

DEPARTMENT OF TRANSPORTATION
Office of the Secretary

Statement of Theodore C. Lutz,
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Before the Subcommittee on Coast Guard and Navigation of the
House Committee on Merchant Marine and Fisheries, on
Coast Guard Authorizations for Fiscal Year 1974,

Wednesday, April 4, 1973

Mr. Chairman and Members of the Committee:

I appreciate this opportunity to appear before you in support of the Department's proposed bill to authorize appropriations and certain military personnel limitations for the Coast Guard for fiscal year 1974 (H.R. 5383).

As one of the major components of the Department of Transportation, the Coast Guard carries out a broad range of missions vital to Departmental objectives in marine transportation with special emphasis on safety, law enforcement, and environmental protection.

During the past few years, with considerable support from this committee, the Coast Guard has gone a long way toward meeting its long range plans for procurement of high and medium endurance cutters, polar icebreakers, long range aircraft, and helicopters. We do not consider these "capital hardware" programs complete by any means, but together with the Coast Guard we are continuously reassessing requirements to anticipate changing needs and develop cost effective capital investment plans to meet those needs.

Therefore, we are continuing the Coast Guard's long range program to upgrade its physical plant, including its program to modernize the aids-to-navigation fleet, and we are moving ahead in the area of port and waterway

safety, pollution control, and vessel traffic systems. We are also proposing sufficient funding for bridge alterations to insure that financing will keep pace with construction progress on all on-going projects.

The Commandant has already outlined the scope of the 1974 Acquisition, Construction, and Improvements request, which, except for the polar icebreaker item in FY 1973, is about the same as the FY 1973 level. I understand that you have scheduled another session with him to discuss individual projects, but I would like now to highlight a few of the items in H.R. 5383, which is before your subcommittee.

One area in which we feel the Coast Guard has been particularly innovative is replacement of its seagoing fleet of buoy tenders. Six years ago, there were 43 tenders, five built in the late 1930's and the remainder in the mid 40's, all nearing obsolescence. At current day prices, a "one for one" replacement program would require at least \$340 million. Instead of launching into such a program, the Coast Guard has made a series of improvements involving improved buoy power systems, longer lasting coatings, lighter weight buoys, and fixed structures, resulting in a reduced long range requirement of only 28 seagoing tenders.

In addition, Coast Guard engineers have come up with a multi-year renovation program which will cost \$40 - 45 million over a five year period, and which will keep the seagoing tenders operating another eight to twelve years. On the basis of amortized investment cost per year, this represents a savings of 50% below the cost of 28 new tenders and 75% below what replacement of all 43 would have cost. The 1974 program includes \$9.5 million for this program.

Another long term program to which I commend your particular support is the capital improvements to Kodiak Base. This is a case where the Coast Guard had been able to operate for some years in Western Alaskan waters at minimal costs, using the Navy operated facilities at Kodiak under a cooperative agreement. For years the Navy has been keeping Kodiak on a very low capital investment basis pending final DOD withdrawal. Now that the Coast Guard is the primary occupant of the base, it has a twofold problem: first it has to consolidate and scale down the size of the base to meet Coast Guard requirements (which are considerably smaller than the Navy's), and at the same time maintain essential services, and second, the Coast Guard must begin to restore or replace deteriorated structures needed for continuing operation by the Coast Guard. We estimated the long term capital improvement needs at \$30 - 35 million at the time the Coast Guard takeover was approved. The 1974 request for \$6.2 million is for some of the most urgent items within that plan.

Recent legislation concerning Water Quality Improvement and Ports and Waterways Safety have placed additional requirements on the Coast Guard for capital investment. In response to the former, the Coast Guard began in 1972 to modify its fleet and shore facilities to minimize the discharge of oil and wastes into our Coastal Waters. The 1974 request includes \$3.2 million to continue this program. The Ports and Waterways Act resulted from a national concern over damage to the environment, such as that associated with oil spills, together with the added threat of danger to life from the potential collision between tankers carrying toxic or explosive chemicals. This legislation gives the Coast Guard the authority

to control vessel traffic in those areas which are determined to be hazardous. The Coast Guard system in San Francisco has demonstrated the feasibility of vessel control, and recently enacted requirements for bridge-to-bridge communication have improved its effectiveness. The 1974 request includes \$6.9 million for vessel traffic control services at New York, New Orleans, and Puget Sound.

While I have highlighted just these three areas, I would urge favorable Committee action on the entire \$74.5 million AC&I request now before you, along with \$7 million required for Alteration of Bridges, and the personnel level necessary to conduct FY 1974 programs we are proposing.

During earlier hearings on this bill, I am told that the subject of proposed Loran-A station closings was explored at some length. Since the phasedown decision was announced in the 1974 Budget on January 29th, we have been actively discussing alternatives with user groups, primarily Department of Defense and (since publication of FAA's notice to ICAO) also air carrier representatives. While alternative systems are or soon will be available to all users, we have identified sufficient problems with scheduling and availability of equipment to warrant a reevaluation of the matter. This has been done, and I wish to advise you that all Loran-A stations now operating will be continued through fiscal year 1974, within current budget estimates. In this connection, however, we recommend that the proposed Coast Guard end-of-year strength be increased from 37,236 to 37,482 and the training workload from 5,463 man-years to 5,526 man years.

This completes my prepared remarks, Mr. Chairman, I would be happy to respond to any question you or the committee members may wish to ask.