

GAO Highlights

Highlights of [GAO-16-633T](#), a testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

Following the terrorist attacks of September 11, 2001, the Coast Guard has been charged with expanded security-related missions. Constrained budgets in recent years have underscored the importance of ensuring that the Coast Guard has the proper mix of assets and that it can effectively allocate these assets to achieve its missions. In recent years, the Coast Guard has begun to deploy new assets, and has taken actions to assess what assets it needs to carry out its missions and how to best allocate its current assets. However, the Coast Guard continues to face decisions about what assets it needs and how to best allocate these assets to meet its mission responsibilities.

This statement addresses the Coast Guard's (1) mission needs, and (2) process for allocating asset resource hours across missions and units. This testimony is based on GAO's May 2016 report on the Coast Guard's allocation of assets, and GAO's body of work over the past 6 years on Coast Guard major acquisitions, as well as selected updates obtained in May 2016. For the selected updates, GAO reviewed Coast Guard documentation and analyzed fiscal year 2015 data on Coast Guard asset resource hour utilization, which GAO found to be sufficiently reliable for the purposes of this testimony statement.

What GAO Recommends

GAO is not making any new recommendations in this statement.

View [GAO-16-633T](#). For more information, contact Jennifer A. Grover at (202) 512-7141 or groverj@gao.gov.

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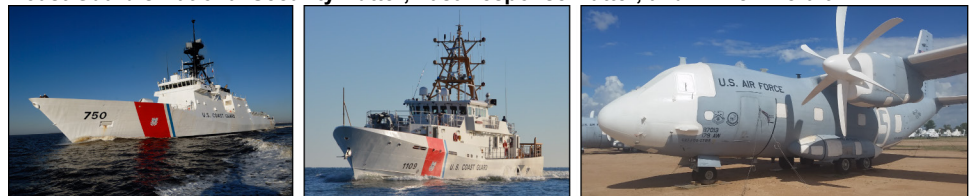
COAST GUARD

Actions Underway to Develop Acquisition Plans that Reflect New Assets and Improve the Asset Allocation Process

What GAO Found

Since the U.S. Coast Guard developed acquisition plans for its asset recapitalization program, many of the assumptions that initially informed these documents, including its 2005 Mission Needs Statement baseline, are no longer accurate. For example, in March 2015, GAO reported that the Coast Guard received an unexpected transfer of 14 C-27J aircraft from the Air Force, representing a significant change to its aircraft fleet mix. In addition, Congress recently provided the Coast Guard with funding for a ninth National Security Cutter—one more than it had planned for in 2005. Further, the Coast Guard has reduced the operational capacities of several assets to reflect more realistic and achievable operational targets. For example, the Coast Guard reduced the operational capacity of the Fast Response Cutter from 3,000 hours per vessel per year to 2,500 hours. GAO has also consistently found that there is a significant difference between the funding the Coast Guard estimates it needs for its major acquisitions and what it has traditionally requested and received. The Coast Guard's attempts to address this difference by establishing its future fleet's mission needs within reasonable budget constraints have been unsuccessful. GAO has made several recommendations for the Coast Guard to improve its recapitalization business case, including that the Coast Guard develop a 20-year fleet modernization plan that identifies all acquisitions needed to maintain the current level of service and the fiscal resources needed to acquire them. The Coast Guard concurred with the recommendation and has actions underway, but has not completed this plan. Given that key changes have taken place since 2005, the Coast Guard should continue to take steps to address GAO's recommendations.

Coast Guard's National Security Cutter, Fast Response Cutter, and C-27J Aircraft



Source: (Left to right) U.S. Coast Guard; U.S. Coast Guard; GAO. | GAO-16-633T

GAO reported in May 2016 that the Coast Guard uses the Standard Operational Planning Process to annually allocate asset resource hours to field units for meeting missions, but the headquarters' *Strategic Planning Directions* used in this process do not provide field units with strategic, realistic goals. Rather, headquarters' *Strategic Planning Directions* allocate maximum resource hour capacities for each asset. These allocations have consistently exceeded actual asset resource hours used by field units. GAO recommended, among other things, that the Coast Guard more systematically incorporate field unit input to inform more realistic asset allocation decisions—in addition to asset maximum capacities currently used—in the annual *Strategic Planning Directions* to more effectively communicate strategic intent to field units. The Coast Guard concurred with GAO's recommendation and stated that it was taking actions to better incorporate field unit input for fiscal year 2017.