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A CONVERSATION WITH COMMANDANT OF THE
U.S. COAST GUARD ADMIRAL PAUL F. ZUKUNFT

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PARTICIPANTS:

Featured Speaker:

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Moderator:

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P R O C E E D I N G S

MR. O'HANLON: (in progress) issues, overseas matters in regard to littoral waters that may be in dispute thousands of miles from our own shores where the U.S. Navy is a little bit too big and bulky of a presence in some cases where a little more discretion and finesse is called for, arguably. And so there are situations where the U.S. Coast Guard is really an instrument of foreign policy for the United States, as well of course as domestic security here at home. And it does all of this with only about 40,000 active duty personnel, a number that's only increased by a few thousand since 9/11, which of course underscored the importance of the homeland security and counterterrorism mission and brought a whole new range of responsibilities

Now Admiral Zukunft has been dealing with this full set of issues ever since he became Commandant in May of 2014, so he's been at the job for two and a half years. He's a native of the great State of Connecticut, and appropriately enough when to the Coast Guard Academy. You may know him from his previous work not only in the Pacific theater where he had his main responsibilities as the head of Coast Guard efforts there prior to becoming Commandant, but also leading the U.S. response on deepwater horizon in 2010. And so the whole range of issues concerning environmental protection, stewardship of our nation's waters, and the whole issue therefore of oil exploration and drilling is also another topic that we could imagine getting into today, to say nothing of the Arctic and many other matters that are increasingly salient in our nation's foreign and domestic policy.

So, without further ado, please join me in welcoming the Commandant of the Coast Guard to Brookings. (Applause)

ADMIRAL ZUKUNFT: Mike, thank you for that flattering introduction,

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and it's always an honor to be here at Brookings. I see some familiar faces; can't wait to get you back in the Coast Guard again. But this is really a great time to sharpen the knife because too many times we find ourselves too busy strategically and we find ourselves immersed in the day to day, in the tactical aspects of our enterprise.

So when I came into this job we would traditionally describe ourselves with 11 statutory missions. If you have ever been to listen to sermon, a homily, they usually know if you have more than three themes you've lost the audience, you've lost your congregation. So we looked at our 11 statutory missions and then we looked at regionally functionally where do those resonate most, all of the authorities that we have. And at the same time I looked at where is -- I sit in with all the service chiefs, with the Chairman of the Joint chiefs; I'm usually over there at least once a week -- where is the Department of Defense going, but more importantly where are they not going. And where do we use Coast Guard authorities to fill in some of those gaps as our military is much more expeditionary that they've ever been before.

So I'll just walk you through a couple of pictures here. And let me go to the first one. And I spoke about two months ago, and I gave the opening keynote at the International Sea Power Symposium in Newport, Rhode Island. We had 108 Navies and Coast Guards -- and I don't know why the Secretary of the Navy is looking at me and the CNO has got his head down, but anyway never miss an opportunity, but when I led off the discussion, we started talking about piracy, we started talking about the largest flow of refugees since World War II. We started talking about the burgeoning threat by transnational criminal organizations and non state actors. We talked about fisheries, and most people don't realize in our global population of nearly 7 billion, 3 billion of those people their sole source of protein is fish. And in fact where you see more maritime

conflict right now is between fishing fleets and enforcement vessels. We talked about the environment as well. And then we talked about the global trade that unites many of these nations. And so at the end of this discussion -- and we went on for two and a half days talking about all of these threats -- and finally on the last day it was the Indian Navy that says are we ever going to talk about theatre ballistic missile defense? Can we move away from Coast Guard? But it was clear among many of these maritime nations the threats that resonate with them the most today are some of these non state actor threats, but at the same time recognizing that we must cooperate with one another because our economies are dependent upon one another and it's the sea that connects all of us.

So I'm going to talk a little bit about one of the strategies. And we can certainly open it up to the others that we put out as well. So when I look at my four plus, the Department of Defense has Russia, China, Iran, North Korea, violent extremists. They're four plus one. Ours is Arctic, Western hemisphere. I'm told that the energy renaissance, but it's really facilitating commerce. I'll talk briefly about that, about cyber, but even more importantly how do you grow talent within your work force for the 21st century. It's great you can modernize, recapitalize, but if you're not paying to an all volunteer service you may have the most modernized capital plan but you don't have the human capital to fully leverage that capability.

So when I talked about Western hemisphere I go back to when I came into this position in 2014. Our Southwest border literally inundated with unaccompanied minors, family units, leaving the tri border region of Guatemala, Honduras, El Salvador. We'll come back to that here in just a minute. And so while we were dealing with beds and detention facilities and dealing with the symptom, I was looking at why are they leaving in the first place. This is a region that is suffering from rule of law, good

governance, but at the same time that is where bulk cocaine arrives in Central America, which is then broken down to retail and destined for the United States. We've got about 21 million addicted users among our population of over 330 million people today. But cocaine is really a weapon of mass destruction in some respects, in terms of undermining regional stability, rule of law, and good governance.

So I am also an operational commander in the Coast Guard, and so we started looking at all of our mission sets but in 2014 were a member of the intelligence community and we had awareness of nearly 80 percent of the drug flow destined for Central America but ultimately destined for the United States. But on the best of days we had enough ships in this area to target 10 percent at a point in time where the Navy decommissioned the Perry-class Frigates, who were really doing yeoman duty for us in the transit zone, and then with the pivot to the Pacific and other threats, other fires, the Navy had to pull back from this region. So we doubled our presence. What you see here is a semi submersible. This last year we interdicted seven of these. Very difficult to detect these with the human eyeball or even with a sensor. If you're a member of the intelligence community our international relationships, we were able to take seven of these down. In fact, last year alone we removed over 416,000 pounds of cocaine. Today we have 97 smugglers on our ships today just over the last 3 weeks. There's over 30 tons of cocaine over the last 3 weeks on Coast Guard ships. So it really is a return on investment. We can't quite cash that value in, but last year it was a \$5.6 billion -- and this is wholesale value of pure uncut cocaine removed by the Coast Guard but working with and through our interagency partners.

So I'll just throw a few numbers here. The number 1, 3, and 5 most violent countries in the world. So today it is El Salvador. Two years ago it was

Honduras. But if you have violent crime in these areas you also have -- right now you've got about 40 percent unemployment, 50 percent poverty. And I met with the Presidents of all three of these countries and nothing was more sobering when I was in El Salvador - - and President Cerén as resigned to the fact that if you could afford to put your child in the hands of a human trafficker so they could be evacuated from El Salvador and have some hope for a prosperous life, a secure life here in the United States. So this gets to some of those root cause issues of why are people leaving their country of origin. And we see that in Guatemala, we see that in Honduras today. But at the same time, if you cannot guarantee regional security what is the incentive for IMF and others to invest in the economies of these nations as well, where again rule of law and good governance is being severely challenged day in and day out. And we also saw during this peace process with the FARC there were actually incentives that if you were growing cocaine and if you stop then you would be reimbursed in kind for alternative development. So we did see a significant uptick in cocoa cultivation this last year. And at the same time aerial eradication went out the window as well. So we had increased flow and at the same time a record year for drug removal in fiscal year 2016.

If you look at our borders and as we look at, you know, people trying to find a better life here in the United States, I participated in the Meridian Global Summit back in September. And Gallop did a poll of 132 nations, and part of this poll was if you could live anywhere in the world among these 132 nations which country would you aspire to live in. And it's not even close within a standard deviation, the number one country is the United States of America. Many people want to live in this country. And let's face it, many of us are first, second, maybe third generation removed from living in another country and now make this country our home as well. And so we were

challenged this last year. The biggest challenge we saw was an uptick in Cuban migrants trying to make landfall here in the United States. You may know we have a policy, it's not legislation, a policy called wet foot, dry foot. And so if you land dry feet in a U.S. territory you will be paroled into the United States. We have an uninhabited island between the Dominican Republic and Puerto Rico called Mona Island. And so for those who can afford a more sophisticated trafficker they will touch down on Mona Island, we'll recover these individuals, but then they are paroled into the United States. But we also saw self inflicted gunshot wounds, mutilations, people swallowing bleach knowing that they would have to be medevacked to a United States hospital. And once they were medevacked and land feet dry they were now paroled into the United States. So many times we'll encounter and we'll interview these individuals, and this might be their third, their fourth, maybe their fifth attempt knowing that maybe this might be the one where they go feet dry. But they go back to Cuba. They do not suffer human rights violations, they just wait for the next chug to leave and ultimately arrive here feet dry.

And so I'll just show some numbers here of what we've seen in the last two years, 100,000 unaccompanied minors, family units arriving on our southwest border from many of those same three countries, that tri border region that I talked about. Right now our detention facilities are at 89 percent occupancy and they're filling faster than we can empty them in terms of placing these folks into a home here in the United States. I mentioned the number of Cuban interdictions that we've had this last year, and this was a significant uptick from what we've seen in the last year, in fact the highest number we've seen in the last decade.

I'll shift gears real quick and I'll talk about our role in facilitating commerce. What you see in this picture is Cheniere LNG. It sits on the Sabine River in

Louisiana. This once it's fully built out will be the largest LNG export facility in North America. The United States sits on 20 percent of the world's natural gas. It's a resource we haven't even tapped into. And so I look at this as how does this affect our trade balance and imbalance at a point in time where the widening of the Panama Canal can facilitate some of this commerce as well. But at the same time we need to make sure that this shipment can move safely and securely throughout our global highway.

When I'm over in Europe there's geographic envy because if you look at the United States from outer space you see rivers that run north and south, east and west, and those arteries connect to deepwater ports that then connect to the global commerce, the global domain, if you will. And so we have a huge advantage just by virtue of our geography in the amount of commerce that moves through our rivers and through our ports and waterways. And it's the United States Coast Guard that regulates and maintains a lot of these waterways, and also in conjunction with the Army Corps of engineers. So if you go to the next slide I'll just put it in dollars, \$4.5 trillion contributed to our GDP, so it's not just about economic security, this is really about national security as well. And then just the number of jobs that this impacts as well. And we haven't even realized our full potential. There are infrastructure needs within this domain as well, not so much for Coast Guard, but when you look at locks and dams that are beyond their service life, it's an area that requires some investment as we look at discussions about infrastructure investments. But many times we often neglect our ports and waterways and don't fully appreciate the value that that brings to our nation's GDP.

I'm going to go back to our Southwest border really quickly. And I just will say this, if you follow football, a goal line defense eventually -- you know, if it's first and goal someone is going to get across that goal line. So when I look at the Southwest

border, what I see is a very defensive approach of how do we protect our borders. But our borders expand way beyond the Southwest border and it goes way out into the sea and into the global commons as well. So we have 95,000 miles of borders that surround our nation besides the 2500 miles on the Southwest border. And those are the threats that I look at. We all often liken it to squeezing a balloon. You know, if you shut the door in one area someone is going to open a window in another. So if you secure the southwest border it's now a maritime threat. The two vectors that you see there are the drug flow that we're observing and monitoring today. About 20 percent of the drug flow is going through the Caribbean, 80 percent of it goes through the eastern Pacific. They're using the isthmus Central America as the bridge, but then it arrives in bulk in those locations, it's broken down to retail, and ultimately into the United States. Again, 21 million users across all aspects of addiction in the United States.

So how do you go after this? And it really begins with authorities. And the United States Coast Guard is unique in that our area of responsibility is really the world. We have over 40 counter drug bilateral agreements that allow the United States Coast Guard to go into the territorial waters of a signatory nation and use up to deadly force to prosecute rule of law. As I mentioned we have 97 detainees that we've scooped up, smugglers, in the last 3 weeks. These are not U.S. citizens. If they are from Honduras today Honduras enjoys a two percent prosecution rate. The real success in all of this is a prosecution. The prosecution rate in the United States hovers around 99 percent. In fact, most of these folks plead guilty. The way this scenario works is, you know, we're vectored in, we know where these folks are at, we launch a helicopter that has mounted automatic weapon fire, it has a sniper, it has a camera. So many times they will jettison their load. We've got it all captured on video. We then apprehend the

individuals, scoop up the drugs. When we deliver them to the Department of Justice they almost always plead guilty. And so these are pretty quick turnaround times as well. But these are being used to feed that intelligence cycle. Once you bring them into prosecution I always like to say there's no loyalty among thieves. And they may not provide you insight to their smuggling organization, but be more than glad to share with you their competitor's smuggling cycle. So we're able to leverage that aspect. So it really is an intelligence opportunity for us as well.

It's not widely known, but we have 11 bilateral agreements, and this covers pretty much every flag state of convenience. We have a national targeting center here in Reston, Virginia where we work side by side with CBP and we look at every shipment destined for the United States on ships greater than 300 gross tons. And if we see an anomaly in any one of those ships we can board that ship anywhere on the high seas before it arrives in a U.S. port if it's suspected to contain a weapon of mass destruction, a dirty bomb. We looked at the manifest, we look at where it was shipped, was there a hole in the fence, because we go to over 160 ports every year and we do assessments on their ability to meet the international port security codes. But much better to meet that threat offshore before it arrives in shore. That process works through what is known as the Maritime Operational Threat Response Protocol. This is worked through the Department of Justice, Department of Defense, Homeland Security, state. And the first question is who has lead responsibility. And there's usually enough ambiguity where you can't say it's a Title 10 mission, it's a Title 14 law enforcement mission. So the Coast Guard has two trained to the equivalent of SEAL level tactics, one on the east coast, one on the west coast, a rapid response team that could meet these ships offshore. These are folks that expend 60,000 rounds of ammo a year to maintain

their weapons proficiency. So if this ends up in a gun fight we're not going to put Coasties in bags. We will with our adversaries. But it's not widely known that the Coast Guard is in this realm of work as well.

And then we have another 11 bilateral agreements on fisheries. Many of these with the compact are freely associated states in central Pacific. In fact, every quarter there is a DDG with a Coast Guard law enforcement team on it serving under PAC Fleet, doing the detection and monitoring, but we do a number of boardings using Navy ships. PACOM and PAC Fleet realize that many of these nations are solely dependent on the natural resources within their EEZ, and it's the distant water fishing fleets, many of them from China, that are exploiting some of these riches that could cause economic ruin to these countries as well. So often time you think Coast Guard, and so today I said yes, we are a Coast Guard, we're in the coasts of the northern Arabian Gulf, we're on our way to being off the coast of Antarctica, we are in the East and South China Sea, we're in the Arctic, we're in Central, South America. And so it's not Alexander Hamilton's Coast Guard that he envisioned back in 1790, but they made a great play after him. But we have certainly taken his vision to a whole other level as we look at where does the Coast Guard in the macroeconomic and geopolitical world of the 21st century.

So with that I'd be happy to open it up to questions and comments. And, Mike, I can turn it over to the audience first or I can turn it over to you.

MR. O'HANLON: Thank you, Admiral, that was spectacular. It's amazing to see what the Coast Guard does and to hear a reminder of the breadth of your activities. I just wanted to maybe ask a couple of questions and then we'll go to other folks who I'm sure will have much to talk about as well.

We're about to see a new administration in Washington and I realize it's a long way from your presenting them a budget plan. And even if you were you doing that already you couldn't tell us the details of internal negotiations. But as we frame our thinking about the Coast Guard, you're doing so much with a small force. And the question -- I guess I'm not going to ask you should the Coast Guard budget be bigger, unless you want to answer that question -- but if one were going to frame different ways to think about the future of the Coast Guard, just sort of a blank sheet of paper, right now you're around 40,000 strong and maybe you want to give us a couple of quick numbers on the size of your fleet if you don't mind to answer this, but how should we think about different options because I know you've only got maybe one ice breaker and the Arctic is becoming more important. You're being asked to do things in the South China Sea and East China Sea where the Navy may not be the right tool at a given moment. You've got these tremendous challenges you already talked about. And then we haven't even talked about really the terrorism threat very much. So if one were going to try a more robust Coast Guard option what might that look like?

ADMIRAL ZUKUNFT: The first thing I would look at, Mike, is the emergence of non state actors, whether it's an illegal fishing vessel, a transnational criminal organization, but the emergence of non state actors in the maritime domain. We've seen that flourish over the last several decades, and quite honestly I don't see an end state there. And so I certainly see a mission demand for the Coast Guard as we deal with non state actors in the maritime domain. What effects piracy, commerce, transnational criminal organizations, human trafficking, all of the above. I foresee that threat is with us for some time to come. I look at countries like Haiti. I've been there on multiple occasions. I have not been there since Hurricane Matthew hit, but probably one

of the most impoverished nations within our sphere of influence. I think we're going to continue to see significant migrant flows coming out of those countries.

So what is our immigration policy going forward? That is the most complex policy I think of all the policies that we have. So if you think of we're going to round some people up and we're going to send them back to their country of origin, well a lot of these countries first of all they don't want them back, and second, how do you prove that they are from that country of origin to begin with. So do you do an at sea interdiction and do a repatriation?

I'll go back to last Christmas and if we did not have nearly our entire fleet of new fast response cutters in the Straits of Florida we would have had a mass migration on our hands. We had a very successful interdiction rate. They had two signals. One is the policy in the United States might change. And if the feet dry policy goes away we'd better land now because it may never come our way again. And then it's the holidays. So the Coast Guard is on a holiday over Christmas. So instead it was anything but and it was away all boats dealing with that particular threat.

As we look at the Arctic this year one million square miles of ocean, kilometers of ocean opened up that were ice free. It eclipsed the record set in 2012. And so what fills that void when it comes to human activity? We know that there are oil and gas and natural resources riches to be found up there. And if there's a moratorium today is there going to be a moratorium tomorrow? And so when I really think long-term and not near-term, you know, what is going to happen five-ten years from now. The fact remains is that the United States, as I said earlier, can unilaterally meet its needs for fossil fuels if we continue on the trend that we're on right now.

Then there's the black swan event. I do look at rising sea level. I do look

at ocean acidification and rising ocean temperatures. The first thing I look at is where are all the fish dispersing to? We have a moratorium against fishing in the high latitudes but no enforcement mechanism. So if the fish move and the fleets move I've got a paper lion to hold that in check. I also look at rising ocean temperatures and rising sea level of what is the tropical cyclone of 2030 going to look like. Do we have greater storm surge inundation in coastal communities where we see more and more people moving to our coastal communities as well, and what is the role of the Coast Guard in those contingencies? And then the other black swan is the Cascadia Subduction Zone and what if that releases. We ran a drill just this past summer and that first tsunami comes ashore within 10 minutes. Death toll rates can easily hit 35,000 and climb north of there. You lose a lot of that infrastructure that now means it's a maritime response.

So those are some of the contingencies that I need to be ready for. We are a service that prides itself on being always ready, but those are some very realistic scenarios that I can see in our future.

MR. O'HANLON: So if we pooled all those together and we ask some of your analysts, just hypothetically, to come up with a sort of robust Coast Guard posture that could handle sort of plausible worst case concerns in all these domains, roughly speaking -- and again I'm not asking you to portray this as a Coast Guard request -- but roughly speaking, analytically, you know, if you just work through the math, how much larger and bigger might the Coast Guard have to be to handle, you know, sort of what you might call a robust or a comprehensive way all these different concerns? Is it in the ballpark of 10 percent more, is it 25 percent more? I'm just curious if you even have that kind of a number in your mind. I realize it's not always one you're invited to provide by budgeteers at OMB who are trying to keep costs down. But I think for the purposes of

understanding, you know, what the needs are for the nation it would be interesting to hear.

ADMIRAL ZUKUNFT: Yes, great question, Mike. And we've actually brought on a third-party source to provide that analytic rigor. It's a little bit self-serving if I say I need to be a Coast Guard of -- you know, a uniformed service of 50,000. But if you can do that with third-party rigor, with unbiased -- and we did the same thing when we looked at how many ice breakers do you need. The answer is you need three heavy and three medium ice breakers. And I've gone on record -- in fact we are on a glide slope right now to get us to that end state. So we have brought on a third-party to validate what are needs are as we look at not just steady state, as we do not live in a static environment, but how do we approach these other contingencies and how do you approach cyber, and do you do that with uniform, civilian, civil servants, a reserve component. So we look at what is the right mix then as you look at what is the force structure that you need to deal with these challenges that we see in the 21st century.

Being ever mindful that this is a hard time to grow. It was Chairman Mike Mullen, when he stepped down as the Chairman of the Joint Chiefs, who said the number one threat to our nation's security is our nation's debt. We have not talked about that. You don't see a whole lot of narrative on that, but if you would dead reckon our current interest rates, our current GDP growth rate, and this is coming through CBO, come 2026 to service our nation's debt will be nearly one and a half times that of today's DOD budget. So those are real numbers, so where are those tradeoffs going to come into play? You know, what can you resource, what must you resource?

So if I'm going to grow the Coast Guard for my term, I said we will have a clean financial audit opinion. If I'm going to ask for more on the top line of the Coast

Guard's budget I better demonstrate I'm a good steward of those resources. We're the only service that they can say we have a clean audit opinion, but we now have it four years in consecutive years. So a good news story. And that contribution really gets down to the deck plate of this widely distributed workforce, the people of the Coast Guard.

MR. O'HANLON: So let me hone in just one or two other elements within this broad portfolio of mission. I mean you talked a lot about the counter narcotics mission and also the immigration flows, illegal and legal, or refugee as well as perhaps more opportunistic movements. And I wondered as one were to think about a larger Coast Guard hypothetically, to what extent could one make a meaningful difference? I mean part of the narcotics challenge just seems timeless and hopeless. That we've been hearing about wars on drugs for decades. And you didn't use that expression; I think people with your kind of experience know it's probably not a particularly productive expression to use because it implies a winnable enterprise. But is there a meaningful sort of next step that we could take in order to be more effective, to be substantially more effective, even if we can't be perfect, or is this always going to be just sort of plugging, you know, gaps in the dike and we're never going to really be able to make a big change in how things work?

ADMIRAL ZUKUNFT: I've been at this dilemma for -- it will be 40 years in May, so I've seen it since its inception. This is a campaign, it's not a war. And so as you follow the peace process with the FARC, the FARC has not even ventured into social media. They do not live on the internet. They can produce a kilo of cocaine for roughly 2000. You can sell that same kilo for 20,000 in New York, 80,000 and up in Europe, and nearly 200,000 in Australia. So you've got this whole economic dilemma with illicit drugs,

you've got the demand aspect of illicit drugs. How do you bring in, you know, whole of government first of all to get after this economic depravity that exists in many of these countries? El Salvador, you know, extortion runs rampant today and lives are being taken for pennies on the dollar if you can't afford your weekly extortion rate. So how do you provide an economic stimulus to those countries as well?

So it runs the full gamut, Mike. It's diplomatic, it's information, it's military, and it's economic. The Coast Guard is really that military aspect, but it's somewhat quasi military because it's law enforcement as well. And these are partners and they're truly partners. Columbia National Police on up that are used to working with the United States Coast Guard. And so we have this opportunity as we look internationally to strengthen this network because it really does take a network of willing partners to defeat this particular network.

MR. O'HANLON: So I think we'll go to all of you now. And please wait for a microphone after I call on you and please give us your name before you ask your question. I've got one or two more questions on subjects like China that I may come to later, but let's get other folks involved first.

So, please, sir, to begin.

QUESTIONER: Thank you. Thank you, Admiral. (Inaudible) Defense Weekly and other places. My question is about the shiprider agreements, also known as the integrated border maritime law enforcement operations. That's quite a mouthful. From what I understand the U.S. Coast Guard has agreements with countries in the (inaudible) Caribbean, like Panama, Trinidad and Tobago, where the agreement allows for Coast Guard personnel to ride in local Navy vessels to interdict suspicious vessels. I was wondering what is your opinion of this program, is it going to expand, what other

initiatives do you plan to carry out with these (inaudible) Caribbean states?

Thank you.

ADMIRAL ZUKUNFT: Great question. And the shiprider agreement is built into all 40 plus of the bilateral agreements that we have. So it's not just U.S. Coast Guard taking enforcement action. But there's a shiprider provision that goes with that as well. What you see that being manifest right now is that many of these countries assign a liaison officer to the Joint Interagency Task Force South located in Key West, Florida, which actually comes under the command of Admiral Kurt Tidd who is southern command. But if you're ever down there you'd almost think you're at the UN when you count the number of flags that are in that headquarters, because they realize the most critical element that they require is information. And often times we over classify and don't share perishable information on threats to their maritime domain. So they've elected to put their liaison officers there so they can inform their respective Coast Guards and Navies of we have awareness of a threat and it's arriving. And there is a Coast Guard cutter offshore and often times will pursue these until we make a handoff with Sonan, Somar and some of our other partners out there as well.

So this isn't a race to say me first. And there was a point in time where I would consider it to trophy fishing. And everyone would want hold that trophy fish. And so you wanted to catch these fish to the exclusion of all others. This is a much more inclusive environment that we find ourselves in now and doesn't matter who catches the fish, we're all on the same team together. And the end state is it results in a prosecution. We feed that well of information so we can go after the next threat. And it's worked extremely well, which is how we get to 80 percent awareness of smuggling activity in a maritime domain.

Believe it or not, the most common shiprider agreement that we leverage on an annual basis is a shiprider agreement we have with China Coast Guard when it comes to fisheries enforcement. But our doors, our gangways are open to shipriders at the bequest of these signatory nations.

MR. O'HANLON: Ma'am, here in the third row, please.

QUESTIONER: Hi. Hope Sack with Military.com. I wanted to go back to something you said about migrants from Cuba and how that was increasing year over year. And I wanted to hear your thoughts about why that might be and if that might call for any adjustment to Coast Guard posture in dealing with that moving forward.

ADMIRAL ZUKUNFT: So we often see these folks time and time again. You know, we will repatriate them. We go through about a four-day screening process to assure there is no bona fide claim of asylum. Less than one percent have a bona fide claim that they will suffer reprisals if they are returned to Cuba. They'll return to Cuba and we'll see them again in a couple of weeks and the cycle repeats itself. But we are able to discern that when we repatriate these migrants to Cuba that they do not undergo human rights violations. What I suspect led to the initial spike was when we raised the flag in Havana and reopened our embassy and talked about normalizing relations. And so if you want to arrive in the United States you get a Visa, you don't arrive feet dry. So the concern about this feet dry policy was the immediate concern. And now uncertainty of another administration of is this going to come to an end. And so I think that is open to conjecture right now.

So what if, what if we repudiate the wet foot, dry foot policy. And so if we detain you at sea or if you make land fall we're going to repatriate you anyway. Does that stem the flow of illegal migration? And in many cases it does. And if it does that may

provide an opportunity for the Coast Guard because we are dedicating a significant amount of resources to stem the flow that we see right now. We got so successful with stemming the threat at sea that we had 78,000 give or take Cuban refugees arrive in the southwest border. And when they've arrived at that checkpoint guess what, their feet are dry. How did that happen? There was a quadrupling of remittances over the last year and a half being sent back to these Cuban nationals that now have in a more liberal travel policy, so they could leave Cuba, arrive in Central America, work their way up the isthmus, ultimately to the southwest border, and now their feet dry. So that might be an area of policy that is revisited with this next administration.

It would certainly take a lot of pressure, and again the whole -- the key piece in all of this is about human rights violations. And by all indications we've been -- I was part of the Mariel boatlift, I was a patrol boat captain back then -- the calculus has changed dramatically. And of course it changed dramatically on November 25 with the death of Fidel Castro and a brother who is more moderate. So there may be an opportunity there as well. Again, as we delve into this very, very complex immigration policy, writ large, we have the most unique policy with Cuba today, the only nation that enjoys this wet foot, dry foot policy.

MR. O'HANLON: Go here in the third row across the way.

QUESTIONER: Thank you, sir. Brett Caratid with ROA. You mentioned deepwater horizon during the introduction and as you're well aware the reserve component was pretty much (inaudible) at the end of that, it got really close to having to accept some significant mission risk there. So they've gotten smaller since then as just about everybody in the DOD and all the uniformed services have.

So my question, sir, is in a future where there is probably going to be

opportunity for growth over the course of the next four years, your thoughts on your reserve component, the posture, and the end strength, and also what controls do you have in place to make sure that it's a total force growth, it's civilian, it's active, it's reserve, it's contractor, when you're looking at potential increases?

ADMIRAL ZUKUNFT: Yes. So if I go back to deepwater horizon, we had all the elements of a perfect storm. It was preceded by the earthquake in Haiti and then you had a cholera outbreak. We did allow those Haitians in the United States to shelter in place, but any new arrivals would be repatriated. But I was over there and the conditions in Haiti were absolutely desperate. So all the seeds were in place. The push factors, as we call it, for a mass migration leaving Haiti. Now you have an oil spill. And now you have an oil spill during the peak of hurricane season, so throw a Katrina scenario and now instead of just water you've got oil on top of that water inundating, you know, the ninth ward in Louisiana. And what if -- because we had field stripped our forces up in the Pacific Northwest -- they said okay, it's relatively benign there, we're going to pull all of you folks down to the Gulf of Mexico. So I go back to that Cascadia Subduction Zone scenario. We can deal with one complex catastrophe, as I call it, and only one at a time. You throw a second one on there, you go back to the Cold War era and we talk about two near simultaneous global conflicts. Well, for us it's catastrophes, but we run out after one of those. And so when you look at for pennies on the dollar you get a great return on investment on our reserve component to make sure they're trained and ready for these particular scenarios. So as we look at our force planning construct what is the right mix of active, reserve, civilian, contractor perhaps. We're unique in that we have over 32,000 volunteers called a Coast Guard Auxiliary. Many of them were there. In fact, a lot of them were dealing with external affairs and they were getting those

nasty phone calls. And I remember British petroleum were looking at these -- you know, they were the recipients of bad news and they said I don't know how the Coast Guard does it. And then they found out they were volunteers, not even getting paid to do this, and all the sudden the reputation and the respect for the Coast Guard goes up even more when you bring in this all volunteer component.

But if you're talking about a security threat you cannot put volunteers into that threat environment. There's going to be a uniformed service of active and reserve to deal with those conditions. And there may be an overseas contingency like we have today with hundreds of Coast Guards assigned overseas, reserve, active alike.

MR. O'HANLON: I think Geoff in the back row please.

CAPTAIN GAGE: Thanks, Admiral, Geoff Gage, Captain, U.S. Navy, and one of the fellows here at Brookings. Thanks for your time and your comments today.

I'd like to leverage your comment about the debt and sort of the numbers going out in the future and I correlate it to Mike's comment about budgets and the robust Coast Guard. If really forced to prioritize, you know, what is the number one priority non negotiable for the U.S. Coast Guard and where would you accept risk in potentially actually stopping doing something else or allowing other agencies and departments to take that mission going forward, let's say in the next 10 years?

Thanks.

ADMIRAL ZUKUNFT: Great question. And we have to be very careful where we assign risk and how long we assign it. Right now where I've assigned risk is in our enforcement of fishery regulations in our remote EEZs. Having done that we were seeing compliance rate of over 95-96 percent. And you burn millions of gallons of fuel to

do that enforcement activity. And so I go back to the counter drug threat where many of these nations are looking to the United States to step up and lead. I met with the Minister of Security in Panama, I've met with President Varela in Panama, and he said I need more United States. Fill in the blank, what they really mean is Coast Guard. The same thing when I meet with Admiral Soberón in Mexico, the CNO of the Mexican Navy. President Peña Nieto is looking for more United States. But maritime, what they really mean is Coast Guard.

So we look at some of these challenges in this hemisphere which are challenges where our Navy is not resourced to address when you look at the four plus one strategies that they're dealing with, recapitalizing Ohio class submarines and the stresses that that's going to put on their AC&I budget. The western hemisphere remains sacrosanct. The Arctic as well. Either that or we are no longer an Arctic nation. The Polar Star, our only heavy ice breaker operational in our nation's inventory, just departed yesterday. That crew has been working for the last five months to keep this 40-year-old ship at sea. I'm concerned with what is Russia's aspirations in the high latitudes. We're seeing more and more militarization up there. We created an Arctic Coast Guard forum. We chair the Arctic Council and so I chair the Arctic Coast Guard forum and have. We created it a year and a half ago on my watch; we'll pass the torch off to Finland. We have NATO members that are looking to the United States, read United States Coast Guard to exert more influence in the high latitudes as well. Read that as, you know, we want to cooperate with Russia, do we cast them as our adversary up here. And so we did a tabletop exercise in Gnome, Alaska back in August. Actually this was a full scale exercise. We had people role playing a mass rescue scenario. We invited Russia over to observe, and they did. We will host Russia here in Washington, D.C., in two weeks for

the experts and then I will host them in Boston in March as we look at doing another full scale exercise up in Iceland. They really deal with the present day threats that we see in the high latitudes, environmental, the mass rescue scenarios, the increase in human activity. And this is a part of the world where only five percent of it is charted to modern day standards, maybe even less than that. So the possibility of a Titanic like event up there is very realistic. And so this could be a bridge building opportunity for us and Russia. Rather than just put Russia in the adversarial box are there areas where we have a common ground. And this is one area where I see some opportunities, and how do you leverage the Coast Guard as a unique instrument of that particular policy.

MR. O'HANLON: I'll stay in the back for a minute. The gentleman right next to Geoff and then we'll work our way up.

QUESTIONER: Sir, (inaudible), I go to school right across the street at SAIS. I have to say as a former Navy SEAL I was very jealous that you guys got to take command as an 02, as an 03. And considering that the Coast Guard empowers junior officers a lot earlier than the other services, how do you think about encouraging those officers to innovate, to operate outside the box, and then eventually transfer those services throughout the Coast Guard and through the DOD as well?

ADMIRAL ZUKUNFT: I would say, first of all, it's part of our culture. And having had command at the 02 level and the 06 level I would say that the tonnage I had as an 06 pales in comparison to your 06 commands. So at that point I had tonnage envy. (Laughter) But at the same time, you know, we were on an autonomous asset. I did not steam with the battle group. So I steamed into Hong Kong. This was right after were trying to normalize relations, after the PLA forced down that P3 aircraft. We did a search and rescue exercise, but it was on me. I said hey, you've got to walk away from this and

have three cups of tea with the PLA. You know, that is the objective because we want to warm up our relationship with the PLA.

So I would just say the one thing you have to do -- and I'll probably preach to General Mattis -- is, you know, you have got to think globally in all that you do. You need to come to places like Brookings and others to emerge from there thinking more globally, more strategically, to understand the world, and then understand where you fit in this world.

When it comes to leveraging technology, I went off to Silicon Valley this last year, not because I am the wizard of technology, but we put it out on a Facebook, Instagram, Twitter account, here I am and send me your best ideas. So we try to formalize that, but what you really need to do is how do you streamline innovation. And I'll just give you a classic example. When I was an O5 in the Coast Guard I had just come out of the Navy War College and I was trying to get email on our ships. And the old guard was saying well if we do that we'll violate OPSEC and this will be -- you know, what a terrible idea. Never come to us with another good idea again. And I had another idea about maybe we should arm helicopters rather than trying to chase down go fast. So that one took on a whole life of its own. But finally one of my buddies from the War College, he flew F14s when they still had them, they came back from -- on his carrier they sent a million emails on their deployment to the Red Sea doing kinetic operations and when they returned the CO said on this deployment we sent one million emails on a personal basis and that is unsatisfactory. It better be two million the next deployment. So as you look at why do people lead this organization -- I was down in Guantanamo on Thanksgiving and we have a reserve component of 140 folks there. I remember when I would go to Guantanamo, you wrote a letter, it arrived after you returned, you're in the doghouse, and

then you lined up outside the pay phone. We had fiber optic cable in there. You've got great broadband connectivity, but the important thing is people are sticking around. They can stay connected. You know, they don't become sequestered in this military service.

So I was looking at innovation. You know, how does it resonate with the workforce as well, recognizing I'm darn near two generations removed from that Academy cadet, that recruit coming through Cape May right now, and what is it -- we want them to serve the nation first. We do a pretty good job of that at our accession training to take me out of the equation, but at the end of the day I need to retain these folks. I don't just need to train them, recruit, train, I need to retain them as well. So we're looking at how do we leverage technology in that regard.

And I'll just close by saying the smartest person in the Coast Guard does not sit behind my desk, but the best ideas come across them. And if I don't champion those best ideas then I will certainly say the stupidest person in the Coast Guard sits behind my desk. (Laughter) So I look to champion those great ideas as well, as do all our service leaders.

MR. O'HANLON: So let's do one last question here as we wrap up. I think we'll take two together here on this side, these two. I'm sorry not to be able to ask everybody for their questions.

ADMIRAL BURGESS: Admiral Rick Burgess of *Seapower Magazine*. The Navy seems to be abandoning its rating system for the enlisted personnel. Do you expect the Coast Guard to follow suit?

MR. O'HANLON: And let's take this one too.

ADMIRAL ZUKUNFT: Easy one. No. (Laughter)

MR. O'HANLON: Yeah, okay.

MS. HOUCK: Hi, Caroline Houck with *Defense One*. You talked a little bit about how ice breakers will factor into the increased demands you foresee for the Coast Guard in the coming 15-20 years. Can you talk a little bit about say the offshore patrol cutter and other ongoing acquisitions that you have and how they'll factor into helping you meet your demands?

ADMIRAL ZUKUNFT: So when I came into this assignment two and a half years ago I realized that the most critical acquisition in the history of our service was landing the contract for the offshore patrol cutter. We competed that with three vendors. Affordability was one of the key considerations, not the only one, but we held our requirements constant. And so in September we awarded the offshore patrol cutter to Eastern Shipbuilding in Panama City, Florida. And they clearly met all of those objectives, will deliver the first one in 2021. The bonus in all of this, three Commandants before me and up until now we've been talking about the Arctic, we've been talking about the really miserable state of the health of our ice breaking fleet today. We had seven ice breakers in our inventory when I was an ensign. The Polar Star and Polar Sea were brand new. And now they say, you know, they are old hags. What does that say about me? (Laughter) But the good news is, you know, the Senate Appropriations Committee has set aside \$1 billion in the Navy shipbuilding budget, which is in the '17 budget. We're in a continuing resolution right now, but we've had multiple meetings with Sean Stackley. You know, I've been talking to the CNO as well. More importantly, we've had industry come forward like never before to say we can build this in the United States of America, we want to have the first one delivered by the year 2023. To fast forward, we have not built this, a heavy ice breaker in 40 years. We appreciate the investment the Navy makes in our military industrial complex. They would not let that capability go fallow, but

we have when it comes to building ice breakers in the United States, heavy ice breakers, at a point in time when the general quarters alarm is ringing loudly.

MR. O'HANLON: Those are such succinct answers, I think we do have time for one last one. So I think there was a hand over here, and then we'll have to call it.

MR. DREW: Hi, James Drew with *Aviation Week*. The Coast Guard has been operating unmanned aerial vehicles for a while in a bit of interim state, kind of exploring what (inaudible) of the possible and how it influences your operations. What's your strategy to getting to some permanent Coast Guard specific capabilities, and also how do you plan to work with the Triton orbits that are coming on line in the next couple of years?

ADMIRAL ZUKUNFT: We're actually looking at a couple of opportunities in that regard. We already awarded a contract with ScanEagle. What we primarily need is ISR, and ship based ISR because it's hard to do land based ISR from some of the shores that we operate from. These bilateral agreements did not extend to forward operating bases for unmanned aerial systems. We've used this technology in the past. It's relatively affordable, but you also have to have a manned system to back it up.

We're also looking at what we call cube satellites. And there are opportunities there to expand our domain awareness in the high latitudes. Very small payload and so typical of the Coast Guard, you know, we look to say when we put this small payload on another, you know, satellite launch that's going off. So we're looking at domain awareness, satellite.

I started looking at ice breakers, now we need to start looking at undersea remotely piloted vehicles as well. So not just in the air, somewhat on the surface, but we need to be thinking subsurface as well. There's over \$1 trillion worth of

minerals that are up in the Arctic right now. Technology will come around that will find a means to exploit those.

We have been out doing operations and have encountered potential adversary vessels doing exploratory work near some of our strategic cables, but we have no idea what's going on down there. So we are thinking through the 21st century, not just in the air, on the water, we need to be thinking underwater as well. How do we complement that with our DOD partners as well? We did look at Fire Scout and we took station astern of the Navy, we put a Fire Scout on one of our new national security cutters and this unmanned platform arrived with a support staff of 26. So our manned platforms come with 6, and that includes the pilots that fly. So we need to right size -- if we're using unmanned systems we've got to minimize the tail that it comes with to fully exploit that capability as well.

MR. O'HANLON: Well, listen, thanks to all of you for being here and for great questions. And please join me in thanking the Commandant of the Coast Guard.
(Applause)

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