

U.S. Department
of Transportation

United States
Coast Guard



United States Coast Guard
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DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

STATEMENT OF

ADMIRAL ROBERT E. KRAMEK

BEFORE THE

SUBCOMMITTEE ON COAST GUARD

AND MARITIME TRANSPORTATION

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

HOUSE OF REPRESENTATIVES

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Good afternoon, Mr. Chairman. It is a pleasure to appear before this distinguished subcommittee to discuss our fiscal year 1998 authorization. Before I begin, I would like to thank the members of this subcommittee for their strong bipartisan support of our Authorization Act of 1996. The provisions contained in that Act have enabled the Coast Guard to sustain the outstanding level of service we provide to the American public. The *Coast Guard Authorization Act for Fiscal Years 1998 and 1999* would implement the President's budget for the United States Coast Guard, improve our financial and personnel management, enhance maritime safety and environmental protection, and improve navigation safety.

These legislative provisions will ensure the Coast Guard remains at the forefront of public service. We work extremely hard to provide the best possible service at the least possible cost. Our multi-mission capability allows us to carry out economic, environmental, and humanitarian missions, while serving as an integral part of national security. We save lives and property, keep shipping channels open, preserve our living marine resources, and protect our ports and waterways. We stop drugs, illegal migration, and environmental pollution.

But what does this mean to the people we serve?

To the 11 fishermen from New Bedford, Massachusetts who were saved in a joint rescue effort by Coast Guard aviation rescue swimmers and Coast Guard Cutter SENECA as their vessels were sinking in 20 to 30 foot seas in predawn blackness - it means search and rescue.

To the five crewmen from the fishing vessel EL DAN which capsized in the icy waters off Kodiak, Alaska - it also means saving lives. Three months ago, the men were plucked from their tiny life raft by a Coast Guard helicopter while struggling against 16-foot seas and 60-knot winds.

To the commercial fishermen in Maine who make their livelihood from the waters in and around Casco Bay - it means marine environmental protection. Their fishing grounds were saved from severe pollution by the Coast Guard-coordinated clean-up of 170,000 gallons of oil spilled from the Tanker JULIE N after it struck the Million Dollar Bridge in Portland, Maine last September.

To the master of the Tug DONALD C. HANNAH - it means icebreaking and facilitating commerce. In January, the tug was broken out from the thick Lake Erie ice by Coast Guard Cutter NEAH BAY, allowing it to regain control of its barge thus averting an impending environmental disaster. The NEAH BAY continued to escort the tug and barge until its valuable cargo could be safely delivered.

To the millions of Americans fighting the war on drugs - it means maritime law enforcement. Last year, more than 70,000 pounds of marijuana and cocaine aboard

smuggling vessels destined for our shores were intercepted by the Coast Guard - illegal drugs that never reached our neighborhoods and schools.

And, to Lee Echies, an emergency medical service worker in Bulloch County, Georgia, and three-year-old burn victim Stacie Martin - it means "*Always Ready*." Mr. Echies called the Coast Guard after discovering all other nearby civilian and military medevac helicopters were unavailable to provide time-critical assistance to little Stacie, who had severe burns over 70 percent of her body and needed immediate transport to a hospital 90 miles away. The Coast Guard responded in minutes to provide the life saving flight.

Around the world, as operations other than war dominate our national security agenda, the Coast Guard is becoming an ever more valuable instrument of maritime security. Operating jointly with the other armed forces, Coast Guard Cutter MORGENTHAU successfully deployed to the Persian Gulf conducting maritime interception operations in support of ongoing United Nations sanctions against Iraq.

As you can see, the Coast Guard is always there, *Always Ready*. Consider, on an average day, the Coast Guard:

- Conducts 142 search and rescue cases
- Saves 12 lives – one every two hours
- Seizes illegal drugs with a street value of over \$4.9 million
- Interdicts 22 illegal migrants
- Responds to 34 oil or hazardous chemical spills

The President has called for a new government for a new century. The Coast Guard is a leader in meeting the call for serving the American public with a smaller, more efficient organization. Over the past several years, the Coast Guard has streamlined its

organization. We have reduced our workforce by nearly 3,500 people and will save the American public nearly \$400 million through fiscal year 1998. We have accomplished this without any reduction in services to the American public.

All of our organizational changes have been consistent with the President's National Performance Review, the Department of Transportation's strategic and reengineering plans, the Commandant's goals and objectives, and congressional direction. This fiscal year 1998 request signals the final implementation year for our National Streamlining Plan. This fall, the Coast Guard will place Governors Island, New York in caretaker status awaiting its disposition. This key element of streamlining will result in gross savings to the taxpayer of \$35 million per year. Likewise, by consolidating all of our electronics support elements this summer, the Coast Guard will release over 900 acres of pristine southern New Jersey beachfront land for other uses, while yielding \$1.5 million in annual savings. Our efforts to reduce costly overhead and infrastructure while leveraging technology to make our people more productive have uniquely positioned the Coast Guard to meet the challenges of the next decade. I say proudly that we are a model of organizational and operational effectiveness for all of government.

Like any of the top organizations in America, a quality Coast Guard organization depends on a quality workforce. One of my highest priorities has been to restore a proper emphasis on the needs of our people. Our fiscal year 1998 budget request is based on the principle that quality of life for our forces means quality people in our forces. People are the source of our organizational strength and effectiveness. We ask a lot of our people -- and, as you have seen by the many examples I have provided, they deliver. Whether cleaning up oil spills, maintaining buoys, intercepting illegal migrants, hoisting the crew off a sinking vessel, breaking ice, providing emergency response following a hurricane, apprehending smugglers, or enforcing fisheries regulations -- our crews work hard and go

in hard work to give the American public an honest return on every tax dollar. As you recall, Mr. Chairman, it was just weeks ago that three young Coast Guard people died on a dark, stormy night off the Washington coast while attempting to rescue two mariners in distress. This heroic service is typical of our Coast Guard workforce. We must ensure we fulfill our responsibility to meet their basic needs. Accordingly, our request provides for their support as members of the armed forces. This includes adequate pay, health care, and housing.

The American public relies on the Coast Guard every day. Our many missions span a broad spectrum of national priorities. As you begin to consider the Coast Guard's fiscal years 1998 and 1999 authorization, I would like to review with you a few of our recent accomplishments and how this proposal contributes to our four primary mission areas.

MARITIME LAW ENFORCEMENT has been a primary mission of our Service since 1790 and will remain a high priority as we move into the next century. Interdicting illegal drugs, stemming the influx of illegal migrants, and protecting our nation's living marine resources all rank as pressing issues on the national agenda.

Illegal drugs entering this country continue to threaten the well-being, safety, and security of all American citizens. The resultant cost to society - in terms of lost worker productivity, soaring medical costs, and violent drug-related crimes - is staggering. In a recent Office of National Drug Control Policy (ONDCP) survey, more than one-half of Americans report either they, someone in their family, or a close friend, have used illegal drugs. Moreover, recent pollings show Americans view crime and drugs as the two most pressing problems in our society.

The Coast Guard is on the front lines of America's National Drug Control Strategy, accounting for 25 percent of the total volume of cocaine and marijuana seized in the United States. Our interdiction efforts keep illegal drugs off America's streets and out of the hands of our children. As the lead agency for maritime drug interdiction and co-lead for air interdiction with the U.S. Customs Service, the Coast Guard is the first line of defense against maritime drug smugglers.

The Coast Guard is specifically tasked with executing Goals 4 and 5 of the President's National Drug Control Strategy: *to shield America's air, land, and sea frontiers from the drug threat; and break foreign and domestic drug sources of supply.* In a balanced plan needed to achieve these objectives, the Coast Guard is requesting a total of \$389 million in the fiscal year 1998 budget to support the national counter-drug efforts.

This request balances an increase in surveillance assets (i.e., additional aircraft and aircraft flight hours) with an expanded intelligence network and state-of-the-market sensor technology to increase the effectiveness of deploying Coast Guard and other law enforcement agency assets. The appropriateness of this capability mix was validated by the highly successful Operation FRONTIER SHIELD which denies smuggler transit routes into Puerto Rico. During the first three months of fiscal year 1997, Coast Guard forces working under Operation FRONTIER SHIELD in coordination with other law enforcement agencies detected over 12,000 vessels, conducting law enforcement boardings on 648 of these vessels. As a result, the combined forces seized 7 vessels, arrested 19 people, and seized over 13,000 pounds of cocaine while disrupting delivery of an additional 17,000 pounds of cocaine. With the requested budgetary support, the Coast Guard will continue successful operations like Operation FRONTIER SHIELD planned for fiscal year 1998.

Like the drug threat, the flood of illegal migrants in overcrowded boats onto America's shores is both a threat to human life and our national security. In response to this, the Coast Guard patrols high probability migrant transit routes in the Atlantic, Caribbean, and Pacific, performing a humanitarian role by rescuing migrants from unseaworthy vessels and enforcing immigration laws preventing their illegal entry into the United States. Over 135,000 aliens have been interdicted in the last six years. During last year alone, Coast Guard personnel interdicted 9,100 undocumented migrants - a record number for a non-mass migration year.

Current intelligence assessments indicate the smuggling threat from source countries such as the Dominican Republic, Haiti, Cuba, and People's Republic of China remains very real. The economic impact of illegal migrants in terms of direct public assistance and displacement costs is overwhelming. Our fiscal year 1998 request will allow us to continue our current level of effort in this important mission.

Likewise, the preservation and protection of our living marine resources is a growing concern among the American public. The importance of this is clear when one considers our domestic fisheries contribute \$20 billion to our economy each year. Coast Guard multi-mission cutters and aircraft preserve and protect these resources by ensuring compliance with U. S. law and international treaties and agreements. Working closely with regional fisheries management councils, we ensure that fishery management plans designed to protect our valuable natural resources are viable and enforceable. In 1996, the Coast Guard conducted more than 13,000 fisheries inspections aboard foreign and domestic vessels to increase compliance with these plans. Without this protection, these vital, renewable economic resources could be lost.

MARINE ENVIRONMENTAL PROTECTION remains one of our most important missions. The Coast Guard is the nation's primary protector of the maritime environment. We are the designated lead agency for responding to pollution in the coastal zone and in America's ports and waterways. However, response is only one part of this responsibility. We also focus on preventing spills before they occur. As part of our commitment to environmental vigilance, we aggressively seek to increase both our prevention and response capabilities through greater enforcement efforts, completion of spill response contingency plans for vessels and facilities, and cost recovery from responsible parties. In 1996, the Coast Guard investigated over 17,000 pollution incidents and, since 1990, has recovered over \$65 million in federal cleanup costs from responsible parties.

We cannot perform this important mission alone. To keep our waters safe and clean, we partner with industry; other Federal, State and local agencies; and maritime safety organizations in the U.S. and around the world. Together, we work to establish standards and enforce regulations to prevent oil and hazardous chemical spills. When spills do occur, our involvement in national and international pollution response efforts helps to minimize damages and identify responsible parties.

Our Prevention Through People (PTP) initiative is an excellent example of this partnering. Since the fall of 1994, the Coast Guard, in cooperation with the marine industry, has been working on a long-term strategic plan to focus accident prevention efforts on the human element. PTP addresses the roughly 80 percent of all accidents which are directly attributable to the human element. The vision of this program is to achieve the world's safest, most environmentally sound and cost-effective marine operations by emphasizing the role of people in preventing casualties and pollution. Many companies are already implementing PTP-related activities and achieving the

benefits of reduced operating costs and fewer accidents. I expect this trend to increase as more companies steer away from the "business as usual" attitudes of the last few decades and embrace quality and safety in their everyday operations.

Likewise, we have developed a national and port level waterways management outreach program to gain stakeholder involvement in developing criteria and capabilities for vessel traffic service (VTS) systems. Members representing a broad spectrum of maritime industry and environmental organizations are currently working to define baseline VTS requirements and threshold safety needs for our ports. A high percentage of all collisions, rammings, and groundings, along with the associated loss of life and environmental damage, can be prevented with VTS systems. In addition, VTS systems facilitate timely, safe transportation of waterborne commerce which has a direct impact on the social and economic viability of our nation.

The Coast Guard continuously serves and protects America as a unique instrument of NATIONAL SECURITY. As one of the five armed forces, we work jointly with our Department of Defense (DOD) counterparts in a wide variety of operations in support of national security policy and national interests. Drawing from all our other missions, the Coast Guard is a "force in being" which provides a unique capability that is not duplicated by the other armed services and is relied upon in developing our national military strategy. From maritime interception operations enforcing the embargo against Iraq, to training the anti-drug riverine forces in Boliva, Peru, and Colombia, Coast Guard aircraft, cutters, and port security units play a vital role.

We continue to shape the emerging security environment through nation-building and strengthening of alliances with developing countries. Our international leadership in this area is clearly reflected through our efforts in security assistance training, passenger

vessel security initiatives, deployment of marine safety assistance teams, and international law enforcement training teams. Additionally, we play a key role in the International Maritime Organization (IMO), where we seek to build global solidarity in the advancement of environmental pollution prevention and response efforts, as well as vessel, crewing, and port safety regulations.

As we move into the next century, the words of General Colin Powell, former Chairman of the Joint Chiefs of Staff, ring true ... "I'm more certain than ever that the Coast Guard belongs in the National Command Authority's 'tool box' of military capabilities. I also agree absolutely that the Coast Guard's national security functions will evolve with the emerging requirements of the post Cold War era ..."

Our MARITIME SAFETY mission remains the hallmark of the Coast Guard. As the world's recognized leader in search and rescue, we save lives and property every day. Our efforts in aids to navigation, commercial vessel safety, icebreaking, vessel traffic services, and recreational boating safety, prevent accidents and promote safe maritime commerce and transportation. We quickly answered the call in the wake of the TWA Flight 800 tragedy. CGC ADAK was the first response unit to arrive on scene and began searching for survivors within minutes. Over 400 Coast Guard personnel, eight cutters, and four aircraft arrived on scene by first light to continue the search. As the focus of the search shifted, Coast Guard units were instrumental in the recovery of victims and wreckage. Our overall coordination of numerous military and civilian surface and air assets directly supported efforts to collect evidence necessary to investigate the cause of this incident, and afforded families of the victims a sense of closure with each recovery of a loved one.

Following hurricanes Bertha and Fran, active duty and reserve Coast Guard provided assistance up and down the East Coast -- from Cape Cod, Massachusetts to Miami, Florida. Most notably, we provided relief support in the hard hit states of Georgia, South Carolina, North Carolina, and Virginia - including the rescue of 55 people stranded because of flash flooding 60 miles inland near Charlottesville, Virginia. We also rapidly surveyed and restored aids to navigation in all commercial ports, including Charleston, South Carolina; Wilmington, North Carolina; and ports within the Chesapeake Bay.

During the severe winter flooding which impacted the northwestern U.S. in the first half of 1996, Coast Guard units performed search and rescue, provided navigation assistance, and protected our ports, while responding to numerous pollution incidents and restoring aids to navigation which were damaged or destroyed. It is for all these reasons -- and more -- that we are universally regarded as the world's premier maritime service.

Budget Overview

Mr. Chairman, I would now like to give you an overview of our fiscal year 1998 budget request. The total request of \$3.2 billion across all discretionary appropriations is \$59 million higher than our fiscal year 1997 appropriated level. This represents an increase of less than two percent. Your support for this request will enable the Coast Guard to provide essential services at a level expected by the American people, while at the same time ensuring that the Coast Guard has a stronger capability to achieve vital national security objectives, fulfill the Coast Guard's commitment to provide adequate compensation and housing for its members, and demonstrate a continuing resolve to exercise sound stewardship of government resources. Mr. Chairman, I seek your support, and the committee's, to achieve full funding of the President's request to maintain the Coast Guard's operational readiness and to provide an essential level of capital investment.

Operating Expenses (OE)

The \$2.740 billion request for OE will fund the operation and maintenance of a wide range of multi-mission ships, boats, aircraft, and shore units, increase funding for drug law enforcement activities by \$34 million over the 1997 enacted level, and will improve Coast Guard compensation, quality of life, and housing. The budget includes GSA rent, which in previous years was aggregated and budgeted at the Department level. The fiscal year 1998 budget includes \$54.8 million in streamlining savings, of which \$31 million is directly attributable to continued execution of the Coast Guard's National Streamlining Plan. These items are integral parts of the Coast Guard's commitment to streamline its business processes and reduce support and overhead costs at Headquarters as well as at major field commands.

Acquisition, Construction, and Improvements (AC&I)

Our \$379 million request represents the minimum necessary to support the Coast Guard's recapitalization of vessel and aircraft fleets, information resource management systems, shore facilities, and aids to navigation. It assumes \$20 million from the Oil Spill Liability Trust Fund, and \$9 million in proceeds from the sale of real property. This funding level supports a number of acquisitions that will result in OE savings. For example, in FY98 we will acquire one seagoing buoy tender and eight stern-loading buoy boats, part of a recapitalization plan for aids to navigation mission assets that will save more than \$12 million per year upon completion.

Environmental Compliance and Restoration (EC&R)

This budget proposes \$21 million to carry out the Coast Guard's environmental compliance and restoration responsibilities. These responsibilities include environmental cleanup and restoration at current and former Coast Guard facilities, and pro-active

measures to bring Coast Guard facilities, vessels, and aircraft into compliance with federal and state environmental regulations. Failure to meet restoration or compliance responsibilities could subject the Coast Guard to fines, penalties, or shutdown of operational resources by environmental regulators. Major cleanup projects resulting from enforceable regulatory agreements for fiscal year 1998 are at Kodiak, Alaska; Elizabeth City, North Carolina; and Cape Cod, Massachusetts. Funds requested for these major projects will allow the Coast Guard to meet the legally mandated milestones. The requested funding level will also keep the Coast Guard aids to navigation (ATON) battery recovery program on track, consistent with the ten-year closure goal established in the Coast Guard's 1995 National Plan for ATON Battery Recovery and Disposal. Compliance efforts include ongoing unit evaluations that allow Commanding Officers to detect and correct environmental discrepancies, meet provisions of the Clean Air Act, prevent pollution, and minimize the volume of hazardous waste by decreasing amounts of hazardous materials used in Coast Guard facilities.

Reserve Training (RT)

This budget requests \$65 million to fully train, support, and sustain the current ready military Selected Reserve Force of 7,600 members. The Coast Guard is one of the five armed forces and is a full partner on the joint national security team. The Coast Guard Reserve fills critical national security and national defense roles in support of the Department of Defense's theater commanders, and provides a cost-effective surge capacity for responses to human and natural disasters such as hurricanes, major oils spills, floods, and mass migration.

Research, Development, Test and Evaluation (RDT&E)

The Coast Guard is requesting \$19 million for RDT&E, including \$3.5 million from the Oil Spill Liability Trust Fund. As in the OE and AC&I appropriations, a portion of the

RDT&E effort is focused on improving the Coast Guard's law enforcement capabilities, in direct support of the President's National Drug Control Strategy. The Coast Guard continues to emphasize the value of the RDT&E program in identifying applications of technology to yield increases in productivity and recurring OE savings. Funds will provide for research, development, test, and evaluation of technologies, materials, and human factors directly relating to the improvement of Coast Guard mission performance and delivery of services to the public.

Boat Safety

Legislation has been proposed in the reauthorization of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 to continue the funding of the State Recreational Boating Safety Program. This legislation would provide direct, mandatory appropriations from the Boat Safety Account of the Aquatic Resources Trust Fund (ARTF), which is funded by motorboat fuel taxes.

The ISTEA legislation supports a total of \$55 million per year for the State Recreational Boating Safety Grant Program. This amount will provide Federal funding for State boating safety programs, grants for national nonprofit organizations, and administrative costs. This valuable program, coupled with other Coast Guard efforts, has been very successful in reducing the number of deaths and injuries due to boating accidents for the approximately 76 million recreational boaters in the United States. Fatalities and injuries still remain unacceptably high, however, and the increased use of recreational boats makes dedicated efforts in safety education and enforcement particularly important.

Alteration of Bridges

No discretionary appropriation is requested for the funding of alteration of bridges under the Truman-Hobbs Act. This is consistent with pending legislation proposed in the

reauthorization of ISTEA which would authorize funding for these bridges from the Federal-Aid Highways program.

Retired Pay

Our request for \$645.6 million provides funding to pay retired military personnel of the Coast Guard, Coast Guard Reserve, and the former Lighthouse Service. It also provides for annuities payable to beneficiaries of retired military personnel pursuant to the Retired Serviceman's Family Protection Plan (10 U.S.C. 1431-1446) and the Survivor Benefits Plan (10 U.S.C. 1447-1455).

The supplemental request for \$4.2 million provides funds to cover increased costs of military retired pay. The amount requested for this mandatory account in the President's 1997 budget was based on a cost-of-living adjustment of 2.8 percent effective October 1, 1997. In accordance with 10 U.S.C.1401a, the Coast Guard must provide a 2.9 percent cost-of-living adjustment effective January 1, 1997. In addition, the Coast Guard will incur unplanned retirement costs due to streamlining measures, such as High-Year-Tenure, Temporary-Early-Retirement -Authority, retirement-In-Lieu-of-Orders, and Time-In-Grade waivers.

Coast Guard Authorization Act for Fiscal Years 1998 and 1999

Title I of this Act fulfills the President's budget as previously outlined by authorizing the funds and personnel levels necessary for the Coast Guard to conduct its vital missions, such as search and rescue, illegal drug and migrant interdiction, environmental protection, fisheries enforcement, promotion of safe and efficient navigation, as well as national defense, while doing its share to reduce the deficit.

Title I strengthens the Coast Guard's ability to efficiently manage its personnel resources by removing the Chief Warrant Officer severance pay cap, as DOD did in 1990; providing discretionary authority to deny severance pay in appropriate cases; and giving the Coast Guard enhanced tools to attract qualified minority candidates to the Coast Guard Academy.

Title III authorizes expenditure of appropriated funds for the rental of automobiles for funerals of eligible retired personnel at national cemeteries; authorizes reimbursing the City of Novato, California for costs associated with planning for the Coast Guard's use of a closed Air Force Base; improves procedures for managing the Coast Guard Supply Fund; authorizes the expenditure of funds for programs that formally recognize the efforts of private organizations and individuals who make significant contributions in support of Coast Guard missions; and allows for enhanced support to the Coast Guard Auxiliary through streamlined property management procedures.

Title IV provides that reports of marine casualty investigations would be releasable to the public under the terms of the Freedom of Information Act and eliminates the current requirement for a biennial report on research and development required by the Oil Pollution Act of 1990.

Finally, Title V provides for extension of the territorial sea of the United States from 3 to 12 miles for purposes of certain statutes relating to inspection and control of foreign vessels and the enforcement of security zones; and gives the Coast Guard authority to implement a program to automatically revoke a merchant mariner's license upon the holder's accumulation of the requisite "points" for previous violations.

Conclusion

Through more than 200 years of war and peace the Coast Guard has protected America's interests. As America moves into the next century, we need to recognize "America" does not end at the shoreline. Our many missions are now linked more than ever to America's national priorities. The Coast Guard stands ready to protect our economic, social, and environmental interests in inland, coastal, and offshore waters, including the far reaches of the polar regions.

Mr. Chairman, the President's fiscal year 1998 budget request for the Coast Guard reflects the clear and positive value we provide to the Nation. Our ability to provide essential services to the public and respond to national priorities is dependent on your legislative and budgetary support. I ask for your help in ensuring passage of the Coast Guard Authorization Act for Fiscal Years 1998 and 1999. The legislation contains many provisions of great importance to the Coast Guard, the Coast Guard Auxiliary, the maritime industry, and the American people.

In closing, I would like to thank you and the members of this subcommittee for your strong support over the past several years. I appreciate the opportunity to continue working with returning members, and look forward to meeting and working with new members to keep the Coast Guard *Semper Paratus - Always Ready*.

Mr. Chairman, I would be happy to answer any questions you or other members of the subcommittee might have.