

U.S. Department of
Homeland Security

United States
Coast Guard



Commandant
United States Coast Guard

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16798/ AUX-PL-023(B)
BSX Policy Letter 23-03
25 Jan 2024

MEMORANDUM

From: /T. P. Glendye, CAPT/
Chief, Office of Auxiliary and Boating Safety

Reply to CDR B.G. Winans
Attn of: (202) 372-1268

To: Distribution

Subj: UPDATE TO AUXILIARY DAMAGE CLAIMS PROCEDURES AND
REQUIREMENTS

Ref: (a) Auxiliary Operations Process Guide: Volume I, AOPG 16798.31 (series), Chapter
10, Section K.
(b) Coast Guard Claims and Litigation Manual, COMDTINST M5890.9 (series)
(c) BSX Policy Letter 23-03 Dated 28 Nov 2023
(d) Auxiliary Manual, COMDTINST M16790.1 (series)

1. PURPOSE. The purpose of this policy letter is to remove the term “Catastrophic Failure” and update “Written Explanation of Denial” in Chapter 10, Section K of reference (a).

2. ACTION. All District Directors of Auxiliary (DIRAUX), Operations Training Officers (OTO), and Auxiliarists must comply with the provisions in this Policy Letter. Internet release is authorized.

3. BACKGROUND.

- a. Per reference (a), Chapter 10.K.5: “When there is a catastrophic failure to an Auxiliary facility, where the facility is damaged by reason of its use, such a claim may be payable for repair and replacement of the facility or equipment subject to the availability of funds. More information about catastrophic failure is available in the Coast Guard Claims and Litigation Manual, COMDTINST M5890.9 (series). An Auxiliarist shall maintain a facility logbook documenting all (including personal and CGAUX) hours of use.” Per Coast Guard Legal Service Command (CG-LSC) and reference (b), catastrophic failure is not part of the determining factor of the damage claims process.
- b. Per reference (a), Chapter 10.K.8: “If the OIA is not going to recommend full payment of the claim, a written explanation of the denial (whether in whole or in part) shall be sent to the claimant. The claimant has 15 days to provide additional information to the OIA to substantiate full payment of the claim. A copy shall also be sent to the Director.” The Order Issue Authority (OIA) does not have settlement authority. The OIA would state the facts and recommended actions and forward the investigation to the DIRAUX. The DIRAUX will review and endorse the investigation and forward to Coast Guard Legal

Service Command (CG-LSC). CG-LSC Claims Division has the final settlement authority and will submit a denial memorandum to the Auxiliarist member, and a copy will be sent to the DIRAUX.

4. DIRECTIVES AFFECTED. Cancel reference (c). These changes will be incorporated into the next revision of references (a) and (b).

5. MAJOR CHANGES. The below policy changes are effective immediately:

- a. Remove paragraph K.5 “Catastrophic Failure” and the NOTE requiring logbook in Chapter 10, Section K of reference (a).
- b. Update paragraph K.8 “Written Explanation of Denial” in Chapter 10, Section K of reference (a): “If the OIA is not going to recommend full payment of the claim, comments and recommendation shall be included in the investigation package and submitted to the DIRAUX. The DIRAUX will review and endorse the investigation and forward to Coast Guard Legal Service Command (CG-LSC). CG-LSC Claims Division has the final settlement authority. If CG-LSC Claims Division denies the claim, CG-LSC will submit a denial memorandum to the Auxiliarist, and a copy will be sent to the DIRAUX.
- c. Delete section 9.B.3. of reference (d).

6. DISCLAIMER. This Policy Letter is not a substitute for applicable legal requirements, nor is it a rule. It is intended to define requirements for Auxiliarists and is not intended to, nor does it impose legally binding requirements on any party outside the Coast Guard.

7. QUESTIONS. Questions concerning this Policy Letter should be directed to the Office of Auxiliary and Boating Safety, Auxiliary Division (CG-BSX-1) at CGAUX@uscg.mil.

8. DISTRIBUTION. No paper distribution will be made of this Policy Letter. An electronic version will be posted on the Chief Director of Auxiliary and Coast Guard Auxiliary web sites: <http://agroup-bx.wow.uscgaux.info/content.php?unit=BX-GROUP> and <http://www.cgaux.org/>, respectively. All web sites in this Policy Letter are the most current available. If the cited web site link does not work, then access should be attempted by copying and pasting or typing the web site address into the user’s internet browser.

9. REQUEST FOR CHANGES. Units and individuals may recommend changes in writing via their cognizant Auxiliary chain of leadership to Commandant (CG-BSX-1), ATTN: Office of Auxiliary and Boating Safety, Auxiliary Division (CG-BSX-1), U. S. Coast Guard Stop 7501, 2703 Martin Luther King Jr. Ave SE, Washington DC 20593-7501.

10. Internet release is authorized.

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