U.S. Department
of Transportation
**United States
Coast Guard**

Commandant
United States Coast Guard

Washington, DC 20593
Staff Symbol
Phone

DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

STATEMENT OF ADMIRAL PAUL A. YOST, JR.

ON THE FY 1988 BUDGET REQUEST

HOUSE OF REPRESENTATIVES SUBCOMMITTEE

ON COAST GUARD AND NAVIGATION OF THE

COMMITTEE ON MERCHANT MARINE AND FISHERIES

26 FEBRUARY 1987

Admiral Paul A. Yost Jr.
Commandant
United States Coast Guard

Admiral Paul Alexander Yost Jr. became the 18th Commandant of the United States Coast Guard on May 30, 1986. He was nominated to that position while serving as Commander of the Atlantic Area, Commander Maritime Defense Zone Atlantic and Commander Third Coast Guard District in New York City where he was assigned In 1984.

In these roles, the Admiral was responsible for Coast Guard operations in the Atlantic, Caribbean and Gulf of Mexico including drug interdiction, maritime law enforcement and search and rescue, as well as maritime coastal defense under the authority of the Commander Atlantic Fleet, United States Navy. Prior to his Third District assignment, Admiral Yost was Chief of Staff of Coast Guard Headquarters in Washington, for three years, where he managed planning, programming and budgeting for the service. He was promoted to flag rank in 1978 and served as Eighth District Commander in New Orleans, for three years.

Admiral Yost's management and operational positions included Chief of Staff and Chief of Operations for Seventeenth Coast Guard District in Alaska, in 1975, and Commander Task Group 115.3, a combat command in Vietnam, in 1969. In addition, he served as Special Assistant to the Deputy Secretary Department of Transportation, and as alternate delegate on the U.S. Law of the Sea Delegation. Admiral Yost was Captain of The Port, Seattle, in 1974; Special Assistant to the Chief Counsel, Coast Guard Headquarters, in 1972; and Chief, Bridge Branch, Aids to Navigation Division, Headqarters in 1970. Seagoing duty included command of the Coast Guard Cutter *RESOLUTE* in San Francisco, in 1966.

Admiral Yost was graduated from the Naval War College at Newport, R.I., in 1964. He received master's degrees in international affairs from George Washington University, Washington, in 1964 and in mechanical engineering from the University of Connecticut in 1959. He also completed course work toward a master's in business administration. Admiral Yost received a Bachelor of Science from the U.S. Coast Guard Academy in New London, Conn., in 1951.

The Commandant's awards include two Distinguished Service Medals, the Silver Star, the Legion of Merit Medal with combat "V", with a gold star, the Meritorious Service Medal, the Combat Action Ribbon, the Korean Service Medal, and the United Nations Service Medal. He also received the Cross of Gallantry with Silver Star (RVN), the Presidential Unit Citation, the Navy Meritorious Unit Commendation and the Distinguished Service Medal (RVN).

A native of St. Petersburg, Fla., Admiral Yost is active in church, school and community affairs. He was awarded the Silver Beaver Award by the Boys Scouts of America.

Admiral Yost is married to the former Jan Worth of Wakefield, Mass. Mrs. Yost earned a degree in communications from the University of Maryland. They have five children: Linda L., Paul A. III, David J., Lisa J. and Christopher J. The Yosts reside in Chevy Chase, Md.

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
STATEMENT OF ADMIRAL PAUL A. YOST, JR.
ON THE FY 1988 BUDGET REQUEST
HOUSE OF REPRESENTATIVES SUBCOMMITTEE
ON COAST GUARD AND NAVIGATION OF THE
COMMITTEE ON MERCHANT MARINE AND FISHERIES
26 FEBRUARY 1987

GOOD MORNING, MR. CHAIRMAN. I AM PLEASED TO HAVE THIS OPPORTUNITY TO MEET WITH YOU AND THE OTHER DISTINGUISHED MEMBERS OF THIS SUBCOMMITTEE TO REVIEW AND DISCUSS THE COAST GUARD FISCAL YEAR 1988 BUDGET REQUEST. I HAVE APPEARED BEFORE THIS SUBCOMMITTEE IN OTHER CAPACITIES. THIS, HOWEVER, IS MY FIRST APPEARANCE AS COMMANDANT TO PRESENT, APPROPRIATELY, MY FIRST BUDGET REQUEST.

ACCOMPANYING ME TODAY ARE MY CHIEF OF STAFF, REAR ADMIRAL CLYDE LUSK, THE CHIEF OF THE PROGRAMS DIVISION, CAPTAIN KENT WILLIAMS, AND THE CHIEF OF THE BUDGET DIVISION, CAPTAIN MIKE MURTAGH.

AT MY NOMINATION HEARING LAST MAY, I STATED MY BELIEF THAT DRUG INTERDICTION, MILITARY PREPAREDNESS, MARITIME SAFETY AND FINANCIAL RESPONSIBILITY WERE AMONG THE COAST GUARD'S TOP PRIORITIES. I INDICATED THAT OUR MAJOR OBJECTIVES WOULD INCLUDE BALANCING THESE REQUIREMENTS TO PROVIDE A WELL-EQUIPPED, WELL-TRAINED FORCE AUGMENTED BY A COAST GUARD RESERVE READY TO HELP US PERFORM OUR WARTIME TASKS. I ALSO INDICATED THAT I WAS COMMITTED TO THE PRINCIPLE THAT THE COAST GUARD MUST BE TREATED AS OUR FIFTH ARMED FORCE.

THE BUDGET YOU NOW HAVE BEFORE YOU FOR CONSIDERATION REFLECTS THOSE VIEWS.

BUDGET TOTALS

TOTAL BUDGET AUTHORITY REQUESTED IS $2,739 MILLION. OVER 70% OF THIS AMOUNT, $1,934.8 MILLION PLUS AN ADDITIONAL $30 MILLION PROPOSED FOR TRANSFER FROM OUR BOAT SAFETY ACCOUNT, IS FOR OPERATING EXPENSES. THIS APPROPRIATION PROVIDES FOR SALARIES AND EXPENSES OF MOST OF OUR PERSONNEL AND FUNDING FOR THE OPERATION AND MAINTENANCE OF COAST GUARD SHIPS, AIRCRAFT, AND SHORE UNITS, INCLUDING FACILITIES RECENTLY ACQUIRED THROUGH CAPITAL INVESTMENTS IN PREVIOUS YEARS. $277.9 MILLION IS REQUESTED TO FUND CAPITAL IMPROVEMENTS, INCLUDING CUTTER ACQUISITIONS, RENOVATIONS AND MODERNIZATIONS; AND REPLACEMENT AND RENOVATION PROGRAMS AT SELECTED SHORE FACILITIES. THE $20.1 MILLION REQUESTED FOR RESEARCH AND DEVELOPMENT WILL FUND THE DEVELOPMENT OF TECHNIQUES, METHODS, HARDWARE, AND SYSTEMS THAT DIRECTLY CONTRIBUTE TO INCREASING THE PRODUCTIVITY AND EFFECTIVENESS OF COAST GUARD OPERATING FORCES. $386.7 MILLION IS REQUESTED TO FUND OUR RETIRED PAY ACCOUNT, WHICH PROVIDES ANNUITIES AND MEDICAL COSTS FOR MILITARY RETIRED PERSONNEL, THEIR DEPENDENTS, AND SURVIVORS.

OUR BUDGET TOTALS INCLUDE FUNDING REQUESTS FOR THREE APPROPRIATIONS NOT SUBJECT TO THE PRIOR AUTHORIZATION REQUIREMENTS OF 14 U.S.C. 662. HOWEVER, FOR THE COMMITTEE'S INFORMATION, AMOUNTS REQUESTED FOR THESE APPROPRIATIONS ARE AS FOLLOWS: $69.1 MILLION IS REQUESTED FOR RESERVE TRAINING TO ACHIEVE A

SELECTED RESERVE STRENGTH OF 13,500 MEMBERS; $15 MILLION IS REQUESTED FOR BOAT SAFETY GRANTS WHICH PROVIDE FINANCIAL ASSISTANCE TO STATES FOR THE DEVELOPMENT AND IMPLEMENTATION OF A COORDINATED RECREATIONAL BOATING SAFETY PROGRAM. ALSO, $5.3 MILLION IS REQUESTED FOR OUR OIL POLLUTION FUND PENDING ENACTMENT OF OIL SPILL LIABILITY AND COMPENSATION LEGISLATION, WHICH WE NEED SO BADLY AND WHICH SECRETARY DOLE STRONGLY SUPPORTS.

THE REQUEST SUPPORTS A LEVEL OF 39,042 MILITARY AND 5,793 CIVILIAN POSITIONS.

OUR BUDGET REQUEST AGAIN CONTAINS ESTIMATES OF USER FEE COLLECTIONS FROM BENEFICIARIES OF COAST GUARD SERVICES NOT DIRECTLY INVOLVING EMERGENCY ASSISTANCE, LAW ENFORCEMENT OR MILITARY READINESS.

APPLICATION OF RESOURCES

DRUG INTERDICTION

OUR BUDGET ANNUALIZES THE RESOURCES TO CONTINUE THE DRUG INTERDICTION INITIATIVES FIRST FUNDED IN FISCAL YEAR 1987. ONE OF THESE INITIATIVES INCLUDES OPERATING TWO E-2C AIRBORNE EARLY WARNING AIRCRAFT, TRANSFERRED FROM THE NAVY, TO DETECT AIR SMUGGLING. IN ADDITION, COAST GUARD HU-25A FALCON JETS ARE NOW BEING EMPLOYED TO INTERCEPT AND TRACK SUSPECT AIRCRAFT AND WILL BE RECONFIGURED WITH NEW SENSORS TO MAKE THEM EVEN MORE EFFECTIVE. WE WILL ALSO JOINTLY STAFF AND OPERATE A COMMAND, CONTROL, COMMUNICATIONS AND INTELLIGENCE CENTER (C3I), UNDER CONSTRUCTION, WITH THE U.S. CUSTOMS SERVICE TO COORDINATE AIR INTERDICTION OPERATIONS IN THE SOUTHEAST U.S. NEW SECURE

COMMUNICATIONS EQUIPMENT THAT WILL ENHANCE OPERATIONAL EFFECTIVENESS FOR ALL ASPECTS OF DRUG INTERDICTION IS BEING BOUGHT AND INSTALLED ABOARD MANY OF OUR BOATS, CUTTERS, AND PLANES.

WE PROPOSE TO CONTINUE OUR LAW ENFORCEMENT DETACHMENT (LEDET) PROGRAM. AS A PART OF THIS PROGRAM, COAST GUARD TEAMS EMBARK ON U.S. NAVY VESSELS TRANSITING DRUG INTERDICTION WATERS, PROVIDING TRAINED PERSONNEL AND LEGAL AUTHORITY TO BOARD SUSPECT VESSELS. WHILE ASHORE BETWEEN DEPLOYMENTS, LEDET PERSONNEL AUGMENT COAST GUARD BOAT STATIONS, INCREASING THEIR LAW ENFORCEMENT CAPABILITIES. ORIGINALLY, THIS PROGRAM WAS ESTABLISHED AS A DOD REIMBURSABLE PROGRAM. THIS BUDGET PROPOSES THE TRANSFER OF THE NECESSARY FUNDING TO THE COAST GUARD'S BASE.

OUR DRUG ENFORCEMENT EFFORTS WILL BE FURTHER ENHANCED BY OUR ACQUISITION OF NEW CAPITAL ASSETS AND THE INCREASED CAPABILITIES OF OUR EXISTING CAPITAL ASSETS. FOR EXAMPLE, BY THE BEGINNING OF FY 1988, THE FIRST 16 OF OUR ISLAND CLASS 110-FOOT PATROL BOATS WILL BE DELIVERED AND OPERATIONAL. IN ADDITION, A CONTRACT FOR CONSTRUCTION OF ANOTHER TWENTY-ONE PATROL BOATS WAS JUST AWARDED ON FEBRUARY 11TH. ALSO, BY THE END OF FY 1988, ELEVEN OF THE THIRTEEN 270-FOOT MEDIUM ENDURANCE CLASS CUTTERS WILL BE OPERATIONAL OR DELIVERED, ALL OF THE NINETY-SIX HH-65A SHORT RANGE RECOVERY HELICOPTERS WILL HAVE BEEN ACCEPTED, AS WELL AS THREE NEW HC-130 LONG RANGE SURVEILLANCE FIXED-WING AIRCRAFT. FIVE OF THIRTY-SIX SURFACE SEARCH RADARS (FLARS) FOR THE HC-130 WILL BE DELIVERED AND SIX AIRBORNE SURVEILLANCE SYSTEMS (AIREYE)

WILL BE IN OPERATIONAL USE ON HH-25A MEDIUM RANGE SEARCH AIRCRAFT. FURTHER, BY THE BEGINNING OF FY 1988 WE WILL HAVE ONE FULLY OPERATIONAL SEA-BASED AEROSTAT SURVEILLANCE SYSTEM TO ENHANCE OUR DRUG INTERDICTION MISSION AND DEPENDING ON DELIVERY SCHEDULES AS MANY AS FOUR MORE BY THE END OF THE FISCAL YEAR.

IN ADDITION, SIGNIFICANT PROGRESS IS BEING REALIZED IN THE RENOVATION, MODERNIZATION AND SERVICE LIFE EXTENSION REHABILITATIONS OF OUR 378-FOOT AND 210-FOOT MAJOR CUTTER CLASSES.. ALTHOUGH MOST OF OUR CAPITAL ASSETS ARE MULTI-MISSION IN NATURE, ALL OF THEM PLAY A PRIMARY ROLE IN OUR DRUG INTERDICTION MISSION.

MILITARY PREPAREDNESS

PRESIDENT REAGAN'S JANUARY 1987 "NATIONAL SECURITY STRATEGY OF THE UNITED STATES" CONTAINS THIS STATEMENT: THE UNITED STATES MUST MAINTAIN EFFECTIVE AND ROBUST RESERVE AND NATIONAL GUARD FORCES, TRAINED AND EQUIPPED AT LEVELS COMMENSURATE WITH THEIR WARTIME MISSIONS, AS WELL AS COAST GUARD AND OTHER CAPABILITIES WHICH SUPPORT THE NATIONAL SECURITY ESTABLISHMENT.

OUR FY 1988 BUDGET REQUEST SUPPORTS THIS POLICY. I HAVE ALREADY DESCRIBED SOME OF OUR CAPITAL ASSETS IN TERMS OF THEIR CONTRIBUTION TO OUR LAW ENFORCEMENT EFFORTS. THEY WILL ALSO ADD...EQUALLY AND SIGNIFICANTLY....TO OUR MILITARY READINESS POSTURE. I HAVE ALREADY MENTIONED THAT WE ARE PROPOSING FUNDS TO INCREASE OUR SELECTED RESERVE TO A NEW STRENGTH OF 13,500.

OUR BUDGET ALSO PROPOSES RESTORING TO THE COAST GUARD BASE RESOURCES FOR OPERATIONS AND TRAINING RELATED TO OUR DEFENSE AND MILITARY READINESS MISSIONS. IN FY 1987 CONGRESS PROVIDED FOR FUNDING OF THESE RESOURCES ON A REIMBURSABLE BASIS BY DOD.

THIS BUDGET ALSO CONTAINS AN INITIATIVE TO ENHANCE EXISTING PORT SECURITY CAPABILITIES WHILE BROADENING THE SCOPE TO INCLUDE ANTI-TERRORISM ACTIVITIES. THIS SHIFT TO INCLUDE A FOCUS ON TERRORISM PREVENTION RECOGNIZES OUR NEWLY EXPANDED RESPONSIBILITIES FOR PORT SECURITY WHILE SIMULTANEOUSLY INCREASING OUR ABILITY TO MOBILIZE IN THE EVENT THE MARITIME DEFENSE ZONES ARE ACTIVATED.

MARITIME SAFETY

WE HAVE ALWAYS ALLOCATED A SIGNIFICANT PORTION OF OUR BUDGET BASE FOR MARINE SAFETY PROGRAMS...SEARCH AND RESCUE PROGRAM COSTS ALONE EXCEED ONE/THIRD OF A BILLION DOLLARS. THIS BUDGET CONTINUES SUPPORT FOR THIS ESSENTIAL MISSION AREA AND INCLUDES FOLLOW-ON FUNDING FOR OPERATING A NEW AIR FACILITY AND TO PROVIDE FOR PHASE III OF OUR RESCUE SWIMMER PROGRAM. IT WILL ALSO FUND FOLLOW-ON MAINTENANCE COSTS OF WATERWAYS AIDS TO NAVIGATION PROJECTS FUNDED IN PREVIOUS BUDGETS. IN ADDITION, RESOURCES ARE BEING REQUESTED TO UPGRADE AUXILIARY TRAINING AND ADMINISTRATION. THE AUXILIARY IS ONE OF THE MOST COST-EFFECTIVE ORGANIZATIONS OF ITS KIND...IN FY 1985 IT WAS RESPONSIBLE FOR SAVING 472 LIVES AND SOME $185 MILLION IN PROPERTY.

OUR BUDGET ALSO ADDRESSES THE SAFETY OF OUR OWN PERSONNEL BY REQUESTING FUNDS FOR DIVING DECOMPRESSION CHAMBERS AND BOAT CREW SURVIVAL EQUIPMENT.

FINANCIAL RESPONSIBILITY

THERE ARE A NUMBER OF ITEMS INCLUDED IN OUR BUDGET THAT REFLECT REDUCTIONS BECAUSE OF SAVINGS REALIZED OR EXPECTED TO BE REALIZED. SOME OF THESE ITEMS HAVE BEEN INCLUDED BEFORE, SUCH AS OUR SOLAR AIDS-TO-NAVIGATION COST AVOIDANCE RESULTING FROM THE CONVERSION OF BATTERY-POWERED AIDS-TO-NAVIGATION TO SOLAR POWER, THE LIGHTHOUSE AUTOMATION PROGRAM PERSONNEL REDUCTIONS, AND REDUCTIONS TO BE TAKEN UNDER OMB CIRCULAR A-76.

OTHER ITEMS REFLECT INCREASES BUT SHOULD RESULT IN LONG-TERM ECONOMIES OR COSTS TO BE AVOIDED THROUGH INCREASED EFFICIENCY AND EFFECTIVENESS. EXAMPLES OF THESE INCLUDE FOLLOW-ON FUNDING FOR OUR DISTRIBUTED COMPUTER SYSTEM, VESSEL LOGISTICS SUPPORT, AND LOGISTICS SUPPORT FOR OUR NEW AIRCRAFT.

THE COAST GUARD BUDGET AGAIN THIS YEAR ANTICIPATES COLLECTION OF USER FEES. FEES FOR DIRECT SERVICES INVOLVING A TRANSACTION (E.G., ISSUING LICENSES) WOULD BE SET TO RECOVER THE COST TO THE COAST GUARD OF PROVIDING THE SPECIFIC SERVICE. FEES FOR OTHER SERVICES WOULD BE SET IN PROPORTION TO THE COAST GUARD'S COST OF PROVIDING THE AVAILABILITY OF THE SERVICES TO EACH CLASS OF USERS - RECREATIONAL, COMMERCIAL FISHING, DEEP-SEA COMMERCIAL, AND INLAND COMMERCIAL. IT IS ANTICIPATED THAT SUCH

FEES WOULD YIELD APPROXIMATELY $355 MILLION IN FY 1988 AND $474 MILLION PER YEAR THEREAFTER. THE COST OF COAST GUARD PROGRAMS THAT BENEFIT THE GENERAL PUBLIC (E.G., DEFENSE PREPAREDNESS, LAW ENFORCEMENT, AND POLAR ICE OPERATIONS) WOULD NOT BE INCLUDED IN THE USER FEES BECAUSE THEY ARE CORE FUNCTIONS OF GOVERNMENT THAT BENEFIT ALL TAXPAYERS. I AM A FIRM BELIEVER IN THE PRINCIPLE OF USER FEES AND URGE YOUR SUPPORT FOR THE ADMINISTRATION'S FORTHCOMING LEGISLATIVE PROPOSAL.

OTHER AUTHORIZATION REQUESTS

AN AUTHORIZED END-OF-YEAR STRENGTH FOR ACTIVE DUTY PERSONNEL OF 39,042 IS REQUESTED. AUTHORIZATION OF MILITARY TRAINING STUDENT LOADS FOR VARIOUS TYPES OF TRAINING IS ALSO REQUESTED.

IN ADDITION, A LEGISLATIVE CHANGE IS BEING REQUESTED THAT WOULD REALLOCATE THE AMOUNT THE SECRETARY IS AUTHORIZED TO EXPEND OF THE AMOUNTS TRANSFERRED TO THE BOAT SAFETY FUND FROM THE HIGHWAY TRUST FUND. EXCEPT FOR FY 1987, THE AMOUNT NORMALLY AUTHORIZED FOR THIS FUND HAS BEEN $45 MILLION WITH THE AUTHORIZED ALLOCATION BEING TWO THIRDS TO THE STATES AND ONE-THIRD TO THE COAST GUARD. OUR PROPOSAL SEEKS A PERMANENT REALLOCATION OF THE FUNDS TRANSFERRED TO THE BOAT SAFETY ACCOUNT TO ONE-THIRD FOR THE STATES AND TWO-THIRDS FOR THE COAST GUARD. THE COAST GUARD SPENDS OVER $200 MILLION ANNUALLY ON SERVICES PROVIDED FOR RECREATIONAL BOATING SAFETY. THIS PROPOSED CHANGE IN FUNDING WILL SHIFT A GREATER PORTION OF THE COSTS OF COAST GUARD SERVICES DIRECTLY RELATED TO RECREATIONAL BOATING SAFETY FROM THE GENERAL TAXPAYER TO THE BENEFICIARY POPULATION.

OTHER CHANGES REQUESTED ARE MAINLY TECHNICAL AMENDMENTS TO TITLE 10 AND TITLE 14 OF THE U. S. CODE.

REQUESTED AUTHORIZATION OF APPROPRIATIONS FOR 1989 ARE FOR "AMOUNTS AS MAY BE NECESSARY." THE ESTIMATES INCLUDED FOR 1989 IN OUR 1988 BUDGET ARE PLANNING ESTIMATES.

SUMMARY

THE COAST GUARD'S FY 1988 REQUEST OF $2,739 MILLION INCLUDES MODEST INCREASES PRIMARILY IN OUR OPERATING EXPENSES APPROPRIATION, WHICH ARE NECESSARY TO FUND FOLLOW-ON COSTS OF OPERATING FACILITIES ACQUIRED THROUGH RECENT CAPITAL INVESTMENTS. MUCH OF THE INCREASE IS THE RESULT OF BOOKKEEPING CHANGES THAT RETURN TO THE COAST GUARD FUNDING BASE PROGRAMS THAT WERE TEMPORARILY REIMBURSED BY DOD LAST YEAR. THIS REQUEST, WHILE FULLY REFLECTING THE NATIONAL POLICY TO LIMIT THE GROWTH IN FEDERAL SPENDING, WILL STILL SUPPORT TOP PRIORITY PROGRAMS BENEFITTING THE AMERICAN PUBLIC - DRUG INTERDICTION, MILITARY PREPAREDNESS, AND MARITIME SAFETY. I ASK YOUR SUPPORT OF THIS BUDGET AS PRESENTED.

I WILL BE HAPPY TO RESPOND TO ANY QUESTIONS YOU OR THE OTHER MEMBERS OF THIS SUBCOMMITTEE MIGHT HAVE.