

DEPARTMENT OF TRANSPORTATION
U.S. COAST GUARD
INTRODUCTORY STATEMENT OF ADMIRAL JOHN B. HAYES
FOR PRESENTATION TO
SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE I HAVE WITH ME AT THE TABLE THIS MORNING THE VICE COMMANDANT, VICE ADMIRAL SCARBOROUGH; MY CHIEF OF STAFF, REAR ADMIRAL STEWART; THE CHIEF OF PROGRAMS DIVISION, CAPTAIN ROBBINS, AND THE CHIEF OF BUDGET DIVISION, CAPTAIN LARSON.

I AM PLEASED TO HAVE THIS OPPORTUNITY TO PRESENT THE COAST GUARD'S FY 1980 BUDGET REQUEST. I THINK YOU WILL FIND THAT THIS REQUEST IS IN KEEPING WITH THE NATIONAL DESIRE TO LIMIT THE GROWTH OF GOVERNMENT SPENDING. IT IS AIMED AT MEETING OUR MOST IMPORTANT RESPONSIBILITIES WITHOUT CONTRIBUTING TO INFLATION. IN THE AREA OF PERSONNEL STRENGTH IN PARTICULAR WE HAVE ATTEMPTED TO HOLD THE LINE AND HAVE OFFSET ALL NEW PERSONNEL REQUIREMENTS BY REDUCTIONS IN ONGOING PROGRAMS.

IN ORDER TO PROVIDE FOR PROPER MANAGEMENT OF THE CORPS OF COMMISSIONED OFFICERS, IT IS NECESSARY, HOWEVER, TO INCREASE THE CEILING FROM THE CURRENT LIMIT OF 5000. SINCE THIS TOTAL WAS ESTABLISHED IN 1968, LEGISLATION HAS TASKED THE COAST GUARD TO ASSUME NUMEROUS NEW REGULATORY AND ENFORCEMENT RESPONSIBILITIES. PRESENTLY THERE ARE OVER 4,900 OFFICER BILLETS AUTHORIZED. TO FULLY STAFF THIS NUMBER OF BILLETS REQUIRES A NUMBER TEMPORARILY ON HAND IN EXCESS OF 5,000 DURING THE PERIOD BETWEEN THE COMMISSIONING OF NEW OFFICERS IN THE SPRING AND RETIREMENTS IN THE SUMMER. RAISING THE CEILING TO 6,000 WOULD PERMIT ADEQUATE FLEXIBILITY TO MANAGE OUR OFFICER PERSONNEL. THE PROPOSAL WOULD NOT IN ITSELF INCREASE THE NUMBER OF OFFICERS ON ACTIVE DUTY BUT WOULD PERMIT INCREASES AS HIGHER PROGRAM STRENGTH LEVELS ARE AUTHORIZED. THERE ARE NO COSTS DIRECTLY ASSOCIATED WITH THIS REQUEST.

ALSO REQUESTED IS AN INCREASE IN THE STATUTORY LIMITATION OF \$7,500 ON THE ANNUAL PAY OF LIGHTHOUSE KEEPERS TO \$15,000 AND OUR PROPOSAL TO PAY THE ONLY REMAINING, FULL TIME CIVILIAN KEEPER, AT CONEY ISLAND LIGHT, BACK PAY OF ABOUT \$2,900 - THE DIFFERENCE BETWEEN WHAT THE KEEPER ACTUALLY RECEIVED AFTER HIS SALARY REACHED THE STATUTORY CEILING IN 1974 AND WHAT HE WOULD HAVE RECEIVED UNDER THE GENERAL SCHEDULE SALARY RATES HAD THERE BEEN NO SUCH LIMITATION. EQUITY REQUIRES FAVORABLE CONSIDERATION OF THIS REQUEST. THE INDIVIDUAL, THOUGH ELIGIBLE FOR RETIREMENT, INTENDS TO WORK THROUGH AGE 70. SINCE HIS RETIRED PAY IS BASED ON THE HIGHEST THREE CONSECUTIVE YEARS OF EARNINGS, THIS INDIVIDUAL'S ANNUITY WILL BE ADVERSELY AFFECTED UNLESS LEGISLATIVE RELIEF IS GRANTED.

THE FOLLOWING DETAILS HIGHLIGHT OUR BUDGET REQUEST. IN OUR OPERATING EXPENSES APPROPRIATION WE ARE ASKING FOR A TOTAL OF \$1,037 MILLION - THE BULK OF WHICH, OF COURSE, PROVIDES FOR CONTINUATION OF ONGOING OPERATIONS AND ONLY \$17 MILLION REPRESENTS INCREASES IN PROGRAM ACTIVITY (LESS THAN 2% ABOVE FY79). OUR USE OF PERSONNEL IN THIS APPROPRIATION IS OF PARTICULAR NOTE. IN ORDER TO PROVIDE PERSONNEL TO MEET NEW RESPONSIBILITIES AND OPERATE NEW OR EXPANDED FACILITIES WHICH HAVE BEEN PROVIDED IN PREVIOUS YEARS, I HAVE ELECTED TO DRAW DOWN ON PERSONNEL NOW ASSIGNED AT OPERATING COAST GUARD UNITS. THE BULK OF THESE RESOURCES WILL BE MADE AVAILABLE BY REDUCING OUR TRADITIONAL 24 HOUR STANDBY CAPABILITY FOR IMMEDIATE SEARCH AND RESCUE RESPONSES IN SEVERAL LOCATIONS WHERE HISTORICAL DATA INDICATES A LESSER DEGREE OF READINESS WOULD ACHIEVE ACCEPTABLE RESULTS.

OUR ACQUISITION CONSTRUCTION AND IMPROVEMENTS APPROPRIATION REQUEST, AS IN THE PAST FEW YEARS, IS HEAVILY WEIGHTED TOWARD HARDWARE. THE PURCHASE OF THREE MEDIUM ENDURANCE CUTTERS IN THIS BUDGET IS THE NEXT INCREMENT IN OUR PROGRAM TO ENABLE OUR FLEET TO MEET ITS COMMITMENTS. THE BUDGET ALSO CONTAINS REQUESTS WHICH WOULD ALLOW US TO CONTINUE BOTH THE HU16-E AIRCRAFT (MRS) AND HH52-A HELICOPTER (SRR) REPLACEMENT PROCUREMENTS.

THESE THREE MAJOR HARDWARE BUYS REPRESENT ABOUT 66% OF OUR TOTAL AC&I REQUEST. IT GIVES YOU AN IDEA OF HOW IMPORTANT I CONSIDER THESE PROJECTS.

MR. CHAIRMAN, MOST OF THE REMAINDER OF OUR AC&I APPROPRIATION GENERALLY CONCENTRATES ON RENOVATING AND REPLACING EXISTING SHORE FACILITIES AND IMPROVEMENT OF OUR OIL CONTAINMENT AND RECOVERY CAPABILITY IN HIGH RISK AREAS. THESE LATTER PROJECTS WILL HELP SUPPORT THE PRESIDENT'S INITIATIVE ON OIL POLLUTION AND FURTHER OUR CAPABILITY TO MEET THE REQUIREMENTS OF THE FEDERAL WATER POLLUTION CONTROL ACT.

WE ARE ALSO CONTINUING THE REPLACEMENT PROGRAM OF OUTDATED TUBE-TYPE TRANSMITTERS AT LORAN-C STATIONS WITH NEW SOLID STATE TRANSMITTERS WHICH ARE BOTH ENERGY EFFICIENT AND RELIABLE. FINALLY, SEVERAL PROJECTS HAVE BEEN INCLUDED IN THIS APPROPRIATION WHICH ARE AIMED AT IMPROVING TRAINING FACILITIES TO COPE WITH THE CHANGING NEEDS OF THE SERVICE.

WHILE I'M ON THE SUBJECT OF TRAINING I AM PLEASED TO ANNOUNCE THAT THE FIRST CLASS IN OUR NEW BOATSWAIN'S MATE SCHOOL LOCATED AT OUR RESERVE TRAINING CENTER IN YORKTOWN, VIRGINIA, WILL CONVENE IN APRIL, THIS YEAR, ALSO, WE ARE GEARING UP FOR FULL SCALE OPERATION AND PLAN ON GRADUATING 300 PERSONNEL EACH YEAR.

I CANNOT STRESS ENOUGH MY COMMITMENT TO A SOLID TRAINING BASE FOR THE COAST GUARD. TRAINING IS VITALLY IMPORTANT AT ALL TIMES BUT MY RECENT TRAVELS THROUGHOUT THE COAST GUARD HAVE CONVINCED ME THAT WE ARE NOT KEEPING ABREAST OF THE NEED FOR INCREASED PROFESSIONALISM CAUSED BY THE GROWING COMPLEXITIES OF OUR SOCIETY. THE MYRIAD OF NEW PROGRAMS THAT THE COAST GUARD HAS ASSUMED IN RECENT YEARS HAS STRETCHED OUR RESOURCES - ESPECIALLY OUR PERSONNEL -- TO THE LIMIT. RECENTLY WE HAVE EXPERIENCED A REDUCTION IN OUR RETENTION RATE OF ENLISTED PERSONNEL WHOSE INITIAL ENLISTMENT IS EXPIRING FROM 26 TO 16 PERCENT. ADD TO THAT, TODAY'S DIFFICULTIES IN RECRUITING AND OUR TRAINING PROBLEM IS MAGNIFIED. WE MUST INCREASE OUR EFFORTS IN THIS AREA.

OUR RESEARCH AND DEVELOPMENT APPROPRIATION IS BASICALLY A FOLLOW-ON TO PRIOR YEARS. THE SLIGHTLY LESS THAN \$22 MILLION WE ARE REQUESTING WILL CONTINUE TO PLACE A HEAVY EMPHASIS ON MARINE ENVIRONMENTAL PROTECTION, MOST NOTABLY IN THE INTEGRATION OF OUR AIRBORNE SENSOR PACKAGE FOR THE MEDIUM RANGE SEARCH AIRCRAFT - AIREYE. I THINK IT'S WORTHY TO NOTE THAT, ALTHOUGH RESEARCH WILL CONTINUE ON INDIVIDUAL SENSORS IN THE FUTURE, FY80 WILL BE THE LAST YEAR WE WILL REQUEST R&D FUNDING FOR AIREYE. WE EXPECT THE CONTRACT INTEGRATING THE BASIC AIREYE COMPONENTS WILL BE AWARDED IN FY80 BRINGING TO A CLOSE ONE OF THE MOST AMBITIOUS PROJECTS WE HAVE UNDERTAKEN IN THE FIELD OF R&D. HOWEVER, THE COMPLETION IN R&D IS BUT A SINGLE CHAPTER IN WHAT WILL BE A MILD REVOLUTION IN THE WAY THE COAST GUARD CONDUCTS ITS OPERATIONS.

MR. CHAIRMAN, I WOULD LIKE TO POINT OUT THE ADDITION OF A NEW APPROPRIATION IN OUR REQUEST. I REFER, OF COURSE, TO THE NEW OUTER CONTINENTAL SHELF LANDS ACT FUND WHICH RESPONDS TO ENACTMENT OF PUBLIC LAW 95-372, THE OUTER CONTINENTAL SHELF LANDS ACT AMENDMENTS OF 1978. ONCE AGAIN, THE PERSONNEL REQUIRED TO MANAGE THIS FUND, WHICH WILL PROVIDE COMPENSATION FOR DAMAGES RESULTING FROM OIL SPILLS, WILL BE PROVIDED BY REPROGRAMMING FROM OTHER AREAS WITHIN THE COAST GUARD. ALTHOUGH WE HAVE MANAGED SPECIAL PURPOSE FUNDS FOR MANY YEARS, THE ADDITION OF THIS FUND AND THE PROBABLE PASSAGE OF THE MORE COMPREHENSIVE "SUPERFUND" CLEARLY PROJECTS THE COAST GUARD INTO A NEW ARENA OF RESPONSIBILITY. I AM CERTAIN THAT, AS IN OUR TRADITIONAL PROGRAMS, COAST GUARD PERSONNEL WILL QUICKLY ESTABLISH A STANDARD OF EXCELLENCE IN THESE NEW AREAS.

MR. CHAIRMAN, BEFORE CLOSING I WOULD LIKE TO SHARE WITH YOU THE IMPRESSIONS THAT I HAVE GAINED AS A RESULT OF MY TRAVELS AROUND THE COAST GUARD SINCE BECOMING COMMANDANT. I HAVE BEEN HIGHLY IMPRESSED BY WHAT I HAVE SEEN OF THE MEN AND WOMEN IN THE COAST GUARD. THEY CONTINUE TO BE ENTHUSIASTIC AND DEDICATED. IT IS THESE VERY ATTRIBUTES THAT HAVE ALLOWED THEM TO RESPOND TO THE NEW MISSIONS AND STEADY EXPANSION IN OUR HISTORIC RESPONSIBILITIES. I DO FEEL, HOWEVER, THAT THE SERVICE IS AS LEAN AS IT CAN POSSIBLY BE. WE HAVE BEEN STRETCHED TO THE LIMIT. OUR RECRUITING, RETENTION AND TRAINING PROBLEMS MUST BE ADDRESSED, AS I MENTIONED EARLIER, IN ORDER TO MAINTAIN THE LEVEL OF PROFESSIONALISM THAT THE AMERICAN PUBLIC HAS COME TO EXPECT OF THE COAST GUARD.

I WOULD BE LESS THAN CANDID IF I DIDN'T ALSO MENTION MY PARTICULAR CONCERN WITH THE CONDITION OF THE COAST GUARD FLEET. IT NEEDS ATTENTION. WE ARE RUNNING OUR SHIPS HARDER THAN WE'VE EVER HAD TO AND ITS TAKING ITS TOLL. THIS IS A PROBLEM ON WHICH WE ARE CURRENTLY FOCUSING A GOOD DEAL OF ATTENTION.

I HAVE ONLY TOUCHED UPON A FEW OF THE AREAS THAT WERE NOTED DURING MY VISITS THROUGHOUT THE COAST GUARD. RECENTLY I GAVE AN ADDRESS ON THE OVERALL "STATE OF THE COAST GUARD" AND I WOULD BE PLEASED TO PROVIDE THIS SEPARATELY FOR YOUR CONSIDERATION.

I APPRECIATE THE SUPPORT THAT YOU AND YOUR COMMITTEE HAVE PROVIDED THE COAST GUARD IN THE PAST AND I PROMISE TO DO MY PART TO ENSURE THAT OUR FINE WORKING RELATIONSHIP CONTINUES DURING MY ASSIGNMENT AS COMMANDANT. THANK YOU MR. CHAIRMAN.