



# **U.S. COAST GUARD**



## **Strategic Challenges Facing our Nation - U.S. Coast Guard Perspective**

**Combating Transnational Organized Crime in our Hemisphere**

- Transnational criminal networks thrive on instability in South and Central America. Drug-fueled violence from these networks corrupts the rule of law and has forced historic levels of migration to our southwest border.
- These networks smuggle drugs, weapons, and people for illicit profit wreaking havoc wherever they flow. The past two years have been historic highs in the flow of illegal drugs and people to our Nation, including record amounts of cocaine and heroin plaguing our communities.
- The Coast Guard is a military service and law enforcement agency armed with broad authorities. We play a pivotal role in securing over 95,000 miles of American coastline while also preserving our national security interests beyond the southwest border throughout our Hemisphere. Our interagency partnerships and bilateral agreements with foreign nations are unique to our Service and attack criminal networks far from our land borders.
- The Coast Guard is the only agency capable of providing at-sea interdiction, and our increased presence yielded record drug seizures and prosecutions the past two years. Despite this offensive approach, capacity constraints limit our ability to act on all the intelligence we have. Driven by our Western Hemisphere Strategy, the Coast Guard will continue to protect our homeland by severing the financial supply lines of criminal networks by interdicting drugs where they are most vulnerable – at sea.
- We are committed to intelligence driving our operations and providing tactical advantage in our risk based decision making for force allocation and operational priorities.

**Preserving Sovereignty and Expanding Access and Presence in the Polar Regions**

- The United States is one of eight Arctic nations, and the Coast Guard is the lead service asserting national security interests in this region where our sovereignty extends beyond our traditional 200 nautical mile EEZ and into our Extended Continental Shelf (ECS).
- Receding Arctic sea ice drives increases in human activity in a region that has yet to be surveyed and charted to 21<sup>st</sup> century standards since much of the Arctic had been perennially covered with ice. This recedence exposed the sea bed to exploration and extraction of vast natural resources. At-sea presence is intrinsic to protecting American interests in the Arctic as outlined in the Coast Guard Arctic Strategy and the National Strategy for the Arctic region.
- China and Russia are exerting influence in the Arctic. Russia launched as many icebreakers in June 2016 as the Coast Guard has built in the last 40 years, and its militarization of the region and ECS claims are on the rise and 2 icebreaking corvettes are scheduled for delivery on or about 2020 and will be equipped with cruise missiles.
- Continued leadership within the Arctic Coast Guard Forum forges substantive cooperation among Arctic nations and ensures we have awareness of foreign activity in the Arctic.
- Only heavy polar icebreakers can ensure year-round access to both Polar Regions guaranteeing our sovereign rights and ensuring national security and protecting commerce and lives. Our program of record is three heavy and three medium icebreakers. At present, we have one heavy icebreaker approaching the end of its service life and one medium icebreaker.

**Protecting Critical Infrastructure from all-domain Threats, Including Cyber**

- Technological advances have fueled unprecedented growth and efficiency in our globalized economy, and they have also spawned increasing challenges and risks that threaten our Nation's security and prosperity.

More than 90 percent of the world's goods and over \$4 trillion of economic activity is supported by our networked domestic and global maritime supply chain.

- The Coast Guard is the lead federal agency protecting our Nation's maritime critical infrastructure. We are well placed to provide the safety and security for all aspects of our maritime transportation system.
- Working with industry and the International Maritime Organization (IMO), the Coast Guard is providing cyber risk management guidance to vessel and facility operators to safeguard this vital system.
- Guided by the tenets of our Cyber Strategy, the Coast Guard must continue investing in its own cybersecurity and also invest in a future cyber workforce to meet this growing national security challenge.

### Facilitating Maritime Commerce

- Our ports, waterways, and inland rivers provide our Nation tremendous global economic advantage. Our economic prosperity is inextricably linked to this "maritime infrastructure and highway system." The Coast Guard works with industry to ensure this economic engine operates safely and efficiently.
- Driven by market competition and just-in-time inventories, the global maritime supply chain is constantly innovating and evolving. Increased domestic natural gas and hydrocarbon transport, deeper U.S. ports, and the expansion of the Panama Canal to accommodate larger vessels place ever increasing demands upon the Coast Guard to facilitate and safeguard the flow of maritime commerce.
- Energy influences global markets and the geo-strategic outlook like few other commodities. Tremendous growth in our domestic energy potential has led to historically high levels of hydrocarbon, natural gas, and derivative products on our maritime transportation system. While the price per barrel fluctuates, the movement of hydrocarbons, natural gas, and derivative products exemplify how technology and dynamic markets introduce opportunities for economic growth within our maritime highway system.
- The Coast Guard must keep pace with advancements in the maritime industry to ensure we are facilitating – and not impeding – this vital "maritime highway system."
- Sound risk management, contingency planning and response, and regulatory frameworks will ensure the Maritime Transportation System remains safe, secure, and resilient.

### Building the 21<sup>st</sup> Century Coast Guard

- The Coast Guard must be ready to protect American security and economic interests wherever called, and recapitalizing our vessels, aircraft, boats and infrastructure has been our highest investment priority. With some cutters exceeding 50 years of service, acquiring National Security and Fast Response Cutters; beginning production of Offshore Patrol Cutters, and making progress in recapitalizing our heavy icebreakers are crucial to national and homeland security.
- Tremendous steps have been made to modernize the Coast Guard, but new assets require properly trained and equipped people to operate and maintain them. The Coast Guard's operating budget has remained relatively flat – we are the only armed service funded below Budget Control Act levels which negatively impacts force structure and maintenance of our capital plant.
- To address the challenges ahead, the Coast Guard must maintain an appropriately sized and trained workforce to address these daily challenges and remain prepared for major contingencies. An increasingly competitive labor market and new personnel policies are also increasing the competition for America's talent. To remain attractive and competitive, the Coast Guard's personnel system must be agile to successfully recruit, develop, and retain a diverse and talented future workforce.