



STATE OF THE COAST GUARD



*Delivered by
ADM Robert Kramek
April 11, 1996*

Core values of honor, respect and devotion to duty
power the service into the 21st century



PAT TAYLOR/BOON GUP/IA

“Men and Women of the Coast Guard and to all of our guests, good afternoon. It's a great feeling to look out and see so many members of Team Coast Guard — civilian, active, Reserve, retired and Auxiliary.

Let me say that for the first time the State of the Coast Guard Address is being given to all Coast Guard personnel. And I think that is superb! We are also videotaping today's address so that all of our men and women, wherever they are, will be able to hear, at least from my point of view, where we are in today's Coast Guard.

Today, we have a couple of other special guests with us that I'd like to acknowledge. The first person is Lieutenant Commander Tim O'Leary, a young man who is the commanding officer of Coast Guard Cutter *Staten Island*. This morning, Lieutenant Commander O'Leary received the John Witherspoon Inspirational Leadership Award.

A lot of people always ask me, 'What are you doing in total quality management? How come we're not empowering our people?' Lieutenant Commander O'Leary is the epitome of empowerment. He has truly empowered his crew to do their job. He did such a great job that his crew recommended him for the inspirational leadership award. As Lieutenant Commander O'Leary stated earlier this morning, the crew's fantastic performance and success was a direct result of empowerment.

Lieutenant Commander O'Leary, please stand so we can all recognize your achievement.

We have another lieutenant commander with us. He is almost as young as Lieutenant Commander O'Leary. This is Lieutenant Commander Tony Simon, U.S. Coast Guard, retired.

Tony joined the Coast Guard in 1924. He served in the Coast Guard for over 30 years. His assignments included tours on the Greenland patrol, the Coast Guard Cutter *Northland* in World War II, the tug *Hudson* in New York harbor and several tours breaking ice in the Great Lakes on the Coast Guard Cutter *Mackinaw*.

During his tours on the *Mackinaw* he served under both Captain Rowland and Captain Willard Smith. Both became commandant of the Coast Guard. Lieutenant Commander Simon even taught French and Spanish at the Coast Guard Academy in the 1940s.

Tony was born in Nice, France. When he arrived in the United States he was fluent in French, Spanish, Italian and Portuguese; however he didn't speak English. We hired him anyway and he performed superbly. Tony is currently 95 years old. I am truly thrilled that he and his wife Marguerite could join us from Florida.

We've had 200 years of glorious history and it's Coast Guard personnel like Tony Simon and Tim O'Leary who set the leadership standard for all of us. We must continue to live by their example. Tony, please stand up and be recognized.

Performance

This afternoon I am extremely delighted to report on the State of the Coast Guard. My report is not about what I've accomplished, rather it's

about your superb performance. You've done an outstanding job in providing services to the American public.

In delivering the State of the Coast Guard, I am going to cover four areas.

First, I'll provide an assessment of our current performance. We need to answer the following question: Are we living our vision? Second, as we continue our journey to being the world's premier maritime service, I'll discuss the status of the goals we have established for the course ahead. Are we on course with those goals?

Third, I'll identify some future efforts, some new track lines, that we must continue to pursue in order to achieve our goals. Finally, I'll close with some comments on the Coast Guard's value to our nation. That value is based on the service we provide to our true customers, the American public.

Living our vision

In looking at our current performance, it is really easy to discuss how we are living our vision. Although our missions have certainly grown since 1790, our core values of honor and respect and devotion to duty are still reflected in everything that we do. They're in the sung words of 'Semper Paratus,' they're in the chief's creed, and they're in our motto, 'Always Ready.'

Our core values are the cornerstone of our legacy as lifesavers and guardians of the sea.

From intercepting smugglers years ago as the Revenue Cutter Service, to rescues performed by our heroic Gold Lifesaving Medal awardees of the Pea Island Coast Guard Rescue Station, to transporting the Marines

at Guadalcanal and landing the Army at Normandy, we have remained 'Semper Paratus.'

In World War II we had over 256,000 personnel in the United States Coast Guard. We're just a little bit smaller today.

From the coastal patrols and coastal warfare missions in Vietnam to responding to the oil spill from *Exxon Valdez* to rescuing over 57,000 Haitians and Cubans just a year ago, we remain 'Semper Paratus.'

As we have throughout our history, we have remained responsive in answering the call to our most valued customer — the American public.

This year we've saved over 4,400 lives and billions of dollars worth of property. In our law-enforcement efforts alone, we interdicted 49,000 pounds of cocaine, and over 46,000 tons of marijuana. Additionally, we stopped over 5,200 illegal migrants from entering our nation through maritime routes.

I could go on with more statistics, but what we've really done is respond to our nation's call. We've served the American people in all the areas where they've asked us to be responsive to their needs.

For Team Coast Guard's superb efforts, we can all be very proud! We've been complimented by the president, by the secretary, by the Congress.

Most of all we have been complimented by the American people. For that, we're truly proud.

I think the best way I can describe our performance this year is to share with you two sea stories. When these stories appeared in the press, our accomplishments appeared to be one-dimensional. In reality, our accomplishments



PAJ/COF/PHO/PH/US

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PAT ROBERT WYMAN, ASST. E2

"From keeping the oil from going up into the fish hatcheries to figuring out how to salvage the barge, everyone was doing the right thing. There were Coast Guard aircraft overhead and Coast Guard vessels with skimmers. As a result of our oil-spill contingency plans, industry vessels helped clean up the spill. Like a good orchestra leader in concert, this was a very well-coordinated effort."

were based on a multi-mission organization, well prepared to do its job, well supported by the secretary, well supported by Congress, and well supported by the American people. A joint effort that allowed us to get the job done!

The first story is a recent operation off the shores of Rhode Island. There was an oil spill that wasn't just a spill alone. The accident entailed a tug and barge that caught fire in awful weather off the coast of Rhode Island. In fact the wind was over 60 knots. Last week I talked to the helicopter pilots involved in the mission. The pilots stated that when they took off from Cape Cod, the wind was gusting at over 100 knots, the seas were 25 to 30 feet in height and the water temperature was approximately 32 degrees. A tug, which was towing a barge with over 4 million gallons of home-heating oil, exploded. The explosion threw the tug's crew into the water.

Within minutes, a 44-foot motor lifeboat from Coast Guard Station Point Judith, made its way to the scene. A 21-year-old fireman, much like Tony Simon who started in the Coast Guard as a young fireman, jumped into the water. With a line tied around him, he rescued all six people by dragging them back to the 44-foot motor lifeboat. Somehow the press didn't report that part of the story. In the meantime, the barge, with its 4 million gallons of oil, broke loose. It was headed for the shoals off the beach of Rhode Island.

But as the operation evolved there was nothing to worry about.

We had helicopters and other units on scene. Although we had personnel on the barge, they couldn't drop the anchor; it was

frozen in place. The barge grounded and split. As oil started to spill, the Coast Guard's federal on-scene coordinator took charge.

As a result of the passage of the Oil Pollution Act of 1990, which allows us to exercise, train and coordinate all the responses of industry, the federal on-scene coordinator was well-prepared.

In a matter of hours, Secretary (Federico) Peña and I arrived to meet with the congressional delegation from Rhode Island. The officials in Rhode Island and other federal agencies were all there.

From keeping the oil from going up into the fish hatcheries to figuring out how to salvage the barge, everyone was doing the right thing.

Assets & logistics

There were Coast Guard aircraft overhead and Coast Guard vessels with skimmers. As a result of our oil-spill contingency plans, industry vessels helped clean up the spill. Like a good orchestra leader in concert, this was a very well-coordinated effort.

The spill was huge and the salvage took place.

The good news is that we saved 3.2 million gallons of oil from going on the beach. There were 800,000 gallons of oil in the water. A lot of it was skimmed.

Although there was very little environmental damage, the spill ruined the lobster fishing industry in that part of the country. The fishermen were somewhat devastated.

Dan Sheehan, our bond drive chairman and 'billion-dollar man,' arrived with the federal trust fund. If there would have been any request for assistance, our billion-

dollar man was available to assist our citizens and get them through the bad times. The fisheries have now been reopened.

The key to our overall success is one of 'preparation equals performance.' Without the planning, the equipment, and the tremendous leadership by our federal on-scene coordinator, this could have been a major disaster.

Search & rescue

The second story I want to share is about the Cuba shoot-down. We've heard a lot about the shoot-down incident. Perhaps you haven't heard the other parts of the story. This was really a joint search-and-rescue and national-security mission.

Our search-and-rescue response, along with a lot of support by our intermodal partner, the Federal Aviation Administration, was outstanding.

Unfortunately, the Cuban aircraft missiles that shot down the Cuban-American aircraft were so powerful that there weren't any remaining parts bigger than a piece of paper. There were only oil slicks. However, we did locate vessels that were in the area.

We located a cruise ship and a fishing vessel that were going by. We have a global-positioning plot automatically recorded from the ships that we boarded. We were able to verify the aircrafts' positions. Based on this information, our diplomats could refute the Cuban claim that the shoot-down occurred in their waters rather than in international waters.

An even harder mission was the development of a memorial service escort plan for the Brothers

to the Rescue.

Together with the FAA, the chief counsel from the Department of Transportation and other agencies, we quickly put together a plan that would provide for the safety of all those involved and not cause an international incident.

With emotions running high, this was a little bit easier said than done.

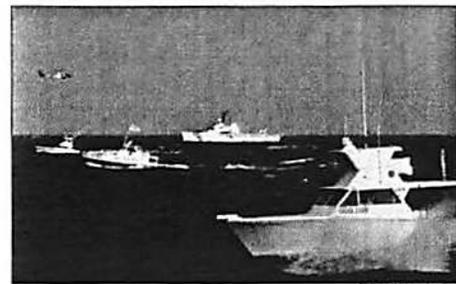
Through many meetings with the National Security Council and personnel from the Department of Transportation, as well as Secretary Peña, a joint plan was put together. The president directed that the Coast Guard — supported by the Department of Defense — be in charge. That doesn't happen too often. It was a joint effort that was our type of mission. A mission our vessels, as well as our aircraft are prepared to do. Outfitted with the necessary equipment great C3I, Command, Control, Communications and Intelligence, we were prepared to take command and work jointly with DOD.

It also required expertise in marine safety.

Every one of those Cuban-American vessels departed from Key West in awful weather. There was no loss of life because of our marine inspectors from Tampa and Miami. Every single vessel was inspected before it got underway.

Each vessel flew a little orange pennant. That meant it had been inspected by the Coast Guard and it was safe to get underway. Without the inspection we weren't going to let them get underway for this particular ceremony.

The military-readiness role of our units was a bit astounding. It wasn't shown much on CNN and other



PA3 JEFF HEST, 751 D242

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PAT SELLAR BROWN, G-CP-1A

“What is an organization that has good leadership? It’s one that has a vision. It’s one that has goals. It’s one that has a leadership culture that it shares with all employees. The chaplain mentioned that again in his talk of honor, respect and devotion of duty. All of our people have that instilled in them. It has gone a long way to providing us with the leadership and dedication that we need.”

media because we had 57 reporters on board the Coast Guard vessels. The weather was extremely rough. The reporters were sick as rats. Many of their reports never got back.

We had seven reporters flying in the C-130 aircraft. This particular aircraft was leading the way to make sure the Brothers to the Rescue mourners dropped their wreaths at the right place, and didn’t venture any further south.

In our operation center we provided briefs to David Hinson, the FAA administrator, Nancy McFadden, the new general counsel for the department, and Secretary Peña. Our secretary was on the phone with the Secretary of Defense, National Security Advisor Tony Lake in the White House, and White House Chief of Staff Leon Panetta. It was a very, very interesting, fast-paced, very successful operation.

Now these two sea stories demonstrate a tremendous amount of coordination, cooperation, and intermodalism at the highest levels of government. It required safety, good communications, tremendous leadership and cooperation. Things were done correctly and things were done right. That’s because there was a lot of training and preparation for joint operations.

The world’s best

What’s the status of the goals that we’ve set for ourselves? To be the world’s premier maritime service, are we on course with our eight goals? I think we really are. From a macro perspective I wanted to share with you some of the things we’ve accomplished this year.

Our first goal is one of leadership, creating a working environment where

all of our people can be successful and reach their full potential.

What is an organization that has good leadership? Lieutenant Commander O’Leary said something about that this morning at his awards ceremony. It’s one that has a vision. It’s one that has goals. It’s one that has a leadership culture that it shares with all employees. The chaplain mentioned that again in his talk of honor, respect and devotion of duty. All of our people have that instilled in them. It has gone a long way to providing us with the leadership and dedication that we need.

We’ve made some changes. I just returned from the Coast Guard Academy. While visiting the academy, I was able to take a tour of the facilities with the superintendent. We met with the faculty, met with the chief petty officers, our enlisted personnel, and all the cadets. I also taught four classes. Teaching the classes was harder than I thought. They ask some pretty tough questions.

While visiting the academy I wanted to make sure that our concept of combining all of the leadership and management programs in one geographic location.

We’re in the process of moving our Officer Candidate School from Yorktown, Virginia to New London (Conn.), and our Chief Petty Officer Academy from Petaluma (Calif.) to New London. We are on track to increase the number of chief petty officers who go to the academy to 170 per year. Every chief petty officer who makes E-7 in the Coast Guard should attend the Chief Petty Officer Academy. Our Leadership and Management School is moving to New London. All of our

commanding officer, officer-in-charge training, and chief warrant officer’s orientation course is moving to New London.

We’re going to eliminate four facilities and only have one for leadership and quality management in the Coast Guard. We will be using the facility so fully that we’re also driving down a considerable amount of the cost it takes to educate a cadet. In essence, we will be using the facility to 100 percent of capacity.

We’ve reorganized our work-life staffs. We have placed them in locations where they can best serve all of our people. We’ve augmented them with a fine group of chaplains. Under the leadership of Captain Skip Blancett, we have 38 chaplains serving us now. They’re helping us achieve our goals.

They’re out there on our ships at Christmas, at New Years, and during difficult missions. Our chaplains are on the front lines where our people need the spiritual support and moral support.

We’ve reorganized all of our people programs into a new office of human resources.

Admiral Bill Donnell is in charge of the new Office of Human Resource. Under our new director of training, we will be putting together all of our health-care training, leadership training and family work-life training; all under one umbrella so we can provide one-stop shopping and full services to all of our people.

How are we doing in achieving our goal of diversity at center stage? I probably get more questions about that when I travel around. They want to know what I mean by diversity. Diversity management encompasses

our ability to create a work environment where all of the people who work for the Coast Guard will have the opportunity to excel and be successful employees.

Work-force culture

We’ve just finished our cultural audit. Over a year ago I remember briefing Katherine Archuleta, soon to be the chief of staff for the department, on the fact that the Coast Guard was going to conduct a cultural audit. She wanted to know how we were going to accomplish it. I said, ‘That’s a good question, we’re figuring that out ourselves.’

We knew it had to be done. We had to identify any cultural barriers within the work place that would prevent our people from being all that they can be.

We conducted a pilot audit. Initially, I showed Katherine Archuleta how the process worked. We’ve conducted our cultural audit survey. Within another month, the results will be finalized.

This summer, our board of directors, our top managers, and our Senior Executive Service personnel will get together to address the barriers that have been identified in the cultural audit. At that point, we will put together a program to remove those barriers.

That’s very hard. The easy part was doing the audit. Changing people’s culture is a very, very difficult task. I’ll need all of your leadership support to bring that about.

We’ve also finished a project called Work Force 2015. Historically, we recruited personnel on a year-to-year basis. In the year 2015, America’s population will generally not look like the people in this



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room today. We know that it will be different. We know what the demographics will be in 2015. Based on our view to the future, we have established recruiting goals for our civilian population, our reservists, our enlisted personnel and our officer personnel.

We have laid the track line so that in the year 2015 the United States Coast Guard will look like America. It wasn't that hard to do. Initially I thought it would take four days. It took about a year and a half. With the help of Walter Somerville, Bill Donnell, Chief of Staff Kent Williams, and many of you in this room, we successfully developed the Coast Guard's Work Force 2015 Plan. It's going to be up to all of you to carry that plan out.

We also have a tremendous partnership with the National Association for Equal Opportunity, a coordinating mechanism for the Historically Black Colleges and Universities. Additionally, we have a partnership with HACU, the Hispanic Association of Colleges and Universities. Both groups are playing a key role in supporting our MORE (Minority Officer Recruiting Effort) Program.

Next week, Walter Somerville will be representing me at a meeting with the presidents of the HBCUs. In this particular partnership there will be approximately 20 students from Historically Black Colleges and Universities who will matriculate to the Coast Guard Academy.

When they graduate from the academy, the students will receive a dual degree; one from the Coast Guard Academy, and one from the respective HBCU. The presidents of the universities are very excited about the

program. It's very exciting for us, and we're very anxious to get the program off the ground.

Streamlining

How did we do in streamlining the Coast Guard with no reduction in essential services? It's approved. It's underway! The moving trucks are on Governors Island.

To many of us, Governors Island is fairly nostalgic. It has the only elementary school in the United States that all four of my children attended. I can't say that about any other school. A lot of us are nostalgic, but we couldn't afford it anymore. This summer, the 378s will be moving to Charleston. Additionally, by the end of the summer, all family members will have moved off the island.

Our civilian personnel staff is doing an outstanding job of assisting all of the people who were displaced by the move. While we haven't made everyone happy, we've been able to relocate all the military personnel and find jobs for almost 80 percent of all of our civilian employees.

We're closing some districts. The 2nd District is merging with the 8th. The 11th and 5th Districts will close in June. The bottom line is, by the end of next year, we'll be saving \$400 million a year in annual operating expenses and we'll be 4,000 people smaller. By the year 2002, we will have saved the federal government \$2.2 billion dollars. That's a lot of money for the little old Coast Guard.

Just as important, we'll be maintaining all of our essential services to the American public.

We couldn't have accomplished our streamlining goals without a great deal of support and help

from the Department of Transportation, Office of Management and Budget, and particularly our congressional committees.

Our streamlining goal is a non-partisan team effort. It answers the American public's call for a smaller government at less cost, one that maintains or even improves our services to the nation. As a result of our success, we have been a model for the department.

Although we're very proud of achieving this quantitative goal, there can be a down side.

Managing change may have an adverse impact on personnel. It was easy discussing what should be done, however, as leaders, probably the most important thing that we will do this year is manage the impact of change on all of our people. While meeting the challenges of streamlining, we must ensure that we continue to take care of our people.

There will be some delays in promotions. There will be fewer captains selected. Some of our civilian employees will lose their jobs and over a thousand families will be uprooted. As leaders, we must work together to make sure that we take care of Team Coast Guard as best we can.

Reductions

In my view we can't make any further reductions in the size of the Coast Guard or reductions in the Coast Guard's budget without a reduction in services. I've yet to find anybody in the American public who wants to see the Coast Guard reduce its services from a business perspective. In fact, some of the things we offered in streamlining we've not been allowed to do. As an example, we want-

ed to close some search-and-rescue stations that weren't too productive. We've been legislated to keep them open. Now I wouldn't mind doing that, but we should at least be given adequate funds to be able to run them. We asked for that in this year's budget.

We need to dispel the notion that as a result of streamlining we're expecting our Coast Guard men and women to do more with less. We are not! That is not our goal and that is not the case. Rather, we're using technology, quality management, and good leadership to streamline with no increase in our work load.

I think the streamlining plan is an outstanding example of that. We've been able to reallocate our personnel throughout the United States. We have been able to eliminate the 92-hour work week. We have taken proactive efforts to equalize the work week among all stations where everybody will only work 68 hours a week.

When I testify to that the chairman usually says, "You mean you're working 68 hours a week at some of these places?" Yes, we are. That's our standard work week because we stagger the duty. We don't want them there every other night for 24 hours because that's inefficient and your people can't work that hard, that long.

How did we do on maintaining a strong response capability? Well the sea stories were one example of that, from the Rhode Island accident, to the Cuban escort and shoot-down detail.

But there are a lot of other things going on.

We've intercepted again a great amount of Haitians this year. While democracy has been restored, there's still unrest. The game is a lit-



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PAT O'Neil Mollstad, Gru St. Petersburg

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tle bit different though and it's much more of a challenge. Because, believe it or not, while we have a repatriation agreement with Cuba, we don't have one with Haiti anymore. The new government in Haiti has refused to sign a repatriation agreement.

When a Haitian freighter gets underway, and many have recently, with 400 to 450 Haitians on board, and they go inside Cuban territorial waters for three or four days on the way to Miami, and we have to take ships and planes and shadow them. We have to develop probable cause before we can board them and then take action. We have to go through a fairly long and drawn out statement of no-objector process in our government to return Haitians to Port au Prince. Frequently we tie up a good portion of the Coast Guard resources and we leave the Windward Pass open for more Haitians to come through.

There has to be a diplomatic fix. Our attorneys and our policy makers are busy trying to bring this to conclusion.

We also have a new threat that many people hear about. That's a place called the Mona Pass. We have a lot of people in the Mona Pass this afternoon as we're having lunch here. They're interdicting a new set of migrants. Approximately 20,000 Dominicans are coming across the Mona Pass to Puerto Rico each year.

As we pick up the Dominicans, we find that a good portion of the migrants are from China, Yugoslavia and India. It's a regular smuggling ring for illegal migrants. Puerto Rico is within the customs waters of the United States. In real-

ty, if you can make it across the Mona Pass to Puerto Rico it's just like getting off in New York or in St. Louis. Our friends in customs are working hard with us to tighten up our controls for Puerto Rico.

Fisheries

The fishery stocks are being depleted and we're very, very busy. It's a 50-billion-dollar-a-year industry in the United States. Whether it's the fishing grounds off the coast of New England or Alaska, or off the coast of Washington and Oregon, the stocks need to be replenished. The Coast Guard is there enforcing our nation's laws to allow that to happen.

There were tremendous floods in the great river systems this year. In our 13th District, in the Pacific Northwest, we made 256 lifesaving rescues with our helicopters. Hurricane Opal blew through the 8th District. We were there along with the members of the Department of Transportation responding to those tremendous natural tragedies that displaced so many homes.

We called up the Coast Guard Reserve four times during the year under the secretary's authority. That's a tremendous asset. We have to be able to involuntarily call up reservists as well as maximize augmentation.

The Coast Guard Auxiliary — 35,000 strong — augments us time and time again. They are great volunteers who don't charge for their services. Can you imagine that? Thirty-five thousand people helping us all the time.

We're doing a lot more than just guarding our coast. We've done everything from breaking ice in the Great Lakes, with over 600 assists so far this year, to circum-

navigating the Antarctic continent to check on all of our treaty stations and conduct scientific access to remote polar areas. In support of our nation's interest, that's one of the key roles of our Polar-class icebreakers.

Have we enhanced our reputation as the world's premier maritime service? Have we achieved that goal? I just recently returned from heading up the U.S. Assembly to the International Maritime Organization. I can tell you that the United States is looked on as the leader of this 152 nation group both in terms of marine safety and maritime environmental protection.

Nation building

We have more business in nation building than we can do. Many countries' navies are really foreign coast guards. We've been asked this summer to train with Lithuania, Estonia, Latvia, Bulgaria, Georgia, as well as Ukraine. We've been asked to assist them in establishing coast guards. It would be far better to have former members of the old Soviet Union establish coast guards and not navies; Coast guards that are trained to protect their own shorelines and economic zones, rather than being offensive.

We have over 18 international cadets at the Coast Guard Academy. Students from countries such as Colombia, Peru, and even Jordan.

The prime minister of Jordan's daughter is a fourth-class cadet at the Coast Guard Academy. There is even a Russian cadet with a couple more coming.

The Coast Guard shares an international relationship with all of these countries.

We are seen as a humanitarian service, yet a member of our armed forces. That's a good conduit and a good vehicle to enhance our nation's relationships with these countries.

We're very excited about our role and very busy supporting our nation's international efforts. Even though it was adopted a couple of years ago, our Port State Control Initiative has caught fire throughout the rest of the world.

I remember when the commandant used to testify before some of the committees and we were only intervening 40 or 50 foreign-flag vessels. In an effort to ensure that safer ships come to the United States, we boarded and terminated the voyage of over 550 vessels this year. Nations throughout the world have taken up the cause for safer ships. Our Port State Control Initiative is now an international initiative.

The same enthusiasm is shared with our Cruise Ship Safety Initiative. I was delighted to see that our task force, which investigated cruise-ship safety, concluded that the cruise-ship industry is one of the safest transportation industries in the world.

The new initiative that you'll hear a lot about is 'prevention through people.' Eighty percent of all maritime casualties are attributed to human error. Rear Admiral James Card, who's heading up our Prevention Through People program, has made this an international concern for the International Maritime Organization.

As an intermodal partner with the Department of Transportation, I wish I could sum up the secretary's remarks two weeks ago to all



LISA CIRIACO CARO, USCG Sacramento

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of our flag officers and Senior Executive Service personnel. The bottom line was his recognition of the Coast Guard. He praised us for being an important member of the Department of Transportation.

Whether we were partnering with FAA or MARAD, or whether the secretary was traveling with the Master Chief Petty Officer of the Coast Guard, Rick Trent, to visit our enlisted personnel. Secretary Peña praised our personnel for being a valued member of the department. I can remember on one occasion when Secretary Peña, along with the secretary of defense, traveled with MCPO Trent to visit our personnel to see how they worked, where they lived, what they were doing, and to ask what type of support they needed. When Secretary Peña returned from visiting our personnel he worked with the administrator to ensure that we had parity with the other members of the armed forces.

We feel valued as a member of the department's team. Our secretary's leadership and caring attitude is recognized and appreciated by all of us.

Quality management

How are we doing in quality management? We've made great progress in just five years. We now have a reputation throughout government and part of the private sector and international community for our quality management. Our customers are getting better quality service.

We've now taken our focus on customers to a new level by establishing partnerships with important groups such as the American Waterways Operators,

the cruise-ship industry and the tow boat industry. There are many more such partnering opportunities we will be developing in the near future.

We're using formal partnerships to get away from being thought of as just an adversarial regulator. We're seen as part of the solution on how we can work together with industry to achieve our objectives and theirs at the same time, whenever possible. That's more often than you might think.

This way takes more time and work than the old way of doing business, but it will help us achieve a balance of commerce, safety and environment that is so important to maritime users and the American public. No one benefits if the government regulates someone out of business. We will work with these groups and others to help them be competitive, while doing business safely. Partnerships will help us all to win.

A quality action team made up of Coast Guard people and members of the AVO developed a 'responsible owners' program. One of the features of this program is that if a company has a good safety and inspection record and reliable quality management itself, then we don't need to inspect them as much. Instead, we'll focus on those companies that have not established safe, quality programs.

Two weeks ago we trained all of our flag officers and Senior Executive Service civilians as they participated in a two-day quality-management seminar. This was related to a Department of Transportation initiative called the Dynamics of Transformation. The initiative we were talking about is the transformation to a customer-focused, continuously-

improving organization. This is exactly what we set as our goal in quality management two years ago.

I was very pleased with the commitment level and knowledge level I saw in the Coast Guard's executive corps. We had a very active, participative and useful discussion about what we've done in the last five years with implementing quality management. We discussed where we are now and where we have to go in the next two to three years.

Let me tell you about a couple of the things we'll be doing this year.

This October, all program managers in the Coast Guard will report to me and the rest of the quality council on how they have looked at our eight goals and identified process improvements to help us achieve these goals.

Furthermore, they're to evaluate their programs against the criteria of the Baldrige Award. We learned more about these criteria at the seminar. One of the things we learned was that these criteria assess not only your Total Quality Management program but many other aspects of performance including mission performance, personnel management, productivity, and all the things world-class organizations need to be doing.

Many of the flags and SESs already knew a lot about these criteria from previous work they had done in self-assessment or in working with the Commandant's Quality Award. The criteria are very useful to any organization that wants to assess how well it's doing and identify areas to improve. Though the criteria is important to self-assessment, our goal

is to win a Baldrige Award. We have a couple units that are pretty close now and there'll be more in the future.

It's very important for our top leaders to be personally involved in quality-management activities like customer focus and continuous improvement. To help with this, our flags and SESs will be taking the lessons from this seminar back to their organizations where they will conduct similar seminars or assessments.

Technology

Our last goal was to see how well we're using technology to achieve gains and productivity. We've done a lot of that. Our new sea-going and coastal buoy tenders are being launched. A new icebreaker, the *Healy*, will be launched in July 1997.

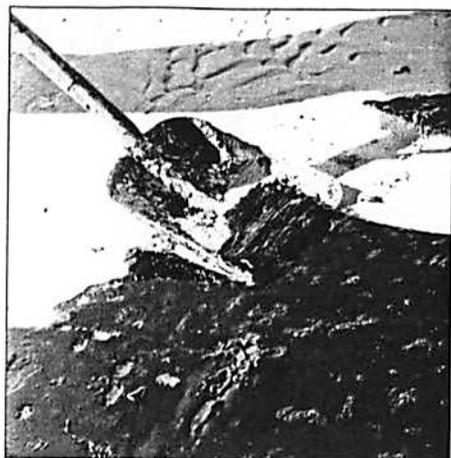
We have a lot of new systems. I won't cover them all. I'm delighted that we just got a new contract for our patrol boat replacement here two weeks ago. We must recapitalize our old equipment. There's no excuse for having 50-year-old equipment. If we can't recapitalize our old, labor-intensive, personnel-intensive type of equipment utilizing new technology, we'll never be able to reap future savings.

It's good business to replace 370 ships with 30 newer ships that can perform with two-thirds the amount of personnel, and save 20 to 25 million dollars a year in operating and maintenance expenses. That's good business. Everything we're doing leads to that direction. However, we need a better ACC&I budget to recapitalize our equipment.

What type of things do we



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PA3 Tyler Johnson, 8th Dist

“What type of things do we need to accomplish in the future to achieve our goals?”

We must finish the Oil Pollution Act of 1990. It has been five years since it passed. We have only five or six things left to do but we have to finish it this year. We owe it to America.”

need to accomplish in the future to achieve our goals? We must finish the Oil Pollution Act of 1990. It has been five years since it passed. We have only five or six things left to do but we have to finish it this year. We owe it to America.

We have a new high-endurance cutter on the drawing boards. I met with some people from the Center of Naval Analysis and they wanted to know what this ship was going to look like. I said, “Well, it will have to go 30 knots. It will probably have less than half the people than the 378s have on board. It will have to stay out to sea at least 60 days. It will have to do more missions than our current 378s. It will probably have to provide the low end in defense capability that the Department of Defense and the Navy have provided for years.”

Migrant interdiction

In looking to the future, we have to have more partnerships, not only with industries but with foreign nations.

Let me give you an example. Two months ago we were hardly able to catch all the Dominicans coming across the Mona Pass, even using the latest technology. In conjunction with the State Department, we met with the ambassador of the Dominican Republic. We signed an agreement with them to start our smuggling patrols right at their shoreline. We went from 65 percent effectiveness to 98 percent effectiveness.

That's just one example of what international agreements can do. From a national perspective, it would be great if we had a

partnership with the fishing vessel industry. There are approximately 125,000 boats that have the greatest loss of lives of any industry in the United States.

What is the Coast Guard's value to the nation? Well, to me, it's customer satisfaction to the public that we serve. We're unique and lucky to be both a humanitarian service and a member of the armed forces. In a day of smaller government at less cost we've improved services, we're a model of good government, and we truly care for our customers.

We are very proud of the fact that we returned four dollars in benefits to the American public for every dollar invested in the Coast Guard. Sometimes we forget, but 95 percent of imports and exports both to and from the United States move by water. The United States Coast Guard remains the steward of our nation's waterways and maritime commerce.

Our contribution to safe and efficient maritime transportation and clean oceans results in less cost to Americans for goods they purchase. It's a competitive market place for our industries. From a trade standpoint, America is essentially an island nation.

We are the guardians of the sea lanes of transportation. We are in charge of the security of our nation's coasts and maritime region. We have a big job to do!

We are the lifesavers; we are always ready. We're Semper Paratus! We're there when America needs us. Whether you're on a cruise ship, a fishing vessel, a recreational boat, an aircraft that's in distress in the ocean, a raft escaping from

Cuba, or stranded on ice in the Great Lakes, or even in the Antarctic, we are always ready to respond to the call, our value to the nation is unmatched by any other agency in government. America wants and needs the United States Coast Guard, and we're very proud to serve.

Team Coast Guard

In closing, let us remember all of the members of Team Coast Guard, our 43,000 active duty and civilian employees, our 8,000 reservists, our 35,000 auxiliaries. That's 86,000 people who identify themselves as members of Team Coast Guard. Whether they are at sea, or in the air, or on watch, they are serving the American public everyday.

I would like to share a short prayer with you to sum things up.

God of many traditions, you've created us to live in a world of change by giving us history on which to build; intellect to learn, reason and create; a vision to reach into the future; and a moral and ethical code to do the right thing for the right reasons.

We give you thanks for all you've bestowed upon us and ask your guidance for the future. Be with our leaders, giving them wisdom and moral courage to make good decisions as they forge a path for us to follow. Be with each man and woman in the Coast Guard, giving them strength to achieve their goals. May they know how important they are to our country and to each one of us individually. Be with each one of our families, keeping them safe and healthy. Let them know that without their

support and their efforts our job would be very difficult.

As the United States Coast Guard continues to respond to the needs of our nation we pray that you will steady us in the storms, guide us through the reefs, and bring us into the 21st century stronger and healthier, and of more service than ever before.

I want to personally thank all of you for your devoted, unselfish service, and most of all your support. I thank you for living the Coast Guard's vision and preserving our cultural values of honor, respect and devotion to duty. I pass on God's blessing to you and I ask for God's blessing for the United States Coast Guard.

Thank you very much.” ↓



PA1 Taylor Brown, 3-CO-1A

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