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U.S. Department
of Transportation
**United States
Coast Guard**



Commandant
United States Coast Guard

Washington, DC 20593
Staff Symbol:
Phone:

1984 STATE OF THE COAST GUARD ADDRESS

Good afternoon ladies and gentlemen of the Coast Guard family.

I was really dazzled as I walked in today, to see how many of you are here.

I think that your braving the weather to come out is indicative of your spirit and it does me great honor and gives me great pleasure. It is a great pleasure to have the opportunity once a year to talk to you about the State of the Coast Guard ... how I see things today ... share with you some thoughts.

Or, as I learned in my travels through Western Africa about a year ago "to engage in wu hiteh." It's a phrase I learned in Sierra Leone, and it means "hanging heads together." It is the system by which the tribes of that part of Africa make decisions.

The chiefs and leaders sit around in a circle and they hang heads together, the idea being that no-one dominates. Everyone listens, shares views, discusses and then decides. So welcome to a little wu hiteh this afternoon.

I said last year that I was a proud and happy man to be your Commandant. Well, that hasn't changed, unless it's become more so. Yes, I'm having a ball ... and that's because of all of you and all our colleagues throughout the service. The Coast Guard family.

What a splendid family! All of it represented here today, I think, the weather notwithstanding.

The retired community: who did so much to make the Coast Guard what it is today, and who do so much with their continuous dedication and support and sharing of their expertise and concern;

Our civilians: who with their expertise, continuity and support help those of us in "True Blue" so effectively...and whose special skills contribute so much to the Coast Guard's work;

The Auxiliary: those generous and dedicated volunteers who give so much in support of our search and rescue and other efforts and to ensure recreational boating safety throughout America;

The Reservists: who, through their training to support the Coast Guard in national emergencies, also give critical support to every Coast Guard function on a day-to-day basis;

And the Regulars: the men and women who daily wear "True Blue" - and give so much of their truly awesome ability to get the job done;

And our Dependents: our wives, husbands, children ... and parents ... who through their love, dedication and willingness to sacrifice make it possible for all of us to do what we do so well.

What a family ... professional, expert, capable, caring and sharing.

You bet I'm proud and happy to be your Commandant ... and my joy in these stripes hasn't waned a bit in the last year, folks.

Last year, I shared with you the thoughts of Professor Peter Vaille of Georgetown University, relating to his study of excellence in human systems. Professor Vaille had a list of criteria with which he described "high-performing systems."

Those criteria included:

High motivation;

A clarity of purpose;

A source of inspiration to
others;

A teamwork which is focused on
the task;

A "system that has jelled."

Judging from these criteria (and others that Professor Vaille found) there is no doubt in my mind that the Coast Guard is a high-performing system.

But we know that, don't we? Does anyone else know it? You bet!

Throughout government, with a large segment of the public, and around the world, the United States Coast Guard is known, respected and admired. More about that later.

Another characteristic of high-performing systems is that they have a strong consciousness of "we are different" ... Professor Vaille's words, not mine. Such a feeling is a source of very positive self-esteem, but it also has the elements of a problem ... both externally and internally.

At the core, and going back to our oldest roots in 1790, we are the federal maritime law enforcement agency. There are others who work with us, and with whom we work, but we are it at sea ... and that is not going to change.

We are also a safety organization ... both preventive ... as in aids to navigation and commercial vessel safety, for example ... and corrective ... as in our perhaps most famous function, search and rescue.

Again, there are others who help us ... including commercial firms in selected parts of the effort ... but the responsibility and role are ours - and will remain ours. We will not abdicate that or give it away.

We are also an Armed Force of the United States, using the skills developed in our day-to-day operations to supplement ... in our own unique way ... the combat skills of the other Armed Forces.

In this case, we are the helper ... a key one. We are working hard these days to hone up our military skills and enhance our contribution to the national defense capability. Again, more on that later.

America's security depends not only on armed defense ... but also on national health and wealth and peace of mind.

We are critical to the commercial health of our country, facilitating traffic flow, protecting ships and cargoes and terminals, and helping to make our ports and waterways good places to do business ... again, aids to navigation, commercial vessel safety, port safety, waterways management, icebreaking, and so forth.

A "different" system or organization needs to remember at all times that it must clearly and objectively understand itself, and it must take the time and effort to make sure it is understood by its constituents (including its bosses). Part of the problem centers on how much time and effort to devote to ensuring that understanding ... I want to devote some now.

You and I know that the Coast Guard is OK. I said last year "I'm OK, you're OK, we're OK." I submit that it's still true.

But the question of who we are and what we are is sometimes a hard one, even for us in the Coast Guard. We all need to step back periodically and ask ourselves who we really are ... because without that clearly in mind, our decisions and direction cannot flow consistently.

Doctor Peter Marshall, former Chaplain of the Senate, said, "God help us to stand for something, lest we fall for everything." We stand for something. We stand for a lot of things.

I like to say the Coast Guard is a national jewel: small ... multifaceted ... and very valuable.

Yes ... the Coast Guard has many facets ... a lot of faces it shows to the world ... and even internally among ourselves.

We are critical to our national mental and physical health, too ... our SAR capability, even if not called upon, is a source of comfort to all those who go down to the sea in ships ... and their families. So is our Merchant Marine Safety Program, which insures the integrity of the ships in which they go down to the sea.

And our work to stop the flow of drugs into America is an important facet of the nation's health. We recognize drug enforcement efforts are not completely stopping the flow, but they are putting a significant dent in it ... and plugging up some of the drain on our national health and that part of the wealth that goes to pay for the drugs. We are making things tough for those who would smuggle by sea ... and we will be making it tougher.

I could go on ... describing the interrelationships of the Coast Guard's functions and how they impact on each other and those we serve.

The point is that we are indeed a jewel. Any one facet of a jewel may not be much more than a chip of colored glass, but as a whole, a jewel has depth ... each facet unique, but relying on the whole to shine and to show its depth. And unless one is an expert ... all the reasons why a jewel is valuable may be hard to understand.

I sense that most of us in the Coast Guard understand all of this to one degree or another. I want to reinforce that understanding.

Every time we successfully conclude a case ... every time we set a buoy ... every time a merchant ship sails or arrives safely and on time ... every time any quantity of drugs is kept from reaching our shore ... every time marine pollution is prevented or contained ... we are doing our job, and that job is a product of all of us.

Yes ... all of us. And that includes organizational support elements like personnel, finance, engineering, legal, family programs, health services and so forth.

That's the scope, folks, and as you know, there are a lot of parts.

Understanding that ... and the interrelationship of all the contributions each individual and unit make to the Coast Guard's product ... service ... is the key to the questions, "Who are we?" and "What are we?"

I believe who we are, what we are and the major importance of our contribution - and the high quality of it - are understood today by most who must make decisions about us, better than ever in the past. Certainly any time I can remember.

We've told our story, we've answered critics, we've stood our ground and - above all - we have demonstrated the truth of our value daily through the actions of Coast Guard people.

Since the 1985 budget has not been presented to Congress yet, I can't talk about it or give you any details here ... but I think an overview will confirm the understanding I see.

As I said last year, we are not rich ... we always have been, and probably always will be, short of the people and dollars we could use effectively. But we are not poor, either.

Personnel shortages, particularly, haunt us ... and will continue to do so. We will do the very best we can with what we have ... like the pro's we are.

This doesn't mean our needs and worth are not understood. It means we are caught up in broad, national priority issues that center around the President - and Congress - trying to reduce the size of government.

The rest of the budget picture is that we are making progress ... good progress ... in obtaining new, modern, state-of-the-art hardware ... the safe, reliable and effective equipment Coast Guard people need to help us be more productive in our jobs and thus to experience the better quality of life that comes from job satisfaction and knowing you can go in harm's way and come back with the job well done.

Our Fiscal Year '84 budget was good - and we actually wound up with \$300 million more in AC&I than we expected. These additional funds, together with our FY85 request, will ensure the continuation of programs to renovate or replace older vessels and aircraft, and to continue to upgrade our shore facilities, including family housing.

And while we're on the subject of helping each other, I'd like to advocate strongly the "sponsor" program for new arrivals in an area or at a unit. There are heartwarming stories about the welcome and personal support our members and their families get when they move ... and there are some that are real downers.

It's a critical part of our "family" life together ... all of us ... especially those new to our family ... or to a different part of it. We need to be welcome, made to feel at home.

It's not just new members ... but everyone. Go that extra mile.

There may not be a way for the person you help to repay your kindness directly to you ... but someday, somewhere, that person will help someone. And that's your payback ... that, and the smiles of those you help ... and the warm feeling that you will have.

In case you haven't guessed ... I am an optimist. You may remember Gracey's law ... "If anything can go right, it just might."

Hey ... it happened today, right? I was going to be late to lunch today, but the storm caused the galley to fall behind, so I wasn't late at all.

It's Gracey's law, folks, you've got to believe ... got to believe. It does work.

My theme song still remains "Accentuate the positive..."
And I am confirmed in that by all I see about me throughout
this family of ours.

Sure, we've got issues and challenges, and opportunities to
do better ... and I've got a ton of them I haven't even talked
about ... we have stresses, but we also have each other.

And we have what Peter Marshall said: "Stand for
something." We are standing for something. And we're not
falling for anything.

The upshot of all this - and more - is that from where I
sit, the Coast Guard is doing its job ... and doing it well ...
very well.

That's what it's all about. We are serving, and we are
proud in our service ... to each other and to America.

So ... what is the State of the Coast Guard?

We are clearly a "high-performing system." And, from where
I sit, we are also vigorous, healthy and happy.

We are a "national jewel" which shines and sparkles ... and
is very valuable. And we have a right to stand tall ... very
tall.

Do it! Stand tall ... with pride!

[question/answer session]

We had a Family Programs training session here in Washington. We've got good involvement around the service, but we can use more at all levels. We're looking at the idea of an ombudsman, a spouse at a given unit who will take on some responsibilities for keeping in touch with the dependents and helping them resolve problems.

It's a fact of our Coast Guard life that we live with stress. Our jobs require frequently that we be separated from loved ones ... we often do go into harm's way in the performance of duty ... we are frequently under some deadline or other to get a job done ... we sometimes feel we don't "get the word" ... and so on.

Those are all elements of stress, and stress can cause all kinds of other problems ... alcoholism, absenteeism, you name it. Just don't get caught up in the idea that "it can't happen here" ... It can happen here ... and it does.

Incidentally, one of my personal frustrations is the number of times I find out - first hand - that "the word" doesn't get passed. The chain of command is cited often. I commend it to all of us ... again.

Information must be passed, and discussed. The Coast Guard person who knows what is expected and why it is expected will dazzle with his or her ingenuity in getting the job done.

Pass that word. Please be sure that people at all levels of our fine family know what is happening ... what is expected of them ... what is available to them.

It won't work if it is just posted on the bulletin board and isn't read ... and isn't followed ... by each and every person in the family. We are all a part of the program, and it takes all of us to make it work.

There are lots of indications that we are making it work.

The Master Chief Petty Officer of the Coast Guard is full of positive reports about what he sees and hears. I find the same thing as I travel around ... but we hear some negatives, too.

I think it's fair to say that we aren't perfect yet.

Just a quick reminder ... if you'll forgive me on this day of the "Chairman of the Board" reporting to the "Stockholders."

What matters in assessing members of an organization is how an individual contributes and what kind of person he or she is ... not their race or sex. My firm commitment to this principle has not waivered one inch ... and will not!

One more SITREP - Family Programs:

I told you last year some of the things that were started. Well, the directive has been published. The program is underway. We've published the book Charting Your Life in the Coast Guard. It's been distributed to everybody in the Coast Guard and has gotten rave notices. I understand the people in the other services are looking at it as a model.

A unique benefit is that potential recruits are aware of the policy, and they are cleaning up their act before they come to recruiters. Now, that's a benefit to the country, even if they don't sign up with us.

All levels of command are getting involved - and the result is, again, that our true performers can perform unencumbered by drug and alcohol abusers.

We're helping those that qualify and are interested. Those who do not are being invited to leave.

Mr. Darwin's third element of survival (and growth) was that the being be happy. Vigor and health are contributors to happiness, and so is quality of life. I think we can take a lot of satisfaction from our effort to maintain and improve our quality of life.

I've mentioned the improvements in our equipment ... our programs and policies that all contribute to our material safety and well-being. But now I'd like to focus on those things that we as individuals can do to improve our quality of life together. Some of them are programmatic, but all require personal involvement.

Human relations are critical to any organization. To paraphrase the British military strategist, Liddell Hart, "It may not be the bricks ... but it is the cement."

I want to remind you of my Human Relations Policy Statement. It's still there. I still mean it!

One thing that is not often understood about this system is that it is not one of comparing one person against another. It is comparing each individual against a standard.

The Master Chief Petty Officer of the Coast Guard, the Vice Commandant and I hear lots of talk as we travel around. We bring back word on things that need to be fixed. We bring back encouragement. And the system is alive and well.

But it is going to take the continuing whole-hearted, conscientious involvement of all to keep it meaningful and useful. You have given that support so far ... keep it so.

Officer Performance Management System:

It's working ... Boards tell me it is doing its thing ... but there is a consensus ... that it is time for some revision. I've been promised a new Officer Performance Management System by the first of July.

It will not be entirely new ... it will combine the best features of the present OPMS and the Enlisted Evaluation System.

It will concentrate on assessing personal traits of individuals ... it will work on a seven-point scale ... writing will be specifically channelled ... and we will measure people against standards, not by comparison with other people.

Substance Abuse:

You know that program is in place. Users are leaving the service - not always voluntarily.

Uniforms:

I told you last year the the Uniform Board had met and was going to meet regularly. It has. I hope you're all aware that there have been a lot of decisions made. We will be establishing fitting lines throughout the service. We've taken steps to improve the quality of uniforms.

We've still got some decisions that pend. The raincoat I promised you has not been delivered yet but we have decided it is going to be a trench coat - and they assure me it will be delivered soon.

We've taken steps to improve the availability of uniforms.

We've subsidized the exchanges in those areas where we don't have clothing lockers, so they can sell at clothing locker prices.

We've stepped up our investment in inventory and we've established the mail order system that I promised you we were working on.

It was on line on time at Cape May and they are doing better than the 48-hour turnaround time that they advertised. Orders are being shipped out from Cape May in less than 48 hours from when they are received and they are being shipped by rapid, reliable means.

And I want to deliver kudos to those of you from Headquarters who worked on the mail order system ... and certainly to the folks at Cape May ... for making it work so well. I get rave notices about it wherever I go.

Medical and Dental Care:

It is now Coast Guard-run and Coast Guard-funded:

We've worked out some kinks with the Public Health service. Primary care has been reported as excellent. Sometimes we are doing even more than some of the others are able to do ... for instance with our dental extern program.

Training:

There was a major study done on the Academy by D.O.T. The conclusion was that we are doing just fine.

The Basic Education Enrichment Program (called BEEP) is paying off. Ninety percent of the BEEP graduates are eligible for Class A School.

I said last year that our recruits would not go directly to school, but would have a period of striking. The payoff is that the top strikers are getting there - they're making rate ... and people going to school know what they are headed for and they know how what they learn fits in the "family business."

Performance:

We talked about striving for excellence ... and said those who couldn't cut the mustard, would be invited to go home. We've continued that.

This has a bit of a negative ring, and for one who likes to emphasize the positive, it is both the good news and the bad news. The bad news is that this year we invited about 1,600 people to go home. The good news, of course, is that that leaves only top performers doing our work ... it opens up room for other key performers to move in.

Our good people are reenlisting at a high rate. The offside of that, of course, is that promotions and school assignments slow down. But that's getting attention and it's starting to move. We predicted that within two years from 1982 it would move and I learned just yesterday that the enlisted promotion rate for E-4 through E-7 opened up significantly in 1983. And we think we see some ways to help in other areas.

I know those of you who wear horizontal stripes are wondering about officer promotion rates. I wish I had some good answers for you. We're working on it. We've got some ideas we think will help.

The enlisted evaluation system:

We were "on the air" on time, as advertised and promised. The system is working. I guess it's the understatement of the year to say there's been a lot of interest in it ... a lot of discussion ... and a lot of constructive concern.

The good news is that we are using the system ... and the review of the first round of marks shows it's doing what we wanted it to.

People are paying attention to the words. It's a good start ... some of the words describing standards need tuning up ... we've learned that ... and the results are beginning to show.

People now know what is expected of them and they have a detailed picture of how they measure up in the eyes of their various leaders ... and they are able to respond by doing a better job.

The third surface effect ship, USCGC Petrel, is in operation and in fact, did the "hat trick" the other day ... got three druggies in one sweep. Not too many weeks before that, Lipan got four in one 24-hour period;

The HU25s are here and flying; the HH65 is ... still coming ...

The SWATH I said we're going to build is going to be bigger than we originally thought. It's going to be big enough to take a helicopter ... we've made that decision and we've arranged to get the funding for it.

We've studied the relative stability of SWATH against a single-hulled ship. I talked to you last year about the benefit of SWATH's stability on crew fatigue. Since then, we've done a study which confirms how good it really is when compared to a single-hull ship.

We're getting new WPBs. We've worked up a Mission Need Statement for WPCs - a WPC is a medium range ship.

AirEye has met the test ... and we've elected to go forward with it.

The same with FLIR ... we've been directed to go forward more rapidly than we thought we could.

We've run tests on lighter-than-air equipment. Our R&D program is alive and well ... and so forth.

In terms of our defense contribution, too, the Coast Guard is showing both vigor and health. Our contingency plans are coming into focus.

Through participation in exercises we are improving our plans, and we are identifying and demonstrating more clearly how the unique Coast Guard capability fits into our national defense.

Earlier, I told you about the Commander, Coast Guard Forces concept, the NAVGARD Board and the MDZ Commander role.

All these ... and our now-aggressive follow-up on lessons learned from exercises ... ensure that we continue to approach our military responsibilities with our eyes open, and our capabilities understood. Our participation in fleet exercises is increasing and has been outstanding.

Our Reserve forces have more than tripled their "play" in both "live" and command post exercises, and the active forces are also well-involved. As I said ... the lessons learned are invaluable ... there will be more.

Last year I told you about some things I wanted to have happen ... and I gave you some SITREPs. Well, the game plan hasn't changed, so I won't go into that again, but do let me give you some 1984 SITREPs:

Hardware:

Bear - is commissioned and soon to be operational; Tampa will be commissioned this spring.

But I want you to know ... just so you'll feel very proud ... for the next several minutes, the King of Sweden and your Commandant dried each other off.

Consider too our involvement in organizations like the International Maritime Organization where we have committees in London making major contributions - all the time - changing the word scene ... actually changing the relationship of merchant marines in the world not by reducing our standards, but by bringing the rest of the world up to our standards, thus reducing the competitive gap. Making contacts with people of countries all over the world.

It was a great pleasure for me to head the U.S. Delegation to the assembly in the fall and to meet the different people there.

Incidentally, during the course of that meeting, I met five different people ranging from Indonesia to Africa that I had met before, and we had a working relationship already established.

The range of international organizations in which Coast Guard people participate and to which we make a major contribution is impressive indeed.

Attitudes ... what did I see in these visits? The attitudes I observed were these: The United States Coast Guard is a unique and great organization, and any country that would have such an organization ... would fund it and see to it that it remains vital ... has got to be a great country. And the people in whatever country I have visited respect the United States for that.

In Sweden, I had lunch with the King. And he is an avid boater ... very interested in our boating safety program. After lunch, we went out on a Swedish lifeboat to watch a search and rescue demonstration. It was a multinational operation of the International Lifeboat Conference. The King and I were standing on the bow of the boat and I was explaining to him what was going on.

The Swedish lifeboat's job was to put out a fire on a fishing trawler ... what they'd done is set fire to two oil drums, one on each side of the fantail of the trawler. We went down one side putting water on the ship and going down the other side was a German lifeboat ... both squirting hoses.

It occurred to me that if the German lifeboat didn't turn off its hose before it we got to the end of the ship, the King and I were going to get very wet. But I thought the solution to that was to stand as close to the King as possible ... surely they wouldn't squirt the King of Sweden.

The Commandant of the U.S. Coast Guard maybe, but the King of Sweden no.

Besides, he had a security man standing there talking into a radio and I was sure he was saying in Swedish, "Don't squirt the King." Well, I don't know what he was saying, but whatever it was, they didn't understand it and they did squirt the King.

And I learned that the King of Sweden is much more nimble than I am. He got wet ... I got wetter.

It was really protocol ... I thought it was only appropriate to let the King go first, don't you?

But we also have an entre on the civilian side with the minister level ... even higher - presidential level ... because we go to talk about fisheries, we talk about law enforcement, we're talking about pollution, a whole range of things that they're interested in ... so we have a dual entre.

Lines of communication can be opened that can't really be opened any other way. Some times we learn things and get engaged in discussions solely through the other entres that have not emerged before. Those are great contributions.

During 1983, I traveled 40,000 international miles. We met a lot of people. We met presidents and kings and generals and admirals and ministers ... and we worked with them, we talked with them, we ate with them.

In Morocco, we've opened the door to a long and continuing conversation in Moroccan and U.S. maritime relationships, because of a personal relationship I was able to develop with the Minister of Marine and Fisheries.

I'm not telling you this so you will say, "Gee, Admiral Gracey is doing a great job." I'm telling you this to convey the idea of the significance of the Coast Guard effort in the world scene. And I'm telling you that because I want you to understand it wouldn't happen if the U.S. Coast Guard weren't very significant ... didn't have a great deal to contribute ... weren't recognized and respected around the world.

I have to tell you a short story.

In a couple of places, presidents had us to lunch. One president waited at an airport to meet us.

So, we're there, and "they" know we're there. But this is a threshold area. We're looking at a whole range of new things.

Now, Mr. Darwin talked about health. The Coast Guard is healthy, and I believe we have the opportunity to become more so.

I mentioned the improvements in our materiel condition as I talked about the budget - there are some improvements in programs and on the people side, too.

We are taking a hard and aggressive look at the Coast Guard's national security role ... particularly the part of security that pertains to defense capability .. a part of which I just described. The Coast Guard is a national security asset ... in peacetime because of all the functions and the interactions and contributions of them I mentioned before.

One aspect of Coast Guard contributions to national security is our involvement in foreign affairs ... especially with the smaller countries ... countries whose navies really are Coast Guards ... and whose friendship and support is often pivotal to the United States.

We have a special entre in these countries. First of all, most of them have a great respect for the military ... so when I go, for example, I go as a head of a military service ... I wear four stars ... I'm an Admiral and the Commandant, and so forth. When each one of us goes, we go wearing the uniform. We have an entre to the military of that country.

A threshold in hardware: We've been operating for years with HU-16's ... old airplanes ... and a lot of them have gone to the boneyard long since ... leaving our fleet under-equipped.

We now have the whole fleet of HU-25 jets. Our new helicopters are coming on the line. We are starting to have delivery of the 270s. There's a whole range of things that are taking place and we're in the middle between how we used to do business and how we're going to have to do business with the new.

There are new philosophies of organization we're looking at. Research and Development is one that we set up last year. We're looking at a new way to approach information resources management. We're looking at the possibility of going to a facilities management system.

We've got a heightened military role. We've got a memorandum of understanding pending Secretary Lehman's signature right now ... the Chief of Naval Operations and I have signed it ... about creating a Maritime Defense Zone Commander role for our Area Commanders. We've created a Commander, Coast Guard Forces concept. The NAVGARD Board is functioning well.

We are taking a hard look at how we approach our whole scheme of readiness. We are a part of the defense scene.

Think for the example of the fact that we have Coast Guard cutters doing the patrolling work at Grenada. And we were a part of the operation from the very outset.

Again, I remind you of Professor Vaillie's high-performing system ... he says, "they do not tamper with a good thing," and ... "they are relatively conservative about new methods."

"Conservative" however does not mean "hide-bound," and a high-performing system does adapt itself to its environment. The environment in which the Coast Guard exists is one in which there is great competition for public funds, and that source is being scrutinized more and more.

Charles Darwin was thinking about organic beings when he wrote ... "The vigorous, the healthy, and the happy, survive and multiply." The Coast Guard as a family is indeed "organic" and I think Darwin's thought is appropriate.

We do need to be vigorous in how we do ... and how we perceive ... our jobs. And we must frequently assess the jobs themselves and how we do them. We do need to take risks ... we need to develop some new ideas and ways of doing things so we continue to earn - and deserve - our fair share of the public trust and support. We have done that up to now ... and will continue to do so.

But that means we can't sit back on our laurels. It means we must get out front ... with care and analysis ... but we must get out front ... and look for opportunities. We must be willing to take chances that will permit us to move out smartly with new ideas.

We are at a threshold now ... a threshold between where we have been and where we are going to be.

In the area of facilitating navigation, we will continue to follow the mandate of the Executive Order which directs us to ... "assist in keeping open to navigation ... channels and harbors ... in accordance with the reasonable demands of commerce."

At issue are only those waterways which are normally impassable in winter without icebreaker assistance. In those cases, a user fee is under consideration. Until the issue is resolved, the Coast Guard will continue to provide icebreaking service to meet the reasonable demands of commerce.

Polar icebreaking, too ... for which the Coast Guard is the national resource ... is under study.

The question that has been raised is how many polar icebreakers does America need to project its national interests in polar regions and to carry out our national Arctic and Antarctic Policy?

Also questioned is the funding policy. I believe we simply cannot continue the recently-invoked system of funding divided among several agencies. Variable (voyage) costs, sure ... but fixed costs for maintenance, crews and so forth, no.

I expect these issues will be resolved soon.

In the case of aids to navigation - that issue is not yet settled, but the approach will be the same. Safe and effective aids to navigation are a national concern. On those waters where safe navigation has impact in terms of national security, health and welfare, we will continue to be the primary servicing agency.

Lest there be any misunderstanding about that, we will continue to be the aids to navigation agency everywhere ... but there may be some change in who does the servicing in selected waterways.

In those selected non-critical instances where there is a reliable, capable and willing commercial source of aids to navigation services - we will evaluate the situation - and - if the job can be done effectively at an overall saving to the United States, we will hire the commercial firm to do the job.

But - as with non-emergency search and rescue - we will monitor the work and step back in if it is not being done properly.

Safety and facilitation of marine traffic in United States waters is the job of the United States Coast Guard ... and our responsibility ... and for which we are accountable. We will do it.

To clarify some matters raised by the Roles and Missions Study, I have recently signed a new instruction on domestic ice operations. Again, our approach is the same ... in search and rescue or other emergency operations in ice-covered waters there will be no change. The Coast Guard will do it.

The fact of the personnel and budget situation we face is that it is full of challenges and opportunities. It affects our Coast Guard Family ... and the challenges we must meet revolve around how well we deal with it.

We have been looking at our Coast Guard very hard recently - and there are changes either contemplated or underway ... with some major policy decisions made this year. Three of these ... non-emergency search and rescue, aids to navigation, and icebreaking ... all are receiving a lot of attention. All are indeed major facets of the Coast Guard.

What we are doing is making sure that the major Coast Guard resource - its people - you - are being used as effectively as possible. In the case of non-emergency search and rescue, the policy is that when it is safe to do so, and when commercial service is present and capable of timely response ... and when there are no lives at stake ... we will hand off to them.

The policy includes the requirement that the Coast Guard continue to monitor the case as it evolves. If the case goes awry, for any reason - including time - the Coast Guard will take over. The critical element is the safety of life ... and that is what we are all about.

I said we are making progress. Consider this: During this decade (and there's not much left in the decade), we expect to have operational:

- new patrol boats;
- completely renovated 378-foot and 210-foot cutters ... and buoy tenders;
- a modern fleet of aircraft ... both fixed wing and helicopters;
- equipped with up-to-date technology, including improved radar, other sensors and communications equipment;
- a continuing program to replace obsolete shore facilities;
- at most stations computers that can access well-developed information systems;
- and more.

We are looking to a stronger, better-supported Reserve program; and a revitalized R&D effort to continue to improve our capability and quality of life ... from the hardware, systems and strategies our R&D people produce.

The budgetary support for these hardware and systems improvements is timely. We need them. We need them to allow us to work more productively. Because we can expect future budgets to be very critical in terms of personnel strengths, we must all continue to be alert to ways to operate more effectively and with greater productivity. I think that's a tune I've heard before ... I think it's a tune you've all heard before.

I'm very appreciative of your coming out today ... I appreciate that it's hot and you've been in here a long time ... and I know that I laid a lot on you.

But I do want to tell you again I am really very proud of this organization. I want you to be very proud of it ... when you stand tall, stand very tall.

I'm happy to be your Commandant;

I'm happy about where the Coast Guard is today;

I'm happy about where we're going;

I'm happy about who we really are;

I'm happy about the role we play in the well-being of America;

And I'm happy about the whole Coast Guard Family that makes it come out that way.

God bless us every one!

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