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September 15, 2021

The Honorable Maria Cantwell
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The Honorable Roger Wicker
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate

The Honorable Peter A. DeFazio
Chairman
The Honorable Sam Graves
Ranking Member
Committee on Transportation and Infrastructure
House of Representatives

Coast Guard: Information on Defense Readiness Mission Deployments, Expenses, and Funding

One of the six armed forces, the U.S. Coast Guard is a multimission maritime military service within the Department of Homeland Security (DHS). It is responsible for implementing 11 statutory missions.¹ One mission—Defense Readiness—requires the Coast Guard to maintain the training and capability needed to integrate with Department of Defense (DOD) forces.²

The Coast Guard deploys vessels, aircraft, and personnel to support DOD geographic combatant commands.³ For example, the Coast Guard's Patrol Forces Southwest Asia command in Bahrain—the largest unit outside the United States—supports DOD's U.S. Central Command with six cutters and the personnel to operate and maintain them.⁴ The Coast Guard's defense role has garnered attention in recent years. Notably, in May 2021, one of its Bahrain-based cutters fired warning shots at Iranian naval vessels while escorting a Navy submarine through the Strait of Hormuz.

¹We describe these missions in enc. I. 6 U.S.C. § 468.

²By statute, the Coast Guard is at all times a military service and branch of the armed forces. It is required to maintain a state of readiness to function as a specialized service in the Navy in time of war or when directed by the President. See 14 U.S.C. §§ 101 and 103.

³A combatant command provides command and control of military forces.

⁴Coast Guard cutters are vessels that are 65 feet in length or greater.

Section 8247 of the National Defense Authorization Act of 2021 included a provision for GAO to review Coast Guard resource allocations for its Defense Readiness mission.⁵ To address this provision, this report describes the Coast Guard's deployment of vessels and aircraft and associated operating expenses for its Defense Readiness mission compared with those for its other statutory missions for fiscal years 2011 through 2020—and how they relate to its funding for these years.⁶

To determine Coast Guard deployments, we analyzed Coast Guard vessel and aircraft operational hour data for each of its 11 statutory missions and commitments of forces to support DOD combatant commands for fiscal years 2011 through 2020.⁷ We also analyzed documentation, such as Coast Guard annual operational plans. To determine the Coast Guard's operating expenses and funding, we analyzed the service's Mission Cost Model operating expense estimates for its 11 statutory missions, appropriations, and DOD reimbursements for fiscal years 2011 through 2020.⁸ We determined that control activities and quality information were significant for ensuring the reliability of the data. We interviewed relevant agency officials, reviewed related documentation, and assessed the data for missing data and obvious errors. We determined that the vessel and aircraft operational hour data and Mission Cost Model estimates were sufficiently reliable for the purposes of analyzing resource use over time.

We also interviewed officials from Coast Guard headquarters and its Atlantic and Pacific Area commands for perspectives on Defense Readiness deployments, operating expenses, and funding levels and the reasons for any trends during the period.⁹ We interviewed DOD officials to obtain their perspectives on Coast Guard support for DOD.

We conducted this performance audit from January 2021 to September 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁵Pub. L. No. 116-283, § 8247(a).

⁶We provided our preliminary findings and briefed relevant committee staff in July 2021.

⁷Operational hours include the use of aircraft, cutters, and boats for the Coast Guard's 11 statutory missions but do not include the time Coast Guard personnel spend on missions without using vessels or aircraft. Hours expended for support activities, such as training and technology tests, are also not included in our analysis.

⁸The Mission Cost Model is the Coast Guard's official methodology for estimating annual operating expenses for its 11 statutory missions. The Model estimates the proportion of operating expenses by mission by (1) multiplying operations and maintenance costs for supporting a vessel or aircraft by the operational hours and (2) using survey data to estimate additional personnel costs for nonvessel or aircraft-based operations. It produces estimates of operating expenses by mission rather than actual operating expenditures.

⁹The Coast Guard's area commands are responsible for Coast Guard operations. The Atlantic Area command oversees all of the Coast Guard's operations east of the Colorado Rockies to the Arabian Gulf, from Canada to the Caribbean. The Pacific Area command oversees all of the Coast Guard's operations from Montana to Madagascar and from the North to the South Poles.

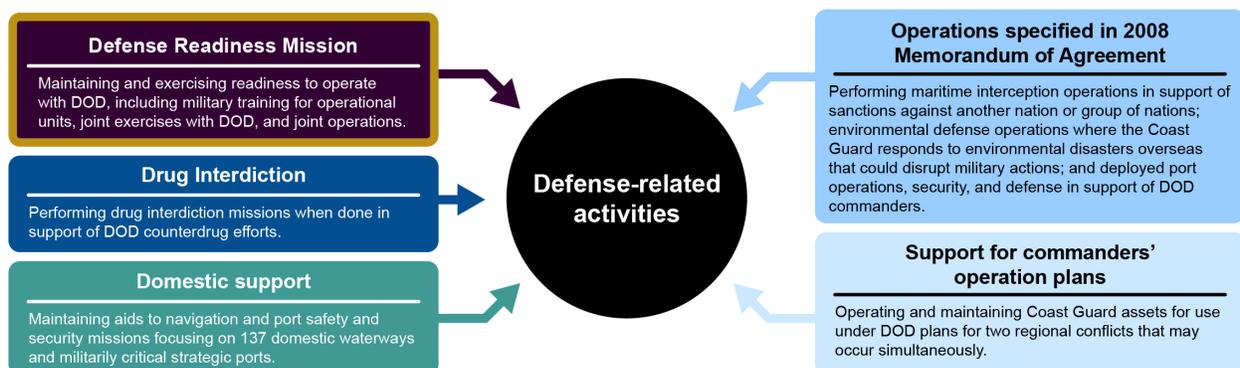
Background

The Coast Guard's Defense Readiness mission is to ensure Coast Guard personnel, vessels, and aircraft are capable and equipped to support DOD operations—specifically those identified in a 2008 Memorandum of Agreement between DHS and DOD.¹⁰ As part of its Defense Readiness mission, the Coast Guard carries out operations and exercises, including securing Washington, D.C. airspace and providing force protection for the Navy.

The Coast Guard funds its defense operations through appropriations for Operations and Support (operations), appropriations for defense-related activities, and reimbursements from DOD. Notably, the Coast Guard does not develop its operations budget—the section of the Coast Guard budget it uses to fund operations—by mission. Rather, it bases the budget on cost categories, such as vessels, aircraft, and personnel. Officials explained that this is because these are key cost drivers and perform multiple statutory missions.

According to the Coast Guard, the service uses the five categories shown in figure 1 to define defense-related activities for the purposes of expending this funding.

Figure 1: Coast Guard Defense-Related Activities Supporting the Department of Defense (DOD)



Source: GAO analysis of Coast Guard information. | GAO-21-104741

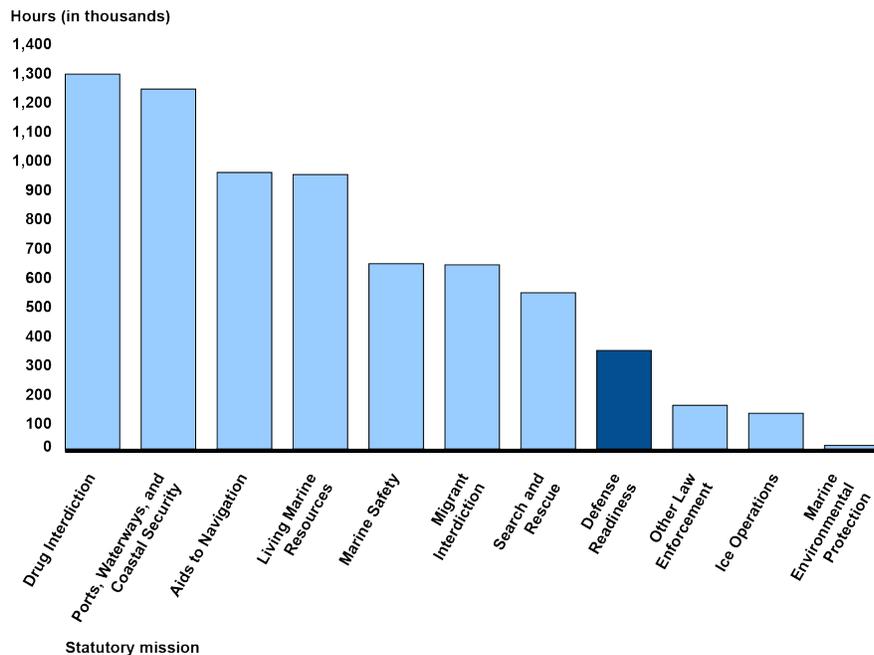
Defense Readiness Mission Accounted for a Small Portion of Deployments and Estimated Operating Expenses

Deployments for Defense Readiness Were Outpaced by Most Other Missions

The Coast Guard's vessel and aircraft deployments for the Defense Readiness mission accounted for about 5 percent of its operational hours for the 10-year period of fiscal years 2011 through 2020—ranking eighth out of 11 statutory missions (see fig. 2).

¹⁰Additional information on the 2008 DHS and DOD Memorandum of Agreement is included in enc. II.

Figure 2: Coast Guard Vessel and Aircraft Operational Hours Expended by Statutory Mission, Fiscal Years 2011 through 2020



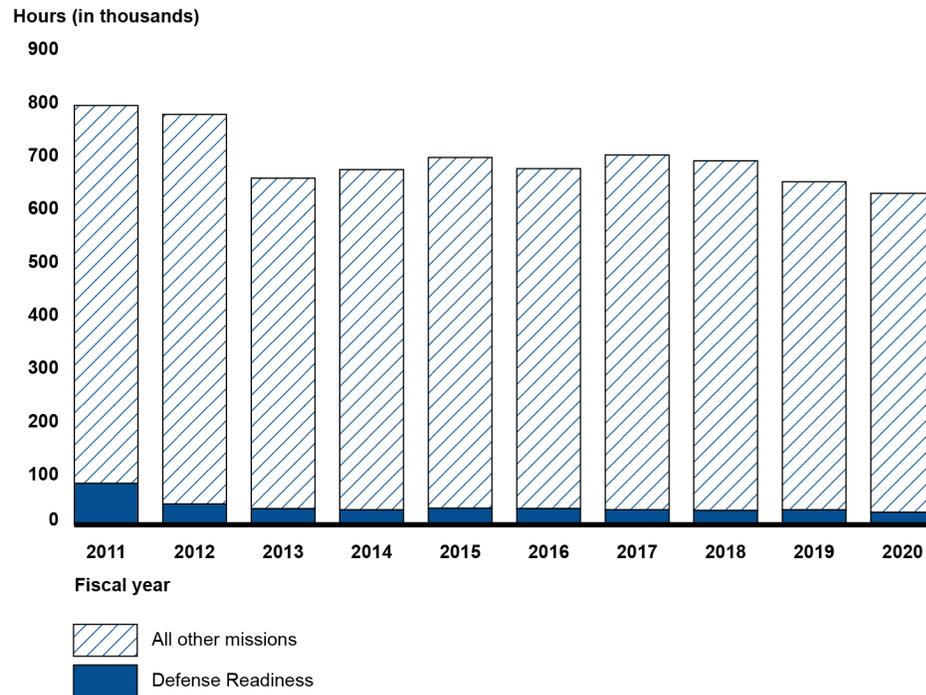
Source: GAO analysis of Coast Guard data. | GAO-21-104741

Note: Operational hours include the use of aircraft, cutters, and boats for the Coast Guard’s 11 statutory missions. They do not include the time personnel may spend on missions without using vessels or aircraft. We do not include hours expended for support activities, such as training and technology tests.

During this 10-year period, the number of hours the Coast Guard deployed vessels and aircraft for Defense Readiness averaged around 34,400 hours a year. However, the number of Defense Readiness vessel and aircraft operational hours varied by year, as did total vessel and aircraft operational hours across all missions (see fig. 3). For example, in fiscal year 2011, the Coast Guard reported both the highest total operational hours and Defense Readiness operational hours (about 77,800 hours, 10 percent of total operational hours). In fiscal year 2020, the Coast Guard reported both the fewest total operational hours and Defense Readiness operational hours (about 23,500 hours, 4 percent of total operational hours).

According to Coast Guard headquarters officials, certain deployable specialized forces—units trained to handle counterdrug, terrorism, and other threats—drove the higher number of Defense Readiness operational hours in fiscal year 2011. In contrast, Coast Guard officials attributed the lower number of Defense Readiness operational hours in fiscal year 2020 to the impacts of the Coronavirus Disease 2019 (COVID-19) pandemic. Enclosure III provides additional information on Coast Guard vessel and aircraft operational hours expended by mission.

Figure 3: Total Coast Guard Vessel and Aircraft Operational Hours and Share for the Defense Readiness Mission, Fiscal Years 2011 through 2020



Source: GAO analysis of Coast Guard data. | GAO-21-104741

Note: Operational hours include the use of aircraft, cutters, and boats for the Coast Guard’s 11 statutory missions. They do not include the time personnel may spend on missions without using vessels or aircraft. We do not include hours expended for support activities, such as training and technology tests.

Support for DOD Extends Beyond the Defense Readiness Mission

Beyond its Defense Readiness mission, the Coast Guard supports DOD through its other statutory missions. Through a process called Global Force Management, the Coast Guard receives requests for forces from DOD’s geographic combatant commands and determines the level of support it will provide.¹¹ Figure 4 shows examples of Coast Guard support provided to DOD combatant commands through this process and the related Coast Guard statutory mission.

¹¹See enc. IV for additional information on Coast Guard force commitments to DOD.

Figure 4: Examples of Coast Guard Statutory Missions That Support Department of Defense Combatant Commands



Source: GAO analysis of Coast Guard information. | GAO-21-104741

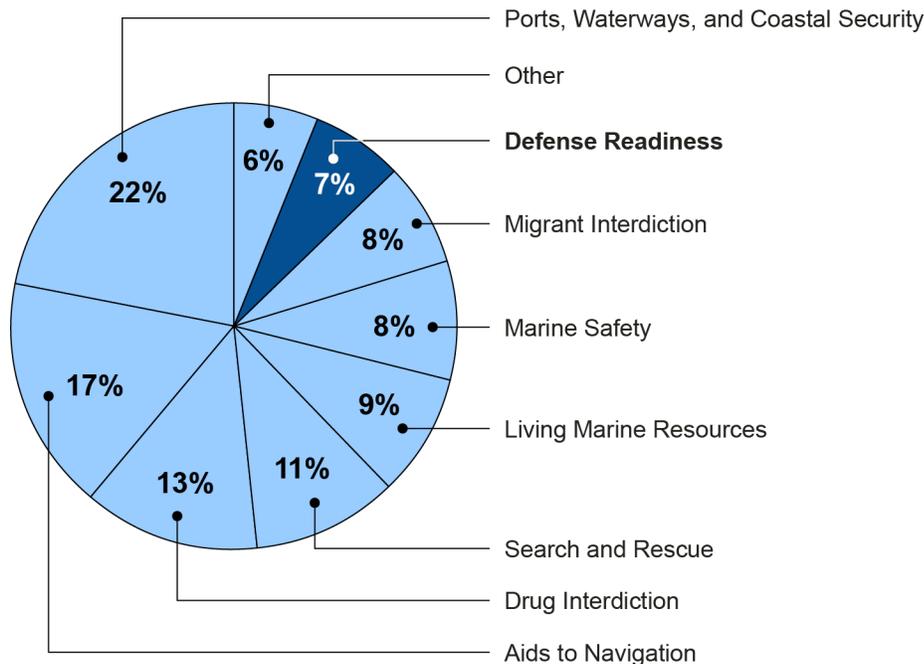
The Coast Guard's largest annual DOD force commitment—representing about half of its total commitments for fiscal years 2011 through 2020—was for U.S. Southern Command. The Coast Guard's Drug Interdiction mission supports the U.S. Southern Command's drug detection and monitoring efforts in the Eastern Pacific, Gulf of Mexico, and Caribbean drug transit zone. The second largest number of Coast Guard force commitments during this period was for U.S. Central Command. This includes the Coast Guard's Patrol Forces Southwest Asia Command, located in Bahrain.

Estimated Operating Expenses for Defense Readiness Ranked below Most Other Missions

According to the Coast Guard's Mission Cost Model, the Coast Guard's estimated operating expenses for Defense Readiness represented about 7 percent of its total operating expenses

for fiscal years 2011 through 2020. The share of Defense Readiness estimated expenses was lower than seven of the Coast Guard's 11 missions, as shown in figure 5.¹²

Figure 5: Share of the Coast Guard's Total Estimated Operating Expenses, by Statutory Mission, Fiscal Years 2011 through 2020



Source: GAO analysis of Coast Guard data. | GAO-21-104741

Note: "Other" includes three statutory missions: Ice Operations (2 percent); Marine Environmental Protection (2 percent); and Other Law Enforcement (2 percent).

When adjusted for inflation (in 2020 dollars), the Coast Guard's estimated operating expenses for Defense Readiness ranged from a low of \$340 million in fiscal year 2017 to a high of \$681 million in fiscal year 2011. The high in fiscal year 2011 corresponds to the year with the highest number of Defense Readiness deployments, as previously discussed. Enclosure V provides additional information on the estimated operating expenses for all 11 missions from fiscal years 2011 through 2020.

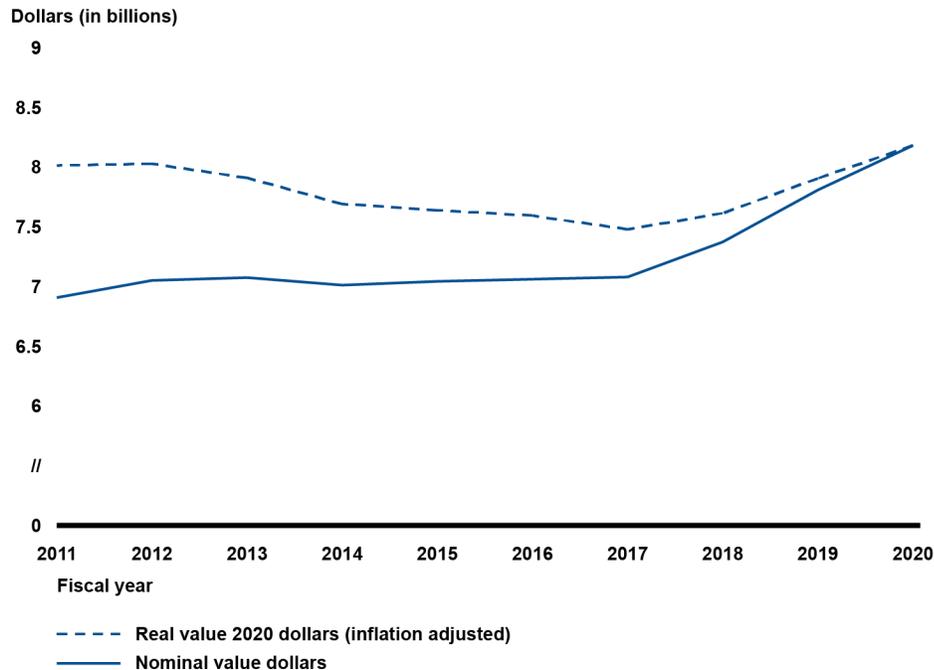
Appropriations for Operations Remained Flat, and Defense-Related Activities Declined

The Coast Guard's operations appropriation is its primary funding source for operations across all statutory missions—accounting for nearly two-thirds of the Coast Guard's \$12.2 billion budget in fiscal year 2020. The operations appropriation increased from \$6.9 billion in fiscal year

¹²Recently, in fiscal year 2020, Defense Readiness accounted for 5 percent—\$422 million—of the Coast Guard's \$7.99 billion total operating expenses.

2011 to \$8.2 billion in fiscal year 2020. However, when adjusted for inflation, the operations appropriation was relatively flat during this period (see fig. 6).

Figure 6: Coast Guard Operations and Support Appropriations in Nominal and Real Terms, Fiscal Years 2011 through 2020

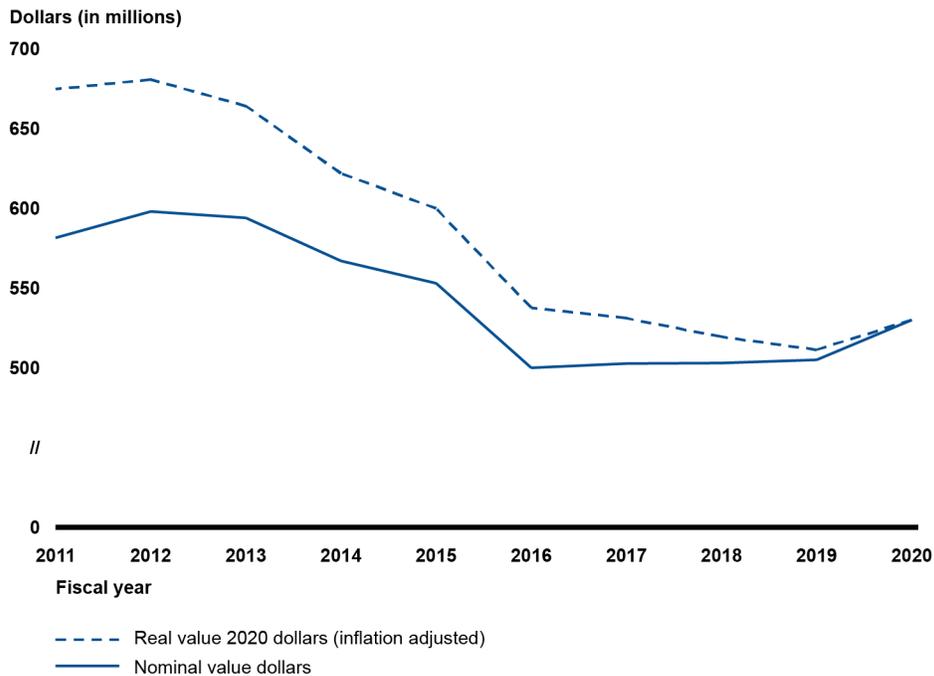


Source: GAO analysis of Coast Guard and U.S. Department of Commerce, Bureau of Economic Analysis, data. | GAO-21-104741

Note: Real values are values adjusted for inflation and expressed in fiscal year 2020 dollars using the U.S. Gross Domestic Product Price Index from the U.S. Department of Commerce, Bureau of Economic Analysis.

For fiscal years 2011 through 2020, the Coast Guard’s operations appropriations included specific funding for defense-related activities. As shown in figure 7, the appropriations for defense-related activities declined about 9 percent—from \$581 million in fiscal year 2011 to \$530 million in fiscal year 2020. When adjusted for inflation, funding declined further, about 20 percent—from \$675 million in 2011 to \$530 million in 2020.

Figure 7: Coast Guard Appropriations for Defense-Related Activities in Nominal and Real Terms, Fiscal Years 2011 through 2020



Source: GAO analysis of Coast Guard and U.S. Department of Commerce, Bureau of Economic Analysis, data. | GAO-21-104741

Note: Real values are values adjusted for inflation and expressed in fiscal year 2020 dollars using the U.S. Gross Domestic Product Price Index from the U.S. Department of Commerce, Bureau of Economic Analysis.

In addition to its operations appropriation, the Coast Guard receives reimbursements from DOD for specific activities, such as escorts of Navy submarines and service on combatant commander staffs. DOD reimbursed the Coast Guard a total of about \$844.6 million from fiscal years 2011 through 2020 for these activities. About 50 percent (\$411 million) of the reimbursements were for the Coast Guard’s escorts of Navy submarines transiting through Kings Bay, Georgia and Bangor, Washington.

According to the Coast Guard, DOD reimbursements are not designed to replace or cover the costs of the Coast Guard’s commitments to DOD. Coast Guard headquarters officials stated that, as an armed service, they are responsible for organizing, training, and equipping forces to support combatant commanders. They said these efforts generally are not and should not be funded through reimbursements. Further, they said that operations appropriations, rather than specific funding for defense-related activities, best position the service to respond to more DOD requests and enhance its performance across missions.

Agency Comments

We provided a draft of this report to DHS and DOD for review and comment. DHS provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to appropriate congressional committees, the Secretary of Homeland Security, the Secretary of Defense, and other interested parties. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions concerning this report, please contact Heather MacLeod at (206) 654-5574 or MacLeodH@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report.

GAO staff who made key contributions to this report were Jason Berman (Assistant Director), Heather May (Analyst-in-Charge), Lilia Chaidez, Erika Cubilo, Elizabeth Dretsch, David Hooper, and Grant Mallie.

A handwritten signature in black ink, appearing to read "H MacLeod". The signature is stylized and cursive.

Heather MacLeod
Acting Director, Homeland Security and Justice Issues

Enclosures – 5

Enclosure I: Coast Guard Statutory Missions

Table 1: Information on the Coast Guard’s 11 Statutory Missions

Mission	Description
Aids to Navigation	Mitigate the risk to safe navigation by providing and maintaining more than 51,000 buoys, beacons, lights, and other aids to mark channels and denote hazards.
Defense Readiness	Maintain the training and capability necessary to immediately integrate with Department of Defense forces in both peacetime operations and during times of war.
Drug Interdiction	Stem the flow of illegal drugs into the United States.
Ice Operations	Establish and maintain tracks for critical waterways, assisting and escorting vessels beset or stranded in ice, and remove navigational hazards created by ice in navigable waterways.
Living Marine Resources	Enforce laws governing the conservation, management, and recovery of living marine resources, marine protected species, and national marine sanctuaries and monuments.
Marine Environmental Protection	Enforce laws which deter the introduction of invasive species into the maritime environment, stop unauthorized ocean dumping, and prevent and respond to oil and chemical spills.
Marine Safety	Enforce laws which prevent death, injury, and property loss in the marine environment.
Migrant Interdiction	Stem the flow via maritime routes of unlawful migration and human smuggling activities.
Other Law Enforcement	Enforce international treaties, including the prevention of illegal fishing in international waters and the dumping of plastics and other marine debris.
Ports, Waterways, and Coastal Security	Ensure the security of the waters subject to the jurisdiction of the United States and the waterways, ports, and intermodal landside connections that comprise the marine transportation system—and protect those who live or work on the water or who use the maritime environment for recreation.
Search and Rescue	Search for, and provide aid to, people who are in distress or imminent danger.

Source: 6 U.S.C. § 468; GAO summary of Coast Guard information. | GAO-21-104741

Enclosure II: Summary of Department of Homeland Security (DHS) and Department of Defense (DOD) 2008 Memorandum of Agreement

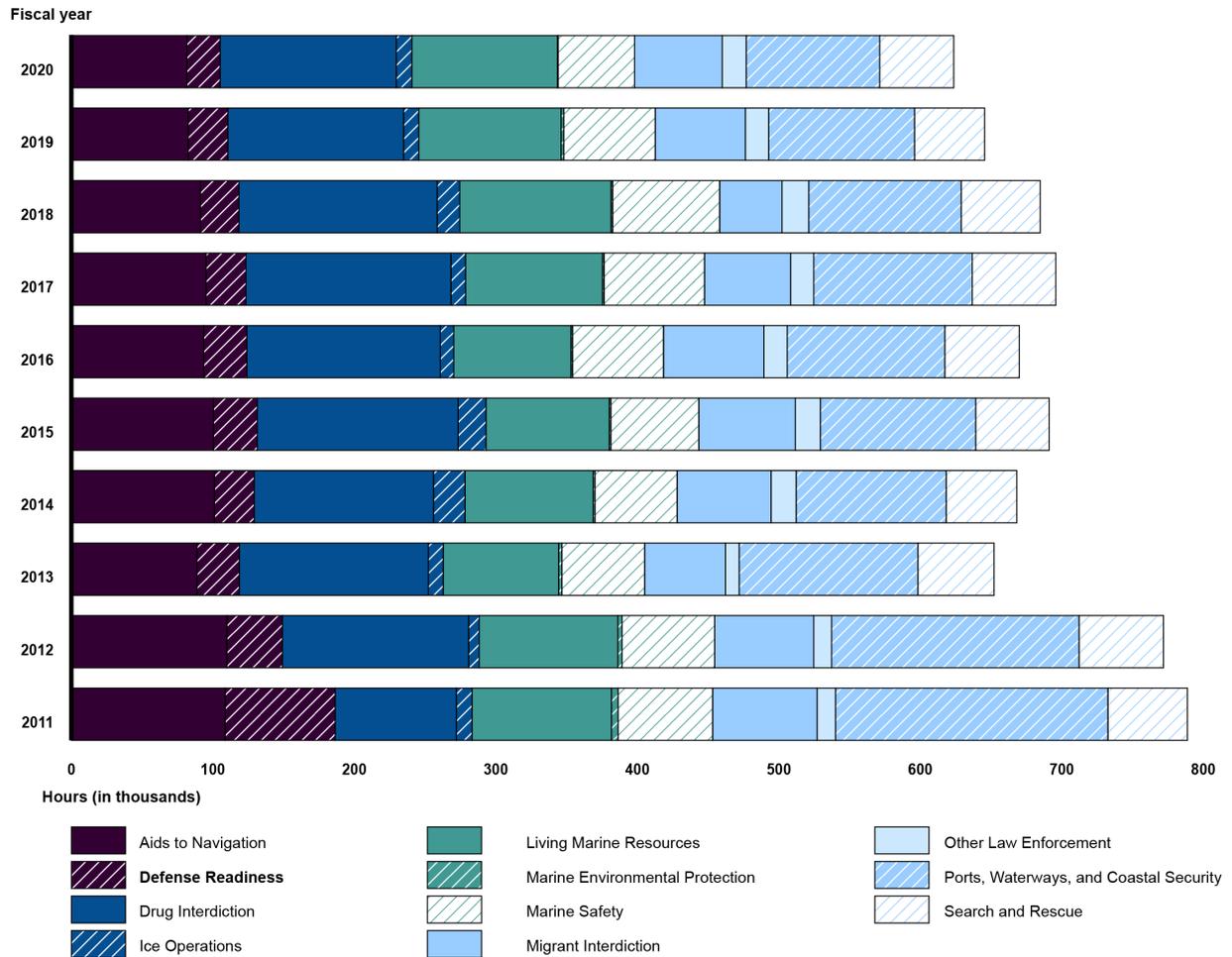
Table 2: Operational Activities That the Coast Guard Is to Be Capable of Performing to Support DOD

Operational Activity	Description
Maritime interception/interdiction operations	Stopping, boarding, searching, diverting, or redirecting vessel traffic to enforce certain sanctions
Military environmental response	Responding to incidents of pollution in and around the battle-space
Port operations, security, and defense	Ensuring port and harbor areas are free of hostile threats, terrorist actions, and safety deficiencies that would be a threat to the deployment of military resources
Theater security cooperation	Conducting humanitarian assistance, professional exchanges, combined operations, training, exercises, and other diplomatic activities to foster international cooperation
Coastal sea control operations	Ensuring the unimpeded use of designated offshore areas at home and abroad by U.S. and friendly forces and deny the use of those areas by enemy forces
Rotary wing air intercept operations	Conducting national air defense activities
Combatting terrorism operations	Providing special capabilities, such as training host nation forces and building the capacity of foreign maritime security forces, that serve as a force multiplier to DOD forces
Maritime operational threat response	Supporting DOD response to maritime security threats, including terrorism, piracy, and other criminal or unlawful acts
Military cyberspace operations	Conducting offensive and defensive cyberspace operations to achieve military objectives and preserve system availability, integrity, and confidentiality

Source: GAO summary of DHS and DOD 2008 Memorandum of Agreement | GAO-21-104741

Enclosure III: Coast Guard Vessel and Aircraft Operational Hours by Mission

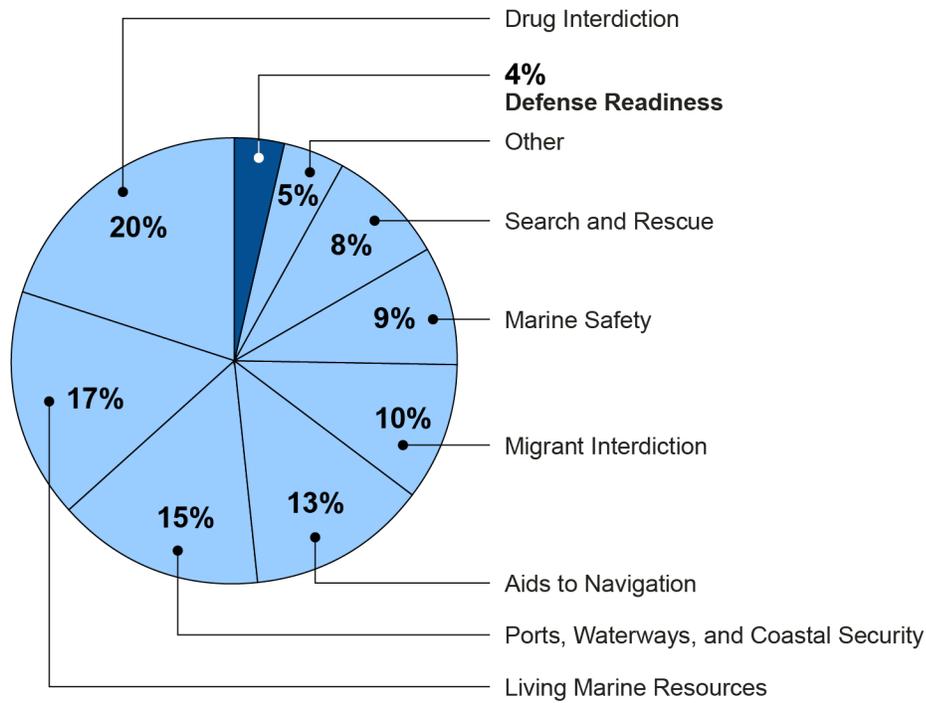
Figure 8: Coast Guard Vessel and Aircraft Operational Hours Expended by Statutory Mission, Fiscal Years 2011 through 2020



Source: GAO analysis of Coast Guard data. | GAO-21-104741

Note: Operational hours include the use of aircraft, cutters, and boats for the Coast Guard's 11 statutory missions. They do not include the time personnel may spend on missions without using vessels or aircraft. We do not include hours expended for support activities, such as training and technology tests.

Figure 9: Share of Coast Guard Vessel and Aircraft Operational Hours by Statutory Mission in Fiscal Year 2020

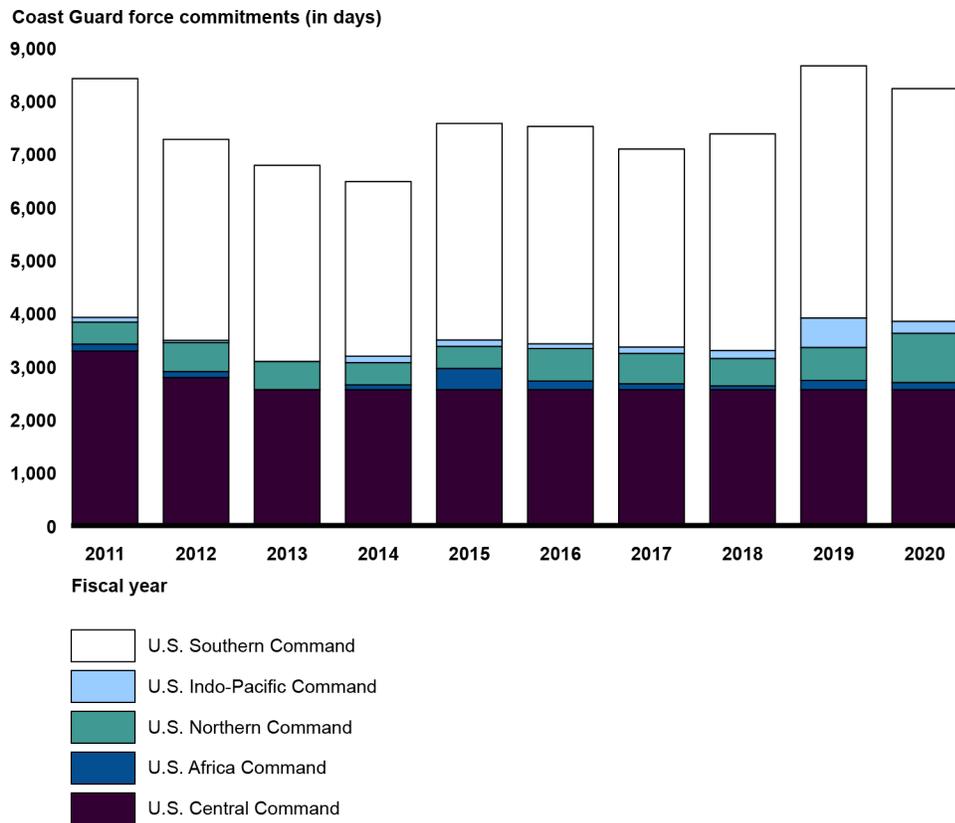


Source: GAO analysis of Coast Guard data. | GAO-21-104741

Note: "Other" includes three statutory missions: Ice Operations (2 percent); Marine Environmental Protection (less than 1 percent); and Other Law Enforcement (3 percent).

Enclosure IV: Coast Guard Force Commitments to Department of Defense (DOD) Combatant Commands, Fiscal Years 2011 through 2020

Figure 10: Coast Guard Force Commitments to DOD Combatant Commands

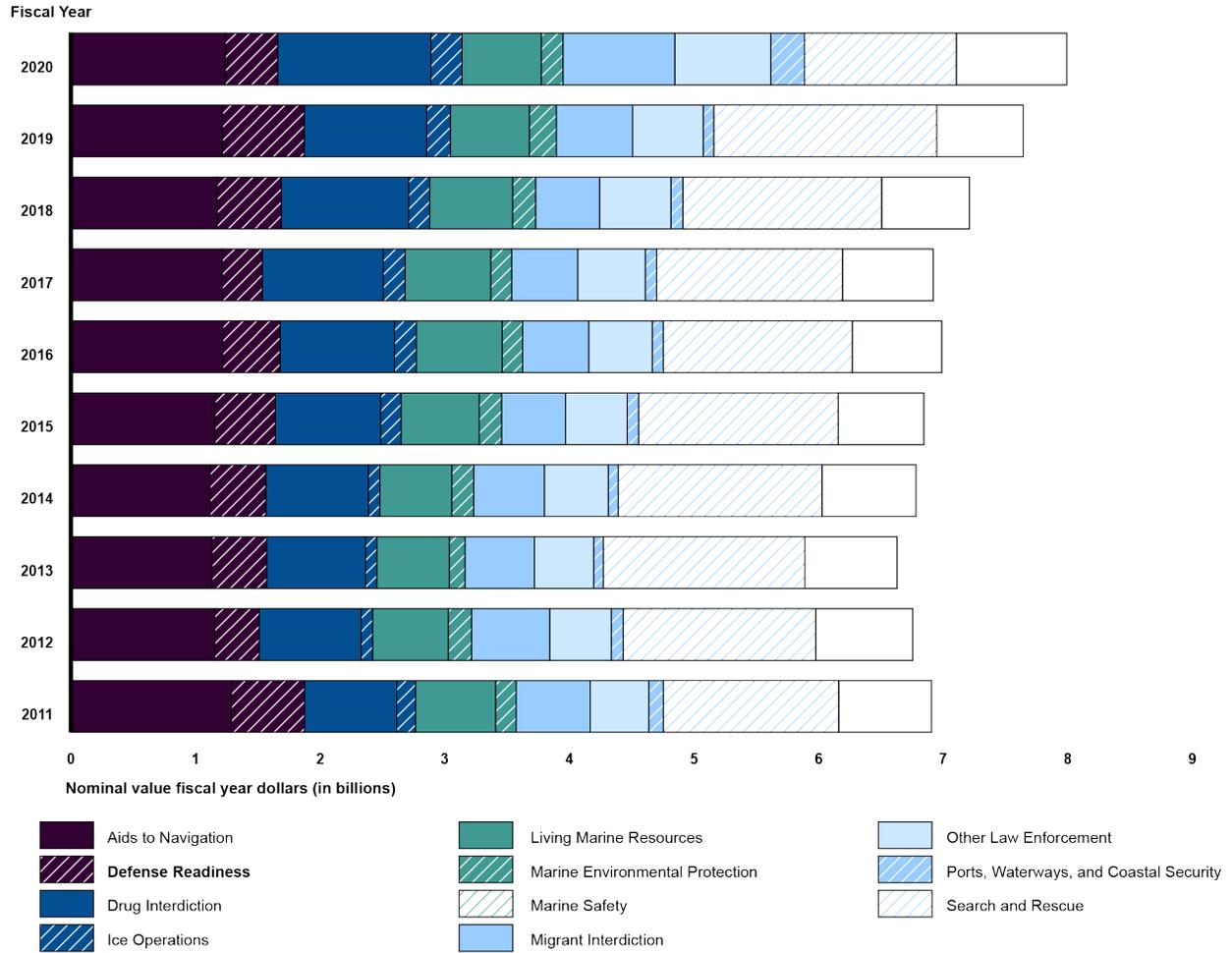


Source: GAO analysis of Coast Guard information. | GAO-21-104741

Note: Each of these columns shows the total number of days the Coast Guard committed it would provide its units, vessels, aircraft, and personnel to support each of the DOD combatant commands. A combatant command provides command and control of military forces.

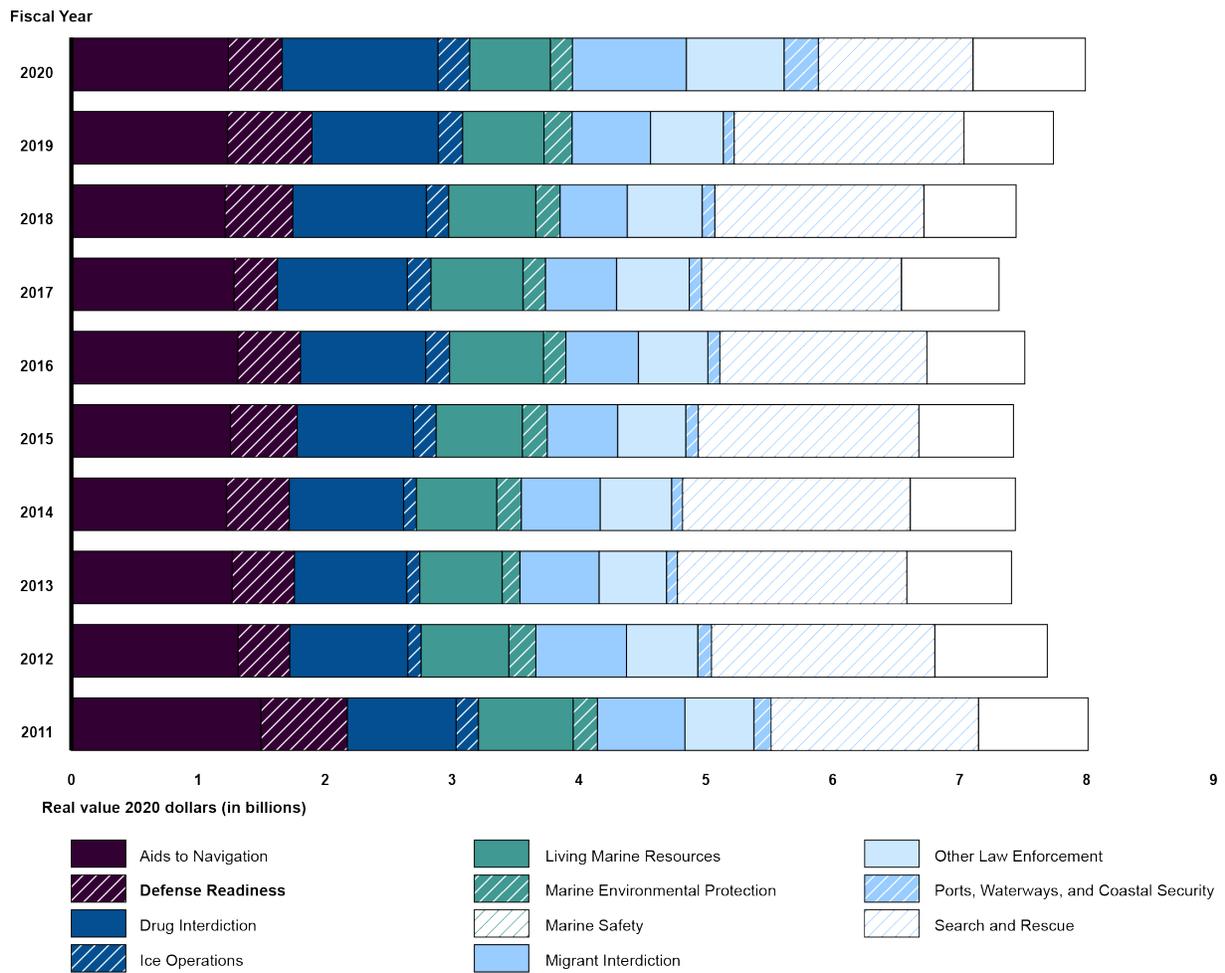
Enclosure V: Coast Guard Estimated Operating Expenses by Mission, Fiscal Years 2011 through 2020

Figure 11: Estimated Operating Expenses for the Coast Guard’s 11 Statutory Missions, Nominal, Fiscal Years 2011 through 2020



Source: GAO analysis of Coast Guard data. | GAO-21-104741

Figure 12: Estimated Operating Expenses for the Coast Guard's 11 Statutory Missions, Adjusted for Inflation, Fiscal Years 2011 through 2020



Source: GAO analysis of Coast Guard data. | GAO-21-104741

Note: Real values are values adjusted for inflation and expressed in 2020 dollars using the U.S. Gross Domestic Product Price Index from the U.S. Department of Commerce, Bureau of Economic Analysis.

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