We had several coast guards represented at the
21 International Sea Power Symposium that would not have been there
22 absent the apparent collaboration of the Navy, the Marine Corps

1 and the Coast Guard. And I have received extensive comments
2 with the many coast guard we deal with around the world fully,
3 fully backing the concepts behind the strategy, the
4 inclusiveness and the fact that it reaches far beyond some
5 countries where they are not constituted with a defense
6 department the way we are.

7 And it is very, very interesting because I have had
8 this conversation with several senior naval leaders and you talk
9 about strategy and engagement, shaping phase zero operations,
10 whatever you want to call it, there was no one size or shape for
11 a coast guard around the world. And they don't report to the
12 same departments or ministries. And so you have trouble putting
13 them in boxes. But the need to reach out to those
14 organizations, wherever they are, is extremely important.

15 And to give you an idea, if you were to go to the
16 Arabian Gulf right now, most of the coast guard type
17 organizations around there report to the ministry of the
18 interior. And if you look at engagement and how we do for
19 military sales, whatever we do as a country, it usually focuses
20 on mil to mil or issues relating to the State Department and
21 their official role.

22 And if you want to get to one of those organizations as

1 part of the global partnership initiative, thousand ship navy
2 and things like that, we are going to have to reach
3 organizational structures that are hard to reach under current
4 doctrine, current practices and current law.

5 If you were to go up to the Baltic area, you would find
6 that most of the coast guard-like organizations up there work
7 for the border guards in the country because that is the Soviet
8 model. And, quite frankly, my counterpart in Russia right now
9 is the head of the Russian border guard.

10 In other places where there is absolutely no defense
11 establishment, they might report to the ministry of justice and
12 in other places they are part of the Navy or part of the defense
13 establishment.

14 It represents a challenge moving forward as far as
15 executing the strategy overseas. And what I intend to do is use
16 the relationships that we have established in the Coast Guard as
17 a conduit or a way to link into other networks that were
18 unreachable before in terms of maritime strategy. And let me
19 give you two examples related to that.

20 About eight years ago we established something called
21 the North Pacific Coast Guard Forum. And, actually, this was at
22 the behest of our neighbors in the Pacific Rim, most notably

1 Japan.

2 The North Pacific Coast Guard Forum involves the United
3 States, Canada, Russia, Japan, South Korea and China. And this
4 year we had our eighth annual meeting that was hosted by the
5 Russians in St. Petersburg a year ago. It was hosted by the
6 Chinese on Hainan Island.

7 And as a result of these collaborations in a very low
8 barrier to entry, again, evoking the thousand ship navy
9 construct, we have been able to do operational coordination,
10 establish plans for exercises and multilateral operations for
11 the following summer.

12 And what we do is this is a very low barrier to entry,
13 low overhead type organizational structure. Whoever hosts the
14 meeting the following year is the executive secretariat. That
15 is it. We schedule a subject matter experts meeting halfway
16 through and then the intent of our meeting is to schedule
17 exercises and multilateral operations.

18 And here is how it played out in the Pacific last year.

19 As a result of our discussions at the Coast Guard Pacific
20 Forum, we initiated a high seas drift net and unregulated and
21 unlawful fishing effort in the middle of the Pacific this last
22 summer. It included MPA support from Japan and Canada and use

1 of a coast guard cutter who had made a port call in Shanghai and
2 then embarked a Chinese ship.

3 As a result of that, we were able to detect fishing
4 vessels who were engaged in illegal, unreported fishing. We
5 were able to use the Chinese ship rider on board as a linguist
6 and actually taken enforcement action against Chinese vessels
7 who were illegally fishing, direct those vessels to port for
8 follow-up action with the Chinese government. Again,
9 facilitated by the Coast Guard liaison officer that we had
10 posted in the embassy in Beijing, China.

11 We will host the forum next year. The mid-term meeting
12 will be in Seattle and I will host the other nations in San
13 Francisco next summer.

14 Based on the success of the Pacific Forum, we proposed
15 that an Atlantic forum might be equally important. And this
16 year we had the inaugural meeting of the North Atlantic Coast
17 Guard Forum, eighteen countries, much more complex and a little
18 different, not a carbon copy, hosted by the Swedes in Stockholm
19 in October.

20 The second meeting will occur next year. It will be
21 hosted by the Danes and it will be in Greenland. And it will
22 focus on Arctic policy and issues related to response in high

1 latitude areas. And I will talk about that in a minute.

2 Another indication of the power of these forums, as you
3 know, they had catastrophic oil spill off South Korea not long
4 ago. We were able through our established relationship with the
5 government of South Korea and our Coast Guard officer that is
6 posted to Seoul to offer and have accepted the ability to send
7 experts over to consult with them on their oil spill response
8 from our national strike force.

9 These are the ways that this maritime strategy has been
10 enhanced and the ability of the Coast Guard to give it life and
11 legs and get into corners and nooks and crannies of this world
12 where we may not have been able to operate before.

13 On the other hand, we continue to be very strong
14 partners with the Navy and the Marine Corps moving forward. We
15 had Coast Guard corpsmen deploy with the Comfort in the south
16 com AOR in their recent mission.

17 We continue to collaborate on a daily basis with the
18 Navy regarding counter-drug patrols in the Caribbean and the
19 Eastern Pacific. And I would have to add that with the
20 population and the representation we have the room here, we were
21 able to announce just at the end of the calendar year that we
22 set a record last fiscal year in cocaine seizures, 160 tons of

1 cocaine interdicted before it could get to Mexico and cross the
2 border into this country.

3 That would not have been possible absent the support of
4 the United States Navy and our ability to operate Coast Guard
5 law enforcement detachment off of grey hulls, extending our law
6 enforcement authorities and reach into the deep Caribbean.

7 And we are, again, very successful in this new year.
8 But we are finding there is no end to the opportunities for us
9 to collaborate. The Coast Guard and the Navy have never been
10 closer together.

11 Another example is the current collaboration with our
12 newly stood up deployable operations group, which is the way we
13 are managing our deployable specialized forces in the new Naval
14 Expeditionary Command.

15 We see great synergies moving ahead there. We continue
16 to talk, exchange advisors and work together.

17 Let me shift to another issue related to maritime
18 strategy, but in a place you may not think about. And I have
19 already had this discussion in several forums throughout the
20 area here in Washington over the last year, and that is the
21 Arctic.

22 It is time to have a national discussion about the

1 Arctic. It is time to establish whether or not we have national
2 security requirements there. It is time to talk about
3 sovereignty issues related to the Arctic. And it is time to
4 establish a US policy on what we intend to do there.

5 And a more ice-free Arctic whether you subscribe to the
6 notions of climate change or not is irrelevant to me at this
7 point, because I have water where I have to cover with Coast
8 Guard missions where I didn't have water before.

9 So, I will let the experts argue about the science
10 associated with it. All I know is that there is an emerging
11 requirement for us to operate in high latitudes further away
12 from our operating bases and harsher environments, search and
13 rescue, oil spill response, potential for fisheries enforcement
14 as water temperatures change and fish stocks move north,
15 increased transits to the Bering Strait, creating the potential
16 for the need for traffic separation schemes.

17 The largest zinc mine in the world being north of the
18 Bearing Straight, the Red Dog Mine, potential to operate 365
19 days a year.

20 There are 18 oil exploration vessels that are queued up
21 pending court action to go up and start looking at the areas off
22 the north slope of Alaska.

1 And in three previous years the Coast Guard Cutter
2 HEALY strength and research vessel has been doing research for
3 the National Science Foundation, NOAA and others to collect data
4 that might be the source for a US claim to extend our
5 continental shelf limits beyond the 200 mile limit to take
6 advantage of the oil and gas reserves that are up there.

7 That sounds to me like a cause for action and a good
8 enough cause to have a wake up call and a discussion in this
9 country.

10 We are taking steps right now as we see where the US
11 policy is going to go in relation to the Arctic to take a look
12 at our ability to operate up there and sustain presence.

13 We have made several Arctic domain awareness flights
14 with our aircraft up there to test operations. Right now, at
15 least to my knowledge, the only C-130s we have with heated fuel
16 tanks and skis are the Air Force Reserve units that support
17 operations from McMurdo Sound to the South Pole to re-supply
18 down there. And that is done with a reserve unit.

19 We found out by flying a C-130 to the North Pole last
20 year that when you start approaching minus 40 degrees, the fuel
21 starts to get hard and we came very close to the parameters, it
22 would have turn-back on that trip. But we ultimately B I

1 actually got the plane to the North Pole and back.

2 This coming summer, Admiral Gene Brooks, the Commanding
3 Officer of the 17th Coast Guard District will deploy some units
4 up there as a beta test for how our current capabilities operate
5 in those harsher environments, including small boats, some
6 cutters and some helicopters.

7 We will be sending a buoying tender up through the
8 Bearing Straights to take a look at vessel traffic issues up
9 there, (inaudible) in navigation and do waterways assessments.
10 Folks, there is not a lot of buoyage north of the Bearing
11 Straights right now.

12 The goal would be in the next year or so to develop a
13 baseline of how well our current capabilities and capacities are
14 able to interact up there and sustain presence as a prelude to
15 whatever policy discussion comes about on what we need to do in
16 the Arctic.

17 Following that, the next big issue will be what to do
18 with the ice-breaker fleet for this country. National Academy
19 of Science's report a year ago indicated that we needed three.
20 We have three. One is an ice strength and research vessel, the
21 Coast Guard Cutter HEALY. The other two are the Polar Sea and
22 the Polar Star. Heavy duty icebreakers, capable of continuous

1 operation in six feet of ice and backing and ramming to twenty-
2 one feet.

3 Significant conventionally powered ice-breaking
4 capability. But compared to our Arctic neighbors up there that
5 have seven, eight, nine, ten and up to almost twenty ice-
6 breaking vessels. We are thin in ranks in ice-breaking
7 capability.

8 One of the significant issues that I need to deal with
9 in my remaining two years as Commandant is to frame a national
10 policy discussion and a way forward regarding not only policy,
11 national security issues related to the Arctic or to the
12 sovereignty and the presence issues we need to deal with there.

13 And then does that provide a basis for making future decisions
14 on the status of our polar ice-breakers?

15 Let me finish with a couple of comments related to
16 policy. And I would be glad to take some questions.

17 It is hard to talk about the Arctic and potential
18 claims beyond the Continental Shelf without talking about the
19 law of the sea. Any claims that are going to be made beyond the
20 200 mile exclusive economic zone for sovereignty over the seabed
21 resources, and you have the potential under the law of the sea
22 to claim out to 350 miles, depending on taking sediment samples

1 and establishing that is a true extension of your Continental
2 Shelf, that will all be done under the current criteria and
3 adjudication tribunals that are contained in the Law of the Sea
4 Treaty.

5 Russia, as you know, is making extensive use of
6 research vessels up there to support a claim. There is a
7 potential for us to claim extensive areas north of our EEZ off
8 the north slope of Alaska.

9 I believe moving forward the time has come for the
10 ratification of this treaty. I know it has been discussed. I
11 know they are still ready to but haven't brought it to a vote on
12 the Senate.

13 I just want to make it clear from where I stand as the
14 Commandant of the Coast Guard we need to ratify this treaty.
15 Not just because of the Arctic. I will give you one good
16 example and we can go to questions. This last November I led
17 the US delegation of International Maritime Organization.

18 One of the things we really wanted to achieve, and this
19 was coordinated back through the inter-agency, the Joint Staff,
20 the entire federal government was to achieve a resolution from
21 the International Maritime Organization regarding coastal and
22 flag state responsibility for piracy issues.

1 At the same time, we were dealing with a number of
2 incidents off the coast of Somalia. We were successful in
3 drafting language and passing a resolution at the IMO calling
4 for greater coastal state and flag state import state
5 involvement in resolving piracy issues.

6 And we saw that immediately after that meeting, there
7 was some movement now by the nations in and around the east
8 coast of Africa and the Indian Ocean to come together in a
9 coalition or alignment to deal locally with forces from the
10 countries that are there to deal with the piracy issue.

11 But I have to tell you, it is a little embarrassing as
12 the Commandant of the Coast Guard to go up there and put forward
13 that resolution and defend it, be successful in getting it
14 passed in that international forum and all the criteria and the
15 basis for that resolution were elements that were contained in
16 the Law of the Sea Treaty and to have the secretary general of
17 the IMO remind me of that. I would rather not go back to IMO
18 and have to have that same situation again.

19 I would be glad to take your questions.

20 APPLAUSE