

Rear Admiral Brian M. Salerno

Presentation

IFPA-Fletcher Conference

ADMIRAL BRIAN M. SALERNO: Good afternoon, everyone. I'd like to talk a little bit about the Coast Guard's role in the new maritime strategy. And really just as an opening statement, I'd like to applaud the CNO, Admiral Mullen, for his leadership in envisioning a maritime strategy that integrates the Navy, Marine Corps and Coast Guard forces. From what I can tell, this is the first time in our nation's history where the three sea services have collectively gotten together to think through the application of our nation's sea power to the achievement of our national interests. The need to do so is urgent, it's the right thing to do, and the Coast Guard is committed to doing our part as one of the three sea services, as part of a team, to give the public the type of maritime security it expects and deserves.

The oceans connect all the nations of the world, even nations that do not have a coastline. Many products that are sold in markets even in landlocked countries have had a portion of their journey to the marketplace which took place on the water. This slide shows global vessel movement during a single month, a one month period, and it really illustrates the maritime nature of globalized trade. It shows how commercial shipping is the lifeblood of the global economy. And I'm sure you've all heard the statistics of maritime trade accounting for 90 percent of all international trade, and ships carrying two-thirds of all the petroleum moved around the world.

The global system of trade includes finance, information, laws, people, and a system of governance that is vital to international peace and prosperity. Because of these interrelationships in the global system, disruptions in one country or region can rapidly affect people in other parts of the world. So to advance U.S. interests, we must be able to—Or have the ability to influence events anywhere in this system. U.S. sea power

gives us that ability. It helps make neighbors of nations half a world apart, and enables us to push out our maritime borders far from our shores.

So where does the Coast Guard contribute to sea power? Well, we bring some unique and complementary authorities, capabilities, and competencies. The Coast Guard is at all times a military organization and a law enforcement organization, so we span the continuum from homeland security to homeland defense. We speak the language of DOD; we also speak the language of the civilian interagencies. So we like to call ourselves governmentally bilingual.

Coast Guard platforms are multi-mission capable, they can rapidly shift from one mission set to another. We use a military command and control system, and therefore we can readily accept and integrate assistance from other military services when needed, such as in a response to a national disaster or an emergency. We also serve to bridge relationships between DOD forces and non-DOD agencies with whom we work closely, such as customs and border protection and FEMA.

The Coast Guard also has bilateral relationships with coast guards and navies around the world, many of which are much more like our Coast Guard in terms of their mission profile than they are like our Navy. Our Navy really stands alone. These relationships extend to their parent ministries and are not always under their defense ministries. They may include their Ministries of Interior, Justice, or Transportation. But we can build on some common interests and cooperate in some very interesting ways.

Give you one example. Right now as we speak, there's a Coast Guard cutter, *Boutwell*, which is conducting fisheries patrol in the western Pacific, and they're specifically looking at high seas drift nets. There's an international moratorium on their use. On board *Boutwell* is a law enforcement officer from China who is cooperating with us in this effort. This is a way we can work together which meets the needs of both countries and strengthens the idea that maritime governance is a shared responsibility; in this case, the suppression of illegal fishing activity. But it's more than fishing. Since 2000, we

have worked with Japan, China, Canada, Korea, Russia, as part of a North Pacific Coast Guard forum on a variety of issues of mutual concern. And that's been so successful, we're going to create a similar organization in the Atlantic which will start next month.

While the Coast Guard is not often associated with power projection and forward presence, we do in fact have a role. One prominent example as relates to some of the recent stories you've heard about the importance of a national presence in the arctic. The Coast Guard operates the only U.S. icebreakers. They are the only surface ships in the U.S. fleet that can safely navigate in ice covered polar regions, and they provide a national presence in support of a variety of U.S. interests. And these interests are projected to increase as the polar ice sheets retreat and the level of human activity in those regions increases.

We also have globally recognized expertise and authorities for maritime security operations. Protocols such as the maritime operational threat response, or MOTR plan, are used by our services to enforce domestic and international law. The MOTR plan allows the military sea services to effectively coordinate operations with civilian agencies, such as the State Department and other international government authorities. It's been highly successful in situations involving international fisheries enforcement, as I mentioned earlier, but also anti-piracy operations, anti-smuggling operations, and migrant interdiction.

Coast Guard also has extensive capability and expertise in disaster response and humanitarian assistance and has longstanding partnerships with civilian response agencies. We are, however, limited in capacity especially in very large events such as Katrina and Rita. In fact, in those situations, we were quite stretched. We could not have performed all of the maritime support activities by ourselves. And as you may know, the Navy deployed 23 ships and numerous aircraft to the Gulf region during that response. Acting jointly, the Navy and Coast Guard along with other military services, we saved many lives, preserved property and we assisted local and federal responders in the overall relief effort. Really an impressive operation by the sea services.

In today's world, terms such as national defense, homeland security, homeland defense, have less and less utility in framing the nature of the challenges we face. The wide spectrum of threats and the complex national security environment demands that we have a layered, integrated response to those threats. The Coast Guard can operate across the entire spectrum, as can the Navy and Marine Corps whenever necessary to protect our nation. But we're not only working to keep our nation safe here at home, we also have been working in forward areas. For example since 9/11, we've had continuous waterside security at Guantanamo Bay for detainee security. We've had a series of patrol boats, half a dozen patrol boats, maintained in the Persian Gulf. And we've engaged in some special security operations such as in Haiti during the departure of President Aristide.

As described in the national fleet policy, Coast Guard forces must be able to operate as part of a joint force forward, and naval forces must be able to respond to operational tasking here at home when necessary to secure the homeland and to support civil authorities. The nation needs robust, integrated capabilities across the entire spectrum.

So I mentioned the Coast Guard has a broad range of authorities, capabilities and competencies, and I also mentioned that we're limited in capacity. As you can see from this slide, our people make up only 7 percent of the sea services. So in terms of overall numbers, we're relatively small. In fact, we're only slightly larger than the New York City police department. For a long time, they were even a little bit bigger than we are. Now, it's a big police department, but that gives you some idea of relative size.

But despite our small numbers, we do offer combatant commanders unique tools that can be used to advance U.S. interests. We are a force provider, and we offer some highly specialized capabilities and expertise. Our patrol boats and small boats are very skilled in operations in coastal, littoral and inland waters because that's what we do every day. We're just as effective doing that in forward areas as they are at home. They can be a great tool wherever they're needed in the world.

We recently commissioned a new command, it's called the Deployable Operations Group, the acronym is DOG and it's stimulated all kinds of pithy little remarks about the dogs, and the commander is called the top dog and the deputy is the deputy dog and all kinds of neat stuff. But it's really quite an impressive group. And they are now the force manager for all of our 34 deployable specialized units. And these include units such as port security unit which is used for securing seaports of embarkation and debarkation. Law enforcement detachments, which bring specialized skills for boarding merchant vessels at sea. Maritime safety and security teams, it's our version of a SWAT team. And also, other specialized teams which can be used to train host nations in developing their maritime capabilities and capacity. These units can operate either independently or as part of a combined mission tailored force package.

So how do we get there? Well, three challenges that we have to face inevitably. Interoperability, MDA, maritime domain awareness, and preparing our people. Interoperability, you know, we really have to work together to build an agile, adaptable force package for the future. Our platforms have to be interoperable, our units have to be interoperable. One example I mentioned the DOG, the deployable operations group. They are actively engaged right now with the naval expeditionary combat command. They're not redundant capabilities, they're complementary capabilities, but they could very easily be asked to work together. So they have to be interoperability.

MDA, Admiral Shuford mentioned MDA, I'm sure some of the other speakers as well. It's a big challenge. In the national concept of operations, there is a global maritime intelligence integration which is managed by the director of national intelligence. There's also a global maritime situational awareness which is sponsored by DHS. And because it's maritime, there's tremendous amount of involvement by the Navy and the Coast Guard that are very much intertwined in this. So the Navy and the Coast Guard are working together to look at information gaps, how we can use technology to close those gaps. And even probably more importantly, what are the organizational barriers to sharing information so that we all get the information we need to make good decisions and identify threats.

And then ultimately, one of the most important things is how do we train our people? Our people have to be prepared for success to operate together in a joint setting. They also have to be prepared to train or operate with other countries and build capacity overseas. As we can build the system of maritime governance with partner nations, we improve the security of international shipping, we improve our partner relations and overall help create the conditions for greater peace and security in the maritime environment.

I think I'll stop there and I'll look forward to your questions. Thank you. [applause]

Q&A for the Entire Panel

MR. RUBEL: Thank you, General. Okay, we'll take some questions. Unless specified, I'll regard the questions for the panel as a whole. If an individual panelist does receive a question, I'll give the rest of the panel a chance to respond if they so desire. With that, I'm looking for questions here. Phil?

AUDIENCE: To the Marine Corps, the General addressed a fundamental issue of raise, train and equip military forces and the money needed to do that. The only way I see your getting money to do what you want, and what the others want to do, is to grow the pie. What do you see happening among the services in a cooperative manner to grow the defense pie?

GENERAL NATONSKI: That's a million dollar question. I wish I had the answer. I think it's going to depend on the next administration. You know, right now we're fighting a war, and we're going to have to reset the forces before we even start thinking about modernizing and increasing our forces for the future. Those are the challenges we've got. If you look at the defense budget over time, whether we're at war or at peace, it's a sinusoidal curve, it goes up and down. And right now, we're kind of on the top end of the peak. I think it's time for this country to acknowledge that we've got challenges, as I pointed out in the beginning of my discussion, we've got some major challenges out in

the world and we better address those, and we better have the means to address them in our armed forces. It really is going to depend on where we go, I think, in the future and how important this country feels the defense of this nation is going to be. I'll turn it over to any of the other panelists.

ADMIRAL SHUFORD: I'll take one hit on that. To go back to some of the things that John was talking about at lunch, I think this maritime strategy is an effort that, if it proves effective, will serve to do just that because the issue is the understanding of the folks that vote those dollars, and the Congress which apportions them. You heard John talk about the two audiences for the maritime strategy. So that's what at least the Coast Guard and the Marine Corps are doing, and the Navy is doing in that regard.

MR. RUBEL: Robbie?

AUDIENCE: A question for the General Natonski and Admiral Salerno. It's fairly obvious that this new document will serve as the strategy document for the U.S. Navy. Will this document also serve as the strategy document for the Marine Corps and for the Coast Guard?

GENERAL NATONSKI: I'll take it from the Marine Corps perspective, and yes it will. I think all three service chiefs are going to sign up to it. In fact, I want to say we were pushing it last week up to the commandant for his signature. So we're on board. Coast Guard?

ADMIRAL SALERNO: That's correct. The commandant of the Coast Guard will be one of the three service chiefs signing this document, meaning it does reflect the way forward for the Coast Guard and our national defense role. Having said that, the Coast Guard also has a separate strategy compatible with this strategy, which addresses the full range of all of our missions. Some of our missions don't necessarily fall into a defense context, for example search and rescue and environment protection, fisheries, so we have a separate strategy that covers the full spectrum of our missions. But the aspect of our

internal policy that coincides with the maritime strategy discussed here is very consistent, they're on the same page.

MR. RUBEL: Yes, sir?

AUDIENCE: Commander Brink Lavonne, I'm with the Joint Staff. This question is for Mr. Carmel. Sir, where do you see your greatest risk to your industry in context of this forum?

MR. CARMEL: Probably one I kind of alluded to during my comments, are ill conceived security measures that end up putting a chink in the supply chain, stopping it. For instance, the requirement that you heard about this morning for 100 percent scanning of containers overseas. If that's done wrong, that will be catastrophically bad, and I got to emphasize if that's done wrong. We don't know how it's going to be done, but until we see the details of that, it's certainly something that is a concern for a whole host of reasons. First and foremost, there are about 30,000 containers a day that come into the United States and how that's going to get handled is hard to say.

As you heard this morning, though, that's only about half of the containers that actually enter every day. Certainly, if the supply chain is disrupted for finished goods, it'll have a big impact on things like inflation. You can build buffer stocks to deal with disruptions in the supply chain because of security measures for finished goods, but costs will go up, inflation will go up and that will be asymmetric inflation. It will hit people like Wal-Mart and the folks that shop there harder than it's going to hit people that shop at Saks 5th Avenue.

And lastly, as I mentioned, a lot of trade nowadays is not in finished goods, ready for retail. I think someone said underwear from China. In fact, a lot of trade nowadays is intermediate goods. It's components designed for a production process. And to the extent that component level stuff deigned for production processes gets impacted by this, that supply chain has no tolerance and will not accept buffer stocks and things like that to

develop, they'll just go someplace else. So the giant sucking sound that Ross Perot once talked about of industry fleeing the United States will just get a lot louder as it gets harder to do business here. So those are the kinds of things I think I worry about on one level.

And second, you know, the way I started my remarks, I worry a little bit about while we have good engagement at the very senior levels, Admiral Morgan, very big thinker and I like the way he thinks. I think he understands, I know he understands what we can bring. On a tactical level, day to day discussion, it's not so comfortable. We get talked about as an object rather than a participant. And any time you're the object rather than a participant, you know, how you end up in the whole thing, little nerve-wracking.

MR. RUBEL: Yes, sir?

AUDIENCE: Eric Kulisch, *American Shipper* magazine, also for Mr. Carmel. I guess you're talking about being maybe the eyes and ears for the military out there. But Dr. Flynn talked this morning about the willingness to share information, and I know with customs and border protection, with the stowage plans and things like that, that there's information sharing talked about and also with the Coast Guard. But is there a—Can you explain to what extent some of the day to day commercial shipping transaction data that the maritime industry or the shipping lines are willing to share to aid in this maritime domain awareness? And also, when you're talking about a willingness to assist, are you talking about Maersk per se or the world liner or the world shipping industry overall?

MR. CARMEL: Let me address the first question last. Actually, it's on two levels. Certainly, the U.S. business, the one I represent and control, that we are absolutely ready to get engaged, and we are, in fact. In fact, yesterday the Coast Guard approached us about helping them test some sort of scanning technology looking for bubbles that have been placed on the exterior of hulls, and we're certainly happy to help stuff like that. So from the U.S. perspective, we absolutely are ready to participate. But it does extend beyond that. Admiral Metcalf was just out a couple of weeks ago talking to my counterparts in Singapore and they also ordered up and said, "Sure, we're ready to help.

We need to know what you want us to do, when we see the details.” But on the surface of things, we certainly want to participate.

I think that's a key issue there, what do you want us to do? I get back to my differing world view issue. You can't just come to us and say, “What can you do for us?” mainly because our world view is so different than yours. So what we want to know is what we can do for you? And I say that all the time. That said, there's not a lot that we don't already share, especially in the liner business, the container liner business, our skirts are pretty wide open already. Boy, there's not too much that isn't shared one way or another now. Like I said, in the tramp business, that's a little bit different. But still, we share pretty much anything, especially with the government, anything we're asked to. We can be the eyes and ears, some of the proposals that we've talked about that the Lockheed Martin technology is designed to capture AIS and radar data that we see out there and transmit it back. We have to be careful, we are not an overt intelligence gathering activity and we can't seem to be such or we're going to end up triggering port state control problems all over the world.

But passive intelligence or passive data gathering we certainly can do, and that's one of them. So we transmit the AIS tags in the radar information attached to it which helps paint the picture and it gives visibility into contacts that don't have AIS attached to them. So there's a number of things we'd be willing to do, I'd say the list of things that we won't do is pretty short. And in fact, right now, I would be hard pressed to have somebody come to me and say, “Here's some data that we want that you won't give to us,” because we share everything there is to share right now.

MR. RUBEL: In the back?

AUDIENCE: Jatin Bains with Channel Logistics. This is again for Mr. Carmel. We recognize that the data ship industry is about 15 percent of the global tonnage, and the non-container industry is about 85 percent. And out of the 85 percent, about 40 percent are general cargo ships. So the thoughts that you had just put forward on all these

initiatives and data sharing, etc., I'm sure they come from the container ship perspective. Do you have any thoughts on what are the prevailing thoughts on the non-containerized shipping industry?

MR. CARMEL: You're absolutely right, and the big reason for that, for whatever reason, is that the world is fixated on container ships. I don't think anyone ever talks about a WMD coming in underneath a couple thousand tons of oils on a tanker. It's always inside a container, and so the world seems to be fixated on that right now.

However, you're right in that's a relatively small portion of the world, although in honesty, the vast majority by value of stuff moving across the ocean surface is moving in containers, so the rest of it's high volume, high weight, low value stuff. But I think the same general comments apply. It doesn't matter what kind of ship it is, if it's a container ship or a bulker or a tanker, you know, the eyes and ears part of it, our ability to be present and to just relay back what we see is independent of what kind of ship we are. And in fact, a lot of the areas that we work in, in places like Africa, it's less the container fleet and more the tanker fleet and folks like that. So those ships can be a big part of it and should be a big part of it, from the fleet I control anyway, will be a big part of it if we're asked.

MR. RUBEL: Right down here?

AUDIENCE: Allen Deem. General, thank you very much for taking the national, or it's going to be the Navy and maritime strategy and reducing it down to what does it mean of the people in the Marine Corps, that's wonderful to hear. I was wondering from Admiral Shuford if you could do the same for Navy. Does this new strategy imply any new skills or competencies for Navy people? And if so, what's the Navy's PME plan for the road ahead?

ADMIRAL SHUFORD: Those are the three pages that I skipped in my remarks.
[laughter] You don't want me to open that at 3:45. No, the implications for developing

regional expertise, cultural awareness, languages, all those things, have huge implications and they're already being incorporated into the educational continuum. The key piece in terms of the headquarters that I was talking about, the ability to concert aggregate forces and to work with diverse set of political constituencies, NGOs, all that whole range of folks that have to be involved in a whole range of theater objectives, for example, not just conflict but humanitarian assistance and disaster relief, those sorts of missions. What happened in Pakistan, the tsunami, there's just no playbook for it and you can't train to it. All of our services are oriented, have huge systems for training and extraordinary amount of resources falling into training, something that we can measure, we can understand the demand for clearly, see the output, input and output algorithms, we all appreciate. But it's not quite the same thing for the sorts of skills, competencies, genius, the expertise that you were talking about associate with operating at the global posture like the general talked about, the security cooperation MAGTF, to understand how that is applied, what sort of effects you would expect to be able to plan for, assess. They do, those sorts of things do require different skill sets and they're not things that are delivered in a cookbook that you can formulate and pass out to folks in boot camp. It's part of an education process, yeah.

MR. RUBEL: I think we've hit the end of our allotted time. I don't know that I see any more questions out there. One more?

AUDIENCE: Commander Pat Burns. I'd like to end with a really hard question. You want to increase the size of the Marine Corps, or you are increasing the size of the Marine Corps. You want to stabilize the size of the Navy around 322,000. The Marine Corps wants 30 ships of lift capability, the Navy wants 313 ships. Sea basing still on the table, you're going to have recapitalize after the war. You have an aging Navy air wing. It seems like the perfect storm, and now you have a new maritime strategy. My question is, should the perfect storm happen and you're facing possible budget cuts, as you're on top of that sinusoidal curve that the General talked about. What is the contingency plan, Plan B, or the plan for the worst case scenario?

[laughter]

MR. RUBEL: Notice the silence.

GENERAL NATONSKI: You know, in this country we've always stepped up to the plate. I mean, I think our readiness on the eve of Pearl Harbor wasn't there, and yet we stepped into high gear and we fought World War II and we won it. I would think in the future the threats are that much greater, especially the nuclear threat. But I have no doubt that this country would rally and do what it had to do and spend what it had to do to get where we're going. My concern is we don't drop back because we're pulling Navy out of the Middle East and think we're going to recoup all of these defense dollars for social programs. You can have all the social programs in the world, but if you don't have a country left after you're attacked, what good are they? So I think we have to make a commitment, and as the Admiral pointed out, this maritime strategy will hopefully socialize to both Congress and the people of this country, that we do need a strong defense.

You know, the al-Qaeda have a website. If you ever look on their website, they have a plan and they're patient. You know, we want instant gratification. We want the war over today. This is a long war. Their philosophy is they're going to kick us out of the Middle East, they're going to overthrow all those secular Arab countries, they're going to eradicate Israel and they're going to spread their caliphate and that's their stated strategy and that's what they want to do. And we've got to be in it for the long term and I think it's up to us to get the message out.

MR. RUBEL: Anybody else want to handle it?

ADMIRAL SHUFORD: No, very well said. You can't end on a better note than that, Barney.

MR. RUBEL: I would add some emphasis in our conversations with the country and with friends around the world, I don't recall anybody not wanting the U.S. Navy and Marine Corps and even the Coast Guard out there present in various parts of the world for various reasons. But they want us out there. We did have an option that called for bringing everybody home. I mean, we had to consider all options. That might have been a cheaper option, but there was no support anywhere for that kind of thing, either within the Navy or in the country as a whole. So adding weight to the General's remarks, I think the country expects that of us and will do what's right when the time comes.

Okay folks, I'd just also like to say that I think the composition of this panel reflects generally what happened in the maritime strategy development process. Navy, Marine Corps, Coast Guard worked as equal partners in it all the way. We had the joint world in on it, the commercial shipping and other commercial private sector inputs were there throughout. So I think you can have some confidence that—I know concern was expressed that the interagency be consulted, that the private sector be consulted. Believe me, it was all in there.

In any case, I thought this was a stimulating panel. I'm very grateful for the comments of the panelists. Let's give them a hand and we're up for a break. [applause]