

**TESTIMONY OF
ADMIRAL ROBERT J. PAPP, JR.
COMMANDANT, U.S. COAST GUARD**

**On USCG FY 2013 BUDGET BEFORE THE HOUSE APPROPRIATIONS
COMMITTEE, SUBCOMMITTEE ON HOMELAND SECURITY**

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Good morning Chairman Aderholt, Ranking Member Price, and distinguished members of the Committee. It is my honor to appear before you today to testify regarding the Coast Guard's Fiscal Year 2013 Budget.

On behalf of the more than 40,000 Coast Guard men and women who are standing the watch – protecting our maritime and homeland, I want to thank the committee for its stalwart support of our resource needs, including your recent support for our FY 2012 Budget.

For 222 years, the Coast Guard has faithfully served the Nation. We have weathered many storms – we've adapted to operate in times of peace and conflict, and, continually responded to meet emerging maritime challenges.

Today is no different. Coast Guard men and women are confronting a diverse array of maritime threats:

- (1) transnational smuggling and illegal fishing on the high seas;
- (2) increasing human activity driven by the economic opportunity of an ice-diminished Arctic ocean; and,
- (3) the scourge of piracy— which is an ancient form of terrorism that harkens back to the days of sail . . . to name a few.

Just this past weekend, the Coast Guard Cutter Northland was on patrol when its embarked helicopter sighted a vessel with three outboard engines and numerous bales visible on deck. The go-fast vessel refused to stop – even after the helicopter fired warning shots – the helicopter gunner then fired into the go-fast's engines to disable it. Cutter Northland's boarding team recovered 1,600 kilos of pure cocaine . . . worth an estimated street value of \$42 million dollars.

Contrast this situation to when cocaine makes it ashore – it is broken down into much smaller loads for transport and sale – this makes it significantly harder for land-based law enforcement to interdict – And, as it travels, it creates a cascading wave of destabilization, crime and social harm that spills across our Southern borders, and into our streets.

As you can see, illicit trafficking is just one of many maritime threats our Nation is facing. If we do not have the tools to confront these threats, they will pose significant risk to America's economic prosperity . . . this is why responsibly rebuilding the Coast Guard – and providing our hard working Coast Guardsmen with the tools they need to do their job – remains my top budget priority.

The good news is that since 9/11, because of your support, we've taken numerous steps to mitigate risk in our ports, on our inland waterways and off our coasts.

We've invested in more small boats, more capable aircraft and more personnel to operate them.

We've also deployed the Rescue 21 distress communication system throughout most of the continental United States, including the Great Lakes.

We've unified our field operations through the creation of Sector Commands to fully integrate and leverage our prevention and response activities.

We've enhanced our regulatory, inspection and compliance programs and we've built-out a highly effective deployable specialized force capability.

We've also strengthened our partnerships with the many federal, state and local agencies we operate alongside.

And, while there will always be more work to do, in my 38 years of service, I'm proud to say that our Shore, Boat, and Patrol Boat forces are in the best shape I've ever seen.

But, back to the Cutter Northland . . . the condition of our offshore forces – especially our major cutter fleet – is a much different story.

Despite the best efforts of our crews – and the support from this Committee – the state of our major cutter fleet – most of which is in excess of 40-years old – is deeply concerning. Our legacy high endurance cutters are only achieving 70% of their programmed underway hours – and, more than 50% of the time they are sailing with major debilitating casualties.

Compounding this challenge is that the U.S. Navy, whom we partner with to patrol offshore regions like the transit zone, is also reevaluating its fleet size and patrol commitments. Naval ships such as the Perry Class Frigates – which are critical to the counter-drug mission – are leaving service.

This is also cause for concern – because the key to interdicting threats offshore is maintaining a persistent presence. If we do not have major cutters that are capable of operating independently in the transit zone, we cannot mount a response. It's that simple.

Last year, almost 790 metric tons of cocaine moved through the Western Hemisphere Transit Zone. But, despite having actionable intelligence almost once a week that drugs were “on the water” we lacked an available major cutter to disrupt and interdict these smugglers!

Other maritime threats are also on the rise. The expanding global population is placing pressure on our fish stocks and increasing the demand for fossil fuel. As a maritime nation, and as an Arctic nation, we require major cutters to patrol and ensure the stewardship of these and other deep sea resources.

This is why we must continue to build major cutters – such as the 6TH National Security Cutter (in this budget) as quickly as possible -- I am extremely grateful to the Secretary for her support.

Doing so also lowers our costs – maintaining momentum is what allowed us to put National Security Cutter 4 and 5 on contract for nearly the same price.

There are at least two others reasons for our recent acquisition success: (1) your strong support; and, (2) our highly capable acquisitions workforce – today, we are poised to build ships and aircraft like never before.

And, many of our acquisition programs are mature – we've overcome learning curves – taken advantage of opportunities – and we're reaping the benefits of refined production processes and trained builders. In order to deliver our new assets as fast and inexpensively as possible, we must keep these production lines running.

Beyond major cutters, we have also delivered the first Fast Response Patrol Boat, and we have 11 more on order . . .

We've delivered 13 Maritime Patrol Aircraft – the last two arrived ahead of schedule, and we've also delivered 83 Response Boats.

The ships and aircraft we are building today will define the Coast Guard's capability for the next 50 years . . . the capability we need to remain true to our motto – Semper Paratus – Always Ready – as we enter our 3rd century of service to the Nation.

Thank you for the opportunity to testify before you today. I look forward to answering your questions.