

U.S. COAST GUARD BUDGET, FISCAL YEAR 1993

HEARING

BEFORE THE

SUBCOMMITTEE ON
COAST GUARD AND NAVIGATION

OF THE

COMMITTEE ON
MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

SECOND SESSION

ON

THE PROGRAMS AND INITIATIVES OF THE U.S. COAST
GUARD AND EXAMINE THE BUDGETARY NEEDS FOR
FISCAL YEAR 1993

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U.S. COAST GUARD BUDGET, FISCAL YEAR 1993

THURSDAY, MARCH 12, 1992

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION,
COMMITTEE ON MERCHANT MARINE AND FISHERIES,
Washington, DC.

The Subcommittee met, pursuant to call, at 11:30 a.m., in room 1334, Longworth House Office Building, Hon. Billy Tauzin, (Chairman of the Subcommittee) presiding.

Members present: Representatives Tauzin, Hughes, Carper, Pickett, Hochbrueckner, Pallone, Lowey, Taylor, Lancaster, Fields, Bateman, Coble, Inhofe, Goss, and Gilchrest.

Also Present: Representative Ortiz.

Staff present: Elizabeth Megginson, James Adams, Sue Stille, Rusty Savoie, Bill Wright, Laurie Wilkerson, Catherine Gibbens, Harry Burroughs, Rebecca Dye, Sherry Steele, Cyndy Wilkinson, Greg Lambert, Melanie Barber, and Sue Waldron.

OPENING STATEMENT OF HON. BILLY TAUZIN, A U.S. REPRESENTATIVE FROM LOUISIANA, AND CHAIRMAN, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

Mr. TAUZIN. The purpose of this hearing today is to receive testimony regarding programs, initiatives, and budget of the United States Coast Guard for the year 1993. I wish to welcome the Commandant of the Coast Guard, Bill Kime, and as he approaches, I want to congratulate our Commandant on the excellent management that he has brought to an extraordinarily fine agency of our government. We are beginning to see the results of Admiral Kime's efforts to improve the standards of the organization and to bring about a better quality of life for those enlisted in the Coast Guard's service.

As the Members know, Admiral Kime made it a feature of his new administration to be people-oriented and to pay a great deal of more attention to the people needs of the Coast Guard, and as Admiral Kime walks in, I want him to know that this Committee is keenly aware that there has been incredible progress made in building a better quality of life for those young men and women who have enlisted to serve our nation in the United States Coast Guard. And, Admiral Kime, we are deeply appreciative of the early successes of your administration in that regard.

The 1993 budget reflects the fact that Admiral Kime is indeed improving many of the areas of planning and carrying out those plans for the Coast Guard. The Coast Guard simply cannot carry out its many missions without the total dedication and support of

its people. This budget reflects more funding for basic needs such as housing, medical care, family support systems, and training; indeed, as I said, these are the hallmark of Admiral Kime's administration. It is also apparent from this budget that the Coast Guard is continuing to reassess its needs for vessels and aircraft. Our changing world requires that the Coast Guard be able to respond to the needs of our country.

I realize the Coast Guard is currently committing a great deal of its resources to implementation of the Oil Pollution Act of 1990. I believe the impact of OPA '90 has not yet been felt, particularly with respect to its impact on the economy. I, again, encourage the Coast Guard, as it proceeds with the implementation of OPA '90 and other regulatory programs, to be concerned about the economic impacts of its regulatory programs upon a nation in severe recession. My own state has been in recession for about 10 years now, and if we are able to have an economic recovery, we must undertake to fulfill our responsibilities in a manner that does not choke private initiatives to build the maritime industry.

I also want to encourage the Coast Guard to continue its aggressive efforts to stop the flow of drugs into this country. Admiral, before you walked in, I pressed Secretary Stone for an explanation of the seabased aerostat issue, and while we didn't get a full explanation today, we have been assured that we will get one in writing. And so I look forward to sharing that with you. This Committee is committed to ensuring that those seabased aerostats remain effective assets in the war on drugs.

And we are greatly concerned about the potential setbacks to the drug interdiction program if the Coast Guard cannot conduct adequate surveillance. We are going to, as I said, press Secretary Stone and the DOD not only for explanations but for the Department of Defense to fulfill the obligations Congress imposed upon it in the transfer which is to keep those assets working for drug interdiction.

The Coast Guard has shown tremendous leadership in international efforts to protect the environment through its efforts in the IMO, the International Maritime Organization. The activities of the IMO are increasingly shaping our own laws and our own standards, and we must be a part of the world community, but we also must encourage the world community to maintain high standards. I want to congratulate the Coast Guard for its efforts at IMO in trying to achieve those twin results.

I also want to thank the Coast Guard for its fine efforts to complete the port needs study. If we are to truly reduce the potential for damage to our waterways from spills of oil or other hazardous materials, we must be committed to the concept of pollution prevention. The Coast Guard is indeed, as we have often said, an outstanding organization composed of some of the finest men and women of our country.

The Subcommittee will continue to support your efforts, Admiral Kime, while we oversee your activities and to work with you to bring about even greater achievements in the future. I want to thank you for your efforts and particularly, as I pointed out as you were walking into the room, your reference to improving the life of the men and women who serve our nation in the Coast Guard. And

I now want to defer to Congressman Jack Fields, our Ranking Minority Member of this Subcommittee, for his opening statement.

**STATEMENT OF HON. JACK FIELDS, A U.S. REPRESENTATIVE
FROM TEXAS**

Mr. FIELDS. Thank you, Mr. Chairman, and what I would like to do is just highlight a few things in my statement and ask that the remainder be placed in the record. Mr. Chairman, first of all I want to compliment you for scheduling this important hearing. Secondly, I want to compliment our Commandant, who I think does a great job, and while I support this Coast Guard budget request, frankly, I am concerned that there may not be enough money in the request to carry out all of the mandates that we have given the Coast Guard. After all, this is only a modest six percent increase over fiscal year 1992.

During the course of the hearing, I hope, Commandant, that you will be extremely candid in telling us whether this budget does provide you with enough resources and if not, I am sure that the Subcommittee will work to try to increase the amount of the funding. I have to say that you are in a unique position because that statement just isn't made today for other Federal agencies.

I am also hopeful that the Commandant will provide us with an update on the Coast Guard's efforts to pre-position certain oil spill cleanup equipment at 19 coastal locations throughout this country, and I know the Commandant is aware of my longstanding interest in that particular subject. As he knows, it is extremely important because of the Port of Houston, and I am anxiously looking forward to having this equipment pre-positioned in the Houston/Galveston area.

It is essential that we make every effort to ensure that we are prepared to effectively deal with any future oil spill, and I am, therefore, pleased to learn that the Coast Guard is giving serious consideration to scheduling a regional response oil spill simulation exercise along the Texas coast sometime next year, which I think could be extremely important.

I am also pleased that included within the Coast Guard's budget request is money to upgrade the Vessel Traffic System in the Houston Ship Channel. The system, which disseminates vital information between a landbased traffic center and transiting vessels, has worked extremely well, and it has prevented a number of maritime casualties.

Mr. Chairman, I am also hopeful that the Commandant will provide us with brief updates on the status of the Coast Guard's proposed regulations implementing various provisions of the Oil Pollution Act, the *Santa Clara* arsenic spill, and the Haitian refugee problem.

And, finally, while I recognize that Operation Desert Storm is no longer prominently mentioned in the news, I want the Commandant to know that I agree wholeheartedly with General Colin Powell's remark that, "Desert Storm will go down as one of the brightest chapters in Coast Guard history." I think that is something that all of us can be extremely proud of.

Mr. Chairman, working together, I am confident that we can add some other bright chapters to that history and I stand ready to assist you in an effort to provide the Coast Guard with the resources they need to get the job done.

I look forward to hearing from Admiral Kime and appreciate this opportunity to express my views on one of my favorite U.S. Government agencies.

Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Fields. Any other Members wish to make opening statements?

Mr. COBLE. Mr. Chairman?

Mr. TAUZIN. I would be pleased to recognize Mr. Coble.

STATEMENT OF HON. HOWARD COBLE, A U.S. REPRESENTATIVE FROM NORTH CAROLINA

Mr. COBLE. Mr. Chairman, I don't have a prepared statement. I usually talk about the Coast Guard impromptu, and I will do that today. Admiral, I think you have done a commendable job since your tenure began some months ago. As you know, pardon my immodesty, but I know a lot about the nation's oldest continuous seagoing service, the humanitarians of the seaways.

It is my belief, Mr. Chairman, that there is probably not a Federal agency in existence including the United States Coast Guard that probably couldn't operate on less money than they get. But I think the Coast Guard probably conducts itself fiscally more responsibly than most Federal agencies known to me. I again commend you, Bill, you and your very able staff, and I look forward to the testimony forthcoming.

Mr. Chairman, I recall some years ago, Admiral, it was a good year if the Coast Guard could scrounge enough abandoned gear or rejected gear from the Navy and the Army and some of our sister services. I think we have come a long way from those days. We still may be the, I think, orphan stepchild when it comes to the military, to the Armed Services. Many people don't even regard us as a Member of the Armed Services, as you know, but you all do a good job. It is good to have you here. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Coble. Any other Members?

[Statement of Mr. Hughes follows:]

STATEMENT OF HON. WILLIAM J. HUGHES, A U.S. REPRESENTATIVE FROM NEW JERSEY

Mr. Chairman, thank you for holding today's hearing on the proposed Coast Guard budget for 1993. I'd like to welcome Admiral Kime and the other Coast Guard representatives and thank them for coming to brief us on the budget.

I have great respect for the Coast Guard, Admiral. I think it is the finest and most well-run branch of the armed services, and I am very proud that the country's only Coast Guard training center is in my district, in Cape May, New Jersey.

I am pleased that the Coast Guard budget includes an increase in funds for marine environmental protection, pollution response equipment, and Coast Guard readiness. The recent *Santa Clara* incident where hazardous cargo was lost off the coast of New Jersey and now rests on the bottom of the ocean, potentially threatening our fisheries and tourism industry, demonstrates the real and growing need to maintain a readiness to respond to pollution and environmental disasters at all times, particularly as international commerce in hazardous substances increases.

The *Santa Clara* incident also made us acutely aware of a gross deficiency within the Coast Guard—systemic problems in the Coast Guard's ability to communicate important information between the central office and field offices. I am interested in knowing if these deficiencies are addressed in this budget proposal and what

progress the Coast Guard is making on implementing an updated communications system sophisticated enough to alleviate these deficiencies?

I am also concerned about Coast Guard user fees. Last year we were faced with the recreational boat user fee and this year we are faced with two additional user fees: a commercial vessel inspection fee and licensing fees for merchant mariner documents. I would like to reiterate my strong opposition to these fees as they unjustly target an already heavily-taxed segment of our population and do not directly support Coast Guard activities. Accordingly, I will continue to work with my colleagues at repealing the recreational boat fee.

I do not object to charging a fee for a service, however, as was elucidated in an earlier hearing, the proposed vessel inspection fees include administrative costs beyond those required to implement and provide the service. I am pleased that the Coast Guard has extended the public comment period and is holding public hearings on this proposal. Given the public and congressional sentiment on these fees, I am hopeful that the Coast Guard will reassess the fee structure and arrive at a true fee-for-service, that is equitable for all boat owners.

I will conclude my remarks by welcoming Admiral Kime and the other Coast Guard representatives. Thank you, Mr. Chairman.

Mr. TAUZIN. Admiral, let me just back up what Mr. Coble said. I was recently on a radio program for a public radio call-in show, and the issue was recruitment. And the Coast Guard was never mentioned in the introduction of the program. I quickly pointed out to them the Coast Guard was one of the five branches of our military service. So, Mr. Coble, you are right. We have to keep reminding people of the incredible military function that the Coast Guard performs. Desert Storm was certainly a bright light in the history of the Coast Guard and its military service to the country.

Accompanying the Admiral today is Captain John Shkor. He is the Chief of the Programs Division of the U.S. Coast Guard, and Captain Roy Casto who is Chief of the Budget Division. Admiral Kime, we welcome you again, and we will appreciate your testimony, sir.

STATEMENT OF ADMIRAL J. WILLIAM KIME, COMMANDANT, U.S. COAST GUARD; ACCOMPANIED BY CAPTAIN JOHN SHKOR, CHIEF, PROGRAMS DIVISION, U.S. COAST GUARD, AND CAPTAIN ROY CASTO, CHIEF, BUDGET DIVISION, U.S. COAST GUARD

STATEMENT OF WILLIAM KIME

Admiral KIME. Thank you, Mr. Chairman. Mr. Chairman, I would like to ask permission to enter my complete statement for the record?

Mr. TAUZIN. Without objection.

Admiral KIME. I have just a short summary statement. Mr. Chairman, in the interest of time rather than read an opening statement, what I would like to do is just make a few comments; first, to thank you, Mr. Fields, Mr. Coble, for your very, very kind remarks at the beginning of the hearing. We certainly appreciate the good words about the Coast Guard, and let me also say that we will take note of the issues that were raised in the opening statements by you and the Members of the Committee.

At this time in our history, Mr. Chairman, world events have shown that this is a changing environment that we live in. But amidst those changes, the Coast Guard is going to hold its course, focused on our primary mission areas. I remain committed to the same watchwords that I brought before this Committee last year, "People, Balance, and Excellence." The budget that we have put

forward we feel is reflective of that. It is supportive of the National Transportation Policy. It supports a continuing effort to look after the welfare of our people, not only their welfare but to attract and retain more of the young people that represent the rich diversity of our nation.

We believe it is a balanced budget, balanced between our four operating programs and our support programs. Certainly, it is heavily weighted in environmental protection to enable us to meet the commitments that were given to us by OPA '90, and also to improve Vessel Traffic Services.

Law enforcement. You mentioned, Mr. Chairman, in your opening statement the importance of our anti-drug efforts. Certainly, this is continuing at about the same pace it was last year and will continue to do so. We will be working very closely with our partners, DOD and the law enforcement agencies. Fisheries has taken on new importance as we try to conserve this vital resource, and we have adjusted our resources accordingly. And, finally, I think we are all aware of the tremendous effort the Coast Guard has put forward for the Haitian migrant interdiction operation since last October.

In the area of national security, as General Powell indicated and I have to agree, the Coast Guard conducted itself admirably in Operations Desert Shield and Desert Storm. We still have young men in the Persian Gulf aboard the Navy ships there, on the staff and also boarding teams continuing to enforce the United Nations embargo.

In the area of maritime safety, we are certainly focusing now on passenger vessel safety and fishing vessel safety—something very, very important—and trying to increase our search and rescue capability and also to increase our capability to maintain the waterways of this country through the addition of additional buoy tenders.

At the same time, while we support our people, we are very much interested in continuing to support our capital plant so that the people have the proper tools to do their job. We have made a lot of improvements in management, Mr. Chairman, as a result of the use of Total Quality Management, and I remain committed to that very, very much.

Mr. Chairman, there is one area that I would like to stress before I take your questions, because there is one departure from past budgetary procedures that is contained in the President's budget this year. In recent years, the defense-related funding for the Coast Guard was provided from DOD sources due to a congressional initiative. In FY '93, for the first time, the President requests funding for certain Coast Guard defense activities directly from the DOD appropriation in the amount of \$203 million. And for us to continue the current level of services we provide, I believe it is imperative that we obtain this funding.

Mr. Chairman, we appreciate the support, cooperation, and the guidance that we received from this Committee in the past. We pledge that we will continue to work with you, and I look forward to your questions and those of the Members of the Committee. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Admiral

[Statement of Admiral Kime can be found at end of hearing.]

SEA-BASED AEROSTATS

Mr. **TAUZIN**. Let us quickly see if we can clarify a little bit for the Committee the issue of the sea-based aerostats. How many have been removed from drug interdiction efforts in the Gulf?

Admiral **KIME**. Mr. Chairman, as you are aware, by act of Congress last year, all the sea-based aerostats were transferred from the Coast Guard to the Department of Defense. Under an agreement with DOD and with funding from them, we continued to operate the aerostats during the first quarter of the fiscal year. Since that time, those aerostats have not been in service. All five are at this time tied up.

The primary or single lead agency for detection and monitoring for the war on drugs, of course, is the Department of Defense, and we request detection and monitoring resources from them in accordance with the national strategy that has been set up by the Office of National Drug Control Policy. We have made our needs known to the Department of Defense; basically, to have three of the five choke points covered seven days a week for at least 16 hours a day, and we formally transmitted this to the Joint Chiefs on 9 January of this year. And we re-emphasized this at various planning conferences and joint working groups. And although the aerostats have not been in place, we have received detection and monitoring support from DOD, from other sources such as aircraft. We will continue to work with them as we proceed into this quarter to ensure that we receive the detection and monitoring that we need.

Mr. **TAUZIN**. Is it your opinion that failure to cover those three chokepoints as you have specified in your January message to the DOD will hamper your efforts to stop drug trafficking in this country?

Admiral **KIME**. I think it would have a significant adverse impact, Mr. Chairman. These are the traditional chokepoints through which traffic has gone in the past, and if we don't deny these to the drug traffickers, they are going to return in great numbers and it will be awfully easy for them to bring drugs into the United States.

Mr. **TAUZIN**. How long have the boats been tied up?

Admiral **KIME**. Since the 1st of the year, Mr. Chairman.

Mr. **TAUZIN**. And have you received any indication from DOD that that decision is going to be changed?

Admiral **KIME**. I think that DOD has been positive in their desire. I spoke with some DOD representatives just this week indicating to them the importance that we have this support and their willingness to provide it. It doesn't necessarily have to be totally with aerostats, Mr. Chairman. There are other assets available. My main concern is that they do provide me with the necessary intelligence and surveillance that I need both to interdict and to deter trafficking up through those choke points.

HERITAGE-CLASS PATROL BOATS

Mr. TAUZIN. You recently canceled the Heritage patrol boat acquisition effort, please explain that cancellation to the Committee. What are you going to do to replace the Heritage patrol boats in your plans for the Coast Guard?

Admiral KIME. Well, Mr. Chairman, a great many things have changed in the world, as I indicated in both my formal and informal statements this morning, and as a result of that we reassessed our needs for large patrol boats. We now have 49 of the Island-class patrol boats that are performing admirably. Therefore, since many of our other resources are coming back on line, like the high endurance cutters; since the Navy now is involved in a big way in the drug interdiction effort; since all our 270-footers have been delivered; and since we didn't have a need for a great number of the larger patrol boats, such as the Heritage-class (which would be 120 feet), but did have a need for replacements for the remaining 82 footers; I have begun a study to develop a sponsor's requirement document and mission needs statement for a coastal patrol boat as a replacement—and it is that type of vessel that would be used to replace the Heritage-class—that is, would be built in lieu of the Heritage-class. We are looking for something very, very similar in size, capability, and crew size to the current fleet of 82 footers that have served us so well but are getting quite old.

SEA-BASED AEROSTATS

Mr. TAUZIN. Admiral, I just got a copy of a Department of the Army stop-work order dated March 6 that orders immediately cessation of all work on the existing aerostat contracts, and that doesn't look like a positive response to me.

Admiral KIME. Well, we are aware that work has been stopped on those vessels, Mr. Chairman, but we aren't totally apprised of what other work is going to be instituted either on that contract or with other resources. So on that basis we are continuing to negotiate with DOD. We certainly recognize the seriousness of this issue, as you do.

Mr. TAUZIN. I don't want to leave you without telling you that we are not going to let this one lie. This Committee intends to be very active in pursuing some answers on this question.

Admiral KIME. Well, we appreciate your support, Mr. Chairman.

Mr. TAUZIN. And we will, again, appreciate any information you can supply us with regard to the inadequacy of your coverage without the assistance of these aerostats or comparable equipment. And, again, Admiral, please know that we will pursue this with the Appropriation and Budget Committees. I understand they have similar concerns and have expressed them quite strongly, and as developments occur, we will appreciate you keeping us posted on it.

Admiral KIME. We will certainly do that, Mr. Chairman. We appreciate your support. This is an important matter to us too.

PORT NEEDS STUDY

Mr. TAUZIN. We are also interested in the port needs study as I pointed out to you. I was not surprised to see that New Orleans

was identified by far the port zone most in need of a VTS since VTS was canceled in that port zone some years ago. What are your specific plans for the New Orleans port zone?

Admiral KIME. Mr. Chairman, as you indicated, New Orleans does come out on the top in the Port Needs Study. As far as current plans, we have over \$14 million in the FY '93 budget to begin work on a Vessel Traffic System for the New Orleans area. This does not include the entire river from Head of Passes up to New Orleans. It includes the area in the New Orleans crescent initially, and that is what we have asked for funds to go forward on. We think that is the most critical area right now. There are studies underway to see, in fact, if and when a full VTS from Head of Passes all the way up to New Orleans should be constructed and put into operation; that would be the subject of future requests if the studies indicate that that is something that should be done.

ECONOMIC IMPACTS ON REGULATIONS

Mr. TAUZIN. You currently are considering a whole raft of regulations, Admiral. You heard in my opening statement my concern that some economic considerations be at least considered in regard to those regulations. Do you currently have a policy that requires consideration of economic impacts on regulatory efforts like the whole raft of them that are being considered today?

Admiral KIME. Yes, we do, Mr. Chairman. That is one of the major concerns that we have in putting out regulations; what is the cost, what is the benefit, and what is the impact on specific segments of the industry and on the public—not just the overall impact, but looking to see if there is an adverse impact on a very small portion of the industry. Certainly, we think we have always done that, and in the course of the review of regulations during the current 90-day moratorium, that is something we are going back to look at again. Let me assure you that although many of the requirements that we are now working on are mandated by OPA '90, we are looking very, very carefully at this and other legislation to make sure that we do these in the most cost-effective way and have the least negative impact on industry and the general public that we possibly can.

DIRECT USER FEES

Mr. TAUZIN. I know you have received a report on this Committee's hearing on the user fee regulations in specific, but for purposes of the record I want to personally advise you of the extraordinary concerns expressed by Members of this Committee with regard to those proposed fees particularly as they affected small charter boat operators and as those fees were calculated, as the testimony indicated, to include even part of your salary. That seems to have been a strange way of calculating the entire cost of the Coast Guard operations into the small area of inspection fees.

And we commend your attention particularly to those impacts on small operators like the charter boat operators and others similarly situated in the user fee issue. That is not the only one, but I wanted to highlight it for you since an awful lot of Members of this Committee indicated grave concerns about not only economic

damage but economic losses in this industry as one after another of the charter boat operators have indicated to us that these charges might be enough to tip them out of business.

Admiral, please give us a summary of what happened concerning double hulls last week at the IMO meeting in London?

Admiral KIME. First, Mr. Chairman, let me say in response to your previous statement that we certainly are doing that. We have reopened the comment period for inspection fees with particular concern on the small passenger vessels. We have asked them for specific substantiating information, and they are beginning to supply that to us now, and that is going to be looked at.

IMO-DOUBLE HULLS

Mr. TAUZIN. I would be remiss not to thank you, and I think the Members ought to hear this. There have been a number of cases on these regulatory initiatives by the Coast Guard where we, at your request, have asked the Coast Guard for extensions of times and for public hearings, and the Commandant has been most forthcoming. The round of public hearings on these user fees that are going to be held around the country is just another example, Admiral, and I want to thank you for that. Now, if you would kindly give us a summary on the IMO meeting in London regarding double hulls?

Admiral KIME. Thank you, Mr. Chairman. There were two issues before the International Maritime Organization concerning double hulls, brought there by the United States. The first was for new vessels. We put forward as the U.S. position requirements for double hulls on all vessels and put forward a U.S. definition of what double hulls should be and that the effective beginning date should be the date prescribed by the Oil Pollution Act of 1990 for new vessels.

In addition to that, we prescribed that existing vessels that did not have double hulls be phased out in the same time sequence as prescribed by OPA '90. First, dealing with the results for new vessels, there was an agreement that there should be double hulls and, in general, along the lines of what the U.S. had proposed as far as what is the definition of a double hull and what types of vessels it applies to. There was some deviation in the lower range; the smaller vessels—really vessels that are not in the international trade coming to the United States. And, of course, we did not agree with the effective dates which were somewhat later. But, in general, we were pleased that that happened, and also we are very pleased that this will enable the U.S. shipbuilding industry to offer double hull vessels that will meet the requirements of not only OPA '90 but the international standards, so that perhaps they can sell these to foreign owners and do so without having to add to or detract from the design that they propose.

Now, Mr. Chairman, in addition for new vessels, the mid-deck design was accepted as an equivalent. The United States entered a reservation on this. We entered a reservation at the meeting of the special committee to conduct tests and assess the equivalency of the mid-deck design to a double hull on the Friday preceding the MEPC meeting at IMO. We did not think enough information had been presented to indicate that the mid-deck design was equivalent.

Now, as a follow-through, Mr. Chairman, we have indicated that in correspondence to you several months ago that this summer we will be providing you with the report that is required by OPA '90 as to whether or not OPA '90 should be amended to allow other designs equivalent to the double hulls.

In the area of existing vessels and the phaseout, the agreement reached at IMO was, beginning in 1995 once a single-hull vessel becomes 25 years of age, it has to be phased out unless it has protectively located segregated ballasts over 30 percent of its hull surface, in which case it can be kept in existence until it is 30 years of age. We also reserved our position on that, Mr. Chairman. It certainly is not in accordance with U.S. law.

Mr. TAUZIN. That will affect some Jones Act vessels, will it not?

Admiral KIME. It could, Mr. Chairman, and we are putting together a study of just what impact that would have on the entire U.S. fleet, not just the Jones Act fleet. I think you are very correct to divide it into two categories; first, the Jones Act fleet, and then where domestic law could prevail—and then the impact it will have on the U.S.-flag fleet that sails foreign which would have to comply with those requirements. There may be areas where the IMO agreement does require phaseout quicker than OPA '90, and that will be presented, we hope before the summer, to the Committee for your consideration.

COFR REGULATIONS

Mr. TAUZIN. And, finally, Admiral, I want to ask you publicly a question I have asked you privately. The COFR regulations that we have been having hearings on and you are currently still negotiating and discussing and considering inside the Coast Guard, are they affected or are they not affected by the President's 90-day moratorium?

Admiral KIME. Mr. Chairman, it is my understanding that they are affected by the 90-day moratorium. There is no certain date in OPA '90, and at this time I do not expect to ask for a waiver of the President's moratorium. We are continuing to analyze the comments we have received on the notice of proposed rulemaking. This is one of the rulemakings where we reopened or extended the comment period. We received about 300 comments, not just from the United States, but worldwide. We are in the process of analyzing those now. We recognize the importance of being able to come up with a regulatory regime that will satisfy the intent of Congress that payment for damages caused by an oil spill be sure, swift, and reliable, that the ship owner pays and the ship owner pays first, while at the same time having minimum impact on the shipping industry in this country. We recognize the major potential impact that these could have. We are working very, very closely now in analyzing the comments. We will continue to work with this Committee, with the industry, and with the environmental community to come up with what we think is a reasonable, practical, doable set of regulations.

Mr. TAUZIN. In short, because the moratorium does affect the COFR regulations, we are given a little more time?

Admiral KIME. That is correct; time that we need, Mr. Chairman.

Mr. TAUZIN. Thank you. Thank you very much, Admiral. I will now recognize the Ranking Minority Member, Mr. Fields, for questions.

MORATORIUM IMPACT ON OPA-90 REGS

Mr. FIELDS. Your question just prompted an interest on my part, is there anything else affected in the Oil Spill Liability Act because of this regulatory moratorium? In other words, I guess what I would be asking from my perspective, is there anything that I should consider as a representative in terms of a waiver if it is affected because there are those of us on this Committee who want to see this implemented as quickly as possible?

Admiral KIME. Well, we certainly share your concerns, Mr. Fields. There are about 33 rulemakings that are going on under OPA '90. About 20 of those have specified dates for completion so they will not be impacted. The others do not have dates. We are looking at these individually to see if there is a need to ask for a waiver. One area where I have decided to ask for a waiver is in the area of regulations under which people who are impacted by an oil spill could claim reimbursement from the Fund—not only individuals but state governments. I am very, very hopeful that that waiver will be granted, and we can publish a notice of proposed rulemaking very shortly.

As we look at each one of these, we will consider very carefully as to whether a waiver might be necessary. I just gave you an example of one where a waiver will be requested.

Mr. FIELDS. I can't speak for the Chairman, but I know personally I would like to know those areas that would be affected, those areas in which you think you will be requesting a waiver?

Admiral KIME. Well, I don't have a list.

Mr. FIELDS. I am not talking about today, Admiral, just when you can with your staff. If you would get your staff with my staff, I would appreciate that since it is an issue area that is important to my area and is important to me personally.

Admiral KIME. I understand, sir.

PREPOSITIONED OIL SPILL EQUIPMENT

Mr. FIELDS. Let me ask. How much money have you allocated in this current fiscal year for the repositioning of oil spill cleanup equipment?

Admiral KIME. Well, let me start with fiscal year '91 because the Congress has provided us with funds for this over a period of time. About \$14 million for prepositioned equipment in FY '91 and an additional \$7 million that year for additional equipment for our strike teams. As you know, we now have the three strike teams and in '92, \$5.6 million in acquisition funds for strike team equipment. In the budget this year, we are talking about \$4 million for additional strike team equipment and about a half a million dollars for maintenance and storage of the prepositioned equipment that we have been discussing this afternoon.

Mr. FIELDS. What is your current time frame for the repositioning of the equipment at the 19 coastal sites that were selected by the Coast Guard in July of last year?

Admiral KIME. Well, we have just about completed ordering the equipment, Mr. Fields, and would expect to be getting some of it very shortly, begin testing of it, and would hope to have all of it available by October, with the idea of it being delivered on-site very early in November.

COOPERATION WITH MSRC

Mr. FIELDS. Could you give us kind of a view of how your operation compliments the efforts of the private Marine Spill Response Corporation (MSRC)? Do you consult with them? Do you have regular interface? How does that work?

Admiral KIME. We do consult with them because we both are working to be sure that we meet our responsibilities to provide cleanup equipment, but we aren't in competition with them, Mr. Fields. OPA '90 specifies that the Coast Guard will have certain available equipment at our strike teams, at our various marine safety offices around the country to provide the initial response to a spill, and will help provide response when industry does not provide that response.

One of the features of OPA '90 is that both vessel and terminal response plans must be in place by February of 1993. These response plans have to indicate the availability of enough response equipment to respond to the largest expected spill. MSRC was created for that purpose, and we are working very, very closely with them as they procure equipment. We make available to them information on where our equipment is, the location, the delivery date, et cetera. You mentioned that we are going to be putting some equipment into the Galveston/Houston area beginning October/November.

As an example, MSRC will also be putting their equipment into the very same area. As you and I both know from the *Mega Borg* spill, there is a great need for additional equipment in that part of the country. We think this will go a long way toward satisfying that need but not in a way that overlaps, duplicates, or puts the Federal Government in conflict with private industry.

ANTI-DRUG OPERATIONS

Mr. FIELDS. Let me change issues just a moment. The Chairman earlier talked about the aerostats. Are there additional tools that Congress could give the Coast Guard to help you in this battle against drug traffickers?

Admiral KIME. Yes, Mr. Fields. We have in our budget this year a request for an additional HH-60 helicopter to be used in Operation Bahamas and Turks & Caicos, or OPBAT, one of the major cooperative efforts we have with two other countries and with DOD and DEA; it has been very successful. We are using the old HH-3 helicopters right now, which are coming to the end of their service life. Funding of this additional helicopter would be very, very helpful to us. In addition to that one, in the out-years we would be looking for the funding of an additional eight HH-60 helicopters to complete the total of nine that we need for Operation BAT.

Mr. FIELDS. Now, you mentioned in your testimony that in January of this year the Coast Guard intercepted a vessel carrying a

cargo of four and a half tons of cocaine. I think that was the second largest seizure that the Coast Guard has made. Were you able to determine the source of that cocaine?

Admiral KIME. Mr. Fields, that was a Panamanian vessel, motor vessel *Harbor*, and as of this time, we have not been able to verify just what the source of the cocaine was.

Mr. FIELDS. Have you made any estimates of how much illegal drugs are now coming in from Cuba?

Admiral KIME. The Coast Guard hasn't, Mr. Fields. This is an area that the intelligence community does monitor, and I would suggest that perhaps since this information is classified that the Committee direct that question to the intelligence community.

Mr. FIELDS. OK.

Admiral KIME. We would be very pleased to provide any assistance that we could in that regard.

Mr. FIELDS. When you do make a seizure, do you receive any financial benefit from the seizure? Does the Coast Guard share—

Admiral KIME. In some cases we do through the Customs Forfeiture Fund. I don't have any specifics now, but I could provide to you for the record the figures on what assistance we have received over the years.

Mr. FIELDS. Well, I appreciate that. Thank you very much.
[The following was submitted:]

SEIZURES OF PROPERTY

Seizures of property made by the Coast Guard pursuant to Coast Guard law enforcement action are transferred to Customs for management and disposition. The Customs Forfeiture Fund was established by Congress to reimburse Customs for all proper expenses with respect to seizures made by both Customs and the Coast Guard. The Customs Forfeiture Fund has two sources of funding. The first is an annual appropriation by Congress, and the second is the proceeds from sale of the seized assets.

In March of 1990, the Coast Guard established a Memorandum of Understanding with Customs to access the Customs Forfeiture Fund for reimbursement of Coast Guard direct costs associated with specific seizures prior to the transfer of the property to Customs. These direct costs include, but are not limited to, expenses of inventory, security, and maintenance. The Coast Guard has been reimbursed \$31,707 for fiscal year 1991, with an additional \$283,768 in requests pending. For fiscal year 1992, requests totalling \$380,130 have been submitted to date.

The law establishing the Customs Forfeiture Fund derived from seizures by the Coast Guard for discretionary purposes, such as the procurement of additional equipment in direct support of the law enforcement mission. This discretionary use of funds occurs only if the Congressional appropriation for the Customs Forfeiture Fund exceeds \$10 million for a fiscal year. Customs transfers the funds at the end of each fiscal year. In FY 90 this amount was \$236,000; and in FY 91 \$338,000.

TESTING OF SEA BALLAST WATER

Mr. PICKETT. [presiding] Admiral Kime, I think I am next in line to ask a couple of questions so even though I am taking over the Chair momentarily, I will propound some questions to you. Back in August of 1991, the Coast Guard, I believe, discovered some cholera bacteria in oysters in Mobile Bay and as a result of that in conjunction with other Federal agencies, you began to sample the ballast water in vessels coming into the United States. Is that program ongoing, and, if so, do you have the funds to continue that in the budget that you have submitted?

Admiral KIME. Well, this has been a cooperative effort between the Coast Guard and the Food and Drug Administration, and it has taken two parts. One, we did some sampling in November of '91, of 64 vessels that had visited 28 ports. We took about 106 samples, and Hampton Roads was one of the ports where we did this sampling. And then in February of '92, we did some additional sampling in six ports, including Hampton Roads, and the follow-up survey tried to target those shipping channels that were in close proximity to some critical shellfish beds. We only had one positive sample out of the 106 that were tested in November, and that was from the Port of New Orleans. We do not have the test results from the second February sampling yet.

I think whether or not this program continues will depend in large part on the outcome of the February tests that were done. As I say, we have just assisted the Food and Drug Administration in this testing. They are the lead agency in this effort. We are just cooperating with them.

CHESAPEAKE BAY ISSUES

Mr. PICKETT. OK. Thank you, Admiral. Also, in the Chesapeake Bay, there is a series of markers that were originally put there to define fish trap areas, but the boating public has come to look upon these as navigational devices. In the Maryland part of the Chesapeake Bay, the Coast Guard has undertaken to maintain these devices even though they were originally put there by the Corps of Engineers. The question has arisen now about maintenance of those devices that are in the Virginia portion of the Chesapeake Bay. And I wonder if you could tell me where that study is and what your proposals might be on that?

Admiral KIME. Yes, sir. The Coast Guard is responsible for marking safe, navigable waters, and we did have an agreement with the state of Maryland for a while, that had stated in the mid-1940's, where they reimbursed us for putting in the buoys that you talked about. That reimbursement has stopped, and in FY '93, we are going to remove all the fish markers that we have been responsible for. We will make an effort to increase the marking of some of the secondary channels because the Corps of Engineers does issue a nationwide permit for fishnet and crabbing markers, and the only stipulation or only requirement for the placing of these markers is that they not be in navigable channels. So we think the step that we are taking now will assist the fishermen, and also what we are doing will make our treatment of these markers in Maryland and Virginia waters the same as we do throughout the country.

Mr. PICKETT. All right. Another Chesapeake Bay issue, if you don't mind, Admiral, has to do with—

Admiral KIME. Coming from Baltimore, sir, I am very familiar with the Bay, sir.

Mr. PICKETT. In my part of the Chesapeake Bay, the Tidewater Regional Transit Authority and Virginia Natural Gas wanted to implement a pilot program to use gas as a fuel for a bay ferry that goes across the water there from Portsmouth to Norfolk. This requires the approval of the Coast Guard, and I recognize that we all want to be cautious and safe in what we do. But I think they are

going into the second year now of trying to get the approval for this test program, and what seems to be holding it all up is getting the Coast Guard to sign off on an appropriate fuel container for this vessel. I wonder if you could provide any insight on when the permission or when the appropriate approvals may be forthcoming to allow this test program to go forward?

Admiral KIME. The Coast Guard does have requirements on the types of fuel, and international agreements also exist on this, based on the flashpoint of fuels burned in engine rooms—obviously, for safety reasons. Back in the 1960's and '70's when we saw with the advent of liquefied natural gas ships, something had to be done with the boil-off so it wouldn't have to be vented to the atmosphere—the LNG, the natural gas, the methane—and also to provide an efficient use of it. We did develop procedures whereby this boil-off, this methane, could be burned in boilers or in internal combustion engines, but solely on these liquefied natural gas ships.

In this particular request, we are approaching it from the very same way. What we generally have required, since the potential for a significant disaster exists if the gas gets loose with all the sources of ignition, is to look at some double containment system whereby not only do we have double containment, but we would be able to detect failure of the primary containment system. So that is what is being done.

As far as this specific containment vessel for the liquefied gas being a problem, I have no information on that, but I will certainly follow up on it, and I also will follow up on the status of the approval that has been requested and make certain that we get back to you.

[The following was submitted:]

STANDARDS FOR COMPRESSED NATURAL GAS CYLINDERS FOR MARINE APPLICATION

The concept review has been completed. We have provided Tidewater Regional Transit Authority (TRT) information required to expedite final approval of the compressed natural gas (CNG) cylinders and overall design. The project completion date is dependent on the resolution of key safety issues, particularly the design and construction of the fuel cylinders.

Currently, there are no CNG fuel cylinders manufactured for marine use. We are working with the Natural Gas Vehicle (NGV) Coalition to develop a suitable standard for CNG cylinders for marine application.

This is the first ever proposal for a compressed natural gas fuel system on a United States certificated vessel. There are significant hazards associated with the storage of large quantities of flammable gas; this is a particular concern on a vessel carrying many passengers. The Coast Guard has experience with the carriage of Liquefied Natural Gas (LNG) as cargo in large tanks at atmospheric pressure, where the boiloff is used as fuel. However, CNG is stored in containers at very high pressures—around 3,600 psi. CNG cylinders have an enormous amount of stored energy, so a large degree of caution is well justified. Recognizing the limited expertise that TRT and the NGV coalition have for marine applications of this technology, along with time limitations associated with the available grant money, the Coast Guard has acted to facilitate the technical community's identification and resolution of many of the design related safety issues. We continue to work with the American Bureau of Shipping (ABS), the NGV Coalition, National Institute of Standards and Technology, Southwest Research Institute, Research and Special Programs Administration, and other industry experts to resolve these safety issues. We recognize the importance of this project.

SPECIAL INTEREST VESSELS ENTERING U.S. PORTS

Mr. PICKETT. All right. Thank you very much. And another item that a lot of progress has been made on is allowing commercial vessels into certain harbors of the United States. Last year, I believe, the Coast Guard was instrumental in working to obtain permission for non-Soviet Warsaw Pact commercial vessels or vessels from those nations to come into the Port of Hampton Roads. Is any additional work going on now in light of the changes in the Soviet Union to allow Soviet vessels or vessels from the Soviet republics, more specifically I guess, to come into these port areas?

Admiral KIME. Yes, sir. Let me first say that I am familiar with the issue that you are talking about and the importance to your part of the country. There is a responsible interagency group that has been working on this. They completed their review in late January, and the final recommendations will be forwarded to the National Security Council. Since this is a classified subject, I cannot go into any more detail on this issue here, but certainly in closed session or if you would like, we could perhaps arrange for a briefing on this issue.

MARINE SAFETY TRAINING

Mr. PICKETT. All right. Thank you, Admiral. Then, finally, this is a pat on the back. I think the Coast Guard is recognized for the very excellent environmental instruction program that you have in operation at Yorktown, and the question is whether or not any use is being made of this excellent facility to train personnel from other government departments and specifically from military departments like the Army and the Navy since you have got such an excellent facility there to do this?

Admiral KIME. Well, I appreciate your kind words about the facility at Yorktown. We are very proud of it, and I think they do provide an excellent training program for our people. We only had one request from DOD, one Naval officer, to attend this course, and if we were to expand it to include members of the other services, this would definitely require an increase in the size of our teaching staff down there and perhaps even an increase in the size of our facilities. On a case-by-case basis where one or two might desire to attend, we certainly can make it available to them on that basis.

POLAR ICEBREAKER

Mr. PICKETT. Thank you very much, Admiral, and now I am going to recognize Congressman Coble for questions.

Mr. COBLE. Thank you, Mr. Chairman. Admiral, to illustrate the multimissions assigned to the Coast Guard, I am going to shift the focus from Hampton Roads and the Chesapeake Bay to the Arctic to the north and the Antarctic to the south. As you know, Admiral Yost already knew this and I think you know, that one of my consistent hot Coast Guard buttons surrounds the proposed construction of the proposed third polar-class icebreaker, and I want to talk to you a minute about that.

Now, am I correct—I am doing this just as an educated guess or an uneducated guess—the Polar Star and the Polar Sea are about 20 years old. Is that right?

Admiral KIME. Yes, sir.

Mr. COBLE. 18 to 20—maybe 22?

Admiral KIME. That is correct.

Mr. COBLE. And I realize that we need at least one more polar icebreaker and maybe two. I recall, as do you, the embarrassing situation when the Canadians had to break through for us, and I think it was in Greenland four or five years ago. If anybody doubted that we needed another one, that doubt should have been assuaged when that exercise was encountered.

Now, Admiral, I don't say this in any way pointing accusatory fingers, but I will talk to four or five different people about this third polar icebreaker, and inevitably I will come away with four or five different answers as far as numbers are concerned. And, again, I am not blaming you, nor am I blaming my other contacts. But I am advised by one of my four or five sources that the Navy has appropriated, approximately—now, this would be DOD money—approximately, \$427 million to this effort, and I guess my question, Admiral, is how much Coast Guard AC&I, acquisition and construction and improvement account, has been required since the beginning of this project?

Admiral KIME. There were moneys included in the '92 budget, money for outfitting and things of that nature that could not be funded from the Naval shipbuilding account, and the amount of money we have been looking for for the Coast Guard share is \$25.4 million.

Mr. COBLE. That is \$25.4 million, Admiral, in addition to the \$427 million from the Navy?

Admiral KIME. The figure I have, Congressman, for Naval shipbuilding funds that are available, is about \$338.9 million.

Mr. COBLE. You see the confusion I encounter. I am not saying it is anybody's fault, but these numbers keep varying. So your number is 338?

Admiral KIME. \$338.9 million.

Mr. COBLE. OK. All right, Admiral, does the 7.8 million additional requests from the Coast Guard—does that ring a bell with you, or is that included in the \$25.4 million?

Admiral KIME. Mr. Coble, let me clarify the \$25.4 million. I started out by saying we had some funds in FY '92. That figure of \$7.8 million is in FY '93. Those two added together would give you \$25.4 million.

Mr. COBLE. OK. Now, Admiral, are we close to kicking up dust and starting this construction? I am told that the contract letting may be imminent. Is that a fact?

Admiral KIME. As you said, this is DOD money, and the Navy is handling the contracting for that. The best and final offers were received on the 28th of February. The Navy is currently evaluating these offers, and based on past experience, it generally takes about six to eight weeks to do that analysis. Then, in addition, three issues have to be looked at. One, are there adequate funds available to award a contract? The Navy has a full-funding policy. It is not in law, but it has been endorsed by the Congress, requiring

that they have in-hand, sufficient money to fund the entire ship-building project. And as I mentioned, the amount they currently have in-hand is \$338.9 million.

In addition to that, if sufficient funds are available, they have to determine that the low bidder is both responsive and responsible, responded to the intent of the contract, and runs a responsible operation. There must be reason to believe that he has the capability, the fiscal resources, and the physical resources to build the vessel.

Mr. COBLE. This is a matter, Admiral, that I don't want to see fall over the side unattended, and that is why I continue to question you and others when we have an occasion to do that. Now, \$350 million was the figure that I remember as the total cost, and based on the figures you and I have discussed, that would still be the approximate total cost, would it not? It may be a little excessive now.

Admiral KIME. From two parts, Mr. Coble, the \$25.4 million and then the \$338 million, and let me add in addition, to get to \$25.4 million, we anticipate coming forward with the President's budget in '94 for an additional \$9.1 million. That would add up to the \$25.4 million, but getting this money is not required to let a contract under the Navy's full-funding policy. The type of expenses that the \$25.4 million would cover are those that the Navy is not allowed to use their shipbuilding funds for: outfitting, training, things of that nature.

HMIO UPDATE

Mr. COBLE. I thank you for that, Admiral, and I feel a little bit better about this having had this exchange with you. I was going to talk to you, Admiral, about your mission involving the Haitian immigrants but because of time, I know our other colleagues have questions to put to you. Perhaps you and I can talk about that at a later time, or do you want to very briefly respond to that now?

Admiral KIME. I could briefly say, sir, that at the present time we still have about 691 Haitians in Guantanamo Bay that are due for repatriation. The gross cost of this operation for the Coast Guard is about \$5.2 million to date. The incremental costs approach about \$2 million. We are looking around to see how this operation could be funded, and perhaps it may be necessary to request of the Congress the authority to spend part of the \$17.9 million that was provided for the Coast Guard in the second Desert Shield/Desert Storm Supplemental to reimburse us for this very necessary, but expensive operation.

Mr. COBLE. Thank you, Admiral. It is always good to have you and your staff up here. Thank you. Thank you, Mr. Chairman.

Admiral KIME. Thank you, sir.

R&D WITH OSLTF FUNDS

Mr. TAUZIN. [presiding] Thank you, Mr. Coble. Mr. Hochbrueckner for questions.

Mr. HOCHBRUECKNER. Thank you, Mr. Chairman. Yes. Admiral, with regard to the Oil Spill Liability Trust Fund, the request this year is \$100 million which is a \$30 million increase over last year.

Can you tell me how much of that \$100 million is dedicated to R&D?

Admiral KIME. We have, I believe, requested about \$5 million of that for R&D.

Mr. HOCHBRUECKNER. OK. Could you describe some of the R&D programs that you are interested in pursuing with that money?

Admiral KIME. Yes. We are interested in trying to fulfill the mandates of OPA '90, and one of those was to put together a national R&D plan. The Coast Guard is chairing an interagency group that has drafted such a plan, and it is going through final approval within the Administration at this particular time. And this is an effort to make sure that the moneys that are spent by the various agencies are spent in the most cost-effective way.

In addition to that, under a diplomatic treaty that I helped negotiate—the OPRC '90—there is a mandate for international cooperation, and we in the U.S. along with the IMO will be co-hosting a seminar in June of this year to exchange information on research and development. Let me say that in our budget for FY '93, we have line items for spill planning and management, and R&D on oil spill recovery systems. I think we recognize in the area of booms and skimmers that a great deal needs to be done. Some other countermeasures that could be used to clean up oil such as full scale burn tests and in-situ burning tests and, of course, doing a demonstration of vessel traffic operation in Narragansett Bay. Those are some of the types of things that we are doing.

Mr. HOCHBRUECKNER. Would you perhaps be including some programs like biotech-based programs where you would develop bugs that eat oil off sand, that kind of thing?

Admiral KIME. Well, bioremediation is one of the things that we are very, very much interested in, and EPA and NOAA have taken the lead in those particular areas. That is why it is important that we coordinate with them. And we did use bioremediation up in Alaska for *Exxon Valdez*, as you know, and there the bugs were present in sufficient numbers that we just had to provide the nutrients. There are other processes available commercially where bugs and bacteria are supplied. Certainly we feel that those ought to be pursued also, and they are part of the interagency R&D program that we are talking about.

OIL SPILL RESPONSE PHILOSOPHY

Mr. HOCHBRUECKNER. Mr. Chairman, if I could have one more question? With regard to oil and toxic material spills, what is the present Coast Guard direction that you are pursuing? There are a couple of opposing philosophies here, one being the prepositioning of equipment sort of analogous to the firehouse approach where you have equipments prepositioned, ready to go out and attack a spill should one occur versus the approach, more the patrol car approach, where you take existing ships that you have that are, in fact, cruising around delivering things and put equipment on those so that they are more readily available for quicker action than the prepositioned approach because, obviously, Murphy's Law always applies which is, you know, the worst possible case always happens at the worst possible time. And so I was wondering has the Coast

Guard adopted a policy along those lines yet, or are you still studying the preposition versus the utilization of equipments on ships that are out there?

Admiral KIME. No. I think we do have a policy on that. Certainly we hope our Vessel Traffic Systems that will emanate from the Port Needs Study will help us in preventing these. Given that they can't be prevented, we in the Coast Guard have generally taken the position that we would preposition equipment either at our three strike teams or at these 19 sites that we have talked about. We have placed minimal first-aid equipment aboard our cutters. They may have some absorbent material, a small amount of boom or something like that, but we haven't found it effective to continually patrol with equipment.

Now, I mentioned in my answer to an earlier question that we will be coming out with regulations shortly that will require oil spill plans for all ships and terminals in our waters, and one of the things that is being considered or is required is the fact that certain equipment be available for a ship to transfer to a terminal so that they could clean up the largest credible spill as prescribed by OPA '90.

One of the issues being looked at right now in our negotiated regulation project is whether equipment should be required to be carried aboard oil tankers, and in that regard I am sure there will be some equipment that is carried aboard oil tankers. Just exactly what that will be, we will have to await the outcome of the negotiated rulemaking process which would lead to a notice of proposed rulemaking, and we hope to have that out by August. In fact, we hope to have the final rules out by August of this year.

Mr. HOCHBRUECKNER. Thank you, Mr. Chairman.

Mr. TAUZIN. Thank you, Mr. Hochbrueckner. Mr. Inhofe for questions.

TILT-ROTOR TECHNOLOGY

Mr. INHOFE. Thank you, Mr. Chairman I will be brief, but I would like to ask that while I am on this subject of the V-22 tilt-rotor technology that I pass these pictures around, one of them depicting an artist's conception of how this application could work with oil spills and another, search and rescue. After it reaches the gentleman from Mississippi, perhaps he could return it and make this part of the record. I would ask unanimous consent.

Mr. TAUZIN. Is there any objection? No objection, so ordered.

[Pictures can be found at end of hearing.]

Mr. INHOFE. Mr. Chairman, I have developed some very strong personal opinions as to the application of the tilt-rotor concept. I recognize that this has been somewhat controversial in Mr. Cheney's discussions, and I have always felt, as did your predecessor, Admiral Yost, that this has a particular application to the Coast Guard. I think he characterized this as the—this is his quote—“The answer to a Coast Guard Commander's prayer.”

Last summer I flew a small aircraft round the world, and as you well know, I made many stops at Coast Guard stations all around. One stop in particular I would like to make you aware of, and I think you already are, is the one I made in Juneau. In fact, I

stopped in the middle of some pretty low ceilings and I wish I had been flying a tilt-rotor at that time. It would have been a little safer. I talked extensively and spent a whole day with the group that Admiral David Ciancaglini had put together—is that right?

Admiral KIME. Ciancaglini. Yes, sir.

Mr. INHOFE. All right. I can't tell you how eye-opening it was. In looking at just three of the missions that you are confronted with and perform on a regular basis, that of drug interdiction, that of search and rescue, and then oil spill containment, I would like to know your opinion as to how this concept—I know you have looked at it—might fit into the Coast Guard's missions?

Admiral KIME. Well, certainly this is an area, Mr. Inhofe, I am familiar with. I have been to Ft. Worth to look at the V-22 there and also looked at the prototype. In fact, the previous Chief of our Office of Engineering was a pilot who flew the experimental prototype. We are certainly interested in this technology, and you are correct in saying that it does have some potential application for some of the Coast Guard missions.

We recognize the current stage of development of the V-22 project, and reflect back on some of the difficulties the Coast Guard has had in bringing on line aircraft that are not supported by DOD, like the problems that we have had with the HU-25 Falcons and the HH-65 Dolphins. So if, in fact, this program does mature and becomes a DOD program and a DOD-supportable program, we certainly are interested in looking at this to see what applications it might have for the Coast Guard.

I don't think the Coast Guard can be out in front on this just for the reasons I have indicated: the size of the service, the cost of these, and the fact that we have no immediate need to replace our fixed-winged aircraft or our HH-65 or HH-60 helicopters, but we certainly, will be monitoring it very, very closely as this program progresses, and are certainly willing and eager to see what application it might have for our various missions.

Mr. INHOFE. Coming from a very conservative perspective, it wouldn't be my intention to come on with a program other than replacement when the C-130's and the others reach the point where their replacement would be necessary, but I would only remind Members of this Committee that when you look at drug interdiction—I happen to serve on the Narcotic Abuse and Control Committee here in Congress, and one of the problems you have is combining speed with hovering capability—this is something that would, I think, be very cost-effective.

I have had extensive conversations with Members of the Transportation Subcommittee of the Appropriations Committee and certainly Larry Coughlin and several others are very supportive of the idea that the Coast Guard could perhaps conduct a study. Now, the gentleman from North Carolina to my right was talking about \$350 million. I am only talking about 1 to \$2 million on the idea that you folks could at least as a minimum in getting into the consideration of this program for the future participate in a study if this were the wishes of the Subcommittee on Transportation of Appropriations in the neighborhood of 1 to \$2 million. How receptive would you be to that idea?

Admiral KIME. Well, I don't know how far along the development of the aircraft is with DOD. Perhaps it might be a bit premature to enter into a study of that magnitude. Perhaps something more along the lines of a quarter-of-a-million dollars within our existing R&D budget, I think, might at this stage provide us with the information that we are talking about, and we certainly would be willing to explore with the committees involved an effort such as that.

Mr. INHOFE. Well, Admiral Kime, I appreciate that very much. I think that might be a good alternative solution at this time to at least not shut the door and leave it open for the future. Mr. Chairman, I apologize for bringing up something that perhaps is not all that consistent with our mission here in this Subcommittee at this hearing but is something that I have developed some very strong feelings about. I would like to make sure that we have this technology as an option for the future. Thank you.

Mr. TAUZIN. Well, we respect your worldly view of things especially a lot more since you made that trip. We want you to know that. Mr. Taylor is recognized for questions.

VTS NEW ORLEANS

Mr. TAYLOR. Thank you, Mr. Chairman. Admiral, let me start by saying that I had the opportunity to visit a couple of your installations lately, and using an historical perspective on it, I must confess that your installations are the best maintained they have ever been. Your vessels are the best maintained they have ever been so please take whatever remarks I make with that in mind that I am just trying to fine-tune what I think is a well-run engine.

With regard to the New Orleans VTS, Vessel Traffic System, I certainly hope that we will not repeat the mistakes of the first one because that was a boondoggle from the word go. The idea of a television camera monitoring the river, I mean, let us face it. When the fog comes, a television camera can't see any better than the human eye, and I have seen your best one out at San Francisco Bay, and I have also seen your worst one so let us try to emulate the best and avoid the worst because that certainly didn't do anybody any good.

Admiral KIME. Let me say that we are aware of the shortcomings of the previous system that did not have active surveillance. It was a passive-type surveillance system with just vessel reporting and dead-reckoning the vessel along, and we are looking at including radar sites. And, of course, with the curvature of the Mississippi River that we have in the New Orleans area, this is going to require a significant number of sites to provide the 100 percent coverage that is going to be necessary.

HOUSING—ATON—82' WPB REPLACEMENT

Mr. TAYLOR. The second is, and this is certainly not unique to the Coast Guard but something I have noticed throughout the Armed Services, is the tremendous use of off-base housing for single enlisted. And I will use the base at Gulfport, Mississippi, for example, but I have seen it throughout the Armed Services regardless of where I travel. I think that we are losing long-term savings

for the sake of short-term savings. I think that the rents over the years would certainly more than pay for the barracks that could be made available, but above all, for that young fellow or the young lady just getting out of boot camp, the E-2, the E-3, you have suddenly put them in a position where they just about have got to buy a car in many instances, and on an E-2 or E-3 salary, that just can't be done. And I know it is going to cost some money to build some barracks in some places, but I have got to believe over the years, since hopefully this country is going to be here for another few centuries at least, that the long-term savings would make up for the short-term investment that we would have to make in building these buildings.

The third thing I wish you would take a look at is with regard to your aids to navigation. And, again, we are just talking about fine-tuning. I have noticed that the D-cycle batteries that are being used—I have been told it is quite expensive, and there really isn't any difference in performance from the ones that are available off the shelf and that if we can save a few bucks here and there, and I think it is more than a few bucks and there are certainly a heck of a lot of D-cycle batteries out there with the solar powered aids to navigation out there that I would like someone to get back to me on that one.

And lastly when it comes to replacing the 82 footer, I would sure like to throw my two cents in that you very strongly look for something that is out there in the commercial section right now rather than building a boat from the keel up. I don't think anyone would be much of a defender of the 82 footers that you had. They were top heavy. They used a lot of fuel. I can't give them away surplus wise to any governmental entities. That doesn't speak very well for the vessel. And I think there are an awful lot of commercially available utility boats out there in that size, and I think we can save a lot of money not only in acquisition but also in repair costs and just parts replacement down the line. Again, these are, I hope, just some fine-tuning recommendations to a well-run machine.

Admiral KIME. Good. Thank you. If I could just respond to some of those. First, concerning the batteries, I am not personally familiar with that issue, but we will certainly look into it and get back to you as we said.

[The following was submitted:]

COST COMPARISON OF DEEP CYCLE VERSUS SOLAR MARINE BATTERIES

The Coast Guard purchases commercially available batteries which are specifically designed for solar applications. These batteries are slightly more costly in terms of cost per unit than normal marine "deep cycle" batteries, but they last significantly longer. While the typical purchase price of a deep cycle batter is 89 percent that of a solar batter, its expected service life is only about 60 percent as long. At current costs, the Coast Guard would spend \$193.50 for three solar batteries or \$287.50 for five deep cycle batteries over a comparable 15-year period.

Battery	Cost	Life expectancy
Delco S-2000 (solar)	\$64.50	5 years
Delco Voyage (deep cycle).....	\$57.50	3 years

Admiral KIME. Housing is a major concern of mine, and I have given you my priorities for our married people; first, being able to live on the economy; second, leased housing; and, third, buying. And for our single people, we recognize that it is a slightly different issue, and we have taken your point to heart. We have a requirement now that before, in fact, any of our people are allowed to go out and live in leased housing that all of the available barracks space has to be full.

For example, when I was the District Commander out in Long Beach, California, we worked with the Navy, helped rehab one of their barracks out there, and used it for our people. In addition, in our '93 budget, we have a request for money to build barracks, and we would hope you would support that for San Pedro, California; Portsmouth, Virginia; and Ft. Macon, Atlantic Beach, N.C..

Finally, for the replacement of the 82 footers, let me say I can't totally—as a Naval architect—share your view of the 82 footer. It has been a very good vessel for us, not quite as fast as perhaps we would like, but it has been a real workhorse. And, in fact, as we take them out of service, I have a long list of requests for these vessels from many of the governments of the world. If I had 20 today, I could provide them to the countries in South and Central America to help in the war on drugs.

Having said that, let me say that we are following exactly what you said in looking for a replacement. We are doing a survey of available off-the-shelf vessels that will meet our needs. We are now in the second phase of that. We have narrowed it down to a finite number of vessels we are specifically looking at. We had very great success with that approach with the 110-foot Island-class vessel of which we have just received 49. I am taking a proven design and investing our funds in that. I don't think there is any desire in the Coast Guard to make sure that it was designed here. We do want to take advantage of what has been done. There are many patrol boats of this type that are operated throughout the world and we plan to see if we can find the technology that is suitable for adoption in a U.S. shipyard to build these replacement vessels.

Mr. TAYLOR. Mr. Chairman?

Mr. TAUZIN. Yes.

Mr. TAYLOR. My last request would be to enter into the record these questions from Congressman Ortiz.

Mr. TAUZIN. Without objection, that will be accomplished.

Mr. TAYLOR. Thank you, Mr. Chair.

[Questions from Mr. Ortiz can be found at end of hearing.]

Mr. TAUZIN. Congressman Ortiz is not a Member of this Subcommittee, but he has asked to submit some questions, Admiral. If you would kindly answer them?

Admiral KIME. We would be very pleased. We have had a long association with Congressman Ortiz. We would be very pleased to answer his questions.

USE OF V-22 OSPREY

Mr. TAUZIN. I appreciate it, sir. Congressman Gilchrest from Maryland.

Mr. GILCHREST. Thank you, Mr. Chairman. If I could just regress for a second and go back to Mr. Inhofe's question about the V-22, could you give us an example when the V-22 would have an advantage and be useful over more conventional helicopters that are used?

Admiral KIME. Well, I think that an example that the manufacturer has presented to us is where you have an incident offshore where there is a need to dash out quickly, arrive on-scene very quickly such as you would with a fixed-wing aircraft, but once you get there, be able to do the things that a helicopter could do such as hover, retrieve people, hoist people, drop equipment very accurately to them, and then return back to shore safely. That is the kind of thing that the manufacturer has indicated to us as a potential use for an aircraft that has the capability of the V-22.

Mr. GILCHREST. And I know I am not putting you on the spot necessarily, but it seems to me, and I am not a pilot or anything, that something like that could be a very useful thing to look for in the next decade or two?

Admiral KIME. It certainly is something that my predecessor and I have followed very, very closely as it has evolved and been developed. This is the high end of technology, obviously, and we don't have these aircraft in production and operation right now. Should that come to pass, we think that the potential certainly is there. Once that happens, we would explore that very, very carefully and look at this on a cost-effective basis.

JOHNSTON ISLAND GAS-BURNING

Mr. GILCHREST. Thank you. Did the Coast Guard play any role in the removal of the gas from Europe to be burned at Johnston Island in the South Pacific?

Admiral KIME. Not that I know of, sir. I certainly can get back to you for the record on that, but right now I don't have any information available to me that we did.

[The following was submitted:]

WATERSIDE SECURITY DURING FINAL TRANSIT AND OFFLOADING OF GAS SHIPMENTS TO JOHNSTON ISLAND

The Coast Guard responded to a request by the Commander-in-Chief, Pacific to provide waterside security in the vicinity of Johnston Island in November 1990. The patrol activity occurred during the final transit phase and offload of gas shipments from Europe to Johnston Island. The Coast Guard's mission was to keep away all vessels not involved with the shipment of gases. Two Coast Guard officers were assigned to coordinate intelligence and cutter operations. The USCGC *Kiska*, a 110-foot patrol boat, was deployed to patrol the three-mile naval defensive sea area surrounding Johnston Island. The operation lasted about 10 days and was concluded without incident.

ABERDEEN MUSTARD GAS

Mr. GILCHREST. Do you have any role at all in the Chesapeake Bay directly or indirectly with the mustard gas that is being stored at Aberdeen Proving Ground? Is there any interchange between the Army and the Coast Guard as to the security of that stockpile?

Admiral KIME. None that I know of. Again, I would have to look at that and get back to you. We have been very actively involved,

of course, in the transport of hazardous materials up and down the Chesapeake Bay—LNG, et cetera. If they chose to move this by vessel, certainly we would be involved with enforcing safety zones, et cetera, and working with them in developing a plan to do it. But as far as providing any specific security for it right now, I don't have any information, but, again, I will get back to you for the record.

[The following was submitted:]

COAST GUARD CONTINGENCY PLANS FOR ABERDEEN PROVING GROUNDS

The Coast Guard has a limited role with respect to the U.S. Army's stockpile of mustard gas at the Aberdeen Proving Grounds. Since there is no movement of mustard gas by vessel from the Aberdeen facility, Coast Guard monitoring of vessel gas loading operations is not required. However, in the event of any chemical release from the facility, Coast Guard Marine Safety Office (MSO) Baltimore, MD is a resource identified by the Army in its contingency planning. To support this contingency planning, over the last two years representatives from MSO Baltimore have been attending bimonthly meetings of the Army sponsored Chemical Stockpile Emergency Preparedness Program. This program has established a crisis hotline, which includes the Coast Guard, in the event of a gas release. Further, the Army is currently developing a computer network, with Coast Guard access, which will assist in monitoring and tracking a gas release. Like the Coast Guard's involvement, the Maryland counties of Hartford, Baltimore, and Kent have emergency response contingency plans which have been integrated into the Army's plan. These plans identify the actions to be taken and the roles of Federal, State, and county agencies should a release of mustard gas occur.

Security of the Aberdeen mustard gas stockpile, a Department of Defense facility, is primarily the responsibility of the Army. Coast Guard involvement would only occur in the event the gas was transported by vessel, at which time the Coast Guard would coordinate the safe movement of the gas with DOT's Research and Special Programs Administration; or there was a gas release or a threat to the facility. In these last two instances, Coast Guard activities would be limited to providing water-side response, monitoring, or establishing and enforcing safety or security zones.

Mr. GILCREST. Thank you very much. Thank you, Mr. Chairman.

PILOTAGE REGULATIONS

Mr. TAUZIN. Thank you, Mr. Gilchrest. Mrs. Lowey.

Mrs. LOWEY. Thank you, Mr. Chairman. Thank you, Admiral Kime. As you know, oil spill prevention continues to be one of this Committee's priorities, and last summer the Subcommittee held a hearing on the risk of oil spills in the Hudson River where it was revealed that a significant number of oil tank barges are not covered by Coast Guard pilotage requirements. Apparently, massive ~~9,000-ton~~ oil barges are often classified as inland vessels and are thus exempt from Federal pilotage requirements. The Coast Guard, however, expresses satisfaction with existing pilotage standards, and yet the Hudson River has suffered dozens and dozens of spills. Virtually all of these spills have been attributed to the pilot's lack of training and local knowledge of the waterway.

Admiral Kime, we have not had an opportunity, I know, to discuss this issue at any length, and I would appreciate getting your views on the importance of strong pilotage requirements as a means of reducing the chance that human error will result in an environmental catastrophe. For example, I am very interested in knowing whether you are satisfied with the existing pilotage regu-

lations that leave all but unregulated oil barges carrying tens of thousands of gallons of oil?

Admiral KIME. Well, I am certainly familiar with the issue and worked very personally on this for a good many years. We have an ongoing project right now on pilotage of coastwise vessels, and it includes consideration of oil barges. Of course, pilots, or a person acting as a pilot, are required for oil barges over 10,000 tons, and I know of your concern.

Mrs. LOWEY. Over 10,000.

Admiral KIME. Over 10,000. We have a notice of proposed rule-making that will be coming on the street very shortly that will, again, address this issue of pilotage. I am very much familiar with your concerns, and I certainly hope that this will address some of them. And we certainly would appreciate very much getting any comments you have as a result of that notice.

WATERWAYS MANAGEMENT

Mrs. LOWEY. I would appreciate that because, as you know, I have been working closely with several groups in our area who navigate the Hudson River, and this is a major concern.

Admiral KIME. We certainly know that, and we certainly would be pleased to work with you. We also are aware of a proposal that the American Waterways Operators (AWO) have, to do a study on navigational safety on the Hudson River, and that you have written me a letter on that issue—

Mrs. LOWEY. Right.

Admiral KIME. (continuing)—which we will be answering very shortly. Let me say that we support what AWO wants to do and do work with them on a continuing basis and would be very pleased to see what part we could play in such a study. In addition to that, our First Coast Guard District people are right now conducting a Waterways and Management Study of the Hudson River. We expect that to be completed in October of this year. That study is looking mainly at how to define a safe, efficient, effective relationship between vessels in that channel, what kind of buoy system we should have, the other systems I mentioned, et cetera, and we think that is something that perhaps parallels what is being done by the AWO.

HUDSON RIVER

Mrs. LOWEY. You mentioned that you received my letter, and I am grateful, and I hope that we will be able to talk further and get all these groups together to work toward a solution. I am sorry if you mentioned it, but I didn't quite understand. Did you say that you are currently in the process of doing a thorough, in-depth review of all the oil spill accidents that have occurred on the Hudson River? Because I think as we look at pilotage requirements and size of vessels and distinguish one group from another, it is really important to have a good handle on what occurred in each of the accidents.

Admiral KIME. No. We are doing a Waterways and Management Study now, on navigation on the Hudson River, not specifically for oil spills. I believe we have received requests from you in the past

for such data. I think we have provided some of it to you and indicated that other data had to be accumulated and would be supplied when we had done that. I understand your interest in this, and we will go back and see where we stand on that and be certain that we provide you with the information that you need.

[The following was submitted:]

AIDS TO NAVIGATION AND OIL SPILL INVESTIGATIONS ON THE HUDSON RIVER

The Coast Guard is planning to conduct a complete, systematic analysis of aids to navigation in the Hudson River later this year. The Coast Guard's Waterways Analysis and Management System (WAMS) will be used to determine if both the existing aids to navigation on the Hudson and the units that serve them are of the right type and mix to ensure the safe navigation of vessels. WAMS analyses typically include a narrative description of the waterway and its users, an examination of vessel casualties, traffic patterns, charts, and bottom surveys, and aids to navigation. The WAMS analysis will involve significant input from the public, consultation with the American Waterways Operators, State and Federal pilots, towing vessel operators, tanker masters, and many others.

In regard to conducting in-depth reviews of oil spill accidents, the Coast Guard conducts investigations into all oil spills in its area of responsibility. The results from these investigations are entered in the Marine Safety Information System (MSIS). We are able to use MSIS data to look at historical summaries for areas such as the Hudson River. The information contained in MSIS on the Hudson River was provided to you in April 1991. The Coast Guard has just completed an upgrade to our MSIS system that now allows greater linkage between marine accidents and pollution incidents. This should facilitate future efforts at analyzing spill data.

IMPACT OF GLOBAL CHANGES ON CG

Mrs. LOWEY. I would appreciate it because as we get the groups together and we are trying to work toward a solution of this issue, I just want to be sure that we have solid evidence so we can really get to the bottom of it. Thank you.

There is another issue not related that I am particularly interested in. There have been profound changes, as we know, in Eastern Europe and the Soviet Union, and there is a definite need for many Federal agencies, not just the Defense Department, to re-examine their goals in light of these dramatic shifts. And I wonder in light of these shifts what do you see as a change in the mission of the Coast Guard? What steps are being taken, if any, to enable the Coast Guard to adjust to these new challenges? And I wonder if there are any particular points in the budget that address these issues?

Admiral KIME. Well, I think we certainly, as I indicated in my statement, are aware of the dramatic changes that have taken place with the Soviet Union. The most direct impact would be on our national security function recognizing, however, that the Coast Guard's role in national security is not necessarily a strategic one, but more of a tactical one. During the build-up in the Defense Department budget in the past 15 years or so, it has been to meet a strategic threat. That is the reason the Defense budget is coming down now, and since we were not impacted by that build-up, we don't expect that we would be impacted greatly by the draw-down.

There are several specific areas though that are addressed in the '93 budget. One is the level of our Ready Reserve force. We are currently conducting a study in coordination with DOD, considering all of the Coast Guard missions that we use our reserve forces for,

to see what is the size level required of the Coast Guard Selected Reserve in the future.

In addition to that, let me say that one of the considerations in not building the Heritage-class vessel was that we did not see a need to have a significant military deployment capability for this vessel to areas such as the Persian Gulf, based on the lack or the reduction in the national security threat that we see. I think that would be a good example of what we are doing.

Also, a question was raised about special interest vessels? Are we changing our posture as far as Soviet vessels being allowed to trade freely without restriction in various U.S. ports. Some of the U.S. ports were closed, and although I indicated the answer to that was classified, certainly this is an area that we are looking at very, very carefully.

In addition to that, we have a request in the budget to establish a Marine Safety Training Team, because we have received numerous requests from countries around the world—from their Navies or Coast Guards, basically, since many of them are the same size as our Coast Guard, and perform the same duties. This training team would provide training in some of the things that we do. And that, again, is reflected in the budget.

Mrs. LOWEY. Thank you very much, Admiral, and I look forward to working with you in addressing my first concerns concerning the Hudson River.

Admiral KIME. Thank you.

Mr. TAUZIN. Mr. Bateman for questions.

Mr. BATEMAN. Thank you, Mr. Chairman. I just want to welcome Admiral Kime and his associates. I am sorry my attendance this morning has been spastic for reasons that I can't get into, and if I have any questions, I will address them later.

Admiral KIME. Thank you, Congressman.

Mr. TAUZIN. Thank you, Mr. Bateman. Mr. Goss for questions.

RECREATIONAL VESSEL FEES

Mr. Goss. Thank you very much. I apologize for being late, Mr. Chairman. This is a matter, as you know, that is of great concern to me, and I serve on this Subcommittee because I want to, and I am happy to. And I admire your leadership, and I am delighted that we are doing this exercise.

There are some questions—Admiral Kime, it is nice to see you again—that have come up that are somewhat parochial, and pardon me for being a little parochial. I know that everybody tends to do that at this time, but we are really concerned about the overall budget and the ability of the Service to do what it needs to do even though some of our questions may be a little narrower in scope as mine will be.

I am very concerned in this very competitive time for funds about how funds are going to get prioritized, and that somewhat reflects where constituents' feelings lie. And I am concerned that the Coast Guard is getting an unnecessarily black eye in the way it is conducting its business with regard to enforcement of the decal fee, the recreational fee. We are getting, again, complaints about over aggressiveness and so forth. I believe that that policy needs to

be uniform throughout the Service; it needs to be clear throughout the Service; it needs to be efficient throughout the Service; and it needs to be understood to the greatest degree that you can take on the mission of explaining the inexplicable to our consumers.

We have reports of the Coast Guard in our area saying, "Look. This thing is there. We are going to enforce it, and we are going to be aggressive about it." We also have other reports from other parts of our area saying, "Well, if we happen to run into a violator and we see they don't have a decal, then we will deal with it at that time." These messages are being reported virtually in the same press, and you can understand what is going on. This causes me concern because I am a defender of the Coast Guard, as you are, and I want to be able to report that this matter will be corrected.

The second thing I would like to know actually is how are you doing with regard to collecting these revenues from this ill-advised tax? And, secondly, what are your estimates for this year, and have you excluded, of course, commercial vehicles and commercial vessels? How much money do you think you are going to raise this budget year from this collection of funds from the recreational decal tax?

Admiral KIME. Mr. Goss, first let me address the initial point that you raised about enforcement. We have gone to great pains to attempt to ensure that we do have a uniform enforcement posture and also tried to phase in our enforcement plan last year as this became a new law, a new requirement. A lot of confusion existed among the boating public because of the lawsuits against the Coast Guard, the anticipation that this law might be repealed and that the fee would not be required. So we gradually phased in our enforcement and did not start full enforcement until the 1st of September of last year. And that is the posture we are in now and will be as the boating season starts for most of the country.

I realize in your part of the country it continues all year round, and we are trying to approach this in an even-handed way. We do not intend to set up roadblocks and stop everybody to see if they have a decal, but to enforce it in the normal course of what we do on the waterways. Obviously, as a boat passes by, it is very easy to see if it has a decal or not. I would be very much interested in any specifics that you have received from your constituents so that I can follow up on them.

Mr. Goss. We will be glad to accommodate.

Admiral KIME. Now, let me try to get to the question of what we have received. In calendar year '91, we received \$18.5 million. We run this on a calendar basis.

Mr. Goss. I understand.

Admiral KIME. And so far this calendar year we have collected \$9 million.

Mr. Goss. What is your expected rate of compliance by the boaters? What do you expect to receive?

Admiral KIME. Well, in addressing this issue before, I have indicated that the American boater traditionally has been a very law-abiding person, and I think the preponderance of calls we have received are along the lines of, "How do we get a decal? What do we

do?" So we would expect that there would be a very, very high level of compliance.

Mr. Goss. If the information isn't immediately available—

Admiral KIME. I could provide that—

Mr. Goss. (continuing)—maybe you would be very happy to provide it later?

Admiral KIME. Yes. Yes, I can give you the estimate.

[The following was submitted:]

ESTIMATE ON RECREATIONAL VESSEL FEES COLLECTED, FISCAL YEAR 1992

Budget estimates are based on an assumption of full compliance on the part of boaters subject to the fee. The resulting revenue (gross receipts) from this level of compliance would be \$108 million for fiscal year 1992. Sales are off to a good start, and we expect to see a surge as boating season approaches throughout the country. However, the final level of receipts in 1992 could be below current estimates depending on public reaction to current efforts to repeal the Recreational Vessel Fee.

Mr. Goss. I would like to know if your expected rate of compliance bears any similarity to the actual expectation that the budget people think we are going to get in terms of revenue on this? And that is all I am asking the information for. My other concern, and I want to be assured on this, is that you are not diverting from higher priority missions to spend one second in a revenue business when there are higher priorities out there. Can you assure me of that?

Admiral KIME. I certainly can assure you that the highest priority mission that we have is the saving of life, and we traditionally have put that as our top priority and will continue to do that.

Mr. Goss. We can assure people who inquire that the Coast Guard will be out there, and if there is a higher priority and they are involved in enforcing the recreational vessel decal tax, that the Coast Guard will respond to the higher priority?

Admiral KIME. You certainly can, sir.

Mr. Goss. That is good, and I think people need to hear that, and I think they need to hear it from you because I am not sure that everybody believes that right at this time.

Admiral KIME. All right.

HMIO OPERATIONS

Mr. Goss. Secondly, let us get on to another area that you have addressed briefly, if I can, Mr. Chairman. I will be quick about this. The cost of this refugee situation with Haiti, you have given us a \$5.2 million so far. Does that include the costs that are very hard to measure of the diversion of those cutters from other areas, from other things they may be doing, or are those just the up-front costs of operating those vessels in that area doing what they are doing?

Admiral KIME. Let me speak to that very, very specifically. We are talking about the cost to actually operate the units, the aircraft, the ships, the expendables associated with this entire project of about \$5.8 million. I misspoke when I said \$5.2 million earlier. It is actually \$5.8 million. Now, the net amount that we would not have spent because, obviously, we have these aircraft flying extra missions. They are designated for other missions, along with ships, and get diverted for this. That incremental amount that we would not have spent is about \$2 million right now.

We have been able to maintain, I think, a good Coast Guard presence in the Gulf of Mexico and on the East Coast. It has not adversely impacted our drug interdiction efforts. In fact, I have statistics to give you that show that, in fact, we have significantly increased the amount of drugs that we interdicted in this comparable period this year over the previous periods. For example, if we take the period from the end of October to the end of February, we look at that period from '89 to '90 and look at marijuana, we interdicted about 5,000 pounds. If I look at that same period from '90 to '91, about 22,000, and in this immediate past period ('91 to '92), about 38,000 pounds. If I look at cocaine in the '89 to '90 period, about 10,000 pounds. In '90 to '91, about 13,000. And in this past period ('91 to '92) about 27,000.

The real concern I have is the fact that I am eating into the operational days, the days away from home port, that I have planned for my vessels. I am going to have to bring them back for maintenance, for the welfare of the crew, et cetera. I am concerned about the long-term impact that this might have on me as I get toward the end of this fiscal year. As I mentioned earlier, right now there are about 691 migrants in Guantanamo Bay that could be repatriated back to Haiti. That could be completed as early as next week. That is why we hope that this effort has really come to a conclusion.

Mr. Goss. Well, my reason for asking is that it is pretty clear that the Coast Guard has more missions than it does capabilities, and we struggle with that every year, and I admire your management under the those circumstances. But my real concern is that clearly we have diverted a lot of Coast Guard resources to that problem, and that means they have to be taken away from something else. And you can fudge it for a while, but you can't do it forever, and I know we are getting to the point of the end of forever. I know there are other problems, and I am not addressing those. I am just looking at your problem, and I want to know, you know, what is being traded off if, in fact, tradeoffs are being made to have those vessels there? Because there is a feeling that we have an inexhaustible reservoir of cutters to take care of these problems it seems in some people's minds.

Admiral KIME. We don't, Mr. Goss. Let me go back to your previous question. You asked me how does the Coast Guard respond to its priority missions? This is a lifesaving mission. If you had seen the people crowded aboard these boats, the over 16,000 that we have rescued, truly the word "rescue" is the proper word to use. There was no question that this is what we had to do, and by rescuing them, we have created problems for others, by having to find a place for the people to be kept until INS could follow their procedures to see what the disposition was at Guantanamo Bay. But let me say that safety has been our primary concern.

At the same time, I am concerned about the impact that it has on our other missions. I don't think it has had a significant impact on the drug interdiction effort. We have had some very dumb dopers who have tried to run right through the fleet of these ships in the Windward Passage and we have had some significant seizures. We had our second largest maritime cocaine seizure that we have ever had during this time period. I think we have maintained

a presence in patrolling fisheries, but we have done it by extending the hours that our people have had to spend underway—the hours and days that our vessels have had to be away from homeport, and we have had to neglect maintenance. We certainly can't keep this up, and I appreciate your point very, very much. That is why we hope we are at the end of the line with this current effort.

Mr. Goss. If we are not, I would very much like to have a list of where the home ports and where the normal operational waters of those vessels are if this goes on very much longer. We are getting concerns about are these rescue missions taking place in foreign waters when we have needs being unmet for rescue missions in American waters. A fair question.

Admiral KIME. It is a fair question. I think most of the vessels we are talking about, the 378-foot high endurance cutters, the 270-foot medium endurance cutters, and the 210-foot medium endurance cutters involved have been mainly operating down in the Caribbean or offshore for fisheries patrol. I don't know of any cases where there has been a lack of coastal search and rescue coverage. This has been managed very, very closely by our Seventh District Commander in Miami and our Atlantic Area Commander up in New York.

RVF DECALS

Mr. Goss. Mr. Chairman, could I add one minor quick point? I am sorry. It just occurred to me another area of complaint that you may have resolved by now, people who are trying to get their decals are running into problems with the people who are selling the decals apparently, and I understand you have contracted that out to a service, and they had a computer problem or something. Is that behind us now, and the people who want to obey this law are going to be able to get the decal in a reasonable period of time?

Admiral KIME. Yes, sir. We hope so. We are aware of the concerns that have been expressed to us and have been working with the contractors. Some initiatives have been taken, and we do hope that this is behind us.

Mr. Goss. If not, we will be in touch with you on that one too. I want to give you fair warning. There are a lot of questions being raised. Thank you very much, Mr. Chairman.

Mr. TAUZIN. Mr. Studds earlier confessed that he had gotten his decal already. I wondered if you had gotten yours?

Mr. Goss. Mr. Chairman, for the record, it is extremely important that I note that I have two boats and both have current decals.

Mr. TAUZIN. I want it on the record.

Mr. Goss. I will be operating where you can find me.

BRIDGE ADMINISTRATION

Mr. TAUZIN. Admiral, I guess all too often these sessions become complaint sessions, you know. They are occasions for Members to ask you questions about things that concern us during the year, but they are also an occasion for us to commend you when we think you have done a particularly good job, and this is one of those occasions. On September 12, 1991, we held an oversight hear-

ing on the Bridge Administration, Truman-Hobbs program, and you know that many Members had problems with the way in which the program was being run, and there were lots of requests to go around the program and go for congressional approval of Truman-Hobbs funding. Since that time, your staff has worked diligently to research our concerns and last month announced significant changes in the Coast Guard Bridge Administration Manual, and we want to thank you. We think you have done an admirable job, and have done some excellent work, and wish you would pass the word down to your staff that this Committee is very grateful that you not only heard our concerns but apparently took them into consideration in the new manual. We are very grateful for that, Admiral, thank you.

Admiral KIME. Mr. Chairman, let me say I certainly will do that, and I will pass it down to my people because I agree they have done a very good job. But that job was made possible, I think, as a result of your hearing because I think you brought all the people together who were interested in this issue, to help us build a consensus so we could do what really needed to be done. So let me express my thanks to you and the Committee for your effort.

CONCLUSION

Mr. TAUZIN. Well, the big burning question, and many Members have asked me to ask you, what did you bring Captain Shkor and Captain Casto here for? I mean, we haven't heard from them. Are they just bodyguards, or what are they?

Admiral KIME. Well, generally, this Committee has a very good reputation, Mr. Chairman. I have had some verbal barbs thrown at me but none of the real tough kind. No, but these are the gentlemen that have worked so very, very hard not just in preparation for this hearing so that we can be responsive to you, but in putting together the budget request for the Coast Guard and to make sure that the resources that we have are apportioned out. And so, when you give me some very tough questions—and I have gotten some today—they pass a great deal of good information to me. Thank you.

Mr. TAUZIN. Well, I know they have been battle trained already through Appropriations hearings so I want to thank all of you for the efforts you have made to enlighten us on your budget request, and I want to highlight again what the Ranking Minority Member, Mr. Fields, indicated. Admiral, if you feel there are any parts of the budget where you are being shortchanged, let us know.

Many of us have friends in the appropriation process and are always willing to go to bat for the men and women of the Service who do such a great job. Mr. Goss detailed many more missions we've asked you to do than you can afford, and yet you do them. We want to make sure that you are given the resources you need. If we can make that effort anywhere in the appropriations process, let us know that please, sir. Again, we thank you all, and, Admiral, I know that we are going to hear from Master Chief Petty Officer R.J. Lloyd who requested to appear representing the enlisted Service. Your tenure as Commandant has been marked with, as you said, people concerns, balance, and excellence.

We are going to hear a little bit about the people concerns of the Coast Guard next, and I think it might be enlightening for all of us to hear some of the good work that is going on and some of the needs that still need to be addressed so we thank Mr. Lloyd for coming forward. Admiral, thank you for your testimony. Gentlemen, we appreciate your efforts, and we will be back in touch as we move this budget process along.

Admiral KIME. Thank you, Mr. Chairman.

Mr. TAUZIN. The next panel will consist indeed of Master Chief Petty Officer R.J. Lloyd of the United States Coast Guard. He is the sixth Master Chief Petty Officer of the Coast Guard and requested the right to testify today to bring to our attention, in fact, the status of the enlisted men and women of the Coast Guard, and we are delighted to have that testimony and are anxious to hear it. Mr. Lloyd, if you will please proceed, sir. Thanks for volunteering, and I have looked at your written testimony, sir, and it is quite extensive. You needn't read it to us, but if you will kindly summarize to us the major advancements and major concerns in the enlisted force.

**STATEMENT OF MASTER CHIEF PETTY OFFICER R. JAY LLOYD,
UNITED STATES COAST GUARD**

MCPO LLOYD. Yes, sir. Thank you. I will keep it to a couple notes. Mr. Chairman, Members of the Committee, I would like to thank you for the opportunity and the honor of appearing before you today to represent the men and women of the Coast Guard. And I would like to submit my written testimony for the record.

Mr. TAUZIN. That is without objection, sir.

MCPO LLOYD. I would like to summarize a few points contained in my testimony. For the last six years or so, I have been saying to our folks that we have a Coast Guard that takes care of everybody in the world; the merchant folks, aviators, commercial fishermen and pleasure boaters, and we all too often don't take care of ourselves. I am happy to say that today under the guidance of the Commandant, we have come a long way. We have turned a corner, and we are headed in a direction our people want, need, and deserve. We are taking care of ourselves better than ever before, and it is going to get better than it is now. There will be individual incidents, I am sure, that will cause us some problems, but we will work through those as we have worked through the ones we have already had.

There are some areas of concern for our people. We do need more barracks. We do need some barracks upgrades and some more Coast Guard housing. In the compensation area, a CONUS COLA is a need that our people have. The variable housing allowance we have now just isn't enough for what we have. Invariably, when there are budget cuts or there are cutbacks in any of our requested funding, our training and education also gets cut. We have to think about that. And we need available and approved medical care for our folks. 44 percent of our people don't live near a military treatment facility, and we have to utilize CHAMPUS. That is expensive for us, especially in areas where there are high costs.

We have another area. Last year the CHAMPUS deductibles were raised from \$50 for an individual, \$100 for a family, to a cost of \$150 for an individual and \$300 for the family—a 300 percent increase. What we did was penalize some of our young sailors for being promoted from E-4 to E-5. I would like to look at that or ask someone to look at it and help us out.

In the areas we are doing great in, our people love their jobs. As we have heard Members say this morning, we do a good job. They love it. Our recruiters are great. They are doing a good job. One of the things we are seeing now is that our retention is starting to soar because of some of the things that Admiral Kime is doing for us. I request that the Admiral get his full funding asked for. I want to thank you and the Members here for your support you have given the Commandant and the programs of the Coast Guard.

For that, on any given day in 1991, an average day in the Coast Guard consisted of saving 13 lives, assisting 339 people. We saved \$2 million in property on that day. We conducted 232 search and rescue cases; responded to 33 oil and hazardous chemical spills; conducted 87 port security and safety operations; inspected 82 commercial vessels; investigated 18 reported marine accidents; serviced 119 aids to navigation; seized 84 pounds of marijuana and 92 pounds of cocaine.

Sir, our people give you and our country their youth, energy, enthusiasm, and even their lives, if need be—as MK1 Charles Sexton did last year at the mouth of the Columbia River when he went back inside the cabin of a sinking fishing boat to try and save an injured crew member. We are proud of our heritage of over 200 years—part of the total force that defends this country; and we are proud of our reputation. We appreciate the respect that the people of this country and the world maritime community gives our people and our service, the United States Coast Guard. Sir, I would be happy to answer any questions from the testimony submitted.

Mr. TAUZIN. Thank you, Master Chief Lloyd.

[Statement of MCPO Lloyd can be found at end of hearing.]

Mr. TAUZIN. First of all, Mr. Coble for questions.

Mr. COBLE. Mr. Chairman, thank you for that. I have been called to a Judiciary Subcommittee markup so I am going to have to leave shortly. Thank you, Mr. Chairman. Master Chief, good to have you here.

MCPO LLOYD. Thank you, sir.

HOUSING NEEDS

Mr. COBLE. In your testimony, Master Chief, you stated that the Coast Guard has made improvements with providing adequate housing for its personnel. Where have these improvements been most notable, number 1? And, number 2, where are the pressing problems still most apparent?

MCPO LLOYD. Well, sir, with the money we have received from Congress the last two years, we are starting to build housing in Kodiak, Alaska. We are going to do it in Astoria, Oregon; Los Angeles, California; San Juan, Puerto Rico; and in the New Haven, Connecticut area. Areas we are asking funding for in our '93 budget include San Juan, Puerto Rico; and Sandy Hook, New

Jersey. Honolulu, Hawaii is a tough one for us, because it is expensive over there, and our young folks have a rough time affording housing. It's the same way in Astoria, Oregon. We need housing improvements and barracks maintenance increased; we also need to upgrade our barracks at such places as Cape May, New Jersey. You heard of our needs at San Pedro, California and Portsmouth, Virginia. As the Admiral said, we are doing it. But we still need it at Governor's Island, New York; Cape May, New Jersey and some other places.

Mr. COBLE. Admiral, I realize that the nature of the Coast Guard requirements, the multimissions that have been mentioned many times here this morning, for the most part your personnel are required to live near the coast. That is the nature of the beast. Mr. Chairman, I have read recently, and I can't support this scientifically, but more and more people are migrating to the coast to live there. Does this fact create special hardships for the Coast Guard as opposed to the other services?

MCPO LLOYD. Yes, sir. There are some, but first I would like to thank you, sir, for the promotion to Admiral.

Mr. COBLE. I am sorry.

MCPO LLOYD. Oh, don't be sorry. I would accept the pay raise, sir.

Mr. COBLE. Now, some of your enlisted counterparts, Master Chief, might regard that as a demotion. That might be subject to interpretation.

MCPO LLOYD. Well, it all depends on the job the Admiral has. Yes, sir. Concerning the moves of people to the coast and all, the Coast Guard does not have the pleasure of having the same services our DOD counterparts have. Our bases, our stations—if you want to talk about our large bases, we have three or four over 1,000: the average Coast Guard base is somewhere between 25 and 30 people. We don't put up a commissary and exchange on a base that size. So, therefore, it costs more money for our people to live in those areas.

Another thing is if we have a station at Ft. Lauderdale or Nantucket, and I can go to a number of large areas like that—resort areas where the people tie up their \$400,000 yacht and buy their \$300,000 or \$500,000 summer home—a seaman apprentice assigned there who makes \$800 a month has got a problem. He cannot fight that money situation. Port Isabel, Texas; South Padre Island are places where our people drive 30 to 40 miles to work. They live in Harlingen, Texas which is 30 or 40 miles away because they can't afford to live on the island there. We have that situation in a number of places.

Forty-four percent of our people live outside of a catchment area for the CHAMPUS medical care that we have. Those are problems we all have. This CONUS COLA suggested by the Seventh Quadrennial Review of Military Compensation would affect about 38 percent of our people who live in areas like that. That is a large number, sir. We don't have the commissaries and exchanges every place, and when we do, we use them. There is no doubt about it. Some worries in the Coast Guard are, "If they close down this base or this air station or Air Force base, whatever it is, how far am I

now going to have to drive to a commissary/exchange versus what I have now?" Because we try to use what we do have available.

Mr. COBLE. Thank you, Master Chief. I got your rank correct that time.

MCPO LLOYD. Yes, sir.

MEDICAL CARE

Mr. COBLE. Finally, Mr. Chairman, I thank you for having recognized me prematurely. You mentioned CHAMPUS, Master Chief. Let me touch just a minute on that. My question to you is is the CHAMPUS medical care that is being delivered improving? Is it worsening, or is staying about the same? And I am aware about the increased deductibles.

MCPO LLOYD. Aye, sir. Is it improving? I could answer that yes and no. Is it staying the same? I could answer that yes and no. It all depends on where we are stationed. 44 percent of our people is about 18,000 people, sir. The benefits are getting better. There is no doubt about it. Are they accessible? Are they more accessible than using CHAMPUS? Well, not all providers accept CHAMPUS assignment, i.e. the cost that we pay for it. So if there is a CHAMPUS cost, what is the assignment, what CHAMPUS allows? CHAMPUS pays 80 percent, we pay 20 percent out-of-pocket. But anything above assignment, we are responsible for also. That is what gets our people in trouble. That is where we pay out of our pockets, and it is because of the places they have put us—where we must serve.

Admiral Hudgins, our Chief of Medical Services, sent the folks in DOD in the health services area a letter to make a two-tier system; one for people who are covered by military treatment in a facility catchment area and one for those outside of those areas. He has yet to get a response to that letter. Something like that would be good. We have some problems we have to be aware of, and I wanted you all to know about them today, sir.

Mr. COBLE. And as you just replied, Master Chief, it could be better, it could be worse depending on varying circumstances?

MCPO LLOYD. Yes, sir.

Mr. COBLE. Thank you, Master Chief. Thank you, Mr. Chairman.

HOUSING PRIORITIES

Mr. TAUZIN. Thank you, Mr. Coble. Master Chief, you mentioned that one of the serious problems in housing still is renovation and repairs, and you mention the priority list. How is a priority list drafted? On what basis? Is there a committee, or is that done strictly by the budget office here at Headquarters?

MCPO LLOYD. It starts at the lower levels, sir, and it works its way up, and Boards have gotten together to see which one has the greater need, what project has a greater need.

Mr. TAUZIN. So it is need-determined?

MCPO LLOYD. Oh, yes, sir.

Mr. TAUZIN. And if there is a worse substandard condition existing somewhere, it is likely to get handled first, in your opinion?

MCPO LLOYD. Yes, sir.

Mr. TAUZIN. OK. So that you don't have any concern with the priority list itself. You are concerned with how long it takes for the work to get done?

MCPO LLOYD. Yes, sir. That was what I was going to say.

Mr. TAUZIN. OK.

MCPO LLOYD. The priority list is so long, and all we can do is 10 items. But 30 things need to be done today, we can fund 10, and those numbers of arbitrary. I can say 12 and 57 or whatever the numbers are. But we get so much money for these, and we have to draw a line somewhere. And in areas below that line the need could be just as great there, sir.

Mr. TAUZIN. Is there any program for enlisted personnel to be able to do some of their own repairs where those become necessary?

MCPO LLOYD. Oh, yes sir, there are. Let us talk about repairs, and let us talk about renovations.

Mr. TAUZIN. Yes. That is what I want to know. What are we talking about?

MCPO LLOYD. Between repairs and renovation. We can go replace washers. We can paint. We can do so many things. But as we get into a more diverse work force, we need another head in here, another rest room in there for the men and the women. We need all of that stuff. Those are things our people can't do, and when you start talking about repairs, what are we capable of doing, well, what do we have people on board to do repairs for? What do we have on board to do search and rescue and law enforcement and all the other missions we have? How many hours do we throw on each person? Those are the questions.

Mr. TAUZIN. As more women join the enlisted ranks, is that becoming a serious problem in terms of facilities? I saw a report on CNN yesterday about, for example, airport facilities, why women have such long waits in line to use those facilities. And one of the reasons is their facilities are inadequate. People haven't planned for the kind of diversity of needs, even in airports. I wonder if that is going to become a problem in the Coast Guard as the percentages rise.

MCPO LLOYD. I think it is going to become a problem every place we go as the work force becomes more diversified. We have women coming in our Service, and we are making necessary adjustments for them.

Mr. TAUZIN. When you talk about substandard living quarters, give me some real life examples of what you have seen as you have gone around the country. I mean, is anybody living without proper electrical facilities or—

MCPO LLOYD. Electrical facilities are adequate. Head facilities are insufficient. Air conditioning, climate control—

Mr. TAUZIN. Climate control problems?

MCPO LLOYD. I have been to units with that problem. Yes, sir. I have been to places where the rooms aren't big enough. Some of the buildings we have were built in '32, '35, '40, '45, '50, '55, and they just aren't adequate. What we are giving our people who are required to live in a barracks are things like gang heads versus individual heads.

Mr. TAUZIN. I want you to do something for me—

MCPO LLOYD. Yes, sir.

Mr. TAUZIN. (continuing)—because I know that incredibly good improvements are being made, and I would just like to get an idea of what remains to get done. If you could submit for me one of the worst case examples that is still on the priority list that may not get funded for another four or five years. Give me a good one like that. You don't have to do it today. Just, if you can, submit it in writing to us just to give us an idea of what still awaits being done on that priority list.

MCPO LLOYD. You have got it, sir.

[The following was submitted:]

HIGH-PRIORITY IMPROVEMENT PROJECTS (LIVING QUARTERS) AT COAST GUARD UNITS

Rather than list just one unit that is in the most need, I will list two examples of high-priority projects intended to improve living quarters at Coast Guard units. My concern is that when I list a single unit the way you requested, it will move above other projects on the list. That was not my desire or intent. My intent was to point out an overall situation we have in the Coast Guard.

Support Center, Portsmouth, VA: Unaccompanied Personnel Housing Phase II—\$3.6 million above and beyond the fiscal year 1993 request is needed to complete this project originated in 1985. Completion of this project will be executable in fiscal year 1994 and includes 77 rooms, plus a galley. Phase I of the project is included in the fiscal year 1993 budget, which is requesting \$6.3 million from Congress.

Training Center, Cape May, NJ: Unaccompanied Personnel Housing—\$3.5 million in additional funding is needed to complete this critical project. The Army Corps of Engineers design is 95 percent complete and is ready for implementation.

Mr. TAUZIN. All right, sir. Thank you. You also mentioned the penalty on young sailors promoted from E-4 to E-5. Hit that for me. How does it work?

MCPO LLOYD. Sixty-five percent of our folks are married today. If I am married and a Third Class Petty Officer, pay grade E-4, and I get promoted the 1st of the month, and let us say I have a family of three, my CHAMPUS deductible goes from \$100 to \$300 the 1st of next month, so I have just lost \$200 because I got promoted.

Mr. TAUZIN. Yes, you have lost \$200, in effect, because you are almost certainly going to use that deductible up that year.

MCPO LLOYD. We use it up, sir. We use it up.

Mr. TAUZIN. Yes. Everybody does.

MCPO LLOYD. And so those people get penalized for being promoted. I am asking that we don't put the deductible increase in until the year following the promotion.

Mr. TAUZIN. Just give you a chance to get your salary increase up.

MCPO LLOYD. Absolutely, sir.

Mr. TAUZIN. OK. And you mention the serious question of base closures. I would like you to do one thing for us too.

MCPO LLOYD. Yes, sir.

[The following was submitted:]

COAST GUARD BASE CLOSURES

The base closures that will affect active duty and reserve members of the Coast Guard are almost identical to those which affect our sister services. For example, the recent closure of the Naval Shipyard in Philadelphia, PA will impact on approximately 200 active duty and reserve personnel. As a more detailed example, the following information describes how DOD base closures in the First Coast Guard

District have affected, or will affect, Coast Guard units in New Hampshire, Maine, and Massachusetts.

The Base Closure Commission recommended the following closures and realignment in the First District. The installations to be closed will cause some hardship on the personnel located in the area who utilize the services that are provided by these facilities. The following information indicates the Coast Guard units located within 100 miles or two hours driving time from each DOD installation, and the Coast Guard active duty and dependent population affected. The numbers do not take into consideration the retirees living in the area.

Loring Air Force Base, ME, is tentatively scheduled for closure in September 1994. Loring AFB provides medical care, housing, commissary and exchange privileges for our people that are stationed at Loran Station Caribou, ME. Those 20 people will be directly affected by this closure. Units located within 100 miles or two hours driving time are as follows:

	Active	Dep	Total
Lorsta Caribou.....	6	14	20
Station Eastport.....	8	12	20
Station Jonesport (WPB-82355).....	32	40	72
USCGC Point Hannon.....	10	12	22
Totals.....	56	78	134

Fort Devens, MA, is tentatively scheduled for closure in June 1996. Fort Devens provides housing, medical care, commissary and exchange privileges for our people that are stationed in the Boston area. Units located in this area are as follows:

	Active	Dep	Total
Marine Safety Office Boston.....	24	30	54
Group Boston.....	30	25	55
Station Boston.....	32	18	50
Station Gloucester.....	29	18	47
Station Merrimack River.....	25	18	43
USCGC <i>White Heath</i> (WLM-545).....	23	40	63
USCGC <i>Grand Isle</i> (WPB-1338).....	14	14	28
USCGC <i>Pendant</i> (WYTL-65608).....	6	12	18
Aids to Navigation Team Boston.....	21	25	46
USCGC <i>Seneca</i> (WMEC-906).....	90	105	195
USCGC <i>Spencer</i> (WMEC-905).....	90	105	195
USCGC <i>Escanaba</i> (WMEC-907).....	90	105	195
First District Office.....	131	200	331
Support Center Boston.....	54	60	114
Naval Engineering Support Unit.....	65	80	145
Totals.....	724	855	1,579

Pease Air Force Base, NH, closed in December 1990. Pease AFB provided medical care, commissary and exchange privileges for our people that are stationed in the Boston/Portland, ME/New Hampshire area. This closure had a serious effect on the people stationed in the area. Units located in this area are as follow:

	Active	Dep	Total
Marine Safety Office Boston.....	24	30	54
Group Boston.....	30	25	55
Station Boston.....	32	18	50
Station Gloucester.....	29	18	47
Station Merrimack River.....	25	18	43
USCGC <i>White Heath</i> (WLM-545).....	23	40	63
USCGC <i>Grand Isle</i> (WPB-1338).....	14	14	28
USCGC <i>Pendant</i> (WYTL-65608).....	6	12	18
Aids to Navigation Team Boston.....	21	25	46
USCGC <i>Seneca</i> (WMEC-906).....	90	105	195
USCGC <i>Spencer</i> (WMEC-905).....	90	105	195

	Active	Dep	Total
USCGC <i>Becanaba</i> (WMEC-907).....	90	105	195
First District Office.....	131	200	331
Support Center Boston.....	54	60	114
Naval Engineering Support Unit.....	65	80	145
Marine Safety Office Portland.....	16	35	51
Station Point Allerton.....	32	40	72
Station Siquate.....	25	24	49
USCGC <i>Tamaroa</i> (WMEC-166).....	90	90	180
USCGC <i>Reliance</i> (WMEC-615).....	75	80	155
Group Portland.....	55	65	125
Station Portsmouth Harbor.....	58	50	108
Station Boothbay Harbor.....	23	24	47
Station South Portland.....	25	48	73
USCGC <i>Shackle</i> (WYTL-65609).....	6	12	18
USCGC <i>Jefferson Isle</i> (WPB-1340).....	14	14	28
USCGC <i>Wrangell</i> (WPB-1332).....	14	14	28
Aids to Navigation Team South Portland.....	21	28	49
Totals.....	1,178	1,379	2,562

Mr. TAUZIN. We have got a general idea of where base closings are occurring in the country. If you could cite for us a couple of examples where a base closing could have a serious impact upon the services available to the enlisted Coast Guard personnel, we would like a couple of good examples if you don't mind.

MCPO LLOYD. Yes, sir.

Mr. TAUZIN. OK. Master Chief, I would turn this over to a lot of other people, but they are not here. So I am going to wrap up by telling you that I deeply appreciate your coming. I think the Admiral's commitment to people needs in the Coast Guard is long overdue, and apparently your coming here has emphasized what is happening in that regard, and we are very pleased to see the movement toward more quality of life conditions for the enlisted men and women of the Coast Guard. And I also want to join with you as you did in the closing of your testimony in acknowledging the life of Charles Sexton, dedicated Coast Guardsman who gave his life in the service of his country. We were on the West Coast not too long ago, and we got a chance to learn the full story of his sacrifice. I join with you in acknowledging him today and acknowledging the fact that so many young men and women of the Coast Guard are willing to put their lives on the line like that for the job they do for us. And, Master Chief, if you will carry that message back to all of the enlisted members that this Committee is fully aware of their energy and their enthusiasm and indeed their willingness to sacrifice for their country.

MCPO LLOYD. All right, sir.

Mr. TAUZIN. And that we are keenly aware of your efforts and the Admiral's efforts in ensuring the quality of their life continues to improve as they serve our nation. Thank you very much, Chief.

MCPO LLOYD. Thank you, sir, and I would like to thank you for your time individually. I don't get an audience with one of the Members of the House too often, and I appreciate it, sir.

Mr. TAUZIN. Well, I wish you would have had a better audience, but you have got mine.

MCPO LLOYD. I had a great one, sir.

Mr. TAUZIN. Thank you, sir. I appreciate your being here.

MCPO LLOYD. Thank you.

Mr. TAUZIN. The next panel will consist of Commander William Legg and Sergeant Major Michael Ouellette; Commander Legg representing the Reserve Officers Association and Sergeant Major Ouellette representing the U.S. Army, Retired, Deputy Director of Legislative Affairs for the Non-Commissioned Officers Association. Gentlemen, welcome. Again, my apologies that more Members aren't here to receive you, but we have your written testimony, and we deeply appreciate your testimony today.

**STATEMENT OF COMMANDER WILLIAM E. LEGG, USNR, RETIRED,
RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES**

Commander LEGG. Thank you, Mr. Chairman. It is my pleasure to address this Committee this afternoon and to discuss the fiscal '93 budget request of the Coast Guard. I have submitted a formal statement. I would like to have that entered for the record.

Mr. TAUZIN. That is all done by unanimous consent. Thank you, sir.

Commander LEGG. I will just make two points then to you, Mr. Chairman. One is that I think the Coast Guard has done an outstanding job as you recognized and with less and less funds they are doing more and more work. I am really concerned this year that the budget request comes over here with a preordained \$203 million to come out of the Department of Defense budget when we see the defense budget falling already. I am very concerned that it is going to be difficult to sustain that \$203 million in whatever remains in the DOD TOA at the end of FY '93.

And, I guess a companion piece of that is my concern over the program for the Coast Guard Selected Reserve. You see a six percent increase in the Coast Guard budget overall this year, and you see a six percent decrease in the Selected Reserve. The point I make in my statement is that the Coast Guard Reserve did not ride up the increase in our Reserve Force that took place in the '80's, and now they are being destined to ride down even when we don't know what the destination is.

The Coast Guard, as you know, finally has a plan to grow to meet their wartime requirements of 27,500 through the Administration back in '88, and we were supposed to start a 10-year plan that never got off the ground, not because of the lack of support by this Committee I must say, but because the funds were not available. We have seen an erosion to the point now that if the President's budget is adopted and funded as submitted, we will see a Coast Guard Reserve at the lowest level maybe in history. I can only go back to the early '60's. I wasn't able to go back any further, but I couldn't find a number as low as 10,850 going back that far. I think it is very much premature to take another cut in the Coast Guard Reserve before we know where we are going.

The Coast Guard is reviewing the requirements, and they probably will not have that review done until the end of '93. My recommendation and the Association's recommendation is that we staunch the flow, that we not do away with another Coast Guard Reservist until we know where we are going. It will take about \$3.5 million to keep the Coast Guard Reserve at the same level as in FY

'92. I know this Committee doesn't have direct responsibility for that, but I do know that you have influence throughout the Congress. So I would appeal to you for your assistance in trying to come up with that \$3.5 million from somewhere, either in Transportation or DOD, and we will help you do that. Those are my two points.

Mr. TAUZIN. Thank you, sir.

[Statement of Commander Legg can be found at end of hearing.]

Mr. TAUZIN. Mr. Ouellette.

STATEMENT OF SERGEANT MAJOR MICHAEL F. OUELLETTE, U.S. ARMY, RETIRED, DEPUTY DIRECTOR FOR LEGISLATIVE AFFAIRS, NON-COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Sergeant Major OUELLETTE. Mr. Chairman, thank you very much for the invitation that you have offered to the Non-Commissioned Officer Association to come before you today to testify on behalf of the United States Coast Guard. I have submitted a formal statement, and I would ask you, sir, if you would put that in the record.

Mr. TAUZIN. Without objection. That is part of the record, sir.

Sergeant Major OUELLETTE. I think it is sort of important that we put things in perspective today. You know, there is a lot of talk about Desert Storm today, and that is over. You know, the parade is over. But it is not over. The war is not over for the Coast Guard. The Coast Guard are currently out there every day putting their lives on the line in real live situations. This isn't training exercises. These are real live situations as has been brought out today. And it is important, I believe, that first the American public be made aware of exactly what the contributions are to this country of the Coast Guard. I don't think that is very well-publicized. I think this last year the most publicity the Coast Guard probably got other than Desert Storm was probably boat user fees. And I think it is time that that be made known to the public, and they can do that, I think, in two ways; one, by increasing funding for the recruitment advertising much like the military services which is virtually non-existent at this point. You never hardly see an ad. You know, "Be all you can be," as far as what the Armed Services out of the DOD side of the House put out, and that is fine because those are sort of career opportunity objectives that are offered to the youth of this country to become a part of the military service.

But in terms of "Be all you can be," those are real live, real world situations. The Coast Guard, based on their strength even though it has been increasing and rightly so, must make absolute maximum use of every person that comes in. And that was brought out today based on the numerous missions that require continuous sea time so we would ask that recruitment funds be put forward to the Department of Transportation so that they can advertise that and serve two purposes. I think that is important.

Sir, a lot has been brought out about CONUS COLA, and that is a real live need of Coast Guard men and women out there. And in my statement I alluded to Nantucket and Martha's Vineyard Island. Now, from what the cost of what it costs just to buy groceries at a commissary on base, a Naval commissary, it is like a 31

plus percent increase. You know, people in America, they save their money all year long to go to Nantucket or go to Martha's Vineyard for one week, and then they come home and they complain about the cost. They had a great time, but it was very expensive. Well, you have got E-3's and E-4's that live at these islands having to pay that, no excess money, having to go under CHAMPUS, which I will address very briefly.

But those are, you know, to the point where in order to get to the mainland, you have got to take a ferry. That can run like \$80 for round trip, I believe, at Nantucket just to go back and forth. A family of four could cost \$120, and I am told that during the summer months when there is a lot of tourists, that you have to make reservations to do that and sometimes up to six months in advance. How do you do that? And those are the things, I think, that have to be brought out. This Committee must understand in terms of these are not highfalutin requests. Those are real needs.

And all of the Services, I would say, that have lower graded Service members, I would say your E-3, E-4, and maybe even E-5, who are assigned in locales and areas where they have a support system. They have a base there that can take care of their medical care, that can take care of commissary and PX's. These kids are out there virtually on their own with none of that.

And as far as CHAMPUS is concerned, sure, we have recruiters all over the United States. The Coast Guard has recruiters. But normally there is a grade requirement. You have to be like an E-6 or an E-7 even to go out in those areas and serve on recruiting duty. So most all the DOD Services don't have E-3's and E-4's out in the middle of nowhere in small town, U.S.A., trying to survive. And I think that was brought out today when they talked about low cost housing so it really needs to be looked at.

Sir, one thing I would ask from you is, and I want to compliment you because a number of years ago you were a co-sponsor for the enlisted members' efforts to obtain involuntary severance pay or separation pay, and I thank you. That is a reality today on the DOD side of the House. It has just started, as we speak, to become policy within the Coast Guard. They have some brave plans, but they do not have an involuntary separation pay program as I understand it.

And I would ask the Committee to take a look and ask the Coast Guard exactly if they intend to do that, and if that program once implemented is going to be equitable with the DOD side of the House. So in terms of that, sir, they probably are going to need some money to implement that plan bearing in mind that the Coast Guard is really not in the business right now of separating people as are many of the other Services. They are in a build-up stage so it probably isn't going to be a big issue. But every once in a while, you know, you have the overweight officer that they are going to put out, and they put him out with \$30,000, and we need to make sure that maybe that enlisted member that is overweight that is put out may not get full severance but maybe a portion thereof.

Mr. Chairman, in the essence of time, I have been able to just bring up a couple of things, and I want to compliment the Subcommittee for their efforts over the years on behalf of the Coast Guard,

and I would implore and encourage you to continue those efforts and help bring the Coast Guard to the forefront of the uniformed Services and try to make them the leaders of the pack, so to speak, at this time. Mr. Chairman, thank you very much for your time.

Mr. TAUZIN. Thank you, Mr. Ouellette.

[Statement of Sergeant Major Ouellette can be found at end of hearing.]

Mr. TAUZIN. Well, you have both provided us with some useful information, particularly as I have pointed out some of the things that still need to be done, improved quality of life and services for the enlisted personnel. I am particularly sensitive to the CONUS COLA issue too. There is no question that people are moving more and more to the shoreline in America, and as that happens, the cost of living goes up along those shorelines, and that is essentially what is eating up so much of the ability of the Coast Guard personnel to survive in those areas. That cost of living is rapidly rising. You mention Nantucket Island and Martha's Vineyard as examples. They are outstanding examples, but there are examples like that all over the country right now along the coast. And that is a good point you raise.

And we are going to follow up on your request of the separation pay. We will check and see what they are doing and what their plans are in that regard. And, Mr. Legg, let me point out you are right. We don't control whether or not they are going to get another \$3.5 million, but we have some influence in the process, and we will use it to the extent we can—

Commander LEGG. Thank you.

Mr. TAUZIN. (continuing)—to see if we can't make sure that those levels don't drop as you indicate but they might. And finally, let me thank you both for the fact that you give so much of your time and attention to the needs of the regular Service still and how much you are important to them. The fact is we don't get enough attention on the fact that the Coast Guard is out there every day. I mean, they are still enforcing the embargo. They are still in life or death threatening situations in the Persian Gulf, and people think it is all over. And you are right. The only publicity we get out is when they are enforcing a TED regulation or forcing somebody to buy a decal.

I once had an occasion at the Academy to speak to that issue and to encourage the Commandant at the Academy to include more emphasis in training the Coast Guard personnel in public relations. It does such a great job, and it just doesn't brag about it enough. Unless people know the job the Coast Guard is doing and understands the work it does, we don't end up getting the kind of support we need sometimes in dollars here to cover some of the problems you mentioned in your discussions with us. Thank you for being there for the Coast Guard and for being here for the Committee. I appreciate it very much.

Commander LEGG. Thank you, Mr. Chairman.

Sergeant Major OUELLETTE. Thank you.

Mr. TAUZIN. I think with that the hearing stands adjourned. Thank you very much.

[Whereupon, at 1:50 p.m., the Subcommittee was adjourned and the following was submitted for the record:]

U.S. Department
of Transportation
United States
Coast Guard



Commandant
United States Coast Guard

Washington, D.C. 20593-0001
Staff Symbol
Phone

DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

STATEMENT OF ADMIRAL J. WILLIAM KIME

FY93 COAST GUARD AUTHORIZATION REQUEST

BEFORE THE

SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

COMMITTEE ON MERCHANT MARINE AND FISHERIES

HOUSE OF REPRESENTATIVES

MARCH 12, 1992



Admiral J. William Kime Commandant United States Coast Guard



Admiral John William Kime became the 19th Commandant of the United States Coast Guard on May 31, 1990. He was nominated to the position while serving as Commander, Eleventh Coast Guard District, headquartered in Long Beach, Calif.

During that time he also served as the Commander of the Central California Sector of the U.S. Maritime Defense Zone, Pacific; and as Coordinator of the Pacific Region of the Office of National Drug Control Policy.

Admiral Kime graduated from Baltimore City College in 1951 and from the U.S. Coast Guard Academy in 1957. He received a Master of Science degree in naval architecture and marine engineering and the professional degree of Naval Engineer from the Massachusetts Institute of Technology in 1964.

Admiral Kime served in deck and engineering assignments in the Coast Guard Cutter CASCO before assuming command of Loran Station Wake Island in 1960. He served at Coast Guard Headquarters in Washington, D.C. in the Merchant Marine Technical and Naval Engineering Divisions. While at Headquarters, he served as the principal U.S. negotiator at the International Maritime Organization (IMO) in London during the drafting of the IMO Codes for Liquefied Gas Ships. Admiral Kime was in charge of the structural design of the Coast Guard's Polar Star class icebreakers. He also served as the first engineering officer in the Coast Guard Cutter BOUTWELL stationed in Boston.

In 1977, Admiral Kime was a distinguished graduate of the Industrial College of the Armed Forces and was again assigned to Headquarters as Assistant Chief of the Merchant Marine Technical Division, and as both technical coordinator and as a member of the U.S. Delegation to the International Conference on Tanker Safety and Pollution Prevention in London. He assumed duty as Commanding Officer, Marine Safety Office, Baltimore in 1978. He was assigned to Headquarters in 1981 as Deputy Chief of the Office of Marine Environment and Systems.

From 1982 through 1984 Admiral Kime was assigned as Chief of the Operations Division of the Seventh Coast Guard District in Miami, where he was in charge of day to day operations in the Coast Guard's drug interdiction effort in the Caribbean. He was promoted to Flag rank in 1984. In 1986 Admiral Kime became Chief of the Office of Marine Safety, Security and Environmental Protection in Washington, D.C., a combination of two offices he had previously headed. His duties in this position included heading the U.S. Delegations to the IMO Maritime Safety Committee and Marine Environmental Protection Committee.

Admiral Kime is a registered Professional Engineer, a member of Tau Beta Pi, Sigma Xi and ASNE. He is a Fellow of the Society of Naval Architects and Marine Engineers (SNAME), and is the 1990 recipient of the SNAME Vice Admiral "Jerry" Land Medal. His decorations include the Coast Guard Distinguished Service Medal, Defense Superior Service Medal, the Legion of Merit, five Meritorious Service Medals with "O" device, the Coast Guard Commendation Medal, the Coast Guard Achievement Medal, three Commandant's Letter of Commendation Ribbons with "O" device, two Coast Guard Unit Commendation Ribbons with "O" device and the Coast Guard Meritorious Unit Commendation Ribbon.

Admiral Kime, a native of Greensboro, N.C., grew up in Baltimore, Md, and is married to the former Valerie Jean Hiddestone of Pontardulais, South Wales, U.K.



DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
STATEMENT OF
ADMIRAL J. WILLIAM KIME
ON THE FISCAL YEAR 1993 AUTHORIZATION REQUEST
BEFORE THE
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES
MARCH 12, 1992

Good morning, Mr. Chairman. It is a pleasure to appear before this distinguished subcommittee today to discuss the fiscal year 1993 authorization request and its impact on the current and future state of the Coast Guard.

We have all marveled at world events that have occurred over the past year -- events of historic proportion which have permanently changed the international landscape; the liberation of Kuwait, end of the Cold War; demise of communism, and collapse of the former Soviet Union have given birth to new nations and new international policies. As these dramatic events make their impact on our nation, different threats and new opportunities have resulted in rapid and significant changes.

In the midst of these events, the Coast Guard finds it appropriate to hold its course -- focused on traditional duties and performing our fundamental missions. As we have done for over 200 years, we remain flexible and responsive to changing national priorities and are providing strong leadership as the world's leading maritime humanitarian and safety organization. Because of increasing demands for our expertise, we face an expanding list of assignments and statutory responsibilities, which we will perform with our dedicated uniformed, civilian, active, reserve, and volunteer members.

As highlighted in my Strategic Agenda, which I presented to you last year, I remain committed to the concepts that will allow the Coast Guard to serve, protect, and enhance our nation's maritime interests today, and ensure we are prepared for the future: adequate support for our PEOPLE, our most important resource; strategic BALANCE, among our many roles and

missions as well as between operational and support activities; and pursuit of **EXCELLENCE** through continuous improvement in the performance of all that we do. The President's 1993 budget request for the Coast Guard reflects these basic themes. I feel that this budget request is realistic in that it recognizes the fiscal constraints we face as a nation, while maintaining essential services and addressing national maritime priorities.

The President's budget request for the Coast Guard in fiscal year 1993 is also shaped by factors external to the Coast Guard. Since we are an integral part of the national transportation infrastructure, the budget request is linked directly to the National Transportation Policy (NTP). Our initiatives to provide improvements to the maritime transportation system and to yield a safe, reliable national transportation program, clearly reflect themes of the NTP. Coast Guard activities and programs such as Search and Rescue (SAR), Commercial Vessel Safety (CVS), Passenger Vessel Security, Vessel Traffic Systems (VTS), Aids to Navigation (ATON), and the Differential Global Positioning System (DGPS) figure prominently in the National Transportation Policy's goal of ensuring public safety within the nation's transportation system. Likewise, traditional Coast Guard missions in Marine Environmental Protection (MEP) and pollution response, recently enhanced by initiatives in the Oil Pollution Act of 1990 (OPA-90), directly support environmental objectives of the NTP.

Our Maritime Law Enforcement role, shaped in large part by the National Drug Control Policy, continues to be a major effort and is now directed at holding the line on maritime drug interdiction. Other influences on our law enforcement activities include a growing awareness of the need for fisheries resources conservation, and international events which have highlighted our role in illegal migrant interdiction.

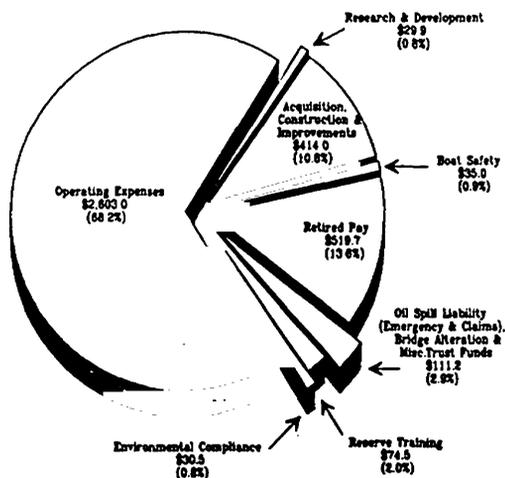
Other external factors influencing our budget request are the result of congressional action. Like last year, we have prepared a budget request which adheres to the goals of the Omnibus Budget Reconciliation Act of 1990. Our budget also continues to be heavily influenced by OPA-90, which created many new responsibilities for the Coast Guard.

In order to achieve our organizational goals and respond properly to emerging national priorities, I seek your support for full funding of the President's requested budget for the Coast Guard in fiscal year 1993. This request essentially maintains the current level of services: a modest increase of six percent over our fiscal year 1992 enacted level reflects a necessary Cost Of Living Allowance, other non-discretionary requirements, and a limited number of high priority new initiatives.

1993 Budget Request by Appropriation

Total Request: \$3,817.8

(Dollars in Millions)

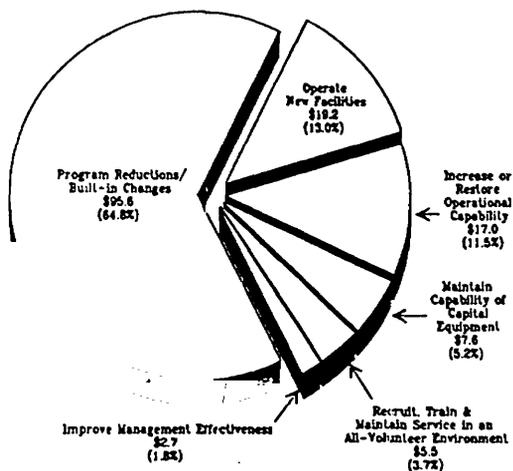


Operating Expenses (OE) accounts for the largest portion of the Coast Guard budget and the fiscal year 1993 request represents an increase of five percent above levels enacted in fiscal year 1992. Most of the increase within the OE appropriation is made up of non-discretionary

items, with the discretionary portion of the request representing only about 30 percent of the total increment. Most of these discretionary initiatives represent our response to emerging national priorities.

Operating Expenses

FY 1993 Incremental Increase: \$147.6
(Dollars in Millions)



Returning to my Strategic Agenda, the first basic theme is PEOPLE. When I took this position in the summer of 1990, I was strongly convinced that we needed to do a better job of taking care of our own -- placing a greater emphasis on our most valuable resource: the active duty, civilian, reserve, and auxiliary men and women who are directly responsible for the Coast Guard's high level of performance and effectiveness. While travelling throughout the country, I witness first-hand the dedication and expertise, as well as the needs of our people; this has only reinforced my commitment to this major emphasis.

Our men and women are professionals, committed to excellence, well-trained, and willing to make personal sacrifices for their service and country. In turn, we owe them a rewarding career, adequate pay and benefits, and a decent quality of life, both in their living and working environments.

In order to attract and retain quality personnel in today's highly competitive market, I must provide our people with adequate support services and family living conditions. To that end, I find it imperative that we continue with improvements in housing, health care, family services, and the full spectrum of personnel support measures. We have concluded a series of studies in the areas of Work Life, Health Care, and Women in the Coast Guard which firmly support the importance of these kinds of initiatives. We must also not overlook the importance of quality working conditions; when we ask our people to stand arduous duty and send them into harm's way, they deserve a quality work environment and safe, reliable operating platforms.

Although I am encouraged by the increase in first-term reenlistment rates over the past year -- from 42 to 55 percent -- there is still much progress to be made. We simply cannot sustain our performance levels without aggressively recruiting the quantity and quality of people we need. In recognition of the changing nature of the employment pool in our country, I must position the Coast Guard now to compete for and retain talented employees who represent the rich diversity in our nation. The successful workforce of the future must be one that is balanced in gender, culture, and race.

Over 60 percent of the total Coast Guard budget is required for pay and other personnel-related expenses, with the largest share of our current budget request simply devoted to maintaining current services. However, in order to target some of the crucial personnel issues I have outlined, this request includes funding for programs which are designed to either recruit or retain a highly professional and more broadly diversified work force.

- + The OE request includes an incremental increase of approximately \$12 million to address PEOPLE issues such as: health care, safety and environmental health programs, workforce diversity initiatives, and efforts to sustain the workforce.

+ Personnel needs are similarly addressed in our AC&I request. Along with providing our men and women with quality equipment through various capital plant acquisition and renovation projects, AC&I funding will provide a direct benefit in the form of \$30 million to construct or expand family housing units, to provide our people with clean, safe, and affordable living conditions. Additional personnel-related projects in the AC&I request include construction of a child care center at our facility in Alameda, California, and much-needed barracks upgrades at various locations.

Today's investment in our people will return dividends in readiness and mission performance for years to come. With this budget request I feel we are being proactive and innovative in our workforce management; this will allow us to meet the rising challenges of the 21st century. I will need your continued support to move forward in these vital areas.

The BALANCE of emphasis and resources among our missions remains a fundamental theme in my strategic agenda. As the nation's primary maritime operating agency, our missions span a broad spectrum of national priorities. All of these missions fall within one of four primary roles where they compete equally for resources: Marine Environmental Protection, Maritime Law Enforcement, National Security, and Maritime Safety. I feel that the President's budget request allows us to maintain our current level of services to the public as well as address emerging national priorities in these mission areas.

Our role in MARINE ENVIRONMENTAL PROTECTION (MEP), continues to be a highly visible function because of national concerns over ocean dumping, coastal and riverine pollution, Exxon Valdez and other oil spills, hazardous chemical incidents such as the recent arsenic trioxide spill from M/V SANTA CLARA off the New Jersey coast, as well as events like Iraq's ecological terrorism during the Gulf crisis. Building on the momentum started by OPA-90, we are making considerable progress in improving America's ability to prevent and respond to marine pollution incidents.

There are currently 80 MEP projects underway as a result of OPA-90, including the formulation of regulations, studies, and reports. For example, the National Strike Force Coordination Center has been established at Elizabeth City, North Carolina, and a third strike team was recently activated at Fort Dix, New Jersey. In addition, nineteen locations around the country have been selected for prepositioned oilspill response equipment and the necessary steps to provide outfitting have begun.

As we further implement the provisions of OPA-90, actively protect the marine environment, and preserve our natural resources, we seek funds to continue the initiatives we have already begun.

- + In the OE appropriation, a portion of our incremental request will enhance marine environmental protection efforts by providing additional marine inspector positions, resources to enforce the Nonindigenous Aquatic Nuisance Species Prevention and Control Act of 1990, and the development of a Marine Safety Training and Assistance Team that can advise other nations in the prevention and abatement of pollution. OE incremental funds will also be used to provide storage and maintenance capabilities at the sites selected for pre-positioned pollution response equipment.

- + Environmental protection projects under the AC&I appropriation include \$4 million to procure additional pollution response equipment for the three National Strike Force teams; \$14.3 million to establish a Vessel Traffic Service (VTS) in New Orleans; \$10 million to begin establishing or enhancing VTSs at other locations, based on the findings of the 1991 Port Needs Study; \$2.5 million to continue upgrades at VTS San Francisco; and \$4 million for numerous aids to navigation improvements in waterways throughout the nation.

- + The importance we place on improving our future ability to both prevent and respond to marine pollution incidents is reflected throughout the Research, Development, Test and Evaluation (RDT&E) request; it represents nearly 20 percent of the total RDT&E request.

- + We are making our operations more environmentally sound and, where necessary, rectifying past mistakes. The Environmental Compliance and Restoration (EC&R) account has allowed us to take preventive measures as well as remedy ecological errors which resulted from the construction and operation of former and current Coast Guard facilities. At some of our air stations like Cape May, New Jersey; Kodiak, Alaska; and Traverse City, Michigan, we have made substantial upgrades to fuel storage tanks, undertaken contaminated watertable restoration, and taken remediation steps at hazardous waste sites. Our request of \$30.5 million will fund prevention programs as well as further progress in correcting environmental damage caused by past activities. It will also permit earlier identification of previously undiscovered problem areas at other facilities.

MARITIME LAW ENFORCEMENT (MLE) has been a function of our service since 1790 and will remain a priority mission in the 1990s. MLE impacts virtually all program areas and currently involves a dynamic balance among alien migration interdiction, anti-drug operations, and fisheries enforcement.

Since October 1991, we have seen a steady stream of refugees fleeing Haiti. Consequently, our cutters and aircraft have worked significant overtime in that region: thus far, we have intercepted over 15,000 migrants -- performing a humanitarian role by rescuing them from their unseaworthy vessels and enforcing immigration laws by preventing their illegal entry into the United States. While this emergency has required as many as 20 different Coast Guard units to be in that region at the same time, we continue to perform drug interdiction patrols to intercept and deter the supply of contraband.

Although we have seen a steady reduction in the maritime transport of marijuana, we still are faced with a determined cocaine market -- which is responding to a continuing domestic demand. As a recent indication of this, in January 1992, one of our cutters intercepted a vessel south of Cuba which was heading toward the United States with a cargo that included 4.5 tons of cocaine -- the second largest cocaine seizure in Coast Guard history.

The Office of National Drug Control Policy (ONDCP) has established a national strategy of maintaining the current level of supply reduction efforts while generally applying new resources to the demand side of the problem. We will continue to link our efforts to this policy and strike a proper balance among our enforcement priorities. We will continue to work closely with the Department of Defense (DOD) and other law enforcement agencies to make it as difficult as possible to be in the drug-smuggling business.

Along with migrant and drug interdiction, enforcement of fisheries laws and regulations has become an increasingly important national priority, since in several areas over-fishing is depleting our natural resources. My efforts to rebalance resources within this arena and further enhance protection of the fisheries have included moving two high-endurance cutters from the east coast to San Pedro, California; and postponing the planned decommissioning of the CITRUS, one of our medium-endurance cutters homeported in Coos Bay, Oregon. These vessels are well-suited for operations in the vast fishing grounds of the Pacific Ocean. We are also installing APS-137 radar systems on our HC-130 fixed-wing aircraft which fly in support of fisheries enforcement.

Our fiscal year 1993 request will allow the Coast Guard to continue our current level of effort in law enforcement, including responses to increased enforcement needs where indicated. In Operating Expenses, there are incremental line items for: the recrediting of the cutter CITRUS; operation of new aircraft, vessels, and shore facilities; and additional fisheries law enforcement staff to coordinate with the Department of State, National Marine Fisheries Service, and Regional Fisheries Councils. AC&I funds will pay for various capital investment projects for facility renewal, such as fleet modernization initiatives for 210-foot medium-endurance

cutters, and an HH-60J helicopter procurement for Operation Bahamas and Turks & Caicos (OPBAT) anti-drug operations. These funds will also enable us to continue facility upgrades at air stations in Miami and Clearwater, Florida, to support the increased number of aircraft being operated in that region. An MLE-related project in the RDT&E request supports our effort to improve surveillance and vessel search technology, as well as develop improved methods of collecting and analyzing intelligence. By adapting technological advancements to our operational methodology, this type of RDT&E project can provide our units with state-of-the-art equipment which ultimately results in more efficient use of our assets.

Because of our unique role within the Federal government, the Coast Guard is frequently tasked with important NATIONAL SECURITY responsibilities in supporting our nation's foreign policy and protecting our national interests. In 1991, as in every American conflict since 1790, the highly dedicated personnel of the Coast Guard answered the call in the Gulf War, going in harm's way to provide vital service in support of national and international security objectives. The timely action by Congress in appropriating funds through vital Desert Storm Emergency Supplementals in fiscal years 1991 and 1992 was greatly appreciated and clearly demonstrated the level of public and congressional support that we experienced during this crisis.

The investment in the Coast Guard's national security mission paid big dividends during Operations Desert Shield and Desert Storm, both with our regulars and reservists. They provided port security both in U. S. ports and in the combat theatre; assisted in the breakout of the ready reserve fleet, and in the search for qualified merchant mariners to man those ships; helped Saudi Arabia respond to the environmental threat created by the Persian Gulf oil discharge; and worked with the Navy to enforce the United Nations embargo against Iraq in the maritime region, which we continue doing today.

The Persian Gulf conflict, as well as our immediate involvement after the Haitian coup in September 1991, are events which underscore the unique and versatile role that we have in

national security matters. It was in that spirit that General Powell remarked at the Coast Guard Academy's most recent commencement ceremony, "this shows how much the Coast Guard is an integral part of America's Joint Military Family . . . and Desert Storm will go down in history as one of the brightest chapters in Coast Guard history."

As we discuss the Coast Guard's National Security role, I must point out one notable departure from past budgetary procedures. In recent years, defense-related funding for the Coast Guard was provided from DOD sources, as the result of congressional initiative. In fiscal year 1993, for the first time, the President's budget requests \$203 million for certain Coast Guard defense readiness activities in OE, AC&I, and Reserve Training to be appropriated in the DOD Appropriation for transfer to the Coast Guard. For the Coast Guard to continue the current level of services we provide within today's budget constraints, it is imperative that Congress provide funding for the Coast Guard from both Defense and Transportation sources as requested.

Our fiscal year 1993 budget request provides funds for continued renovations of our multimission medium-endurance cutters to extend their service life, which will ultimately support our responsibilities in national security. OE funds will be used to maintain and operate our larger cutters, and also begin installation of satellite communications systems on our cutters. Our RDT&E request includes funds to initiate a communications research program which would investigate the use of advanced technologies to enhance secure communications as well as new systems for Command, Control, and Communications (C3).

Our Reserve Training (RT) request of \$74.5 million will support a Coast Guard Selected Reserve funded strength level of 10,850. This represents a six percent decrease from fiscal year 1992.

Our MARITIME SAFETY missions have been the hallmark of our humanitarian tradition and have resulted in our reputation as the world experts in Search and Rescue (SAR). Through our efforts in aids to navigation, commercial vessel safety, icebreaking, vessel traffic systems, and recreational boating safety, we seek to prevent accidents and promote safe maritime

commerce and transportation. When problems occur, we will remain *always ready* to save lives and property.

Thanks to fiscal year 1992 and prior-year funding, we are making progress in several key areas which impact greatly on maritime safety: the acquisition process is underway to replace our aging fleet of buoy tenders with the next generation of vessels; new and expanded VTSs are being established in major shipping ports across the nation; enhancements in our commercial vessel safety program and fishing vessel safety regulations have been made based on industry input to our analyses; improved navigation technology is being made available to boaters through DOD's satellite-based Global Positioning System (GPS); SAR stations are being replaced or improved to strengthen our response capability along coastal and inland waterways; and the aging 44-footer fleet will be replaced by the new 47-foot Motor Lifeboat (MLB), which has the same heavy surf capability as the 44-footer, plus improved speed and communications equipment. The fiscal year 1993 budget request will continue these and other initiatives in the support of our maritime safety mission.

The fiscal year 1993 incremental request for OE includes initiatives in: improved navigation technology, such as Differential GPS (DGPS); operating and maintenance funds for new or enhanced shore and afloat resources; passenger vessel security specialists; operation of new SAR facilities; expansion of services at existing VTSs; and aircraft maintenance.

The AC&I request will promote maritime safety through further development of GPS, and installation of improved short-range distress and safety communications systems. Fiscal year 1993 funding will be applied to priority replacement programs for our buoy tenders, as well as smaller patrol boat alternatives. We will also comply with the International Safety of Life at Sea Convention (SOLAS) by beginning installation of special radiocommunications equipment, to participate in the Global Maritime Distress and Safety System.

The RDT&E request includes funding to improve search and rescue technology, advanced global positioning system development, enhancements in technology for short range ATON systems, commercial vessel safety initiatives, and researching the needs of future VTS systems.

To support our recreational boating safety program, we request appropriations for the Boat Safety account which parallel last year's request at the fully-authorized level -- \$70 million, of which half will go to state recreational boating safety grants.

In addition to balancing our efforts among the four fundamental roles, we must also consider balance in a broader sense. This means striking an organizational balance between these operational programs and devoting adequate attention and resources to the Coast Guard's support activities.

We have embarked on a series of programs to provide improved personnel support and quality of life for our employees. We are making progress in this area and the fiscal year 1993 initiatives which I mentioned earlier will make that effort possible. Additionally, we need support for our capital plant -- currently valued at over \$16 billion -- to ensure that equipment is operated efficiently, to keep our facilities safe, and to prevent their deterioration.

Therefore, this budget request reflects a continuing focus on the importance of resource management and caring for the property and hardware we already have. Line items such as: maintenance of oilspill response equipment; maintenance personnel for 110-foot patrol boats; shore facility management personnel and funds; maintenance of Coast Guard-owned housing; vessel maintenance; and enhancements of support centers; all represent necessary investments in proper resource maintenance.

I continue to emphasize our pursuit of EXCELLENCE by continuous improvement in all that we do -- to achieve the level of organizational excellence required under changing and often adverse conditions. We have committed ourselves to improving our performance as the world's leading maritime humanitarian and safety organization, and intend to give the American public the greatest possible return on its investment in the form of high-quality service.

I remain committed to the principles of Total Quality Management (TQM) as a leadership and management concept, helping us achieve greater efficiencies in serving our

customers -- the public. We have already seen measurable results which are encouraging to me:

- + Quality improvement initiatives at our training center in Cape May, New Jersey have resulted in higher percentages of recruits qualifying in the use of firearms.
- + The Coast Guard Yard in Curtis Bay, Maryland has changed operating procedures which have resulted in major reductions in water consumption, improved document processing, and fewer delays in ship repairs.
- + Employing Quality Action Teams at our Maintenance Logistics Command, Atlantic, Naval Engineering Division, we have seen substantial improvements in the scheduling of ships for yard availabilities, resulting in fewer lost operational days for the cutters. This translates into additional cutter days for the fleet and long-term cost containment.

In the course of our daily operations, we are looking at ways to make management improvements and set a standard of excellence -- working smarter as well as harder at what we do. In the current budget request, under the OE appropriation, we seek to improve management effectiveness through better accounting and control of personal property assets; and through implementation of Chief Financial Officers Act initiatives, which will provide better internal financial management controls. Within the AC&I appropriation, there are initiatives to: establish Management Information Systems (MISs) for personnel pay, logistics, marine safety, and health services; and automate control systems for our communications stations.

We are also making progress within our acquisition program by maintaining increasingly rigorous oversight of major system acquisitions to minimize cost growth, schedule slippage, and technical risk. Benefits have also been derived from improved standardization procedures and

more direct involvement by senior managers. Mission Need Statements for major system acquisitions must now be approved by the Department's acquisition council prior to requesting funds in the budget. In addition, mission needs are now routinely reevaluated as we approach key decision points in major acquisitions. As an example of this, the Heritage-class WPB project has been suspended and proposed for cancellation due to changing requirements. Contracts for the ocean-going buoy tender and a fleet of motor life boats are reaching major milestones and I am pleased with the progress being made.

In summary, the fiscal year 1993 Coast Guard budget request reflects my continued emphasis on PEOPLE, BALANCE, and EXCELLENCE. It acknowledges the fiscal realities facing this country and the need to control government spending; yet it is responsive to the public we serve, in that it enables the Coast Guard to continue to maintain essential services, as well as address emerging national maritime priorities.

With the resources requested in the President's budget, I am confident that the Coast Guard will be successful in carrying out the priorities of Congress, in implementing the National Transportation Policy, and in fulfilling our strategic vision.

I look forward to working together with you to achieve these goals. We have worked hard over the past months to improve our communications with and responsiveness to the Committee members and staff, and I think we have made significant progress. I can assure you that this important effort will continue in the year to come.

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

U.S. Department
of Transportation
United States
Coast Guard



Commandant
United States Coast Guard

Washington, D.C. 20593-0001
Staff Symbol
Phone

DEPARTMENT OF TRANSPORTATION

U. S. COAST GUARD

STATEMENT OF MASTER CHIEF R. JAY LLOYD

BEFORE THE

SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

COMMITTEE ON MERCHANT MARINE AND FISHERIES

HOUSE OF REPRESENTATIVES

MARCH 12, 1992

**BIOGRAPHIC STATEMENT
MASTER CHIEF PETTY OFFICER
OF THE COAST GUARD
R. JAY LLOYD**

On June 29, 1990 Master Chief Boatswain's Mate R. Jay Lloyd became the sixth Master Chief Petty Officer of the Coast Guard. He was selected from his current duty as Command Enlisted Advisor of the Seventeenth Coast Guard District, Juneau, Alaska. Prior to this MCPO Lloyd was the Command Enlisted Advisor for the Eighth Coast Guard District, New Orleans, Louisiana.

A Coast Guard veteran of more than 27 years, MCPO Lloyd has served as Officer in Charge of USCGC POINT BENNETT, Port Townsend, Washington; USCGC POINT WINSLOW, Eureka, California; and Coast Guard Station Cortez, Cortez, Florida. He has also served as executive petty officer at Loran Station Anguar Palau, Western Carolina Islands and Coast Guard Station Willapa Bay, Washington. The Master Chief's seagoing experience has included assignments on board USCGC POINT HOPE, Sabine, Texas; USCGC BARATARIA, Alameda, California; USCGC CONFIDENCE, Kodiak, Alaska; and USCGC CAPE CARTER, Crescent City, California. Early in his career MCPO Lloyd served at Fourteenth Coast Guard District Office, Honolulu and later at Coast Guard Reserve Unit Denver and Coast Guard Base Alameda, California.

MCPO Lloyd has attended more than a dozen specialized training courses during his career. He is a graduate of the United States Army's Sergeants Major Academy, Fort Bliss, Texas and the United States Coast Guard Senior Petty Officer Leadership and Management School, Yorktown, Virginia.

He holds the permanent Cuttermans Pin, the Coxswain Pin, and Officer in Charge ashore and afloat insignias. His military awards include the Meritorious Service Medal, three Coast Guard Commendation Medals, the Coast Guard Achievement Medal, the Commandant's Letter of Commendation with "O" device, two Coast Guard Unit Commendation's with "O" device, eight Coast Guard Good Conduct Awards, the National Defense Service Medal with Bronze Star, the Coast Guard Sea Service Ribbon, the Coast Guard Restricted Duty Ribbon, the Coast Guard Rifle Medal (expert) and the Coast Guard Pistol Medal (expert).

MCPO Lloyd, 49, a Tallahassee, Florida native is married to the former Suzanne B. Granger of Bradenton, Florida. They have two children: Jessica, 10 and Daniel, 7. They reside in Arlington, Virginia.

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD
STATEMENT OF MASTER CHIEF PETTY OFFICER OF THE COAST GUARD
R. JAY LLOYD
BEFORE THE
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
COMMITTEE ON MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES
MARCH 12, 1992

Mr. Chairman, I consider it an honor to have the opportunity to address you about the thoughts and feelings of the Coast Guard's enlisted men and women.

Your concern for them and their families' well being sends a strong message that there are, "some in Congress that do care," and we thank you for all the support our people receive.

As the Master Chief Petty Officer of the Coast Guard, it is my duty to advise the Commandant on enlisted matters. I have served in this capacity since June 28, 1990. During that time I have had the opportunity to visit a wide variety of our units, from Kodiak to Guantanamo Bay, and Maine to Hawaii.

My comments are derived from visiting our people and their families. I've asked questions and listened. My comments are also from personal experience, thirty-one years with our nation's greatest asset, the United States Coast Guard.

To help you better understand the concerns of our enlisted people, I'd like to bring you up to speed on our enlisted force. The force today consists of approximately 30,741 men and women serving at approximately 1,000 different commands throughout the world. A considerable number of these units are in remote and isolated locations and vary in size. For example, both Governors

Island, New York and Kodiak, Alaska have over 1,200 personnel assigned - but most of our units are significantly smaller, with less than 30 members attached.

Through my years of service, I've constantly seen our sailors challenged with keeping an aged fleet operating. Many of these older ships have now been replaced or rehabilitated. A large number of our buildings and barracks are in need of attention. These long overdue improvements are crucial to the morale of our sailors and their abilities to do their jobs. The equipment and its upkeep are essential to the mission of the Coast Guard. But all of the equipment in the world is worthless without the people to operate it. And, I'm sure you're aware, if the families and their needs are cared for, then the service members can devote full attention to their Coast Guard duties.

RECRUITING

Our recruiting force is doing a splendid job of ensuring the future of the Coast Guard. The young men and women that join our service today are more intelligent than ever. They are of every race and religion.

Our young sailors are eager to learn and grow. When you visit our Enlisted Training Center at Cape May, NJ I am sure you will feel the same way I feel....proud.

EDUCATION AND TRAINING

One of the main reasons our people join is to take advantage of training and education. Our training centers put out fine products from the service schools we have available today. That has been proven over and over again by the young sailors we send out to do the duties of our service and nation.

However, as Congress does not always give us what we objectively ask for, training is one of the areas that is most often cut. Please don't give us cause to make such cuts next year.

HOUSING

During the last 18 months, with the guidance of the Commandant and help from Congress the adverse housing situations our people have endured for years have been greatly reduced. The leased housing program we enjoy and the funds Congress has given us for new housing is a great start in letting our people know you care about them.

The problem areas in housing are the same for Coast Guard-owned family housing and the barracks - too little money for the proper repair and renovation. I have visited units that are long overdue for repair work. The same answer is usually given, "it is on the priority list to be renovated." What that means is, if the project isn't bumped, it will take up to 5 to 6 years to get approved, contracted, and the work to take place. That means that our young people have to put up with substandard living quarters. We have Coast Guard-owned housing & enlisted barracks which are in need of substantial improvements.

GEOGRAPHICAL BACHELORS (Unaccompanied Married Members)

Today we are seeing our people becoming geographical bachelors in greater numbers than ever before. There seems to be a number of reasons, but two in particular surface more than all others. First, because the majority of our military families

need two incomes, our spouses are getting jobs. A good job, with good pay and real career opportunities for promotion, is a hard thing for a family to give up. Second, the family has bought a house and can't sell it at anything near a break even-price.

Problems arise when we find a family separated....no matter what the cause. The society we live in today has caused this situation. When a member leaves their spouse and family in one place and is assigned to a unit some distance away, we run into trouble, i.e. family values, stress, cost of lodging, etc.

All of us, the Coast Guard and the Congress, must be aware of and work to minimize these situations and their impact on the service and our people.

MEDICAL CARE AND CHAMPUS

Last year CHAMPUS deductibles were raised for all people of the Armed Forces. That was a raise that was expected and probably overdue. That was also a raise that hurt our people. A 300% increase with a 4.2% pay raise doesn't seem right to our people.

Today over 65% of Coast Guard personnel are married. The Coast Guard has the highest number of married personnel of any of the Armed Forces. We use CHAMPUS at a greater rate than any other service. A large group live where they must use CHAMPUS because the local Military Treatment Facilities (MTF) are not accessible due to Coast Guard locations or are too crowded to accept them as patients. Over 44% of our forces are stationed where only CHAMPUS is available.

When I joined the Coast Guard 31 years ago I was led to believe that my family and I would have full medical coverage for the rest of our lives. Foolish me, I didn't get it in writing. It didn't exist then, it certainly doesn't exist today. I can only hope that as CHAMPUS improves, one day we will have that full coverage.

Until that day, I request that now you stop penalizing our young sailors promoted from E-4 to E-5. Hold the deductible raise until the year after the promotion is completed to the pay grade of E-5.

COMPENSATION

The Seventh Quadrennial Review of Military Compensation (QRMC) is wrapping up. The suggestions and proposals are in for the writing of the report.

In the 7th QRMC report, there is a recommendation for a Continental United States Cost of Living Allowance (CONUS COLA). In that recommendation, about 35% of our people would qualify. When the report is forwarded from the President, I ask that you and all of the member of the House and Senate support that particular recommendation.

An area that does cause me some concern is Federal Employees Pay Comparability Act (FEPCA) pay adjustments. In 1992 & 1993 military pay and general schedule pay will rise at the Economic Cost Index level. With two exceptions, in 1994 this will again happen. First, we will subtract point five (.5%) from the ECI. Second, the GS schedule will add a local wage adjustment. Sir, why is there a difference? Why are our people living in the same areas expected to live on less?

CLOSING

The issues I've covered are those most expressed by our people. I said in the beginning that our young people are smarter than ever. C-SPAN and CNN are more frequently viewed at our units now than they ever were five or even two years ago. The sailors are seeking knowledge for their future, professionally and personally. Our people are more aware of what is going on around them than ever before. And, in the last election, Coast Guard members voted at a higher percentage than any other service....approximately 52%.

For once our people can really empathize with our sister services. We have seen the rough times they are now dealing with.

Knowing we are short of people in some of our rates, we expect to enlist some of the top performers that DOD has to release. We look forward to obtaining their expertise. But all of us wonder how far they will be cut back. We hope that real thoughts and not political boundaries are the final influencing factors on the build down.

During the DOD build down our people express some of the following thoughts and concerns:

- With base closures, I'll now have to drive further than ever to a commissary or exchange. (Please remember, over 44% of our people don't live within a reasonable driving distance.)
- It will now be harder than it was before the build down to get to and use a Military Treatment Facility if indeed I can use them.

- Will Congress keep our pay in line with inflation? This would ensure a standard of living equal to that of our civilian counterparts.

There is a clear understanding that this nation must find ways to reduce the deficit. We constantly seek more efficient ways such as Total Quality Management (TQM) to manage our resources. We will continue to do that.

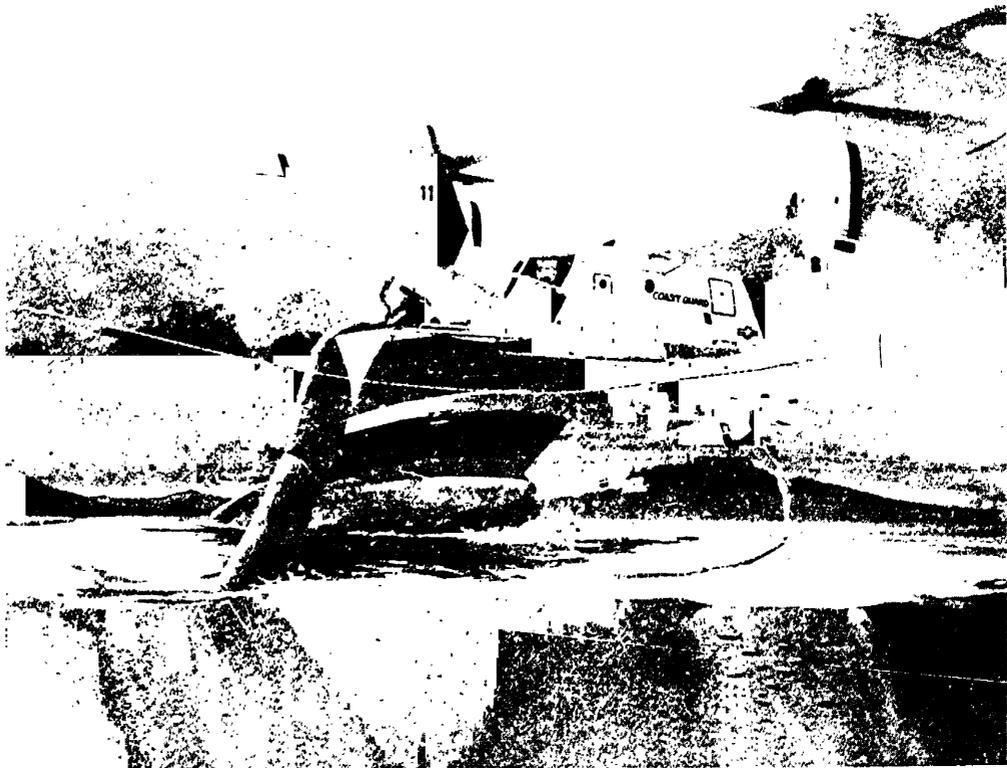
What we need from you is the money asked for by the Commandant. Give us the means to take care of our people. As you all know, we help everyone in the world and all too often forget to look after our own. We ask for your full support for what the President requested for our budget.

Sir...our people give you their youth, their energy, their enthusiasm and if need be...even their lives. Such as MK1 Charles Sexton did last year trying vainly to save the life of an injured fisherman at the mouth of the Columbia River.

We are proud of our heritage, of over two hundred years. We are proud of our reputation. We are proud to be a part of the total force. And we appreciate the respect the people of this country give the Coast Guard.

Mr. Chairman, I want you to know how much I appreciate the chance to meet with you this morning. If you or any members of the subcommittee have any questions I will be pleased to answer them.





Statement of
Commander William E. Legg, USNR (Ret.)
Director, Naval Affairs
Reserve Officers Association of the United States
for the
Subcommittee on Coast Guard and Navigation
House Committee on Merchant Marine and Fisheries
on the United States Coast Guard Budget
For Fiscal Year 1993
12 March 1992

Reserve Officers Association of the United States



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Statement of Commander William E. Legg, USNR (Ret.), Director, Naval Affairs for the Reserve Officers Association of the United States, for the Subcommittee on Coast Guard and Navigation, House Committee on Merchant Marine and Fisheries, concerning the FY93 Coast Guard Budget, 12 March 1992.

Mr. Chairman and members of the committee:

It is my pleasure to address this committee concerning the Fiscal Year 1993 Budget request for the United States Coast Guard.

The Coast Guard continues to demonstrate its multi-mission capability and flexibility. The Coast Guard is truly a unique armed force, the only one with important peacetime functions enforcing a variety of our nation's laws, plus it has a significant role to play as a specialized branch of the Department of the Navy upon mobilization. Adequate authorization and funding to perform the spectrum of assigned tasks are essential. For too long the Coast Guard has been expected to do more and more without the necessary additional resources.

COAST GUARD BUDGET REQUEST

The Administration's budget request to support the Coast Guard in Fiscal Year 1993, in general, reflects a modest and rational growth over the level appropriated for Fiscal Year 1992. However, one cannot help but be concerned over the dependence of the budget request on more than \$200 million to be transferred from the Department of Defense to provide all the funding required for the Coast Guard.

ROA has been involved in the continuing saga of obtaining adequate funding for the Coast Guard, particularly over the past six or seven years. During this period we have seen the tasks and responsibilities of the Coast Guard increase and the manpower and funding decrease. We have seen relatively well-funded budget requests submitted by the Administration dramatically reduced and restructured by the Congress as resources were shifted within Function 400, Transportation, to permit funding of other transportation agencies at a level higher than in the President's Budget request.

In the past, the Coast Guard has been a major source of funds for the "plus ups" of these agencies by Congress. In turn, the Department of Defense has been the source of the funds needed to make up, at least in part, for the cuts from the requested level of Coast Guard appropriations that generated funds for these other agencies.

But, the Department of Defense budget is rapidly becoming smaller and, even at the reduced level in the Fiscal Year 1993 budget request, is not likely to escape the Congressional process without being reduced further. Therefore, it certainly is reasonable to be concerned that the \$203 million in Department of Defense funds requested for transfer to the Coast Guard may also be less than requested by the Administration.

The budget request for Fiscal Year 1993, if approved, will provide modest growth for the Coast Guard. Most of the six percent increase over the Fiscal Year 1992 level is associated with inflation and cost of living increases in pay (military and civilian). However, there is some real growth in areas, such as personnel support, that are recognized by the Commandant and the Congress as needing additional resources.

Therefore, ROA supports the Coast Guard Budget request for Fiscal Year 1993 and will recommend that the \$ 203 million requested be provided from Department of Defense appropriations.

SELECTED RESERVE

However, ROA is concerned that the \$74.5 million requested for the Reserve Training (RT) appropriation will require a further reduction in Selected Reserve personnel to 10,850. The Coast Guard Reserve has not been below 11,000 personnel since the early stages of the build-up for the Viet Nam conflict. A further reduction in Selected Reserve end strength will keep the Coast Guard Selected Reserve at a level significantly less than 50 percent of current mobilization requirements.

ROA was a strong advocate for the development of a plan to increase the size of the Coast Guard Reserve to at least the proportion of documented mobilization requirements achieved by the

Reserve Components of the other Armed Forces. We were encouraged when a ten year plan to achieve 95 percent of requirements was finally endorsed by the Administration in 1988. Unfortunately, there has been no progress in meeting the incremental steps needed to achieve the goal by 1998. In fact, ever since this plan was released, there has been a steady decrease in Coast Guard Reserve end strength.

It is apparent, that at this rate, the Coast Guard Reserve will continue to move even further from its requirements. The withdrawal of US Forces from Europe underlines the need to increase the size of the Coast Guard Reserve in an orderly and meaningful manner. The major mission of the Coast Guard Reserve is port security. This mission will be even more critical in the future than it was under previous contingency plans. We must become able to send even more troops and equipment overseas than we had planned to before. The importance of the Coast Guard Reserve and its Port Security units to this task was amply demonstrated during Operations Desert Shield and Desert Storm.

At the very beginning of Operation Desert Shield, several hundred Coast Guard Reserve volunteers provided essential capability in the load-out of military cargo from US ports. Soon after the President exercised his authority to call Reservists to active duty, the number of Coast Guard Reservists on active duty swelled to almost 1,500. Included in this total were all three of

the existing Reserve Port Security Units (PSU's), trained and equipped for overseas operations, which were deployed to the Persian Gulf. As it became apparent that additional PSU personnel might be needed overseas, new units were created with Coast Guard Reserve volunteers and placed on active duty for the specialized training needed for this mission.

Certainly it is reasonable to assume that the review of the Coast Guard's mobilization manpower requirements that is now in progress will result in a Selected Reserve requirement that is less than the 27,500 documented only a few years ago by the Administration. The military threat facing our nation has been significantly reduced and certainly has taken a different form. However, it must be remembered that the Coast Guard Reserve did not enjoy the growth or increased funding support that the six Reserve Components of the other Armed Forces achieved during the 1980's. While the other Reserve Forces attained manning levels above ninety-five percent of requirements, the Coast Guard Reserve never even reached fifty percent of their requirements. They missed the "ride up", but are certainly being programmed to "ride down," even before their destination has been determined.

Therefore, the Reserve Officers Association strongly recommends that the Coast Guard Selected Reserve be maintained at the strength projected for the end of Fiscal Year 1992, 11,500, at least until the on-going review of requirements can be completed

and evaluated. Maintaining this strength level will require the addition of \$3.5 million to the Reserve Training appropriation request of \$74.5 million for a new total of \$78 million.

Unless these additional funds are provided, valuable trained personnel will be separated from the force before it is determined that they will not be needed. Reconstituting these trained personnel in the future will take considerable time and will require significantly more funds than the small saving that will result from separating them now.

We are also concerned over the consistently low level of full-time active duty military support personnel provided the Coast Guard Reserve. The less than 600 active duty military personnel supporting the Coast Guard Reserve result in a ratio of one military support person for each 20 Selected Reservists, by far the lowest ratio in any of the seven Reserve Components. Budget pressures have caused the Coast Guard to reduce the active duty support for their Reserve even further in Fiscal Year 1993.

ROA strongly recommends a phased increase in Coast Guard Reserve Full-Time Support (FTS) personnel in the future. This action will improve readiness and efficiency by enabling Reservists to spend time training for their mission instead of performing the many administrative support functions that are required today. Certainly there should not be any further reduction in Full-Time Support personnel in Fiscal Year-1993.

SUMMARY

In summary, the Reserve Officers Association strongly supports funding the Coast Guard at least at the level requested in the President's Budget submission, a relatively modest \$3.8 billion. ROA also recommends that \$ 3.5 million in additional funds be provided to maintain the Selected Reserve strength and associated Full Time Support personnel at the Fiscal Year 1992 levels.

Thank you for the opportunity to present the position of the Reserve Officers Association on the Coast Guard Budget. I would be pleased to respond to any questions at this time.



Non Commissioned Officers Association of the United States of America

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STATEMENT OF
SERGEANT MAJOR MICHAEL F. OUELLETTE, USA, RETIRED
DEPUTY DIRECTOR FOR LEGISLATIVE AFFAIRS
BEFORE THE
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
COMMITTEE ON MERCHANT MARINE AND FISHERIES
U.S. HOUSE OF REPRESENTATIVES
SECOND SESSION, 102nd CONGRESS
ON
U.S. COAST GUARD BUDGET, FY 1993
MARCH 12, 1992

Chartered by the United States Congress

Mr. Chairman: I am retired U.S. Army Sergeant Major Michael F. Ouellette, Deputy Director for Legislative Affairs for the Non Commissioned Officers Association of the United States of America (NCOA). The Association is a congressionally-chartered organization with a membership in excess of 160,000 active duty and veteran noncommissioned and petty officers serving in every component of the five (5) Armed Forces of the United States; Army, Navy, Marine Corps, Air Force, and Coast Guard. The Association appreciates the opportunity to address this distinguished Subcommittee on behalf of the men and women of what may be America's least-appreciated service, the United States Coast Guard.

Uniformed members of the Coast Guard are to be congratulated for their valiant contributions to the Persian Gulf victory and the successful accomplishment of their many mission responsibilities. The Coast Guard, however, unlike the other armed services remains at war today. Not war in the sense of full-scaled armed conflict, but war in the every day battles of Drug Interdiction, Search and Rescue, Marine Environmental Protection, Law and Treaty Enforcement, Ice Operations, Navigational Aids, Marine Safety, and Defense Readiness. It is obvious to NCOA that the Congress has recognized the all-important role of the Coast Guard by their past increases in manpower and funding authorizations. Hopefully, these few words of praise and support, and the Association's historical advocacy for quality-of-life program improvements will serve as a salute to their dedicated commitment to the American public and the Nation.

PERSONAL SALUTE

NCOA cannot adequately express its appreciation to Admiral J. William Kime, Commandant of the Coast Guard, who has come to Congress with the message that identified PEOPLE as the first basic theme to his Strategic Agenda. NCOA has traditionally identified people programs as being of utmost importance to the performance and morale of Coast Guard personnel. As in past years, FY 1993 will be no different for this Association. The importance of quality-of-life issues involving Coast Guard men and women must be recognized by Congress. Action must be taken to resolve the glaring inadequacies referred to in this statement if the Coast Guard can ever be expected to recruit and retain the increased numbers of quality personnel.

COMMANDANT'S REQUEST

The Commandant has asked Congress for support of two major personnel objectives: 1) - to assist in finding the people to meet recruiting and retention targets, and 2) - provide improvements in housing, health care, family services, and the full spectrum of personnel support measures.

"Today's investment in our people will return dividends in readiness and mission performance for years to come", voiced the Commandant. He stated further that, "With the FY 93 budget request, I feel we are being

proactive and innovative in our workforce management; this will allow us to meet the rising challenges of the 21st century".

NCOA POSITION

NCOA fully agrees with the Commandant's remarks; however, this is not the first time that the Association has appeared before this distinguished Subcommittee to speak for the men and women in the U.S. Coast Guard. NCOA has advocated improvements in people programs for years. Improvements in housing, medical care, family services, etc., will most significantly have a positive impact on recruiting and retention. With the increased numbers of Coast Guard personnel, it now becomes even more of a major concern that a new focus be placed on quality of life issues that were in essence "stressed to the max", under prior personnel authorizations.

NCOA believes it need not convince the Subcommittee that the men and women of the Coast Guard perform some of the most arduous duties in the Armed Forces. They continue to face daily life-or-death situations that are not training exercises. Coast Guard strength increases will provide the service with the capability of alternating ship-to shore duties. This provides longer periods of stress-free environment, especially for search and rescue crews. However, this subcommittee must understand that the short-falls of key personnel support and quality-of-life programs simply shift stress levels to the home front.

RECRUITMENT

In order to interest bright young, educated and motivated youths in joining the Coast Guard, it will take increased funds for recruiting programs, particularly advertising. The Coast Guard is a unique service and its advertising campaign should not be lumped in with that of the combined program sponsored by the Department of Defense. Hopefully, this distinguished Subcommittee will appropriate more funds for the Coast Guard's recruiting efforts and direct the Department of Transportation to utilize those funds only for that purpose. It seems to be the time that Coast Guard publicity go beyond "boat user fees." Even with improved first-term reenlistment rates (42 to 55 percent) the size of the force dictates that further improvements be set in place in order to retain those with experience and expertise.

QUALITY OF LIFE

The next step in the appropriations process for people programs is to fund the Coast Guard's increased operating expenses (OE) and Acquisition, Construction and Improvements (AC&I) requests for health care costs, family services, family programs training and staffing, additional leased housing, and the construction of

refurbishing of family housing units, and barracks upgrades. Additionally, NCOA would hope for consideration and adoption of its recommendations to fund other improvements in the following quality-of-life issues for Coast Guard personnel:

- o Provide larger increases in compensation (Basic Pay, BAO, & BAS), and to reverse compression in petty officers' pay.
- o Provide CONUS COLA to Coast Guard personnel to offset the increased cost of living expenses associated with the isolated location of many Coast Guard stations and sites. One need only compare the cost of assignment to Nantucket Island or Martha's Vineyard Island to prove the point.
- o Provide partial payments of BAO to single members, as is currently available to married members, who are assigned to and residing in substandard (bachelor) housing.
- o Improve special pays (e.g. - clothing maintenance allowances, special duty assignment pay) and
- o Provide separation pay to those personnel who are involuntarily separated from active duty as is now available to certain other personnel of the other armed services.
- o Provide 100 percent CHAMPUS coverage for dependents of members assigned to remote or independent duty away from available federal medical treatment facilities.
- o Waive increased CHAMPUS deductibles during the year of promotion to the grade E5.
- o Increase the number of days that may be paid for temporary lodging expenses from 4 to 8, and provide for house-hunting trips, and increased reimbursements for out-of-pocket expenses incurred as a result of permanent changes in station (PCS) moves.

CONCLUSION

Although the list offered by the Association may appear to be excessive, it is a compilation of issues of importance to maintaining the good discipline and morale of our Coast Guard personnel. Their tasks are far

from easy, so the rewards must be adequate to meet the first basic theme of the Coast Guard Commandant,
"find people to meet recruiting and retention targets and improve support for those people."

NCOA is confident that this distinguished Subcommittee will do its best to assist the Commandant in
reaching his goals.

Thank you.

QUESTION FOR ADM. KIME AT 3/12/92 COAST GUARD BUDGET HEARING
BY REP. SOLOMON P. ORTIZ

Admiral Kime: There has been a concern consistently raised by members of the shrimping industry in Texas that the Coast Guard is spending a disproportionate amount of their time and money on fisheries enforcement, and in particular TEDs enforcement. I wonder if you could either respond now or else get back to me in writing on two things:

1) the number of hours and proportion of its budget that the Coast Guard is applying to fisheries enforcement compared to search-and-rescue and drug interdiction, nationwide, in the Gulf of Mexico, and in South Texas.

and 2) within the scope of fisheries enforcement and related regulatory measures, the relative amount of time and money that the Coast Guard spends on TEDs enforcement compared to enforcement of the Texas Closure, Lacey Act enforcement, and safety inspection.

I ask this second question in particular, because a number of shrimpers feel that the Coast Guard is providing minimal enforcement of the Texas Closure, allowing a large quantity of shrimp to be illegally harvested, and almost certainly without a TED, while it spends a great deal of time and energy on TEDs enforcement on legal shrimpers. It would seem to me that if the Coast Guard wants to protect sea turtles, it would be better off spending its time, money, and energy against illegal, indiscriminate shrimping, rather than hounding legal shrimpers who have already a TEDs-compliance figure of 90% or above.

U.S. Department
of Transportation

United States
Coast Guard



Commandant
U S Coast Guard

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5730
JUN 24 1992

The Honorable Billy Tauzin
Chairman, Subcommittee on Coast Guard
and Navigation
Committee on Merchant Marine and Fisheries
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The attached Questions and Answers for the Record are provided pursuant to your Committee hearing on March 12, 1992, on the fiscal year 1993 Coast Guard Authorization. All responses have been reviewed and approved, as required, by the Department of Transportation and the Office of Management and Budget.

Please do not hesitate to call if I can provide further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "T. W. Josiah", written over a large, stylized flourish.

T. W. Josiah
Captain, U. S. Coast Guard
Chief, Congressional Affairs Staff
By direction of the Commandant

Copy: Congressman Solomon P. Ortiz

CONGRESSMAN ORTIZ QUESTIONS
WITH COAST GUARD ANSWERS: 1
AUTHORIZATION HEARING, 12 MARCH 92

QUESTION. WHAT ARE THE NUMBER OF HOURS AND PROPORTION OF ITS BUDGET THAT THE COAST GUARD IS APPLYING TO FISHERIES ENFORCEMENT COMPARED TO SAR AND DRUG INTERDICTION, NATIONWIDE, IN THE GULF OF MEXICO, AND IN SOUTH TEXAS?

Answer. The tables display Fiscal Year (FY) 1991 resource hours for fisheries law enforcement (ELT-Fish), search and rescue (SAR), and drug law enforcement (ELT-Drugs) for cutters, aircraft and boats respectively. Data is reported for nationwide totals and the Coast Guard Eighth District area of responsibility (AOR), which includes most of the Gulf of Mexico. Cutter and aircraft data cannot be broken down into specific geographic regions, such as south Texas. Boat resource hours are broken down for south Texas by totalling boat hours for Group Corpus Christi units. The proportion of the FY91 Operating Expenses (OE) appropriation applied to fisheries law enforcement, search and rescue, and drug law enforcement is similarly provided for the Coast Guard, the Eighth District, and Group Corpus Christi. Funding information includes both direct and support costs.

CUTTER RESOURCE HOURS FY-91

	<u>ELT-FISH</u>	<u>SAR</u>	<u>ELT DRUGS</u>
NATIONWIDE	70,594	26,171	116,937
DISTRICT 8	10,297	2,552	11,116

AIRCRAFT RESOURCE HOURS FY-91

	<u>ELT-FISH</u>	<u>SAR</u>	<u>ELT DRUGS</u>
NATIONWIDE	8,317	22,174	21,625
DISTRICT 8	712	2,069	1,047

BOAT RESOURCE HOURS FY-91

	<u>ELT-FISH</u>	<u>SAR</u>	<u>ELT DRUGS</u>
NATIONWIDE	6,578	60,749	15,240
DISTRICT 8	2,636	8,215	1,776
SOUTH TEXAS	735	1,363	259

PROPORTION OF OPERATING EXPENSES APPROPRIATION (\$000) FY-91

	<u>ELT-FISH</u>	<u>SAR</u>	<u>ELT DRUGS</u>
NATIONWIDE	10%	15%	19%
DISTRICT 8	9%	16%	11%
SOUTH TEXAS	18%	23%	19%

CONGRESSMAN ORTIZ QUESTIONS
WITH COAST GUARD ANSWERS: 2
AUTHORIZATION HEARING, 12 MAR 92

QUESTION. WITHIN THE SCOPE OF FISHERIES ENFORCEMENT AND RELATED REGULATORY MEASURES, WHAT IS THE RELATIVE AMOUNT OF TIME AND MONEY THAT THE COAST GUARD SPENDS ON TEDS ENFORCEMENT COMPARED TO ENFORCEMENT OF THE TEXAS CLOSURE, LACEY ACT ENFORCEMENT, AND SAFETY INSPECTION?

Answer. The tables display Coast Guard fisheries law enforcement resource hours for TED's enforcement, Texas Closure enforcement, and Lacey Act enforcement in the Eighth Coast Guard District during the period April 1991 through March 1992. The Eighth Coast Guard District encompasses the Gulf Coast of Texas, Louisiana, Mississippi, Alabama and the Panhandle of Florida. Safety inspections are conducted in conjunction with all Coast Guard law enforcement boardings and are not accounted for separately. In addition to the enforcement activities shown, the Coast Guard also enforces regulations concerning reef fish and bluefin tuna in the Gulf of Mexico. Funding data includes direct costs of operating the cutters, aircraft, and boats. These direct costs include personnel, fuel, and maintenance.

VESSEL RESOURCE HOURS/DIRECT COST:

	<u>TEDS ENF</u>	<u>TX CLOSURE</u>	<u>LACEY ACT</u>
WMEC	319/\$313,000	1,046/\$1,027,000	
WPB	2,739/\$605,000	1,251/\$276,000	48/\$11,000
UTB	360/\$41,000	627/\$71,000	

AIRCRAFT RESOURCE HOURS/DIRECT COST:

	<u>TEDS ENF</u>	<u>TX CLOSURE</u>	<u>LACEY ACT</u>
HU-25	120/\$285,000	921/\$2,186,000	
HH-65	83/\$120,000	285/\$411,000	4/\$6,000
RG-8	16/\$2,000	53/\$6,000	

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