

**EXAMINING THE POLAR SECURITY CUTTER: AN  
UPDATE ON COAST GUARD ACQUISITIONS**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
TRANSPORTATION AND MARITIME  
SECURITY  
OF THE  
COMMITTEE ON HOMELAND SECURITY  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED EIGHTEENTH CONGRESS  
SECOND SESSION  
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## **EXAMINING THE POLAR SECURITY CUTTER: AN UPDATE ON COAST GUARD ACQUISITIONS**

**Wednesday, December 18, 2024**

U.S. HOUSE OF REPRESENTATIVES,  
COMMITTEE ON HOMELAND SECURITY,  
SUBCOMMITTEE ON TRANSPORTATION AND  
MARITIME SECURITY,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 10:02 a.m., in room 310, Cannon House Office Building, Hon. Carlos A. Gimenez (Chairman of the subcommittee) presiding.

Present: Representatives Gimenez, Higgins, LaLota, Thanedar, and Kennedy.

Mr. GIMENEZ. The Committee on Homeland Security, Subcommittee on Transportation and Maritime Security will come to order.

Without objection, the Chair may declare the subcommittee in recess at any point.

Today's hearing will review the progress of the Coast Guard's Polar Security Cutter Acquisition Program.

I now recognize myself for an opening statement.

Today we're reviewing the progress—frankly, the lack thereof—of the Coast Guard's Polar Security Cutter program and discussing some strategies to ensure the successful completion of this vital acquisition effort. This issue is of paramount importance. The United States must be able to operate effectively in the Arctic to safeguard our Nation's security and strategic interests in this rapidly-changing region.

While the Arctic has long been a region of immense importance, it has recently become a key arena for geopolitical competition. As the ice retreats, new opportunities and challenges emerge, such as rising shipping traffic, untapped natural resources, and shifting national security dynamics. Nations around the globe are positioning themselves to capitalize on these immense opportunities. Of most concern are adversarial nations to the United States.

For example, the People's Republic of China, which continues to pursue its self-declared near-Arctic ambitions, is rapidly expanding its icebreaker fleet to bolster its influence in the region. Recent reports indicate that China currently operates 4 icebreakers with a fifth named *Jidi*, which translates to "polar" in English, under construction and expected to be fully operational by 2025. Notably, construction of the *Jidi* began in November 2022, and by the time it becomes fully operational next year, it will have been completed in under 30 months, 2.5 years.

Meanwhile, Russia commands the world's largest and most advanced icebreaker fleet, consisting of 41 state-owned vessels, including 7 nuclear-powered icebreakers, which it uses to advance economic development and exert geopolitical influence.

It is concerning that these two countries are actively working to dismantle both internal and bilateral political and bureaucratic barriers to strengthen their cooperation on Arctic issues.

Most recently China's Premier Li Qiang met with Russian Prime Minister Mikhail Mishustin, and the two agreed to intensify their collaboration on Arctic matters, including shipping and polar vessel technology.

By contrast, the United States has struggled to maintain even a minimal Arctic presence. The Coast Guard, our Nation's primary operator in the Arctic, is relying on just one aging heavy icebreaker, the *Polar Star*, which is already well past its intended service life, and a single medium icebreaker, the *Healy*. This is unacceptable. A nation as powerful, resourceful, and innovative as ours must rise to the challenge and do better.

The Polar Security Cutter sought to address this critical capability gap, yet delays, cost overruns, and mismanagement have plagued the program from the start. Despite being announced in 2018—let me repeat that. Despite being announced in 2018, we're no closer to having an operational Polar Security Cutter now than we were then. The first Polar Security Cutter was originally slated to be operational in—well, this year, 2024. However, based on current estimates, they will not enter service until 2030 at the earliest.

Furthermore, the Coast Guard now estimates that the delivery of the first Polar Security Cutter will cost significantly more than originally anticipated, with the actual costs likely aligning more closely with the figures outlined in the Congressional Budget Office's *The Cost of the Coast Guard's Polar Security Cutter* report released in August 2024 in response to requests from Chairman Green and myself on this matter.

Given the growing geopolitical importance of the Arctic, I am deeply concerned by this delay and cost overrun. The lack of progress on this program is a disservice to the women and men of the Coast Guard who are tasked with executing the mission under increasingly challenging conditions. It also undermines our Nation's ability to project power, uphold international norms, and compete in a region that will only grow more important in the years to come.

As Vice Admiral Gautier stated to this committee in November 2023, as a great Nation, we need to be able to respond at the time and place of our desire, and the Coast Guard needs to advance and grow our assets in order to achieve that.

While this situation has been frustrating, we can't afford to dwell on the past failures. Instead, we must focus on the path forward and ensure that the Coast Guard has the assets it needs to meet its mission in the polar regions to protect our national interests.

I am encouraged by my recent discussions with the Coast Guard, which have provided valuable insights into their on-going efforts. It is evident that the Coast Guard is maintaining a strong and collaborative relationship with the Bollinger Shipyards, working dili-

gently to address key aspects of the program. Bollinger is making significant progress toward faithfully executing the PSC program while working with the Coast Guard to finalize the necessary contract modifications, which will formally establish new costs and scheduled parameters.

I am cautiously optimistic about the direction these efforts are heading and the potential positive impact they could have on the Polar Security Cutters Program's ultimate success.

I am also excited about the direction the incoming administration may take in addressing the urgent need for U.S. icebreakers. The Trump administration has an opportunity to prioritize this issue and explore innovative solutions, such as enhancing cooperations with allied nations to fill immediate capability gaps. These efforts paired with a clear commitment to advancing our long-term Polar Security Cutter procurement plan could significantly strengthen our polar capabilities while reinforcing U.S. leadership in these strategically vital regions.

This hearing provides an opportunity to evaluate the status of the Polar Security Cutter, determine the necessary steps to sustain and expand recent progress, and looks to hold accountable those responsible for delivering this critical capability.

Thank you to our witness, Vice Admiral Allan, for appearing before the subcommittee today to discuss this important topic. I look forward to your testimony.

[The statement of Chairman Gimenez follows:]

STATEMENT OF CHAIRMAN CARLOS A. GIMENEZ

DECEMBER 18, 2024

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For example, the People's Republic of China, which continues to pursue its self-declared "near-Arctic" ambitions, is rapidly expanding its icebreaker fleet to bolster its influence in the region.

Recent reports indicate that China currently operates 4 icebreakers, with a fifth, named *Jidi*, which translates to "Polar" in English, under construction and expected to be fully operational in early 2025.

Notably, construction of the *Jidi* began in November 2022, and by the time it becomes fully operational next year, it will have been completed in under 30 months.

Meanwhile, Russia commands the world's largest and most advanced icebreaker fleet, consisting of 41 state-owned vessels, including 7 nuclear-powered icebreakers, which it uses to advance economic development and exert geopolitical influence.

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Mr. GIMENEZ. Now I will yield to the Ranking Member for his opening statements.

Mr. THANEDAR. Thank you, Chairman Gimenez for calling today's hearing. Thank you, Vice Admiral Allan for joining us today.

Today's hearing follows the hearing that this committee held in May to examine the Coast Guard's shipbuilding efforts and other acquisition programs. At that hearing, we discussed the importance of the Arctic Region to U.S. interests. In the Arctic, a changing climate and melting ice caps have allowed for increased shipping, energy exploration, economic competition, and power projection.

Russia and China have amplified their presence in the region, including through joint military exercises, yet the Coast Guard has been challenged to maintain a regular presence in the Arctic due to a lack of modern icebreakers. The Coast Guard has only one heavy icebreaker, the *Polar Star*, and one medium icebreaker, the *Healy*. The Coast Guard continues to carry out commendable projects to extend the service life of these cutters, but nevertheless, they are aging and insufficient to meet the Coast Guard's long-term needs.

In 2016, the Coast Guard and the U.S. Navy jointly established the Polar Security Cutter, or PSC, Program to begin the process of acquiring American-made heavy icebreakers. In 2019, the Coast Guard awarded a contract for the initial PSC to be delivered in late 2024. We are here in late 2024, and the Coast Guard is only now beginning construction of the cutter.

We understand some of the reasons for the delay, from underestimating the complexity of the ship design due to the onset of the COVID-19 pandemic and impacts on the supply chain. Some of these factors were under the Coast Guard's control, and some were not.

Going forward the key is for the Coast Guard to learn from the past and establish a reasonable schedule of cost estimates for the PSC program and then stick to them. Doing so will allow Congress to plan for the budgetary demands of the PSC program and continue our bipartisan support.

I look forward to receiving an update from Vice Admiral Allan today on the next phase of the PSC Program. I also look forward to hearing more details on the Coast Guard's plan for the commercially-available icebreaker it recently acquired to help fill icebreaking needs while we await the delivery of the first PSC. The Coast Guard's mission in the Arctic is critical, and we must ensure the service deploys the capabilities it needs.

Vice Admiral, thank you again for being here.

I yield back.

[The statement of Ranking Member Thanedar follows:]

STATEMENT OF RANKING MEMBER SHRI THANEDAR

DECEMBER 18, 2024

Today's hearing follows the hearing this subcommittee held in May to examine the Coast Guard's shipbuilding efforts and other acquisition programs. At that hearing, we discussed the importance of the Arctic region to U.S. interests.

In the Arctic, a changing climate and melting ice caps have allowed for increased shipping, energy exploration, economic competition, and power projection. Russia and China have amplified their presence in the region, including through joint military exercises.

Yet the Coast Guard has been challenged to maintain a regular presence in the Arctic due to a lack of modern icebreakers. The Coast Guard has only 1 heavy icebreaker, the *Polar Star*, and 1 medium icebreaker, the *Healy*.

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The Coast Guard’s mission in the Arctic is critical, and we must ensure the Service develops the capabilities it needs.

Mr. GIMENEZ. Thank you, Ranking Member Thanedar.

Other Members of the committee are reminded that opening statements may be submitted for the record.

[The statement of Ranking Member Thompson follows:]

STATEMENT OF RANKING MEMBER BENNIE G. THOMPSON

DECEMBER 18, 2024

The Coast Guard’s Polar Security Cutter, or PSC, program represents the first effort to construct a heavy icebreaker in the United States in nearly 50 years. When Congress first appropriated funding toward this project, we knew it would be a long and expensive effort. We also knew it was a necessary effort.

The Arctic region has grown in global importance, and the Coast Guard’s icebreaking capabilities are critical to protecting U.S. interests in the region.

As waters warm due to climate change, ice caps will continue to melt, making waterways more hazardous.

As maritime traffic increases, the Coast Guard must have an icebreaking fleet capable of conducting search-and-rescue missions in the region, maintaining freedom of navigation, and responding to the presence of our adversaries.

In addition, the Coast Guard must maintain its ability to support scientific research endeavors in the Antarctic.

Unfortunately, the Coast Guard has struggled to meet budgets and deadlines for the PSC program, which is now in breach of its acquisition program baseline.

The Coast Guard has grappled with an inexperienced U.S. industrial base unprepared to produce complex ship designs, as well as the impacts of the COVID–19 pandemic which have increased the costs of labor and materials.

Since the subcommittee’s hearing on Coast Guard acquisitions in May, I know the Coast Guard has been hard at work to develop new cost and schedule parameters for the PSC program going forward.

I look forward to seeing the formal approval and adoption of a new acquisition program baseline for the PSC program. I hope the Coast Guard will learn from recent challenges and prevent any further breaches of acquisition parameters from occurring. I also look forward to seeing the Coast Guard deploy its recently purchased commercial icebreaker.

The Coast Guard must move expeditiously to operationalize that icebreaker to help fill the capability gaps caused by PSC program delays. The Coast Guard’s icebreaking mission is essential to protecting U.S. interests in the Arctic and to our national security.

Mr. GIMENEZ. I am pleased to have a distinguished witness before us today on this critical topic. I ask that our witness please rise and raise his right hand.

[Witness sworn.]

Mr. GIMENEZ. Let the record reflect that the witness has answered in the affirmative. Thank you. Please be seated.

I would now like to formally introduce our witness. Vice Admiral Allan serves as the deputy commandant for mission support for the United States Coast Guard.

Thank you Vice Admiral Allan for being here today. You're now recognized for 5 minutes to summarize your opening statements.

**STATEMENT OF VICE ADMIRAL THOMAS G. ALLAN, JR., DEPUTY COMMANDANT FOR MISSION SUPPORT, UNITED STATES COAST GUARD**

Admiral ALLAN. Good morning, Chairman Gimenez, Ranking Member Thanedar, and distinguished Members of the subcommittee.

I'm pleased to be here to update you on the on-going efforts to recapitalize the Nation's fleet of polar icebreakers. I ask that my written testimony be entered into the record.

Mr. GIMENEZ. Without objection.

Admiral ALLAN. The Coast Guard is a unique instrument of national power, supporting national security and strategic objectives around the globe. We are working hard to meet growing mission needs in the Arctic and Antarctica. The polar regions are experiencing an ever-increasing rate of change requiring systems of assets and infrastructure to enable Coast Guard operations in some of the harshest and most remote environments on earth.

As deputy commandant for mission support, I'm focused on delivering solutions that equip our people with assets, tools, and support which will ensure U.S. presence and mission capabilities in the high latitudes. With the strong support of this subcommittee, the service has prioritized acquisitions and modernization programs to meet national demands.

I'm clear-eyed about this challenge we face in recapitalizing the Nation's fleet of polar icebreakers. Put simply, the polar icebreakers are the foundation for U.S. operational surface presence and influence in the polar regions. The polar security cutter is the best and quickest way to provide the multi-mission heavy polar icebreaking capability the Nation needs to deliver assured year-round access and to meet national and Homeland Security mission demands in the high latitudes.

The Coast Guard is working with the U.S. Navy as part of an Integrated Program Office to design and deliver at least 3 heavy icebreakers we call Polar Security Cutters. The Navy support is critical as the United States seeks to construct its first heavy polar icebreaker in nearly 50 years at a time when the demand for new maritime assets exceeds national shipbuilding capabilities.

Together the Coast Guard and Navy are collaborating with Bollinger Mississippi Shipbuilding to build the first Polar Security Cutter. Alongside our partners in the maritime industrial base, we are working to address unique challenges of producing a large complex ship like the Polar Security Cutter. We are nearing the end of a long and complex process to modify the contract, formalize costs, and schedule requirements before production activities can begin. Thanks to your enormous efforts from dedicated people, I am very pleased to report that we are on track for a production decision from the Department of Homeland Security this week.

As we work to advance the acquisition of the Polar Security Cutter, we're also executing service life extension activities on the Coast Guard cutter *Polar Star*, which departed Seattle for its an-

nual deployment to Antarctica in support of Operation Deep Freeze.

We are planning a major maintenance availability on the Coast Guard Cutter *Healy*, and we just awarded a contract to acquire the United States' only commercially available polar icebreaker as part of our Arctic bridging strategy.

The physical, operational, and geopolitical environment near the poles is changing rapidly. Our presence in these regions has shaped national security in high latitudes for over 150 years and is central to the U.S. whole-of-Government approach to securing and preserving our national interests. Continued support for a modernized capable polar fleet along with increased Coast Guard capability capacity in general will fortify the Nation's position in the critical Arctic and Antarctic domains. Coast Guard presence and leadership is essential to maintaining a coalition of like-minded partners to ensure that these regions remain peaceful, stable, prosperous, and cooperative.

I appreciate the subcommittee's continued bipartisan support, and I look forward to our continued work together on advancing these vital efforts in the high latitudes.

Thank you for your time and support on the matter today, and I look forward to your questions.

[The prepared statement of Admiral Allan follows:]

PREPARED STATEMENT OF THOMAS G. ALLAN, JR.

18 DECEMBER 2024

#### INTRODUCTION

Good morning, Chairman Gimenez, Ranking Member Thanedar, and distinguished Members of the subcommittee. Thank you for your continued oversight and strong support of the U.S. Coast Guard. I am honored to appear before you today to update you on our on-going efforts to recapitalize the Nation's fleet of polar icebreakers. The United States is an Arctic nation with Antarctic interests, and the Coast Guard has been a key leader and interagency and international partner in advancing maritime safety, security, and stewardship in our Arctic homeland and throughout the high latitudes for over 150 years. Through routine presence, meaningful engagements, and deliberate actions that strengthen maritime governance, the Coast Guard provides a full suite of mission capabilities and services to promote a peaceful, stable, prosperous, and cooperative Arctic and Antarctic during a time of great regional change.

Recapitalizing the Nation's sole operational heavy polar icebreaker is a critical national security imperative. Simply put, our adversaries are present in the high latitudes. They are working to disrupt the rules-based international order and infringe on America's sovereign interests. If we do not continue to invest in heavy polar icebreaker acquisition, we risk undermining our interests in the region. Our single operational heavy polar icebreaker is nearly 50 years old and while we are working to extend its service life, that is not a long-term plan. Despite setbacks, the Polar Security Cutter (PSC) program has worked hard to overcome obstacles, and I am confident that it remains the quickest and most cost-effective way to deliver the first 3 new heavy polar icebreakers America needs to assure our interests in the Arctic and Antarctic.

The high latitudes are experiencing markedly increased geostrategic activity, amongst partners and competitors alike. In and near the U.S. Arctic, the Coast Guard is observing increased presence by the People's Republic of China (PRC) and Russia, which are engaged in unilateral and combined military and coast guard activities, as well as increased research vessel presence. Internationally, the Coast Guard and our partners are increasing activities and engagements that support our common goals.

The Coast Guard has the right combination of authorities, mission expertise, and partnerships to address polar equities head-on. However, the Service needs significant investment to modernize and grow our capabilities to keep pace with rapidly-

evolving challenges and to advance our Nation's interests, and we appreciate the trust and support of Congress and the American people. The Service will continue to prioritize actions that safeguard U.S. interests and serve Americans while promoting safe, secure, and environmentally responsible maritime activity.

#### INVESTING IN ARCTIC CAPABILITIES

A peaceful, stable, and prosperous Arctic and Antarctic that are increasingly open to human activity require sound rules-based governance and responsible behavior in accordance with international norms. As the National Strategy for the Arctic Region states, we continue to “expand U.S. engagement and leadership, pursue new partnerships and arrangements that advance shared interests, and prepare for increased and evolving activity in these regions.” With our unique combination of authorities—as an armed force, a law enforcement agency, a regulatory agency, and a humanitarian service—the Coast Guard is an ideal instrument for the Nation to responsibly engage in these unique maritime environments. However, given the vast and unforgiving reaches of the high latitudes, the Coast Guard needs more capable modern assets and resources.

The Coast Guard's broad operations and wide-ranging activities are executed in some of the globe's most expansive, remote, and unforgiving maritime environments. We are the only Federal agency responsible for ensuring surface vessel access to polar regions. Our vast responsibility supports myriad national security, scientific, and strategic objectives, and requires commensurate investment. To maintain operational readiness while we recapitalize and build the capacity and capability necessary to meet increasing polar challenges, the Coast Guard requires predictable, consistent, and expanded investment. To keep pace with the ever-increasing rate of change, we must provide our workforce with modern assets, systems, and infrastructure to support mission execution. In line with this direction, and with strong Congressional support, the Service continues to pursue a multibillion-dollar portfolio of acquisition programs established to deliver capabilities to meet these national demands.

Highlighting the importance of the investments in polar icebreakers, the United States, Canada, and Finland recently formalized and signed a Memorandum of Understanding advancing the Icebreaker Collaboration Effort (ICE) Pact. While ICE Pact will not directly impact the on-going PSC acquisition, this trilateral arrangement is intended to strengthen the shipbuilding industry and industrial capacity of each nation and build closer security and economic ties among our countries through information exchange and mutual workforce-development focused on building polar icebreakers. The Coast Guard is supporting United States interagency efforts to craft the framework of this agreement and looks forward to working with our trilateral partners and interagency partners to advance our Nation's icebreaking capacity through collaboration.

#### POLAR ICEBREAKING

Heavy polar icebreakers are the foundation of U.S. operational presence and influence in the polar regions. These multi-mission cutters provide assured, year-round access not only for Coast Guard missions, but also in support of critical activities that protect key U.S. interests in the high latitudes. The Coast Guard faces gaps in capability that challenge our ability to operate reliably and meet mission needs. For instance, the Coast Guard has assessed that achieving a persistent presence in the Arctic (which includes year-round cutter presence in both the East and West Arctic) and a seasonal Antarctic presence would require a fleet mix of 8 to 9 icebreakers—including both heavy and medium types. Today we rely on an aging and limited ice-breaking fleet comprised of 1 heavy and 1 medium icebreaker.

With the strong support of Congress, we are moving forward with the acquisition of the Nation's first new heavy polar icebreakers in nearly half a century. When fully operational, PSCs will provide the global reach and icebreaking capability necessary to project U.S. presence and influence, conduct Coast Guard missions in the high latitudes, and advance our national interests.

Through an Integrated Program Office (IPO), the Coast Guard and Navy are leveraging each services' experience and expertise in large, complex vessel acquisition programs. The Coast Guard and Navy remain committed to attaining the necessary design maturity prior to beginning production activities. Detail design activities are nearly complete, and long lead-time material for the lead ship has been delivered to the shipyard. The IPO adopted an innovative and incremental approach to support early production, Prototype Fabrication Assessment (PFA), which is based on Navy best practices. By prioritizing work on up to 8 low-risk modules, PFA allows the shipbuilder to progressively build workforce capability, test new processes

and equipment, and reduce production risk. Six modules are currently under construction. These modules have achieved near-100 percent design maturity and present very low risk of re-work. All these efforts are aimed to begin PSC production as soon as possible.

We are following through on the commitment that my predecessor made to the subcommittee when he testified on this subject earlier this year. The Coast Guard will seek a production decision from the Department of Homeland Security by the end of 2024.

Earlier this year, the Coast Guard notified Congress that the PSC program would exceed cost and schedule thresholds. The program is working closely with Bollinger Shipyard, who assumed the PSC contract from VT Halter Marine in 2022. The Service is nearing the end of the long and complex process of reviewing their proposal and, following Bollinger's acquisition of the shipyard from VT Halter Marine, negotiating the contract modifications necessary to formally establish new cost and schedule parameters in the updated acquisition program baseline. This work is occurring in parallel with on-going program activities to support delivery of the PSC fleet as quickly as possible.

To maintain heavy polar icebreaking capability until the PSC class is delivered, the Coast Guard will continue an innovative service life extension on Coast Guard Cutter *Polar Star*, the Nation's only operational heavy polar icebreaker, in 2025. The cutter recently completed the 4th of 5 planned annual work periods, which will enable continued operation of the aging cutter.

Likewise, the Service has initiated a service life extension program for Coast Guard Cutter *Healy*, the Service's only operational medium polar icebreaker, which was commissioned in 1999. The 5-year phased production builds upon the lessons learned from *Polar Star's* service life extension and is planned to be completed between 2026 and 2030. This effort will recapitalize a number of major systems while addressing significant operational degraders to maintain the Coast Guard's required medium icebreaking capability.

In addition to the on-going maintenance and service life-extending work of the Service's current fleet and with the subcommittee's support, the Coast Guard awarded a contract on November 20, 2024, to acquire and reactivate a commercially-available polar icebreaker. The purchase of a commercially-available polar icebreaker is an effective strategy to increase operational surface presence in the near term and add long-term national capacity in the Arctic. Under the authority granted by the Don Young Coast Guard Authorization Act of 2022 and augmented by the temporary correction in the current continuing resolution, the Coast Guard recently took delivery of the *Aiviq*, which is the only available U.S.-built icebreaker that meets the Service's requirements.

Following delivery of this icebreaker, the Coast Guard's initial activities will be directed at achieving initial operational capability for deployment to the Alaskan Arctic no later than the summer of 2026. A series of phased modifications will occur between annual Arctic operations to achieve full operational capability. We look forward to adding this important medium icebreaker to our fleet, furthering our ability to meet increasing demands in the Arctic.

#### CONCLUSION

The physical, operational, and geopolitical environment near the poles continues to change rapidly, driving demand for U.S. investments, to include Coast Guard presence, influence, and services. The Coast Guard has shaped national security in the high latitudes for over 150 years and is central to a U.S. whole-of-Government approach to securing national, State, and local interests in the polar regions.

Continued support for a modernized and capable polar fleet and increased Coast Guard capacity and capabilities will fortify the Nation's position in the increasingly critical Arctic and Antarctic domains. Coast Guard leadership is essential in maintaining a coalition of like-minded partners to shape those domains as peaceful, stable, prosperous, and cooperative regions. Thank you for the opportunity to testify before you today and for your on-going support to the members of the Coast Guard.

Mr. GIMENEZ. Thank you, Vice Admiral, for being here today.

I'll recognize myself for 5 minutes of questioning. Everybody else will be by order. We will have our shots at you.

Vice Admiral, how long have you been in your position?

Admiral ALLAN. I've been in this position since June of this year.

Mr. GIMENEZ. Your predecessor, how long was that person in your position?

Admiral ALLAN. He was in there 3 years before me.

Mr. GIMENEZ. Three years.

The person before that?

Admiral ALLAN. Two years before that.

Mr. GIMENEZ. Two years before that.

So, in 2 years, 3 years—and you've been there 1 year—half a year?

Admiral ALLAN. Yes, sir, coming up on 1 year.

Mr. GIMENEZ. A year. OK. So, in 6 years, they've had 3 people in that position.

Are you in charge of all of the acquisitions for ships, et cetera, in the Coast Guard?

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. Is this the billet in charge of acquisitions, et cetera, for all the ships in the Coast Guard?

Admiral ALLAN. Say that last part again.

Mr. GIMENEZ. I'm saying is this position, the one that you hold—

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. OK. Is that the one position that's in charge of all the acquisitions, et cetera, for the people in the Coast Guard, the ships, et cetera, in the Coast Guard?

Admiral ALLAN. Yes, sir. So I oversee all the workings of it. The vice commandant is the acquisition executive.

Mr. GIMENEZ. So we had—in 6 years, we've had 3 people.

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. It's not much continuity.

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. OK. How about the people underneath you? How long do they stay there normally?

Admiral ALLAN. So, sir, we are made up of military and civilians, so a lot of our civilians have been there for long periods of time. Our military flags rotate every 2 years. Our—lower than the flags are about 3 to 4 years.

Mr. GIMENEZ. So, Admiral, the one thing that I have a big problem with, huge problem with is are icebreakers—is this something new? Nobody has ever invented one; nobody has ever built one before?

Admiral ALLAN. The last time we built one in the United States was—

Mr. GIMENEZ. No, I'm not saying us. I'm saying, is it something new, brand-new? Somebody—nobody has ever heard of an icebreaker before? We're inventing a new wheel?

Admiral ALLAN. So, sir, I'd say, when you talk about that, there's a lot of differences in icebreakers from the heavy to the ones that are breaking harbor ice. So you can almost think of it as an Escort to the Ford-350.

Mr. GIMENEZ. None of our allies operate heavy icebreakers?

Admiral ALLAN. Canada actually is looking to build a heavy icebreaker, yes, sir.

Mr. GIMENEZ. They don't operate one?

Admiral ALLAN. They operate one, yes.

Mr. GIMENEZ. OK. The Fins, do they operate any icebreakers?

Admiral ALLAN. I do not think they operate any heavy icebreakers, but they operate a lot of icebreakers in and around the fjords.

Mr. GIMENEZ. My frustration, Admiral, is 6 years since this program has been authorized and we still don't have a final design. I mean, it only took us 9 years to get to the moon.

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. OK. So I just don't—I don't see how you can—there's any excuse for that, to be honest with you. I don't care about anything else. You may have picked the wrong shipyard, and maybe they had problems, and you have to go somewhere else, and then there's another contract and all that. But, during that time, your ship should have been designed.

Admiral ALLAN. All right. So, sir, I would say, to your point—I'm not here to offer you any excuses because excuses are always bad. What I'm here to talk to you a little bit about is we are at that final phases of design, and we are ready to move forward.

Mr. GIMENEZ. I think the problem—the reason I asked you about how many people have had your position and how often they change—

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ [continuing]. Because there's an aura of plausible deniability. There's nobody to be held accountable. I want to know, "Hey, who is that individual that failed to design this ship? Who is that?"

Admiral ALLAN. You can blame me, sir.

Mr. GIMENEZ. How can I blame you? You weren't here in 2018.

Admiral ALLAN. I'm working with that—

Mr. GIMENEZ. You've been here for a year, and yet I can't blame the person before you because that person was only there 3 years, right?

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. Maybe I'll blame that person, OK, or how about the person before that?

Admiral ALLAN. I think what we're looking to do, sir, is show you that we've learned, that we've moved forward, and that we have the opportunity to build a Polar Security Cutter, a heavy icebreaker by 2030.

Mr. GIMENEZ. I think what I'm trying—the point I'm trying to make is not just about the Coast Guard. This is a problem with our entire defense industry and the entire—I know you're not the Pentagon. All right.

Admiral ALLAN. Right, sir.

Mr. GIMENEZ. But the way that we procure things, the way that we construct things. The Chinese, I just gave you an example that they'll be from construction to delivery is 2.5 years.

Admiral ALLAN. Uh-huh.

Mr. GIMENEZ. We haven't even finished design, and we're now waiting another 5 years at least until we get this icebreaker. Why would it take the Chinese 2½ years to build an icebreaker and us it takes 5 years, plus another 6 years for the design, 11 years to put something in operation in an area as critical as the Arctic?

The Russians, you know, they already have 41 icebreakers running around. We're lucky to have 2.

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. You know, there's something wrong here. OK. You know, I told you, you know, Admiral, that I wasn't going to be kind because there's nothing to be kind about. This is unacceptable, especially the security risk that this poses to the United States. The procurement methodology and the way this is going, this is just totally unacceptable.

So, you know, maybe, on my second round of questioning, I'll ask what you're going to do about it, and what's going to happen, but my time has expired.

I now recognize the Ranking Member from Michigan, Mr. Thanedar.

Mr. THANEDAR. Thank you, Chairman. I do share some of your concerns and your frustrations.

I understand—I'm glad to hear that the Coast Guard has made progress in its efforts to construct the first PSC. I understand the Coast Guard expects to negotiate contract modifications in the near future to formally establish new costs and scheduled parameters for the construction of the cutter. These parameters are intended to keep the contractors on track. But, realistically, if there is a breach of the contract, it will be difficult to pull support for the program while construction is under way.

What assurance can you provide Congress that the Coast Guard and its contractor will abide by the new costs and scheduled parameters once they are agreed to?

Admiral ALLAN. Sir, thank you for the question.

You know, as we talk about where we're going with this and what we have in place, we have a lot through the Federal acquisitions processes to make sure that we are tracking every step of the way, to make sure we understand how they're progressing on their model, how they're building, and when we can make payments once they've completed certain milestones.

I would tell you, when we start talking about Bollinger Mississippi Shipyard, we within the Coast Guard have watched them deliver our FRCs. They are at number 58–68, and those are coming off the line with almost zero discrepancies. They also delivered our 87s.

So we've work with Bollinger before. We know the quality. We know the people. We're talking to the people down there in Mississippi, and it is amazing to see the patriotic nature that's coming out of them as they look for new ways to evolve and build a cutter that hasn't been built in 50 years in this Nation.

Mr. THANEDAR. What remedies will the Coast Guard have if there are further delays or cost overruns in the future?

Admiral ALLAN. So, sir, every step along the way we have not only meetings within the Coast Guard to make sure that we're tracking progress and to see how they're doing that, we provide quarterly briefs up here to the Hill, and then we also provide quarterly and annual briefs up to DHS. We're working to ensure that we have good continuity on where we are and where we're at.

I think, with all the work that's been done, especially in the last year with design and some prefabbed sections of the ship to help the shipbuilder learn, we are in a good track so that, when we

begin construction, we'll have something that we can actually report right away.

So we're working to make sure that here at the beginning we're going to be on a road for success right from the start.

Mr. THANEDAR. Now that the Coast Guard has taken possession of the ship, what are the biggest hurdles to deploying it quickly? Is there anything that can be done to expedite its deployment?

Admiral ALLAN. So, sir, when you try to build a vessel like the heavy polar icebreaker, it's going to take time. We think it's going to take all those 5 years. What we are trying to do is figure out how we fill that gap, and I think, with the help of Congress, we are.

So 2 things that we are doing, we're certainly—we've had a mid-life renewal of the Coast Guard *Polar Star* that's on its way to Antarctica. We're looking to do the same thing for *Healy*, to keep them in service and meeting the operations we need.

We also did a search, and we came up with the only U.S. commercially-available icebreaker, the *Aiviq*, and we are putting that into service, as you mentioned in your opening statement. In fact, we look to do that by the end of this week, and then we will actually begin to move that to its final homeport in Juneau, Alaska, with a temporary Birdon location sometime this summer.

In addition to those things, what we're doing during the summer when the ice is receding a bit, we're putting our national security cutters, we're putting our helicopters, and we're putting our fixed-wing aircraft up in there to increase the presence and provide protection for our sovereignty in the Arctic.

Mr. THANEDAR. Now, you know, you've had a previous contractor, right, with a contract that didn't deliver. What's the current contractor like? What is their estimate of the cost compared to the last contract?

Admiral ALLAN. So, sir, I think the other contractor sold out to Bollinger Mississippi. They took the contract and the shipyard. Bollinger Mississippi has done a lot of things to make that right, but they feel like a lot of the labor required was underestimated.

So, to your question, we think this is going to cost in and around the amount that the CBO estimated in their report this past summer.

Mr. THANEDAR. So is this 50 percent higher than the last contract or 20 percent higher? What is it?

Admiral ALLAN. It's about 50 percent higher, sir, but we're still negotiating that, and we will finalize those negotiations in January.

Mr. THANEDAR. All right. Thank you, Admiral.

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. Thank you to the Ranking Member.

I now recognize the gentleman from Louisiana, Mr. Higgins.

Mr. HIGGINS. Thank you, Mr. Chairman.

Admiral, thank you for being with us here today.

How are your men, sir, the men under your command? How are they doing as we're moving into this Christmas season and under the leadership of your new position, relatively new? You've been there a few months. How are your men?

Admiral ALLAN. Sir, thank you for asking about that.

So our teams are incredibly resilient. We've had some tough years. We are watching some of our assets kind-of deteriorate, and we're working hard to get them new ones. But, again, I think, if you look back in their year of review of the Nation, from the Key Bridge failure to lots of search-and-rescues, our teams have gone out, and our teams like hard work. They like tough jobs. I think they're doing well. Thank you very much for asking.

Mr. HIGGINS. Yes, sir. I've always been struck by the professionalism of the men and women of the Coast Guard, and, in my humble estimation, the most valuable asset are those men and women. Deteriorating ships are a significant consideration, but they're of minor importance if you have deteriorating men and women.

So I believe we're entering a new era, the incoming Trump administration and the slim majority of Republican control in the House and a unified government with Republicans that are committed to helping the Coast Guard in both Chambers of Congress and the White House. I believe there will be a new emphasis on restoring our maritime assets to achieve our national security goals, and the importance of the role that the Coast Guard plays can really not be overstated.

So the polar regions offer particular challenges for Coast Guard patrol and operations clearly because of ice and incredibly challenging conditions of traversing the sea in the polar regions. So the delays that you have faced that have been caused by sort-of failures to navigate through maneuvering authorities within the Coast Guard and the means by which designs move forward, contracting challenges, we fully expect that you and your team will address those things. I'm here to reassure you that you're going to have a Congress and a White House that's going to fully support Coast Guard operations, including in the crucial polar regions.

So I have an optimistic view of these things. I know my shipbuilders, and they're a bunch of bad asses, and they get the job done. I need my office to be in regular communication with you, good sir, and your office. Before the Christmas season is over, your office will receive a letter from my office outlining the contact data from my senior staff that's assigned to help the Coast Guard in all matters and prioritizing the projects that we seek partnering with in the coming years under your command.

Regarding the procurement from small shipyards impacted by inflationary measures, this is an area you could really help, and I would like you to really answer this question, please. In what ways can you envision the Coast Guard to improve the means by which you synchronize your response to the requirements and requests of ERAs, equitable adjustments, the impacts of inflation, supply chain interruption, work force interruption, et cetera? Can you please address how you plan to handle that?

Admiral ALLAN. Yes, sir. Thank you for that question.

I would say two things. When we start to look at our industrial base of this Nation, we're not going to be able to solve the problems we have in this industrial base one contract at a time, whether that's Navy, whether that's Coast Guard, or whether that's commercial. We need to make sure we're investing within those small shipyards and large shipyards to get that industrial base.

The second thing I'd say, when you look at that, because we have invested, we look at some of these individual contracts and prices skyrocketing when the maritime inflation rate over the last 4 years equals what it was the previous 20 years. So there's been a lot of cost escalation in there.

That said, we need contractors that are willing to build tough and complex ships, and if we're not willing to give them an equitable adjustment when they understand what it takes to build and make those, then we are not going to have those shipyards around to help us out. So, yes, sir, we are looking at that equitable adjustment.

Mr. HIGGINS. Thank you, Admiral. You can consider me and my office at your avail, and we will partner in the coming years. Sir, thank you.

Mr. GIMENEZ. I thank the gentleman from Louisiana.

The Chair now recognizes the gentleman from New York, Mr. Kennedy.

Mr. KENNEDY. Thank you, Chairman Gimenez and Ranking Member Thanedar, for hosting this hearing on polar ice cutting.

Vice Admiral Allan, thank you for being here, for your testimony, for your service to our country.

Marine commerce in the Great Lakes is vital with tens of millions of metric tons moved across the Great Lakes and hundreds of thousands of jobs that are supported here in the United States. In the winter months, like these months we're in today, the ice forms up on the Great Lakes. It gets in the way of commerce. It disrupts supply chains. It poses safety risks to vessels, and it's a disruptive force, especially in shallow lakes like Lake Erie in which my community that I live in and the district that I represent directly abuts, along with Lake Ontario.

The Great Lakes region really relies upon these icebreakers, these ice cutters. Without these icebreakers, our economy takes a massive hit. It's concerning that the fleet has significantly aged and has actually been depleted from 20 ships down to 11 ships currently. As you know, there was a decrease in funding that was asked for from \$55 million ultimately to what was allocated to \$20 million.

Can talk about the risk that's posed by that \$35 million shortfall for the icebreaker program?

Admiral ALLAN. Yes, sir. So, when you start talking about the Coast Guard Cutter *Mackinaw*, we almost referred to her as one of our newer cutters, but she's 20 years old, and she is the only cutter that is providing the kind of cuts within the Great Lakes that allow those big ORE ships to move and keep commerce going.

We also have a system ships between our 225-foot buoy tenders and our 148-foot icebreaking tugs, and those—that system provides some capability for us in the, what we would call milder winters. We get into heavy winters, we would probably need to meet the demands of that to *Mackinaw*-like icebreakers. Right now, we have good relationships with Canada, and Canada has some bigger icebreakers in there, and we work with them to keep that ice cleared because they have some of the same challenges.

But, to your point, we needed \$55 million to get the new icebreaker get ready and headed toward where we need to establish

a program office and start design. We got \$20 million, so we're short.

Mr. KENNEDY. Thank you. You're short. What would \$55 million accomplish?

Admiral ALLAN. So, sir, it would stand up our program office. We're already doing some things on indicative design for what an icebreaker up in the Great Lakes would look like, but it would allow us to push that forward, and it would allow us to get ready to have a design so that we could start to go toward not only indicative design but award a contract for final design and build.

Mr. KENNEDY. Let me be clear, this is the Great Lakes I'm talking about, Lake Erie, Lake Ontario, fed through Canada, the Welland Canal, up through the St. Lawrence Seaway, out to the Atlantic. This is shipping for the entire Eastern Seaboard and Northeast of the United States into the Midwest. This has a tremendous impact on our national economy that needs to be resolved.

There have been funds that have been authorized and appropriated for construction of a new icebreaker but haven't passed the first hurdle yet for approval. What's causing the delay?

Admiral ALLAN. So, sir, we were asked to start a program office by January 1 of 2025, and we will have that in place. It will be a small office that begins to take that indicative design, which we took some risk at going at with Coast Guard resources, but it will be able to build on that to get to where you're talking about, to be able to provide that kind of icebreaking for the Great Lakes.

Mr. KENNEDY. Well, I appreciate that.

I urge Congress and the United States Coast Guard to prioritize modernizing and expanding the fleet of icebreakers for the Great Lakes. Additional icebreakers for the Great Lakes are absolutely essential to move our economy, to grow our economy, for economic vitality throughout our entire Nation as I've mentioned already.

So we're looking forward to working with you to get this program fully funded and to expedite the implementation, the construction implementation of these icebreakers.

Chairman, I yield back.

Mr. GIMENEZ. The gentleman from New York yields back.

I now recognize another gentleman from New York, Mr. LaLota.

Mr. LALOTA. Not enough New Yorkers on Homeland Security, Chairman. But thank you for hosting this meeting.

Admiral, how are you, sir?

Admiral ALLAN. Really good. Thank you.

Mr. LALOTA. Admiral, is the United States a maritime nation?

Admiral ALLAN. It is absolutely a maritime nation, and our GDP relies on those goods that are flowing into the country.

Mr. LALOTA. Perfect answer.

Is being a maritime nation important to both our strategic military interests as well as our economic interests, Admiral?

Admiral ALLAN. Absolutely. It provides us strategic advantages not only for what we're doing for security of this Nation but the economics that move in and out everywhere from into the heartland and to those things heading overseas and into our ports.

Mr. LALOTA. Is part of being a successful maritime nation include having a presence in the Arctic?

Admiral ALLAN. It absolutely does because, again, we have 50 States. Alaska is up there, and Alaska is a border State with the Arctic that has waters that are being—where we have the PRC and Russians we know are operating in some of our EEZ, Economic Exclusive Zones. I'm sorry.

Mr. LALOTA. Admiral, to be successful in the Arctic, is it necessary to have icebreakers?

Admiral ALLAN. Yes.

Mr. LALOTA. How many icebreakers do we have?

Admiral ALLAN. We have one heavy icebreaker, the *Polar Star*. We have a medium icebreaker, the *Healy*. We just purchased the old *Aiviq* that we will be renaming the *Storis* when we take it over and commission it this summer.

Mr. LALOTA. Does that make it 3, Admiral?

Admiral ALLAN. Yes, sir.

Mr. LALOTA. Exactly how many icebreakers does China have?

Admiral ALLAN. China has right now 4, and they're in construction for 2.

Mr. LALOTA. How about Russia?

Admiral ALLAN. Russia has 55 with construction for 10.

Mr. LALOTA. So 3 for us, 4 for China—you said 55 for Russia?

Admiral ALLAN. Yes, sir.

Mr. LALOTA. How would you describe the operational capability of our icebreakers?

Admiral ALLAN. So I would say the operational capability of the *Polar Star*, it was built in the early '70s. We've had to refurbish that. It was supposed to be good for a life of about 30 years, so we are now up to almost 50 years with that. It is providing what we need. It's breaking 19 feet of ice. It's going to go into McMurdo and be able to resupply it, and it will be able to do that on its own. It's got the capabilities we need.

The newer icebreakers won't be—will break ice in a different way, but it will be even more effective with new hull designs and engines.

Mr. LALOTA. On the Chinese 4, how would you describe their operational capability?

Admiral ALLAN. So I would tell you that they are trying to build heavy icebreakers like we have. They have heavier icebreakers, but right now they're down in Antarctica with 2, and they need 2 for self-rescue.

Mr. LALOTA. On the 55 Russian ones, how would you describe those?

Admiral ALLAN. So they have 7 heavy icebreakers, including some that are nuclear-powered. They have certainly a lot of coasts and the ports that they're clearing on that northeast passage to have their own commerce flow, but they've got a tremendous icebreaking capability.

Mr. LALOTA. So we have 3. The Chinese have 4. The Russians have 55. Would you agree that the Russians and the Chinese, at least collectively, have a greater icebreaking capability in the Arctic than we do?

Admiral ALLAN. I would.

Mr. LALOTA. What are we going to do about that, Admiral?

Admiral ALLAN. So I think we are going to do 2 things. We are going to deliver to the Nation this Polar Security Cutter that we are working right now with Bollinger Mississippi Shipyards that's due in 2030. Right after that, with the help of Congress in funding, because we need funding if we are going to invest in the Arctic and Antarctic, we will build 2 more that will go off those lines at 2 years after each other. So we will have a total of 3 of those by the year 2034.

In addition, we've always said that, for us to be capable of operating there, we need 8 to 9 icebreakers, at least 3 heavies. So we also need to look at how we fill the rest of that gap that we know is standing back.

Mr. LALOTA. If we get to the 8 or 9, will we be still inferior to our adversaries? Will we be on par, or will we be superior with the 8 or 9, our icebreaking capabilities cared to theirs?

Admiral ALLAN. So, based upon the ports that we have there and the activity that we're seeing, we are focused on the sovereignty of our waters, and we think, through a bunch of different studies and strategic looks, that 8 to 9 will provide us that capability that we need to project sovereignty and protect our resources.

Mr. LALOTA. I only have about 30 seconds left, Admiral, but what other capabilities do you require in order to have strategic dominance in the Arctic?

Admiral ALLAN. So I think that the Commandant would tell you that we are a \$12 million organization. We need to be a \$20 million organization to fulfill the duties that the Nation is asking us to do. Included in that, we would need that by 2033. Right now, we are a \$1.2 billion capital-intensive organization. We need to be at \$3.4 billion immediately to provide cutters, aircraft, helicopters, ships, and shore infrastructure to support what the Nation deserves.

Mr. LALOTA. Thanks Admiral.

I yield.

Mr. GIMENEZ. Thank you to the gentleman from New York.

I'm going to have a second round of questioning.

So, Admiral, what has the Coast Guard learned? What have you all learned?

Admiral ALLAN. Sir, I'm sorry, I'm having a head cold today. I didn't hear your last question there.

Mr. GIMENEZ. I'm going to change my question.

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. I see a number of officers behind you. Are they part of the mission support staff?

Admiral ALLAN. Yes, sir. So my command master chief, head of all enlisted personnel for DCMS, Master Chief Ingham, is with me. I've got an aide that tries to keep me on schedule, and then 2 others that are doing program reviews to make sure we're spending our dollars and resources where they need to be.

Mr. GIMENEZ. What's your average stay in mission support?

Admiral ALLAN. One more time. I'm sorry.

Mr. GIMENEZ. In other words, how long do they stay in mission support? The uniform people how long do they stay in mission support?

Admiral ALLAN. So myself and the master chief will stay about 2 years. Everyone else will be about 3 to 4 years.

Mr. GIMENEZ. OK. So the thing that is constant is basically your civilian staff?

Admiral ALLAN. Yes, sir. I was just going to say our civilian staff is that vital piece that keeps continuity from our SES' to those people at the ground floor that are doing a lot of work on design.

Mr. GIMENEZ. Is there a head of that civilian staff, somebody, the head civilian person there?

Admiral ALLAN. So, yes, sir. What we do is we identify one of our senior civilians to represent the civilians on our leadership council. He's been on that council for over 20 years.

Mr. GIMENEZ. But that's the only constant that you have in that section?

Admiral ALLAN. So all of the civilians. But yes, sir, so he's one.

Mr. GIMENEZ. Right. The uniform people rotate through?

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. Do you think that's a problem?

Admiral ALLAN. Sir, I would tell you that when you go out and you design ships, it's good to know what you design them for so to understand how they operate, what's required. I think there's a close connection that the service has provided over a long period of time to show how operators are helping to bring the right capabilities to the service.

So, yes, sir, I think there is value. You're right; we have some lift to do so get everyone back up to the same level when we do rotations, but that's why we have our civilian staff, especially within acquisitions.

Mr. GIMENEZ. But the civilians—I mean—yes, but the civilians report to you?

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. OK. All right. So, again, my concern about the entire operation is the design issue that you—6 years, and it still hasn't been designed. I don't see how you can justify that, to be honest with you. So I'm trying to get to the bottom of maybe you have a—there's an issue here, because you just don't design polar cutters. You're designing cutters. You're designing all kinds of—probably procuring aircraft and everything, right?

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. You do mission support.

Admiral ALLAN. Right.

Mr. GIMENEZ. So, you know, my colleague from Louisiana was very, you know, eloquent in saying that you need—the men and women of the Coast Guard are the most important thing.

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. But we owe them. We owe them. We owe them, and here's what we owe. We owe them—and we must make sure that they're equipped—they're the best-equipped Coast Guard in the world.

Admiral ALLAN. Uh-huh.

Mr. GIMENEZ. So, in your estimation, are we failing in that mission, or are we actually succeeding in that mission, keeping our Coast Guard men and women equipped with the best equipment in the world?

Admiral ALLAN. Sir, I would say, going back to what the Commandant said, we need to be a \$20 billion organization to meet the

Nation's needs. We are watching as we have crumbling infrastructure. We are watching as we are decommissioning ships because we can no longer maintain them. We're watching as we try to keep helicopters longer than anyone else, and we can't maintain them, so they are taking themselves out of commission.

So, no, sir, I don't think we're delivering to the Coast Guard men and women the assets that they need to be successful. We are delivering to them the assets that they are making the Nation successful and by hard work and long hours.

Mr. GIMENEZ. Well, hopefully, I'll stay on this subcommittee for the next year and—next 2 years, and I will have more in-depth conversations with you about the needs and the shortfalls. I believe that we owe it to our men and women that are putting and risking their lives every single day to protect America, we need to make sure that they have the right equipment and the best equipment because that's what we owe them.

Admiral ALLAN. Yes, sir.

Mr. GIMENEZ. All right. So, with that, I'll yield the remainder of my time.

I now recognize the Ranking Member, Mr. Thanedar.

Mr. THANEDAR. Vice Admiral, just a quick question here. I don't want to take all of my 5 minutes here, but I'm trying to really understand. I'm a businessperson. You know, I ran small businesses for many, many years. Planning is important to survive in small business. Cost controls are important to be able to get things done efficiently, under cost, in time.

It looks like, you know, something terribly went wrong here in terms of cost estimation, in terms of planning, designing. What have we learned? How can we go forward and have a sense of feeling that we're going to accomplish our mission? Do we understand enough about what went wrong? How are we going to address that issue?

Admiral ALLAN. Sir, thanks for that question.

I think, when you look at this, we have to be a learning organization, and we have to come to you when we're having problems with too much oversight or too much red tape. That said, when you look at this Polar Security Cutter and what it's doing—and I'd love to get both of you down there to see the unique problem set with this. We just went through an OPC, the Offshore Patrol Cutter. It has 15 modules—17 modules—I'm sorry—to make it into a ship. This one has 85 modules. It's going to be as big as some of the landing craft that the Navy has. It is a very complex ship. Now you take 2-inch steel, and you try to mold that around a hull. That takes time.

But, to your point, we could have done better. I think we've learned things now that, if we put it into place, we are going to do better. I'm watching that through our WCCs, which is our Waterways Commerce Cutter, and how fast that's moving not only in final design but getting ready to be built in Birton. I'm looking at how Austal has taken our OPC design and quickly moving at about an 18-month process to have production design and be able to start rolling those off.

So we are learning. We will continue to do it, but I will tell you this has been a very complex and difficult cutter to build.

Mr. THANEDAR. Has this contractor bid a cutter like this before?

Admiral ALLAN. So, when you go into this, we had VT Halter was the ones that won the initial contract. They had—I'm not sure on their history on what we're doing, but, again, this is a very complex cutter, something difficult, something that we haven't done before.

We are very happy to be working with Bollinger Mississippi Shipyards who have a proven track record and who are excited about this opportunity. Went down and got to meet with a guy named Shawn who walked us around the shipyard. He is taking and showing how we're doing new welding designs down there that have never been attempted with this thick of a steel before. They are incredible people, and I think we got the right people for the job.

Mr. THANEDAR. Well, your men and women in the Coast Guard, I've been there. I've visited. I've been on the ships. I have seen them work so hard, and it's not an easy job. So I understand, and it's important that they have the right tools for them to do their job.

So I wish you well. Thank you. I know you're in the job for only a few months, but I think it is so critical that we stay on top of this and things go according to plan now because we need the tools that—they need the tools to do their job.

Mr. Chairman, I yield back.

Mr. GIMENEZ. Thank you to the Ranking Member.

I thank the witness for the valuable testimony and the Members for their questions.

The Members of the subcommittee may have some additional questions for this witness, and we would ask the witness to respond to those in writing.

Pursuant to committee rule VII(D), the hearing record will be held open for 10 days.

Without objection, this subcommittee stands adjourned.

[Whereupon, at 10:55 a.m., the subcommittee was adjourned.]

