

GAO Highlights

Highlights of [GAO-17-747T](#), a testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

In order to meet its missions of maritime safety, security, and environmental stewardship, the Coast Guard, a component within the Department of Homeland Security (DHS), employs a variety of assets, several of which are approaching the end of their intended service lives. As part of its efforts to modernize its surface and air assets (known as recapitalization), the Coast Guard has begun acquiring new vessels and air assets. Concerns surrounding the affordability of this effort remain as the Coast Guard continues to pursue new acquisitions such as the polar icebreaker, while also acquiring the Offshore Patrol Cutter—which is estimated to cost \$12.1 billion through 2032.

This statement addresses the (1) extent that the Coast Guard develops planning tools to guide its acquisition portfolio, and (2) potential risks the Coast Guard faces in its polar icebreaker acquisition. This statement is based on GAO's extensive body of published and ongoing work examining the Coast Guard's acquisition efforts over several years.

What GAO Recommends

GAO is not making recommendations in this statement but has made them to the Coast Guard and DHS in the past regarding recapitalization, including that the Coast Guard develop a 20-year fleet modernization plan that identifies all acquisitions and the fiscal resources needed to acquire them. DHS agreed with this recommendation.

View [GAO-17-747T](#). For more information, contact Marie Mak at (202) 512-4841 or makm@gao.gov.

July 2017

COAST GUARD ACQUISITIONS

Limited Strategic Planning Efforts Pose Risk for Future Acquisitions

What GAO Found

In June 2014, GAO found that the Coast Guard lacked long-term planning to guide the affordability of its acquisition portfolio and recommended the development of a 20-year fleet modernization plan to identify all acquisitions necessary for maintaining at least its current level of service and the fiscal resources necessary to build and modernize its planned surface and aviation assets. Coast Guard officials stated that they are developing a 20-year Capital Investment Plan (CIP), but the timeframe for completion is unknown. The Coast Guard does, however, submit a 5-year CIP annually to Congress that projects acquisition funding needs for the upcoming 5 years. GAO found the CIPs do not match budget realities in that tradeoffs are not included. In the 20-year CIP, GAO would expect to see all acquisitions needed to maintain current service levels and the fiscal resources to build the identified assets as well as tradeoffs in light of funding constraints.

As GAO reported in June 2016, the Coast Guard's heavy icebreaker fleet was operating at a reduced capacity with only one heavy polar icebreaker in service, resulting in limited access to both the Arctic and Antarctic regions year-round. The Coast Guard's only active heavy icebreaker, the *Polar Star*, is approaching the end of its expected service life, and the Coast Guard plans to implement a limited service life extension to keep it operational until the new icebreaker is available. An official cost estimate has not been completed, but the Coast Guard estimates this extension will cost roughly \$75 million.

United States Coast Guard Icebreaker *Polar Star*



Source: U.S. Coast Guard. | GAO-17-747T

Consequently, the Coast Guard expedited its acquisition of new heavy icebreakers with delivery of the first polar icebreaker scheduled in 2023. This delivery schedule poses potential risk as the required acquisition documents may not be completed in time to award the contract in 2019, as currently scheduled. Further, in order to meet this accelerated schedule, the first polar icebreaker would need to be fully funded in fiscal year 2019 with a preliminary cost estimate of \$1.15 billion, alongside the Offshore Patrol Cutter acquisition. The Coast Guard has not articulated how it will prioritize its acquisition needs given its Offshore Patrol Cutter is expected to absorb half to two-thirds of its annual acquisition funding requests—based on recent funding history—starting in 2018.