



Highlights of [GAO-07-446T](#), a testimony for the Subcommittee on Homeland Security, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The U.S. Coast Guard's Deepwater program was designed to upgrade or replace its aging legacy aircraft and vessels with assets focusing on the Coast Guard's traditional at-sea roles. After the September 11, 2001 terrorist attacks, the Coast Guard took on additional security missions, resulting in revisions to the Deepwater plan. GAO's prior work raised concerns about Coast Guard's efforts to upgrade or acquire assets on schedule, and manage and effectively monitor the system integrator.

This testimony provides GAO's preliminary observations on (1) events and issues surrounding the Coast Guard's bridging strategy to convert the legacy 110-foot patrol boats to 123-foot patrol boats; (2) the status of the Coast Guard's efforts to acquire new or upgraded Deepwater assets; and (3) the Coast Guard's ability to effectively manage the Deepwater program, hold contractors accountable, and control costs through competition. GAO's preliminary observations are based on audit work performed from August 2006 to February 2007.

What GAO Recommends

This testimony contains no recommendations. In 2004, GAO made 11 recommendations on management and oversight, contractor accountability, and cost control through competition, and reported in April 2006 that progress had been made but continued monitoring was warranted.

www.gao.gov/cgi-bin/getrpt?GAO-07-446T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact John P. Hutton at (202) 512-4841 or huttonj@gao.gov.

COAST GUARD

Preliminary Observations on Deepwater Program Assets and Management Challenges

What GAO Found

Numerous events since January 2001 led up to the failure of the Coast Guard's bridging strategy to convert its legacy 110-foot patrol boats into 123-foot patrol boats. These converted boats were removed from service on November 30, 2006 because of operational and safety concerns. According to the Coast Guard Commandant, actions are being taken to mitigate the impact of the removal of these patrol boats on mission activities. For example, patrol hours of some 110-foot patrol boats have been increased through the addition of crews from the 123-foot patrol boats, and other Coast Guard vessels have been deployed to assist in carrying out missions.

The delivery record for the 10 classes of upgraded or new Deepwater aircraft and vessels is mixed. Specifically, 7 of the 10 asset classes are on or ahead of schedule. Among these, 5 first-in-class assets have been delivered on or ahead of schedule; 2 others remain on time but their planned delivery dates are in 2009 or beyond; therefore, delays could still potentially occur. Three Deepwater asset classes are currently behind schedule due to various problems related to designs, technology, or funding. For example, the Fast Response Cutter (a new vessel), which had been scheduled for first-in-class delivery in 2007, has been delayed by at least 2 years in part because work on its design was suspended until technical problems can be addressed.

From the program's outset, GAO has raised concerns about the risks involved with the Coast Guard's acquisition strategy. In 2004, GAO reported that program management, contractor accountability, and cost control were all challenges, and made recommendations in these areas. Insufficient staffing, ineffective performance measures, and the Coast Guard's lack of knowledge about the extent to which the contractor was using competition have contributed to program risk. The Coast Guard has taken some actions to address these issues. GAO plans to continue to assess the Coast Guard's Deepwater program, including its efforts to address GAO recommendations, and will report the findings later this year.

Deepwater Vessel and Aircraft Classes

National Security Cutter (NSC)	Offshore Patrol Cutter (OPC)	Fast Response Cutter (FRC)	Short-Range Prosecutor (SRP)	Long-Range Interceptor (LRI)
HH-65 Multi-Mission Cutter Helicopter (MCH)	HH-60 Medium Range Recovery Helicopter (MRR)	Maritime Patrol Aircraft (MPA)	HV-911 Vertical Takeoff Unmanned Aerial Vehicle (VUAV)	Long-Range Surveillance Aircraft (LRS)

Source: U.S. Coast Guard.