



# Truth to Power:

## Redefining the Coast Guard's Missions

**U.S. Coast Guard Commandant ADM Thad Allen Addresses Failures, Fiduciary Responsibilities and the Legacy Missions of Safety, Security and Stewardship**

BY  
JOSEPH KEEFE

**B**ACK IN MARCH, MarEx went to Washington to do what we do best: ask the tough questions about the most pressing issues of the day. In line with that, it is somewhat of a well-known tradition that we regularly make the effort to visit Coast Guard headquarters to meet the commandant, especially in the wake of a change of command there. Less than one year into his tenure at the helm of the country's fifth uniformed service, Allen has had to confront more than one internal failure both head on and in the glaring media spotlight usually reserved for other, more high-profile commanders. So far, the marks he has received are high, but the term is far from over.

Probably the most enduring impression of Allen gleaned from our short, one-hour portion of his valuable time is his utter lack of false pretense. Having been to Coast Guard headquarters any number of times in the past and meeting the previous occupants of that office under similar circumstances, we expected this meeting to be like all of the others—quite formal. However, on this occasion, we were greeted by a commandant who wore his blue

“work” fatigues, complete with matching work boots; moreover, his attire matched the down-to-earth atmosphere in his suite of offices. It was clear from the start that Allen is not necessarily enamored by the trappings of his office, but rather seems to understand what his position can do for the Coast Guard. It's a start.

Allen assumed the top job at the Coast Guard in May of 2006, fresh off of pulling together what was a foundering response effort to Hurricane Katrina, a feat which was widely viewed as a remarkable performance. Waiting for him in Washington was the fallout from the poor contract administration of the Coast Guard's \$24 billion Deepwater capital acquisition plan. Allen's ability to sort out complicated and poorly organized messes, which was proven with his actions on the Gulf Coast, no doubt played heavily in the decision to nominate him as commandant. The jury is still out on whether he can work the same magic with the Deepwater plan.

Allen will tell you that his success in Washington hinges directly on his ability to facilitate change and create vision. He started off the interview by telling us, “As I told a lot of people at our ‘all hands’ meet-

ing, when I was a junior officer, we used to talk about ‘they and them’—but I’m essentially ‘they and them’ now. There’s a certain duty to the service to recognize how things were as a junior officer, and take on some things that need to be fixed, and take on some problems, and navigate a course for the future. That’s important now, not only because of the issues we’re encountering internally, organizationally and with the acquisitions and the changing ‘threat’ environment that we’re dealing with.”

### TRUTH TO POWER

There are a lot of things that the Coast Guard does well, but anyone who reads the news on a daily basis knows that there is more than one aspect of its job performance that has been decidedly unsatisfactory over the last few years. For his part, Allen recognizes that changes are necessary and his intention is to position the organization so that it is able to change. Consistent with that, he insists that there are two principals that he has always operated on: “truth to power” and transparency. The first he describes as, “If you are going to work for me, you are going to have to speak ‘truth to power.’ This means that you



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are able to walk into my office and say things to me that you wouldn't necessarily say to others, but they are things that I need to hear. In fact, it's gotten to the point where I get e-mails where the subject line is 'truth to power,' so I know I've got 'incoming.' I'm not displeased by that, frankly."

As for transparency, Allen's second principal of management, he states, "I'm quoted a lot as saying that transparency of information breeds self-correcting behavior. It's easy to self-synchronize an organization in the right direction if everybody holds all the same information—if everybody has the same goals and are trying to drive the organization. There is a lot of significant organizational change going on in the Coast Guard right now. There's going to be more in the next two to three years." Since becoming commandant, Allen has communicated that tenet directly to the men and women of the Coast Guard through his "all-hands" message format that allows him to notify every member of the Coast Guard when anything happens. In essence, he sends an e-mail to every person on his global address list. Over the past eleven months, he has used this procedure at least eight times.

### DEEPWATER: 20/20 VISION

The skills that served Allen well during the Katrina response were the culmination of thirty-five years of operational experience that included time spent as a deck-watch officer and as a search-and-rescue controller before moving up to command a shore force that actually responded to search-and-rescue operations. This was not the first time that Allen had responded to a catastrophic event. Allen adds, "It all kind of layers on and builds up over a lifetime to create a portfolio of skills. This helped me a lot when I was down there in Katrina." The internal crisis best known as "Deepwater," though, will be every bit as challenging, but in a different kind of way.

Directly on the heels of his thirteen straight years spent in operational assignments in the Coast Guard, Allen decided to go to graduate school. While there, he was selected to be commander, at an age which was actually very late for the Coast Guard. But, that said, Allen insists, "I'm a pretty experienced practitioner of public administration. Over the years, I've really tried hard to be a student of government, specifically of how our federal government is intended to operate." Allen is also exten-

sively involved outside the Coast Guard doing just that, as a Fellow in the National Academy of Public Administration and as a member of the Council of Foreign Relations. "So," he continues, "I try to engage in lifelong learning. That transfers into how you deal with organizational structure and acquisitions, and so forth."

Allen will need every bit of those public administration skills as he tries to address the fatal design flaws and massive cost increases in the Coast Guard's newest cutter acquisition that were uncovered by federal audits. The cutter is part of Deepwater, the Coast Guard's ongoing \$24 billion rebuilding effort. Regarding Deepwater, Allen is first and foremost pragmatic: "We also need to understand that we need to be competent, from a business standpoint, to execute contracts and to execute them correctly."

Allen freely admits that the contract was not perfect, but says, "What we did was set up a separate structure to deal with the acquisition, and in the process, disenfranchised the technical community. And, we're paying the price for that now because we're able to reconcile differences between our naval engineers. We're looking



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at ship designs that were offered by our contractors that were adjudicated internally, that essentially drove a cultural wedge or cleaver through our organization that hurt us. We are fixing it." One concrete manifestation of that effort is Allen's recent granting of carte blanche to the Coast Guard's chief engineer in vetoing designs.

In March, Allen told MarEx, "Deepwater isn't so much a flawed contract or a flawed acquisition strategy or a flawed procurement approach, if you will. I think more of the blame rests with the organizational structure and culture and how we executed the contract. Even a poorly written contract, if it's executed competently, can minimize risk to the government. We disenfranchised several parts of our organization during the process and we didn't create an integrated Coast Guard to deal with integrated systems." Nevertheless, Allen then went ahead and put the brakes on the Deepwater Fast Response Cutter-B acquisition with Integrated Coast Guard Systems and reassigned the project to the Coast Guard's Acquisition Directorate. The project involved twelve patrol boats scheduled for delivery

in 2010. ICGS, a joint venture between Lockheed Martin and Northrop Grumman, was notified of the decision in mid-March.

There are other problems, though. Referring to the boats taken out of service from the Florida Keys because of design flaws, Allen says, "The National Security Cutter fatigue life is not unusual by first-of-class ships construction. The extension of 123 is not working and potentially, from my point of view, a much more serious problem. We've extended \$100 million of government money and the question is, 'How much value have we accrued from that?' At some point, we're going to have to move to protect the government's interests."

Allen is on record as saying to Congress that the concept of a systems or performance-based contract for a systems integrator should not be impeached by anything that is going on around government. But, if the Coast Guard is going to do better in the future, it is going to have to create a competent organization that can manage complex systems integration contracts—there is no other way around it. However, Allen is also quick to remind

people, "We don't have a naval sea systems command within the Department of Homeland Security. I consider this not a Coast Guard issue; rather I consider it a department issue."

#### **KATRINA: LESSONS LEARNED/ SOLUTIONS OFFERED**

Allen got the request from the secretary to go to New Orleans on the 5th of September, which was one week after Hurricane Katrina came ashore. The now infamous debacles in the Superdome and Convention Center had already occurred. Recognizing that that there was no cohesive effort within the federal government dealing with the state and local responders, Secretary Chertoff dispatched Allen, who was positioned in Baton Rouge by ten o'clock that evening. Allen's first order of business, establishing effective communications, involved getting everyone on the same page. Allen recalls, "I spent a lot of time in the first seven to ten days merely stating to people, 'I'm a senior federal official. I'm in charge. I have these responsibilities; this is what I intend to do.'" After showing others

**"...WE HAD A HURRICANE...BUT, IN REALITY, THE EFFECT WAS...OF A WEAPON OF MASS DESTRUCTION."**



that there was a hand on the tiller, he moved headlong into his next goal: decreasing response time and cutting through all the red tape.

Allen's ability to analyze a situation from an operational standpoint served him well on the Gulf Coast. According to his analysis, had the federal response matched the actual crisis at hand, the results would have been far more successful. He elaborates, "The way I explain it to people is that we didn't have a hurricane. We had a hybrid event. We had maybe the most devastating hurricane in the history of the country, but if the levees don't breach in New Orleans, then what you have is a very devastating hurricane, but ground zero is in Bay St. Louis in Mississippi because the eye went right over the Pearl River. When the levees breached and the city flooded, 80 percent of the city went under water. I'd characterize that as the use of a weapon of mass effect on the city of New Orleans without criminality. So, we had a hurricane and we responded initially like it's a hurricane under the national response plan, but, in reality, the effect was the effect of a weapon of mass destruction. You need to organize and respond as if that had happened." That is exactly what Allen did from the first day of his arrival in Louisiana.

Allen's ideal response model to this hybrid event would have included a senior law-enforcement official in charge, which would have left no doubt about accountability, who was in charge and what rules everyone was operating under. Everything else would have been subordinate to that, including the response to the communities and everything else. After Katrina, however, there was no

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**“WE HAVE GOT TO COME TO A COMMONLY-HELD UNDERSTANDING OR AGREEMENT ABOUT WHAT CONSTITUTES A MARITIME SECURITY REGIME FOR A COASTAL NATION STATE IN A POST-9/11 ENVIRONMENT.”**



effective command and control structure. Response teams kept pushing resources through the existing disaster relief process, assuming that a competent authority existed on scene to take the resources and properly apply them to mission effort, but those resources, at least in the early stages of the relief effort, did not get to where they were needed most.

So, Allen's immediate challenge when he got to New Orleans was to figure out how to get the available resources where they were needed without undercutting the constitutional relationships of the federal government, the state government and the local mayor. Allen recalls this trying task: "In some cases, I had to be more aggressive than I officially or normally would be. And there was criticism of that. Some people thought I exceeded my authority in actually directing operations down there, which, I have to say, on a couple of occasions, I did. The bottom line was that due to the exigency of the situation, I don't think there was any choice and I don't think that Katrina ought to be a standard for how you want to run this in the future."

He adds, "A clear lack of situational awareness on the part of others made this necessary."

Like the United States Maritime Administration's (MARAD's) chief, Sean Connaughton, Thad Allen knows that along with the accolades for a job well done, there is always room for improvement. Connaughton wants to catalogue all of MARAD's assets in order to formally position this equipment as a standard part of any future emergency responses. Allen's plans include improving the Coast Guard's response capability by developing an internal "force-packaging program," which he eventually hopes to expand outside of the Coast Guard, to the entire interagency mix. This program would entail requiring that certain incidents have certain capabilities, packaged for the desired mission effect for the particular event.

In the case of the Coast Guard, Allen has laid plans to take all specialized, deployable forces, such as maritime security units, and organize them under a single command, dubbed the "deployable operations group." Allen calls this the

"organic lift from within the organization" and envisions this type of plan extending to FEMA and other similar groups so that help is readily obtainable, if ever he need go outside of the Coast Guard's resources in order to accomplish a certain task. The Coast Guard will, Allen says, "create and adapt the force package to meet the situation—train, equip and provide."

#### **SOME GOOD NEWS—FOR A CHANGE**

Allen insists that there is far too much ink given to the bad news and too little attention to what the Coast Guard is doing right. For instance, he states, "There are a lot of parts of Deepwater that are working. The aviation side, for example, we are very happy with. That doesn't get a lot of airplay." He also points to the fact that the Deepwater solicitations, which went out before September 11th, were meant to link deepwater cutters to aircraft operating in a deepwater environment through a sensor network. "We are doing that," he says. "Even the legacy cutters are now using very effective and sophisticated communications to reduce the time neces-



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## ALLEN LISTS SAFETY, SECURITY AND STEWARDSHIP AS THE LEGACY ISSUES WHICH CANNOT BE LEFT BY THE ROADSIDE JUST BECAUSE THE HIGHER-PROFILE EMERGENCIES HAVE BEEN LAID ON HIS PLATE.



sary to get approval to use warning fire when, say, interdicting out a drug runner out of Columbia. Within the USCG it works very well." The issue now, according to Allen, is integrating that process across the full spectrum of federal and state assets in both a homeland security role and in time of national or local crisis. This project, called "Rescue 21," is, from Allen's perspective, "the gold standard—a common operating picture [that] must be created."

Allen is also adamant that the Coast Guard's performance in the Deepwater situation and with contracts is not reflective of what is happening elsewhere in the agency, especially as it concerns stewardship of funds and assets. Other acquisitions, such as icebreakers, buoy tenders and coastal patrol boats, which he characterizes as spectacular successes, are all "on schedule and on budget." Furthermore, he maintains, "For a mid-sized federal government agency who acquires assets, we've done a good job. Moving to a task such as Deepwater, which involves much greater complexity, was much more than we had done before."

### JOB ONE FOR THE COAST GUARD: ACCORDING TO THE COMMANDANT

When asked to define his biggest concern for his command, aside from the Deepwater issues, Allen does not hesitate: "We have got to come to a commonly-held understanding or agreement about what constitutes a maritime security regime for a coastal nation state in a post-9/11 environment. We know what our mission is. A better question to ask is how we get there." He uses the example of the air-traffic-control system, which he calls "an artifact of the last one hundred years of aviation travel." Allen explains, "The aviation industry made that a requirement for safety. Transponders were introduced, and a host of other safeguards. In the maritime world, however, you have a very independent communications systems—anonymity was, and often still is, a competitive weapon."

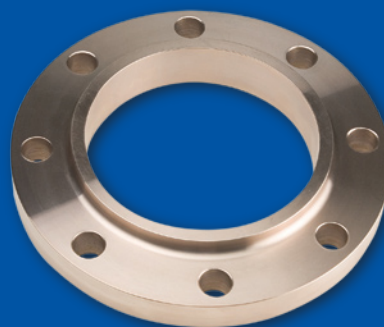
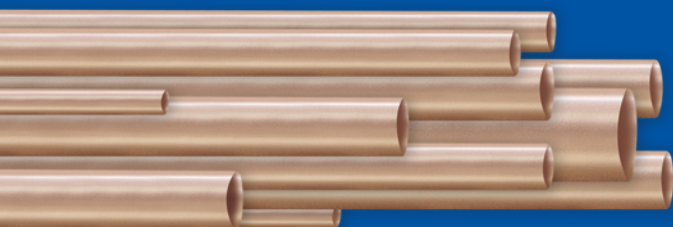
Allen sees the issue as deciding how much of the aircraft paradigm can be made "wet"—or perhaps none of it. Expanding on this, he says, "We did some very good things in the first three or four years following 9/11. We went to advanced notice of

arrival for foreign shipping. We succeeded in getting requirements for automatic identification systems. We recently concluded at IMO [International Maritime Organization] agreements for long-range tracking. All very good. But we're building towards something and I don't think we yet know what that something is. What is the end-stage for maritime security for a coastal-nation state? Do we want a complete ring of radars around the country? That's probably unreasonable. If so, what is reasonable? Legislation should buy out risk and move towards a common standard for security and I don't think we're there yet."

### THE OTHER 101 JOBS—MANAGING THE MULTI-MISSIONED PORTFOLIO

Under the broad category of "everything else," Allen lists safety, security and stewardship as the legacy issues which cannot be left by the roadside just because the higher-profile emergencies have been laid on his plate. "Because we are multi-missioned," he expounds, "we're always managing a portfolio of supply and demand. So, there's a problem set and we have to

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constantly determine what we have to throw at the problem set. One of the enduring things about the Coast Guard is that you don't need five agencies to have five ships out there; you have one ship or asset that can do five things. There's an inherent economy in all of that, but it's based on the fact that our commanders are going to have to do operational risk management on every single event—deciding what constitutes the highest threat and then applying resources to affect that mission. We don't need fundamental change in this way—that's the fundamental genius of the Coast Guard, putting these resources out there and letting our commanders deal with the threat. But, supply and demand quantities have changed."

Because of this multi-missioned characteristic, Allen constantly finds himself reminding people, "Our port security mission has been around since 1917, so this is nothing new for us. Stewardship of the oceans is a different animal, though. Before you can do any of that, you have to understand regimes in place—by international law, by treaty, by flag state, by coastal state and so forth." The final component of the Coast Guard's legacy missions is safety. Included in this category is the traditional

search-and-rescue function, which Allen describes as being the heart of what the Coast Guard will always be about.

#### **LOOKING BACK WHILE MOVING FORWARD**

Deeper than the Deepwater mess is the issue of unifying the Coast Guard's financial system in order to come to a standard logistics procedure. Allen sees the improvement of internal controls and the standardization of logistics controls as one of the key facets of fixing much of what went wrong with Deepwater. Doing that will not be easy, especially since he freely admits that the Coast Guard has long operated as a group of small businesses in an environment which demands strong central management. It is a task which will not likely be completed until long after he has been replaced as commandant.

The loss of the eight 123-foot patrol boats in the Florida Keys came at an especially bad time, as well. And while he claims to have shored up Coast Guard capabilities in the Keys in the event of a mass migration from Cuba, all of the branches of armed services are already stretched to the breaking point. Nevertheless, working with the U.S. Navy, Allen has

retained five 179-foot patrol craft that were supposed to go back to the Navy at the end of 2008. Three of these will be stationed in Pascagoula, impacting the Keys operating area. He adds, "There may also be an opportunity at Bollinger shipyard to acquire more 87-foot patrol boats. It's important to do that while the production line is open and the unit costs are low." The Coast Guard's severest critics, however, say that he will need to exploit a lot more of these kinds of opportunities in order to achieve the economy of scale that will eventually counterbalance the failures of Deepwater.

When he is not tackling Deepwater issues or trying to maintain the legacy missions that make the Coast Guard the operational bargain it has always been known for, Allen is also facing challenging day-to-day events which include such occurrences as the tragic drowning of two Coast Guard divers on the West Coast and an embarrassing episode involving discipline at the U.S. Coast Guard Academy in New London, Connecticut. In both cases, he moved decisively, instituting policies and corrective measures without delay. Those responsible were dealt with harshly.

Elsewhere and operating largely under

**LOOMING ON THE HORIZON...IS WHAT ALLEN CALLS THE "SMALL BOAT THREAT," ...VESSELS OF LESS THAN 300 GT...**



the radar, are 300 to 400 guardsmen in the Persian Gulf, providing everything from security for oil platforms (that account for as much as 90 percent of the Iraqi gross domestic product), training the locals to eventually take on these tasks and operating the six patrol boats which rotate in and out of maintenance status. In that theatre, the Coast Guard has experienced one fatality, the result of a suicide-attack boat which detonated as it was turned away.

Looming on the horizon to be examined and managed is what Allen calls the "small boat threat," which refers to the security issues presented by vessels of less than 300 GT that are still largely undefined and, more importantly, unaddressed. The changes in this protocol will eventually rival STCW, ISPS, SOLAS and OPA-90 when they come to pass. The maritime industry can perhaps take some measure of comfort in the fact that it will be Allen who will, at least at the beginning, be at the helm as these policies are shaped and moved towards implementation. Like all of the other protocols, though—especially those occurring in a post-September-11<sup>th</sup> world—implementation will likely be painful and the cost, prohibitive.

There has never been a more exciting time to be in the Coast Guard, yet wearing the dark-blue uniform has arguably never been more difficult either. Having a man like Thad Allen in charge at a time like this is comforting, but he is only one of 33,000 individuals tasked with managing an ever-changing portfolio of difficult missions. Nevertheless, his credentials are rock solid, his perseverance unwavering and his past accomplishments impressive. So, the only question left to be answered is: Are the other 32,999 Coast Guard members up to the task of following his lead? At press time, the jury was still out on that one.

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