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STATE OF THE COAST GUARD: ENSURING MILITARY, NATIONAL SECURITY, AND ENFORCEMENT CAPABILITY AND READINESS

HEARING

BEFORE THE

SUBCOMMITTEE ON OCEANS, ATMOSPHERE, FISHERIES, AND COAST GUARD

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

MARCH 22, 2017

Printed for the use of the Committee on Commerce, Science, and Transportation

U.S. GOVERNMENT PUBLISHING OFFICE

26–595 PDF WASHINGTON : 2017

For sale by the Superintendent of Documents, U.S. Government Publishing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
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ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

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STATE OF THE COAST GUARD: ENSURING MILITARY, NATIONAL SECURITY, AND ENFORCEMENT CAPABILITY AND READINESS

WEDNESDAY, MARCH 22, 2017

U.S. SENATE,
SUBCOMMITTEE ON OCEANS, ATMOSPHERE, FISHERIES, AND COAST GUARD,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:30 p.m. in room SR–253, Russell Senate Office Building, Hon. Dan Sullivan, Chairman of the Subcommittee, presiding.

Present: Senators Sullivan [presiding], Peters, Inhofe, Cantwell, Wicker, Hassan, Schatz, Nelson, Cruz, Booker, Fischer, Gardner, and Young.

OPENING STATEMENT OF HON. DAN SULLIVAN, U.S. SENATOR FROM ALASKA

The CHAIRMAN. The hearing will come to order. The Subcommittee is meeting today to review the state of current Coast Guard missions, manpower, resources, acquisitions, and budgetary needs. And I'm honored to be here with my colleagues on both sides of the aisle. This is my first hearing as the Chairman of the Subcommittee with my colleague and friend, Senator Peters, as the Ranking Member, and I look forward to working with him and members of both sides of the aisle here I think on an issue that is very bipartisan, and that's the U.S. Coast Guard.

As you know, Admiral Zukunft, our main witness today, I certainly have a great appreciation for the work the Coast Guard does in Alaska and for the country. And it's an honor to have you here, and it's an honor for you to represent the men and women of the Coast Guard, and please, please pass on to them the appreciation from this committee on the exceptional work that they're doing.

Maritime security and safety are issues of national security and are central to economic prosperity. Global stability is dependent on safe and unfettered access to the maritime domain. Congress has given the Coast Guard a wide range of missions, from search and rescue, icebreaking, and marine environmental protection to port security, drug interdiction, international crisis response, and readiness to support the Department of Defense in its operations.

With such an integral role in national and global stability, it should not be overlooked by members of this committee or by the Trump administration that the Coast Guard is the fifth branch of

the armed services. By securing our maritime boarder, the Coast Guard acts as the front line of defense for our homeland.

The Coast Guard combats transnational criminal organizations at the points of origin by pushing cutters and resources to intercept drugs and human smugglers off of foreign shores prior to threats even getting close to our shores. The Coast Guard supports U.S. forces in Iraq and Afghanistan. And that is why today I would like the members of this committee, many of whom I also serve with on the Armed Services Committee, to think about these issues as much as you would from a Commerce Committee perspective as well as an Armed Services Committee perspective.

As the Coast Guard balances the wide range of public safety, stewardship, and national security missions, these missions do not remain static. Challenges for the Coast Guard, threats to our Nation, are emerging whether those are terrorism, drug trafficking in the Caribbean Basin and Central America, and overseas contingency operations continually demand more of the Coast Guard.

The mission requirements are also expanding in my home state of Alaska. The area of responsibility assigned to Coast Guard units within Alaska's waters is the largest in the Nation and encompasses an area over three and a half million square miles. We have a little map, the blue, and the Great Lakes, of course, Senator Peters, are indicative of what the Coast Guard has to cover, and that is a lot, a lot, of territory.

There is heightened interest in the Arctic with the region's future resource development, increased transportation, maritime traffic, resource development, and fisheries management. Commandant, as you know, just in 2010, the Panamanian-flagged shipping vessel the Nordic Barents sailed through the Northern Sea Route from Norway to China. It saved almost 18 days from the normal Suez Canal route, and that's $300,000 just in fuel savings. Since then, there has been a continuous and increasing amount of activity in the Arctic in the Northern Sea Route. Just this past summer, the cruise ship *Crystal Serenity,* with more than 1,700 passengers onboard became the largest commercial cruise ship ever to navigate the Northwest Passage from Alaska over to New York.

America is lagging behind other countries when it comes to our ability to protect U.S. interests in the Arctic. I will have questions for you, sir, on what the Russians are doing in the Arctic and what we are trying to do there.

I also want to make sure we talk about the assets of the Coast Guard. The National Security Cutter, the NSC, will be an asset in the Arctic region, but also throughout the country, as it has proven its operations in other theaters. The expanded capabilities of the NSC have had dramatic results in our fight against transnational criminal organizations, in the drug transit zones of the Caribbean and Eastern Pacific. The Coast Guard cutter HAMILTON secured 26 metric tons of cocaine worth over $760 million just on its maiden voyage. I look forward to its continued success and continued delivery of all nine of these high-performance vessels.

As has been reported, the pre-decisional funding guidance we heard from OMB during formation of the President's budget contained a significant proposed cut in the Coast Guard. A number of us worked together—Senator Cantwell, myself, several other mem-

bers of this committee—to address this to OMB and let them know what we thought of the importance of fully funding the Coast Guard. Ultimately, the proposed budget provides discretion to the Department of Homeland Security to allocate its department-wide budget in a manner of its choosing, and I am confident that Secretary Kerry—Kelly—excuse me, sorry about that—will be a strong supporter of the Coast Guard given his previous position as the commander of the Southern Command.

This Subcommittee has a great deal of work to do to ensure that the Coast Guard is properly resourced to fund its priorities, modernize its assets, and successfully execute its mission.

Admiral, we look forward to your testimony. I hope this hearing is able to focus attention on the mission demands placed upon the Coast Guard, and the value the service provides to the national security, national defense, and homeland security, and prosperity of this Nation.

Thank you. And I recognize Ranking Member Peters for his opening statement.

STATEMENT OF HON. GARY PETERS, U.S. SENATOR FROM MICHIGAN

Senator PETERS. Well, thank you, Mr. Chairman, and a pleasure to serve with you in this Congress, so I look forward to having many hearings and much work to do going forward. It's wonderful to have the first hearing of the Subcommittee to be with the Coast Guard, which, of course, plays a critical role in ensuring maritime safety and the security of our Nation. And I want to thank you, Admiral Zukunft, for being here today and joining us for this hearing.

My home state of Michigan is a coastal state. Michigan has the longest freshwater coastline in the United States, and it has more coastline than any other state in the country with the exception of Alaska, so——

The CHAIRMAN. I'm glad he clarified.

[Laughter.]

Senator PETERS. Michigan also has the second most boat registrations of any state in the Nation. And I think we might have a better shot of taking that number one spot than the number one spot for coastline. That's probably fairly fixed.

The citizens of Michigan depend on a healthy, secure Great Lakes system for clean drinking water, sustainable fisheries, recreation and tourism, navigable waterways to support a very robust maritime economy, and safe, secure borders with our friends to the north in Canada. The Great Lakes support more than a half a million jobs and supply the drinking water for 40 million people.

The 6,000 men and women who make up the Coast Guard District 9 serve selflessly to ensure that the lakes remain Michigan's second most important asset, next to our people. The Coast Guard is absolutely essential to making the Great Lakes accessible, clean, and safe for both commercial and recreational purposes alike.

I've had the chance to visit a number of Coast Guard stations in Michigan, including Harbor Beach, Traverse City, Sheboygan, and Detroit, with Senator Nelson, just to name a few. And people in these towns, I will tell you, truly value and cherish the Coast Guard presence in their communities. In fact, this appreciation for

the Coast Guard's critical role in the Great Lakes is largely because the Coast Guard has long been an integral part of these very tightly knit communities. Grand Haven, Michigan, in fact, is proud to hold the distinction of being the only city officially designated "Coast Guard City USA," and that's a testament to the close ties and affection our coastal communities hold for the Coast Guard.

The Coast Guard's reputation as a "can do" service that stands always ready to do what we ask of it of course extends beyond our Great Lakes communities to communities all across the Nation and across the world where the Coast Guard operates professionally on every continent and every theater of U.S. conflict as well. Day in and day out we hear stories of fantastic work of our Coast Guard women and men and what they are doing.

But you are forced to meet these and other mission demands with an aging fleet of cutters and aircraft. And I find reports of the Trump administration's plan to cut the budget of the Coast Guard by as much as 14 percent to be troubling and disconnected with the value of this unique military service. The Coast Guard's 210-foot medium endurance cutters are roughly 50 years old, and some of the Coast Guard's C–130 planes are almost as old and facing troubles with reliability.

In addition, in recent years, the Great Lakes have seen record levels of ice cover threatening the uninterrupted movement of commercial shipping, so vital to not only Michigan's economy, but the entire country's economy. And without continuous heavy icebreaker support in the winter months provided by the Coast Guard, we would be in trouble.

The Coast Guard stands ready to respond to threats to the environment as well. For example, you are charged with responding to oil spills in the Great Lakes from pipelines and other forms of transportation.

But given this myriad of tasks we ask of the Coast Guard, I believe that now is the time to increase the Coast Guard's budget, not to cut it, particularly to advance the acquisition of new ships and aircraft to enable the Coast Guard to perform reliably and effectively. If there are other things that Congress can do to keep you always ready, please let us know today. We look forward to hearing your comments.

So I would like to thank you, Admiral, as well as all of the men and women of the Coast Guard, for your continued excellent service to the country. We look forward to your testimony.

[The prepared statement of Senator Peters follows:]

PREPARED STATEMENT OF HON. GARY PETERS, U.S. SENATOR FROM MICHIGAN

Thank you, Mr. Chairman. First I want to thank you, Chairman Sullivan, and of course Chairman Thune and Ranking Member Nelson for calling this hearing today on the State of the Coast Guard, an agency that plays a critical role in ensuring the maritime safety and security of our Nation. I want to thank Admiral Zukunft, Commandant of the Coast Guard, for joining us today, and in advance of your testimony for our first hearing on the Coast Guard for the 115th Congress. Welcome, Admiral.

My home state of Michigan is a coastal state—Michigan has the longest freshwater coastline in the United States, and more coastline than any other state except Alaska.

And Michigan also has the second most boat registrations of any state in the nation—I think we have a better shot of taking the number one spot in this category as opposed to coastline miles.

The citizens of Michigan depend on a healthy, secure Great Lakes system for clean drinking water, sustainable fisheries, recreation and tourism, navigable waterways to support a robust maritime economy, and safe, secure borders with our friends to the north in Canada.

The Great Lakes support more than 500,000 jobs in Michigan and supply drinking water for 40 million people.

The 6,000 men and women who make up Coast Guard District Nine serve selflessly to ensure the lakes remain Michigan's second-most important asset—next to our people. The Coast Guard is absolutely essential to making the Great Lakes accessible, clean and safe for commercial and recreational users alike.

I have had the chance to visit a number of Coast Guard Stations in Michigan, including Harbor Beach, Traverse City, Cheboygan, and to STA Detroit with Senator Nelson, just to name a few. People in these towns and cities value and truly depend on the Coast Guard.

This appreciation for the Coast Guard's critical role in the Great Lakes is largely because the Coast Guard has long been a part of our tightly-knit communities. Grand Haven, Michigan is proud to hold the distinction of being the only city officially designated "Coast Guard City, USA", a testament to the close ties and affection our coastal communities hold for the Coast Guard.

The Coast Guard's reputation as a can-do service that stands "Always Ready" to do what we ask of it extends beyond our Great Lakes communities throughout our national coastlines, and around the world where the Coast Guard operates professionally on every continent and in every theater of U.S. conflict.

Day in and out, we hear stories of the fantastic work our Coast Guard women and men are doing around the world.

But you are forced to meet these and other mission demands with an aging fleet of cutters and aircraft, and I find reports of the Trump Administration's plans to cut the budget of the Coast Guard by as much as 14 percent to be troubling and disconnected with the value this unique military service provides to the country.

The Coast Guard's 210-foot Medium Endurance Cutters are roughly 50 years old, and some of the Coast Guard's C–130 planes are almost as old and facing troubling issues with reliability.

In addition, in recent years the Great Lakes have seen record levels of ice cover, threatening the uninterrupted movement of commercial shipping so vital to the Michigan economy without continuous heavy icebreaking support in the winter months provided by the Coast Guard.

The Coast Guard stands ready to respond to threats to the environment as well. For example they are charged with responding to oil spills in the Great Lakes from pipelines and other forms of transportation.

Given the myriad tasks we ask of the Coast Guard, I believe now is the time to increase the Coast Guard's budget, not cut it, particularly to advance the acquisition of new ships and aircraft to enable the Coast Guard to perform reliably and effectively.

If there are other things Congress can do to keep you "Always Ready," please let us know today.

Thank you and the men and women of the Coast Guard for your continued excellent service to our country and I look forward to your testimony.

The CHAIRMAN. Thank you, Senator Peters.

And now I would like to welcome the witness, the Commandant of the United States Coast Guard, Admiral Zukunft. Please, sir, your opening testimony.

STATEMENT OF ADMIRAL PAUL F. ZUKUNFT, COMMANDANT, U.S. COAST GUARD

Admiral ZUKUNFT. Good afternoon, Mr. Chairman and distinguished members of the Subcommittee. I appreciate the opportunity to testify today. And I want to especially thank you for your enduring support of the United States Coast Guard. I also ask that my written statement be entered into the record.

The CHAIRMAN. Without objection.

Admiral ZUKUNFT. The Coast Guard offers a truly unique and enduring value to our Nation. The only branch of our U.S. armed services within the Department of Homeland Security, the Coast Guard is uniquely positioned to help secure the border, combat transnational organized crime, and safeguard America's economic prosperity. And I cannot be more proud of the operational and modernization successes we have had in 2016.

Now, transnational criminal organizations continue to wreak havoc on security and prosperity in Central and South America. That was validated just 2 hours ago when I met with the President of Honduras, President Hernández. Now, these networks, they corrupt rule of law, they've forced historic levels of migration to our Southwest border, and it's the Coast Guard's capabilities and authorities that position our service to attack these networks before they reach our borders, where they are most vulnerable, and that's when they're at sea.

Using our broad law enforcement authorities and a portfolio of more than 60 bilateral agreements, we push our maritime borders thousands of miles beyond our land border with Mexico to disrupt these illicit pathways. In 2016, we recorded a record removal of 201 metric tons of cocaine, and we brought 585 smugglers, members of transnational criminal organizations, to justice here in the United States, where our prosecution rate is nearly 100 percent, whereas it's less than 10 percent in their countries of origin.

However, cocaine and illicit trafficking, they're on the rise. And surveillance and surface asset gaps allow us to target a mere 30 percent of known cases. Last year, it was a lack of interdiction assets by the Coast Guard that prevented us from disrupting 580 known smuggling events. Critical acquisitions, like the Fast Response Cutter, the National Security Cutter, the Offshore Patrol Cutter, and both ship- and land-based unmanned aerial systems are essential to long-term success in our fight against illicit networks, the pathways they employ, and the threat they pose to our southern border.

We recently awarded Phase 2 to complete the build-out of our 58 Fast Response Cutters at an affordable price, and the last four, numbers 19 through 22, were delivered with zero discrepancies. We awarded the acquisition for the first nine Offshore Patrol Cutters to Eastern Shipbuilding Group, a down payment for a program of record of 25 of these capable platforms that meet requirements, and all at an affordable price.

We also awarded long lead time materials to Huntington Ingalls for a ninth National Security Cutter. These ships continue to prove their worth by allowing us to go on the offense to fight and to secure our borders.

And we stood up an Integrated Program Office with the Navy, and recently awarded industry studies to commence the build-out of a fleet of three heavy and three medium icebreakers. The first one we need to have delivered by the year 2023.

On top of that, we received our fourth consecutive clean financial audit opinion, the only service to have one, and we have four consecutive, and have minimized acquisition and cost growth and timeline slippages in our major acquisitions.

I especially want to thank this Congress for its strong and consistent support of our critical acquisition programs. And while we have had operational and acquisition success, readiness, modernization, and force structure challenges inhibit our ability to fully address the asymmetrical threats in our increasingly volatile world.

The Coast Guard is an important part of the modern joint force, and I am proud of our enduring contributions to our combatant commanders around the world. Like DoD, the Coast Guard faces the many challenges associated with mission demands, years of fiscal constraints, and lost purchasing power. However, as the only armed service in the Department of Homeland Security, we rely primarily upon non-defense discretionary funds for both our capital and our operating budgets.

Further, our ability to simultaneously execute our full suite of missions and sustain support to combatant commanders while also being ready to respond to global contingencies has eroded under the Budget Control Act. Secretary Kelly understands this issue and fully supports the President's call to rebuild all of the armed services.

Restoring readiness is but one part of the equation, and prudence demands that we continue to invest and modernize our Coast Guard. Our world is not exactly breaking out in tranquility. Our Nation benefits when its Coast Guard is equipped to project U.S. sovereign interests in the polar regions to dismantle transnational criminal organizations and secure the $4.5 trillion of economic activity in our Nation's Maritime Transportation System.

Now, our inland river system relies upon a fleet of 35 inland buoy tenders with an average age of 52 years to keep this infrastructure running. The time to replace these assets is now, and your support has helped us to make tremendous progress, and it is critical we build upon these successes to field assets that meet cost, schedule, and performance milestones.

Funding 21st century Coast Guard platforms and people is a smart investment in our national security. Modern assets with exceptional capability is but one aspect, but our greatest asset is our people. I'm incredibly proud of our 88,000 active duty, reserve, civil servant, and auxiliary members, but we need at least 1,100 more reservists and another 5,000 active duty personnel to be Semper Paratus in a non-static 21st century.

I appreciate the unwavering support of this subcommittee to address our most pressing needs, and with the continued support of the administration and Congress, the Coast Guard will continue to live up to our motto, "Semper Paratus, Always Ready."

Thank you for this opportunity. And I look forward to your questions.

[The prepared statement of Admiral Zukunft follows:]

PREPARED STATEMENT OF ADMIRAL PAUL F. ZUKUNFT, COMMANDANT, U.S. COAST GUARD

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.

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 percent of es-

[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.

[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.

timated flow)[5] was removed from the western transit zone, 585 smugglers were detained, and 156 cases were referred for prosecution.

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, we 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

[5] [U.S. 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.]

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.

The CHAIRMAN. Great. Well, thank you, Admiral. And, again, thanks for your service, and please pass on our appreciation to all the men and women in the Coast Guard, who do such an exceptional job every day.

I wanted to follow up on what you mentioned just in your testimony and also in your "State of the Coast Guard" address last week when you talked about the need to look at the budget of the Coast Guard to be no longer marked as discretionary non-defense. Can you explain a little bit more in detail on your ideas on how to focus this issue? You're clearly one of the five services. You serve on the Joint Chiefs, isn't that correct?

Admiral ZUKUNFT. That is correct.

The CHAIRMAN. And yet somehow, maybe because you're not located over at the Pentagon, there seems to be an occasional disconnect. And I think it comes from the Congress, but I also think it comes from the Executive Branch.

How can we better address the issue that you are a key member of the U.S. military that a number of us want to make sure we're rebuilding all five services?

Admiral ZUKUNFT. So it's a binary approach. We have non-defense discretionary and defense discretionary. And our defense discretionary, that comprises 4 percent of the Coast Guard's budget. The other 96 percent is non-defense discretionary. It would be helpful if I gave you an example. Today we have over 18 ships that are chopped to Southern Command. No Navy ships. That fleet down there are all Coast Guard ships, bought for and paid for by the Coast Guard with non-defense discretionary, manned with non-defense discretionary, operated and maintained with non-defense discretionary funding.

The CHAIRMAN. And who has operational control over those? Is that the combatant commander of Southern Command?

Admiral ZUKUNFT. Right now, they're under the Tactical Command of Southern Command, doing detection and monitoring activities, which is considered a defense, or Title 10 authority. But as soon as it transitions to an interdiction law enforcement operation, these very same people, very same platforms, shift to doing Title 14, which is law enforcement authority.

So we have our feet in both buckets in enforcing law and upholding sovereignty across the world. The Coast Guard is off the coast of six of seven continents right now, and we can do this interchangeably. But 96 percent of our budget finds itself in non-defense

discretionary when, in fact, we're a very fungible service that on a daily basis works across these defense and non-defense authorities to carry out missions in support of our national security.

The CHAIRMAN. So when the Trump administration talks about increasing spending for national defense in terms of our military and in terms of our homeland security, you would seem to be in your service occupying both fields.

Admiral ZUKUNFT. And we would certainly like to be included. As we mention Army, Air Force, Navy, Marine, let's not forget the Coast Guard as we talk about readiness concerns of our armed service because we are, in fact, an armed service first and foremost.

The CHAIRMAN. I want to change topics, Admiral. The fishing industry is important to a number of the members in the Committee here. What do you see right now as the biggest challenges, whether in Alaska or off the coast of Mississippi or New Jersey with regard to our fishing fleet? Is it IUU issues? What are the biggest challenges that the Coast Guard is focused on right now?

Admiral ZUKUNFT. I first look at this globally. And about 3 billion people today in the world, out of 7.2 billion people, reside on fish as their primary source of protein. If I look out 20 years from now, the world's population is going to be closing in on $9 billion, and many of these fish stocks are already collapsing.

Chairman, as you well know, we have a very sustainable fishery in Alaska up in the Bering Sea. We don't know where fish are going to go, but we do know that ocean temperatures are warming, and fish are moving further and further north, and we have a moratorium up in the high latitudes that say you can't fish up here, but we don't have an enforcement mechanism.

So as I look at global demands for fish and protein and distant water fishing fleets, we can't just put paper on top of this and say, "No fishing allowed." It does require an enforcement regime. And we need to look at, how do we sustain fisheries where it works? And right now, the model that works the best with individual fishing quotas, our work with NOAA and the fishery councils, that is a model of success.

We do have stressors elsewhere, particularly off the coast of New England. But I look at where the largest fish stocks are drawn from in this country, is in the state of Alaska and those waters adjacent thereto.

The CHAIRMAN. Senator Peters.

Senator PETERS. Thank you, Mr. Chairman.

Again thank you, Admiral, for your presence here. Admiral, some of the cuts that are reportedly outlined in the OMB's draft budget include the elimination of all 10 of the Coast Guard's Maritime Safety and Security Teams, which, among many other missions, provide waterborne security for President Trump when he retreats to his Mar-a-Lago resort on most weekends. In addition, the cuts would eliminate our Maritime Security Response Teams, which I understand provide specialized maritime counterterrorism capability. Could you tell the Committee a little bit about what capabilities those units offer and what would happen if they were eliminated?

Admiral ZUKUNFT. As you noted, Senator, we have two high-end teams, a Maritime Security Response Team, one on the East Coast,

one on the West Coast. These are bona fide counterterrorism teams that look at an ambiguous threat, but they can enter onto a ship suspected of carrying a weapon of mass destruction.

We have over 10 bilateral agreements that allow us to board pretty much every flag state of convenience anywhere on the high seas, but if there is even reasonable suspicion that there is a vessel destined toward the United States carrying a chemical or radiological device, we don't have to wait for it to pass under the Golden Gate Bridge, to use a metaphor, we meet them offensively offshore.

In many cases, we will use Navy airlift to get our people out there to do the boarding, but we don't know if it's a real thing, which is why we approach it using law enforcement authority, Title 14, but it can quickly escalate to Title 10.

We don't pull our people out. These are highly trained teams. They expend 40,000 rounds of precision fire a year. And so if we have a threat to the homeland, this is the team that you want on your side. So that's what those two teams do.

Our other, Maritime Safety and Security Teams, they're the ones that secure our ports and infrastructure. And we talk about $4.5 trillion worth of commerce; for a very modest offset, we would put all of that economic prosperity at risk. If you were to look at the outside of, "What is it that makes this economic engine run in the United States?" much of it happens through our ports and waterways, and these are the teams that secure that for our Nation.

Senator PETERS. Well, they do a critically important job, and it reminds us of the fact that most of our borders are water, not land, and I know you are stretched very thin to provide that incredible protection. That really leads to my next question, it's my sense that whenever we squeeze the middle of a balloon, as an example, air will rush to where it's going to escape and move somewhere else. Similarly, I think you can use that analogy to look at criminal activity as it usually flows to the path of least resistance wherever we squeeze. And we have seen that when we have a strong land border, illegal efforts can shift to the maritime routes, and vice versa.

The Coast Guard in 2016 broke your 2015 achievements by interdicting a record amount of 416,000 pounds of illegal drugs worth $4.5 billion. Congratulations to each and every one of you who made that happen.

So my question is, if the Coast Guard budget is cut to fund a wall or another type of land border security system, where would we expect criminal activity to go? Would it flow into the maritime domain? And how would you be able to maintain your effectiveness in the face of potentially significant cuts?

Admiral ZUKUNFT. If I look at a wall, I really look at a border as a system, and so a wall is a defensive aspect of border security. But when your authorities go into—right up to the shoreline of over 40 signatory countries that say, "Coast Guard, you can come in and enforce law in our sovereign waters before that threat threatens your country," that's a very offensive-driven strategy. So you have an offense and a defense. You need both aspects of this, a system, to have a coherent border security regime. So you need both. One complements the other, but you can't have one without the other.

So I'm not the land border expert, but I am—I've been around the water for quite a while. And as I said in my opening statement, where this movement is most vulnerable is when it's on the high seas. That's where we have the upper hand. It's a numbers game. We don't have enough capacity. It's ship numbers, surveillance in the air, all of that matters. But when those commodities—they're landing in Central America.

I met with President Hernández, as I said earlier, and we set up what we called a sea shield. We stopped ships from offloading cocaine off the Honduran rise, and within a year and a half, violent crimes went down 30 percent in Honduras. Honduras at that time was the number three drop-off point for cocaine. Today, it's number 7.

As you said, you squeeze a balloon, and guess where the balloon squeezed out. Costa Rica is now the number three landing point, and we just met with their President. He said, "I don't have a Navy, I have a very nascent Coast Guard, but we need more U.S. Coast Guard off our waters." Because these are commodities that are being dropped in Central America, but they're destined for the United States for consumption here. So we own a part of this as well as the number one consumer of just in cocaine alone.

Senator PETERS. Thank you, Admiral.

The CHAIRMAN. Senator Inhofe.

STATEMENT OF HON. JIM INHOFE,
U.S. SENATOR FROM OKLAHOMA

Senator INHOFE. OK. First, thank you, Senator Wicker, for allowing me to move in ahead of you. You know, you're aware of this, but some of the others might wonder why this would be the case, but I've spent a lot of time at the Academy up there. I've actually talked to two of their graduating classes, and there are some reasons for this. But we have what I consider to be a best kept secret in my state of Oklahoma, that even in the infinite wisdom of our Chairman Sullivan may not be aware of it, and that is, we in Oklahoma are navigable. Did you know that?

The CHAIRMAN. No.

Senator INHOFE. Yes, well, we are. And I'm very proud of this. In fact, my father-in-law had a lot to do with the building of what some people consider to be the greatest boondoggle of all time. But it was our boondoggle, you know.

[Laughter.]

Senator INHOFE. Anyway, we have the cutters that go back and forth, and they're stationed up there. We have one that is Muskingum, is based in Sallisaw. Now, what these guys do is they go up and down the navigation way to make sure the buoys, that all the aids are in good shape, and it happens that the cutter that is in Oklahoma is—and I checked and I found out it's the same problem in other areas—it's 52 years old, you even made that in your opening statement, and built in 1965.

Now, what kind of—you know, this is—are there problems that go with this? Because they're old pieces of equipment. I've been on them. What's out there that might be—that we might look at and—can you get parts for them?

Admiral ZUKUNFT. So we pretty much have done everything we can. We almost have to go to the Smithsonian to find parts.

[Laughter.]

Admiral ZUKUNFT. But we've had challenges with lead abatement, asbestos mitigation. When those ships were designed in 1965, they were not designed for mixed gender crews, there are only a handful of ships in this fleet that can accommodate mixed gender crews. And so all of those complicate matters.

We've worked with the Army Corps of Engineers to look at a common platform design to take all of the design work out of what it would take to recapitalize this fleet. And the dollar value is about $25 million a copy.

Senator INHOFE. Yes.

Admiral ZUKUNFT. So if you look at the value of that commerce, again, $4.5 trillion. This is the equivalent of our interstate highway system, and it has 35 maintenance vehicles to maintain the entire interstate highway. One tank barge takes 144 tank trucks off the highways, and one tow configuration, that equates to over 2,000 trucks. And if you run that out, the numbers, you're talking tens of millions of trucks carrying hazardous cargos are now taken off our highways and through our inner-city streets. So it's absolutely critical to our Nation's infrastructure and to our resiliency as well.

Senator INHOFE. Yes.

Admiral ZUKUNFT. A modest investment, but as you know, we have a couple that are over 70 years old still in operation today. It is a challenge for us.

Senator INHOFE. Yes. Well, I know that's true. And I meant to mention one other thing to you, and that is you have a reputation to be so accommodating to people. I've had occasion to be—I used to be a builder and developer in South Padre Island, Texas, and they pulled me off the rocks on two different occasions. And I had occasion to fly an airplane around the world a few years ago up in Alaska, I mean, they just stop everything they're doing to accommodate you.

Now, you do have the C–27Js. I actually did the amendment on the Armed Services Committee to make that transfer. I think there are 12 of them or so?

Admiral ZUKUNFT. Fourteen.

Senator INHOFE. Fourteen. And how are they? Are they working all right? Is that the kind of aircraft that can still perform?

Admiral ZUKUNFT. Great platform. They have very few hours on them. We've taken delivery of 13 of 14. Our first air station out in Sacramento, California, will take delivery of their sixth. And so we're missionizing these.

What we did find out is as these were being built, there were not a large suite of vendors that had bought into the C–27J. So the spare parts allowance is a challenge for us right now. But as we build this program out, it's the spare parts that we're going to need to build out simulators and the like. But make no mistake, this was a half billion dollar cost savings, and, again, with the support of you and others to make this transaction possible, because we would be sorely challenged to find those monies with the other recapitalization needs we have.

Senator INHOFE. Well, that was only about 3 years ago, and it seemed to be a good fit when we did that.

Admiral ZUKUNFT. This is an improvement over what was our prior program of record. I've flown in these airplanes, not around the world, but when I talk to the air crews, they are delighted with this airframe.

Senator INHOFE. Yes. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you.

Senator Cantwell.

STATEMENT OF HON. MARIA CANTWELL, U.S. SENATOR FROM WASHINGTON

Senator CANTWELL. Thank you, Mr. Chairman.

And thank you, Admiral, for speaking so highly of the Alaska fishing fleet and the management practices. We appreciate that in the Northwest.

If I could, I want to ask several questions and try to get through them. On the budget, is there support for a new icebreaker?

Admiral ZUKUNFT. Senator, there is. And so——

Senator CANTWELL. Can you say at what level?

Admiral ZUKUNFT. So it's in the Navy shipbuilding budget, a $1 billion mark that has been put in there. We've stood up an Integrated Program Office. We awarded industry studies 3 weeks ago. So——

Senator CANTWELL. So you're saying in this new budget, there is support for the $1 billion that the Senate was able to push——

Admiral ZUKUNFT. Push $150 million of that out, so we can accelerate the timeline with industry studies, look at commercial off-the-shelf designs, and ideally award a contract to start cutting steel in the next year.

Senator CANTWELL. OK. Offshore Patrol Cutters, are they in this budget proposal?

Admiral ZUKUNFT. They are, and I am delighted to see that.

Senator CANTWELL. OK. And can you tell us at what amount?

Admiral ZUKUNFT. I don't have the exact amounts. I can——

Senator CANTWELL. You know, I think my colleague from Michigan asked, first we saw the skinny budget with, I think, a 14 percent reduction, and then a new proposal, but we couldn't really see the transparency of the Coast Guard. So as a lot of Coast Guard communities represented here and places where the Coast Guard is so critical, we just want to understand what's in the budget proposal and what we have to fight extra hard for that's not.

Admiral ZUKUNFT. Yes. So when we looked at the initial passback, it did not touch the Offshore Patrol Cutter. So I'll give you the exact funding figures that are in there for 2018, but we are still on trajectory to deliver the first of those 25 in 2021.

Senator CANTWELL. OK. Canadians are upping by $200 million their oil response prevention because of the tar sand oil. You and I have had this exchange before. Is there additional funding in the Coast Guard budget for tar sands?

Admiral ZUKUNFT. We have modest funding in our R&D budget, and this is one of my highest priorities, trying to remove bitumen, whether it's in the Great Lakes, in the Straits of Juan de Fuca, but we're also working within the Department of Homeland Security

and S&T to look at what other technologies are out there. We meet regularly with our Canadian counterparts. I'll meet tomorrow with my counterpart from Russia in Boston, and what are they doing to mitigate an oil spill in the Arctic domain as well? So we need to be transparent in, what are the best technologies out there?

Senator CANTWELL. So you did get new money? Is that what you're saying?

Admiral ZUKUNFT. No. We're still flatlined in our R&D budget.

Senator CANTWELL. So you need money. So we need money on this?

Admiral ZUKUNFT. It would help.

Senator CANTWELL. Thank you. On this TRICARE issue that you and I have had a chance to have an exchange about, and I was just out at Cape Disappointment meeting with fishermen in Ilwaco, and the Coast Guard was good enough to show up. I think the issue here is that still given this designation, we have Portland on one side, who basically gets to be seen as rural, not enough access, and gets a better designation than on the Washington side, obviously a very small community. The analysis is that really there is only one in seven nurse practitioners and one doctor available to see Coast Guard patients in under a one-month period of time.

So I received a letter from you I think dated yesterday or today, and you're still looking at this. So I want to understand what processes we need to go through to help the men and women in the Coast Guard in that region get access to timely health care.

Admiral ZUKUNFT. Senator, again, I thank you. My wife and I have been to these very same remote areas, and this comes as no surprise to us. And with all the military serving in the state of Washington, thank you for looking out to our folks that often are overlooked.

We'll look at the designation, the proper designation. We have a clinic in Astoria. We're meeting with the Defense Health Agency. Can we instate this as TRICARE Remote instead of TRICARE Prime? But what impact would that have with retirees, all the military retirees that live in these very same communities? So I want to be able to answer those questions. But we are not meeting the needs of our people today, and I understand that.

We will meet with you and your staff I believe on the fourth of August. We're still waiting to get more information back from the Defense Health Agency because they would be the ones that would ultimately designate that as an area for TRICARE Prime Remote.

Senator CANTWELL. Well, we definitely will help take on that effort with them, but we want to know we have your support in that.

Admiral ZUKUNFT. Yes, you do.

Senator CANTWELL. OK. Thank you.

Thank you, Mr. Chairman.

And just, UAVs, if you're going to include that in the icebreakers. Are they going to look at that capacity?

Admiral ZUKUNFT. Right now we're looking at that in our counterdrug. This is going to be crosscutting in everything that we do, in the high latitudes, with drug interdiction and the like, but we also need to look at land-based unmanned aerial systems as well.

Senator CANTWELL. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Wicker.

STATEMENT OF HON. ROGER F. WICKER, U.S. SENATOR FROM MISSISSIPPI

Senator WICKER. Thank you.

Admiral, let's talk about ballast water regulations and vessel incidental discharge regulations. In addition to the Federal standard already in place, 25 states have implemented their own regulations. What is the importance of having a uniform national standard for vessel owners and operators? And would a national uniform standard streamline enforcement efforts?

Admiral ZUKUNFT. Thank you for that question, Senator. And uniform is absolutely the right approach to take. So if you have ship—you know, we held the bottom line on rendering invasive species nonviable. The International Maritime Organization was looking at a less stringent standard than the U.S. Coast Guard did.

It's taken us several years and working with independent labs, but we now have three certified systems that meet the threshold of rendering invasive species nonviable, which will be appealing to every state that—you know, the Saint Lawrence Seaway, as an example, as well, the state of New York. But it provides a uniform standard for all ports in the United States because, otherwise, it would be very difficult for us to engage in maritime trade. And if shippers can't meet a uniform standard because a state applies a different one, they'll go somewhere else, they'll just go somewhere else.

Senator WICKER. OK. Well, now, do explain for those of us who are not quite as familiar with this, nonviable. What do you mean by that?

Admiral ZUKUNFT. Basically it means it kills the species, it cannot reproduce itself. The IMO standard does not render it—you know, a species, if discharged, has a potential to reproduce, and so think where we are with zebra mussels.

Senator WICKER. OK. So the international standard would allow some of these species to slip through, but the standard that you enforce does not allow these invasive species——

Admiral ZUKUNFT. That's correct.

Senator WICKER.—to slip through, and that's because they're nonviable.

Admiral ZUKUNFT. Right.

Senator WICKER. OK. Well, there are some people who don't seem to understand that the Coast Guard has jurisdiction and expertise in this area. Some critics claim the agency has little water pollution enforcement expertise, and, instead, mainly deals with homeland security issues. I understand one of the Coast Guard's 11 statutory missions is marine environmental protection. How long has the Coast Guard performed this mission?

Admiral ZUKUNFT. Since the mid-1800s, Senator.

Senator WICKER. And is there any other agency than the Coast Guard who enforces vessel discharge in the United States?

Admiral ZUKUNFT. At sea, it is only the Coast Guard.

Senator WICKER. OK. So what do you have to do—what is the problem when a state has a different standard, as some states do?

How does that present a problem for you making all of these species nonviable?

Admiral ZUKUNFT. Well, I think we really—it is an issue of educating and collaborating. It can get technically complex, but to explain the standard that we have applied that would meet the thresholds that they have set. Now, there may be some states that have set thresholds that, quite honestly, science cannot attain today or maybe even into the distant future, and if they uphold that standard, then what it does do is it may shut off those ports to shipping, which is probably counterproductive to the threshold they're trying to set, but this does meet the intent of what concerns these states the most, is to assure that we do not have invasive species entering our waterways.

Senator WICKER. Well, we don't want that, and so thank you for what you're doing. Let me just briefly ask you about icebreakers. This is an issue that is vitally important to us in the Gulf Coast area. I understand the POLAR STAR is the only heavy icebreaker, and actually we do build ships around and about in the Gulf Coast. But what—if there's a gap, if this

OLAR STAR, the only one we have, it goes offline, and there's a gap, what are the problems there? And don't other agencies try to avoid having that sort of situation?

Admiral ZUKUNFT. Absolutely. If there is a gap with a heavy icebreaker, there are no other heavy icebreakers. In fact, there are few, if any, heavy icebreakers that are available for lease on the worldwide market today. Clearly, Russia is off the table. And so these are national assets in the true sense.

So as far as the way ahead, we are doing everything we can to sustain POLAR STAR until we recapitalize the next heavy icebreaker. But we're going to be right behind it. As soon as they start cutting steel on the first replacement, we better start cutting steel on the second one as well so we don't end up with a one-trick pony, if you will, a single point of failure with only one heavy icebreaker.

Senator WICKER. So you don't think there will be a gap, but it's something you can't guarantee to this Committee today?

Admiral ZUKUNFT. We cannot guarantee that.

Senator WICKER. Thank you.

The CHAIRMAN. Senator Hassan.

STATEMENT OF HON. MAGGIE HASSAN, U.S. SENATOR FROM NEW HAMPSHIRE

Senator HASSAN. Well, thank you, Chairman Sullivan and Ranking Member Peters, and thank you for allowing me to participate in this Subcommittee today.

And thank you, Admiral, for being with us today. I am a very proud Granite Stater who has had the privilege of visiting the station in New Castle, and the men and women of the Coast Guard do a great job there.

In your testimony, you talk about the important role that the Coast Guard plays in drug interdiction efforts, and I think a lot of my constituents would be surprised and concerned about the fact that the resources you have are limited and you haven't been able to go after everything that you might know is there.

You also note that the 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.

As you know, New Hampshire, like much of the country, is currently in the midst of a really truly devastating substance misuse epidemic. And in addition to prevention, treatment, and recovery efforts on the demand side of the crisis, we need to be doing everything we can to stop the drugs from coming into the country in the first place, the very work that you and the men and women of the Coast Guard are doing.

Right now, a lot of heroin and fentanyl, that is at the heart of the current epidemic in New Hampshire, is coming across the southern border. But that's not the only place drugs are coming from. They're also coming from the northern border, in the mail, and, of course, as you have pointed out, by sea.

I expressed last week in a Homeland Security and Government Affairs Committee hearing that I'm concerned about the creative nature of these drug cartels, and I'm concerned that if you build a wall along the southern border, while making major cuts to the Coast Guard, you're just incentivizing cartels to smuggle in more drugs in other ways, including across our maritime borders.

So do you share my concern that drug cartels could expand their maritime operations if we're building a wall along the southern border at the same time we're slashing funds to the Coast Guard?

Admiral ZUKUNFT. I do share that concern.

Senator HASSAN. Thank you. The other thing I wanted to ask you to do was just expand a little bit more on the counterterrorism role that the Coast Guard plays, and particularly how you go about measuring its effectiveness, everything from where you're stationed right now and how we measure the Coast Guard's role and effectiveness in counterterrorism.

Admiral ZUKUNFT. Certainly. On the counterterrorism front, we've been a member of the national intelligence community dating back to 2001, and so we are embedded at every three-level agency to look at what threats may be posed against the U.S.

In terms of modes of transportation, there's a large fixation on the aviation mode, but if you harden the defenses in terms of being able to use an airplane, then you have the maritime shipping aspect.

Senator HASSAN. Yes.

Admiral ZUKUNFT. When you look at the millions of containers that arrive in our ports every year—so we work with Customs and Border Protection, the U.S. Coast Guard. We visit over 160 countries a year, ports with whom we do trade, to assure that they're complying with the International Port Security Standards. If they don't, they're demarshed. As soon as they're demarshed, ships will not trade in those ports because they know when they come to the United States, they're going to be delayed because we're going to do a very lengthy boarding to assure that that is a safe movement.

If we have an indication warning that there may be something suspicious in one of those containers, before we created these counterterrorism teams, about all we could do was wait for that to enter port. We had a ship in New York called the *Palermo Senator,*

and it gave off a radiological signature, but it is right now sitting in metropolitan New York, and it could have had a dirty bomb on it. This team would allow us to meet this ship way before it arrived, passed under the Verrazano Bridge, stopped the ship in place, determine what's onboard before that ship would even enter into U.S. waters, and that's what these teams do.

Senator HASSAN. Thank you very much.

And thank you, Mr. Chair.

The CHAIRMAN. Senator Schatz.

STATEMENT OF HON. BRIAN SCHATZ, U.S. SENATOR FROM HAWAII

Senator SCHATZ. Thank you, Mr. Chairman.

Thank you, Admiral, for your great work. Thank you for everything you do in Hawaii. I want to talk to you about District 14. And the question I have, there has been a lot of talk about interdiction, and I want to ask you a question at the sort of policy level and at the level at which you, as the Commandant, prioritize the utilization of resources.

But to make it more specific, we have a couple of 378-foot cutters, we have four C–130s on the island of Oahu, and one might assume that they get moved into the Western Pacific to deal with issues in the South China Sea, to deal with fisheries management issues, to deal with contingencies related to the PACOM AOR, but, as you know, in fact, they're more often deployed to South and Central America for drug interdiction.

And so my basic question is you have 11 statutory missions, how do you come to the conclusion, both as a technical matter, and then what is your judgment, and how do you reevaluate that over time about whether or not that's the best use of these resources?

Admiral ZUKUNFT. Great question, Senator. And so we look at, in intelligence-driving operations, and—but it's also intelligence-informed risk management. And so when we looked at, what are the incursion rates in our remote EEZs, you know, distant waters from the state of Hawaii? And we're seeing incursions of maybe 1 or 2 percent, rare events, and at great expense, we would patrol those waters, but, quite honestly, it has been years since we have actually encountered a vessel attempting to enter our Economic Exclusive Zone and plunder fish that are rightfully the U.S.

Now, today, we're using Navy assets to patrol these distant waters with Coast Guard law enforcement teams. So when Navy ships were taken out of service that were otherwise patrolling for counterdrugs, they're not there anymore. So working with Pacific Fleet and the Third Fleet, every quarter they provide usually it's a DDG with a Coast Guard boarding team on it patrolling those waters.

Senator SCHATZ. Sort of on their way back. I guess my question is it still seems to me that we could use a couple of cutters in the Pacific, not just because we can always use more vessels forward in the region, but also because of the specific Title 14 authority, and to the degree and extent that we're enforcing the law and trying to avoid some kind of kinetic situation in Scarborough or elsewhere in the South China Sea, that the Coast Guard assets could be put to good use.

And my concern, to be precise here, is that the Coast Guard has gotten so good at the interdiction over so long a period of time—and congratulations on all of your success—that it seems to me that you continue to do what you do at this incredibly high rate of success, and yet it may not be what we need you to do in the AOR over a long period of time.

I'm not suggesting you immediately change everything. I guess what I'm trying to get at is, how do you reevaluate this over time to determine that it's still in our national interest to send these cutters and these C–130s to South and Central America and not where I think most of us think many of our maritime challenges remain?

Admiral ZUKUNFT. So working with my DoD counterparts, and I put a proposal on the table of providing a one-ship presence, you know, 365 days out of the year in the East and South China Sea, depending on what our approach is as we look at contested claims, extraterritorial claims, in the East and South China Sea. At the same time, we have a tremendous Coast Guard bilateral relationship with our counterparts in the Philippines, with our counterparts in Vietnam, and with our counterparts in Indonesia, three key ASEAN nations that want to work with the Coast Guard.

Senator SCHATZ. Right. But their Coast Guard is not anywhere—especially I'm thinking of the Philippines, and I'm happy about EDCA, and it seems to be actually continuing despite the rhetoric of the President there and all the rest of it, but it's not a Coast Guard in the sense that American citizens think of a Coast Guard. They don't have the capability that we have.

Admiral ZUKUNFT. No. The Philippine Navy does, since they have three of our former 378-foot HAMILTON-class cutters. Vietnam is taking delivery of one probably within the next 6 to 8 months. So they're expanding on their capability. But I always look at the risk of a miscalculation, and that risk goes down considerably if it's a Coast Guard-Coast Guard encounter because right now if our Navy is operating in those waters, their first encounter is going to be a challenge by the China Coast Guard, not the PLA Navy, but the China Coast Guard. So might there be logic in rather having two coast guards encounter one another at sea?

I have an open dialogue with my Chinese counterpart. In fact, they're trying to determine, "How do we get to be like the United States Coast Guard?" They merged four out of five services to form a coast guard. They are nowhere near where we are today in the United States Coast Guard.

Senator SCHATZ. They could start by observing the rule of law.

Admiral ZUKUNFT. That would help.

Senator SCHATZ. Thank you very much.

The CHAIRMAN. Senator Nelson.

STATEMENT OF HON. BILL NELSON,
U.S. SENATOR FROM FLORIDA

Senator NELSON. Thank you, Mr. Chairman.

Admiral, it's great to see you. I am such a fan of the Coast Guard, and, fortunately, I've had the privilege of traveling all the way to Alaska and seeing in Senator Sullivan's state the enormous job that the Coast Guard does, basically it does the job for the

Navy. That leaves the Navy to go elsewhere. In addition, you do all of your protection of the fishing fleet up there, and so forth. I've been to the Great Lakes with the Senator from Michigan, and it's just amazing what you do up there.

I've seen your operations in the Caribbean and the Southern Pacific as you're going after drugs and you're going after migrants. And I often find that the United States Navy and the Coast Guard are working just like that so that the Navy may help you locate, and once you locate, you have the law enforcement authority to go and stop the ship.

I've flown in your helicopters, showing how you shoot out the engines of a go-fast and I've gone with you in a go-fast after we go after another go-fast, and I'm just—I can't say enough good things.

Then all of a sudden, a few weeks ago we suddenly hear in a budget coming out of the White House, in order to pay for a $54 billion wall, that they're going to take and rob the maritime wall, the wall on the sea, which you provide, with a 14 percent cut. And we said this just can't be. They're going to take out more than a million dollars out of the Coast Guard. So about that time, these two Senators led a letter, and this Senator went to the floor and gave a speech about it.

Now, we don't know if that really did any good, but when the skinny budget actually came out, it was silent as to the Coast Guard. However, the rumblings were that there were still going to be cuts coming out of the Coast Guard. So we've got to be very, very protective going forward because of the critical mission that you play not only here in the United States, but where you are supporting the military elsewhere in the world.

Now, fortunately, also, as the Senator from Mississippi just reminded me before he left, and these two Senators reminded me, we have the last say because the President proposes and the Congress disposes.

But I want to get on the record, what, Admiral, would a 14 percent cut mean to the Coast Guard and its ability to secure the homeland and protect life and property?

Admiral ZUKUNFT. Well, when we looked at that proposal, and then there were some specifics within that, there were some areas we just could not cut. If you take a counterterrorism team, it has taken us 6 years to generate this high-end team. These are trained to Navy SEAL tactics, techniques, and procedures. These are only the best of the best, and we give them the absolute best equipment, and, in fact, much of what they do is in support of defense operations to begin with, but it was all funded with non-defense discretionary.

They're cutting steel on a ninth National Security Cutter. Long lead time materials have been awarded. The contract has been let, and they are literally cutting steel as we speak. I can't recoup money from that either.

So when you look at if you have to recoup from these specific items, now you have to look elsewhere, and the only other place you can look at, what variable costs do I have? And those are operating expenses. If you start cutting operating expenses, our ability to protect mariners in distress, our ability to secure our maritime borders, when Central America is besieged by the flow of drugs,

which spawns violent crime, which spawns migration and a movement to our Southwest border, those are all the things that we have to look at cutting. We're not up in the Arctic anymore. And very, very painful, but unfortunately necessary decisions that we would have to make, and, again, all of this being pre-decisional.

Senator NELSON. And what I learned with Senator Peters is you perform a unique service because so many people in the frozen Great Lakes, they get out there, and they're ice fishing, and all of a sudden they've fallen in. And who goes and rescues them? A Coastie goes out there and risks his life and pulls him out of that water of which they're about to have hypothermia.

Tell me this, with regard to Florida, where 40 percent of the Coast Guard activity is in and around the Caribbean and all the activities down there in JIATF, as you try to track and go get the bad guys, whether it's drugs or whether it's people or whether it's potentially terrorists trying to come in, and with all the cargo and passenger vessels in all of the ports of Florida—take, for example, Jacksonville—Florida's economy is at stake if you get cut.

So can you work with us, Admiral, as we try to keep this budget? Is that something that you can state here?

Admiral ZUKUNFT. I can state that unequivocally. I can also state your letters, your voice, the voice of my boss, my service secretary, you know, my relationship with the administration really begins and ends with Secretary Kelly. The advocacy that we have had for the United States Coast Guard in a pre-decisional matter, I have never in my 40 years of service have seen the unanimous support for our service. And voices do matter. And I am thankful. And I am sleeping well, Senator, that we will navigate our way through this as we look at the final budget when that rolls out in May.

Senator NELSON. Thank you, Mr. Chairman.

[The prepared statement of Senator Nelson follows:]

PREPARED STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM FLORIDA

Thank you, Mr. Chairman, and I want to take this opportunity to congratulate you and Senator Peters on your new roles as the Chairman and Ranking Member of this Subcommittee.

I also want to welcome the Commandant of the Coast Guard. Admiral, thank you for joining us.

We need look no further than the daily newspaper or the nightly newscast to see what an important role the Coast Guard plays in securing our maritime borders and protecting the safety of life and property at sea and on the Great Lakes.

Just last week, the media reported that the Coast Guard Cutter *Spencer* returned home after seizing an estimated three thousand pounds of cocaine worth more than $92 million during a patrol in the Eastern Pacific.

On Sunday, the Coast Guard Cutter *Sockeye* rescued 25 people from a charter fishing boat off of California, after the boat struck a submerged object and started sinking.

These news stories show how vital the Coast Guard is to this country. Yet we also have the administration weighing cuts to the Coast Guard. This Senator is concerned.

It's one thing to propose securing our borders and increasing military spending by $54 billion, but it's another thing entirely to even consider slashing up to $1.3 billion—roughly 14 percent—to the very military service that secures our vast maritime borders.

Now, some have concluded from a DHS press release that the FY18 budget sustains current Coast Guard funding levels, that the Coast Guard is out of the woods and safe.

But if that's the case, then why is the Administration's budget completely silent with respect to the Coast Guard.

The reality is when DHS talks about sustaining "current funding levels," we have no idea whether they mean the funding levels Congress has enacted to pay for a ninth national security cutter and reequip the Coast Guard's 14 new maritime patrol aircraft, or whether they mean the funding levels that OMB typically pushes for in the formal budget request each year, which have not been adequate for Coast Guard acquisitions and operations.

Admiral, the bottom line is if the priority is to secure our borders and increase military spending, then we should not be slashing their budget.

Fortunately, we here in Congress will have the final say when it comes to funding the Coast Guard. With that said, it's my hope that we'll learn more about the Coast Guard's actual needs today because I think a thorough assessment will make the case for increased funding.

Thank you, Mr. Chairman, and I look forward to hearing the admiral's testimony.

The CHAIRMAN. Senator Cruz.

STATEMENT OF HON. TED CRUZ, U.S. SENATOR FROM TEXAS

Senator CRUZ. Thank you, Mr. Chairman.

Admiral, thank you for being here. Thank you for your service.

Admiral ZUKUNFT. Thank you, Senator.

Senator CRUZ. I want to bring to your attention an issue that's important to my home state of Texas, which is the Presidio International Rail Bridge connecting Texas and Mexico burned to the ground on February 29, 2008. The Texas Department of Transportation has developed plans for the reconstruction of the bridge and have been working with the Army Corps of Engineers on the project.

However, my understanding is that the process has been delayed because the Coast Guard has asserted that the bridge is over a navigable body of water. And it's worth noting that the bridge is 712 miles from the Gulf of Mexico. And as you can see from the poster, the land is dry and would be unnavigable to any vessels. And I would like to ask if you would commit to working with my office to expediting the reconstruction of this bridge, which has significant impact on the state of Texas?

Admiral ZUKUNFT. Senator, you have my word, and from that picture, I do not see a navigable waterway. And perhaps that term is used a little bit too liberally, and especially if it inhibits the reconstruction of this critical node.

Senator CRUZ. Well, I appreciate your commitment to work with us on that, and I look forward to our working together to address this.

Let me shift to a different issue, which is, as you're aware, our Nation's GPS system is used by a number of our critical infrastructure and key resource sectors. In 2014, the Department of Homeland Security publicly recognized that of the Nation's 16 critical infrastructure sectors, 15 of them use GPS. And should GPS be disrupted or even flicker for a few hours, the U.S. could potentially see widespread failure of cellular and telecommunications networks, disruption or failure of the power grid, breakdown of our financial system, or even potential failures in our air traffic control system, and first responder network failures.

Do you have any concerns regarding the vulnerabilities of GPS? And do you see the need for a backup system?

Admiral ZUKUNFT. Senator, we had this concern back in 2008, 2009, when authorization language shut down our LORAN sta-

tions. A low-frequency wave, if you will, which is very difficult to hack, by the way, but those signals were taken off the air, some of those towers, but not all of those, were dismantled, and the program was shut down. And it wasn't just for navigation, but, more importantly, for precision timing for financial transactions.

So that is the state of our infrastructure, if you will, critical infrastructure, in the IT world, that we are solely dependent on GPS. And so there does need to be a serious dialogue about reconstituting something other than GPS, and certainly we look at eLORAN as a solution set to that.

Senator CRUZ. What do you see as the most viable path for going forward and developing a fully operable backup system using eLORAN or otherwise? And would a public-private partnership be one of the options that you think might make sense?

Admiral ZUKUNFT. Senator, I think that's certainly a very viable solution. This was really a cross-cutting. It cuts across transportation, it cuts across commerce, and so there are other key stakeholders in this as well. But we've been having these discussions now since those LORAN stations were taken off the air, and now we're nearly 10 years since that time.

The time to move forward is really now on this. We would certainly welcome an interagency approach, but, more importantly, a solution to this problem set.

Senator CRUZ. Well, very good. Thank you, sir. And thank you for your leadership.

Admiral ZUKUNFT. Thank you, sir.

The CHAIRMAN. Senator Peters.

Senator PETERS. Thank you, Mr. Chairman.

Admiral, I'm going to return back to the Great Lakes, and I just want to talk to you about a couple specific issues that are important to us in our region. As we've previously discussed, the Great Lakes have seen some record levels of ice cover in recent winters, although this last winter was fairly mild. But from 2013 to 2015 we had nearly complete coverage, which limited U.S.-flag cargo movements in the Great Lakes, and it's estimated it resulted in about $1 billion in lost business revenue for steelmakers, power plants, and other businesses because of that intense ice.

The Coast Guard operates an aging Great Lakes fleet that includes only nine icebreaking-capable cutters, some of which were commissioned back in the 1970s, as you know. And while the Coast Guard took a very positive step in combating ice by launching the *Mackinaw,* I still remain concerned that the Coast Guard doesn't have adequate capacity to meet the icebreaking mission in the Great Lakes when we have these kinds of severe winters that we have seen recently, which is why I worked to include language in the 2016 Coast Guard authorization that authorized the design and construction of a new Coast Guard icebreaker.

I was pleased that the Senate Appropriations Committee met my request to include $2 million for early stage acquisition of a new Great Lakes icebreaker in the Fiscal Year 2017 Department of Homeland Security bill, and I'm going to continue to work with my colleagues to keep pushing that forward.

But I would like you to comment for the record, Admiral, just how important is your statutory mission to keep the Great Lakes

channels and harbors open to navigation to meet the demands of commerce particularly during some of these severe winters?

Admiral ZUKUNFT. We've made headway these last 2 years in being able to extend the service life of those 140-foot icebreakers, and we're able to actually get ahead of ourselves because we had light ice years in 2015 and now in 2016. So we bought back some time without having push these resources too hard.

We've also tiered the areas that absolutely require icebreaking service that are critical to commerce, and so by using that, we can better leverage the capability that we have. And then we have a bilateral agreement, a memorandum of understanding, with our Canadian counterparts if we have extreme icing conditions. What is not known is, what does the future foretell? We had two, as you very well know, back-to-back very severe ice seasons. In fact, the one we had in 2014, we were pretty much—you know, everything we had was barely enough to keep the pace.

I don't know what those weather patterns are going to be, but certainly what's happening in the high latitudes contributes to what happens in the middle latitudes, and as those waters are warming like we have never seen before, it does allow that jet stream to migrate south and literally flash-freeze the Great Lakes. And so we need to be mindful of that as we look into the future.

Senator PETERS. Can we meet mission requirements today?

Admiral ZUKUNFT. Yes. Those 140-foot icebreakers, this is probably the last service life extension we can do on those. So we bought ourselves some time, maybe 5 or 6 years at best. But we're going to have to look at a major recapitalization for this fleet. And we cannot assume away that winters that we had like this year and the last are going to be the trend for the future as well.

Senator PETERS. I appreciate your comments that we may see more heavy ice as a result of the changing jet stream. I've had conversations with our friends at NOAA, who also believe that some of their modeling suggests that that is indeed the case. It's still too early to know, but if we're not putting steel together now, as you mentioned in response to some of my other colleagues, we could get behind the curve, which would have a devastating economic impact, not just to the Great Lakes region, but the whole country, which depends on steel and ore coming through the lakes, as you're well aware.

The one last issue that I just want to touch on that's something that you and I have spoken about at length as well, is the additional mission of the U.S. Coast Guard for oil response and pollution cleanup. I am particularly concerned about an aging pipeline that we have in the Straits of Mackinac, 60-plus years carrying oil, in what the University of Michigan study recently stated as the absolute worst place for an oil spill anywhere in the Great Lakes. The currents are incredibly strong and the volume of water that goes through the Straits of Mackinac are significant. In fact, they are equal to 10 times that of Niagara Falls. So having an oil break in that pipeline would be devastating for water supply for 40 million people, not to mention Mackinac Island, our number one tourist attraction, is right there at Mackinac as well.

But I'm concerned about freshwater throughout the Great Lakes region. We had a very damaging oil spill in Kalamazoo, which was

over $1 billion worth of cleanup costs and freshwater, and the fact that we don't have a really good idea how to clean up freshwater versus saltwater.

In the Coast Guard Authorization Act of 2015, we were able to put in language to assess oil spill response and cleanup activities in the Great Lakes. The full report is not due till 2018, but would you care to comment as to the work that's being done there, and perhaps some of the concerns that you have in our ability to clean up oil in freshwater, particularly in places that can be challenging, like the Straits of Mackinac during good weather, and nearly impossible when you have thick ice?

Admiral ZUKUNFT. Yes. The biggest challenge we face right now, and it's not unique to freshwater, is products like tar sands and bitumen, dilbit. These are products that have the same specific gravity or less than water, which means it sinks. And now this product, it sinks, it gets pulled into a water intake, or you shut down a water intake that now is the water source, as you mentioned, 40 million people.

I cannot state with any degree of reliability that we have the technology right now to be able to recover that and mitigate that before it would truly cause downstream and environmental harm. And that is our highest priority right now when we look at oil spill technology and removal technology as well. But this product in particular poses a very unique risk compared to the products that we've dealt with in the past.

Senator PETERS. Well, I know that you engage in research now, and facilities on the East Coast, and I also believe that you are in Michigan in the winter months, and others, drilling. It's certainly my hope that we can continue to work together and perhaps look at how we can marshal resources in public-private partnerships as well as involving the academic community to do more research on oil spill cleanup in the freshwater setting because, unfortunately, we're likely to be confronted with these incidents, and they may increase with time. I hope that we will be active participants with you and perhaps even creating a research institute of some sort that would be able to give us more information. I believe you would be supportive of that effort if we find a way to get the resources and build the kinds of partnerships necessary?

Admiral ZUKUNFT. I would absolutely support that, Senator.

Senator PETERS. Thank you, Admiral. I appreciate it.

The CHAIRMAN. Admiral, let me—I'm going to end the hearing with a few additional questions. I wanted to—as you and I have discussed previously, there have been some concerns in the Alaska fishing fleet about the Alternative Safety Compliance Program. And I just want to get your continued commitment to work with me and my office and the members of our fishing community on that. As you know, that's been a troubling kind of an overhang for a number of owners of our vessels, and the Coast Guard has—it has been slow to kind of get some of the regs out. We took up some legislation this last Congress to kind of push that out further. But can I get your commitment on continuing to work with that? That is something that I want to make sure—we all want safety, but at the same time, a number of my constituents have had concerns

with that. And we've had good cooperation with you. I just want to continue that.

Admiral ZUKUNFT. Senator, yes, and this really begins with stakeholder engagement——

The CHAIRMAN. Yes.

Admiral ZUKUNFT.—and whether it's alternative planning criteria, as you have mentioned. Another issue that we had talked about before, were guys operating in remote regions. We just recently, again listening to your constituents, consolidated all of the nine regions into one, so you don't need familiarization in nine different regions to hold a charter license. So, again, all of that done through stakeholder engagement, and we will do the same with alternative planning criteria as well.

The CHAIRMAN. Great. I want to go back to the Arctic. I think you're seeing a theme here on the icebreakers, and the need, whether in the Great Lakes, whether in the Arctic. There has been a lot of interest—I also serve on the Armed Services Committee—a lot of interest with regard to our strategy there. Have you read the recent Department of Defense strategy that was produced just a couple months ago, updated Arctic strategy?

Admiral ZUKUNFT. Senator, I have, and I just read, which was released today, from the Council on Foreign Relations, the work of the Arctic Task Force. And so I really find a lot—you know, near-term relevancy in the work created by the Arctic Task Force. But I have read both of these documents.

The CHAIRMAN. So I asked this in an Armed Services hearing recently. One of the elements of that new strategy is to conduct—kind of to look at our strategic interests in the Arctic, be it resource development, be it fisheries, be it protecting the environment, be it increased vessel traffic, all of which is happening. Talking about the ability to conduct FONOPS, do you think we have the ability to conduct Freedom of Navigation Operations in a way commensurate, say, with the Russians if they were trying to shut down the shipping lanes in that part of the world?

Admiral ZUKUNFT. We have a good model to begin with, with Canada. They make the same claim with the Northwest Passage, our key ally, Canada. Might we be able to approach this rather than forcing Freedom of Navigation, but maybe multilaterally or bilaterally, that would provide United States access through these waters?

We might want to look at a different model, but my biggest concern right now is the 386,000 square miles that the Coast Guard has mapped, our extended continental shelf, half of the 30 percent of the world's natural gas, half of the 13 percent of the unexploited oil that we hear about is in the Arctic is actually in our EEZ and in our extended continental shelf, 50 percent of those reserves.

But right now, we have not ratified the Law of the Sea Convention. We do not have a mechanism, if you will, where we can lay claim to what is clearly our extended continental shelf at a point in time where Russia is now declaring a good portion of the Arctic Ocean all the way up to the North Pole. So if we are not up there operating, if we are not up there looking out for our sovereign interests, which means we are thereby standing on the sidelines.

But those are two of my immediate concerns. But I would like to at least approach Freedom of Navigation diplomatically first and not as a show of force initially.

The CHAIRMAN. Yes. OK. But it does mention in the new DoD strategy to be ready to have the capacity to conduct those if need be.

Admiral ZUKUNFT. Yes, sir.

The CHAIRMAN. My concern, particularly given what you just mentioned about the icebreakers and essentially only having one, is that we don't have that capacity. I think it's very clear that we don't have that capacity, so that's going to be a focus of mine to make sure that we're working to enable us to be able to do that.

Another thing that came out of the NDAA recently was—just this last NDAA—was the requirement both from the Secretary of Defense in conjunction with the Secretary of Homeland Security for the designation of what's called a strategic Arctic port, and that is something that we certainly want the Coast Guard to be part of, but if you can look at that, the deadline for that report for the initial designation, is June 21, 2017. That's just 3 months away.

So I wanted to highlight that for you, and I know that that's something we're going to be following very closely both from this committee's perspective and jurisdiction and also from the Armed Services jurisdiction. Can I get your commitment to work with the Secretary both of Defense and Homeland Security on that legal requirement from the last NDAA?

Admiral ZUKUNFT. Senator, we are. In fact, we're already working, that's been delegated down to Army Corps of Engineers, U.S. Coast Guard, and you're very familiar with the draft work——

The CHAIRMAN. Yes.

Admiral ZUKUNFT.—that the Army Corps has completed. We're very familiar with that as well. I am confident we'll be able to make this deadline.

The CHAIRMAN. Great. Thank you. Just following up on Senator Schatz's comment when he said just relooking at mission orientation, given our assets. Given the lack of icebreakers that we have, and the need, whether it's up off the coast of Alaska or in the Great Lakes near Michigan, does it make sense to have a Coast Guard, a heavy icebreaker, go down to Antarctica every year?

Admiral ZUKUNFT. We have strategic interest in the Arctic. We're part of that treaty. I don't know what China's intentions are long term in Antarctica. There is a provision to do no exploitation work, but what is that going to look like 20, 30 years from now. But if we are not a player down there, then we are an observer. And this is not the point in time, I think, it's in our best interest to be distant virtual observers and not key participants in upholding the treaty in Antarctica.

The CHAIRMAN. Let me just conclude my questioning and the hearing with the poster board here that I began with, and you mentioned it. This is actually from a Coast Guard slide. Some of your staff were good enough to show this to me recently. But as you noted, Admiral, the United States' EEZs, 13 separate areas spread across nine time zones. You see everything from Alaska, which I think is your biggest one certainly, but a whole host of areas, Hawaii, the Great Lakes. If we are successful and can budg-

et the completion of the acquisition of nine National Security Cutters, 58 Fast Response Cutters, and 24 Offshore Patrol Cutters, does that give you enough assets to conduct the mission that, let's face it, that's about a quarter of the entire globe right there on that map? Do you have enough assets to do the job in those areas? You have a very broad mission base.

Admiral ZUKUNFT. Yes. Well, one more, so it's 25 Offshore Patrol Cutters, but not that that would be the tipping point. I can't project what the world, that world, is going to look like in 20 years, but in 20 years, we will have built out this fleet of 25 Offshore Patrol Cutters. In fact, all that entire fleet will be fully operational and capable.

What is the role of transnational criminal organizations? What is our role with China? What is the role of Russia? We were called to send cutters over to the Mediterranean. We still face the biggest flow of refugees in the world. There could be other nations that fail in this hemisphere and we see a mass migration.

So it is critical. If you have what I call a hot production line where you're already pulling ships off that product line—in fact, when we built our seventh National Security Cutter, the *Kimball,* that will christen in Hawaii next year, that's going to cost less than the fourth National Security Cutter. The ninth National Security Cutter will cost less than the seventh.

So there's an advantage if you have a hot product line and then the world around you has changed, you can do that at a very affordable cost rather than going on a hiatus and then think you can jumpstart a program where you suddenly realize you need more capacity.

So in the next decade, as these product lines start to build out, we need to look at the world again. Where is the Navy? Is the Navy going to have 355 ships? Or do they count some of our ships toward their 355? Those are some of the strategic dialogues we need to have not just with this committee, but obviously with House and Senate Armed Services Committee as well going forward in terms of, what is the right fleet mix for our Nation as we look at global maritime threats?

The CHAIRMAN. Well, thank you very much for that comment. And I can assure you, as the Chairman here, and I think I can speak for the Ranking Member, and both of us serve on the Armed Services Committee as well, that we want to work closely with you and your team on these critical issues. We also want to work closely with you on the deployment and stationing of these vessels where it makes the most strategic sense. If you look at that map, I certainly think there is a lot of strategic sense to cover more of that territory up in Alaska with the increasing traffic and increasing strategic interests.

But we look forward to working with you on all of these issues, Admiral, and again appreciate your service and those of the entire Coast Guard.

This hearing is adjourned.

[Whereupon, at 4 p.m., the hearing was adjourned.]

A P P E N D I X

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BILL NELSON TO ADMIRAL PAUL F. ZUKUNFT

Question 1. One of the perils of climate change is, as the intensity of hurricanes and tropical storms increases over time, the damage forces us to divert more and more money and effort to repairs, resulting in a vicious cycle that erodes the resilience of coastal communities. We have seen this with Katrina, Rita, Sandy, and with Hurricane Matthew last fall, which devastated coastal communities from Florida up to North Carolina, claiming at least 47 lives in the United States. What was the effect of damage from storms like Matthew on Coast Guard facilities, and how has it impacted the ability to do their job?

Answer. Hurricane Matthew damaged 32 Coast Guard facilities across the Southeast, displacing or impacting operations at 22 units. Significant wind and flooding damage, as well as shore erosion was found at Coast Guard locations from Florida to Virginia. Coast Guard repair teams made repairs at many of these facilities to remove immediate safety hazards and facilitate continued operations.

The estimated cost to repair Coast Guard infrastructure affected by Hurricane Matthew was estimated at $93 million. The $15 million provided by Congress in the FY 2017 Consolidated Appropriations Act will address our most urgent needs and the remainder will be prioritized within the Service's Shore Construction Backlog.

Question 2. My understanding is that the true workhorses of your interdiction missions in the Caribbean are your Medium Endurance Cutters. Most of them were commissioned over 50 years ago, yet they're still out there today. The new Offshore Patrol Cutters will come on line in the next few years to begin replacing them, but you need those Medium Endurance Cutters to keep working until then. How would you describe the current situation regarding the reliability and mission readiness of the Medium Endurance Cutters fleet, and what challenges are they imposing on accomplishing the Coast Guard's interdiction missions?

Answer. As the major cutters age, it becomes harder to predict impending component failure. As an example of some reliability challenges we face, the 210′-Medium Endurance Cutter (MEC) fleet experienced 107 lost operational days due to unplanned maintenance in 2016 and the 270′-MEC fleet experienced 161 lost operational days. The Offshore Patrol Cutter (OPC) will replace the Coast Guard's 210′ & 270′ MECs, and will ultimately provide the majority of the Coast Guard's offshore surface capacity, bridging the capabilities of the high-endurance 418′ National Security Cutters and the 154′ Fast Response Cutters. Last year we awarded a contract for OPC detail design and construction, and I am pleased to report that this acquisition is on track.

Question 3. What is the single most important resource the Coast Guard needs today, but doesn't have?

Answer. I am thankful to Congress and the Administration continuing to address the Coast Guard's most pressing resource needs. The funding provided in the FY 2017 Consolidated Appropriations Act significantly advanced two of our highest recapitalization priorities: the Offshore Patrol Cutter and a new heavy icebreaker.

Last year we awarded the contract for the Offshore Patrol Cutter, and we are making great progress in our effort to recapitalize our aging Medium Endurance Fleet. These ships will be the backbone of our surface fleet for the foreseeable future.

We have also come a long way towards meeting our goal of a modern fleet of icebreakers, which is critical given the expected increase in mission intensity in the Polar Regions. We have made great strides in accelerating the heavy icebreaker acquisition, and the funding provided in FY 2017 will continue that progress. Our collaboration with the Navy is a recipe for success and will leverage the expertise of both organizations.

While these new assets are critical to our operational success, our people are truly our most important resource. Over the past few years, we experienced some recruit-

ing challenges that have impacted our workforce, but that tide is turning and I am confident we have positive momentum to fill our ranks with the workforce we need to meet the demands of the 21st century.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO ADMIRAL PAUL F. ZUKUNFT

Question 1. On March 11, 2015 the TRICARE Operations Manual was amended to include language which prohibited active duty family members from enrolling in TRICARE Prime Remote if they resided in a Prime Service Area. As a result of this change in policy, Coast Guard families stationed southwest Washington and northwest Oregon became ineligible for TRICARE Prime Remote and lost access to their Primary Care Manager. A survey conducted by the Sector Columbia River Health Services Clinic in October 2016 revealed the following:

- 30 respondents had family members who had not been assigned a Primary Care Manger.
- 48 respondents had family members who had to wait greater than 30 days for a new patient appointment.
- 62 respondents indicated they had difficulty obtaining a Primary Care Manger.

In an oversight hearing last year, you committed to me that you would work to correct the designation of the Sector Columbia River Health Services Clinic and restore access to TRICARE Prime Remote for families stationed in southwest Washington and northwest Oregon. Please outline specific actions the Coast Guard has taken in the year that has lapsed since I initially engaged

Answer. The Coast Guard is committed to ensuring quality healthcare for our workforce and their families. My Chief Medical Officer has visited Sector Columbia River and met with members of the command and beneficiaries to discuss their concerns regarding access to healthcare. As a follow on to that meeting, she met with senior leaders from the Defense Health Agency (DHA) and shared these concerns.

Additionally, my Deputy Commandant for Mission Support engaged with VADM Bono (DHA) on the possibility of replicating what is done in other similarly remote locations. As DHA investigates that possibility, we are continuing to identify alternate solutions that will improve access to quality healthcare for Coast Guard members and their dependants with consideration for negative impacts on the community.

Question 2. You have the authority and responsibility to ensure the Sector Columbia River Health Services is correctly designated for the services it provides. Currently, the Clinic is incorrectly designated as a military treatment facility with a capacity to treat service members from other branches, retirees, and military dependents. The clinic undisputedly meets the criteria within the TRICARE Operations Manual for designation as a "small government clinic . . . not capable of primary care management functions . . . that only allows active duty enrollment." I sent a letter to your office on March 3 asking you to correct the designation. Why has the Coast Guard still not corrected the designation?

Answer. My staff is currently working towards ensuring the clinic's designation accurately represents the medical care offered.

Question 3. Please provide your specific plan and actions you will take to correct the designation of the Sector Columbia River Health Services Clinic.

Answer. I am committed to ensuring all members and their families receive quality healthcare. My Medical Officer has been actively involved with senior leadership from the Defense Health Agency to develop appropriate next steps. Additionally, my Deputy Commandant for Mission Support recently discussed with VADM Bono (DHA) the possibility of replicating other remote location policies in the Astoria area. Moving forward, we will continue to remain closely engaged with District D13 personnel as a course of action is being developed.

Question 4. In November last year the Canadian Government granted approval for the Kinder Morgan Trans Mountain Expansion Project. The expansion will nearly triple capacity of the Trans Mountain Pipeline from 300,000 to 890,000 barrels of crude oil per day which will increase tar sands oil tanker traffic along the U.S. Pacific Coast a minimum of seven-fold. Please provide the Coast Guard's plan for additional investment in oil spill prevention and response resources that will be made in preparation for increased tar sands oil traffic in Puget Sound.

Answer. The Coast Guard established the Joint Marine Pollution Contingency Plan (JCP), a bilateral agreement for planning, preparedness, and responding to harmful substance incidents in the contiguous waters along shared marine borders.

The JCP contains a Canada-U.S. Pacific (CANUSPAC) annex specific to response procedures in the Canadian/U.S. Pacific region. The USCG has and will continue to utilize this collaborative mechanism to ensure proper planning for potential spills to include the Trans Mountain Pipeline expansion.

The Coast Guard directs an Area Committee comprised of federal, state, and local agencies as well as federally recognized Indian Tribes in drafting Area Contingency Plans capable of removing a worst case discharge and mitigating or preventing a substantial threat of such a discharge in U.S. coastal zones. The Area Committee, under the direction of the Coast Guard on-scene coordinator, is implementing changes in potential worst case discharge scenarios associated with the proposed Trans Mountain Pipeline expansion (*i.e.,* transiting tanker ships and catastrophic pipeline system failures). To date, the Area Committee serving the Puget Sound area is aware of the pipeline expansion and has engaged in preliminary discussions.

Additionally, Coast Guard Sector Puget Sound is heavily engaged with the Washington Department of Ecology's Vessel Traffic Safety Assessment (VTRA) subcommittee. The purpose of the VTRA is to evaluate risks posed by infrastructure projects affecting the maritime domain. This includes terminal projects related to the Trans Mountain pipeline expansion. The VTRA is designed to inform tribes, local governments, industry and nonprofit groups in Washington State and British Columbia on risk management options commensurate with trends in commercial vessel traffic.

Question 5. How many oil spill response organizations have been classified by the Coast Guard to clean up tar sands oil?

Answer. While tar sands (diluted bitumen) may initially float, weathering or sedimentation may eventually cause it to sink. The Coast Guard has classification programs for both floating and nonfloating oils. Currently, the Coast Guard has approved four nonfloating oil spill response organizations (OSROs). Moreover, ten classified oil spill response organizations (OSROs) are capable of responding to floating tar sands oil in the state of Washington.

Question 6. How many of those oil spill response organizations which are classified have assets in Washington state?

Answer. Two nonfloating oil classified OSROs maintain assets in Washington state and are capable of responding to nonfloating tar sands oil. Two additional OSROs, with assets in Washington state, have applied for the nonfloating oil classification in Puget Sound and are currently being evaluated by the Coast Guard.

Question 7. Puget Sound and the Strait of Juan de Fuca are designated as a "High Volume Port Area." Under this designation the Coast Guard must require oil shipping companies to stage additional oil spill response, recovery, and oil storage infrastructure. What additional assets has the Coast Guard deployed in the Strait of Juan de Fuca and Puget Sound High Volume Port Area?

Answer. The Coast Guard's District 13 now owns two Dynamic Inclined Plane (DIP) Skimming Systems which are capable of conducting fast water oil recovery and transportable via the Coast Guard Cutter HENRY BLAKE. In addition, two OSROs have met the classification standards outlined in the 2016 OSRO Guidelines for the Strait of Juan de Fuca and Puget Sound HVPA, and possess various types of equipment to include boom, temporary storage systems, skimmers, response vessels, and response personnel.

Question 8. The Coast Guard currently calculates an oil spill response organization's response time compliance using "best case" on-scene weather. This sets up locations such as the outer coast peninsula of Washington state for failure in the event of an oil spill. Please provide the weather, environmental, and seasonal data the Coast Guard uses to calculate oil spill response time compliance.

Answer. Oil Spill Removal Organizations (OSROs) are required to meet certain response times as per 33 CFR § 154.1045, § 154.1047, § 155.1050, § 155.1052, § 155.5050 and § 155.5052. The regulations set the response times for classification. The Coast Guard Response Resource Inventory (RRI) computes response times for classification programs by examining the time for resources to arrive on scene from the point of notification.

Question 9. Why does the Coast Guard selectively use certain weather data to calculate response time compliance?

Answer. The Coast Guard does not model various weather or environmental data to calculate oil spill response times.

The only reference to weather in the vessel and facility response plan regulations pertains to equipment, such as boom, identified in a response plan. This equipment must be capable of operating in the conditions expected within the geographic area in which a vessel and/or facility operates. These conditions vary widely based on the location and season. For example, vessels moving from the ocean to a river port

must identify appropriate equipment designed to meet the criteria for transiting oceans, inland waterways, rivers and canals. This equipment may be designed to operate in all of these conditions.

Lastly, a vessel or facility plan holder must refer to the applicable area contingency plan (ACP) to determine if ice, debris and weather-related visibility are significant factors in evaluating the operability of equipment.

Question 10. Following the release "Polar Sea Assessment" in January this year the Coast Guard recommended to decommission the POLAR SEA and pursue a tailored rolling recapitalization of the POLAR STAR for a period of 7–10 years. A "rolling recapitalization" has never been used by the Coast Guard to extend the service life of a vessel. Please provide the Coast Guard's recapitalization timeline and work plan for the POLAR STAR.

Answer. The Coast Guard has begun evaluating the benefit/cost ratio of a Limited Service Life Extension Project (SLEP). A timeline and work plan for a potential SLEP of POLAR STAR would follow, as appropriate, once a way ahead is decided.

Question 11. Please provide how this plan will ensure there is no lapse in U.S. icebreaking capacity.

Answer. A timeline and work plan for a potential SLEP of POLAR STAR would follow, as appropriate, once a way ahead is decided.

Question 12. How will the Coast Guard ensure the vessel will be operational and service ready during the "rolling recapitalization" to ensure it can fulfill its seasonal obligation for Operation Deep Freeze in Antarctica?

Answer. The Coast Guard's commitment to fulfill its seasonal obligation for Operation Deep Freeze in Antarctica will remain the highest priority as we consider our plans for POLAR STAR.

Question 13. The Coast Guard was not mentioned once by name in the Fiscal Year 2018 Presidential budget blueprint. The Coast Guard's Human Capital Strategy specifically underscores the critical importance in developing and investing in the Coast Guard's workforce of tomorrow. While recapitalization of the Coast Guard cutter fleet is vital to operational success-the men and women of the Coast Guard are the service's most valuable resource. I am concerned that the Coast Guard will not be able to invest support services for its workforce given its growing operational demands. How does the Coast Guard plan to expand childcare services for Coast Guard families?

Answer. The Coast Guard is actively advertising the Family Child Care (FCC) program as an option for families in need of child care. Additionally, the Coast Guard is exploring the feasibility of expanding Coast Guard subsidy eligibility to include service members using Coast Guard Child Development Centers (CDCs). In FY 2017, the Coast Guard conducted an internal review to determine if the type of programming offered at its CDCs met the needs of the communities where they were located. In response, most CDC part-day preschool programs were transitioned to full-time services.

Question 14. Does the Fiscal Year 2018 budget allow for the expansion and establishment of child development centers?

Answer. The Fiscal Year 2018 budget does not include new funding for the expansion and/or establishment of child development centers.

Question 15. How much funding has the Coast Guard allocated to childcare support services each year for the last 10 fiscal years? Please separate the funding the Coast Guard has allocated for child development centers from the funding the Coast Guard has allocated for the childcare subsidy.

Answer.

	Subsidy	**CDC**
2008	$1,143,085	$172,088
2009	$1,739,462	$305,897
2010	$2,068,245	$251,349
2011	$2,261,385	$48,835
2012	$2,526,341	$1,057,009
2013	$3,887,027	$656,926

	Subsidy	CDC
2014	$4,048,464	$651,450
2015	$5,723,471	$454,891
2016	$4,686,895	$716,302
2017	$3,452,000	*$317,981

* Partial FY funding for CR period

Question 16. What is the Coast Guard doing to identify and analyze future locations for establishment of new child development centers?

Answer. As the service reviews the need for new or expanded CDCs, qualified projects become part of our shore facilities requirements list. Currently one such project on the list is $12.3M to construct a new facility for Petaluma.

Question 17. What specific metrics, data, and criteria does the Coast Guard use to determine where to establish a child development center?

Answer. We track utilization trends, child development center waitlist numbers, and other community generated data that reflect need. In addition, we track subsidy program utilization to identify which locations have the most need for child care services.

Question 18. How much does it cost for the Coast Guard to establish and sustain a child development center?

Answer. The Coast Guard has adopted DoD standard designs for small, medium, and large child development center facilities. The Coast Guard estimates a minimum of 128 square foot per child, to include classroom, playground, and common areas. Costs to establish and maintain a child development center vary based on location, property, new build versus renovation, established infrastructure, personnel costs, facility capacity, security, and other factors.

Question 19. Please provide how the Coast Guard will continue to allocate funds to invest in childcare services to support Coast Guard families.

Answer. The Coast Guard is currently reviewing its funding practices under the Human Capital Strategy to assure that annual program funds are being used most efficiently and effectively.

Question 20. Earlier this year the Coast Guard Cutter STRATTON embarked on its first full deployment with its own small unmanned aircraft system to support its missions. There has been strong bi-partisan support for unmanned systems aboard the National Security Cutter fleet as a way to expand intelligence, surveillance and reconnaissance without breaking the budget. Please provide the results and operational successes with the small unmanned aircraft system deployed on the Coast Guard Cutter STRATTON.

Answer. The installed sUAS conducted approximately 280 surveillance hours for the CGC STRATTON over its inaugural two-month deployment. The highlight of the sUAS testing effort was its ability to provide tactical situational awareness via real-time full-motion video during three interdiction events that ultimately seized over 5,000 lbs of illicit contraband.

Question 21. Does the Coast Guard currently plan to outfit every deployed National Security Cutter with small unmanned aircraft system?

Answer. The current sUAS and NSC program baselines include the requirement to install shipboard sUAS infrastructure on eight NSCs.

Question 22. If so, please provide the Coast Guard's plan and timeline for expanding small unmanned aircraft systems on the entire National Security Cutter fleet.

Answer. The USCG plans to release an RFP in the fourth quarter of FY 2017 with an award targeted for FY 2018 to establish a multi-year Indefinite Delivery Indefinite Quantity (IDIQ) contracting vehicle to identify pricing for installation and price of yearly operations. Initial installation schedule will be dependent on NSC availability, delivery schedule, and availability of appropriations.

Question 23. Does the Coast Guard plan to outfit icebreakers with small unmanned aircraft systems?

Answer. We are in the process of refining new heavy polar icebreaker operational requirements.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. AMY KLOBUCHAR TO ADMIRAL PAUL F. ZUKUNFT

Question. Adminiral Zukunft, in Minnesota we see the importance of Coast Guard operations on Lake Superior and along the Mississippi river every day. By protecting our borders, combating drug trafficking, safeguarding our environment and responding to disasters, the Coast Guard makes life better in Minnesota. We will never forget that when the I–35W Bridge tragically collapsed in 2007, Coast Guardsmen were among the first responders on the scene to assist in the rescue of 145 injured survivors and help maintain safety on the water in the following days and weeks. As you know, there have been proposals to cut $1.3 billion from the Coast Guard's Fiscal Year 2018 budget. In your response to Ranking Member Nelson's question, you stated that the Coast Guard has many fixed costs that cannot be trimmed so the majority of the cuts would have to come from operations. Can you provide examples of the types of operations the Coast Guard currently performs in Minnesota that might have to be cut if the proposed budget cut becomes law?

Answer. The FY 2018 budget increases discretionary funding levels by 2.5 percent over the FY 2017 enacted appropriation, which will fully sustain day-to-day operations and planned investments in the Acquisition Construction, & Improvements account.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. RICHARD BLUMENTHAL TO ADMIRAL PAUL F. ZUKUNFT

Question 1. The Coast Guard has played a critical role in our country's safety and security for 227 years. The Coast Guard, however, is the only uniformed service without a national museum. The other branches all have museums where Americans and visitors from around the world can learn more about their history and traditions. Thankfully, we're righting that wrong. Through this committee, we've made sure Congress finally recognizes the importance of the museum and helps get it off the ground—just as it has done for other branches. Plans are now being finalized for this museum in New London. The facility, I understand, will also be a training center for Coast Guard personnel that can help the Coast Guard fulfill its mission. Can you describe the importance of creating a monument to the brave men and women of the Coast Guard—something the service has long been denied?

Answer. As I have testified in the past, the story of the Coast Guard is one that needs to be told. We are grateful that the National Coast Guard Museum Association is taking the lead and raising funds to tell that story.

Question 2. Can you discuss how critical it is that the Federal Government serve as a partner on this vital undertaking, just as it has for all the other branches' museums?

Answer. I fully support the National Coast Guard Museum project in New London. Close partnership with the National Coast Guard Museum Association is critical to the success of this project, and the Coast Guard continues to make its experts and artifact collections available to the Association.

Question 3. Even with the change in administration—and many worrisome changes in priorities—can we get your commitment to work with the City of New London, state of Connecticut and other stakeholders to make this museum a reality?

Answer. I will continue to work with stakeholders to advance the National Coast Guard Museum project. The National Coast Guard Museum Association's plan to complete construction by 2022 is dependent upon a number of factors, including its ability to raise funds through donations. The Coast Guard is not involved in the construction of the proposed National Coast Guard Museum facility, but will continue to make its experts and artifact collections available to the National Coast Guard Museum Association to support this effort.

Question 4. In early March, the *Washington Post* reported that the Trump administration planned to propose slashing funds for the Coast Guard by $1.3 billion. That cut would have been 12 percent of the agency's budget. In mid-March, the administration released its "skinny" budget. There were no cuts proposed to the budget. There was also no mention whatsoever of the Coast Guard in a document ostensibly billed as "a message of American strength, security, and resolve." After the skinny budget was released, DHS put out a news release that did mention the Coast Guard, saying it "sustains current funding levels." What impact would a flat funding level have on the Coast Guard?

Answer. The FY 2018 budget increases discretionary funding levels by 2.5 percent (after accounting for rescissions of prior year balances and multi-year funds in the FY 2017 baseline) over the FY 2017 enacted appropriation.

Question 5. Shouldn't we be increasing our investments in this important agency?

Answer. The FY 2018 budget increases discretionary funding levels by 2.5 percent (after accounting for rescissions of prior year balances and multi-year funds in the FY 2017 baseline) over the FY 2017 enacted appropriation.

Question 6. One area where we must invest includes polar icebreakers. We have two of these for the Arctic; Russia reportedly has 20 at least. Does a flat budget further cede control of the Arctic to Russia?

Answer. The acquisition program to deliver a new icebreaker in Fiscal Year (FY) 2023 is well underway. If Congress enacts the President's request for $19 million in 2018, the program will remain on schedule. The $150 million included in Defense funding provided in the FY 2017 Consolidated Appropriations Act will also keep us on track to award the contract for Detail Design and Construction in 2019.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. BRIAN SCHATZ TO ADMIRAL PAUL F. ZUKUNFT

Question 1. Admiral Zukunft, in your appearance before the Subcommittee, you indicated that you had been working on developing some options for the Coast Guard to use cutters and other resources to further our national security interests in the East and South China Seas. Could you elaborate on what these policy options look like, including if this would include a more routine Coast Guard presence in the region?

Answer. The U.S. Coast Guard's unique authorities, capabilities, competencies, and partnerships enable us to meaningfully engage with our coast guard counterparts in the Asia-Pacific region. In service to DoD and if requested, we can divert teams, subject matter experts, and liaison officers to the region, however, if these operations were to become routine, the tradeoff would result in reduced presence and support for our core homeland security missions.

Question 2. What are the major obstacles to executing these policy options, including host nation support and interagency consensus on the role of the Coast Guard in the region?

Answer. A cutter deployment to the region reduces the operational availability of our most capable asset, the National Security Cutter, and must be weighed against the priority to support homeland security missions, including drug and migrant interdiction activities that address the southern border priorities of the Administration.

Question 3. You and I visited Air Station Barbers Point and we saw the need for investment in the hangars and other facilities to support the C–130Js the Coast Guard needs for long endurance operations in the Western Pacific Can you tell me how our Coast Guard bases in Hawaii fit into your strategy for the Western Pacific?

Answer. Coast Guard facilities in Hawaii serve as the central logistics hub and operational launching point for resources located in the region. This enables our assets to reach further into the Western Pacific than a stateside asset. For example, Air Station Barbers Point provides the only USCG aviation assets in HI and is responsible for patrolling over 12 million square miles of open ocean, atolls, and islands governed by the U.S. USCG C–130 aircraft additionally patrol as far west as Guam and provide additional support to ensure the sanctity of the Micronesian EEZ. The Coast Guard presence in Hawaii provides the citizens of Hawaii with the same 24/7/365 maritime service as every other U.S. coastal state, while also providing a strategic staging point for Coast Guard presence in the western Pacific.

Question 4. And what is your plan for investing in the facilities and capabilities out there so you have what you need to conduct operations in support of that strategy?

Answer. The Coast Guard funds necessary infrastructure improvements that are required to accommodate a newly acquired asset in advance of the asset's arrival to a given facility. Existing Coast Guard facilities are also prioritized for recapitalization consistent with available funding.

Question 5. At a minimum, I believe Air Station Barbers Point needs a liquid oxygen facility, propeller shop, spare propeller and engine storage area, and additional mission system support equipment to support day-to-day aircraft maintenance on any new C–130Js. Does the Coast Guard plan to budget for those improvements to keep the delivery of new C–130Js on track to Hawaii? If so, when can we expect those improvements to be made?

Answer. Yes. Facility improvements at Air Station Barbers Point have already begun. The Coast Guard recently completed a $5M freshwater rinse facility that provides a significant improvement in corrosion prevention for existing fleet of C–

130/MH–65 aircraft and a must-have for future C–130Js. Additionally, $20M was appropriated in FY16 and planning is in progress to upgrade the Air Station's electrical supply system. The Coast Guard is planning to address liquid oxygen facilities, propeller shops, spare propeller and engine storage areas, with sufficient time for those improvements to be completed before the arrival of new C–130J aircraft.

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