United States Government Accountability Office

GAO

Testimony

Before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

For Release on Delivery
Expected at 10:00 a.m. EDT
Wednesday, April 13, 2011

COAST GUARD

Observations on Acquisition Management and Efforts to Reassess the Deepwater Program

Statement of John P. Hutton, Director
Acquisition and Sourcing Management

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GAO-11-535T

Report Documentation Page

Form Approved
OMB No. 0704-0188

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1. REPORT DATE **13 APR 2011**	2. REPORT TYPE	3. DATES COVERED **00-00-2011 to 00-00-2011**
4. TITLE AND SUBTITLE **Coast Guard: Observations on Acquisition Management and Effortsto Reassess the Deepwater Program**		5a. CONTRACT NUMBER
		5b. GRANT NUMBER
		5c. PROGRAM ELEMENT NUMBER
6. AUTHOR(S)		5d. PROJECT NUMBER
		5e. TASK NUMBER
		5f. WORK UNIT NUMBER
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) **U.S. Government Accountability Office,441 G Street NW,Washington,DC,20548**		8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)
12. DISTRIBUTION/AVAILABILITY STATEMENT **Approved for public release; distribution unlimited**		
13. SUPPLEMENTARY NOTES		
14. ABSTRACT		
15. SUBJECT TERMS		

16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT **unclassified**	b. ABSTRACT **unclassified**	c. THIS PAGE **unclassified**	**Same as Report (SAR)**	**18**	

Standard Form 298 (Rev. 8-98)
Prescribed by ANSI Std Z39-18

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Highlights

Highlights of GAO-11-535T, a testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

April 13, 2011

COAST GUARD

Observations on Acquisition Management and Efforts to Reassess the Deepwater Program

Why GAO Did This Study

The U.S. Coast Guard manages a broad major acquisition portfolio. GAO has reported extensively on the Coast Guard's significant challenges with its major acquisition programs, including its Deepwater Program. GAO has also recognized steps the Coast Guard has taken to improve acquisition management. Additionally, GAO has recommended that the Coast Guard complete a review of the Deepwater Program to clarify the mix of assets that are needed to meet mission needs and trade-offs while considering fiscal constraints, because the program had exceeded its $24.2 billion baseline. This testimony updates (1) Coast Guard efforts to manage major acquisitions, (2) challenges programs are facing in the areas of cost and schedule, and (3) the status of the Deepwater fleet mix analysis.

This statement is largely based on GAO-11-480, which is being issued today. In that report, GAO recommended that the Coast Guard formalize its database of agreements with the Department of Defense (DOD). The Department of Homeland Security agreed with the recommendation. This statement also draws from prior GAO reports and ongoing work related to Deepwater. GAO reviewed the first phase of the Coast Guard's fleet mix analysis, contract documents, and budget information. GAO also interviewed Coast Guard officials responsible for conducting the fleet mix analysis. For the new information, GAO obtained Coast Guard views and incorporated technical comments where appropriate.

View GAO-11-535T or key components.
For more information, contact John Hutton at (202) 512-4841 or huttonj@gao.gov.

What GAO Found

The Coast Guard continues to improve its acquisition management capabilities by updating policies, reducing acquisition workforce vacancies, and leveraging DOD contracts. In November 2010, the Coast Guard updated its *Major Systems Acquisition Manual* to further incorporate best practices and respond to prior GAO recommendations, such as aligning the roles and responsibilities of independent test authorities to DHS standards. Additionally, the Coast Guard reduced its acquisition workforce vacancies from about 20 to 13 percent from April through November 2010. Shortfalls in hiring staff for certain key areas persist, though, and some programs continue to be affected by unfilled positions. The Coast Guard has entered into 81 memorandums of agreement and other arrangements—primarily with DOD—to support its major acquisition programs, but program staff currently have access to only 5 of the 81 agreements.

Most of the Coast Guard's 17 major acquisition programs continue to experience challenges in program execution, schedule, and resources. Furthermore, the Coast Guard's unrealistic budget planning exacerbates these challenges. When programs receive funding lower than planned, schedule breaches and other problems are more likely to occur. In fact, 4 of the major acquisition programs have reported a baseline breach caused, at least in part, by reduced projected funding levels. Additionally, projected funding levels in the Coast Guard's fiscal years 2012-2016 capital investment plan are significantly higher than budgets previously appropriated or requested and therefore may be unrealistic. This is particularly true given the rapidly building fiscal pressures facing the nation. For example, the Coast Guard plans to request $2.35 billion for acquisitions in fiscal year 2015—including funding for construction of three major Deepwater surface assets—but the agency has not received more than $1.54 billion in any recent year. The Coast Guard has developed action items to address budget planning challenges.

In July 2010, GAO recommended that because of significant cost growth in the Deepwater Program, the Coast Guard should review the cost and mix of assets and identify trade-offs given fiscal constraints. The Department of Homeland Security agreed with the recommendation; however, the Coast Guard has not yet implemented it. The Coast Guard began a fleet mix analysis in 2008 that considered the current Deepwater Program to be the "floor" for asset capabilities and quantities and did not impose cost constraints on the various fleet mixes. Consequently, the results will not be used as a basis for trade-off decisions. The Coast Guard has now begun a second analysis, which includes an upper cost constraint of $1.7 billion annually—more than Congress has appropriated for the entire Coast Guard acquisition portfolio in recent years. Further, Coast Guard officials told GAO that this analysis will not assess options lower than the current program of record. It therefore will not prepare the Coast Guard to make the trade-offs that will likely be needed in the current fiscal climate. The Coast Guard expects to complete the analysis this summer.

Chairman LoBiondo, Ranking Member Larsen, and Members of the Subcommittee:

I am pleased to be here today to discuss the U.S. Coast Guard's management and oversight of its major acquisitions. The Coast Guard manages a broad acquisition portfolio of aviation, surface, and information technology programs intended to acquire capabilities to conduct missions that range from marine safety to defense readiness. The portfolio includes 17 major acquisition programs and projects, 13 of which constitute the Deepwater Program, an ongoing effort to recapitalize the Coast Guard's operational fleet. A contractor originally served as the lead systems integrator for Deepwater, but in 2007, acknowledging cost, schedule, and performance problems, the Coast Guard took over the role of systems integrator.

For several years we have reported on the Coast Guard's significant challenges in managing its major acquisitions that have contributed to delivery delays and other operational challenges for certain assets. Our work also recognized several steps the Coast Guard has taken to improve acquisition management, including actions that addressed our past recommendations, some of which we will discuss today. Most recently, in July 2010, we recommended that the Coast Guard complete a comprehensive review of the Deepwater Program to clarify the overall cost, schedule, quantities, and mix of assets that are needed to meet mission needs and what trade-offs need to be made considering fiscal constraints.[1] This recommendation was based on our work that found the Deepwater Program exceeded the $24.2 billion cost baseline approved by the Department of Homeland Security (DHS) in May 2007 and that future cost growth was likely. DHS concurred with our recommendation, and the Coast Guard continues to assess its fleet mix.

My statement is largely based on our report, which is being released today in response to Section 402(a) of the Coast Guard Authorization Act of 2010 that directed us to report on Coast Guard acquisition management for major acquisition programs.[2] Additionally, my statement draws on information in our July 2010 Deepwater report and related ongoing work

[1]GAO, *Coast Guard: Deepwater Requirements, Quantities, and Cost Require Revalidation to Reflect Knowledge Gained*, GAO-10-790 (Washington, D.C.: July 27, 2010).

[2]GAO, *Coast Guard: Opportunities Exist to Further Improve Acquisition Management Capabilities*, GAO-11-480 (Washington, D.C.: Apr. 13, 2011).

that we are conducting under the Comptroller General's authority. Our ongoing work will be issued later this year.

My focus today will be on

- the Coast Guard's efforts to improve how it manages its major acquisitions;
- cost and schedule challenges that its major acquisition programs face; and
- the status of the Coast Guard's efforts to conduct a trade-off analysis of the costs, capabilities, and quantities of Deepwater assets needed to meet mission needs.

In addressing the first two points listed above, we largely relied on work conducted in support of the report we are issuing today. The scope of this report includes all 17 major acquisition programs which are listed in appendix I to this statement. For this report, we reviewed key Coast Guard documentation such as the Coast Guard's *Major Systems Acquisition Manual*, the October 2010 *Blueprint for Continuous Improvement*, approved acquisition program baselines, acquisition status reports, and acquisition workforce information.[3] We interviewed Coast Guard acquisition directorate officials, including program managers and contracting staff, about the cost, schedule, and performance of Coast Guard programs as well as any instances in which the Department of Defense (DOD) or other agencies provide support. In addition to our report, to provide more insight on acquisition budget planning for this testimony, we reviewed Coast Guard budget documents since 2007. In addressing the third point listed above—the status of the Deepwater fleet mix analysis—we relied on our July 2010 Deepwater report as well as reviewed the phase 1, December 2009, analysis.[4] We also reviewed the contracts and statements of work for phase 1 and for the Coast Guard's ongoing fleet mix analysis. We also reviewed budget information since 2007. Additionally, we interviewed Coast Guard officials responsible for the analysis. All work for this statement was conducted in accordance with generally accepted government auditing standards. Additional information on our scope and methodology is available in issued products.

[3]The Coast Guard's *Major Systems Acquisition Manual* articulates its acquisition objectives for planning, coordinating, and executing its major programs.

[4]GAO-10-790.

For new information that was based on work not previously reported, we obtained Coast Guard views on our findings and incorporated technical comments where appropriate.

Continued Improvement in Acquisition Management Capabilities, Including Leveraging DOD Expertise

The Coast Guard has updated policies and processes for major acquisition programs to better reflect best practices and respond to our prior recommendations. The Coast Guard also continues to make progress in reducing its acquisition workforce vacancies, and to some extent is leveraging DOD contracts and expertise to support its major acquisition programs. Some examples are below.

Updates to Policies and Processes

We found that the Coast Guard revised its *Major Systems Acquisition Manual* in November 2010 to include

- a description of the roles and responsibilities of a flag-level Executive Oversight Council, which was formed in 2009 to review programs and provide oversight;
- aligning roles and responsibilities of independent test authorities to DHS standards, which satisfied one of our prior recommendations;[5]
- a formal acquisition decision event before a program receives approval for low-rate initial production, which addressed one of our prior recommendations;[6] and
- a requirement to present an acquisition strategy when DHS is asked to validate the need for a major acquisition program.

[5]GAO, *Coast Guard: As Deepwater Systems Integrator, Coast Guard Is Reassessing Costs and Capabilities but Lags in Applying Its Disciplined Acquisition Approach*, GAO-09-682 (Washington, D.C.: July 14, 2009).

[6]GAO, *Coast Guard: Change in Course Improves Deepwater Management and Oversight, but Outcome Still Uncertain*, GAO-08-745 (Washington, D.C.: June 24, 2008).

Addressing Workforce Vacancies

The Coast Guard has made progress in reducing its acquisition workforce vacancies. From April through November 2010, the percentage of vacancies for government positions dropped from about 20 percent to13 percent. Over the past several years, we have reported on the Coast Guard's efforts to build its in-house acquisition workforce capacity—one of the reasons the Coast Guard initially turned to a contractor as the Deepwater systems integrator was largely because it did not have that in-house capacity. Acquisition workforce vacancies have decreased, but program managers have ongoing concerns about staffing program offices. For example, the HH-65 helicopter program office has funded and filled 10 out of the 33 positions needed. To help make up shortfalls in filling systems engineer and other acquisition workforce positions, the Coast Guard uses support contractors. As of November 2010, the Coast Guard support contractors made up 25 percent of the Coast Guard's acquisition workforce. While we have cited the risks in using support contractors, we previously reported that the Coast Guard has acknowledged these risks and has taken steps to address them, such as releasing guidance on the appropriate oversight of contractors and the work they perform.[7]

Leveraging Interagency Agreements

According to the Coast Guard, it currently has 81 interagency agreements, memorandums of agreement, and other arrangements in place primarily with DOD to support its major acquisition programs. Support from DOD ranges from acquiring products and services from established DOD contracts to using the Navy's engineering and testing expertise. For example, the Coast Guard benefited from discounts by coordinating C-130J aircraft contracting efforts through the Air Force acquisitions office rather than contracting directly with the aircraft manufacturer. To leverage Navy engineering and testing expertise, most Coast Guard major acquisition programs use the Navy's Commander, Operational Test and Evaluation Forces, to support test activities. Coast Guard program managers, however, do not have a systematic way to gain insight into the existence and details of such agreements. According to Coast Guard contracting officials, the Coast Guard recently began to develop a database of all interagency agreements with DOD and other agencies, but at this point program staff have access to only 5 of the approximately 81

[7]See GAO-10-790.

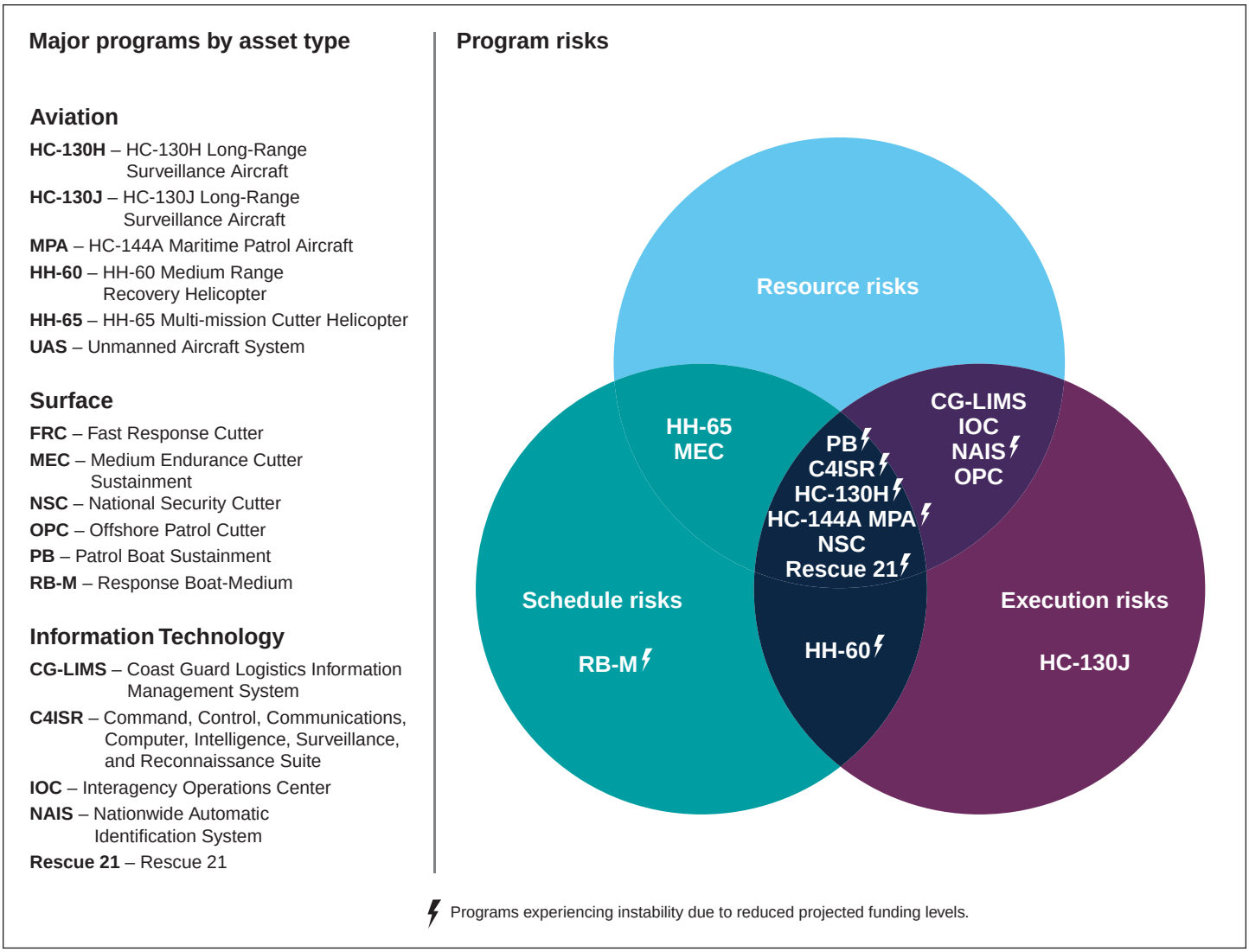
agreements. Today's report contains a recommendation that the Commandant of the Coast Guard take steps to ensure that all interagency agreements are captured in a database or other format and to make this information readily accessible to program staff. DHS agreed with the recommendation.

Challenges in Major Acquisition Programs Exacerbated by Unrealistic Budget Planning

We have previously reported that the Coast Guard has gained insights into the risks it faces in managing its major acquisitions. At the same time, most major programs continue to experience challenges in program execution, resources, and schedule. The Coast Guard assesses program execution using a composite metric that includes the following factors: earned value management, a performance assessment, logistics assessment, testing status, risk assessment, and technical maturity. It also assesses resources using a composite metric that includes several factors, such as budgeting, funding, staffing, and contractor health, that is, contractor personnel and facilities. These challenges are exacerbated by the Coast Guard's budget planning, which includes developing capital investment plans that project outyear funding levels. The Coast Guard has reported that projected funding levels in the fiscal years 2011-2015 capital investment plan were lower than previously planned for some major acquisition programs.[8] This plan includes Deepwater Program assets as well as other acquisitions. Figure 1 illustrates these risks for each major acquisition program.

[8]The Coast Guard's capital investment plan is a 5-year plan that includes Acquisition, Construction and Improvements. The Coast Guard updates the capital investment plan annually, and it represents the Coast Guard's submission for the President's Budget in any given year.

Figure 1: Coast Guard Programs with Program Execution, Schedule, Resources, and Budget Planning Challenges as of December 2010



Source: GAO analysis of Coast Guard data.

When a capital investment plan has projected funding levels that are lower than what a program planned to receive, the program is more likely to

have schedule breaches and other problems.[9] Such breaches have already occurred. Three major acquisition programs—HH-60, HC-130H, and C4ISR—reported a baseline breach caused, at least in part, by reduced funding projections in the fiscal years 2011-2015 capital investment plan. A fourth program, NAIS, had previously reported a baseline breach caused in part by reduced funding projections in the fiscal years 2009-2013 capital investment plan. DHS acquisition oversight officials informed the Coast Guard that future breaches in other programs would be almost inevitable as funding resources decrease.

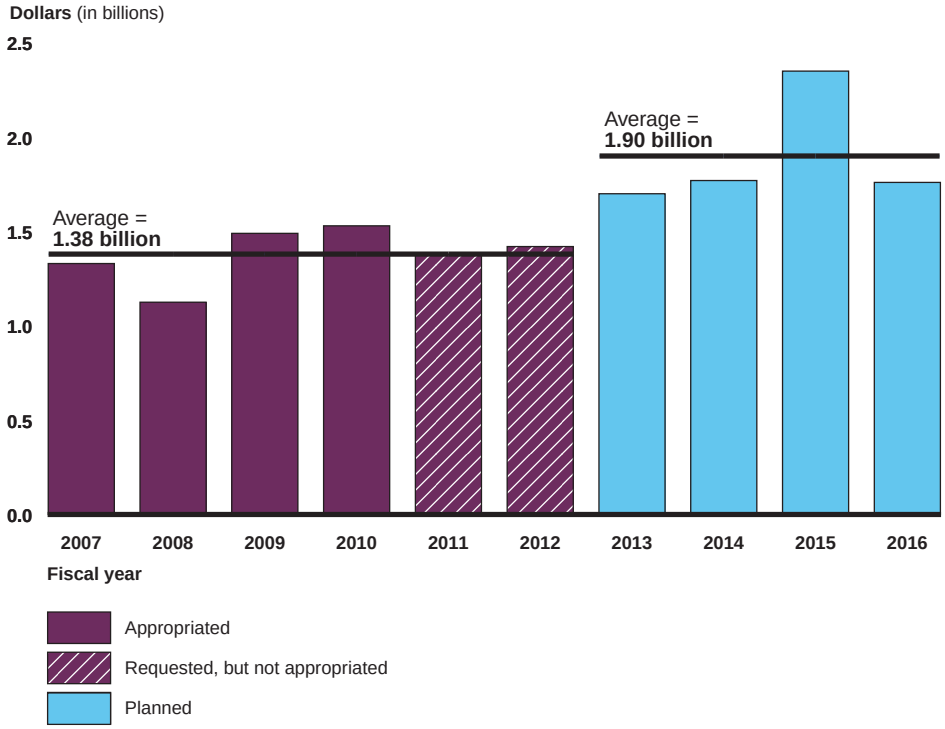
We reported in 2009 that the administration's budget projections indicated that the DHS annual budget was expected to remain constant or decrease over the next decade.[10] When the Coast Guard submitted its fiscal year 2012 budget request, it also released its fiscal years 2012-2016 acquisition capital investment plan. In reviewing this plan, we found that the Coast Guard's projected funding levels for fiscal years 2013 through 2016 are significantly higher than budgets previously appropriated or requested and therefore may be unrealistic. This unrealistic acquisition budget planning exacerbates the challenges Coast Guard acquisition programs face. As seen in figure 2, the average annual budget plan from fiscal year 2013 through fiscal year 2016 is about $520 million, or approximately 37 percent, higher than the average Coast Guard acquisition budgets previously appropriated or requested during the past 6 years.[11]

[9]An acquisition program baseline breach of cost, schedule, or performance is an inability to meet the threshold value of the specific parameter.

[10]GAO, *Coast Guard: Observations on the Fiscal Year 2010 Budget and Related Performance and Management Challenges*, GAO-09-810T (Washington, D.C.: July 7, 2009).

[11]We used fiscal year 2007 as a starting point for this analysis because that is the year the Coast Guard took over as the lead systems integrator for Deepwater.

Figure 2: Coast Guard Acquisition, Construction, and Improvements: Appropriated and Requested Budgets from Fiscal Years 2007 through 2012 Compared to Projected Funding Levels for Fiscal Years 2013 through 2016 (Then-Year Dollars)



Source: GAO analysis of budget documents and Coast Guard's Capital Investment Plans.

Note: Acquisition, Construction, and Improvements includes dollars for Deepwater assets as well as other acquisitions.

To illustrate further, the Coast Guard plans to request $2.35 billion for acquisitions in fiscal year 2015, but the Coast Guard has not received more than $1.54 billion for its yearly acquisition budget in recent years. In fiscal year 2015, the Coast Guard is planning to request funding for construction of three major Deepwater surface programs: National Security Cutter, Offshore Patrol Cutter, and Fast Response Cutter. But the Coast Guard has never requested funding for construction of three major Deepwater surface assets in the same year before, and therefore this plan appears to be unrealistic. This is particularly true given the rapidly building fiscal pressures facing our national government.

The Coast Guard developed several action items in its October 2010 update to its *Blueprint for Continuous Improvement* to address budget planning challenges. According to Coast Guard acquisition officials, the

most important step is for Coast Guard leadership to establish a priority list for the major programs based on actual acquisition budgets received in prior years and then to make trade-offs between programs to fit within historical budget constraints. Our previous work on DOD acquisitions has shown that without clear priorities, over time, the annual competition among programs for funding forces them to view success as the ability to secure the next funding increment rather than delivering capabilities when and as promised.[12] Our DOD work further shows that when programs focus on securing funding, it can lead to inefficient funding adjustments, like moving money from one program to another or deferring costs to the future.[13]

Coast Guard Has Not Completed a Comprehensive Trade-off Analysis for the Deepwater Assets

To support its role as systems integrator, the Coast Guard planned to complete a fleet mix analysis in July 2009 to eliminate uncertainty surrounding future mission performance and to produce a baseline for the Deepwater acquisition. We previously reported that the Coast Guard expected this analysis to serve as one tool, among many, in making future capability requirements determinations, including future fleet mix decisions.[14] The analysis, which began in October 2008 and is now termed fleet mix analysis phase 1, was led by the Coast Guard directorate responsible for identifying and providing capabilities. In July 2010, we reported that while the Coast Guard had not yet released the results, officials told us that the analysis considered the 2007 Deepwater baseline to be the "floor" for asset capabilities and quantities and did not impose financial constraints on the outcome.[15] The Coast Guard initiated a second phase of the analysis to impose cost constraints. We recommended in our July 2010 report that since the 2007 DHS-approved baseline of $24.2 billion was no longer feasible because of cost growth, the Coast Guard should conduct a comprehensive review of Deepwater cost, schedule, quantities, and mix of assets needed to meet mission needs, identify trade-offs given

[12]GAO, *DOD Acquisition Outcomes: A Case for Change*, GAO-06-257T (Washington, D.C.: Nov. 15, 2005).

[13]GAO, *Defense Acquisitions: A Knowledge-Based Funding Approach Could Improve Major Weapon System Program Outcomes*, GAO-08-619 (Washington, D.C.: July 2, 2008).

[14]GAO, *Coast Guard: Efforts to Identify Arctic Requirements Are Ongoing, but More Communication about Agency Planning Efforts Would Be Beneficial*, GAO-10-870 (Washington, D.C.: Sept. 15, 2010).

[15]GAO-10-790.

fiscal constraints, and report the results to Congress.[16] The Coast Guard's efforts to date have not addressed this recommendation.

We recently obtained and analyzed the phase 1 fleet mix analysis. We found that to conduct this analysis, the Coast Guard assessed asset capabilities and mission demands to identify a fleet mix—referred to as the objective fleet mix—that would meet long-term strategic goals. Given the significant increase in the number of assets needed for this objective fleet mix from the approved Deepwater program of record—the $24.2 billion baseline—the Coast Guard developed, based on risk metrics, incremental fleet mixes to bridge the two.[17] Table 1 shows the quantities of assets for each incremental mix, according to the Coast Guard's analysis.

Table 1: Alternative Fleet Mix Asset Quantities According to Coast Guard's Phase 1 Fleet Mix Analysis

Surface/aviation platforms	Program of record	Fleet mix 1	Fleet mix 2	Fleet mix 3	Fleet mix 4 (objective)
NSC	8	9	9	9	9
OPC	25	32	43	50	57
FRC	58	63	75	80	91
HC-130	22	32	35	44	44
MPA HC-144A	36	37	38	40	65
HH-60	42	80	86	99	106
HH-65	102	140	159	188	223
UAS, Land-Based	12	19	21	21	22
UAS, Cutter-Based	18	15	19	19	19

Source: December 2009 Coast Guard data.

Phase 1 also analyzed the performance of these fleet mixes to gain insight into mission performance gaps. However, the analysis was not cost constrained, as noted above. For instance, the Coast Guard estimated that

[16]GAO-10-790.

[17]For fleet mix analysis phase 1, the Coast Guard adjusted the $24.2 billion program of record to account for changes in characteristics and requirements for several of the Deepwater assets that had occurred since the last performance gap analysis. For example, in this analysis, the per-flight hours for the HC-144A were reduced from 1,200 to 800 based on an initial capabilities assessment and the number of unmanned aircraft systems was reduced. Officials stated that these adjustments did not result in significant changes to the program of record.

the costs associated with the objective fleet mix could be as much as $65 billion. This is approximately $40 billion higher than the DHS-approved $24.2 billion baseline. As a result, as we reported last year, Coast Guard officials stated that they do not consider the results to be feasible because of cost and do not plan to use them to provide recommendations on a baseline for fleet mix decisions.[18]

In May 2010, the Coast Guard undertook phase 2, a cost-constrained fleet mix analysis. Officials responsible for the analysis explained that it will primarily assess the rate at which the Coast Guard could acquire the Deepwater program of record within a high and low bound of annual acquisition cost constraints. They told us that the lower- and upper- bound constraints are, respectively, $1.2 billion and $1.7 billion annually; however, the basis for selecting these cost constraints is not documented. Based on our review of recent budget data, this upper bound for Deepwater is more than Congress has appropriated for the Coast Guard's entire acquisition portfolio in recent years. Moreover, the Coast Guard officials stated that this analysis will not reassess whether the current program of record is the appropriate mix of assets to pursue and will not assess any mixes smaller than the current program of record. Alternative fleet mixes will be assessed, but these mixes are based on purchasing additional assets after the program of record is acquired, if funding remains within the yearly cost constraints. Coast Guard officials stated that they are only analyzing the program of record or a larger fleet mix because they found that the first phase of the analysis validated pursuing, at the minimum, the program of record. The Coast Guard expects to complete its phase 2 analysis in the summer of 2011. Because fleet mix analysis phase 2 will not assess options lower than the program of record, it will not prepare the Coast Guard to make the trade-offs that will likely be needed in the current fiscal climate.

Furthermore, it is our understanding that DHS is conducting a study examining the mix of surface assets, which is expected to be completed later this year. As part of our ongoing work, we will continue to monitor these efforts as they relate to the fleet mix analysis.

[18]GAO-10-790.

Concluding Observations

In conclusion, I would like to emphasize several key points as we continue to review the Coast Guard's management of acquisitions. It is important to recognize that the Coast Guard continues to make progress in strengthening its capabilities to manage its acquisition portfolio by updating acquisition policies and practices, reducing vacancies in the acquisition workforce, and leveraging DOD contracts and resources to help support its major acquisitions. Nevertheless, the Coast Guard still faces significant challenges in carrying out these major acquisitions within a fiscally constrained environment, especially given continued cost growth and schedule delays that are exacerbated in part by unrealistic budget plans. Additionally, as costs continue to grow and capabilities are delayed, the Coast Guard has yet to consider the trade-offs in capabilities, quantities, and costs of the Deepwater assets—a significant portion of its major acquisition portfolio—in order to identify an affordable fleet. We expect to continue reviewing and reporting on its progress in this regard.

Chairman LoBiondo, Ranking Member Larsen, this concludes my prepared statement. I would be happy to respond to any questions you or other members of the subcommittee may have at this time.

Contacts and Acknowledgements

If you have any questions on matters discussed in this statement, please contact John P. Hutton at (202) 512-4841 or huttonj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Other individuals making key contributions to this testimony include Michele Mackin, Assistant Director; John Neumann, Assistant Director; Jessica Drucker; Laurier Fish; Carlos Gomez; Kristine Hassinger; Morgan Delaney Ramaker; William Russell; Molly Traci; and Rebecca Wilson.

Appendix I: Information on Coast Guard Major Acquisition Programs

Asset	Description
National Security Cutter (NSC)	The NSC is intended to be the flagship of the Coast Guard's fleet, with an extended on-scene presence, long transits, and forward deployment. The cutter and its aircraft and small boat assets are to operate worldwide.
Offshore Patrol Cutter (OPC)	The OPC is intended to conduct patrols for homeland security functions, law enforcement, and search and rescue operations. It will be designed for long-distance transit, extended on-scene presence, and operations with multiple aircraft and small boats.
Fast Response Cutter (FRC)	The FRC, also referred to as the Sentinel class, is conceived as a patrol boat with high readiness, speed, adaptability, and endurance to perform a wide range of missions.
Medium Endurance Cutter (MEC) sustainment	The MEC sustainment project is intended to improve the cutters' operating and cost performance by replacing obsolete, unsupportable, or maintenance-intensive equipment.
Patrol Boat (PB) sustainment	The PB sustainment project is intended to improve the boats' operating and cost performance by replacing obsolete, unsupportable, or maintenance-intensive equipment.
HC-144A Maritime Patrol Aircraft (MPA)	The MPA is a transport and surveillance, fixed-wing aircraft intended to be used to perform search and rescue missions, enforce laws and treaties, and transport cargo and personnel.
HC-130J Long-Range Surveillance Aircraft	The HC-130J is a four-engine turbo-prop aircraft that the Coast Guard has deployed with improved interoperability, Command, Control, Communications, Computer, Intelligence, Surveillance, and Reconnaissance (C4ISR), and sensors to enhance surveillance, detection, classification, identification, and prosecution.
HC-130H Long-Range Surveillance Aircraft	The HC-130H is the legacy Coast Guard long-range surveillance aircraft, which the Coast Guard intends to update in multiple segments.
HH-65 Multi-mission Cutter Helicopter	The HH-65 Dolphin is the Coast Guard's short-range recovery helicopter. It is being upgraded to improve its engines, sensors, navigation equipment, avionics, ability to land on the NSC, and other capabilities in multiple segments.
HH-60 Medium Range Recovery Helicopter	The HH-60 is a medium-range recovery helicopter designed to perform search and rescue missions offshore in all weather conditions. The Coast Guard has planned upgrades to the helicopter's avionics, sensors, radars, and C4ISR systems in multiple segments.
Unmanned Aircraft System (UAS)	The land-based and cutter-based UASs are in the Need phase. The UAS strategy is to range UASs and low altitude cutter-based tactical UASs to fulfill mission requirements while emphasizing (1) commonality with existing Department of Homeland Security and Department of Defense programs, (2) ensuring that projects mature, and (3) where possible, leveraging other government organizations' UAS development and nonrecurring engineering costs.
Response-Boat Medium (RB-M)	The RB-M is intended to replace the aging 41-foot utility boats and other medium nonstandard boats.
C4ISR Suite	The Coast Guard is incrementally acquiring C4ISR capabilities, including upgrades to existing cutters and shore installations, acquisitions of new capabilities, and development of a common operating picture to provide operationally relevant information and knowledge across the full range of Coast Guard operations.
Coast Guard Logistics Information Management System (CG-LIMS)	CG-LIMS will replace or integrate legacy logistics business processes and their supporting information systems.
Nationwide Automatic Identification System (NAIS)	NAIS is a data collection, processing, and distribution system that provides information to enhance safety of navigation and improve Maritime Domain Awareness.

Asset	Description
Interagency Operations Center (IOC)	IOC is intended to improve operational capabilities, situational awareness, tactical decision making and joint, coordinated emergency response.
Rescue 21	Rescue 21 is an advanced command, control, and communications system intended to improve the Coast Guard's search and rescue mission by leveraging direction-finding technology to more accurately locate the source of distress calls.

Source: GAO analysis of Coast Guard information.

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