



Admiral James M. Loy

State of the Coast Guard Address

Andrews Air Force Base

May 4, 1999

Amenities:

I am delighted to welcome the distinguished guests mentioned by the master of ceremonies and so many other friends of the Coast Guard here this afternoon. I am especially pleased to welcome Deputy Secretary of Transportation Mort Downey, who chairs the Interagency Task Force on Roles and Missions of the Coast Guard and who is himself a Coast Guard veteran. Thank you all for your interest in our service.

Introduction:

This annual address has shown the potential to grow both in length and in ceremony. I'd like to reverse that trend today and candidly tell the Coast Guard what I'm concerned about.

It is not my purpose to recount the operational highlights of the past year, though there have been many. Coast Guard men and women have made their country proud time and again with their dedication to purpose, exceptional operational performance, and superior stewardship of the taxpayer's investment. So many Coast Guard men and women have rendered such superlative service that any attempt at listing them would both undercount the heroes and understate their accomplishments.

Neither is it my purpose to offer a detailed update of the *Commandant's Direction* I published last summer. Suffice it to say that the *Direction* remains valid. The Leadership Council, the Flag officers, and the SES members are carefully monitoring our progress toward the objectives in the *Direction* for which they are responsible. And I've challenged them each to keep us all posted on their progress.

Nor is it my intention to provide lengthy progress reports on my personal imperatives. My long-term priorities remain fixed as they were last May: the Deepwater acquisition; the Secretary's Marine Transportation System initiative; articulating our role as a unique instrument of national security; and raising the visibility of the full range of Coast Guard missions, especially our core essence of SAR, ATON and Marine Safety that we had begun to take for granted. Each of these remains central to our vision document, *Coast Guard 2020*, which I was pleased to re-issue this winter—unaltered from its original form

except by a new promulgation letter. Our vision remains sustained and our strategic direction remains constant.

My short-term priorities are also constant. Re-building the workforce and preparing for Y2K remain my most urgent management challenges for the year, though they are now joined by a third priority, which is to support the important work of the Interagency Task Force on Roles and Missions of the Coast Guard. This group will help shape our future service to America. But even so, it is not the purpose of my talk.

No. This year, when I contemplate the state of the Coast Guard, my thoughts do not focus on the outward manifestations of our missions and activities—the many labors to which we have set our hands. My concern is our readiness to perform them.

I will share with you today three stories drawn from my experiences. Each one drove home a lesson that penetrated my very soul, remains true today, and has compelling application to the present and future state of our service.

Story 1: Point Welcome:

In late September of 1966, I was in the midst of my training pipeline to go to Vietnam. We had completed Counter Insurgency training and Survival, Evasion, Resistance and Escape training. We were set into groups of 2-5 officers and associated groups of enlisted personnel for our trip to Saigon, where we would receive our orders to one of three divisions of 82-foot patrol boats in Operation Market Time.

Almost as an afterthought, we were given the opportunity to visit LTJG Ross Bell in the hospital. He had been the Executive Officer on the *Point Welcome* several weeks earlier when it was mistakenly strafed by United States Air Force fighter aircraft. Our training had not prepared us for the vivid reality of that visit. Ross had been wounded very, very badly in the first strafing run. His CO, LTJG Dave Brostrom, was killed, cut almost in half just above the waist. Petty Officer Jerry Phillips had been killed, and every member of the crew was wounded, including their South Vietnamese liaison officer and a British journalist. In that hospital with Ross Bell—if we hadn't figured it out before—it became crystal clear: war is very real.

About two weeks later, I stepped aboard *Point Welcome* in Danang. I remember catching my breath and swallowing hard. The aluminum superstructure and steel deck were full of 20-mm holes. The pilothouse was shattered. It was a miracle that BMC Pat Patterson—who became a true Coast Guard hero by rallying the surviving crew and saving the boat despite automatic weapons fire from the beach and follow-on strafing runs—was able to get the *Point Welcome* back to base. As I stood on that torn deck, I couldn't get Ross Bell out of my mind. The combination of that badly damaged patrol boat and the still-fresh memory of Ross's grievous wounds drove home the reality that Coast Guard people perform dangerous work in hostile environments. I thought I had learned that lesson during storms on Ocean Station in the North Atlantic, but I didn't really understand, until that morning in Danang.

Dangerous work in hostile environments. No matter how lofty our humanitarian or environmental motives may be when we join the Coast Guard, every man and woman needs to understand this basic reality about life in our service.

We work in a dangerous world. We perform search and rescue cases and board fishing vessels in extreme weather. We work on pitching, heaving decks and inspect tank vessels carrying staggering volumes of volatile and toxic cargoes. We confront dangerous people bent on perpetrating crimes contrary to our national security: smugglers of drugs and illegal immigrants, high seas drift netters who refuse to submit to boarding, terrorists, gun runners, and others. And as we face these daily dangers, the reality of warfare lingers only a decision away. If these jobs weren't dangerous, we wouldn't wear uniforms and we wouldn't be organized as a military service. But they are, and we need to remember that reality.

Lesson number one is this: Coast Guard people perform dangerous work in hostile environments.

Story Two: *Burmah Agate/Mimosa:*

Thirteen years later, on Halloween of 1979, I brought CGC *Valiant* to the pier in Galveston, Texas, after a long law enforcement patrol. We granted liberty and I drove home with my family. Just before 0530 the next morning, my phone rang.

The M/T *Burmah Agate*, inbound with a full load of fuel, both bunkers and cargo, had collided with the outbound freighter *Mimosa* just outside the Galveston Bay Entrance Channel. *Valiant* was underway within an hour to assume the role of On Scene Commander.

The first 24 hours demanded frantic action to save lives and prevent the disaster from escalating. When *Valiant* arrived, the *Burmah Agate* lay aground, its superstructure aft completely engulfed in flames with other fires raging along its starboard side and on its forecastle. The *Mimosa* was also ablaze, but it was making way, not under command, carving huge circles about her starboard anchor, which she had somehow managed to drop. Then-Captain, now retired Rear Admiral, Dave Ciancaglini and two other aircraft commanders led heroic helicopter crews on sortie after sortie to rescue crewmen from the burning decks. The disaster had already killed more than thirty sailors. It promised to get much worse as the slowly circling *Mimosa* worked its way across the buoyed channel, heading inexorably toward a field of active and capped gas pipes and other anchored shipping.

We got our Rescue and Assistance team aboard the *Mimosa*, but they could not stop its movement: up forward, the port anchor was frozen in place; back aft, the intensity of the fire kept them from reaching the emergency cut-off valves that would have denied fuel to the engines. Finally, just as we prepared to interpose *Valiant* between the *Mimosa* and further disaster, the combined efforts of a commercial tug and Group Galveston small boats succeeded in fouling her screw, and stopping the burning ship. One disaster was averted, but we still had two ships on fire, one loaded with 400,000 barrels of oil. It took

six weeks for the fire on *Burmah Agate* to burn itself out, and the work to clean the beaches of Galveston Island lasted until Christmas.

Burmah Agate taught me that there is a fundamental difference between what readiness means to a Coast Guard unit and what readiness means to the other armed services.

Imagine an athlete so superbly conditioned as to be able to perform any track and field event with world-class proficiency. This athlete could show up and be ready to pole vault, run a marathon, or throw a shot put with no time to tailor training or nutrition to peak for a certain event on a certain day. Imagine an athlete who could be called any time day or night, even interrupted in the middle of another race, and immediately begin a new event—with no time to rest or prepare—and still maintain world-class standards. If you can imagine such an athlete, you can imagine the readiness level expected of the U.S. Coast Guard. That's what we do. Nobody else in the world comes close.

Coast Guard operating units don't withdraw from the operational fray to prepare for deployments. If you're the CO of the only Medium Endurance Cutter between Brownsville, Texas, and Gulfport, Mississippi, and your capabilities are needed for a maritime emergency, your recall status is irrelevant. It doesn't matter what you're recovering from or what you're getting ready to do. You call in all the crew you can find, button the plant back together, and get underway to perform whatever maritime mission America requires.

Our people in Oregon showed that level of response this winter when the *New Carissa* ran aground. Busy Coast Guard people successively transitioned from their already high tempo of operations to the urgency of an emergency response and then to the sustained grind of disposing of the burned-out hulk without harming endangered species. As they did so, they were battered by heavy weather and every conceivable operational complication. They made us all proud, as Coast Guard people always manage to do when confronted with such difficult challenges.

Lesson number two is this: our duties demand a level of readiness unique among the armed services.

Proper readiness for such frenetic paces as we regularly experience is possible only when our operating units are adequately staffed, adequately trained, adequately equipped, adequately maintained, and adequately supported. And that brings me to my last story.

Story Three: Exxon Valdez:

We recently observed the tenth anniversary of the *Exxon Valdez* oil spill. I was there less than 72 hours after the tanker hit Bligh Reef. I watched native villagers suffer, and I walked devastated beaches. I remember plastic bags of waterfowl and sea otter carcasses. I remember blackened bald eagles. I remember the fumes, so powerful on a southerly breeze that they overwhelmed all your senses whether you were indoors or out. Powerful and vivid memories.

But most of all I remember the look on the Commandant's face when we stepped into the Opcenter of VTS Valdez. Admiral Yost had commissioned the new command ten years earlier when he was the Seventeenth District's Chief of Staff. His face conveyed disappointment and shock at the realization that we had lost our edge. Complacency—the deadliest foe of every professional mariner—appeared to have set into at least one corner of his Coast Guard, and he was grieved. Were we to blame for *Exxon Valdez*. No, Joe Hazelwood has that honor sewn up. But it is important for us to learn from the tragedy.

You can sharpen the edge of a boatswain's knife ever so keen, but if you leave it in its case for six months it will have lost some of that edge when you pull it out. *Exxon Valdez* represents a bitter lesson for the Coast Guard on the subject of complacency. We can lose our edge by standing too many quiet watches waiting for threats that don't materialize. That's the danger I warned against in the ALCOAST I wrote to mark the anniversary. Complacency is the human tendency to lose focus over time when nothing seems to ever go wrong. Over the course of those years, watchstanders grew accustomed to watching hazardous operations performed time and time again without incident. The channel was wide enough. The ships were well equipped. What could go wrong? Individually, all of us who have any association with the sea will always face the individual and unit challenge of maintaining vigilance. But that's not my primary reason for mentioning Valdez.

I mention Valdez because there's another way that knives lose their edge. If you take a sharp knife and work it relentlessly, the blade will also become dull—more dull even than it would get from disuse.

The Coast Guard has been thus overworked. Since 1995 fixed wing deployments have more than doubled, and helicopter deployments have increased by more than 25%. These increases did not come about by increasing the number of aircraft, pilots, and aircrews; they came about by working our people and our machines harder. The Pacific Area increased its TAD days to augment operations by 70% last year; Atlantic Area issued more than 800 sets of TAD orders, and that was just to maintain the pace of non-surge operations. These TAD people weren't stored on shelves in a warehouse somewhere; they came from units where they were already working hard at rotational assignments that were supposed to give them and their families a bit of a break from sea duty. When they went TAD to fill holes on cutter workforces, their absence created holes at their permanent duty stations. Like cutting six inches from one end of a blanket and sewing it back on the other end, it doesn't make the blanket longer, and it's not a permanent solution.

Some organizational processes should never end. Quality management should always be a priority because quality is a journey without a final destination. We can always improve. Diversity management should always be a priority because we'll always need people to lend the strength of their differences to help us reach our common goals. But streamlining . . . streamlining should not be a continuous activity. The logical extension of doing more with less is doing everything with nothing. And because we know we can't take that final step, by logical necessity we also know there is some point beyond which further attempts to create additional savings are counter-productive. The goal of streamlining should not be minimal staffing; it should be optimal staffing, and optimal

staffing is possible only with proper equipment and training. Streamline too much, and the Coast Guard begins to consume itself, degrade its readiness, and endanger both its own people and the American people who depend on our being Always Ready.

How do we know when we've reached the limit of streamlining?

I would offer that you're beyond the limit when 81% of small boat stations are standing 24 hour duty days for three days straight. You're beyond the limit when only 70% of VTS Radarman billets are filled. You're beyond the limit when HU-25C not-mission-capable hours are on pace to double their rate from 1997. You're beyond the limit when the availability rate for 41-footers drops 20% in four years and the availability rate for 44-footers drops 35% over the same period. You're beyond the limit when hull, machinery, and electronics casualties on cutters increase by almost fifty percent in a decade. Dull knives have to work harder to cut, and they don't produce clean slices.

More important. A dull knife is a dangerous tool. Quillayute River taught us that we need to improve surfmen training. It cost us three lives to learn that truth, but two years later, less than half of our surfmen billets are filled by certified surfmen, and the average boat crew experience throughout the Coast Guard has dropped to less than one year. Lost workdays from shore injuries are up 29%. Mishap rates for forty-one footers and RHI's have risen. Our aircraft ground mishap rates are up almost 50% from previous years. The *Morning Dew*, the fishing vessel *Adriatic*, and many other cases plead for a re-capitalization of our communications and response system and urge us to improve watchstander training and staffing.

Lesson number three is this: A dull knife is a dangerous tool—dangerous both to Coast Guard people and to the American people that depend on us.

Conclusion:

And so we have three lessons on readiness. Our fallen comrades on the *Point Welcome* remind us that we perform dangerous work in a hostile environment. *Burmah Agate* teaches us that our duties demand a continuous level of readiness that is unique among the armed services. *Exxon Valdez* teaches us that a dull knife is a dangerous tool.

These three lessons come together to form one conclusion: because we perform dangerous work in a hostile environment, because our duties demand a unique level of readiness, we have an absolute obligation to maintain our edge.

Lessons don't mean anything unless they are translated into action. And so my message to the Coast Guard today is three-fold:

First, to every leader in the Coast Guard—from the most senior operational commander to the new Seaman who is showing an even newer Seaman Apprentice how to stand a bridge messenger watch—every leader must recognize the present strains on our readiness and must develop an appropriate recognition of the dangers of working with a dull knife. The safety of our people must always be central to our leadership responsibilities, and right now our sensitivity to the increased risk needs to be heightened.

Understand the limits of your people. Understand the limits of your equipment. No peacetime mission is more important than the safety of our people. See to it.

Second, I want to assure the Coast Guard that I understand the nature and the seriousness of our current readiness challenge. The people at Headquarters know how the picture is supposed to come together, and we are busy about the work of meeting that challenge. For my part, I pledge to leave no stone unturned in fulfilling my responsibility for recruiting, organizing, supplying, equipping, and training the Coast Guard to do our job efficiently and effectively.

Third, I urge all of us to share my resolve to face our readiness challenge with confidence and optimism. Sir Ernest Shackleton was an English explorer who brought his entire crew home alive despite being stranded in the Antarctic without shelter for two unbelievably grueling years. After his return, which he effected by one of the most harrowing open boat voyages in history, he said, "Optimism is a moral virtue." So it is. This is not a time to wring our hands; it is a time to roll up our sleeves, spit in our palms, grab an oar, and pull.

Why am I optimistic? Partly because acknowledging a problem publicly is the first step towards solving it. We're watching our sister services' needs get recognized and met by both the Administration and Congress. Why am I optimistic? Partly because we have a President and Secretary of Transportation who know the breadth and magnitude of the value we offer, who understand the seriousness of the maritime challenges America will face in the next century, and who recognize the urgency of preparing the Coast Guard to meet those challenges. I am confident that an America that understands the Coast Guard's value will provide the resources we need to succeed. It is our challenge to make sure they understand.

But mostly—most of all—I am optimistic because I have faith—a deep and abiding faith backed by nearly forty years of close observation—in Coast Guard people.

The very real readiness shortfalls of 1999 provide me great concern, but when I look at the leadership picture—the faces of Coast Guard people—I remain steadfast in my optimism. I see the same commitment, the same eagerness to serve, the same willingness to endure hardship and privation to accomplish noble missions that I have seen in the faces of Coast Guard people since I signed on in 1960. It's the same devotion to duty that has always made me proud to be part of our service. Why is that so? Because our work for America and the Coast Guard ethos are noble callings. We all become one in our zeal to be part of this national treasure we call the Coast Guard with its enormously gratifying and important work.

When I presented the Witherspoon Leadership Award to Lieutenant Commander Phil Ross yesterday, I saw an officer who is absolutely committed to taking care of his people: inspiring them to deliver superb performance today and equipping them to assume greater responsibilities tomorrow. When I announced the selection of ET3 Patrick Dill and PS3 Carol Mullins as the Enlisted Persons of the Year last week, I included the names of two dozen finalists, all of whom accomplished feats worthy of the high award for which they had been nominated. We honor the award recipients not because they are exceptional

cases—not as if they were roses among thorns or the only ones pulling their weight—but because they are truly representative of Coast Guard people everywhere, a fair sampling of the character that has always, does now, and will continue to lift the Coast Guard to meet its challenges.

The Coast Guard's greatest service to America lies ahead of us. The blade may be a bit dull for the moment, but this steel has been tempered to take a fine edge. We will restore that edge, so America can always depend on a Coast Guard that is "ready for the call." I ask all of you gathered, Team Coast Guard and guests alike, to join me in working together to make it so. Thank you very much for your attention. Semper Paratus.

