

U. S. Department of
Homeland Security

United States
Coast Guard



Commandant
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DEPARTMENT OF HOMELAND SECURITY

U. S. COAST GUARD

STATEMENT OF

VADM KARL L. SCHULTZ

ON THE

NOMINATION OF KARL L. SCHULTZ

TO BE COMMANDANT OF THE U.S. COAST GUARD

BEFORE THE

COMMITTEE ON COMMERCE,

SCIENCE, AND TRANSPORTATION

U.S. SENATE

APRIL 17, 2018

Introduction

Good afternoon, Chairman Thune, Ranking Member Nelson, and distinguished members of the Committee. It is an honor and a privilege to appear before you today. I am humbled by the opportunity and grateful for the confidence of President Trump and Secretary Nielsen in nominating me to be the 26th Commandant of the United States Coast Guard. I would also like to thank Admiral Paul Zukunft, our Commandant, for entrusting me to serve as the Atlantic Area Commander, where I am responsible for the execution of Coast Guard missions from the Rocky Mountains to the Arabian Gulf.

In my nearly 35 years as a Coast Guardsman, I have had the privilege of serving alongside a remarkable team of dedicated public servants. This was reinforced last summer as I led the Coast Guard's response efforts to hurricanes *Harvey*, *Irma*, *Maria*, and *Nate*. I remain humbled by the dedication and devotion to duty of the exceptional Coast Guard men and women who executed our response to these disasters. Their tireless efforts and heroics during back-to-back storms led to the rescue of 11,300 people, a staggering number considering that on average the Coast Guard saves 3,600 lives a year.

My resume reflects the experiences of a leader with a clear bias for action and the keen ability to recognize and accept risk when and where warranted to accomplish the mission. I have developed strategies and Service-level policies to address critical issues; I have worked with the Administration and Congress to obtain the resources to bring these policies to fruition; and, I bring a strong understanding of how to best utilize and leverage the Coast Guard's broad authorities and robust capabilities. If confirmed, I will ensure the Coast Guard optimally supports DHS, and continues to provide exceptional value to our Nation.

Overview of the Coast Guard

America's security, prosperity, and global influence are inextricably linked to the maritime domain. Your Coast Guard's agility and adaptability in identifying and responding to emerging risks, challenges, and opportunities in this domain are essential to both National and Homeland Security, as well to the economic prosperity of our Nation. Our reputation remains strong. Our total workforce – active duty, reserve, civilian and auxiliary volunteers – highly capable. And, our Nation's demand for Coast Guard services has never been higher.

As the world's premier, multi-mission maritime service, the Coast Guard offers unique and enduring value to the Nation. We are at all times a U.S. Armed Force, to include being an integral part of the modern Joint Force¹ and a force multiplier for DoD, a federal law enforcement agency, a member of the National Intelligence Community, a regulatory agency, and a first responder. There is no other agency with such a broad array of authorities and capabilities. Positioning the Coast Guard within DHS allows our Service to utilize these attributes to support DHS in securing borders, combating transnational criminal organizations (TCO), and safeguarding and enabling the flow of commerce on America's waterways.

¹ 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.

We are also the Nation’s “maritime first responder.” Our bias for action and ability to rapidly surge resources in response to emerging threats, as most recently demonstrated during last fall’s devastating hurricane season, are hallmark traits of our Service. The Coast Guard also performs a multitude of other vital maritime missions including search and rescue; safeguarding and facilitating maritime commerce; protecting against and preparing to respond to maritime acts of terrorism; interdicting drug and migrant smugglers; enforcing fisheries laws; responding to oil and hazardous material spills; maintaining aids to navigation; screening commercial ships and crews entering U.S. ports; inspecting U.S.-flagged vessels; examining cargo containers; investigating marine accidents; training international partners; credentialing merchant mariners; domestic and international ice breaking; and, supporting defense operations.

These critical functions help keep our Nation safe and secure, and strengthen the foundation of a vibrant global maritime economy. On an average day the Coast Guard conducts 44 search and rescue cases, saves 12 lives, assists 60 people in distress, seizes 1,221 pounds of cocaine, conducts 48 waterborne patrols in support of critical maritime infrastructure, interdicts seven undocumented migrants, conducts 107 marine inspections, and facilitates the maritime movement of \$12.6 billion in goods and commodities.

I commit to you that your Coast Guard will continue to fulfill these responsibilities with honor, integrity, and a commitment to excellence.

Unity of Effort

The Coast Guard enjoys the strong support of the Secretary of the Department of Homeland Security, Secretary Kirstjen Nielsen – and we extensively collaborate with other DHS components, furthering “*unity of effort*” within the Department against its five enduring missions:

- Preventing terrorism and enhancing security;
- Securing and managing our borders;
- Enforcing and administering our immigration laws;
- Safeguarding and securing cyberspace; and,
- Ensuring resilience to disasters.

As Commandant, I will remain fully committed to these missions, as well as to the Department’s focus to mature and strengthen the Nation’s homeland security enterprise. While currently the Coast Guard’s Atlantic Area Commander, I am also the Director of DHS Joint Task Force – East, a role which exists to enhance *unity of effort* across the Department’s multiple components, and to create and optimize linkages within DoD and the broader interagency community.

I intend to continue working tirelessly in the pursuit of excellence in each of the aforementioned DHS missions, and to working hand-in-hand with the other DHS components, as well as with federal, state, and local partners.

Sustaining a *READY – RELEVANT – RESPONSIVE* 21st Century Coast Guard

The maritime operating environment is increasingly dynamic and complex. Yet under Budget Control Act (BCA) levels of funding, the Coast Guard has been consistently funded below the BCA level within our “Operations and Support” accounts. This has caused our Service to lose purchasing power – almost 10 percent – which erodes readiness. If confirmed, *Maintaining Service Readiness* will be a top priority.

At the core of *Service Readiness* is our most valuable asset, our highly professional and dedicated people. Coast Guard women and men are tirelessly standing the watch across the Nation. The Coast Guard must remain focused and committed to safeguarding and sharpening the skills of our 56,700 members (42,000 Active Duty; 6,200 Reservists; and 8,500 civilians). These great Americans, along with the Auxiliary—our volunteer arm, enable frontline success across the wide spectrum of missions we perform. Indeed, human capital requirements are critical to successful mission execution. Only Coast Guard women and men with the right knowledge, skills, and abilities can successfully execute our challenging maritime missions. Our human resources, and human capital functions, must be treated as key enablers to service readiness and mission execution.

The Coast Guard workforce has limited capacity to respond to prolonged and sequential events. While well-positioned for immediate and effective first response, with only 42,000 Active Duty and 6,200 Reservists, sustained contingency operations and the ability to hand-off responsibilities once a crisis has stabilized must remain a primary consideration for Coast Guard commanders responding to either man-made or natural disasters.

We ask a lot of our people and to keep them sharp, effective, and *READY* to lead, we owe them the requisite training and resources. And we must train and operate in a climate and culture befitting of our Nation’s trust and confidence. To this end, I am fully committed to helping the Service better represent the diverse American public we serve. Diversity breeds new ideas, it breeds inclusion, and it fosters a stronger ethos critical to mission success.

Maintaining a modern and diverse workforce also requires state-of the-art, interoperable, and multi-mission assets. The Coast Guard continues to benefit from the strong support from both the Administration and the Congress to recapitalize our major assets. While these efforts are vital to modernizing our fleet of ships and aircraft, we must also ensure we have sufficient resources to operate and maintain them. The increased sophistication and capabilities of our new platforms make them considerably more expensive to maintain and operate. And as the historic hurricane season of 2017 made clear to us, surge operations accelerate wear and tear on equipment, and erode our future readiness. Hurricane damage to many of our Coast Guard facilities also made it clear that we must continue making our facilities more storm-resilient and survivable.

I thank the Administration, this Committee, and the 115th Congress for the \$835 million in supplemental funding to address Coast Guard response costs, and to rebuild our damaged infrastructure to modern resiliency standards.

I especially thank this Committee for its personal commitment to our workforce, their families, our assets, the housing they live in, and the facilities they work aboard and operate from. I look forward to working with each of you to continuously improve the Service's Readiness.

In terms of both National and Homeland Security, as well as with enabling economic prosperity, the work of the modern Coast Guard has never been more *RELEVANT* than it is today. It has been clear throughout my years of service that the mutual benefit of the Coast Guard partnering with others, and others with the Coast Guard, is the ability to address challenges that alone could not be overcome. When we work together, it is resoundingly evident the Coast Guard can address challenges like few others. Going forward, we must continue to hone our robust network of joint service, international, federal, state, local, tribal, and territorial partnerships, while maintaining transparency with stakeholders in the private sector to facilitate a whole-of-government approach to protect and defend our Nation.

The Coast Guard provides DHS something extremely unique – its only military service. As an Armed Force, Coast Guard women and men are frequently integrated with DoD service partners in Joint Task Force organizations,. We support maritime interception operations, port security and defense operations, theater security cooperation, rotary wing air intercept operations, and maritime operational threat response options.

As the former DoD U.S. Southern Command (SOUTHCOM) Director of Operations, I understand how DoD plans and executes its missions. At Atlantic Area I leverage that knowledge frequently as I work with five of the six Combatant Commanders. I engage with SOUTHCOM against transnational criminal organizations; U.S. Central Command (CENTCOM) for maritime security in the Arabian Gulf; U.S. Africa Command (AFRICOM) and U.S. European Command (EUCOM) for Partner Nation Capacity Building; and, U.S. Northern Command (NORTHCOM) where we collaborate to protect the maritime domain.

The following examples demonstrate various types of Coast Guard support provided to the Combatant Commanders this past fiscal year alone:

- Coast Guard Patrol Forces Southwest Asia (PATFORSWA) provided near-continuous effective presence and maritime security support to CENTCOM's theater support cooperation mission throughout the Arabian Gulf.
- Tactical Law Enforcement Teams onboard U.S. Navy and foreign Partner Nation vessels maximized available assets to conduct intercept and interdiction operations, whether along primary narcotics transshipment routes in the Eastern Pacific and Caribbean Sea, or in support of protecting critical fish stocks off the coast of Africa or in the Western Pacific.
- National Capital Region Air Defense Facility crews maintained a 100 percent scramble rate and responded to over 175 active air defense missions, including nine launches for reported Unmanned Aircraft Systems within the Washington, D.C. Restricted Flight Zone.

Beyond our Joint Armed Service duties, the Coast Guard routinely works with DHS components and other interagency partners, including the National Intelligence Community, as well as international organizations and other regulatory authorities to be *RESPONSIVE* to the maritime needs of the Nation.

The Coast Guard leverages the Maritime Operational Threat Response (MOTR) protocols, memoranda of agreement, bilateral agreements and treaties, combined operating guidelines, and DHS policies to instill *unity of effort* in planning and execution of all of our maritime safety and security operations. Of note, we also emphasize and demonstrate proficiency in the Incident Command System (ICS), the universal language of first responders across the Nation, which is critical to unified operations during crises.

In so many ways, the Coast Guard cooperates and supports the interagency at all levels of government to integrate seamlessly during national defense, national security, and disaster response operations – the Coast Guard is *RESPONSIVE*, and I thank the Administration, the Congress, and particularly this Committee for trusting the Coast Guard to most effectively serve our Nation.

Moving Forward

The Coast Guard will continue to act with strategic intent and focus our limited resources to maximize the service we provide to the Nation.

As a Nation, we must continue to confront the rise of adaptive TCOs because if left unchecked, these networks will quickly erode maritime governance, the rule of law, and regional stability. As a frontline sentinel of DHS's comprehensive approach to border security, the Coast Guard is a key enabler of combatting such organizations, and is best positioned to push out our maritime borders and remove large scale quantities of illicit commodities where they are most vulnerable – at sea. I am proud to note that this past fiscal year (2017), the Coast Guard removed over 223 metric tons of illegal narcotics and detained and transferred 606 smugglers for U.S. criminal prosecution. Through *unity of effort*, we will continue to combat TCOs, secure our borders, and safeguard commerce.

Similar to Secretary Nielsen, and Admiral Zukunft, I consider Cyber Security to be one of the most serious, and immediate, economic and national security challenges confronting our Nation. With 360 seaports and 3,700 marine terminals facilitating \$4.6 trillion in annual commerce, our Nation is critically dependent on a safe, secure, and efficient Marine Transportation System (MTS). Our MTS in turn is highly dependent on a complex, globally networked system of automated technology. Thus, we will continue to internally and externally defend our cyber networks, enable operations, and demonstrate leadership in the protection of critical infrastructure.

Importantly, the United States has been an Arctic Nation since 1867, when it purchased Alaska for \$7.2 million. We maintain substantial political, national security, natural resource, environmental, and other interests in the Arctic, and this remote region is rapidly becoming more accessible. Other Arctic and non-Arctic nations are laying claims and exploring its vastness. Through our annual Arctic Shield operations, and with *unity of effort*, we will continue to improve awareness, modernize governance, and broaden partnerships in the high latitudes. Ultimately, we must preserve our national sovereign rights in the Arctic through a variety of means, including the surface presence enabled by Coast Guard cutters ensuring access, security, and the ability to respond in the High Latitudes.

Conclusion

I offer my sincere appreciation and gratitude to Admiral Paul Zukunft, our 25th Commandant, who has served the Coast Guard with the highest distinction for over four decades. His inspirational leadership has set our Service on the right path for enduring success. Admiral Charles Michel, our Vice Commandant, has been an equally capable and dedicated public servant these past 33 years!

As Admiral Zukunft noted in his testimony before you in 2014, “The Coast Guard will succeed, as it has for over two centuries, because of our skilled, courageous, and dedicated workforce.” I whole-heartedly concur, and am fully committed to both the professional and personal well-being and development of this extraordinary workforce, and committed to supporting their families as well. With a focus on being *READY*, *RELEVANT*, and *RESPONSIVE*, these topnotch Coast Guard men and women will embody our Core Values of “Honor, Respect, and Devotion to Duty” while continuing to serve our great Nation with distinction.

If confirmed, I look forward to working with the Administration and the Congress, including this Committee, to meet these and the future challenges of our Service – your United States Coast Guard.

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