

STATEMENT OF
ADMIRAL PAUL A. YOST
BEFORE THE
HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
AUGUST 7, 1986

GOOD MORNING, MR. CHAIRMAN. I AM PLEASED TO HAVE THE OPPORTUNITY TO APPEAR BEFORE YOU AND THE OTHER MEMBERS OF THIS SUBCOMMITTEE TO PROVIDE AN UPDATE ON THE IMPACT FISCAL YEAR 1986 BUDGETARY CUTS HAVE HAD ON THE COAST GUARD AND TO DISCUSS THE FIRE ON THE COAST GUARD CUTTER CHASE. IN RESPONSE TO YOUR LETTER OF 23 JULY I HAVE THE FORMAL REPLY TO THE QUESTIONS YOU RAISED CONCERNING CHASE...AND I REQUEST YOUR PERMISSION TO SUBMIT THEM FOR THE RECORD.

CHASE FIRE

I WOULD LIKE TO COMMENT THAT BOTH PROFESSIONALLY AND PERSONALLY, I CONSIDER ANY CASUALTY SUCH AS THE TRAGIC CHASE FIRE AND RESULTING LOSS OF LIFE OF PETTY OFFICER NICHOLAS BAREI A SEVERE LOSS...AND A VERY SAD LOSS. WE IN THE COAST GUARD ARE CONSTANTLY EVALUATING EQUIPMENT AND OPERATING PROCEDURES WITH AN EYE TO MINIMIZING THE DANGERS TO OUR PEOPLE. UNFORTUNATELY, SUCH LOSSES OCCUR AND THEY PAINFULLY REMIND US THAT COAST GUARD PERSONNEL ROUTINELY GO IN HARM'S WAY...THAT THE VERY NATURE OF LIFE AT SEA IS FRAUGHT WITH DANGER.

NEVERTHELESS WE DO NOT ACCEPT THE STATUS QUO...WE CONTINUALLY LEARN FROM EXPERIENCE. IN THIS CASE WE CONDUCTED A MISHAP

INVESTIGATION... WHICH BASICALLY IS A NO-HOLDS-BARRED, INDEPTH LOOK AT WHAT CAUSED THE ACCIDENT AND HOW IT COULD BE PREVENTED IN THE FUTURE. A SECOND, INDEPENDENT, BOARD OF INVESTIGATION WAS UNDERTAKEN TO ASCERTAIN WHETHER ANY WRONGDOING OR NEGLIGENCE WAS INVOLVED. THE INVESTIGATIONS HAVE BEEN COMPLETED, RECOMENDATIONS MADE, AND CHANGES ACCOMPLISHED. LET ME ASSURE YOU THAT I SHARE YOUR CONCERNS AND THAT I AM PERSONALLY COMMITTED TO MAKING THE COAST GUARD AN EVEN SAFER PLACE TO WORK.

BUDGETARY CUTS

AS YOU ARE AWARE, FISCAL YEAR 1986 STARTED OUT THREATENING THE VERY CHARACTER OF THE COAST GUARD'S PRESENT OPERATIONS. THE BUDGETARY CUTS TO THE PRESIDENT'S REQUEST - SUCH AS THE SENATE'S PROPOSED REDUCTION OF \$230 MILLION IN OUR OPERATING EXPENSES APPROPRIATION - WOULD HAVE REQUIRED REDUCING PERSONNEL LEVELS, LAYING UP SHIPS AND AIRCRAFT, CLOSING STATIONS AND DRAMATICALLY REDUCING OPERATIONS. WE WERE ALSO FACED WITH THE THEN UNKNOWN EFFECT OF THE GRAMM-RUDMAN-HOLLINGS LEGISLATION.

INSTEAD OF WAITING FOR THE AXE TO FALL LATE IN THE FISCAL YEAR, WE ESTABLISHED A WORST-CASE SCENARIO EARLY ON. FROM THAT WE DEVELOPED A MANAGEMENT STRATEGY THAT WOULD ALLOW US TO MAINTAIN OUR PERSONNEL AND FACILITIES ESSENTIALLY INTACT UNTIL FISCAL YEAR 1987 WHEN...WE HOPED...RESTORATION OF FULL FUNDING WOULD BE PROVIDED IN THE PRESIDENT'S BUDGET. THAT STRATEGY, DESCRIBED BY ADMIRAL GRACEY AS A SLOWDOWN/SQUEEZEDOWN, WAS INITIATED LAST OCTOBER. IN EFFECT, WE STARTED USING UP OUR SPARE PARTS

INVENTORIES, DEFERRING EQUIPMENT PURCHASES, CANCELING ROUTINE MAINTENANCE CONTRACTS, REDUCING RECRUITING, DEFERRING ALL BUT ESSENTIAL TRAINING, AND REDUCING OPERATIONS IN SOME AREAS. THESE WERE NOT ACTIONS WE WANTED TO TAKE, BUT FOR THE SHORT TERM...AND I EMPHASIZE SHORT...THEY WERE FAR PREFERABLE TO THE DRACONIAN MEASURES WE WOULD HAVE HAD TO TAKE IF WE WAITED UNTIL FURTHER INTO THE FISCAL YEAR.

FORTUNATELY, THE \$230 MILLION THREATENED REDUCTION BECAME A REAL REDUCTION OF "ONLY" \$142 MILLION. THIS WAS MADE UP OF GRAMM-RUDMAN-HOLLINGS SEQUESTERING, UNFUNDED CONGRESSIONAL MANDATES, AND AN UNFUNDED MILITARY PAY RAISE. ALSO FORTUNATE, WAS THE EFFECTIVENESS OF THE SLOWDOWN/SQUEEZEDOWN. IT, ALONG WITH OTHER FACTORS SUCH AS LOWER FUEL PRICES, HAS ENABLED US TO MAKE IT THROUGH 10 MONTHS OF THIS RATHER HECTIC FISCAL YEAR. THE ADDITIONAL \$35.5 MILLION PROVIDED IN THE FY 1986 URGENT SUPPLEMENTAL APPROPRIATIONS ACT PLUS THE \$10.4 MILLION REPROGRAMMING AUTHORITY HAS VIRTUALLY ASSURED OUR ABILITY TO MAKE IT THROUGH THE REMAINDER OF THE YEAR.

I AM PLEASED TO BE ABLE TO TELL YOU THAT THIS \$45.9 MILLION HAS ALREADY BEEN CHANNELED TO THE FIELD. IT HAS ALLOWED US TO SURVIVE UNTIL FISCAL YEAR 1987, WHEN...WITH THE FUNDING LEVEL REQUESTED IN THE PRESIDENT'S BUDGET...WE WILL BE ABLE TO RETURN TO FAIRLY "NORMAL" OPERATIONS. HOWEVER, IT MUST BE CLEARLY UNDERSTOOD, MR. CHAIRMAN, THAT THE DRAWING DOWN OF SPARE PARTS AND DEFERRAL OF MAINTENANCE IS A ONE TIME FIX. IT'S LIKE A FAMILY THAT IS SHORT OF MONEY THAT LIVES FOR A WHILE BY USING

WHAT'S AVAILABLE IN THE KITCHEN CUPBOARD. FINALLY, THE CUPBOARD IS BARE. THE COAST GUARD EMPTIED ITS CUPBOARD IN FY 1986 AND WE CAN'T GO BACK TO IT IN THE EVENT OF FURTHER BUDGET CUTS IN 87.

THEREFORE, MR. CHAIRMAN, I URGE THE COMMITTEE TO CONTINUE ITS STRONG BACKING OF THE COAST GUARD...IN THIS CASE BY SUPPORTING THE PRESIDENT'S BUDGET AS IT WENDS ITS WAY THROUGH CONGRESS.

MR. CHAIRMAN, THAT CONCLUDES MY OPENING STATEMENT. I WILL BE HAPPY TO RESPOND TO ANY QUESTIONS YOU OR THE MEMBERS OF THE SUBCOMMITTEE MIGHT HAVE.