

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
STATEMENT OF ADMIRAL PAUL A. YOST, JR.
ON THE FISCAL YEAR 1991 BUDGET REQUEST
BEFORE THE SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
COMMITTEE ON MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES
APRIL 24, 1990

GOOD MORNING, MR. CHAIRMAN. I AM PLEASED TO APPEAR BEFORE THIS DISTINGUISHED SUBCOMMITTEE TODAY TO REVIEW AND DISCUSS COAST GUARD OPERATIONS AND THE COAST GUARD'S FISCAL YEAR 1991 BUDGET REQUEST.

ACCOMPANYING ME TODAY ARE THE CHIEF OF THE PROGRAMS DIVISION, CAPTAIN THOMPSON; THE CHIEF OF THE BUDGET DIVISION, CAPTAIN SPADE; AND THE MASTER CHIEF PETTY OFFICER OF THE COAST GUARD, MASTER CHIEF THIELE.

MR. CHAIRMAN, ON BEHALF OF COAST GUARD MEN AND WOMEN SERVICEWIDE, I THANK YOU AND THE OTHER MEMBERS OF THE SUBCOMMITTEE FOR YOUR EXTRAORDINARY EFFORTS IN OBTAINING FUNDING FOR THE COAST GUARD IN FISCAL YEAR 1990. YOU WERE INSTRUMENTAL IN ENABLING US TO MAINTAIN FULL OPERATIONS WHILE PRESSING FORWARD WITH CRITICAL REPLACEMENTS IN OUR CAPITAL PLANT AND OTHER IMPORTANT INITIATIVES.

AS MY COAST GUARD CAREER AND TENURE AS COMMANDANT COME TO A CLOSE, I VIEW WITH PRIDE THIS EFFICIENT, FLEXIBLE, AND DISCIPLINED MILITARY ORGANIZATION WHICH IS ENTERING ITS THIRD CENTURY OF PROUD SERVICE TO THE NATION. FOR TWO HUNDRED YEARS THE COAST GUARD AND ITS ORGANIZATIONAL ANCESTORS HAVE PROTECTED AND DEFENDED LIVES, PROPERTY AND NATURAL RESOURCES IN THE MARITIME ENVIRONMENT, ENFORCED LAWS AND PLAYED A SIGNIFICANT ROLE

IN THE DEFENSE OF OUR COUNTRY. THROUGHOUT ITS HISTORY, THE COAST GUARD HAS DEMONSTRATED A REMARKABLE FLEXIBILITY IN MEETING CHANGING NATIONAL NEEDS AND PRIORITIES.

WE ARE A HUMANITARIAN SERVICE AND IN RECENT YEARS HAVE BEEN CALLED THE "GUARDIANS OF THE SEA." THAT LABEL IS APPROPRIATE, CONSIDERING OUR MANY MISSIONS WHICH SHARE THE COMMON THREAD OF PROTECTING LIVES, PROPERTY AND NATIONAL RESOURCES. THESE MISSIONS INCLUDE: PROTECTING LIVES AND PROPERTY THROUGH THE SEARCH & RESCUE AND MARITIME SAFETY PROGRAMS; GUARDING OUR MARITIME BORDERS AGAINST ILLEGAL DRUGS AND OTHER CONTRABAND; ENFORCING THE CONSERVATION OF OCEAN FISHERIES; SUPPORTING NATIONAL SECURITY, SCIENTIFIC, AND ENVIRONMENTAL INTERESTS IN THE POLAR REGIONS; AND PREVENTING--AND IF NECESSARY, MITIGATING-- DAMAGE TO OUR MARINE ENVIRONMENT. IN ADDITION, COAST GUARD MISSIONS PROMOTE A SAFE AND EFFICIENT MARITIME LINK TO GLOBAL AND MANY DOMESTIC MARKETS.

OUR VARIOUS PEACETIME ROLES ALSO PROVIDE A READY FORCE-IN-BEING OF TRAINED PERSONNEL, VESSELS, AIRCRAFT AND EQUIPMENT TO RESPOND IMMEDIATELY TO NATIONAL SECURITY NEEDS, IN THE EVENT OF WAR OR NATIONAL EMERGENCY.

THE EFFICIENCY AND EFFECTIVENESS OF THE COAST GUARD ARE PERHAPS BEST EVIDENCED BY THE FACT THAT A NUMBER OF OTHER COUNTRIES MODEL THEIR OWN NAVAL OR COAST GUARD FORCES AFTER OUR SERVICE. WE ARE WIDELY IN DEMAND TO SHARE OUR OPERATIONAL EXPERTISE AND TRAINING. I SEE OUR ROLE IN THE INTERNATIONAL ARENA GROWING IN THE YEARS AHEAD.

IN ORDER TO CONTINUE OUR MULTI-MISSION SERVICE TO THIS NATION AND OTHERS, WE MUST BE FUNDED TO SUPPORT ONGOING LEVELS OF OPERATIONS, ADDRESS EMERGING NATIONAL PRIORITIES AND PROVIDE FOR REPLACEMENT OF CAPITAL ASSETS AS THEY REACH THE END OF THEIR SERVICE LIVES. AS YOU KNOW, THE U.S. COAST GUARD IS ONE OF THE NATION'S FIVE ARMED FORCES. CHANGING NATIONAL DEFENSE REQUIREMENTS BROUGHT ABOUT BY EVENTS IN EUROPE WILL INCREASE THE IMPORTANCE OF HAVING A FORCE-IN-BEING TO PERFORM THE MISSIONS OF A PEACETIME COAST GUARD, WHILE AT THE SAME TIME PROVIDING DEFENSE CAPABILITY. IN ADDITION, NATIONAL PRIORITIES--SUCH AS THE WAR ON DRUGS AND PROTECTION OF THE ENVIRONMENT--REQUIRE MODEST INCREASES IN FUNDING FOR THE COAST GUARD.

~~THE TOTAL BUDGET AUTHORITY IN OUR FISCAL YEAR 1991 REQUEST~~
IS \$3,393.5 MILLION, AN INCREASE OF LESS THAN SIX PER CENT OVER THE LEVEL ENACTED FOR FY 1990. THE BULK OF THE REQUEST IS ATTRIBUTABLE TO COST OF LIVING AND OTHER BUILT-IN CHANGES IN THE OPERATING EXPENSES APPROPRIATION, CONTINUATION OF ONGOING CAPITAL IMPROVEMENT PROJECTS, AND PROGRESS TOWARD A LONG-RANGE GOAL TO BRING OUR SELECTED RESERVE UP TO REQUIRED STRENGTH. ONLY A SMALL PORTION OF THE REQUEST FUNDS NEW INITIATIVES IN RESPONSE TO EMERGING NATIONAL PRIORITIES.

AS ALWAYS, THE LARGEST PORTION OF THE TOTAL REQUEST IS FOR OPERATING EXPENSES (OE). THIS \$2,391.4 MILLION REPRESENTS 70.5 PER CENT OF THE TOTAL REQUEST. THE OE APPROPRIATION FUNDS THE SALARIES AND BENEFITS FOR OUR PERSONNEL, AND THE OPERATION AND MAINTENANCE OF COAST GUARD SHIPS, AIRCRAFT AND SHORE FACILITIES. OUR FISCAL YEAR 1991 REQUEST INCLUDES, AS PART OF THE FUNDING

BASE, \$300 MILLION PROVIDED THROUGH THE DEFENSE DEPARTMENT APPROPRIATION IN FISCAL YEAR 1990 (\$160 MILLION CASH TRANSFER, AND \$140 MILLION SUPPORT-IN-KIND). AS IN PREVIOUS YEARS, THESE FUNDS WHICH CONGRESS PROVIDED TO THE COAST GUARD THROUGH DOD WERE ABSOLUTELY ESSENTIAL. WITHOUT THEM, WE SIMPLY COULDN'T HAVE MAINTAINED OPERATIONS ANYWHERE NEAR REQUIRED LEVELS. WHILE I AM GRATEFUL TO OUR SUPPORTERS IN CONGRESS WHO HAVE HELPED KEEP US IN BUSINESS BY BRINGING ABOUT THESE TRANSFERS, I REITERATE MY POSITION--THE ADMINISTRATION'S POSITION--THAT THE COAST GUARD SHOULD BE FULLY FUNDED WITHIN THE TRANSPORTATION APPROPRIATION. I CONSIDER IT CRITICAL THAT THE ENTIRE COAST GUARD BUDGET BE ACCOUNTED FOR IN FUNCTION 400, IN FISCAL YEAR 1991 AND THEREAFTER.

OUR MAJOR CAPITAL IMPROVEMENTS ARE FUNDED BY THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS (AC&I) APPROPRIATION. OUR FISCAL YEAR 1991 AC&I REQUEST OF \$419.5 MILLION IS 12.3 PER CENT OF THE TOTAL REQUEST. THE FISCAL YEAR 1991 AC&I BUDGET REQUEST IS ONCE AGAIN LARGELY COMPRISED OF MULTI-YEAR PROJECTS TO REPLACE OR IMPROVE EXISTING CAPITAL ASSETS; A PARTICULAR EMPHASIS HAS BEEN PLACED ON IMPROVING THE CONDITION OF OUR DETERIORATING SHORE PLANT. WHERE POSSIBLE, MAJOR PROJECTS ARE PHASED TO SPREAD COSTS OVER A NUMBER OF YEARS. MULTI-YEAR PROJECTS IN THE FY91 REQUEST INCLUDE THE FLEET RENOVATION AND MODERNIZATION (FRAM) PROGRAM FOR 378-FOOT CUTTERS, THE BUOY TENDER REPLACEMENT PROGRAMS, RENOVATION PROGRAMS FOR 210-FOOT CUTTERS AND BUOY TENDERS, THE MOTOR LIFEBOAT REPLACEMENT PROGRAM, PROCUREMENT OF HH-60J HELICOPTERS, AND CONSTRUCTION OF SORELY NEEDED FAMILY

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HOUSING UNITS. THIS AC&I REQUEST IS SIGNIFICANTLY LOWER THAN THE AVERAGE OF THE PAST FEW YEARS BECAUSE WE ARE BETWEEN CYCLES OF THE HEAVIEST SPENDING FOR CAPITAL REPLACEMENT PROJECTS. AS NEW PROJECTS--SUCH AS THE BUOY TENDER AND PATROL BOAT REPLACEMENT PROGRAMS--ARE FURTHER DEVELOPED, WE CAN EXPECT A COMMENSURATE RISE IN AC&I FUNDING REQUIREMENTS.

THE \$78.9 MILLION REQUESTED FOR RESERVE TRAINING WILL SUPPORT A SELECTED RESERVE STRENGTH OF 12,700, AN INCREASE OF 650 OVER THE ESTIMATED FISCAL YEAR 1990 YEAR-END STRENGTH. THIS LEVEL WILL ALLOW THE RESERVE TO MEET 46 PER CENT OF ITS FULL MOBILIZATION REQUIREMENTS. AS PART OF THEIR TRAINING TO AUGMENT THE COAST GUARD IN TIME OF NATIONAL EMERGENCY, RESERVISTS SUPPORT THE ACTIVE DUTY FORCES IN THE PERFORMANCE OF NORMAL PEACETIME COAST GUARD MISSIONS, AS WELL AS IN PEAK PERIODS OF OPERATIONS DURING DOMESTIC EMERGENCIES. FOR EXAMPLE, RESERVISTS MADE IMPORTANT CONTRIBUTIONS TO THE COAST GUARD'S RESPONSE TO THE EXXON VALDEZ OIL SPILL, HURRICANE HUGO, AND THE SAN FRANCISCO EARTHQUAKE.

WE ARE ALSO REQUESTING \$23 MILLION FOR RESEARCH, DEVELOPMENT, TEST AND EVALUATION; THIS FUNDING WILL DEVELOP HARDWARE, PROCEDURES AND SYSTEMS TO MEET FUTURE REQUIREMENTS, AND IMPROVE THE EXECUTION OF EXISTING COAST GUARD MISSIONS.

UNDER CURRENT LAW, OUR REQUEST IDENTIFIES \$6.4 MILLION AS NEEDED TO FUND ALTERATION OF THREE BRIDGES WHICH HAVE BEEN FOUND TO BE OBSTRUCTIONS TO MARINE NAVIGATION. WHILE THE BUDGET PROPOSES TO TRANSFER THE PROGRAM, CONGRESS HAS NOT YET APPROVED THE TRANSFER OF THE BRIDGE ALTERATION PROGRAM TO THE ARMY CORPS

OF ENGINEERS. AS LONG AS THE COAST GUARD RETAINS THE BRIDGE PROGRAM, THESE FUNDS WILL BE REQUIRED IN THE COAST GUARD BUDGET.

IN ORDER TO PROVIDE FINANCIAL ASSISTANCE TO THE STATES FOR THE DEVELOPMENT AND IMPLEMENTATION OF A COORDINATED NATIONAL RECREATIONAL BOATING SAFETY PROGRAM, WE ARE ASKING THAT \$30 MILLION BE APPROPRIATED TO THE BOAT SAFETY ACCOUNT.

OUR REQUEST FOR \$437.3 MILLION IN THE RETIRED PAY APPROPRIATION WILL FUND ANNUITIES AND MEDICAL ENTITLEMENTS FOR RETIRED MILITARY PERSONNEL, THEIR DEPENDENTS AND SURVIVORS.

FOR THE FIRST TIME, OUR REQUEST INCLUDES FUNDS FOR A SEPARATE ENVIRONMENTAL COMPLIANCE AND RESTORATION APPROPRIATION, WHICH WAS ESTABLISHED BY THE COAST GUARD AUTHORIZATION ACT OF 1989. ~~THIS REQUEST FOR \$7 MILLION IS NEEDED FOR THE COAST GUARD~~

TO CARRY OUT ITS ENVIRONMENTAL COMPLIANCE AND RESTORATION RESPONSIBILITIES RESULTING FROM THE OPERATION OF FORMER AND CURRENT COAST GUARD FACILITIES. PRIOR TO THE FISCAL YEAR 1991 REQUEST, ACTIVITIES OF THIS NATURE WERE INCLUDED IN THE ACQUISITION, CONSTRUCTION AND IMPROVEMENTS APPROPRIATION.

OIL SPILL LEGISLATION

THE COMPREHENSIVE OIL SPILL LEGISLATION CURRENTLY UNDER CONSIDERATION IN CONGRESS APPEARS CERTAIN TO ASSIGN SIGNIFICANT NEW RESPONSIBILITIES AND TASKS TO THE COAST GUARD. WHILE DEVELOPING THE FISCAL YEAR 1991 BUDGET REQUEST, WE ANTICIPATED THAT AN OIL SPILL BILL WOULD BE A TOP CONGRESSIONAL PRIORITY, AND INCLUDED NEW LINE ITEMS TALLING \$12.6 MILLION AS A "PLACE HOLDER" FOR ENVIRONMENTAL PROTECTION. HOWEVER, THIS AMOUNT REFLECTS ONLY A FRACTION OF THE FUNDING NEEDED TO CARRY OUT THE

TASKS DESCRIBED IN EITHER THE HOUSE OR SENATE VERSION OF THE BILL. THE COAST GUARD WILL NOT BE ABLE TO CARRY OUT THESE NEW TASKS WITHOUT NEW FUNDING AND ADDITIONAL PERSONNEL.

SUMMARY

WE IN THE COAST GUARD ARE EAGER TO BEGIN OUR THIRD CENTURY OF SERVICE TO AMERICA FULFILLING OUR ROLE AS "GUARDIANS OF THE SEA" BY ENSURING SAFETY OF LIVES AT SEA, COMBATTING THE INFLUX OF ILLEGAL DRUGS, PROTECTING THE MARINE ENVIRONMENT, CONTRIBUTING TO NATIONAL SECURITY, AND DOING WHATEVER ELSE MAY BE NECESSARY AS THE NATIONS'S PRINCIPAL PEACETIME MARITIME OPERATING AGENCY. IN FULFILLING OUR MANY ROLES, WE WILL PLAY AN INTEGRAL PART IN IMPLEMENTING THE NEW NATIONAL TRANSPORTATION POLICY. IN ORDER TO MAINTAIN OUR MULTI-MISSION CAPABILITIES AND RESPOND TO THE CHANGING PRIORITIES OF TODAY AND TOMORROW, THE COAST GUARD MUST HAVE THE NECESSARY EQUIPMENT, PEOPLE, TRAINING AND OPERATING FUNDS. THIS BUDGET REQUEST WILL MAINTAIN OUR CURRENT LEVEL OF OPERATIONS, AND ALLOW THE FLEXIBILITY TO RESPOND TO NEW AND EMERGING PRIORITIES.

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