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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

FOR RELEASE ON DELIVERY  
EXPECTED AT 10:30 A.M. EST  
WEDNESDAY, APRIL 23, 1980

STATEMENT OF  
HENRY ESCHWEGE, DIRECTOR  
COMMUNITY AND ECONOMIC DEVELOPMENT DIVISION

BEFORE THE  
COMMITTEE ON COMMERCE, SCIENCE,  
AND TRANSPORTATION  
UNITED STATES SENATE  
ON



[ADEQUACY OF COAST GUARD'S RESOURCES TO  
PERFORM ITS MISSIONS]

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

WE ARE HERE TODAY TO DISCUSS OUR APRIL 3, 1980, REPORT ENTITLED "THE COAST GUARD--LIMITED RESOURCES CURTAIL ABILITY TO MEET RESPONSIBILITIES" (CED-80-76). OUR REVIEW, WHICH WAS MADE AT YOUR REQUEST, SHOWED THAT RECENT LEGISLATION, MAINLY IN THE AREAS OF LAW ENFORCEMENT, VESSEL SAFETY, AND MARINE ENVIRONMENTAL PROTECTION, HAS PLACED INCREASED DEMANDS ON THE COAST GUARD. THERE HAS BEEN NO CURTAILMENT, HOWEVER, OF ESTABLISHED RESPONSIBILITIES NOR HAS THE ADMINISTRATION REQUESTED AN ACCOMPANYING INCREASE IN RESOURCES SUCH AS VESSELS AND PERSONNEL. THE COAST GUARD FISCAL YEAR 1980 APPROPRIATION WAS \$1.7 BILLION AND FISCAL YEAR 1981 BUDGET IS \$1.8 BILLION. IN ADDITION, THE COAST GUARD IS EXPERIENCING PROBLEMS WITH (1) OPERATING EXISTING VESSELS, (2) RETAINING EXPERIENCED PERSONNEL, AND (3) MAINTAINING AND REPLACING SOME SHORE FACILITIES.

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SUBSEQUENT TO OUR REVIEW, THE COAST GUARD HAS REQUESTED SUPPLEMENTAL APPROPRIATIONS OF \$41.4 MILLION TO PURCHASE FUEL FOR ITS CUTTERS. THIS SITUATION HAS OCCURRED DUE TO LARGE PRICE INCREASES FOR FUEL. SINCE THIS HAS RECENTLY HAPPENED, WE HAVE NOT BEEN ABLE TO EVALUATE THE IMPACT ON COAST GUARD OPERATIONS. IF ADDITIONAL FUNDS ARE NOT PROVIDED FOR FUEL PURCHASES THE COAST GUARD'S MISSION EFFECTIVENESS WILL BE REDUCED FURTHER.

WE RECOGNIZE THAT OTHER, HIGHER PRIORITIES MAY PRECLUDE THE COAST GUARD FROM BEING FUNDED AT A LEVEL NECESSARY TO MEET ALL OF ITS NEEDS. THEREFORE, WE HAVE PROVIDED FIVE OPTIONS FOR THE COMMITTEE'S CONSIDERATION.

COAST GUARD RESOURCE LIMITATIONS  
REDUCE MISSION EFFECTIVENESS

OUR APRIL REPORT AND THE RESULTS OF OUR PRIOR REVIEWS HAVE SHOWN THAT THE COAST GUARD HAS NOT BEEN ABLE TO ADEQUATELY CARRY OUT SOME OF ITS MISSIONS. THIS SITUATION IS EXPECTED TO BECOME WORSE IN THE FUTURE AND WILL FURTHER REDUCE ITS EFFECTIVENESS. OUR ANALYSIS WAS BASED ON MISSION RESOURCE NEEDS ESTIMATED AND DEVELOPED BY THE COAST GUARD.

LACK OF CUTTERS AND CUTTER  
CONDITION AFFECT MISSIONS

THE COAST GUARD'S CUTTER FLEET HAS BEEN DECREASED BY 93 VESSELS--FROM 339 IN 1969 TO 246 IN 1979--DESPITE AN INCREASE IN MISSION RESPONSIBILITIES. THE COAST GUARD ESTIMATES THAT

FOR FISCAL YEAR 1981 IT WILL BE SHORT 2,000 CUTTER-DAYS AND THAT BY THE MID-1980s THIS SHORTAGE IS EXPECTED TO INCREASE TO ALMOST 3,000 DAYS. IN 1979 THE COAST GUARD ESTIMATED A NEED FOR 57 ADDITIONAL CUTTERS OF VARIOUS TYPES BY THE MID-1980s. BETWEEN 1991 AND THE YEAR 2000 THE COAST GUARD ESTIMATES THAT 174 EXISTING CUTTERS WILL REQUIRE RENOVATION OR REPLACEMENT TO MAINTAIN THE CURRENT CUTTER LEVEL.

OUR REVIEW OF 51 CUTTERS DISCLOSED THAT 35 ARE EXPERIENCING SUCH PROBLEMS AS (1) EQUIPMENT THAT IS EITHER OBSOLETE OR INADEQUATE BECAUSE OF CHANGES IN COAST GUARD MISSIONS SINCE THE CUTTERS WERE CONSTRUCTED, (2) POOR MAINTENANCE, OR (3) INADEQUATE ONBOARD LIVING CONDITIONS. ALSO, FOR 11 CUTTERS, FUNDING SHORTAGES HAVE PRECLUDED NECESSARY REPAIRS.

EXAMPLES OF THESE PROBLEMS INCLUDE:

1. THE CUTTER BIBE LACKS ONBOARD HELICOPTER CAPABILITY, WHICH REDUCES ITS ABILITY TO ADEQUATELY PERFORM DRUG INTERDICTION MISSIONS. EQUIPMENT ON THIS CUTTER IS OBSOLETE, INCLUDING THE STEAM GENERATORS, THE BOILERS, AND THE TURBINES.
2. THE CUTTER STEADFAST HAS HAD MAJOR PROPELLER AND ENGINE PROBLEMS. ROUTINE MAINTENANCE AND REPAIR WORK IS NOT BEING DONE BECAUSE OF A LACK OF QUALIFIED ENLISTED PERSONNEL, SUCH AS MACHINIST TECHNICIANS, ELECTRICIANS, AND DAMAGE CONTROL SPECIALISTS. ABOUT 10 SUCH ADDITIONAL QUALIFIED SPECIALISTS ARE NEEDED. OBTAINING REPLACEMENT PARTS FOR SUCH ESSENTIAL

EQUIPMENT AS ENGINES, PUMPS, AND BOILERS IS ALSO A PROBLEM. THESE PARTS MUST BE SPECIAL ORDERED FROM MANUFACTURERS OTHER THAN THE ORIGINAL EQUIPMENT MANUFACTURER, AND ORDERS ARE BACKLOGGED FROM 3 MONTHS TO 2 YEARS.

3. THE CUTTER YOCONA IS IN GENERALLY POOR CONDITION. BERTHING AREAS ARE CRAMPED WITH ONLY 18 VERTICAL INCHES BETWEEN BUNK BEDS. OVER 60 ENLISTED PERSONNEL MUST SHARE SIX TOILETS, THREE SHOWERS, AND SIX SINKS.
4. THE CUTTER IRIS COULD NOT UNDERGO ALL NECESSARY REPAIRS BECAUSE OF LACK OF FUNDS (ONLY 23 OF 51 WORK-LIST PROJECTS WERE COMPLETED IN 1979). BECAUSE IT LACKED THE NECESSARY \$120,000, THE COAST GUARD COULD NOT REPLACE THE WORN OUT PARTS FOR THE CUTTER'S BOOM, WHICH AFFECTS MISSION PERFORMANCE.

PERSONNEL SHORTAGES AND DECLINING  
RETENTION RATE AFFECT MISSION PERFORMANCE

THE COAST GUARD'S AUTHORIZED PERSONNEL RESOURCES HAVE INCREASED SLIGHTLY FROM 44,500 IN FISCAL YEAR 1977, TO 45,800 IN FISCAL YEAR 1980 DESPITE ADDITIONAL RESPONSIBILITIES. THIS SMALL INCREASE DID NOT OFFSET PERSONNEL SHORTAGES WHICH HAVE REDUCED MISSION CAPABILITY. ALSO, THE COAST GUARD HAS HAD DIFFICULTY RETAINING TRAINED ENLISTED PERSONNEL AND IS DEPENDING ON INEXPERIENCED PERSONNEL TO DO THE JOB, WHICH FURTHER IMPAIRS MISSION EFFECTIVENESS.

THE COAST GUARD ESTIMATES THAT 8,200 POSITIONS IN ADDITION TO ITS PRESENT AUTHORIZED STRENGTH OF 45,800 ARE NEEDED NOW TO CARRY OUT SELECTED PROGRAMS AND LEGISLATION. BY 1990 AN ESTIMATED 81,147 TOTAL POSITIONS ARE NEEDED, AN INCREASE OF 77 PERCENT OVER THE 1980 AUTHORIZED LEVEL.

THE COAST GUARD, THE DEPARTMENT OF TRANSPORTATION, AND THE OFFICE OF MANAGEMENT AND BUDGET AGREED THAT THE COAST GUARD WILL UNDERTAKE A ZERO-BASED REVIEW OF ITS REQUIREMENTS FOR MILITARY PERSONNEL IN CONJUNCTION WITH THE FISCAL YEAR 1982 BUDGET SUBMISSION.

THE FIRST-TOUR REENLISTMENT RATE HAS DECLINED FROM 28.6 PERCENT AS OF SEPTEMBER 30, 1976, TO 15.8 PERCENT IN 1979. FOR SUBSEQUENT DUTY TOURS (PERSONNEL WITH 6 OR MORE YEARS OF EXPERIENCE) THE REENLISTMENT RATE HAS DROPPED FROM 87.5 PERCENT IN 1976 TO 64.8 PERCENT IN 1979. THE MAJOR REASON GIVEN FOR LEAVING THE COAST GUARD WAS LOW SALARY. OTHER REASONS INCLUDE FAMILY CONSIDERATIONS, THE QUALITY OF BACHELOR HOUSING, LONG WORKING HOURS, AND MILITARY REGULATIONS.

THE COAST GUARD'S GOAL HAS BEEN TO RECRUIT ABOUT 8,000 NEW PEOPLE EACH YEAR IN 1979 AND 1980. AS A RESULT OF THIS INFLUX OF NEW PERSONNEL AND DECLINING REENLISTMENT, ABOUT 48 PERCENT OF ENLISTED PERSONNEL WILL HAVE LESS THAN 2 YEARS EXPERIENCE.

CONDITION OF SHORE  
FACILITIES CAUSES CONCERN

THE COAST GUARD HAS STATED THAT IT HAS NOT RECEIVED ADEQUATE FUNDS TO MAINTAIN AND REPLACE ITS SHORE FACILITIES. CONSEQUENTLY, WORKING AND LIVING CONDITIONS ARE DETERIORATING AS FACILITIES GROW OLDER. A RECENT COAST GUARD SURVEY REVEALED THAT, BASED ON MINIMUM HOUSING STANDARDS, 48 PERCENT OF THE COAST GUARD'S BACHELOR HOUSING FACILITIES ARE INADEQUATE.

WHILE THE COAST GUARD HAS CONSIDERABLE INFORMATION ON BACHELOR HOUSING, IT LACKS SIMILAR INFORMATION ON OTHER SHORE FACILITIES. IT HAS NOT DEVELOPED ASSESSMENT STANDARDS OR A SYSTEM TO PERIODICALLY EVALUATE FACILITY CONDITION. INSTEAD IT RELIED ON BROAD ANALYSES AND SURVEYS WHICH PROVIDE ONLY INDICATIONS OF FACILITY CONDITION. WITHOUT UNIFORM ASSESSMENT STANDARDS AND INFORMATION ON FACILITY CONDITION, THE COAST GUARD'S ANALYSES, AS WELL AS OURS, CAN ONLY PRODUCE QUALIFIED CONCLUSIONS.

COAST GUARD STUDIES HAVE SHOWN THAT (1) MANY FACILITIES HAVE REACHED OR SURPASSED THEIR DESIGN LIFE EXPECTANCY AND (2) CAPITAL EXPENDITURES FOR BUILDING REHABILITATION AND REPLACEMENT HAVE NOT INCREASED IN PROPORTION TO THE INCREASE OF SHORE FACILITIES. COAST GUARD CIVIL ENGINEERS ACKNOWLEDGE, HOWEVER, THAT THESE STUDY RESULTS ARE INTUITIVE AT BEST.

OUR ANALYSIS OF 210 SHORE FACILITIES REVEALED THAT 94 HAD ONE OR MORE OF THE FOLLOWING SHORTCOMINGS

--PHYSICAL PROBLEMS, SUCH AS STRUCTURAL, PLUMBING,  
AND ELECTRICAL DEFICIENCIES.

- EFFICIENCY PROBLEMS, INCLUDING HIGH MAINTENANCE AND HIGH OPERATING COSTS.
- FUNCTIONAL PROBLEMS, SUCH AS POOR LOCATION AND INADEQUACY OF STRUCTURES TO FULFILL INTENDED USES.
- ENVIRONMENTAL PROBLEMS, INCLUDING OVERCROWDING, NOISE OR ODOR POLLUTION, AND LACK OF PERSONNEL SAFETY, SECURITY, OR COMFORT.

THE FOLLOWING EXAMPLES ILLUSTRATE THE PROBLEMS WE FOUND.

1. THE BACHELOR ENLISTED QUARTERS AT PORTSMOUTH HARBOR, NEW HAMPSHIRE, ARE SEVERELY OVERCROWDED--20 OF 22 PERSONNEL HAVE LESS THAN THE 90 SQUARE FEET OF LIVING SPACE REQUIRED BY COAST GUARD STANDARDS. ALSO, THE BUILDING IS NOT WELL INSULATED AND ROOM TEMPERATURES FLUCTUATE.
2. THE EQUIPMENT FOR REMOVING BOATS FROM THE WATER AT ROCKAWAY STATION, NEW YORK, DOES NOT DO THE JOB. THE EQUIPMENT WAS DESIGNED TO ACCOMMODATE REPAIRS ON 30-FOOT BOATS; HOWEVER, IN RECENT YEARS THE COAST GUARD HAS BEEN USING 41-FOOT BOATS, WHICH ARE TOO LARGE FOR THE SYSTEM. AS A RESULT, REPAIR WORK MUST BE PERFORMED AT OTHER COAST GUARD INSTALLATIONS.
3. THE BACHELOR ENLISTED QUARTERS AT SUPPORT CENTER NORTH, WASHINGTON, ARE IN AN ADVANCED STATE OF DECAY. PAINT IS CHIPPING, ROOFS ARE LEAKING, AND GUTTERS ARE RUSTING AND ABOUT TO FALL OFF. THE BUILDING IS POORLY VENTILATED, HAS NO FIRE CONTROL SPRINKLER

SYSTEM, AND IS NOT PROPERLY INSULATED. IT IS ALSO OVERCROWDED. THE BUILDING IS BEING REPLACED, BUT IN THE MEANTIME IT IS STILL IN USE.

ALTHOUGH WE FOUND A VARIETY OF FACILITIES PROBLEMS, WE COULD NOT DETERMINE THE SCOPE OR SEVERITY OF THESE PROBLEMS COAST-GUARD-WIDE BECAUSE THERE ARE NO UNIFORM, CENTRALIZED INFORMATION AND ASSESSMENT STANDARDS.

MATTERS FOR CONSIDERATION DURING  
CONGRESSIONAL REVIEW PROCESS

WE RECOGNIZE THAT HIGHER PRIORITIES MAY PREVENT FUNDS FROM BEING MADE AVAILABLE TO THE COAST GUARD FOR ALL OF ITS NEEDS. THEREFORE, WE HAVE PROVIDED OPTIONS FOR THE COMMITTEE'S CONSIDERATION. WHILE THESE MAY OFFER OPPORTUNITIES TO REDUCE THE COAST GUARD'S FINANCIAL NEEDS, EACH HAS DISADVANTAGES. BEFORE ANY OF THESE OPTIONS ARE IMPLEMENTED, FURTHER CONSIDERATION AND INPUT SHOULD BE OBTAINED FROM THE COAST GUARD, THE MARITIME INDUSTRY, STATES, THE PUBLIC, AND ANY OTHER AFFECTED PARTIES. THE OPTIONS ARE:

1. TRANSFER CERTAIN COAST GUARD MISSIONS BECAUSE OF BUDGET CONSTRAINTS--AS WE POINTED OUT IN A PRIOR REPORT ON COMMERCIAL VESSEL SAFETY, (CED-79-54, DATED MAY 25, 1979), THE SIMILARITY OF FUNCTIONS RELATING TO MARITIME INDUSTRY COMPLIANCE WITH VESSEL SAFETY STANDARDS PERFORMED BY THE AMERICAN BUREAU OF SHIPPING (A VESSEL CERTIFICATION ORGANIZATION) AND THE COAST GUARD COULD ALLOW THE TRANSFER OF SOME FUNCTIONS TO THE BUREAU.

2. ESTABLISH MISSION PERFORMANCE LEVELS FOR COAST GUARD BASED ON FUNDING LEVELS--BECAUSE OF THE DIFFICULTY THE COAST GUARD HAS HAD IN OBTAINING FUNDS DESPITE ITS INCREASED RESPONSIBILITIES, THE COMMITTEE MAY WISH TO ESTABLISH PRIORITIES TO ENSURE THAT RESOURCE ALLOCATIONS AFFECT PROGRAMS IN A MANNER CONSISTENT WITH CONGRESSIONAL INTENT.
3. PURCHASE CUTTERS WITH DIFFERENT CAPABILITIES--THE COAST GUARD COULD PURCHASE VESSELS WHICH, ALTHOUGH THEY COULD NOT PERFORM ALL ITS VARIED MISSIONS, MIGHT BE LESS COSTLY. FOR EXAMPLE, SOME CUTTERS WOULD NOT HAVE MILITARY CAPABILITY SUCH AS ARMAMENT OR THE COAST GUARD COULD PURCHASE SMALLER VESSELS. AS A RESULT THEY WOULD NOT BE ABLE TO PERFORM CERTAIN MISSIONS WHICH WOULD AFFECT THE COAST GUARD'S CAPABILITY OF MEETING SOME OF ITS RESPONSIBILITIES.
4. USE OF CONTRACTORS IN SITUATIONS WHEN COAST GUARD DOES NOT HAVE ADEQUATE RESPONSE RESOURCES--FOR EXAMPLE, USING CONTRACTORS IN EMERGENCY SITUATIONS FOR REPLACING NAVIGATIONAL AIDS AFTER A HURRICANE, MIGHT BE MORE COST EFFECTIVE THAN HAVING THE COAST GUARD MAINTAIN RESOURCES FOR USE IN ALL SITUATIONS AT ALL TIMES.
5. CHARGE USERS FOR COAST GUARD SERVICES--THE COAST GUARD PERFORMS MANY SERVICES FOR THE PUBLIC, SUCH AS PROVIDING ASSISTANCE AT SEA, MAINTENANCE OF

NAVIGATIONAL AIDS, AND VESSEL INSPECTIONS. A CHARGE  
COULD BE MADE FOR THESE SERVICES, THEREBY INCREASING  
REVENUES TO THE GOVERNMENT.

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MR. CHAIRMAN, THIS CONCLUDES MY STATEMENT. WE WILL BE  
GLAD AT THIS POINT TO RESPOND TO ANY QUESTIONS YOU OR OTHER  
MEMBERS OF THE COMMITTEE MAY HAVE.