

OPENING STATEMENT
OF
ADMIRAL JAMES S. GRACEY
BEFORE
THE HOUSE COMMITTEE ON
MERCHANT MARINE AND FISHERIES
20 FEBRUARY 1985

MR. CHAIRMAN, I AM PLEASED TO HAVE THE OPPORTUNITY TO MEET THIS MORNING WITH YOU AND THE OTHER DISTINGUISHED MEMBERS OF THIS COMMITTEE TO DISCUSS THE COAST GUARD FISCAL YEAR 1986 BUDGET REQUEST. ACCOMPANYING ME ARE THE VICE COMMANDANT, VICE ADMIRAL BENEDICT STABILE, MY CHIEF OF STAFF, REAR ADMIRAL DONALD THOMPSON, THE CHIEF OF THE PROGRAMS DIVISION, CAPTAIN ROBERT NELSON, AND THE CHIEF OF THE BUDGET DIVISION, CAPTAIN KENT WILLIAMS.

AS YOU ARE AWARE, THE PRESIDENT'S FY 1986 BUDGET INCLUDES REQUESTS FOR NEW AUTHORITY TOTALING \$2.5 BILLION FOR THE COAST GUARD. OUR REQUESTS BY APPROPRIATION DO NOT EXCEED AMOUNTS AUTHORIZED FOR FY 1986 UNDER OUR PRESENT AUTHORIZATION ACT (PUBLIC LAW 98-557). WE HAVE STARTED, OR ARE PLANNING, ACTIONS ON MANY OF THE PROVISIONS OF THAT ACT. SUCH INITIATIVES INCLUDE CONTINUING A RESCUE SWIMMING PROGRAM, STARTING DETAILED RESEARCH ON ALCOHOL ABUSE BY BOATERS, MAKING A GRANT TO ENCOURAGE CIVILIAN FIRE RESPONSE CAPABILITY FOR VESSELS, AND BEGINNING DESIGN FOR TWO NEW POLAR CAPABLE ICEBREAKERS, TO NAME A FEW.

THIS BUDGET CONTINUES PROGRAMS TO MODERNIZE AND IMPROVE THE EFFICIENCY OF THE COAST GUARD'S CAPITAL PLANT, TO INCREASE THE CAPABILITY OF EXISTING RESOURCES, AND TO CONSOLIDATE VARIOUS SUPPORT FUNCTIONS THROUGH MANAGEMENT IMPROVEMENTS. FUNDING WILL ALSO ALLOW OPERATION OF TWO LEASED AND THREE COAST GUARD-OWNED MOBILE, TETHERED BALLOON RADAR SYSTEMS (AEROSTATS) FOR USE IN DRUG LAW ENFORCEMENT DETECTION.

FY 1986 CAPITAL FUNDING WILL PROVIDE FOR THE CONSTRUCTION OF A NEW RIVER TENDER, AND THE RENOVATION AND MODERNIZATION OF THREE 210 FOOT MEDIUM ENDURANCE CUTTERS, TWO 378 FOOT HIGH ENDURANCE CUTTERS, AND ONE POLAR ICEBREAKER. FORTY-TWO OF NINETY-SIX NEW AND REPLACEMENT HH-65A SHORT RANGE HELICOPTERS ARE SCHEDULED TO BE DELIVERED BY THE END OF FY 1986. ACQUISITION AND INSTALLATION OF ADDITIONAL AIRCRAFT SENSORS WILL CONTINUE. SEVEN NEW RADARS WILL BE ORDERED FOR LONG RANGE SEARCH AIRCRAFT, AND PLANS FOR PROCUREMENT OF FORWARD LOOKING INFRA-RED (FLIR) SENSORS FOR THE SHORT RANGE HELICOPTERS WILL CONTINUE. THESE PROCUREMENTS WILL SIGNIFICANTLY INCREASE THE PRODUCTIVITY OF EXISTING AIRCRAFT AND VESSELS. RENOVATION AND REPLACEMENT OF OBSOLESCENT SHORE FACILITIES WILL ALSO CONTINUE.

WE WILL ONCE AGAIN SEEK USER FEES FOR CERTAIN COAST GUARD SERVICES. THE LEGISLATIVE PROPOSAL HAS NOT YET BEEN FORWARDED TO THE CONGRESS BUT IT IS ANTICIPATED THAT THE FEES IT PROPOSES WILL ULTIMATELY GENERATE \$476 MILLION ANNUALLY.

WE EXPECT THAT THIS YEAR WILL BE A CHALLENGING ONE AS WE WORK TOGETHER TO SOLVE THE FISCAL PROBLEMS FACING ALL OF US IN GOVERNMENT. AS YOU REVIEW OUR BUDGET REQUEST, I FEEL CONFIDENT YOU WILL FIND THAT IT PROPERLY BALANCES THE NEED TO SEEK ECONOMIES AND COST-EFFECTIVENESS WITH THE REQUIREMENTS TO MAINTAIN OUR STATUTORY RESPONSIBILITIES IN THE AREAS OF MARITIME SAFETY, LAW ENFORCEMENT AND DEFENSE READINESS. CERTAINLY, THOSE WERE OUR GOALS AS WE PREPARED IT.

AGAIN, MR. CHAIRMAN, IT IS A PLEASURE TO BE BACK IN THIS SEAT BEFORE YOU. I'LL BE HAPPY TO RESPOND TO ANY QUESTIONS YOU MIGHT HAVE.