



U.S. House of Representatives
Committee on Transportation and Infrastructure

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Washington, DC 20515

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March 22, 2012

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The Honorable Hal Rogers
Chairman, House Committee on Appropriations
H-307, The Capitol
Washington, D.C. 20515

Dear Chairman Rogers:

We are writing to respectfully request you consider our views and recommendations concerning the President's FY 2013 budget request for the United States Coast Guard.

We note this is the first time in over a decade that a President has requested a reduction in funding for the Coast Guard. We are very concerned that President Obama's reckless cuts to the Service will leave it unable to successfully perform its critical missions and we urge you to reject them. Instead we recommend an amount consistent with the level authorized in H.R. 2838, the Coast Guard and Maritime Transportation Act of 2011 to carry out Coast Guard missions in FY 2013. H.R. 2838 passed the House of Representatives by voice vote on November 15, 2011.

Acquisitions, Construction, and Improvements (AC&I)

The President's budget requests \$1.19 billion for Coast Guard capital acquisitions in FY 2013, a cut of \$271 million (or -18.5 percent) from the FY 2012 enacted level. We strongly oppose President Obama's proposal to slash this account. These cuts threaten the ability of the Coast Guard to protect lives and property, defend our borders, and secure our ports, waterways, and coasts. We support funding AC&I at \$1.5 billion, the amount authorized for FY 2013 in H.R. 2838, and the amount appropriated in FY 2011.

Vessels

Response Boats-Medium (RB-M): We oppose the termination of funding for the Response Boat-Medium (RB-M) procurement. The Coast Guard's program of record for this procurement calls for the acquisition of 180 RB-M's to replace the aged, slow, and obsolete 41 foot utility boat. To date, funding has been secured to acquire 166 RB-Ms.

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Without continued funding, the Service will suffer readiness gaps in its small boat fleet which could undermine search and rescue mission effectiveness. The Service has sufficient funds to maintain full RB-M production through FY 2013, but we encourage you to urge the Coast Guard to seek the additional funds necessary in FY 2014 to complete the 180-boat program of record for the RB-Ms.

Fast Response Cutter (FRC): We greatly appreciate your actions to provide funding for six FRCs in FY 2012 and strongly oppose the Administration's flagrant disregard of Congressional direction in its FY 2013 request. We strongly oppose the President's request to withhold up to \$139 million provided by Congress in FY 2012 to construct six new Fast Response Cutters (FRC) and instead use that funding in FY 2013 to construct four FRCs. The delay in acquisition of this critically needed asset is unacceptable. We support funding for the construction of six FRCs in FY 2012, as well as FY 2013.

RB-Ms and FRCs: The Coast Guard went through extensive processes to select the RB-Ms and the FRCs, and further exhaustive processes to determine the number of those assets needed to carry out Coast Guard missions. The FY 2013 budget request would not implement those plans.

Medium Endurance Cutters (WMEC): We are very concerned with the failure of the Administration to provide for the continued sustainment of the 210 foot and 270 foot Medium Endurance Cutters (WMEC). The Administration proposes to terminate funding for the WMEC Mission Effectiveness Project (MEP) in 2014. The MEP project is intended as a bridging strategy for the WMEC fleet until it is replaced by the Offshore Patrol Cutter (OPC). However, no OPC design has been selected and construction of the first OPC is still years away. Under the most optimistic scenario, the Service does not expect to receive the first operational OPC until 2018 and does not expect to complete the acquisition until the mid 2030's. In the interim, the Coast Guard has no plans to continue to ensure the viability of the WMEC fleet.

We support an appropriation of \$5 million to conduct a WMEC condition survey and provide Congress a plan to ensure the WMEC mission effectiveness until the long-delayed OPCs come online. We have all seen the results of the Coast Guard's failure to implement a mission effectiveness program for the High Endurance Cutters as they waited for the National Security Cutter (NSC) to come online. We should not allow the Service to reenact that scenario.

National Security Cutter (NSC) and Circular A-11: We remain stridently opposed to President Obama's policy to keep capital acquisition funds sitting idle for years rather than spending those funds for much needed capital improvements. This reduces the number of newer, more capable assets available to carry out Coast Guard missions, such saving lives and preventing drugs and illegal migrants from entering the country. Pursuant to Circular A-11, OMB is requiring the Coast Guard to have funds available not only to cover the cost of construction, but also the cost of post production activities before entering into a production contract for NSC #6. We appreciate the

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language you included in the FY 2012 Consolidated Appropriations Act enabling the Coast Guard to enter into a contract for long lead time materials for NSC #6 and respectfully request the inclusion of language in the FY 2013 bill to enable the Service to enter into a production contract without the appropriation of funding for post production activities. The Service is requesting \$72 million for post production activities on NSC #6 in FY 2013, funding that will not be spent in FY 2013. Instead of allowing the requested \$72 million to lie fallow for three years, we urge you to use those funds to fill the unrequested shortfalls in Coast Guard acquisitions that we have pointed out.

Polar Icebreaker: We support the request for \$8 million to begin design work on a new POLAR class icebreaker. We are concerned the Administration proposes to fund the full cost of the icebreaker through the Coast Guard's budget. The tremendous production costs of an icebreaker could consume critically needed funding for the Service's recapitalization of other vital assets. Therefore, we support efforts to require the Administration to present Congress with a plan for other Federal stakeholders in the Arctic mission to provide funding for this important acquisition.

Aircraft

HH-60: We are opposed to the Administration's decision to terminate funding for upgrades to the HH-60 helicopter fleet. The Service had planned to make critically needed upgrades to the helicopter's search radar sensor system to improve the asset's ability to conduct search and rescue. We support \$9.5 million to continue these vital upgrades.

We encourage you to provide \$40 million for the acquisition of two HH-60 helicopters from the U.S. Navy's Sundown program and missionize them as the Service has done successfully in the past.

C27-J: We support the Coast Guard undertaking a business case analysis of whether to accept C-27J cargo aircraft from the Air Force and missionize them for Coast Guard use. We support any effort with the potential to provide the Coast Guard with a Marine Patrol Aircraft that meets the Service's mission needs requirements at reduced costs to the taxpayer.

Shoreside Facilities

The President requests \$15 million for renovation and improvement of shore facilities in FY 2013, \$97.9 million (or -86.7 percent) below the FY 2012 enacted level. We strongly oppose this drastic reduction in funding. The Coast Guard currently has a backlog of over 35 prioritized shore facility improvement projects with an estimated combined cost of over \$540 million. Included in that list are several projects intended to renovate dilapidated servicemember housing. We are very concerned with the state of Coast Guard servicemember housing and urge the Service to complete its analysis of housing needs as soon as possible. We support \$100 million for infrastructure improvement and projects to improve housing as was enacted in FY 2012. These funds

would create construction jobs, enhance the Service's ability to successfully conduct its missions, and meet the long-term needs for Coast Guard servicemember housing in high cost and remote areas where private sector housing alternatives are limited.

Operating Expenses (OE)

The President requests \$6.79 billion for Coast Guard operating expenses, an increase of \$36 million (or 0.5%) over the FY 2012 enacted level. We recommend funding Coast Guard operating expenses at \$6.92 billion, the level authorized for 2013 in H.R. 2838. These funds are necessary to protect property and human life, defend our borders against drug and migrant smugglers, and secure our ports, coasts, and waterways against terrorists.

Overseas Contingency Operations: The budget request for OE does not include \$254.5 million for Overseas Contingency Operations, which the Administration proposes to appropriate to the Department of Defense (DoD) in FY 2013 and then make available to the Coast Guard. We recommend this funding continue to be appropriated directly to the Coast Guard to provide more accurate accounting of the resources available to the Service to carry out its missions. Doing so would raise OE to \$7.18 billion.

Military Pay Raise: We strongly support the 1.7 percent pay raise for Coast Guard military servicemembers included in the FY 2013 budget request. The same amount is requested for DoD military servicemembers.

Reduction in Military Personnel: We oppose President Obama's misguided request to cut over 1,000 servicemembers from the Coast Guard, including servicemembers engaged in critical frontline operations such as intelligence gathering and airborne use of force operations. We note the Coast Guard continues to struggle to meet mission performance goals due to a lack of adequate resources. We fail to see how a reduction in the size of the force will enable the Coast Guard to continue to successfully conduct its critical missions such as protecting life and property, defending our borders against drug and migrant smugglers, and securing our ports, coasts, and waterways against terrorists.

110ft Patrol Boats: We strongly oppose the President's hasty request to decommission three 110 foot patrol boats while also terminating the Patrol Boat High Tempo High Maintenance (HTHM) Operations. In Florida and other coastal areas, these patrol boats protect property and human life, defend our borders against drug and migrant smugglers, and secure our ports, coasts, and waterways against terrorists. We should not reduce their operating hours. The Coast Guard is currently operating 103,000 hours short of its patrol boat mission hour needs. The Service estimates the termination of HTHM operations and the decommissioning of three 110's will increase the current patrol boat mission hour shortfall by 17,000 hours. We are very concerned with any request that would exacerbate existing gaps in the Service's mission readiness.

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HH-65s and HH-60s: We strongly oppose President Obama's request to remove from service three recently upgraded HH-65 helicopters, as well as the reassignment of two HH-60 helicopters currently assigned to drug interdiction in the Caribbean and one HH-60 primarily tasked with a tactical port security mission. As stated above, we request you provide \$40 million to acquire two HH-60 helicopters from the U.S. Navy's Sundown program and missionize them as the Service successfully done in the past.

Reserve Training

The President requests \$132.5 million for training of Coast Guard Reserve personnel in FY 2013, a \$1.7 million (or -1.2 percent) decrease over the FY 2012 enacted level. We recommend funding for this account at \$138 million, the level authorized for FY 2013 in H.R. 2838. Reserves have been called up frequently in the last several years. Most notably, call ups have occurred to respond to 9/11, Katrina, the Haiti earthquake and the DEEPWATER HORIZON oil spill. It is imperative to keep reservists adequately trained to respond to such emergencies.

Environmental Compliance and Restoration (EC&R)

The President requests \$13.1 million for environmental compliance and restoration in FY 2013, \$338,000 (or -2.5 percent) less than the FY 2012 enacted level. We recommend funding for this account at \$16.6 million, the level authorized for FY 2013 in H.R. 2838. The Coast Guard currently has a backlog over 400 environmental cleanup projects with an estimated combined cost exceeding \$185 million.

Research, Development, Testing and Evaluation (RDT&E)

The President requests \$19.7 million for RDT&E in FY 2013, \$5 million (or -29 percent) from the FY 2012 enacted level. We support funding this account at \$19.8 million, the amount authorized for FY 2013 in H.R. 2838.

We request that you provide \$1 million to allow the Coast Guard to continue efforts to review existing Unmanned Aircraft Systems for possible future acquisition, or joint use with other agencies.

DHS Headquarters Consolidation

We remain very concerned with how the effort to consolidate the Department of Homeland Security's headquarters at the St. Elizabeths Hospital site in Anacostia is affecting front line operations of the Coast Guard. We note the \$24.5 million increase above the baseline requested in the Coast Guard's budget to support the transition of its headquarters to St. Elizabeths would be better spent on the Service's front line operations or acquisition programs.

Since funding to move the Coast Guard has already been appropriated, we feel the best strategy to mitigate against further increases in the Services' administrative overhead

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would be to move forward with the next phase of the Department's planned consolidation and ensure other DHS agencies are present at St. Elizabeths to help defray costs to support the campus. As such, we support the Administration's request of \$89 million to construct interchange improvements at I-295 and Malcolm X Boulevard. In addition, we support sufficient funds to complete construction of DOC-B and renovation of the Center Building for the Secretary. Construction of DOC-B and renovation of the Center Building would consolidate the Department's core operational command structure in a single location, the project's highest priority. It would also make better use of taxpayer dollars already expended for extensive infrastructure investment at the site, and more efficiently spread the cost shared servers over a greater number of users.

Before taking any further steps in the consolidation of the department at St. Elizabeths beyond the construction of DOC-B and renovation of the Center Building, we would urge you to consider reductions in the scale and size of DHS agencies' Washington-based bureaucracies.

Thank you for your consideration of our views on the FY 2013 Coast Guard Budget.

Sincerely,



John L. Mica
Chairman
Committee on Transportation
and Infrastructure



Frank LoBiondo
Chairman
Subcommittee on Coast
Guard and Maritime
Transportation