

# 1985



## State of the Coast Guard

A speech by ADM James S. Gracey, to the Coast Guard Officers Ass'n., Washington, D.C., March 19, 1985.

**W**here does the Coast Guard stand today? It is standing "Semper Paratus." Ready to do what we have been doing for almost 195 years ... enforce laws and treaties, protect life

and property, help defend America. In other words ... make a significant contribution to our nation's security and the well-being of its people.

The Coast Guard is not without problems. Some of them are of our own making, others come from the outside ... ones over which we have little or no direct control. We are in a changing environment ... both in how we carry out our missions ... and

how we are perceived by our constituents, including those who make decisions about us.

It is a fact of life that reduction in the size of ... and spending by ... the federal government are primary concerns. The President's words at his inaugural were very clear:

*"If not now, when; and if not us, who?"*

They mean, among other things, that the federal government will not continue to carry, nor will it accept, burdens that belong elsewhere ... be they individual, corporate or state and local government responsibilities.

They mean, too, that there are and will be initiatives which have an impact on personnel ... both in terms of numbers and in terms of compensation.

Let me quickly deal with the compensation issue ... including retirement. It is an emotional one ... and very personal. Because it is both, it seems to some to be open and easy to attack.

Like many of you, I have responded personally and directly to some of those attacks, and I have done so by stating facts ... by pointing out what it is military men and women, and civilian employees, do to earn the compensation they so justly deserve. And by pointing out the damage done by ill-informed and unjust assaults on all of us.

I have always said the way to fend off attacks is to deal in facts. It is important we ... as individuals ... be sure we know the facts; not let ourselves be stampeded by rumors ... or cheap shots ... we hear or read. And we can ensure that those who make decisions about us, and the public with whom we come in contact, also know the facts.

In the meantime, you can be sure the Coast Guard will continue to be represented and be heard in those councils where the issue is discussed and studied. You can be sure, too, that our views will be presented even when there are no formal councils or studies.

The bottom line on compensation is that members of the Coast Guard, as one of the nation's five armed forces, will receive the same rates of pay and compensation as members of the other four. We are an armed force ... a part of the defense team ... even if we don't work out of the Pentagon. *That* fact has become

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much more widely recognized in the last few years and is becoming more so every day.

There have been suggestions that perhaps the lot of the Coast Guard would be better if we *were* in DoD. There have even been recent suggestions that we might fare better if the Coast Guard were returned to the Treasury Department, where we began.

I can understand, at first glance, that both suggestions appear to have some merit. An armed force ... sure, why not put it in DoD? A law enforcement agency ... currently doing a lot of what it was established for ... anti-smuggling ... why not back in its original department?

The answer is because the Coast Guard is more than just an armed force, and it is more than just a law enforcement agency. It is both of those; but it is also a lifesaver, an ice breaker, a safety inspector, a marine environment protector, a navigation facilitator, a mariner, a port manager, and so on.

When you think about that long list ... to some degree or another ... each element impacts on transportation: the Department of Transportation is where the Coast Guard belongs. It is where we can make our most significant contribution to national security — in the broadest sense.

In the overall scenario of federal budget and spending reduction, as a matter of fact, our organizational home does not have that much impact. Every federal agency is subject to oversight from *many* places, and in spite of all you may hear, ours is no worse than the

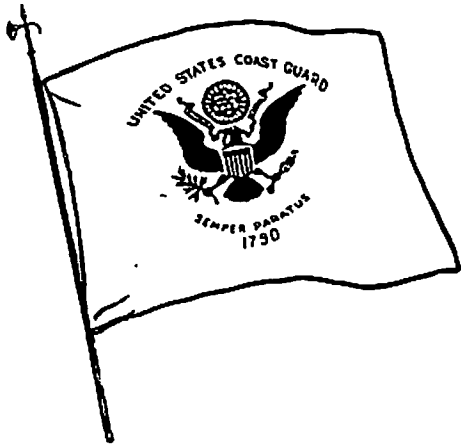
others — including our partners in the Pentagon.

The President's Federal Management Improvement Program ... Reform 88 ... is moving right on schedule. If you want to know what's coming next, just read it. You already know about: reduced federal spending; trying to make that spending more efficient; controlling government growth; and good old waste, fraud and abuse. We have felt some of its efforts to improve management practices, and more are coming. Centralizing and consolidating functions like pay, accounting and procurement systems throughout the government are in vogue. Streamlining administrative functions comes next. Change? You better believe it.

For us, the Deficit Reduction Act of 1985 cut a total of \$15.8 million in such areas as PCS transfers, travel, public affairs and printing and reproduction.

Another initiative is OMB Circular A-76 ... which requires all federal agencies (*including* those in DoD) to review their programs and analyze the resources required to carry them out. The goals are to see whether the job can be done as effectively and at less cost if contracted to the private sector ... and to be sure we are putting our people and appropriated money where they are needed most.

That's not a bad or wrong idea. As professionals — and as stewards to the taxpayer's dollar — it is an evolution we should be going through constantly ... without being told. We *have* done it — on our own



— over the years.

But now the heat is on ... for fiscal years 85 and 86, the Coast Guard has been reduced more than 900 billets and positions. Those reductions are in anticipation of results OMB thinks we'll get when we complete our A-76 reviews and analyses. We've got to keep moving in that program so we can recoup those billets and positions and fill the voids that have been created by those cuts.

For the A-76 process, I have set three basic parameters ... the bottom line ... against which we will check each "contracting-out" project, to make sure we don't endanger our force structure, our critical force size or sea/shore rotation.

- **For force structure:** The number of people at each level of each specialty must be such that our overall structure and that of each specialty provide proper training and career progression opportunities ... and so our experience mix will insure continued levels of the leadership and expertise we need.

- **For critical size:** The total number of military personnel — and their mix of talent — must not fall below the numbers needed to meet our immediate obligations and taskings in case of national emergency.

- **For sea/shore rotation:** There must be adequate opportunity for Coast Guard men and women to rotate from sea to shore duty and from overseas and/or isolated duty

to duty ashore in the Continental United States.

The offices of Personnel and Readiness and Reserve are setting the levels to define those parameters.

We have established hand-picked working groups at Headquarters to drive the A-76 process but program managers and "the field" have critical roles to play, too. Until Coast Guard reviews and analyses are accomplished, we'll have to live with the anticipatory personnel reductions that have been imposed on us. A-76 is a reality that is here — and we need to "get with it."

There are indeed changes going on and they have a lot of potential to make us feel uncomfortable.

Don't forget, though, the words of Franklin Roosevelt at his first inaugural: "The only thing we have to fear is fear itself ...."

There is no reason to fear change, nor even some discomfort. When you think about it, Coast Guard men and women deal with "discomfort" daily, and "change" is no stranger to any of us.

One reason to feel optimistic — albeit alert — is that the thrust of the initiatives I have been discussing is "productivity" ... another concept which is no stranger to the Coast Guard.

In the Coast Guard we are always looking for improved productivity and we always have. It is the ultimate pay-off: the tangible result of our management and leadership attention. For some, government productivity is the ability to do the same with less — to provide current levels of service with less resources. It's an efficiency-oriented approach, and certainly a valid one.

The other side of the coin, however, is to achieve more with the same level of resources and with a comparable level of effort. While *doing more* has always been a hallmark of ours, there is a limit to what a finite amount of resources can accomplish. Looking at

productivity from this point of view assumes there is more that *needs to be done* in the national interest. There's no question about that.

With the Coast Guard's full load of critical missions and relatively tiny size, there is never any doubt that finding a way to use our capital — and human — resources more effectively will increase the return on America's investment in the Coast Guard ... even beyond the long-standing record of returning our annual appropriation several times over each year.

Efficiencies tend to focus on short-term results. They are directed at achieving savings and reductions ... now.

We certainly understand that approach ...

At the same time, the "achieve more with the same" approach to productivity improvement requires us to "spend a buck" today so we can make two or more back tomorrow. It simply means we have to make today's investments, both conceptual and financial, wisely and in a way that will pay off tomorrow.

As I have said before — we have to "work smarter." Others might call this approach "getting more bang for the buck." No matter the descriptor, I do believe it is the best way for us to provide truly meaningful, long-range savings to the taxpayer while still meeting Coast Guard mission obligations.

The fiscal year 1986 budget has many productivity initiatives, of both kinds, though not as many as we would have liked.

In this context, let me give you a brief overview of four major areas of emphasis I see.

The first is *human resources*. We want to stabilize our work force. A-76 personnel reductions that are imposed before we have completed analysis are particularly destabilizing. They force us to play "catch-up" ... frequently resulting in long-term diseconomies, and creating hardship for our people. By

meeting our A-76 targets as quickly as possible, we can offset and thus buffer some of the imposed cycles and swings on our work force levels.

We've got to get things stabilized so we can have the right people with the right skills in the right place at the right time. This is one of our top priorities.

We are proud of our reputation that "the Coast Guard takes care of its own" ... but ... we need to do better in caring for — and about — our people. All of them.

We are the source of much that affects Coast Guard people personally, be they military or civilian — their duty (or work) assignments ... policies that can enrich, but sometimes encumber their lives and daily work ... decisions that may impact the entire future of an individual ... implementation of things laid on us ... and so on. And don't forget basic *human* things. Once again: break out my Human Relations Policy Statement ... read it ... live by it.

We in the Washington area ... with its oversight, its rules, its regulations, its accountabilities ... the kinds of battles we engage in every day ... are also the link in obtaining for our field people ... the operators ... the proper tools to do their jobs safely and effectively.

With those tools they can go out and meet their operational responsibilities, and equally important ... they can "come back." Besides its human and leadership responsibilities aspects, "coming back" also means Coast Guard men and women are able to use their incredible skills ... and their training and hardware ... in the public interest again and again.

In the same context, we are focusing on the work environment. Safe, clean, pleasant work areas improve output and reduce lost time. Habitability and reduction of crew fatigue, too, are important to the "operators." People wear out long before ships, aircraft and boats.

## Questions and answers

**After the State of the Coast Guard Address at Andrews AFB in March, Admiral Gracey opened the floor to questions from the audience.**

**Here are selected questions and the Commandant's responses.**

**Q:** A recent *Federal Register* listed the fiscal year 1986 budget for the Coast Guard and outlined billet reductions of 1,000 and operating expense reductions in the millions. The *Register* also stated, "no reduction of services, no public impact." How can this be?

**A:** Obviously, there will be reductions — people. OE dollars will actually go up, although spending power will go down about three percent due to inflation. There *are* proposed reductions in service which will have an impact. The Great Lakes station closures, for example.

**Q:** Is it really possible to make further cuts in the Headquarters staff without cutting back on the amount of work that is expected?

**A:** You'd better believe it. We have two choices: cut operating forces, or cut "staff." There will be **no cuts** in operating forces.

- Remember: if you don't have time to do it twice, do it right the first time.

- There are ways to streamline, do our work better. Think things out before putting pen to paper. Deal with facts — not deathless prose.

- Direct HQ support of the field in things like contracting, personnel assignment, etc., will continue.

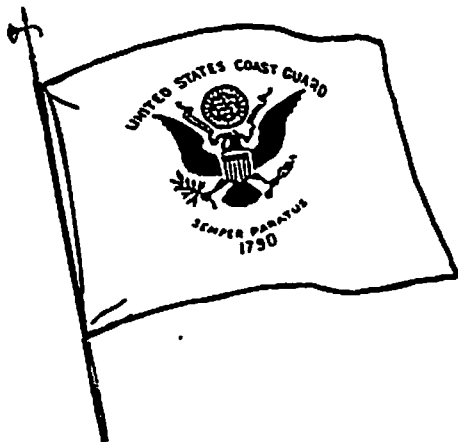
**Q:** Can the Coast Guard afford to



continue to make cuts across the board on a percentage basis or should we take official notice that some programs are more important than others?

**A:** That's exactly what we're doing. No cuts across the board. We will be selective and make reductions on the basis of functions and priorities ... not on straight percentages.

**Q:** The Coast Guard has the lowest ratio of civilians to military in any of the armed forces. Do you envision changing the civilian-to-military mix in the



Coast Guard productivity is directly influenced by how we care for our people ... and that extends to their families. Health, housing and community support are legitimate needs of *all* our people and *all* their families.

Our second emphasis is on *defense tasking and readiness*, where we are looking at our responsibilities in a new way. In the past, except for port security, our defense role was largely to remain ready so we could "report in" when needed and take on whatever we might be assigned.

Now, we have detailed taskings and broad responsibilities, specifically assigned, on the total defense team. The tempo of defense planning, training, exercising ... and readiness analysis ... has increased markedly within the Coast Guard.

The Maritime Defense Zone commands created just a year ago ... are a focal point for much of this activity. The MDZ commander duties have been assigned to the Coast Guard Atlantic and Pacific Area commanders. When wearing the

MDZ hat, each reports to the Atlantic and Pacific Fleet CinC's ... even in peacetime.

They have major responsibilities for planning, exercising and — if needed — executing coastal defense ... a gap which had been growing in America's defense posture. Including our ports, harbors and their approaches ... some key SLOC's ... and our littoral areas in general ... that gap had to be filled.

MDZ is *very* important for the Coast Guard. For the first time in history, we have been assigned ... in peacetime ... specific defense readiness planning and execution responsibilities which involve command relationships with all the services.

It is a fundamental change in the functional relationships of the Coast Guard, vis-a-vis the other services.

Other changes in our defense role include new plans for using the capabilities of our major cutters, broader use of our buoy tenders, a more aggressive involvement in port security, increased responsibilities in unified commanders' overseas OPLANS ... and so on.

All this means we need to increase operational training and get in more exercises. It also means we *must* have a larger and properly equipped Selected Reserve.

We created the new Office of Readiness and Reserve specifically to help us focus on readiness issues, to analyze the various indicators of problems and to bird-dog solutions, to plan exercises and monitor the results, and to develop plans.

We are closely monitoring our peacetime operational readiness to be sure we can do our job ... and to be sure our field people can enjoy a quality-of-life element I've described before: having the right equipment, properly maintained, and the right skills, properly used. We want to be sure we are getting full return on our hardware and personnel investments ... and maximum productivity. And we want to be sure our people can do their thing ... and feel good about it.

*Productivity* is our third emphasis. It has both a stand-alone focus, as well as being an implicit consideration in every other area of emphasis. Our principal thrust is to increase the output of our physical resources without just laying it on the "troops," who are already heavily loaded. Demographics show we are becoming an increasingly coastal-oriented society. Waterborne activities ... both legal and illegal ... are all on the increase.

This translates into more demands on the Coast Guard — both in kinds of missions and levels of operational tasking. To a large extent, we have addressed these challenges by improving on our existing resources ... not just by adding more people and platforms. Examples? ... hardware modernization (FRAM, MMA, PILOC) ... more sophisticated sensors (FLIR, FLAR, AirEye, Aerostat) ... and more effective training (simulators, exercises).

In research-and-development, we are exploiting new technologies, and we are working to determine the kinds of replacement platforms we'll need to be most productive in the future.

We're also getting more effective in the ways we do business. We're using sensors to expand the scope of our operating hardware and applying state-of-the-art automation and information-handling technologies to meet the growing requirements for data, logistics and management. Those technologies will also help us to handle the

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greatly increased volume of both secure and non-secure communications needed for the tempo and nature of Coast Guard operations today and in the future.

Speaking of productivity, think of what the Auxilliary does for us ... with high quality and minimum cost. Think too of the contribution of Reservists who augment our beleaguered regulars.

And finally, we're going after *logistics and management*. Our focus is generic to a great extent. We want two principal things from all aspects of our supply/logistic support functions. The first is to provide the materials needed ... on time ... to support operations at the levels we require.

We recently invested in many new pieces of capital equipment together with sophisticated sensor systems. They must be kept operating to produce what we expect of them. We don't want to face the "for want of a nail" situation ... where the lack of some part costing a few dollars keeps us from employing one of our major platforms or systems.

The other thing we want to do is keep those support systems at reasonable levels ... and at best available cost. We simply can't afford to spend money for unnecessary shelf stock ... to have one more thing on the shelf than we need ... or one *less*, either.

Given the wide range of support we need ... vessels, aircraft, shore stations, electronics ... even uniforms ... we must do better. We must take full advantage of the support available from other agencies. But — because of the many acquisitions we've made in the past few years that are not supported by DoD, it's essential that we have a fully effective support network of our own.

There is a lot going on ... a *lot* of changes. But none of them will change the three basic missions of the Coast Guard ... maritime law enforcement, safety of life and

## Q & A

continued

Coast Guard?

**A:** Not so. The Marine Corps has the lowest ratio. And when you think about what Coast Guard people and Marines do, you can see why. Neither of us has the vast support forces the other services have. We get a lot of our support from the Navy and others. There will be some civilianizing, but based on a study which has identified functions that are inherently military. Those functions will remain military. We will adjust as we go along.

**Q:** Because of your AIDist strongly advising that all Coast Guard officers be marked a "4" my command has now come out with a blanket policy stating that no officer shall be rated higher than a "4." Why have fitness reports if you're dictating the grades? Isn't this unfair to those of us who were 4-5's on the previous system?

**A:** We have never strongly advised that all should be marked a "4" ... nor have we suggested it. We have said that the standards were written to serve as the basis for a distribution of marks that reflects performance across a spectrum of human beings. Statistically, such a distribution will find 70 percent or so in the middle (3 to 5) with a *few* above and a *few* below. The standard for "4" was written to describe what we expect from a typical high-performing Coast Guard officer of a given pay grade. It's a tough standard ... but we're a "high-performing system!"

I want to emphasize — again — there is *no* real relationship between the "old" system and the "new." That applies equally to the enlisted system. In both systems, the individual being reported on, or marked, is being measured to a standard, *not* to other individuals. Read the words. Follow

the rules. And don't second-guess. The systems *will* work.

**Q:** Given the U.S. Navy programs to promote 40 percent of their admirals as procurement/acquisition specialists and the Coast Guard's growing AC&I carryovers, would you support — and "promote" — a similar program for the Coast Guard?

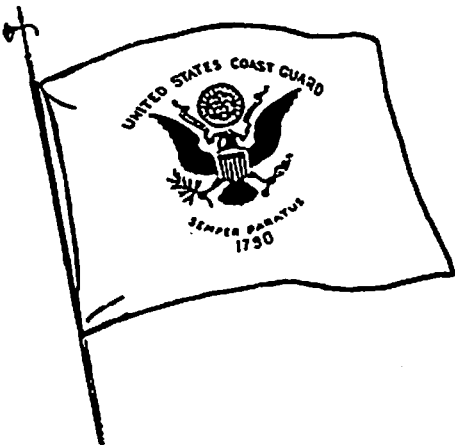
**A:** With 28 flag officers in the Coast Guard, 40 percent would be 11 people. Do you want 11 Comptrollers in the Coast Guard? Seriously, the Navy had a problem. This solved the Navy problem ... It is not applicable to the Coast Guard. Coast Guard officers are general-duty people. The only criteria for flag selection are performance, potential, leadership and character. There are no artificial barriers ... no tickets to be punched. I am more than satisfied with our flag selection system. And I do not plan to change it.

**Q:** What plans does the Coast Guard have for fully integrating our PHS officers into the Coast Guard?

**A:** None. It will stay just the way it is.

**Q:** As a junior officer in the Merchant Vessel Safety program, can I look forward to a career in this field? Is it not true that this program will be "civilianized" and/or turned over to the American Bureau of Shipping?

**A:** You can look forward to a career as a Coast Guard officer. There will be continuing opportunity in the Merchant Marine Safety field, but the number of officers in that field will be less than in the past, as we adjust the military-civilian mix and delegate some — not



property at sea and defense readiness ... and we must not let any of them dilute our very important contribution to national security.

It is up to us to ensure that the Coast Guard is *always ready* to perform in the future at ... or above ... our traditional level of excellence. The skills of Coast Guard men and women ... and they continually dazzle me ... will make it happen.

As a final point ... one about which I have particularly strong feelings: effective management is critical ... but ... *leadership* is the *real key* to our success. We are an organization of people, and it is Coast Guard people who make it all work. In these buffeting winds and seas of change, we need to be especially sensitive to that. Those people of ours out there doing the Coast Guard's work need — and deserve — nothing less than the very best leadership we can provide. That goes for care, support and human consideration, too.

Another thing: it is sometimes hard to remember that the "operators," the bureaucracy, the public ... *all* are people ... not just issues to be resolved, questions to be answered, deadlines to be met. The way we resolve the issues, answer those questions, meet the deadlines has a great deal to do with how others ...

and we ourselves ... think of the Coast Guard. And perceptions are very important ... everywhere.

Furthermore, we ... every member of the Coast Guard family ... are all recruiters ... and boosters ... and public relations people ... and *always* representatives of each other *and* our fine service.

Our recruiting and public affairs people need all the help they can get ... and all of us can help. Talk to your friends and neighbors. *Tell* our story ... it's a *very* positive and interesting one. *Convince* promising young people you know to get in touch with the Coast Guard recruiter in your area. *Show* everyone you meet what a sharp, professional outfit you belong to.

So ... Where does the Coast Guard stand?

- We stand squarely on the threshold of a bright future.
- We stand astride the Potomac ... with one foot in the Pentagon and the other in Transportation.
- We stand more ready than we ever have been with our derring do, our care for our fellow human beings, our ability to get things done.
- We stand facing some truly major management and leadership challenges ... but entirely capable of meeting them.
- We stand as highly respected and esteemed professionals ... in America and around the world.
- We stand as a unique military service ... a true national asset ... a jewel.
- We stand tough! And we stand tall!
- *And you ... and I ... are going to keep 'er sol!*

***Semper Paratus!***

J. S. GRACEY  
Admiral, U. S. Coast Guard

## Q & A

all — functions to third parties, like ABS.

**Q:** All of the other armed forces have mandatory physical fitness testing with appropriate programs for those people who are not physically fit. Does the Coast Guard plan to follow suit and implement a mandatory physical fitness program — not just a weight control and appearance program?

**A:** You are responsible for your own health. We'll give you guidelines in the form of appearance and physical standards, etc., but your health — and how you maintain it — is your own business.

**Q:** The O-6 and O-5 assignment panels system functions like two chiefs of personnel — or so it seems. Many are upset with the lack of two-way communications with panels. Why retain this process? Or, why not make the panels strictly advisory to G-P?

**A:** Lack of communications always seems to be seen as a problem, but when I ask the panel, the answer is, "We are calling." On the broader issue, I believe personnel should do personnel work. Personnel prepares the slate ... panel works it through, representing me and the Vice Commandant. They then discuss it with us. I am satisfied so far. We will stay with it.

**Q:** Is the current push to improve the appearance of Coast Guard members being institutionalized or is it just another fad because we happen to have some trim top brass at the present time? We've been through this drill before!

**A:** It is *not* a fad. It is institutionalized ... because we are a smart, military organization and want to look like one ... and because trim appearance goes hand-in-hand with good physical condition and that means good health.

**Q:** Recently, both *Time* and *Newsweek* had cover stories on cocaine and smuggling. Although both feature articles ran in the thousands of words, neither mentioned the Coast Guard. Are we being edged out of the overall drug interdiction picture by DEA and Customs? Or was this an innocent oversight?

**A:** We are not being edged out by DEA or Customs. As for oversight, I don't know. The articles focussed on those agencies. That kind of reporting does give me great frustration ... but note that we all have public relations responsibility. We are small ... and without the great P.R. organizations some others have. It is up to each of us to spread the word and represent the Coast Guard in all places. Each and every one of us is a *de facto* P.R. person, and a recruiter.

**Q:** What role has the Coast Guard played, if any, in the diminishment of the U.S. merchant fleet? Are our marine safety regulations too stringent? What role can the Coast Guard play in making sure the United States has a sufficiently large and capable merchant fleet? What can the individual Coast Guardsman do?

**A:** First, individual Coast Guard people can understand the significance to the United States of having a strong Merchant Marine. And they can talk about it at every opportunity. Our regulations are not too stringent. In fact, we are bringing the rest of the

world up to the U.S. level of standards. This will have the effect of closing the gap. Diminution has historically been because we can't compete on cost. It is true the U.S. Merchant Marine is in trouble — and the importance of that is being recognized. We're doing everything we can think of to turn it around ... but we won't sacrifice reasonable levels of safety to do it.

**Q:** Will there be a Coast Guard as we know it, say 10 or 20 years from now? Or will the military functions go to DoD, drug enforcement to Customs or DEA, and SAR to civilian firms?

**A:** *Over my dead body* will the Coast Guard get split! **NO WAY!** But the future is up to you who will lead the Coast Guard in the years to come. As far as I'm concerned, the Coast Guard has a bright future. There may be changes — but not to our basic missions, our fundamental character, or our potential to serve the American people.

**Q:** In light of the increased defense role for the Coast Guard, what are the prospects for having a Coast Guard — as an armed force — representative on the Joint Chiefs of Staff?

**A:** From my perspective, it's not necessary. With such mechanisms as the NavGard Board, our liaisons and so on, the communications with JCS and the other services are very good.

**Q:** With the proposed cutbacks and the system in effect, how do we prevent "Brain Drain" and "Brain Wain"? Stagnant at the top. No incentive to join the federal work force.

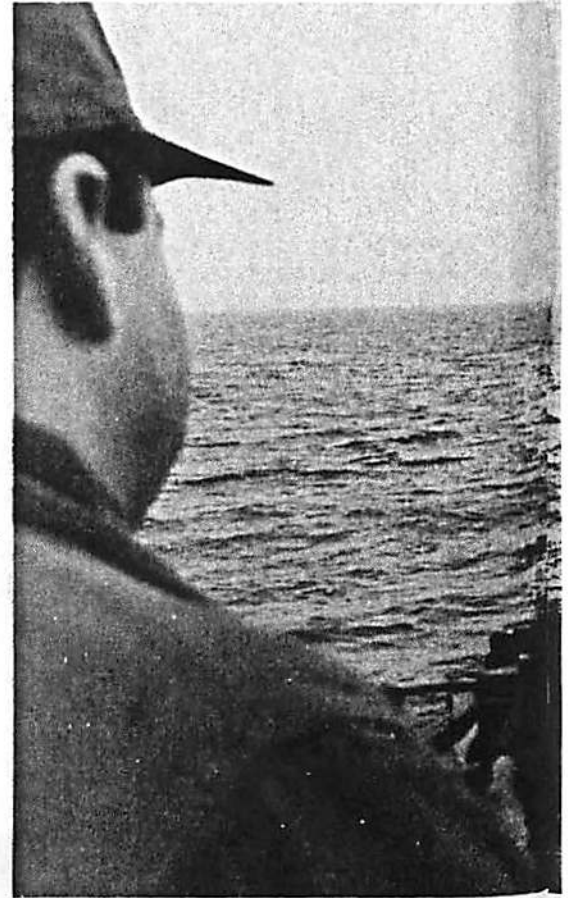
**A:** How to maintain interest in the

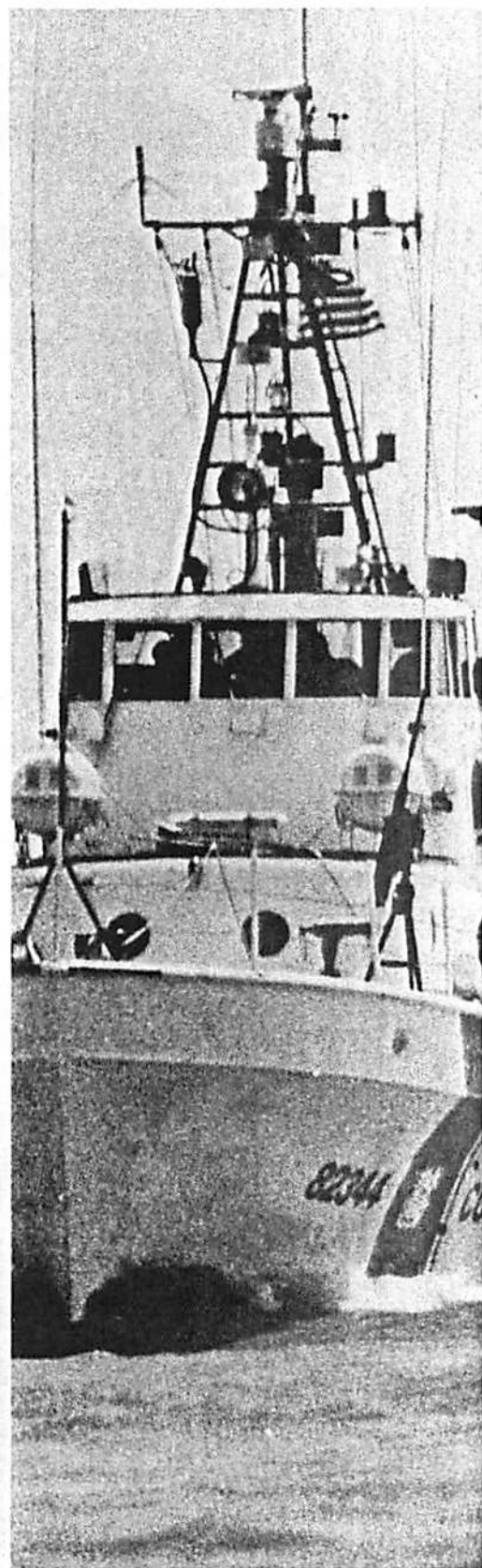
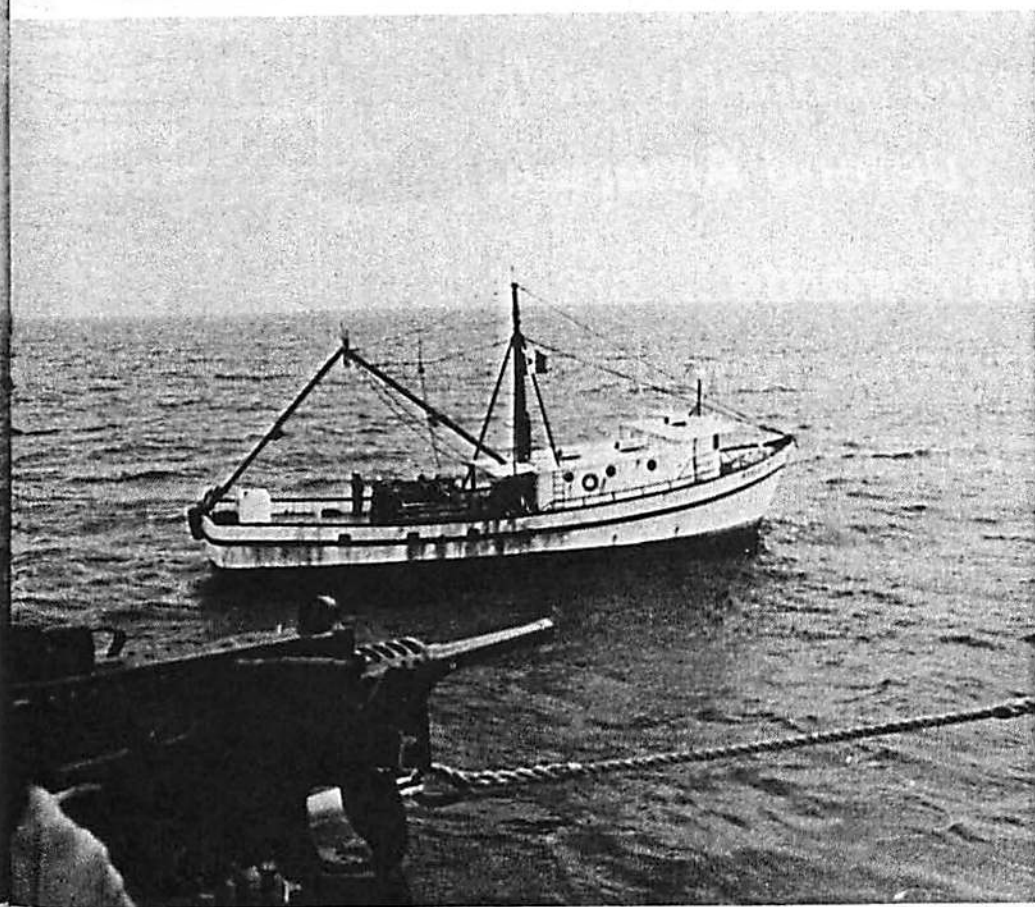
service is a good question. My answer has to be that each will answer the question for himself or herself. Your feelings of self-worth; self-satisfaction for the job you're doing, the contributions you are making ... all are going to be part of that answer. As I said in my remarks, we are working hard on stability in our personnel force and I think that will help. I am hopeful that we are at the bottom of the down cycle, and that the upswing is on the way. For me ... and it's been true for *many* years ... the Coast Guard is one *superb* outfit to work for. I hope you find it that way, too. Just think of what you do for a living. Think of the contribution you make — or make possible. Not everyone has the opportunity to say, "I made a difference." You do! Stand tall ... and keep stroking.

**"As far as I'm concerned, the Coast Guard has a bright future. There may be changes — but not to our basic missions, our fundamental character, or our potential to serve the American people."**



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