

Executive Memorandum

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HOW DRUG SMUGGLERS GAIN FROM COAST GUARD BUDGET GAMES

The U.S. Coast Guard captured public attention last February by declaring that it is cutting back its drug enforcement activities by 55 percent. The reason, say Coast Guard officials, is a shortage of funds. The program being cut has been extremely effective and popular and last year confiscated 13,000 pounds of cocaine and arrested 624 drug smugglers. What is curious is that while the Coast Guard is strapped for funds to fight drug smugglers, it seems to have plenty to continue providing its non-emergency towing services free-of-charge to wealthy yacht owners out of some of the same ports where drug abatement activity has been sharply curtailed. In addition, it maintains buoys and other navigational aids rather than contracting out that entire function to the private sector. And it owns prime real estate in many ports.

What the Coast Guard apparently is doing is holding its vital drug interdiction programs hostage as it tries to get more funds from the Reagan Administration and Congress. Unfortunately the Reagan Administration, in requesting an additional \$60 million to restore Coast Guard anti-drug services, has allowed itself to fall into a trap laid by Congress and agency bureaucrats who wish to bust last year's budget summit agreement.

Shutting the Washington Monument. The Coast Guard is resorting to a budget tactic known as "The Washington Monument Ploy." This is an all too common game of political blackmail where an agency, when faced with budget cuts, claims that it will have to eliminate its most valuable or popular services. The National Park Service, for instance, might threaten to close down the Washington Monument if Congress points its budget knife in the agency's direction. The aim, of course, is to trigger a public outcry that forces Congress to retreat and allows the agency to keep all its money. By insisting on slashing meat, federal agencies have found that they often escape from the need to trim fat. This is what the Coast Guard is doing. In response to a mere 5 percent reduction in its \$2 billion budget, the Coast Guard is slashing over half of its drug patrols. The Coast Guard should not be allowed to use America's justified concern with the drug problem as a ruse to preserve its budget. Rather than requesting more money, the Reagan Administration should be pressing Congress to allow an overhaul of Coast Guard priorities, permitting the Coast Guard to introduce user fees, speed up contracting out, and sell its real estate, using resulting savings and revenues for anti-drug smuggling activities.

Much of the blame for this artificial Coast Guard budget crisis must rest with Congress, however. Last year lawmakers redirected \$100 million of the Coast Guard's budget to low priority transportation programs, such as Amtrak and parochial Federal Highway Administra-

tion road projects. They did this with the intention of later passing a \$100 million supplemental appropriation that would give the Coast Guard all of its original funding request. Last year's budget summit agreement, however, confers to the President absolute veto power over such additional spending measures. Congress can only pass a supplemental if the President declares a budget emergency. Under no circumstances should the President do so. If the Coast Guard must have more funds, Congress could raise \$300 million per year easily by imposing user fees on commercial and recreational boaters for its non-emergency services, as proposed by the 1983 Grace Commission and in 1984 by the General Accounting Office. In addition, it could raise millions of dollars immediately by selling valuable land holdings — if only Congress would allow it to use this money for improved drug interdiction. But Congress preferred to invite Coast Guard bureaucrats to plead poverty and hold drug enforcement hostage to more funds. Unfortunately, the Administration is willing to do so.

Common Tactic. Yielding to Coast Guard pressure, the Department of Transportation (DOT) recently requested Congress to "reprogram" \$60 million of DOT funds from such agencies as Amtrak and the Federal Highway Administration to the Coast Guard budget. But wasteful spending in these other DOT agencies should be canceled through a presidential rescission request, not by shifting the funds to the Coast Guard. Moreover, this action in essence would reward the Coast Guard for using the "Washington Monument Ploy." It also reflects the White House's failure to take firm action against Executive Branch agencies that resort to this ploy. The result: the tactic has become very common.

Representative Richard Arme, the Texas Republican, has won majority support for his amendment to the recently passed House Budget Resolution. It would require the Coast Guard to transfer to the private sector all non-emergency rescue operations in known drug smuggling areas. All resulting budget savings would be used to expand Coast Guard "law enforcement, military readiness, and emergency search and rescue functions." In a time of budget restraints, the Arme Amendment allows the Coast Guard to use its resources for the most important national needs, pressuring the agency to return to its primary responsibility of enforcing the law and ensuring the safety of the seas, rather than serving the special interests of the boating industry. The Reagan Administration thus should prohibit the Coast Guard from spending any more money on non-emergency search and rescue activities until it fully reactivates its drug enforcement program. The White House should reprimand the Coast Guard for exploiting the nation's drug crisis as a way to avoid trimming the Coast Guard budget. And the White House should order the Coast Guard to restore full funding to drug interdiction and to exercise sound management skills to pare fat and inappropriate functions from the Coast Guard budget.

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For further information:

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