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REPORT TO THE CONGRESS



Follow-Up Review On Use By The Coast Guard Of Military Personnel In Civilian-Type Positions B-114851

Department of Transportation

*BY THE COMPTROLLER **GENERAL**
OF THE UNITED STATES*

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B. 114851

To the President of the Senate and the
Speaker of the House of Representatives

This is our follow-up report on the use of military personnel in civilian-type positions by the U.S. Coast Guard, Department of Transportation.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are also being sent to the Director, Bureau of the Budget; the Secretary of Transportation; and the Secretary of Defense.

Comptroller General
of the United States

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Commandant informed GAO that the Coast Guard was in general agreement with the recommendation that "full responsibility for the implementation of the (conversion) program be centered in Headquarters, and that formal guidelines, goals, reports, and follow-up procedures (should) be established..." He stated that a recent reorganization of the Office of the Chief of Staff at Headquarters would provide the base for more intensive direction of this program.

However, the Commandant stated that Public Law 90-364, which limits the number of civilian employees in executive agencies, will have an impact on the program: in effect, future conversion will result not only in the loss of military billets but also in the abolishment of an appreciable number of the replacement civilian positions. He stated that, as long as these restrictions on civilian employment remain in effect, little or no progress on the conversion program can be expected. (See app. III, page 2.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

Because of the substantial savings attainable by civilianization-- using civilian rather than military personnel for civilian-type duties--and because of the adverse effect of Public Law 90-364 on civilianization programs of the Coast Guard and the Department of Defense, GAO is bringing this matter to the attention of the Congress.

DIGEST

WHY THE REVIEW WAS MADE

A General Accounting Office (GAO) report to the Congress in 1961 commented on the large number of civilian-type positions in U.S. Coast Guard district offices occupied by military personnel. GAO recommended that personnel staffing in district offices be reviewed and that, to the extent practicable, action be taken to convert military billets to civilian positions. This is a follow-up review to determine what action the Coast Guard has taken on this matter.

FINDINGS AND CONCLUSIONS

The Coast Guard has converted many of the military billets cited in the previous GAO report to civilian positions. However, GAO believes that this action was not part of a continuing program directed toward making full use of civilian personnel.

The general policy of the Coast Guard is to staff with civilians those positions at its shore facilities that do not require military skills or involve military duties. GAO believes, however, that the Coast Guard has not taken effective action to implement this policy.

In GAO's opinion 361 civilian-type positions filled by military personnel as of June 30, 1967, could be filled by civilian personnel in accordance with Coast Guard's criteria for using civilians. (See p. 7.)

GAO estimates that the conversion of the 361 military billets to civilian positions could eventually result in savings exceeding \$550,000 annually and would make military personnel available to fill military billets. (See p. 13.)

RECOMMENDATIONS AND SUGGESTIONS

GAO proposed that the Commandant of the Coast Guard should implement a program that would convert military billets essentially civilian in character to positions that would be filled by civilian personnel. In addition, GAO suggested that formal guidelines, goals, reports, and follow-up procedures should be established so that management could maintain vigilance over the program and measure its achievements.

Tear Sheet

MAY 8, 1969

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AGENCY ACTIONS AND UNRESOLVED ISSUES

The Commandant informed GAO that the Coast Guard was in general agreement with the recommendation that "full responsibility for the implementation of the (conversion) program be centered in Headquarters, and that formal guidelines, goals, reports, and follow-up procedures (should) be established. . ." He stated that a recent reorganization of the Office of the Chief of Staff at Headquarters would provide the base for more intensive direction of this program.

However, the Commandant stated that Public Law 90-364, which limits the number of civilian employees in executive agencies, will have an impact on the program: in effect, future conversion will result not only in the loss of military billets but also in the abolishment of an appreciable number of the replacement civilian positions. He stated that, as long as these restrictions on civilian employment remain in effect, little or no progress on the conversion program can be expected. (See app. 111, page 2.)

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Because of the substantial savings attainable by civilianization-- using civilian rather than military personnel for civilian-type duties--and because of the adverse effect of Public Law 90-364 on civilianization programs of the Coast Guard and the Department of Defense, GAO is bringing this matter to the attention of the Congress.

INTRODUCTION

The General Accounting Office has made a follow-up review of the U.S. Coast Guard's utilization of military personnel in certain civilian-type positions. The results of our prior review are discussed in our report to the Congress on "Review of Civilian and Military Personnel Utilization in District Offices and of Certain Military Pay Functions, United States Coast Guard, Treasury Department" (B-114851, June 13, 1961).

Our review was directed primarily toward determining what action had been taken to convert civilian-type military billets¹ to civilian positions. We did not make an overall evaluation of manpower utilization within the Coast Guard. The scope of our review is discussed on page 22 of this report. The principal Department of Transportation officials responsible for the activities discussed in this report are listed in appendix IV.

The Coast Guard, a branch of the Armed Forces of the United States, is a safety and law enforcement service in the Department of Transportation. In time of war or when the President directs the Coast Guard operates as a service in the Department of the Navy. Its responsibilities include, in general terms, promotion of safety of life and property on the high seas and waters subject to the jurisdiction of the United States; enforcement of maritime laws; provision of navigational aids to maritime commerce and to transoceanic air commerce; promotion of efficiency and safety of the American merchant marine; and maintenance of readiness for military operations.

The Coast Guard organization consists of a Headquarters office in Washington, D.C.; various Headquarters units performing specialized services; and 12 district offices, 10 of which are located within the continental United States. **As of June 30, 1968, Coast Guard personnel strength was 43,879--6,495 civilians, 6,184 officers, and 31,200 enlisted personnel.**

¹A billet is a position filled by a military person.

The general policy of the Coast Guard is to staff with civilians those positions at its shore facilities that do not require military skills or involve military duties. The Coast Guard's initial policy statement on the use of civilian personnel in civilian-type positions was issued in January 1957 and stated:

"Civilian personnel will be used in positions which do not require military incumbents for reasons of law, training, security, discipline, rotation, or combat readiness, which do not require a military background for successful performance of **the duties involved**, and **which do not** entail unusual hours not normally associated or compatible with civilian employment."

The Coast Guard's current policy, revised in February, 1966, states:

"Shore units, except those which are predominately operational in mission performance, include personnel spaces which can be either military billets or civilian positions. Generally, civilian personnel should be utilized in jobs which do not require military skills or military incumbents for reasons of training, security, discipline, or rotation."

Units predominately operational in mission performance are those directly involved in carrying out the assigned missions of the Coast Guard, such as Search and Rescue and Aids to Navigation. Units considered nonoperational in mission performance are those that provide administrative and supply support for the operational units.

The use of civilians in the Coast Guard has increased by less than one half of 1 percent in relation to overall strength during the 10 years following the Coast Guard's initial civilianization policy statement.

In our previous report we pointed out that, in the Coast Guard district offices, "numerous supply, clerical, and accounting positions were filled by military personnel

that could be filled by civilians. We concluded that conversion of these billets would result in substantial savings and would contribute to **greater** organizational stability, more efficient administration, and more effective use of military personnel. We recommended that the personnel staffing in district offices be reviewed and that, to the extent practicable, action be taken to convert military billets to civilian positions. Also, we suggested that similar opportunities for conversion of military billets to civilian positions may exist at locations other than district offices and recommended that the civilian-military staffing be reviewed throughout the Coast Guard.

USE OF MILITARY PERSONNEL IN CIVILIAN-TYPE POSITIONS

After we issued our June 13, 1961, report to the Congress, the Coast Guard took action to convert many of the supply, clerical, and accounting positions, which we had cited in the report, to civilian positions. However, on the basis of the results of our follow-up review, it appears to us that such action was not widespread and not part of a continuing program to maximize the use of civilian personnel.

Our follow-up review showed that numerous civilian-type positions filled by military personnel at shore units could be filled by civilian personnel in accordance with the Coast Guard's staffing criteria. We believe that the use of civilian personnel in these positions would result in substantial savings to the Coast Guard and would make military personnel available to fill military billets.

In our opinion, the Coast Guard's policy providing for the use of civilian personnel in positions that do not require military skills and that are primarily nonoperational in mission performance, appears to be sound. However, we believe that this policy has not been effectively implemented. In our opinion, Headquarters has not provided adequate direction and supervision to field units to ensure the conversion of military billets to civilian positions to the maximum extent possible.

MILITARY BILLETS SUSCEPTIBLE TO CONVERSION TO CIVILIAN POSITIONS

During our follow-up review, we examined into the duties **and responsibilities of 1,112 military billets, or about 47 percent** of the total billet authorization, at various Coast Guard installations which appeared to be primarily nonoperational in mission performance. The billets reviewed were selected on the basis of information obtained during our initial interviews with Headquarters and Coast Guard district officials.

Our review showed that of the 1,112 billets, 482 were civilian in character. (See app. I.) Of these, it seems

that 361 billets--279 rated¹ enlisted billets and 82 commissioned and warrant officer billets--could be readily converted to civilian positions without adversely affecting the Coast Guard's military posture or the rotation of its military members. (See app. II.) The remaining 121 billets may not be readily susceptible to conversion because they are needed for military incumbents for rotation requirements and because of unusual working hours and other military duties assigned to these particular billets.

The several factors in the Coast Guard's staffing policy that may serve as limitations on utilizing civilian personnel--requirements for military skills, training, security, discipline, and rotation--were considered by us in our review. To determine whether these staffing factors were applicable to the billets, we interviewed most of the military incumbents and their supervisors. We also observed the duties performed by incumbents of certain billets, examined available job descriptions, and reviewed pertinent Coast Guard regulations and policies. The 361 military billets that we believe are susceptible to conversion to civilian positions do not appear to require military skills nor the use of military personnel because of training, security, discipline, or rotation.

The following examples are typical of the military billets which we believe are susceptible to conversion. Also, regarding the billets in each of these examples, the commanding officer agreed that they could be converted to civilian positions.

1. At two Marine Inspection Offices, we were informed that the functions performed by four military shipping commissioners and their supervisors were the same as those functions performed by civilian shipping commissioners. Our observations of shipping commissioners' activities did not disclose any duty requirements necessitating military backgrounds for shipping commissioners. Moreover, we found that shipping commissioners functions had been performed by civilians prior to the transfer of such functions to the Coast Guard in 1946.

¹A rated billet is one which requires a military incumbent having a specified occupation.

2. During our review of the four billets assigned to military storekeeper warehousemen at a Coast Guard supply base, Coast Guard officials informed us that civilian warehousemen performed the same work as the military incumbents. We were informed also that, upon conversion of the warehousemen billets, the military warehouse supervisor billet could be eliminated since the converted civilian positions could be supervised by the present civilian warehouse supervisor.
3. During our review of the military billets at the Coast Guard Headquarters, a division chief informed us that a yeoman billet in one branch was unnecessary and could be converted to a civilian position. The civilian in the office performed the same duties as the military incumbent. Services performed by the military incumbent were of a clerical nature.

Concerning rotation, the Coast Guard rotates enlisted personnel between various types of units, particularly between sea duty and shore duty, to broaden their experience and to maintain the morale of career personnel. Except for overseas tours of duty, the Coast Guard does not have a rotation policy which establishes specific time periods for tours of duty. The Coast Guard Personnel Manual states that a member's career pattern regarding sea- and shore-duty assignments is determined largely by the ratio of shore-duty billets to sea-duty billets for his rating.¹ The manual states further that, because the ratio varies for each rating, a general statement regarding sea- and shore-duty assignments cannot be made; however, in consistence with the needs of the Coast Guard, each member should be assigned his fair share of sea duty and shore duty.

We recognize that, under this fair-share policy, a number of military billets are needed at shore units to accommodate personnel being reassigned from sea and overseas duty and that a number of shore billets which are

¹A rating is a name given to an occupation which requires basically related aptitudes, training, experience, knowledge, and skills--E-4 and above.

civilian-type positions may have to be set aside for rotating these personnel. However, as shown in the following table, on the basis of the shore to sea ratios of certain billets within the Coast Guard as of June 30, 1967, it seems that the conversion of the 361 billets to civilian positions would not adversely affect the rotation of military personnel.

	Authorized military billets				
	Shore	Sea and overseas	Ratio before conversion, shore to sea	Susceptible to conversion	Ratio after conversion, shore to sea
Commissioned officers	2,350	1,066	2.2	42	2.16
Warrant officers	766	393	1.9	40	1.8
Enlisted personnel-- ratings K-5 and above					
Investigator	71	0		71	-
Telephone technician	122	3	40.7	3	39.7
Journalist	22	1	22.0		22.0
Dental technician	55	9	6.1	3	58
Photographer's mate	27	9	3.0	-	3.0
Yeoman	650	230	2.8	89	2.4
Storekeeper	496	190	2.6	71	2.2
Boatswain's mate	1,344	778	1.7	9	1.7
Hospital corpsman	173	131	1.3		1.3
Damage controlman	235	219	1.1	-	1.1
Electronics technician	417	368	1.1	-	1.1
Sonarman	78	87	.9	-	.9
Engineman	1,059	1,305	.8	-	.8
Quartermaster	282	416	.7	-	.7
Boilerman	71	118	.6	-	.6
Machinist's mate	89	200	.4		.4
Electrician's mate	186	437	.4		.4
Enlisted personnel-- ratings E-4 (note a)	-			33	-

^aWe were advised by the Commandant that personnel with E-4 ratings were not a part of the career force and that the billets for these ratings were not pertinent for the rotation program. Accordingly, the table does not include conversion ratios for these billets which include yeoman, storekeepers, and boatswain's mates.

As previously noted, except for overseas tours, the Coast Guard has not established specific rotation time periods for its career force. However, as shown in the above table, the ratios of shore billets to sea and overseas billets for the rated billets that we believe are susceptible to conversion are high when compared with the ratios for certain other rated billets within the Coast Guard. Moreover, the shore to sea ratios for these billets would remain high after conversion of the billets that we believe are susceptible to conversion. Therefore, it appears that the conversion of the 361 billets to civilian positions would not adversely affect the Coast Guard's fair-share policy for rotating its military personnel.

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In a letter dated August 2, 1968, commenting on the findings in our draft report submitted for agency review, the Commandant did not fully agree with some of the report conclusions. (See app. III.) Pertinent comments by the Commandant along with our evaluations thereof are presented below.

1. "*** We were informed by GAO personnel that they determined the equivalent civilian positions for the *** military billets through discussions with Coast Guard field personnel. It should be pointed out, however, that this would involve considerable guesswork, since the Coast Guard Yard and the 3rd District are the only field activities with fully-qualified, full-time classification specialists. The more responsible classification work for most field units is performed in Headquarters. In any event, a detailed and time-consuming analysis of the specific duties and responsibilities of the individual military billets, weighed against civilian classification specifications, would have been required to arrive at a meaningful comparison. Knowing the limited classification capabilities of our field units, we are skeptical as to the legitimacy of any relationships between Coast Guard military and civilian jobs which GAO may have arbitrarily established."

We recognize that the assignment of civilian job classifications to positions converted from military billets would require a detailed and time-consuming analysis of the specific duties and responsibilities of the individual military billets by qualified classification specialists. However, we examined job classifications assigned by classification specialists to 417 civilian positions in those locations covered by our review. These classifications were assigned to 397 new civilian positions and 20 positions converted from military billets during the period January 1960 through June 1968.

We were advised by Headquarters officials that positions converted from military billets could be considered as new positions since, for purposes of job classifications, the same determinations as to job requirements must be made for a position converted from a military billet as for the establishment of a new civilian position. Our examination showed that in over 98 percent of the 417 civilian positions, Coast Guard Headquarters had classified the position at or below the grade that had been recommended by the field classification specialists. The positions downgraded by Headquarters consisted of 25 new positions and three positions converted from military billets. We believe that the civilian grades assigned by the field classification specialists to those billets that we believe could be converted are reasonable.

2. "With respect to the military billets specifically recommended for conversion in Appendix II of the report, our preliminary review indicates that there are some categories listed where problems can be anticipated. For example:

"(1) The 71 investigators *** listed consist of selectees from a variety of enlisted ratings who serve a tour in the intelligence area and then normally return to their career specialties. Some of the *** billets are susceptible to conversion, but such actions will reduce the sea/shore rotation ratios for those ratings with critically poor duty ratios.

* * * * *

"(3) Telephone technicians *** are now needed at isolated shore units and on board floating units as well, because of new types of equipment requiring installation and maintenance."

In our opinion the conversion of the investigator and telephone technician billets will not cause significant problems within the Coast Guard. Concerning the investigator billets, we noted that, as of August 15, 1968, about 67 percent of the investigators were trained in those ratings in which the Coast Guard had over 50 percent more shore billets than sea and overseas billets. For example, 42 of the investigator billets were filled by personnel having

yeoman, storekeeper or boatswain's mate ratings. We believe, therefore, that these billets should be reviewed for possible conversion.

The Coast Guard had reassigned 12 telephone technician billets from shore duty to sea duty as of **July** 31, 1968. However, the reassignments should not affect the Coast Guard's fair-share rotation policy for this rating, since the new shore to sea ratio of 7.7 remains high as compared with most other ratings. (See p. 9.)

BENEFITS AVAILABLE THROUGH CONVERSION
OF MILITARY BILLETS TO CIVILIAN POSITIONS

We believe that the conversion of those military billets discussed in this report to civilian positions would result in substantial savings and would make military personnel available to fill military billets. In September 1966, the Department of Defense (DOD) issued a report setting forth the methods for assessing the economic impact of proposed civilianization actions and for evaluating the economic results of such actions. The report--"Cost Panel Report on Economic Impact of Civilianization Actions," September 1, 1966--shows the individual elements of costs applicable to civilianization of military positions. The report shows also, by pay rates then in effect, the economic cost of military and civilian personnel for each of the military services--Army, Navy, Air Force, and Marine Corps.

Although the Coast Guard was not included in the DOD review, the same elements of military costs (base pay, retirement, quarters allowance, training, etc.) are applicable to the Coast Guard. We believe, therefore, that an average of the DOD costs would be representative of the cost for the Coast Guard's civilianization actions.

On the basis of this cost information and civilian job classification information obtained from Coast Guard field personnel during our review, we estimate that the cost of military billets exceeded the cost which would have been incurred had these billets been converted to civilian positions. We estimate that the annual savings, resulting from conversion of **361** billets on a one-for-one basis, could eventually amount to about \$550,000, as summarized below.

	<u>Authorized military billets filled by</u>			
	<u>Commissioned</u>	<u>Warrant</u>	<u>Enlisted</u>	<u>Total</u>
	<u>officers</u>	<u>officers</u>	<u>rated</u>	<u>estimated</u>
			<u>personnel</u>	<u>annual</u>
				<u>savings</u>
Estimated average annual cost for military personnel	\$ 15.536	\$ 13,195	\$ 8.155	
Estimated average annual cost for civilian personnel	<u>16.404</u>	<u>9.749</u>	<u>6.521</u>	
Excess average annual cost of military personnel	-868	3,446	1,634	
Number of billets susceptible to conversion	<u>42</u>	<u>40</u>	<u>279</u>	
Estimated annual savings	<u>\$-36,456</u>	<u>\$137,840</u>	<u>\$455,886</u>	<u>\$557,280</u>

As noted in the DOD cost panel report, another factor which adds to the economic impact of civilianization actions is the reductions in military billets that are related to military-support billets. Military-support billets pertain generally to the following:

1. Personnel required to provide an adequate pipeline for replacement purposes.
2. Transients, patients, and prisoners.
3. Personnel engaged in the performance of training.
4. Other support personnel, such as those engaged in military personnel activities and welfare and recreation activities.

We noted that DOD effected savings by substituting 60,500 civilian positions for 74,300 military positions in the first phase of its civilianization program. Also, DOD eliminated the total economic cost of 13,800 military-support billets, or about one support billet for each five billets converted to civilian positions. To determine the number of military-support billets that could be eliminated through conversion of billets discussed in this report would entail a comprehensive review of the overall manpower requirements of the Coast Guard; we did not make such a review. However, we believe that the Coast Guard, by converting the 361 billets to civilian positions may be able to eliminate some support billets from its military personnel authorization requirements. Since there are no offsetting civilian costs for support billets, all costs applicable to the military positions eliminated would be savings to the Government. For example, if one E-5 support billet were eliminated, annual savings of about \$7,500 would result.

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With respect to the estimated savings included in our draft report submitted to the agency for comment, the Commandant stated in his reply that:

"The Coast Guard contests the ~~GAO~~ estimate and seriously doubts whether the ~~***~~ conversions

would result in any specific measurable savings. In support of this position, we called to the attention of the GAO study team a recently released in-depth report on military compensation *** carried out jointly by representatives from the Department of Defense, Bureau of the Budget, and the Civil Service Commission. This report, better known as the Hubbell Report, is the first Quadrennial Review of Military Compensation directed by the President as a result of the Military Pay Law passed by the Congress in 1965. *** The findings and recommendations of the Hubbell task force *** indicate that military compensation presently lags an average of 6.2 percent *** behind that of civil service employees. Fringe benefits such as tax advantage, medical benefits, retirement, etc. were considered, although training and travel costs were not. However, we feel that the expense of military training is partially offset by civilian training and indoctrination costs, particularly in the lower grades where the turnover rate is high."

It should be noted that the principal purpose of the Hubbell report on military compensation was to provide a fair and equitable relationship between compensation of the military and that of civilians with similar qualifications and does not include all factors for measuring the economic impact of civilianizing military billets. In addition to travel and training costs, certain other factors--e.g., total Government contributions to military retirement and cost of military support billets--which add substantially to the total economic impact of civilianization actions--were not included in the Hubbell report cost computations. **The** Federal Government contributes substantially more toward the retirement cost of a military billet than of a civilian position. We noted that the Hubbell Report included a cost factor of 6-1/2 percent of the proposed military salary for retirement, and the DOD Cost Panel Report on Economic Impact of Civilianization Actions shows that the total Government contributions to military retirement ranges from 20.8 percent to 30 percent of base pay. The total Government contributions to civilian retirement was about 6.92 percent of salary for fiscal year 1967.

An additional factor not included in the Hubbell Report cost computations which would increase the total economic impact of civilianization actions is the cost of military-support billets. As noted on page 14 of this report, the Coast Guard **may** be able to eliminate the total economic cost of some support billets. If such eliminations are made the resultant savings could be substantial.

NEED FOR MORE EFFECTIVE ACTION BY

MILITARY-CIVILIAN STAFFING POLICY

Coast Guard Headquarters is responsible for approving all changes in civilian or military positions. However, the responsibility for selection of military billets for possible conversion has largely been delegated to the field offices, without, in our opinion, adequate guidelines and **supervision** from **Coast Guard Headquarters** for implementing the civilianization of military billets.

In response to our previous report to the Congress on Coast Guard manpower utilization, the Commandant issued instructions to convert half the yeoman and storekeeper billets located in the district offices to civilian positions. As a result of this instruction, of the billets included in our report, 233 were converted during fiscal years 1963 to 1967. Although the Commandant did not take specific action on that part of our recommendation relating to other potential conversions at other Coast Guard organizational units and activities, an additional 163 billets, not specifically mentioned in our report, have been converted.

On the basis of our review, we believe that the continued presence of a substantial number of military billets susceptible to conversion to civilian positions within the Coast Guard was due to a lack of adequate guidelines and supervision by Coast Guard Headquarters. Although the Coast Guard's policy concerning the conversion of military billets to civilian positions appears to us to be sound, the Coast Guard has not provided definitive procedures to effectively carry out this policy. We found that the Coast Guard staffing directives issued since 1957, although they reiterate the broad policy on the use of civilians, have not included adequate guidelines or goals for converting military billets to civilian positions, nor have they required reports from field units on the status of their conversion efforts. Moreover, Coast Guard Headquarters has not made a review of the manner in which its directives **have** been implemented. It appears that, rather, the **implementation of the policy has been at the discretion of the field commanders.**

Our review showed that in August 1965 Coast Guard Headquarters had issued special instructions which called for all shore unit billets to be carefully reviewed for possible conversion to civilian positions because the deployment of personnel to the Republic of Vietnam and the acquisition of five Navy icebreakers had substantially increased the Coast Guard's requirement for military personnel. By October 1965 the six districts and three Headquarters units where we made our follow-up review had reported a total of 192 military billets as being susceptible to conversion. As of June 1967, nearly 2 years after the issuance of instructions, Headquarters had approved for conversion 13 of these billets.

In response to our inquiry as to why so few approvals for conversion had been given, we were informed by a Headquarters official that the information on conversion possibilities had been obtained for planning purposes only. Furthermore, Headquarters officials stated that, in their opinion, the recommendations from field offices were not conclusive and that it was not apparent that conversion of the billets would result in more effective manpower utilization or reduced personnel costs.

To ascertain the validity of the susceptibility to conversion of the billets reported by the Coast Guard, we examined 71 of the 192 reported billets included in the 1,112 billets we reviewed. Our application of established Coast Guard criteria to the military billets showed that 27 of the 71 billets were readily susceptible to conversion and that the remaining billets, although civilian in character, could not be readily converted because they were needed as rotational shore billets. We noted that, as of July 1968, none of the 27 billets that we believe are readily susceptible to conversion had been approved for conversion by Headquarters.

PROPOSALS AND AGENCY COMMENTS THEREON

We proposed that the Commandant of the Coast Guard initiate action to implement a program directed to the timely conversion to civilian positions the maximum possible number of military billets that are essentially civilian in character and meet the criteria as set forth in the Coast Guard's policy. Also, we proposed that full responsibility for the implementation of the program be centered in Headquarters and that formal guidelines, goals, reports, and follow-up procedures be established so that Coast Guard management can maintain vigilance over the program and measure its achievements.

In his letter to us dated August 2, 1968, the Commandant stated that within the context of the new attrition requirement imposed by Public Law 90-364, the Coast Guard was in general agreement that full responsibility for the implementation of the conversion program be centered in Headquarters, and that formal guidelines, goals, reports, and follow-up procedures be established. The act of June 28, 1968 (Public Law 90-364, 90th Cong.) places a limitation on the number of civilian officers and employees in the executive branch. Section 201 of the act states, in part, that:

"(a) Except as otherwise provided in this section--
(1) No person shall be appointed as a full-time civilian employee to a permanent position in the executive branch during any month when the number of such employees is greater than the number of such employees on June 30, 1966.

* * * * *

"(b) (1) During any period when appointments are otherwise prohibited under subsection (a) (1), the head of any department or agency may, except as otherwise provided in this subsection, appoint a number of persons as full-time civilian employees in permanent positions in such department or agency equal to 75 percent of the number of vacancies in **such** positions which have occurred during such period by reason of resignation, retirement, removal, or death."

The Commandant advised us that the Coast Guard was taking steps to correct deficiencies which existed in the current Coast Guard directives governing manpower utilization, including the civilianization of military billets where applicable. He also advised us that the Coast Guard planned to review the officer and enlisted billets listed in our report to determine the extent to which they meet established Coast Guard criteria for conversion to civilian status. However, he stated that, "the recently approved Public Law 90-364 places a new light on civilianization and will impact heavily on this program." He stated also that, under the present civilian personnel limitations, the civilianization of any military billets would have an adverse affect on the Coast Guard, since each conversion would require giving up a military billet and subjecting its civilian replacement to the attrition requirements in accordance with Public Law 90-364. Under this law, for every four military billets that are converted to civilian positions, only three of the new civilian positions are allowed to be filled.

CONCLUSIONS

In view of the fact that, under the civilianization program, military billets must be abolished and the fact that Public Law 90-364 provides that only 75 percent of the civilian vacancies may be filled, it is our opinion that the act has an inhibiting influence on the implementation of an effective conversion program.

Because of the similarity between the Coast Guard program and the civilianization program already being implemented by DOD, we discussed with DOD officials the impact of the legislation on their program. The Director, Utilization and Management Techniques, Office of Assistant Secretary of Defense for Manpower and Research Affairs, informed us that DOD had taken certain actions to seek relief from the civilian personnel limitations established by Public Law 90-364 and as a result, had been successful in obtaining a partial exemption for 150,000 full-time DOD civilian positions in support of Southeast Asia operations. Also, he stated that,, since the exempted positions could not be applied to positions in the continental United States, Public Law 90-364 in effect forced DOD civilianization program proposals to be shelved.

MATTER FOR CONSIDERATION BY THE CONGRESS

Because of the substantial savings and other benefits attainable by using civilian rather than military personnel for civilian-type duties and because of the adverse effect of the Act of June 24, 1968 on the civilianization programs of the Coast Guard and DOD, we are bringing this matter to the attention of the Congress for whatever remedial action it deems appropriate.

SCOPE OF REVIEW

We reviewed pertinent Coast Guard regulations, policies, duty assignments, and statistical and financial data. Also, we interviewed officials at Coast Guard Headquarters, at Coast Guard districts, and most of the military personnel who occupied the civilian-type positions and their immediate supervisors.

Our review was performed at the Coast Guard Headquarters, Washington, D.C.; at the Coast Guard Reserve Training Center, Yorktown, Virginia; at the Coast Guard Academy, New London, Connecticut; and at district offices, supply depots, and bases in six Coast Guard districts. We reviewed, at Headquarters, certain functions performed at the remaining Coast Guard districts.

APPENDIXES

MILITARY INCUMBENTS IN CIVILIAN-TYPE POSITIONS

PER GENERAL ACCOUNTING OFFICE REVIEW

Position	Military rating—enlisted personnel							
	<u>Yeoman</u>	<u>Store-keeper</u>	<u>Investigator</u>	<u>Non-rated</u>	<u>Boat-swain's</u>	<u>Hospital corpsman</u>	<u>Photographer's</u>	<u>Damage control-man</u>
Accounting clerk	1	2						
Accounting officer	1							
Clerk-typist	64	10		7		4		
Computer programmer		2						
Contracting officer								
Court clerk	1							
Dental assistant								
Disbursement officer								
Electrician				2				
Engineer								
Investigator (note a)			71					
Journalist				1	1			
Legal clerk	1							
Mail clerk	1			5				
Maintenance personnel		1		9	3			7
Medical clerk	2			1		6		
Messenger	1				1			
Mimeograph operator				2				
Payroll clerk		19						
Payroll supervisor		4						
Personnel clerk	8							
Photographer							10	
Procurement clerk		11						
Procurement officer		4						
Property clerk		2						
Records clerk	5			1				
Shipping commissioner (note b)	20				2			
Store clerk		11		2				
Supply clerk		9		3		1		
Switchboard operator				1				
Traffic clerk	1	2			1			
Transportation clerk	2	5						
Travel clerk		4		1				
Vehicle dispatcher/driver		1		1	1			1
Warehouseman		<u>7</u>		<u>4</u>				
	<u>108</u>	<u>94</u>	<u>71</u>	<u>40</u>	<u>15</u>	<u>11</u>	<u>10</u>	<u>8</u>

^aAn investigator performs security investigations involving Coast Guard military and civilian personnel and Merchant Marine document applicants. The Department of the Navy and the Civil Service Commission use civilians for similar type work.

APPENDIX I

Military rating--enlisted personnel											Officers		Total
Jour- nalist	Elec- tronics tech- nician	Dental tech- nician	En- gine- man	Quarter- master	Ma- chin- ist's	Tele- phone tech- nician	Boil- ermen	Elec- tri- cian's	Sonar-	Commis- sioned	War- @		
												3	
										2	4	7	
	1			1								87	
												2	
										1	3	4	
												1	
		3										3	
											1	1	
	2							2				6	
	1									15	3	19	
										20		91	
6	1											9	
										3		4	
				1								7	
			2		3	3	2					30	
												9	
												2	
												2	
												19	
											2	6	
												8	
												10	
												11	
										1	5	10	
												2	
		1		2								9	
				7	1						21	57	
												13	
												13	
												1	
												4	
											1	8	
												5	
			2		1				1			8	
												11	
<u>6</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>11</u>	<u>5</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>42</u>	<u>40</u>	<u>402</u>	

^bA shipping commissioner supervises and directs the shipment, discharge, and related activities concerning merchant seamen. At the time of our review, 21 civilians were employed by Coast Guard as shipping commissioners.

LOCATION OF MILITARY BILLETTS SUSCEPTIBLE TO CONVERSION TO CIVILIAN POSITIONS
PER GENERAL ACCOUNTING OFFICE REVIEW

<u>Location</u>	Military rating-- enlisted personnel		
	<u>Yeoman</u>	<u>Store-keeper</u>	<u>Boatswain mate</u>
Coast Guard Headquarters, Washington, D.C.	21	7	1
Coast Guard Academy, New London, Conn.	6	2	
1st Coast Guard District:			
District Office, Boston, Mass.	1	2	
Supply Depot, Boston, Mass.		6	
Base, Boston, Mass.			
Marine Inspection Office, Portland, Me	2		
2nd Coast Guard District:			
District Office, St. Louis, Mo			
3rd Coast Guard District:			
District Office, New York, N.Y.			
Marine Inspection Office, New York, N.Y.			3
Marine Inspection Office, Philadelphia, Pa.			
5th Coast Guard District:			
District Office, Portsmouth, Va.	10	10	
Supply Depot, Portsmouth, Va.		6	
Base, Portsmouth, Va.	1	1	
Marine Inspection Office, Baltimore, Md	1		
Marine Inspection Office, Portsmouth, Va.	3		
Marine Inspection Office, Wilmington, N.C.			1
7th Coast Guard District:			
District Office, Miami, Fla.	8	5	
Supply Depot, Miami, Fla.		5	
Marine Inspection Office, Charleston, S.C.	1		
Marine Inspection Office, Savannah, Ga.	1		
Marine Inspection Office, Jacksonville, Fla.	1		
Marine Inspection Office, Miami, Fla.	1		
8th Coast Guard District:			
District Office, New Orleans, La.	12	11	
Supply Depot, New Orleans, La.	1	3	
Base, Galveston, Tex.	1		
Marine Inspection Office, Corpus Christi, Tex.	1		
Marine Inspection Office, Galveston, Tex.	2		
Marine Inspection Office, Port Arthur, Tex.			
Marine Inspection Office, New Orleans, La.			
Marine Inspection Office, Houston, Tex.	2		1
9th Coast Guard District:			
District Office, Cleveland, Ohio			
11th Coast Guard District:			
District Office, Long Beach, Calif.			
Marine Inspection Office, Los Angeles, Calif.			
12th Coast Guard District:			
District Office, San Francisco, Calif.	6	5	
Base, Alameda, Calif.	4	4	
Marine Inspection Office, San Francisco, Calif.	1		3
13th Coast Guard District:			
District Office, Seattle, Wash.	11	9	
Supply Depot, Seattle, Wash.		7	
Base, Seattle, Wash.	1		
Marine Inspection Office, Portland, Ore.			
Marine Inspection Office, Seattle, Wash.	1		
14th Coast Guard District:			
District Office, Honolulu, Hawaii			
Marine Inspection Office, Honolulu, Hawaii	4		
17th Coast Guard District:			
District Office, Juneau, Alaska	---	---	---
	<u>104</u>	<u>89</u>	<u>9</u>

Military rating-- enlisted personnel			Officers		Total
<u>Dental technician</u>	<u>Telephone technician</u>	<u>Inves- tigator</u>	<u>Commis- sioned</u>	<u>Warrant</u>	
	2	3		3	34
		6	2		17
			1		11
		6	1		6
		12	2		1
		7	2	2	2
				1	7
				2	14
				2	5
				3	1
				2	32
				2	6
1	1	7	10	3	2
				1	35
				1	6
				1	1
				1	2
1		4	4	2	1
				1	34
				1	4
				1	2
				1	1
				1	2
				1	1
				1	4
				1	4
		6	2		8
		4			4
			1	1	2
		7	2		20
1				3	9
					7
		5	12	6	43
					7
				2	1
				1	2
		2	2		4
					4
—	—	<u>2</u>	<u>1</u>	—	<u>3</u>
<u>3</u>	<u>3</u>	<u>71</u>	<u>42</u>	<u>40</u>	<u>361</u>



ASSISTANT SECRETARY
FOR ADMINISTRATION

OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

August 12, 1968

Mr. Bernard Sacks
Assistant Director
Civil Division
U. S. General Accounting Office
441 G Street, N. W.
Washington, D. C. 20548

Dear Mr. Sacks:

Enclosed are the comments of the Commandant, U. S. Coast Guard, on your draft report entitled "Follow-up Review on Use of Military Personnel in Civilian-Type Positions," which we believe are appropriately responsive to the matters discussed in the report.

We appreciate the opportunity to review your draft report.

Sincerely,

James W. Williams
James W. Williams, RADM, USCG
Acting



DEPARTMENT OF TRANSPORTATION
UNITED STATES COAST GUARD

Address reply to:
COMMANDANT (CMA)
U.S. COAST GUARD
WASHINGTON, D.C.
20591

2 AUG 1966

Mr. Bernard Sacks
Assistant Director
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Sacks:

The draft of the proposed report of the General Accounting Office titled "Follow-up Review on Use of Military Personnel in Civilian-type Positions" has been analyzed by members of my staff. Their comments and opinions, with which I concur, are summarized as follows.

The recently approved Public Law 90-364 places a new light on civilianization and will impact heavily on this program. Under this new attrition requirement any new civilian positions created by the conversion of military billets will become competitive with other vacancies, compounding the already difficult problem of assigning priorities to determine which jobs must be abolished. In effect, future civilianization will result not only in the loss of military billets, but also the abolishment of an appreciable number of the civilian positions established as their replacements. We therefore cannot expect responsible officials at Headquarters and in the field to recommend the civilianization of military billets, knowing that such actions are very likely to lead to personnel reductions in their areas of responsibility. The Coast Guard with its expanding workload can ill afford such manpower losses. As long as these restrictions on civilian employment remain in effect, little or no progress on the civilianization program can be expected.

Within the context of the preceding paragraph, we are in general agreement with the recommendation [See GAO note on p. 33.] that "full responsibility for the implementation of the (conversion) program be centered in Headquarters, and that formal guidelines, goals, reports, and follow-up procedures (should) be established..." Although we feel that our present policy and guidelines outlined in Commandant Instruction 5312.2 clearly spell out the goals of this program, we recognize the need for increased emphasis on implementation and more effective monitoring. In this respect, I believe that a recent reorganization of the Office of the Chief of Staff at Headquarters will provide the base for more intensive direction of this program. As a part of this reorganization, previously fragmented segments of military and civilian manpower management have been consolidated within the Office of the Chief of Staff. Results will obviously be dependent on a return to conditions favorable to continuation of the civilianization program.

As to the specific points made in the report, we do not fully agree with many of the conclusions reached by the reporting team. Our comments on these matters are outlined as follows:

a. Current Coast Guard policy is generally to civilianize jobs "...which do not require military skills or military incumbents for reasons of training, security, discipline, or rotation." GAO, See GAO note on p. 33. states that this policy "appears...to be sound." Although costs have no bearing on our deciding whether a job should be assigned to a military or civilian incumbent, we note that the cost factor is highlighted See GAO note on p. 33. in the GAO draft report, leading us to conclude that monetary savings were of primary concern to the audit team.

See GAO note on p. 33.

We were informed by GAO personnel that they determined the equivalent civilian positions for the See GAO note on p. 33. military billets through discussions with Coast Guard field personnel. It should be pointed out, however, that this would involve considerable guesswork, since the Coast Guard Yard and the 3rd District are the only field activities with fully-qualified, full-time classification specialists. The more responsible classification work for most field units is performed in Headquarters. In any event, a detailed and time-consuming analysis of the specific duties and responsibilities of the individual military billets, weighed against civilian Classification specifications, would have been required to arrive at a meaningful comparison. Knowing the limited classification capabilities of our field units, we are skeptical as to the legitimacy of any relationships between Coast Guard military and civilian jobs which GAO may have arbitrarily established.

The Coast Guard contests the GAO estimate and seriously doubts whether the See GAO note on p. 33. conversions would result in any specific measurable savings. In support of this position, we called to the attention of the GAO study team a recently released in-depth report on military compensation See GAO note p. 33. carried out jointly by representatives from the Department of Defense, Bureau of the Budget and the Civil Service Commission. This report, better known as the Hubbell Report, is the first Quadrennial Review of Military Compensation directed by the President as a result of the Military Pay Law passed by the Congress in 1965. The Coast Guard feels that the GAO savings estimate should be re-evaluated in the light of the conclusions reached by this high level study group. The findings and recommendations of the Hubbell task force that began its work in March 1966, under the direction of the Assistant Secretary of Defense for Manpower and Reserve Affairs, indicate that military compensation presently lags an average of 6.2 percent behind that of civil service employees. The study team arrived at its conclusions by making a standardized and systematic job

evaluation of a large number of positions in the two pay systems to find grades that correspond on the basis of work requirements or level of responsibility. Fringe benefits such as tax advantage, medical benefits, retirement, etc., were considered, although training and travel costs were not. However, we feel that the expense of military training is partially offset by civilian training and indoctrination costs, particularly in the lower grades where the turnover rate is high.

[See GAO note on p. 33.]

c. With respect to the military billets specifically recommended for conversion in Appendix II of the report, our preliminary review indicates that there are some categories listed where problems can be anticipated. For example:

(1) The 71 investigators (XI) listed consist of selectees from a variety of enlisted ratings who serve a tour in the intelligence area and then normally return to their career specialties. Some of the XI billets are susceptible to conversion, but such actions will reduce the sea/shore rotation ratios for those ratings with critically poor duty ratios.

[See GAO note on p. 33.]

(3) Telephone technicians (TT) are now needed at isolated shore units and on board floating units as well, because of new types of equipment requiring installation and maintenance.

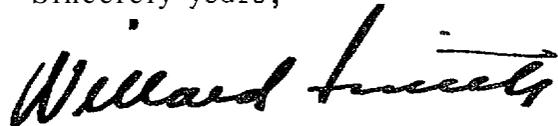
(4) Dental technicians (DT) billets can be converted to the extent that promotion patterns for both military and civilian personnel can be maintained.

[See GAO note on p. 33]

[See GAO note below.]

In summary, the Coast Guard is taking steps to correct deficiencies which exist in our current directives governing manpower utilization, including the civilianization of military billets where applicable. We plan to review the officer and enlisted billets listed in Appendix II of the report to determine the extent to which they meet established Coast Guard criteria for conversion to civilian status. However, as pointed out earlier, the civilianization of any military billet under the present ground rules would have an adverse effect on Coast Guard, since for each conversion we would be giving up a military billet and subjecting its civilian replacement to the attrition requirement in accordance with Public Law 90-364. When and if the present tight manpower situation is eased to the extent that a one-for-one trade-off is permitted when such conversions are made, the Coast Guard will be prepared to reemphasize its civilianization program.

Sincerely yours,



W. J. SMITH
Admiral, U. S. Coast Guard
Commandant

Enclosures

GAO note: Material included in our draft report has been revised or omitted from this report to give consideration to Coast Guard's comments.

APPENDIX IV

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF TRANSPORTATION
RESPONSIBLE FOR THE ACTIVITIES
DISCUSSED IN THIS REPORT

Tenure of office
From To

DEPARTMENT OF TRANSPORTATION

SECRETARY OF TRANSPORTATION:

John A. Volpe	Jan. 1969	Present
Alan S. Boyd	Jan. 1967	Jan. 1969

UNITED STATES COAST GUARD

COMMANDANT:

Admiral Willard J. Smith	June 1966	Present
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B-114851
May 8, 1969

DUPLICATE

AUTHOR
B-114851
May 8, 1969
TITLE