

**UNITED STATES  
COAST GUARD  
2013 BUDGET  
IN BRIEF**

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POSTURE STATEMENT**

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# THE FY 2013 BUDGET IN BRIEF



The FY 2013 budget provides funding to procure one HC-144A Maritime Patrol Aircraft, and deliver and place in full operational status three MPA at Coast Guard Air Station Cape Cod to replace the HU-25 Falcon fleet.

The Coast Guard's FY 2013 Budget strikes the optimal balance between current operations and investment in future capability to sustain the Coast Guard's ability to execute its missions and address the most pressing operational requirements. This budget request includes investment in new assets which are critical to ensure the Coast Guard remains capable of carrying out its missions today and well into the future. Accordingly, the Coast Guard's FY 2013 Budget priorities are to:

- Responsibly Rebuild the Coast Guard
- Efficiently Preserve Front-line Operations
- Strengthen Resource and Operational Stewardship
- Prepare for the Future

## RESPONSIBLY REBUILD THE COAST GUARD

The Coast Guard continues to focus resources on recapitalizing cutters, boats, aircraft, and Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance systems, critical to sustaining the ability to accomplish missions well into the future. This budget request fully funds the sixth National Security Cutter, strengthening the Coast Guard's long-term major cutter recapitalization effort to replace its aged, obsolete High Endurance Cutter fleet as quickly as possible. The FY 2013 investments are critical to replacing and sustaining aging in-service assets, and are key to maintaining future capability.

## SURFACE ASSETS \$879.5M (0 FTE)

The budget provides \$879.5 million for surface assets, including the following recapitalization and sustainment initiatives:

- National Security Cutter (NSC) – Provides production funding for the sixth NSC; NSCs will replace the aging fleet of High Endurance Cutter first commissioned in 1967. The acquisition of NSC-6 is vital for performing DHS missions in the far off-shore regions, including the harsh operating environment of the Pacific Ocean and Bering Sea, as well as providing for robust homeland security contingency response.
- Fast Response Cutter (FRC) – Provides production funding to procure FRCs #19-20. These assets replace the aging fleet of 110-foot patrol boats, and provide the coastal capability to conduct search and rescue operations, enforce border security, interdict drugs, uphold immigration laws, prevent terrorism and ensure resiliency to disasters. Hulls #17 - 20 will be procured in FY 2013 using FY 2012 and FY 2013 funds, maintaining FRC production at the current rate.
- Offshore Patrol Cutter (OPC) – Continues initial acquisition work and design of the OPC. The OPC will replace the Medium Endurance Cutter class to conduct missions on the high-seas and coastal approaches.
- Medium Endurance Cutter (MEC) – Completes the Mission Effectiveness Program for the 270-foot MECs at the Coast Guard YARD.
- Survey and Design – Initiates survey and design work for a mid-life availability on the 175-foot Coastal Buoy Tender class.

## AIR ASSETS \$74.5M (0 FTE)

The budget provides \$74.5 million for the following air asset recapitalization or enhancement initiatives:

- HC-144 – Funds production of the 18th HC-144A Maritime Patrol Aircraft. The HC-144A fleet will provide enhanced maritime surveillance and medium airlift capability over the legacy HU-25 aircraft that they replace. The HU-25s will all be removed from service by the end of their planned service life in FY 2014.
- HH-65 – Funds sustainment of key components requiring recapitalization.



Coast Guard Cutter Mohawk undergoes modernization and repairs. The FY 2013 Budget provides funding to complete the Mission Effectiveness Program on the 270-foot Medium Endurance Cutter fleet.

## ASSET RECAPITALIZATION – OTHER \$76.5M (0 FTE)

The budget provides \$76.5 million for asset recapitalization, including the following equipment and services:

- Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) – Deploys standardized C4ISR capability to newly fielded NSCs, C-130s and MPAs and develops C4ISR capability for other new assets.
- CG-Logistics Information Management System – Continues development and prototype deployment to Coast Guard operational assets and support facilities.
- Nationwide Automatic Identification System (NAIS) – Continues recapitalizing the existing interim NAIS system in 58 ports and 11 coastal areas by replacing it with the permanent solution design and technology via the core system upgrade.

## SHORE UNITS AND AIDS TO NAVIGATION (ATON) \$69.4M (0 FTE)

The budget provides \$69.4 million to recapitalize fixed infrastructure for safe, functional and modern shore facilities that effectively support Coast Guard assets and personnel:

- Station New York Boat Ramp – Constructs a boat ramp for launching small boats at Station New York, NY, for both the Station and Maritime Safety and Security Team New York.
- Air Station Barbers Point – Constructs an aircraft rinse rack facility to properly and effectively rinse C-130 aircraft at Air Station Barbers Point.
- Major Acquisition Systems Infrastructure – Commences construction of piers and support facilities for three FRC homeports; construction of an MPA training facility at Aviation Technical Training Center in Elizabeth City, NC; construction of an MPA maintenance facility hangar at the Aviation Logistics Center at Elizabeth City, NC.

- ATON Infrastructure – Completes improvements to short-range aids and infrastructure to enhance the safety of maritime transportation.

## PERSONNEL AND MANAGEMENT \$117.4M (842 FTE)

The budget provides \$117.4 million to provide pay and benefits for the Coast Guard's acquisition workforce.

## EFFICIENTLY PRESERVE FRONT-LINE OPERATIONS

To ensure the Coast Guard remains ready to meet the Nation's maritime safety and security requirements, the FY 2013 Budget provides a balance between sustaining front-line operational capacity and rebuilding the Coast Guard. The FY 2013 Budget provides funding to operate and maintain Coast Guard assets and sustain essential front-line operations. Key investments include funding the operation of new assets delivered through acquisition programs and investment in military workforce pay and benefits.

## PAY & ALLOWANCES \$88.9M (0 FTE)

The budget provides \$88.9 million to maintain parity of military pay, allowances and health care with DoD, and funds the civilian raise. As a branch of the Armed Forces of the United States, the Coast Guard is subject to the provisions of the National Defense Authorization Act, which includes pay and personnel benefits for the military workforce.

## ANNUALIZATION OF FISCAL YEAR 2012 INITIATIVES \$54.2M (260 FTE)

The budget provides \$54.2 million to continue critical FY 2012 initiatives:

## OPERATING AND MAINTENANCE FUNDS FOR NEW ASSETS \$47.6M (139 FTE)

The budget provides a total of \$47.6 million to fund operations and maintenance of shore facilities and cutters, boats, aircraft and associated C4ISR subsystems delivered through acquisition efforts. Funding is requested for the following assets and systems:

- Shore Facilities – Funding for the operation and maintenance of shore facility projects scheduled for completion prior to FY 2013.
- Response Boat-Medium – Funding for operation and maintenance of 30 boats.
- Interagency Operations Center (IOC) – Funding for the

- operation and maintenance of the Watchkeeper system.
- Rescue 21 (R21) – Funding for the operation and maintenance of the R21 System in Sector Sault Ste. Marie and Sector Lake Michigan.
- ARC – Operating and maintenance funding for FRCs #8-9 and funding for FRC crews #9-10. These assets will be homeported in Key West, FL. Funding is also requested for shore-side maintenance personnel needed to support FRCs.
- HC-144A MPA – Operating and maintenance funding for aircraft #14-15 and personnel funding to operate and support aircraft #15-16.
- Air Station Cape Cod Transition – Funding to complete a change in aircraft type allowance, and programmed utilization rates.
- Training Systems for Engineering Personnel – Funding to support NSC and FRC training requirements at Training Center Yorktown.
- HC-130H Flight Simulator Training – Funding to support aircraft simulator training for HC-130H pilots, flight engineers and navigators.

**ST. ELIZABETHS HEADQUARTERS CONSOLIDATION**  
**\$24.5M (0 FTE)**

The budget provides funding to support the Coast Guard's relocation to the DHS consolidated headquarters at the St. Elizabeths Campus in Washington, DC. Funding supports the systematic move of equipment, employees and work functions to the new headquarters location, beginning in the third quarter of FY 2013.

**STRENGTHEN RESOURCE AND OPERATIONAL STEWARDSHIP**

The FY 2013 Budget meets essential mission needs while simultaneously preparing for new and exigent demands. Through a comprehensive internal review of doctrine, policy, operations, and mission support structure, the Coast Guard has focused resources and forces where they are most needed, while recognizing the current fiscal challenges. The FY 2013 Budget also proposes administrative and programmatic reductions to improve efficiency and service delivery, while continuing investment in Coast Guard activities that provide the highest return on investment.

**ASSET DECOMMISSIONINGS**

In FY 2013, in addition to the planned decommission of legacy assets, the Coast Guard will make targeted operational reductions to prioritize front-line operational capacity and invest in critical recapitalization initiatives.

**HIGH ENDURANCE CUTTER DECOMMISSIONINGS**  
**-\$16.8M (-241 FTE)**

The Coast Guard will decommission the fourth and fifth of the original fleet of twelve HECs. With the average cutter age at 43 years, the HEC fleet has become increasingly difficult to maintain and sustain operationally. The decommissioning of two HECs is critical to support ongoing major cutter recapitalization efforts. NSCs, including the sixth NSC which is fully funded by this budget request, are replacing the aging HEC fleet.

**110-FT ISLAND CLASS PATROL BOAT DECOMMISSIONINGS**  
**-\$2.0M (-35 FTE)**

The Coast Guard will decommission three 110-ft patrol boats in FY 2013. The 110-ft patrol boats are being replaced by the FRC.

**HIGH TEMPO HIGH MAINTENANCE PATROL BOAT OPERATIONS**  
**-\$33.5M (-206 FTE)**

The Coast Guard will terminate the High Tempo High Maintenance (HTHM) operations program that facilitates augmented operation of eight in-service 110-foot patrol boats. Termination of this program coincides with commissioning of new FRCs which will mitigate this lost capacity.

**CLOSE SEASONAL AIR FACILITIES**  
**-\$5.2M (-34 FTE)**

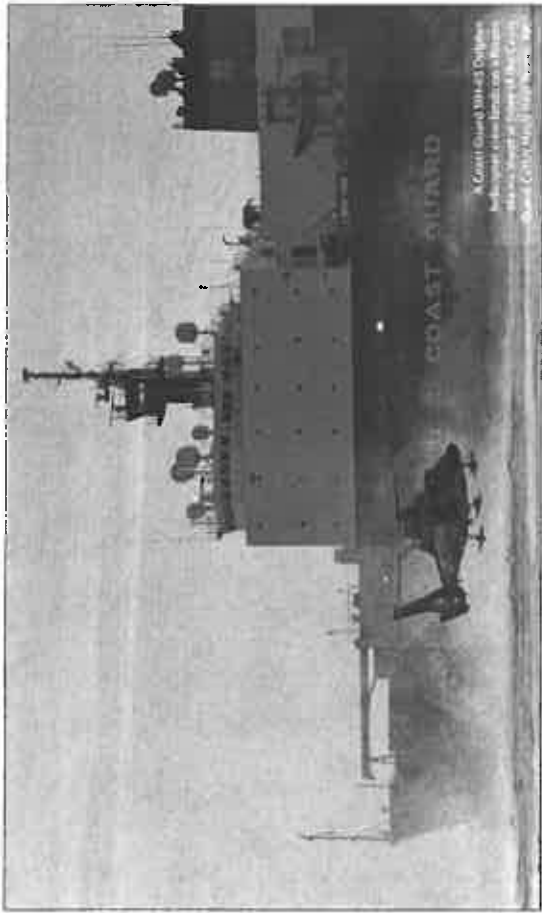
The Coast Guard will improve the efficiency of domestic air operations by closing seasonal air facilities and realigning rotary wing capacity to provide three medium-range H-60 helicopters to the Great Lakes region to replace the H-655 currently in service. Due to limited demand for services and improved endurance from the H-60, the Coast Guard will discontinue two seasonal Coast Guard air facilities at Muskegon, MI and Waukegan, IL.

**HU-25 AIRCRAFT RETIREMENTS**  
**-\$5.5M (-20 FTE)**

The Coast Guard will retire the three remaining HU-25 aircraft assigned to Coast Guard Air Station (CGAS) Cape Cod to allow for the transition to HC-144A aircraft. In FY 2013, the Coast Guard will deliver and place in full-operational status three HC-144A aircraft at CGAS Cape Cod.

**ENTERPRISE-WIDE EFFICIENCIES**

The budget proposes administrative and programmatic efficiencies to improve service delivery, while continuing investment in Coast Guard activities that provide the highest return on investment.



**ENTERPRISE-WIDE EFFICIENCIES**  
**-\$56.3M (-24 FTE)**

The Coast Guard will seek efficiencies and cost reductions in the areas of IT infrastructure, government vehicles, professional services contracts, non-operational travel, GSA leases, permanent change of duty station relocation costs for military personnel and logistics services by consolidating/centralizing functions in geographically concentrated areas.

**PROGRAMMATIC REDUCTIONS**

In FY 2013, the Coast Guard will make targeted reductions in base program areas. These base adjustments recognize changes in requirements for selected activities and redirect resources toward higher-priorities, including critical recapitalization projects and essential frontline operations.

**HEADQUARTERS PERSONNEL AND SUPPORT REDUCTION**  
**-\$12.7M (-131 FTE)**

The Coast Guard will eliminate 222 Headquarters positions through attrition and implementation of a civilian hiring freeze in the Washington, D.C. area. This reduction preserves the Coast Guard's critical capabilities to conduct front-line operations; mission support; and development and implementation of national policies and regulations.

**RECRUITING PROGRAM REDUCTION**  
**-\$9.8M (-39 FTE)**

The Coast Guard will make reductions to the Recruiting program and Selective Reenlistment Bonuses, not needed based on the current employment outlook.

**OTHER TARGETED PROGRAM REDUCTIONS**  
**-\$6.7M (-62 FTE)**

The Coast Guard will make targeted reductions to the Intelligence workforce, Organizational Performance Consultants and non-reimbursable Detached Duty billets.

**TARGETED OPERATIONAL REDUCTIONS**  
**-\$3.7M (-32 FTE)**

Based on an internal review of doctrine, policy and operational risk, the Coast Guard will consolidate Ports, Waterways and Coastal Security Airborne Use of Force capability at Elizabeth City, NC, and San Diego, CA with corresponding elimination of AUF programs at six Coast Guard Air Stations. The Coast Guard will also reorganize the International Mobile Training Team and eliminate the Vintage Vessel National Center of Expertise (VWVCOE). The duties performed by the VWVCOE will be assumed by Sector personnel within the Ninth Coast Guard District.



## PREPARE FOR THE FUTURE

The Coast Guard continuously identifies and prepares for emerging maritime threats facing the Service and the Nation. The FY 2013 Budget request recognizes the criticality of the Arctic as a strategic National priority, given increasing presence and interest by other Nations, the preponderance of natural resources available in this region and increasing maritime commercial and recreational activity.

### POLAR ICEBREAKER\*

\$8.0M (0 FTE)

Initiates acquisition of a new Polar Icebreaker to ensure the Nation is able to maintain a surface presence in the Arctic well into the future.

### ALASKA SHORE FACILITIES\*

\$6.1M (0 FTE)

Provides funding to recapitalize and expand helicopter hangar facilities in Cold Bay, AK, and recapitalize aviation re-fueling facilities at Sitkinak, AK. These investments will sustain the Coast Guard's ability to establish effective presence in the Bering Sea and Aleutian Chain - the gateway to the Arctic.

\* Note: Funding amounts within this section are included in totals listed within the Responsibility/Rebuild the Coast Guard section.

## FISCAL YEAR 2013 APPROPRIATION SUMMARY

Table 1, on page 35, provides a summary by appropriation of the FY 2013 President's Budget for the Coast Guard. Additional details are listed on pages 36 and 37 for each appropriation. Because of the Coast Guard's multi-mission character, funding is not appropriated by its 11 statutory missions. Instead, the substantial portion of discretionary funding is appropriated for Coast Guard "Operating Expenses," which supports all Coast Guard missions. Table 2, on page 35, provides an estimation of the FY 2011 - FY 2013 Budgets by mission.

### FISCAL YEAR 2013 APPROPRIATION DETAILS

#### OPERATING EXPENSES (OE)

Actual, FY 2011 \$6,907,458  
 Appropriation, FY 2012 \$6,755,254\*  
 Budget Estimate, FY 2013 \$6,791,178  
 \* Includes rescission of \$37.8 million pursuant to PL 112-74. For comparative purposes, does not include \$258 million requested via the Department of Defense but appropriated directly to the Coast Guard for Overseas Contingency Operations in FY 2012.

The Operating Expense appropriation provides funding for the operation and maintenance of multi-purpose vessels, aircraft and shore units strategically located along the coasts and inland waterways of the United States and in selected areas overseas. This is the primary appropriation financing

TABLE 1: APPROPRIATION SUMMARY

Appropriation Category	FY 2011 Actual Obligations	FY 2011 Disposed Budget Authority	FY 2012 Proposed Budget Authority
Operating Expenses	\$6,907,458	\$6,755,254	\$6,791,178
Environmental Compliance and Restoration	\$12,593	\$13,500	\$13,162
Reserve Training	\$13,249	\$13,278	\$13,254
Acquisition, Construction, and Improvements	\$2,101,580	\$1,463,968	\$1,192,309
Alteration of Bridges	—	—	—
Research, Development, Test and Evaluation	\$26,536	\$27,779	\$19,238
Health Care Fund Contributions	\$45,371	\$45,371	\$169,977
Research Fee	\$1,420,089	\$1,440,157	\$1,440,942
Boating Safety	\$134,433	\$113,199	\$116,221
Maritime Oil Spill Program	\$259,465	\$101,000	\$100,500
Gift Fund	\$1,535	\$0	\$0
Oil Spill Liability Trust Fund (OSLTF) Contribution	—	—	—
Transfer from National Science Foundation (NSF) (PL 111-117)	—	—	—
Haitian Disaster Relief Act (PL 111-212)	—	—	—
Overseas Contingency Operations (OCO) Funding (PL 112-10)	—	—	—
Overseas Contingency Operations (OCO) Funding (PL 112-74)	—	—	—
Anticipated DoD Transfer for Overseas Contingency Operations	—	—	—
Rescission of unobligated balances pursuant to (PL 112-10)	—	—	—
Government-wide rescission pursuant to (PL 112-74)	—	—	—
Rescission of unobligated balances pursuant to (PL 112-74)	—	—	—
DoD transfer pursuant to (PL 112-74)	—	—	—
Proposed cancellation of funds for NSC 44 post-delivery activities	—	—	—
<b>TOTAL APPROPRIATION</b>	<b>\$11,427,777</b>	<b>\$11,397,000</b>	<b>\$11,411,411</b>

TABLE 2: FY 2013 NET DISCRETIONARY BUDGET AUTHORITY BREAKOUT BY STATUTORY MISSION

Category (Total Available: \$1,000)	FY 2011 Requested Budget Authority	FY 2011 Disposed Budget Authority	FY 2012 Proposed Budget Authority
Search and Rescue	\$926,376	\$1,057,113	\$920,845
Marine Safety	\$644,030	\$653,555	\$610,634
Aids to Navigation	\$1,414,712	\$1,381,682	\$1,474,506
Ice Operations	\$107,259	\$113,310	\$114,332
Marine Environmental Protection	\$210,569	\$216,537	\$184,284
Living Marine Resources	\$984,911	\$857,998	\$844,916
Drug Interdiction	\$1,271,458	\$1,008,110	\$1,146,208
Migrant Interdiction	\$733,396	\$734,127	\$624,310
Other Law Enforcement	\$199,035	\$111,965	\$144,874
Ports, Waterways and Coastal Security	\$1,651,062	\$1,917,504	\$1,737,990
Defense Readiness	\$504,412	\$406,749	\$478,139
<b>TOTAL</b>	<b>\$11,427,777</b>	<b>\$11,397,000</b>	<b>\$11,411,411</b>
Overseas Contingency Operations (OCO) Funding (PL 112-10)	—	—	—
OCO Funding (PL 112-74)	—	—	—
Anticipated DoD Transfer	—	—	—
Transfer from National Science Foundation (PL 112-10)	—	—	—
Rescission of unobligated balances pursuant to (PL 112-74)	—	—	—
<b>Total Budget Authority</b>	<b>\$11,427,777</b>	<b>\$11,397,000</b>	<b>\$11,411,411</b>

1) The Coast Guard budgets by appropriation rather than by individual missions. The Coast Guard projects resource allocations by mission through the use of an activity-based cost accounting system that will be implemented by September 2013. The Coast Guard is currently in the process of implementing this system. 2) FY 2013 Total Budget Authority includes \$258M OCO FTE for Overseas Contingency Operations. The Coast Guard is currently in the process of requesting this funding. Requested Budget Authority (Total Budget Authority) does not include OCO funding, which is being requested via DoD and is displayed as a non-fund.



operational activities of the Coast Guard. Table 3, on page 38, provides a detailed walkdown to the FY 2013 OE request from the FY 2012 Enacted Budget (PL 112-74).

**ENVIRONMENTAL COMPLIANCE AND RESTORATION (EC&R)**

Actual, FY 2011 \$12,593  
 Appropriation, FY 2012 \$13,500  
 Budget estimate, FY 2013 \$13,162

The Environmental Compliance and Restoration appropriation assists in bringing Coast Guard facilities into compliance with applicable Federal and state environmental regulations, developing pollution and hazardous waste minimization strategies and conducting environmental assessments. These funds permit the continuation of a service-wide program to correct environmental problems, such as major improvements to storage tanks containing petroleum and regulated substances. The program addresses Coast Guard facilities and third-party sites where Coast Guard activities have contributed to environmental concerns.

**RESERVE TRAINING**

Actual, FY 2011 \$132,849  
 Appropriation, FY 2012 \$134,278  
 Budget estimate, FY 2013 \$132,554

The Reserve Training appropriation provides for the training of qualified individuals who are available for active duty in time of war or national emergency or to augment regular Coast Guard forces in the performance of peacetime missions. Program activities fall into the following categories:

*Pay, Benefits and Allowances* – Funds the costs associated with salaries, benefits and other compensation for full-time staff that support members of the Selected Reserve.

*Operations, Maintenance and Administration* – Funds the costs related to training Reservists, administering the Reserve program and the portion of organizational costs shared by the Reserve Training appropriation for the day-to-day operation and maintenance of the Coast Guard Reserve program.

**ACQUISITION, CONSTRUCTION AND IMPROVEMENTS (AC&I)**

Actual, FY 2011 \$2,101,580  
 Appropriation, FY 2012 \$1,463,968\*  
 Budget estimate, FY 2013 \$1,192,309

\* Includes \$63.5M to be transferred from the U.S. Air Force for a C-130 aircraft and a reallocation of \$3.5 million in unobligated balances pursuant to PL 112-74.

The Acquisition, Construction and Improvements appropriation finances the acquisition of new capital assets, construction of new facilities and physical improvements to existing facilities

and assets. The appropriation covers Coast Guard-owned and operated vessels, aircraft, shore facilities and other equipment such as computer systems and personnel needed to manage acquisition activities. Table 4, on page 39, provides a detailed breakdown of the Coast Guard's FY 2013 Capital Investment Plan.

**ALTERATION OF BRIDGES**

Actual, FY 2011 \$0  
 Appropriation, FY 2012 \$0  
 Budget estimate, FY 2013 \$0

The alteration of unreasonably obstructive bridges improves navigational safety and freedom of mobility to facilitate commerce, emergency response, and U.S. Government operations by providing sufficient clearances for the type of vessels that transit through the bridge.

**RESEARCH, DEVELOPMENT, TEST AND EVALUATION (RD&E)**

Actual, FY 2011 \$20,536  
 Appropriation, FY 2012 \$27,779  
 Budget estimate, FY 2013 \$19,728

The Research, Development, Test and Evaluation appropriation allows the Coast Guard to sustain and enhance mission performance through applied research and development conducted at the Coast Guard's Research and Development Center in New London, CT, as well as through partnerships with other DHS components and DoD.

**HEALTH CARE FUND CONTRIBUTION (HFC)**

Actual, FY 2011 \$265,321  
 Budget Authority, FY 2012 \$261,871  
 Budget estimate, FY 2013 \$169,977

The Medicare-Eligible Retiree Health Care Fund Contribution provides funding to maintain the cost of accruing the military Medicare-eligible health benefit contributions to the DoD Medicare-Eligible Retiree Health Care Fund. Contributions are for future Medicare-eligible retirees currently serving on active duty in the Coast Guard, retiree dependents and their potential survivors. The authority for the Coast Guard to make this payment on an annual basis was provided in the 2005 Defense Appropriations Act (PL 108-375). While this expenditure requires no annual action by Congress, it is considered discretionary spending.

**RETIRED PAY**

Actual, FY 2011 \$1,320,689  
 Budget Authority, FY 2012 \$1,440,157  
 Budget estimate, FY 2013 \$1,430,942

The Retired Pay appropriation provides payments as identified under the Retired Serviceman's Family Protection and Survivor Benefits Plans, as well as other retired personnel entitlements

identified under the National Defense Authorization Act. It also provides payments for medical care of retired personnel and their dependents.

**BOATING SAFETY**

Actual, FY 2011 \$134,433  
 Budget Authority, FY 2012 \$113,199  
 Budget estimate, FY 2013 \$116,221

The Boating Safety program minimizes loss of life, personal injury, property damage and environmental impact associated with the use of recreational boats. In its role as the designated National Recreational Boating Safety Program Coordinator, the Coast Guard manages dedicated user fee funding to support the National Recreational Boating Safety Program. Pursuant to the Safe, Accountable, Flexible, Efficient Transportation Equity Act-A Legacy for Users (SAFETEA-LU, PL 109-59), the Boating Safety program receives 18.5 percent of the funds collected in the Sport Fish Restoration and Boating Safety Trust Fund. The FY 2013 Budget reflects the anticipated level of funding available from this source.

**MARITIME OIL SPILL PROGRAM (MOSP)**

Actual, FY 2011 \$259,465  
 Budget Authority, FY 2012 \$101,000  
 Budget estimate, FY 2013 \$100,500

The Maritime Oil Spill Program operates under the authority of Title (of the Oil Pollution Act of 1990 (OPA), as amended, which provides for the use of the Oil Spill Liability Trust Fund (OSLTF) to pay for federal response to oil spills and claims for uncompensated removal costs and damages resulting from such spills. In Section Seven of Executive Order 12777, the President delegated management responsibility for these uses of the OSLTF to the Secretary of the Department in which the Coast Guard is operating. Upon re-delegation by the Secretary, the Commandant of the Coast Guard delegated responsibility to the National Pollution Funds Center (NPFC), which oversees the OSLTF.

TABLE 3: OPERATING EXPENSES FY 2012 ENACTED TO FY 2013

Department of Homeland Security U. S. Coast Guard Operating Expenses FY 2012 to FY 2013 Budget Change (Dollars in Thousands)			
2011 Actual	Pos.	FTE	Amount
2012 Enacted	49,047	48,071	6,907,456
Adjustments-to-Base	49,441	49,255	6,755,254
Transfers to and from Other Accounts	-	-	3,740
A. Transfer	-	-	3,740
<b>Total Transfers</b>			
<b>Increases</b>			
A. Annualization of Prior Year Funding	(50)	260	54,207
B. Mandatory Personnel Entitlements			
1. Annualization of FY 2012 Military Pay Raise			8,427
2. FY 2013 Pay Increase			29,989
3. Military Allowances			48,991
C. Operating and Maintenance Funds for New Assets			
1. Shore Facility Follow-On			3,870
2. Response Boat - Medium (RB-M) Follow-On	20	10	3,058
3. Watchkeeper Follow-On	3	2	2,261
4. Rescue 21 (R21) Follow-On			1,448
5. Surface and Air Asset Follow-On	224	127	37,001
D. Base Re-Allocations (Non-Add)			
1. Balanced Workforce Strategy Follow-on	33	33	(3,485)
2. Military FTP and FTE Transfer to Civilian	(50)	(50)	(5,331)
3. Reclassification of Reimbursable FTE to Direct FTE	13	13	(1,807)
<b>Total Increases</b>	243	445	189,252
<b>Decreases</b>			
A. Termination of One-Time Costs			(18,309)
B. Prior Year Management Annualizations			(10,996)
C. Asset Decommissionings			
1. Patrol Boat High Tempo High Maintenance (HTHM) Operations	(206)	(206)	(33,495)
2. Three 110-Patrol Boats	(70)	(35)	(1,977)
3. Two High Endurance Cutters (HEC)	(389)	(241)	(16,832)
4. Three HU-25 Aircraft	(39)	(20)	(5,514)
5. Seasonal Air Facilities	(68)	(34)	(5,201)
D. Enterprise-Wide Efficiencies	(48)	(24)	(56,299)
E. Programmatic Reductions	(479)	(264)	(32,945)
<b>Total Decreases</b>	(1,299)	(916)	(181,568)
<b>Total Adjustments-to-Base</b>	(1,056)	(471)	11,424
<b>2013 Current Services</b>	48,385	48,784	6,766,678
<b>Program Changes</b>			
Program Increases			
A. DHS Headquarters Consolidation			24,500
<b>Total Program Changes</b>	48,385	48,784	6,791,178
<b>2013 Request</b>			
2012 to 2013 Total Change	(1,056)	(471)	35,924

TABLE 4: FY 2013 CAPITAL INVESTMENT PLAN (CIP)  
ACQUISITION, CONSTRUCTION AND IMPROVEMENTS

Appropriations (\$000)	FY 2013 Enacted Budget Authority	FY 2013 Requested Budget Authority
<b>Vessels</b>	<b>\$642,000</b>	<b>\$879,500</b>
Survey and Design - Vessel and Boats	\$6,000	\$2,500
In-Service Vessel Sustainment	\$14,000	\$0
Response Boat - Medium (RB-M)	\$110,000	\$0
National Security Cutter (NSC) <sup>1</sup>	\$77,000	\$683,000
Offshore Patrol Cutter (OPC)	\$25,000	\$30,000
Fast Response Cutter (FRC)	\$358,000	\$139,000
Cutter Boats	\$5,000	\$4,000
Medium Endurance Cutter Sustainment	\$47,000	\$13,000
Polar Icebreaker <sup>2</sup>	\$0	\$8,000
<b>Aircraft</b>	<b>\$289,900</b>	<b>\$74,500</b>
CGNR 6017 Airframe Replacement	\$18,300	\$0
Maritime Patrol Aircraft (MPA)	\$129,500	\$43,000
HH-60 Conversion Projects	\$56,100	\$0
HH-65 Conversion/Sustainment Projects	\$24,000	\$31,500
Long Range Surveillance Aircraft (C-130H/J) <sup>3</sup>	\$62,000	\$0
Unmanned Aircraft System (UAS)	\$0	\$0
<b>Other</b>	<b>\$161,140</b>	<b>\$76,500</b>
Program Oversight and Management <sup>4</sup>	\$26,000	\$25,000
Systems Engineering and Integration	\$17,140	\$2,500
Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance	\$38,500	\$40,500
CG Logistics Information Management System	\$6,500	\$2,500
Nationwide Automatic Identification System (NAIS)	\$5,000	\$6,000
Rescue 21	\$65,000	\$0
Interagency Operations Centers (IOC)	\$3,000	\$0
<b>Shore and ATON</b>	<b>\$200,692</b>	<b>\$69,411</b>
Major Shore, Military Housing, ATON and S&D	\$112,900	\$15,000
Major Acquisition Systems Infrastructure	\$81,500	\$49,411
Minor Shore	\$6,292	\$5,000
<b>Personnel and Management</b>	<b>\$110,192</b>	<b>\$117,103</b>
AC&I Core	\$600	\$600
Direct Personnel Costs	\$109,592	\$116,503
<b>TOTAL</b>	<b>\$1,403,934</b>	<b>\$1,177,014</b>

1) Proposed cancellation of \$25 million appropriated under of the Department of Homeland Security Appropriations Act, 2010 (P.L. 111-83) for NSC #4 post-delivery activity. The table reflects the proposed re-appropriation of these funds for the same purpose within the amount shown for the NSC project above.  
 2) Estimates for Polar Icebreaker are based on the October 2011 R&D Center Comprehensive Analysis on U.S. Polar Icebreaker Recapitalization as directed by PL 112-61.  
 3) The Coast Guard also received an additional \$65.5M transfer in the Consolidated Appropriations Act, 2012 from the Air Force Aircraft Procurement appropriation for procurement of a C-130 aircraft.  
 4) Previously titled Government Program Management project renamed in the Consolidated Appropriations Act, 2012, PL 112-74.

## OUR PROGRAMS AND MISSIONS



The Coast Guard delivers value to the Nation by administering programs and missions to ensure the maritime domain is safe and secure, and that care is taken to protect the marine environment. The role of the Coast Guard in the maritime domain is enduring while at the same time never being more relevant or more in demand – with long-standing responsibilities accrued over more than two centuries of service. The Coast Guard is organized into six programs, which are critical to achieving specific Quadrennial Homeland Security Review (QHSR) goals and objectives and advancing National priorities that together define Department of Homeland Security missions. The initiatives in the Coast Guard's FY 2013 Budget are crucial to the effective achievement of these Department of Homeland Security mission priorities. The table on page 45 provides a listing of the six programs and their relationship to the Coast Guard's 11 statutory missions.

### MARITIME SECURITY OPERATIONS

Maritime Security Operations encompass activities conducted to detect, deter, prevent and disrupt terrorist attacks and other criminal acts in the maritime domain. It includes the execution of anti-terrorism, response and recovery operations and related preparedness activities such as the establishment and oversight of a maritime security regime and maritime domain awareness. The following statutory mission contributes to the Coast Guard's Maritime Security Operations program:

- Ports, Waterways and Coastal Security

### IN 2011 THE COAST GUARD...

- Conducted 10,735 security boardings of small vessels in and around U.S. ports, waterways and coastal regions.
- Conducted approximately 37,000 waterborne patrols near critical maritime infrastructure and security zones in American ports.
- Escorted approximately 5,000 high-capacity passenger vessels, naval vessels and ships carrying dangerous cargoes.
- Conducted 1,690 boardings of high interest vessels designated as posing a greater-than-normal risk to the U.S.

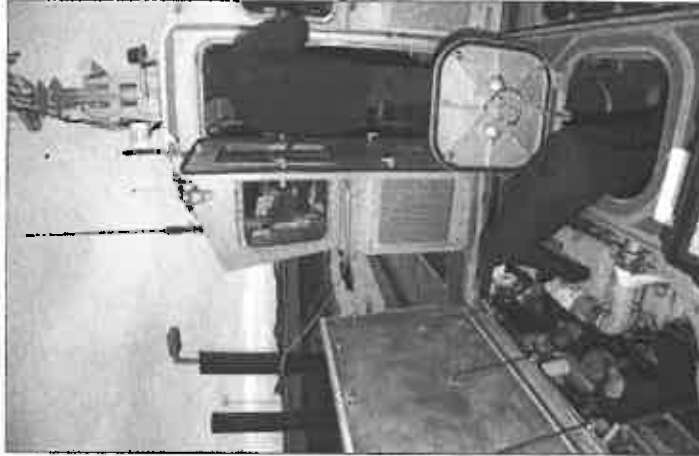
### MARITIME LAW ENFORCEMENT

The Maritime Law Enforcement program preserves America's jurisdictional rights within our maritime borders and suppresses violations of U.S. federal law on, under and over the high-seas. The Coast Guard is the lead federal maritime law enforcement agency for enforcing national and international law on the high-seas, outer continental shelf and inland from the U.S. Exclusive Economic Zone (EEZ) to inland waters. The following statutory missions contribute to the Coast Guard's Maritime Law Enforcement program:

- Drug Interdiction
- Migrant Interdiction
- Living Marine Resources
- Other Law Enforcement

### IN 2011 THE COAST GUARD...

- Removed over 75 metric tons of cocaine and 18 metric tons of marijuana bound for the United States; interdicted 40 vessels, and detained 191 suspected drug smugglers.
- Coast Guard Law Enforcement Detachments (LEDETs) deployed for 1,793 days in FY 2011 and accounted for 16 percent of all cocaine removals.
- Interdicted six Self-Propelled Semi-Submersible vessels, keeping 33 metric tons of cocaine off the streets of the United States.
- Interdicted 2,474 undocumented migrants attempting to illegally enter the United States.
- Encountered over 140 domestic significant fishery violations during boardings of over 5,500 U.S. vessels.
- Patrolled the U.S. EEZ boundary areas to reduce the



threat of foreign poaching of U.S. fish stocks and ensured compliance with international living marine resource agreements. Detected 122 incursions and interdicted 22 vessels.

- Conducted a joint U.S.-Canadian Northwest Atlantic Fisheries Organization (NAFO) patrol under the NAFO Inspection and Surveillance Scheme, expanding border cooperation efforts with Canadian law enforcement counterparts.



## MARITIME PREVENTION

The Maritime Prevention program reduces personnel casualties and property losses, minimizes security risks and protects the marine environment. The following statutory missions contribute to the Coast Guard's Maritime Prevention program:

- Ports, Waterways and Coastal Security
- Marine Safety
- Marine Environmental Protection

### IN 2011 THE COAST GUARD...

- Conducted over 10,400 annual inspections of U.S. flagged vessels inspected and certificated in accordance with 46 Code of Federal Regulation (CFR) § 2.01.
- Performed over 6,500 inspections at facilities to ensure compliance, identifying over 2,250 deficiencies of safety, security and environmental protection regulations.
- Conducted 6,200 marine casualty investigations.

Conducted more than 9,000 Port State Control and Security examinations on foreign flagged vessels, including examinations of ballast water for elimination of aquatic nuisance species, testing of oily water separators to prevent oil from being discharged in the ocean and other pollution prevention and vessel safety activities.

- Completed over 26,500 container inspections, identifying more than 2,220 deficiencies that led to 915 cargo or container shipments being placed on hold until dangerous conditions were corrected.
- Conducted over 8,500 fishing vessel and 1,400 towing vessel examinations, ensuring vessels were in full compliance with regulations and safety requirements.
- Administered the National Recreational Boating Safety (RBS) Program where state law enforcement conducted over 1.7 million hours of on-water RBS operations, checked over 1.6 million vessels for carriage compliance, issued boating safety education certificates for over 380,000 individuals and issued over 118,000 safety citations and 286,000 warnings.
- Conducted over 46,000 recreational vessel boardings, issued 8,000 citations and visited 1,150 recreational boat manufacturers to provide education and ensure compliance with Federal regulations.
- Adopted measures to reduce emissions of greenhouse gases from international shipping. These measures, implemented as amendments to MARPOL Annex VI, Regulations for the prevention of air pollution from ships, represent the first ever mandatory global greenhouse gas reduction regime for an international industry sector.

## MARITIME RESPONSE

The Maritime Response program mitigates the consequences of marine casualties and disastrous events. The Coast Guard minimizes loss of life, injury and property loss by searching for and rescuing persons in distress in the maritime environment. Coast Guard preparedness efforts for all threats and all hazards ensures incident response and recovery resources are fully ready and capable to minimize impact of disasters to people, the environment and the economy. The following statutory missions contribute to the Coast Guard's Maritime Response program:

- Search and Rescue
- Marine Environmental Protection

### IN 2011 THE COAST GUARD...

- Responded to 20,510 Search and Rescue incidents, saving 3,804 lives and protecting \$82.0 million in property.
- Responded to and investigated approximately 3,000 pollution incidents.
- Hosted the International Oil Spill Conference in May, a triennial conference that the Coast Guard has chaired since 1969 in partnership with the Environmental Protection

Agency, American Petroleum Institute, International Maritime Organization, International Petroleum Industry Environmental Conservation Association, National Oceanic and Atmospheric Administration, and Bureau of Safety and Environmental Enforcement.

- Enhanced ability to detect and locate persons in distress with continued installation of the Rescue 21 national distress and response system, encompassing 38,681 miles of the Nation's coastline along the east, gulf and west coasts with the Great Lakes completed by end of the calendar year for a cumulative total of 39,685 miles of U.S. coastline coverage.

## DEFENSE OPERATIONS

The Defense Operations program provides unique authorities and capabilities to support the National Military Strategy. Specific objectives include defending the homeland, promoting international security, deterring conflict and winning our Nation's wars. The eight mission elements that comprise the Coast Guard's Defense Operations portfolio are: Maritime Interdiction Operations; Combating Maritime Terrorism; Port Operations Security and Defense (to include maintaining a Title 10 Reserve force and providing Aids to Navigation support for battle-space preparation); Military Environmental Response Operations; Coastal Sea Control Operations (including providing DoD the only assured surface access in ice-covered and ice-diminished waters); Maritime Operational Threat Response (MOTR); Rotary Wing Air Intercept Operations; and Support for Theater Security Cooperation Initiatives. The following statutory mission contributes to the Coast Guard's Defense Operations program:

- Defense Readiness

### IN 2011 THE COAST GUARD...

- Continued the deployment of six patrol boats and their supporting and command elements to U.S. Central Command (CENTCOM).
- Coast Guard Cutter *Bertholf*, the first National Security Cutter, participated in Exercise Northern Edge in Alaska. Sponsored by United States Northern Command, Northern Edge is a multi-service training exercise designed to practice operations, tactics and procedures aimed at enhancing interoperability, communications and command and control among U.S. military forces.
- Coast Guard Port Security Units (PSU) deployed to the Middle East with Naval Coastal Warfare Squadrons to support point defense and harbor security operations in Kuwait.
- Coast Guard PSU and Maritime Safety and Security Team detachments continued port security operations in Guantanamo Bay, Cuba for harbor security and to provide force protection.
- Deployed Coast Guard Cutter *Forward* to western Africa in support of the African Maritime Law Enforcement

Port Programs	U.S. Coast Guard Regulatory Programs
Maritime Security Operations	Ports, Waterways and Coastal Security - Operational Activities
	Drug Interdiction
	Migrant Interdiction
Maritime Law Enforcement	Living Marine Resources
	Other Law Enforcement
	Ports, Waterways and Coastal Security Prevention Activities
Maritime Prevention	Marine Safety
	Marine Environmental Protection Prevention Activities
	Search and Rescue
Maritime Response	Marine Environmental Protection Response Activities
	Defense Readiness
Defense Operations	Aids to Navigation
	Ice Operations

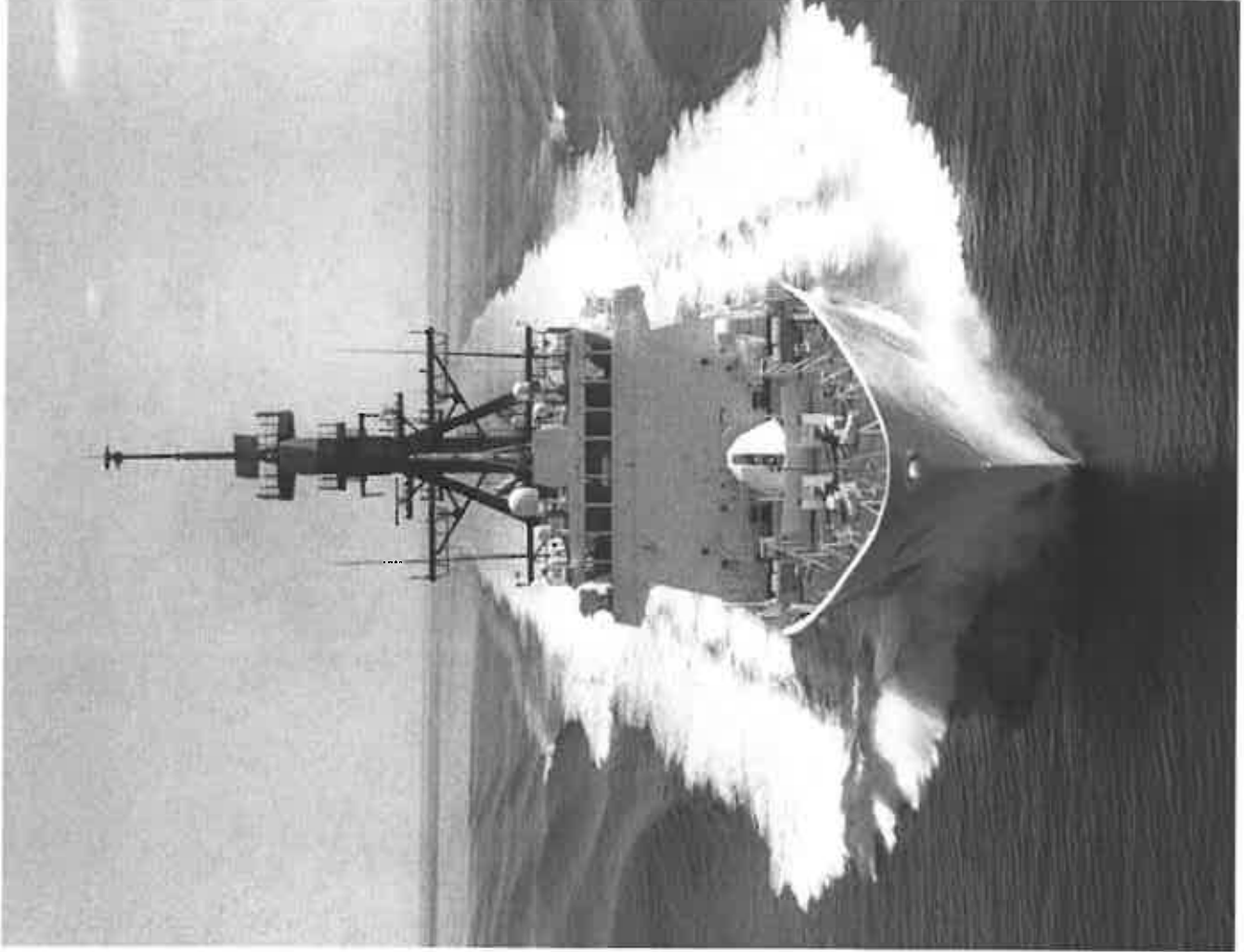
Partnership, a professional exchange with officials from Sierra Leone, Cape Verde, Liberia, Guinea and Senegal. Sierra Leone law enforcement teams, augmented by Coast Guard experts, boarded six commercial fishing vessels, issued citations and terminated two vessel voyages.

## MARINE TRANSPORTATION SYSTEM MANAGEMENT

The Marine Transportation System Management program ensures a safe, secure, efficient and environmentally sound waterways system. The Coast Guard minimizes disruptions to maritime commerce by assessing and mitigating risks to safe navigation and by providing waterways restoration capabilities after extreme weather events, marine accidents or terrorist incidents. The Coast Guard works in concert with other Federal agencies, state and local governments, marine industries, maritime associations and the international community to optimize balanced use and champion development of the Nation's Marine Transportation System. The following statutory missions contribute to the Coast Guard's Marine Transportation System Management program:

- Aids to Navigation
- Ice Operations





**IN 2011 THE COAST GUARD...**

- Maintained over 34,000 aids and responded to over 14,000 discrepancies, providing a 98.5 percent aid availability rate to ensure the safe transit of \$928 billion worth of commerce transiting 25,000 miles of U.S. waterways.
- Negotiated the revised "Memorandum of Arrangements between Canada and the United States" for the shared operation of pilotage on the Great Lakes.
- Coast Guard Cutter *Healy* partnered with the Canadian Coast Guard icebreaker *Louis S. St-Laurent* in the Arctic to gather data required to determine the Extended Continental Shelf limit and the Nation's sovereign rights over the natural resources on the seabed.
- Partnered with the Canadian Ice Service under the North American Ice Service agreement to issue iceberg warnings for more than 4,500 commercial transits through iceberg-infested waters in the North Atlantic shipping lanes, allowing vessels to safely sail significantly shorter routes while avoiding navigational hazards.
- Ensured no ice-related waterways closures during the winter shipping season despite early formation of ice.
- Assisted over 1,700 commercial vessel transits carrying \$300 million in bulk commodities.
- Icebreaking operations in New England facilitated the delivery of approximately \$1.5 billion in home heating oil.