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Boston Coast Guard Officers Association
April 19, 2001

Amenities:

Introduction:

As I prepared to deliver my State of the Coast Guard Address last month, I looked back to my own days as a junior and mid-grade officer in the field. And I remembered how it often seemed that most decisions coming out of Headquarters were irrelevant to my job, and the few that did affect me defied my attempts to analyze them.

I held the view common to field-level operators that Headquarters operated in some sort of parallel universe that was governed by a different system of mathematics and a different system of logic.

But I also remembered my surprise when I finally was assigned to Headquarters, and discovered that the place was full of people who really do have a clue as to what is going on in the field and really are working hard to bring about plans that will serve the long-term good of the Coast Guard. All of my “What bonehead in Headquarters dreamed up this crazy idea?” questions and all of my “Why doesn’t headquarters fix this?” questions traced their way back to competent people who really were trying to look out for the Coast Guard’s best interests.

And I remembered how much it helped to have a clue about what was going on in Headquarters when I returned to the fleet. And how having a sense of where the top of the organization was trying to lead us helped me focus my local leadership.

And so, when it came time to give my most widely read speech of the year, I specifically intended for it to stand as a year-long reference that would serve leaders in the field well who used it as the lens through which they viewed the coming year’s worth of news from Headquarters.

I wanted to give you the benefit of a Headquarters perspective without the pain of a Headquarters tour.

And I knew that having this perspective would be especially important this year because of the likelihood that I would soon be delivering news that—left unexplained—would create the impression that we were losing ground on the primary challenges I set for the service last year.

That's why the speech did not contain a lot of specifics about the current state of play of our efforts to get supplemental funding for this year or to secure an adequate appropriation for next year. If the speech had given those details, its value would have been limited to that of a snapshot of one arbitrarily selected moment in the multiple budget cycles we are always juggling—and its usefulness would have expired with the next week's headlines out of Washington.

This luncheon is a different sort of occasion. I've looked forward to visiting this important hub of field command, operations, and support activity because it affords an opportunity to speak informally a group of military, civilian, and Auxiliary leaders about where we stand today.

And so, what I propose for the next few minutes is to review the key points of my State of the Coast Guard Address—and then give you an update on the events that have happened in the month since I delivered that speech, and how I view those subsequent events in the context of that speech.

Transformation:

The central points of my State of the Coast Guard message are that our service is in the midst of a long-term transformation . . . that this transformation began a decade ago and will continue for another ten years . . . that Restoring Readiness and Shaping the Future remain the best expression of the purpose of that transformation over the remainder of my term. . . that we have made significant progress in a number of areas like modernizing our coastal assets and restoring our workforce . . . that we have ambitious projects underway to transform our operating assets, our human resources, and our maintenance systems . . . and that we have reached a critical stage in that transformation when we may have to experience some short-term pain in order to accomplish our larger purposes. We may have to cut our ties to some assets before their replacements are available. And this, as the doctor says, may hurt a bit.

But through it all, I want the Coast Guard to understand that the center still holds: our vitality remains strong . . . the need for all of our missions continues to grow . . . the new coastal assets are already proving their worth . . . the stage is set for the Deepwater project to succeed . . . the sincerity and competence of our civilian leadership inspires confidence.

And finally, I expressed my great faith in Coast Guard men and women to pull together to deliver great results. And I asked for your confidence in my leadership as we work towards a future that I believe will reveal more clearly than America has ever seen before the great value of our military, multi-mission maritime service.

And, of course, I made a special point to mention what a great job you did with the home heating oil crisis this past winter!

Five Guiding Principles:

I also announced the five guiding principles that we will use to maintain our balance during this transformation. These principles have directed our work towards next year's budget and that will govern the decisions I have to make regarding the execution of this year's budget. I am repeating them so you can see for yourself the standard by which our actions should be measured.

The first principle is that we will protect our core mission of search and rescue and we will protect the safety of our people. As I work to explain our resource needs to the administration and the congress, you may hear me warn of cutbacks and lower productivity, but we will guard with religious zeal our ability to respond when lives are endangered—military or civilian. We may have to curtail some activities or even retire some assets, but we will refuse to expose our people to any greater safety risk because of these actions.

Second, we will operate our assets at a level that can be sustained by our support infrastructure. In last year's State of the Coast Guard address, I defined readiness as an equilibrium at which we can sustain normal operations and perform appropriate training, maintenance, and administrative work without imposing unreasonable workloads on our people or sacrificing our capacity to mount surge efforts for emergency operations. We may have to recognize a gap between the amount of Coast Guard we think America needs and the amount of Coast Guard that the taxpayers have actually paid for. If such a gap becomes apparent, I will stand firm in refusing to bridge it by overworking either Coast Guard people or their equipment.

Third, we will maximize and balance productivity within the constraints we face. What I mean by this principle is that no single mission area will be jettisoned to free up resources for other jobs. We have no superfluous missions. That fact was re-validated by our roles and missions review last year. Each mission in our portfolio will be sustained—albeit not necessarily at present levels.

Fourth, we will exercise good stewardship of the taxpayers' dollars. The primary application of this principle is facing up to the necessity of trimming assets. We will resist spending money on artificial life support for assets that have clearly exceeded their reasonable service lives. We will pull the plug as needed and invest our scarce maintenance money on assets that offer better returns. A second application of the stewardship principle is integrity: we will not make any decisions for political or public relations effect. Transformation will involve some hard choices, and we will not shrink from making them.

And the fifth guiding principle is to prepare to execute the Integrated Deepwater System project. We have done everything necessary to be ready to award a contract to a systems integrator in the second quarter of fiscal year 2002.

You will notice that the first and last principles involve issues on which I will go to the mat. We won't compromise on safety of life and we cannot . The other three

principles, however, leave a lot of issues on the table that will demand our careful scrutiny.

Follow-On Events:

The day after the State of the Coast Guard I released an ALCOAST containing budget guidance for the remainder of the fiscal year. The message included among its other provisions my direction for some immediate cutbacks in administrative costs, depot-level maintenance, operational tempo, and personnel.

The details have worked their way down to the district level by now, and I see that some of the newspapers within the First District are covering them.

And I also see that most of the coverage is getting the essential points correct. These cutbacks will affect some of the results we deliver, primarily in fisheries in this part of the country, but they will not affect our SAR response capability. And these cutbacks are the result of unexpected costs that the budget process does not allow us to plan for: expenses like increased fuel and energy bills and entitlements mandated by the Defense Authorization Act but not funded in our appropriation.

Soon afterwards, President Bush sent his FY02 budget to Congress, and that budget contained some good news, primarily in the AC&I appropriation, which includes money for Deepwater, NDRSMP, and the last two 225-foot buoy tenders we need to complete our replacement of the venerable 180-foot WLB's.

In addition, both houses of Congress passed budget resolutions that expressed an intent to fund our OE accounts at 250 million dollars above the President's request.

The FY02 budget does include some closures and decommissionings like *Cowslip*, two 210-foot medium endurance cutters, and the AIRFACs in Muskegon and Long Island. But if the budget resolutions hold, we may be able to restore some of these—and we have a plan for doing so.

Conclusion: Goals for "C" Stage:

Where do we stand today?

We are at the "C" stage of our budget cycle. Our goals for the few months between now and the enactment of our appropriation are to hold on to the President's budget for AC&I and to keep as much of congress's early intent to make the pot right on OE. I like our chances.

One could read the headlines about cutbacks and assume that the Coast Guard is barely hanging on. But that is not the case.

What is the case is that a long-term plan is coming together to secure the future effectiveness of this service that we love so much.

My reading is not based simply on a “glass half-full” mentality. It is based on a realistic sense of where we are, what we’re trying to accomplish, and how well we have convinced the key decision makers of the importance of meeting our well established resource needs.

My message to you is to keep doing the great work you’re doing with the confidence that you are contributing to a noble enterprise whose future is looking very solid.

