



**TESTIMONY OF
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**ON
COAST GUARD SHORE INFRASTRUCTURE**

**BEFORE THE
HOUSE COAST GUARD & MARITIME TRANSPORTATION (CG&MT) SUBCOMMITTEE**

SEPTEMBER 25, 2019

Good afternoon Chairman Maloney, Ranking Member Gibbs, and distinguished members of the subcommittee. I appreciate the opportunity to testify today and thank you for your continued support of the United States Coast Guard.

As a global maritime Service, the Coast Guard provides operational capabilities essential to a wide range of national security needs. With a variety of unique authorities, in addition to our organic missions, the Coast Guard operates daily in partnership with other Federal agencies to carry out law enforcement, regulatory, and emergency response missions. As a member of the Intelligence Community, the Coast Guard helps to secure the seas by combating transnational criminal organizations and ensuring the safety of commercial activities on America's waters and abroad. As a member of the Armed Forces, the Coast Guard supports Department of Defense operations by providing Joint Force capabilities.

The Coast Guard excels at safeguarding American security and economic prosperity because of our distinct set of capabilities and authorities. Thanks to your unwavering support, the Coast Guard consistently succeeds in providing these critical services to the Nation.

All Coast Guard missions begin and end at shore facilities. The Coast Guard's Directorate of Engineering and Logistics, which contains the Office of Civil Engineering, is a professional, specialized, and innovative organization that manages a diverse portfolio of shore facilities nationwide. These facilities enable our operations, support our workforce, and strengthen our ability to remain Ready, Relevant, and Responsive. Our facilities are geographically distributed along America's coasts and inland waterways, allowing the Coast Guard to maintain presence throughout the Nation's Marine Transportation System, Exclusive Economic Zone, and strategically important areas of the high seas. In all these areas, the Coast Guard's presence ensures that our national interests are protected.

The Coast Guard's Civil Engineering Program executes construction and sustainment of shore infrastructure in support of Coast Guard personnel and their families, enabling mission resilience in the face of natural and man-made threats. Our goal is to maximize the lifecycle of Coast Guard shore infrastructure — from docks and hangars to housing and childcare facilities — managing assets using globally recognized standards, such as the International Organization for Standardization 55000, and benchmarking to industry and other agency best practices.

By holding ourselves to these standards, we deliver mission-ready facilities, which support Coast Guard operations around the world. We continuously adapt and improve our processes to maintain our current portfolio of facilities and pave the way to meet our shore infrastructure demands of the future.

The Coast Guard invests wisely, using strategic and risk-based decision-making to improve shore asset performance. Nevertheless, we want to do even better. The Civil Engineering Program manages the largest shore asset portfolio in the Department of Homeland Security, with over 41,000 assets, valued at \$20 billion.

As the shore plant inventory ages, funding challenges affect our ability to maintain our facilities. Infrastructure scoring methodologies derived from the American Society of Civil Engineers give our portfolio an overall grade of C minus. Our deferred maintenance backlog continues to grow and at present exceeds \$900 million. Our shore infrastructure recapitalization backlog is now more than \$1.7 billion, with over 100 projects currently identified and estimated.

These projects address deficiencies in facilities that play a direct support role in front line Coast Guard operations and personnel support. They include operational facilities like bases, sectors, small boat stations and aviation facilities, as well as family housing and support facilities. The highest priority projects from the backlog are included in the Coast Guard's Fiscal Year (FY) 2020 Unfunded Priority List (UPL). These projects comprise \$62 million in critical facility improvements to support our new cutters, \$79 million in housing, family support and training facility needs, \$391 million for improvements and recapitalization of operational facilities, and \$6.7 million to recapitalize aids to navigation. Additionally, the FY 2020 UPL includes \$35.7 million for critical shore depot-level maintenance.

To improve, the Coast Guard must shift from corrective to preventative facilities maintenance, establish enterprise-level strategic management for the appropriate facility inventory, and implement modern information technology (IT) systems to aid in decision-making for infrastructure investments. Implementing modernized IT systems is especially important because of the decentralized nature of the Coast Guard's shore infrastructure portfolio. The dynamic balance of these elements is the framework that will allow us to define affordable solutions for the Coast Guard's long-term shore facilities requirements and improve the resiliency and energy efficiency of our infrastructure.

Your support makes a palpable impact. In 2018 and 2019, the Coast Guard completed \$152 million in shore infrastructure recapitalization, improving the physical condition and resilience of facilities in Massachusetts, New York, New Jersey, North Carolina, California, Oregon, and Hawaii. We awarded contracts for another \$73 million of construction in Maine, Virginia, South Carolina, Texas, California, Alaska, and Guam.

We further appreciate Congress taking action to support the Coast Guard in the wake of recent natural disasters. Following the devastating hurricane seasons of 2017 and 2018, you provided nearly \$1.2 billion in disaster supplemental funding to reconstitute damaged Coast Guard infrastructure with a focus on improving resiliency. We are working diligently to execute repair and reconstruction projects, and restore the full capability of our shore plant as quickly as possible.

While we are proud of these achievements, we appreciate the review of external agencies like the Government Accountability Office (GAO). We view these external agency reviews as opportunities to assess our internal processes, identify capability gaps, and develop plans of action to better manage our shore infrastructure program.

In its February 2019 report on Coast Guard Shore Infrastructure, GAO found that the Coast Guard met, fully or partially, six of nine leading practices for managing shore infrastructure. It provided six recommendations to improve our program. The Coast Guard concurred with these recommendations and is in the process of implementing several actions for improvement. One such action includes the recent implementation of a process guide for facility condition assessments which streamlines, standardizes, and improves our ability to identify and prioritize deficiencies across the shore infrastructure portfolio. The Coast Guard is also working to develop clear performance goals and baselines to track the effectiveness of maintenance and repair investments as well as a framework by which we can validate the alignment of our shore infrastructure assets with mission needs. To better manage our vast, decentralized shore portfolio, the Coast Guard is working to modernize its IT applications to improve investment scenario modeling, analyze trade-offs, and optimize decisions among competing investments. All of these initiatives will help us make capital investments in a smarter and more effective manner.

GAO further recommended a new assessment focused on how the Coast Guard manages risk in order to improve the resilience of shore facilities. Based on the nature of our missions, Coast Guard facilities are in areas prone to hurricanes, flooding, earthquakes, and other natural disasters. The Nation trusts that the Coast Guard will continue to act as a first responder after these disasters, which underscores the importance of our facilities remaining ready for operations. To proactively address risk management for shore infrastructure, the Coast Guard is completing a study to assess risk from natural disasters across our infrastructure portfolio. To us, it's not just simply maintenance, repairs, and construction — it's about building a robust and resilient shore plant that will enable the Coast Guard to fulfill its many responsibilities in the maritime domain, support our national interests, and protect the nation for decades to come.

Coast Guard shore infrastructure readiness is a critical component of the Service's ability to carry out its missions. Your stalwart support, and that of the Administration, ensures the Coast Guard will continue to be *Semper Paratus*, Always Ready, to answer the Nation's call.

Thank you for the opportunity to testify before you today and for all that you do for the men and women of the United States Coast Guard. I look forward to your questions.