

DEPARTMENT OF TRANSPORTATION  
U. S. COAST GUARD  
STATEMENT OF ADMIRAL JAMES S. GRACEY  
ON THE FY 1987 BUDGET REQUEST  
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION  
COMMITTEE ON MERCHANT MARINE AND FISHERIES  
HOUSE OF REPRESENTATIVES  
13 MARCH 1986

MR. CHAIRMAN, I AM PLEASED TO HAVE THE OPPORTUNITY TO MEET AGAIN WITH YOU AND OTHER MEMBERS OF THE SUBCOMMITTEE TO REVIEW AND DISCUSS THE COAST GUARD FISCAL YEAR 1987 BUDGET REQUEST. AS ON PREVIOUS OCCASIONS BEFORE THIS SUBCOMMITTEE, I HAVE ACCOMPANYING ME THE VICE COMMANDANT, VICE ADMIRAL BENEDICT STABILE; MY CHIEF OF STAFF, REAR ADMIRAL DONALD THOMPSON; THE CHIEF OF THE PROGRAMS DIVISION, CAPTAIN JOHN TRAINOR; AND THE CHIEF OF THE BUDGET DIVISION, CAPTAIN KENT WILLIAMS.

IN MY OPENING STATEMENT ON FEBRUARY 6, 1986 - AT THE FIRST OF THESE HEARINGS - I PROVIDED INFORMATION ON THE COAST GUARD'S FISCAL YEAR 1987 BUDGET REQUEST. IN THE INTEREST OF TIME, I WILL NOT REPEAT ALL OF THAT DETAILED INFORMATION EXCEPT TO STATE THAT OUR OVERALL REQUEST TOTALS ABOUT \$2.4 BILLION IN BUDGET AUTHORITY...CONTINUES TO EMPHASIZE MISSIONS SUPPORTING SAFETY, DEFENSE READINESS, AND MARITIME LAW ENFORCEMENT...AND WILL PROVIDE FOR FULL-TIME EQUIVALENT (FTE) STAFFING OF 38,541 MILITARY AND 5,527 CIVILIAN PERSONNEL.

BY HIS ACTION IN SENDING THIS BUDGET REQUEST TO YOU, THE PRESIDENT HAS REAFFIRMED HIS BELIEF IN THE PRIORITY OF COAST GUARD MISSIONS. HIS REQUEST ALSO REFLECTS CONCERN ABOUT

THE IMPACT OF ACROSS-THE-BOARD, PERCENTAGE REDUCTIONS ON PERSONNEL INTENSIVE, OPERATIONAL AGENCIES LIKE THE COAST GUARD, WHOSE MISSIONS ARE VITAL TO THE SECURITY AND SAFETY AND HEALTH OF AMERICA. I HOPE THE CONGRESS WILL SUPPORT THE PRESIDENT'S REQUEST.

NOW I WOULD LIKE TO TURN TO OUR AUTHORIZATION FOR FY 1987. A COAST GUARD DRAFTED BILL IS NOW IN FINAL CLEARANCE WITHIN THE ADMINISTRATION. I EXPECT IT TO BE CLEARED SHORTLY AND THEN FORWARDED TO THE CONGRESS FOR INTRODUCTION. ALTHOUGH I CAN NOT SPEAK TO ITS SPECIFICS, I WOULD NOTE THAT IT IS SIMILAR IN MANY RESPECTS TO THE BILL DRAFTED BY THIS COMMITTEE, HR 4208. I AM SURE THAT TODAY'S HEARINGS WILL BRING OUT THOSE AREAS OF AGREEMENT.

HOWEVER, THERE ARE A FEW SECTIONS OF HR 4208 WITH WHICH WE DISAGREE...OR, IN SOME CASES, SEE AS UNNECESSARY. WE RECOMMEND THAT THE DOLLAR AMOUNTS SHOWN IN SECTION 2 BE ADJUSTED TO THE AMOUNTS REQUESTED BY THE PRESIDENT FOR FY 1987, AND TO "SUCH SUMS AS MAY BE NECESSARY" FOR FY 1988. WITH REGARD TO THE SECTIONS WHICH FOLLOW, ONE OF OUR KEY CONCERNS IS SECTION 5, WHICH PROPOSES TO LIMIT CONTRACTING PERFORMED BY THE COAST GUARD SO AS TO MAINTAIN WHAT IS OFTEN CALLED A "CORE" LOGISTICS CAPABILITY. AS YOU KNOW, THE PRESIDENT IS STRONGLY COMMITTED BOTH TO STRENGTHENING THE DEFENSE READINESS OF THIS COUNTRY AND TO REDUCING THE SIZE...AND COST...OF GOVERNMENT.

THOSE GOALS ARE NOT INCOMPATIBLE. OVER THE PAST FOUR YEARS, I HAVE OVERSEEN A SIGNIFICANT INCREASE IN THE COAST GUARD'S DEFENSE READINESS CAPABILITIES. OUR MARITIME DEFENSE ZONE ROLE, A GROWING RESERVE STRENGTH, NEW AND MORE CAPABLE HARDWARE, MORE REALISTIC TRAINING, ENHANCED EXERCISE PARTICIPATION, AND SO ON...ALL SPEAK TO OUR CONTINUING COMMITMENT TO DEFENSE READINESS. AT THE SAME TIME, WE HAVE ALSO UNDERTAKEN A NUMBER OF EFFORTS TO BE MORE PRODUCTIVE...AND TO HELP EASE THE BURDEN TO THE AMERICAN TAXPAYER...BY GREATER USE OF PRIVATE SECTOR CAPABILITIES. SUCH INITIATIVES HAVE INCLUDED: AN AGGRESSIVE A-76 CONTRACTING OUT PROGRAM THAT HAS BECOME A MODEL IN THE DEPARTMENT OF TRANSPORTATION...A SPECIFIC MANDATE TO HAND OFF NON-EMERGENCY ASSISTANCE CASES TO QUALIFIED PRIVATE FIRMS WHEN AVAILABLE...A SIMILAR POLICY REGARDING DOMESTIC ICEBREAKING...AND AN EFFORT TO CONTRACT ROUTINE MAINTENANCE OF AIDS-TO-NAVIGATION IN NON-CRITICAL WATERWAYS. THE UNDERLYING PHILOSOPHY GOVERNING THESE INITIATIVES HAS BEEN TO DO THEM ONLY WHEN THEY MEET ALL OF THE FOLLOWING CONDITIONS:

- NOT INHERENTLY GOVERNMENTAL IN NATURE
- DO NOT JEOPARDIZE CG OPERATIONAL CAPABILITIES
- DO NOT IMPACT ADVERSELY ON READINESS REQUIREMENTS SUCH AS MOBILIZATION, FORCE STRUCTURE AND SEA-SHORE ROTATION
- CAN BE DONE MORE COST-EFFECTIVELY BY THE PRIVATE SECTOR

I BELIEVE OUR RECORD SPEAKS FOR ITSELF: IT IS POSSIBLE TO STRENGTHEN DEFENSE AND OTHER COAST GUARD CAPABILITIES WHILE ALSO REDUCING THE COST OF GOVERNMENT. WE NEED THE ABILITY TO CONTINUE TO PURSUE BOTH THESE GOALS. IN THAT REGARD WE BELIEVE SECTION 5 OF HR 4208 IS BOTH UNNECESSARY AND LIMITING.

I AM ALSO CONCERNED ABOUT SECTION 9, STATING A POLICY ON THE USE OF COAST GUARD AUXILIARY FACILITIES. FIRST, LET ME MAKE THE RECORD CLEAR...NOWHERE WILL YOU FIND A STRONGER SUPPORTER OF OUR COAST GUARD AUXILIARY THAN I. I HAVE BEEN TOUTING THE VALUABLE CONTRIBUTIONS AND COST EFFECTIVENESS OF THESE DEDICATED VOLUNTEERS THROUGHOUT MY CAREER.

MY POSITION ON THAT WILL NEVER CHANGE. MY CONCERN IS THAT SECTION 9 WILL BE CONSTRUED AS LEGISLATING HOW MY OPERATIONAL COMMANDERS ARE TO DO THEIR JOBS. IN OUR BUSINESS OF SEARCH AND RESCUE AND MARITIME SAFETY, THE OPERATIONAL COMMANDER IS THE ONE CHARGED WITH MAKING THE DECISIONS THAT ULTIMATELY RESULT IN THE RESCUE OF PROPERTY...AND SAVING LIVES. HE OR SHE MUST HAVE FULL FREEDOM AND FLEXIBILITY TO USE ALL THE RESOURCES AT HIS OR HER DISPOSAL...COAST GUARD REGULARS, RESERVISTS, AND AUXILIARISTS, COMMERCIAL FIRMS OR PRIVATE VOLUNTEERS...AS HE OR SHE SEES BEST TO MEET THE SITUATION AT HAND. AT SUCH TIMES, THAT COMMANDER DOES NOT NEED ANY EXTRA PRESSURES OR DOUBTS RESULTING FROM LEGISLATION THAT DIRECTS PRIORITIES IN THE APPLICATION OF AVAILABLE RESOURCES. NO...WHAT MY OPERATIONAL COMMANDERS NEED IS

THE KNOWLEDGE THAT THEY HAVE OUR TRUST AND CONFIDENCE... AS  
ON-SCENE PROFESSIONALS...TO USE ALL AVAILABLE RESOURCES...PEOPLE  
AND EQUIPMENT...TO GET THE JOB DONE...AND DONE THE BEST AND MOST  
COST-EFFECTIVE WAY POSSIBLE, GIVEN THE EXIGENCIES OF THE MOMENT.  
TO THE EXTENT THAT SECTION 9 WOULD CONFUSE THAT CLEAR CUT  
DELEGATION OF AUTHORITY AND ERODE MY COMMAND RESPONSIBILITIES,  
I CANNOT SUPPORT IT.

THIS CONCLUDES MY STATEMENT. I WILL BE HAPPY TO RESPOND TO ANY  
QUESTIONS THE COMMITTEE MIGHT HAVE.