

March 6th, 2012

Subcommittee Ranking Member Rep. David Price

"First let me start by expressing my sympathy and the good wishes of this Subcommittee and the nation to the Coast Guard and its families for the tragedy suffered last week in Mobile Bay. One of the pillars that makes America strong is that we are blessed by men and women in uniform who volunteer to safeguard us every day. To the Coast Guard, and the men and women of DHS, we offer our thoughts and prayers for the loss of these four individuals and our thanks for their brave service to our nation.

"Today we welcome back the Commandant of the Coast Guard, Admiral Robert Papp, to discuss his agency's budget request for fiscal year 2013. For fiscal year 2013, the Coast Guard is requesting \$8.3 billion; however, this does not factor in \$254 million in overseas contingency operations (OCO) that are included as a permissive transfer in the Navy's budget. Even when you factor that in however, this request is lower than the current fiscal year.

"Like the rest of the federal government, you are being asked to do more with less. Your budget reflects your heavy reliance on human capital for all of your activities. Sixty five percent of your request is tied to people, and you will be letting about 1,070 personnel go in 2013.

"Admiral Papp, in a recent speech, you stated that about \$2.5 billion is required to properly replace the Coast Guard's aging stock of ships, aircraft, and other property. Yet the budget requests far less than that amount: \$1.43 billion to be precise. Within this amount, you have had to make some tough decisions on which assets you need to keep on track by providing a healthy amount of funding this year; which ones can be delayed, requiring your personnel to continue to operate on aging and dilapidated vessels or aircraft; which new procurements will be added; and which acquisitions you are halting outright.

"While I am pleased to see the Coast Guard beginning the procurement of a new heavy icebreaker and requesting sufficient funds to complete the sixth National Security Cutter (NSC), I am disappointed by a lack of funding proposed for the seventh or eighth NSCs. No doubt you

are well aware of the uproar this decision has caused, and I too, question it. If no additional NSCs are procured after number 6, we are halving the Coast Guard's largest cutter fleet at the same time that you plan to place one of the new NSCs in Alaska for up to six months of the year, meaning you have fewer cutters working elsewhere. That certainly was not the plan when Deepwater was originally envisioned and a smaller NSC fleet was justified to Congress. I expect we will delve into this topic today.

"Similarly, I have concerns about delays in the Fast Response Cutter (FRC). Your budget essentially overwrites Congressional direction in 2012 that requires you to procure 6 of these ships, eliminating \$30 million in cost savings that we anticipated. This change, coupled with the decommissionings of three patrol boats in 2013, will result in approximately 13,000 fewer patrol boat operating hours next year. This is a troubling decrease that this Committee must carefully weigh the implications of, particularly as we see vast amounts of narcotics coming up through the Caribbean and instability in Mexico as the Calderon Administration comes to a close.

"Admiral Papp, we value the work the Coast Guard does day in and day out. Many times I watch in amazement as you complete a tough rescue or an exceedingly difficult operation, such as the break in by icebreaker to provide Nome, Alaska with the fuel they needed to last through the winter. At the same time, my heart goes out to you when we experience a tragic accident, like the one just last week.

"We hold the men and women of the Coast Guard in the highest regard on this Subcommittee. Our job here today and through the appropriations process is to ensure that you have the resources necessary to fulfill your missions and that taxpayer dollars are allocated wisely. Admiral Papp, I have no doubt that you share this point of view, and I look forward to working with you this year."

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