



Highlights of [GAO-08-531T](#), a testimony before the Subcommittee on Homeland Security, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The Deepwater Program is intended to replace or modernize 15 major classes of Coast Guard assets—including vessels, aircraft, and communications systems. At the program's start, the Coast Guard chose to use a system integrator, Integrated Coast Guard Systems, to design, build, deploy, and support Deepwater in a system-of-systems approach. In a series of reports, we have noted the risks inherent in this approach.

With the Deepwater program under way, the Coast Guard's priorities and focus shifted after September 11 toward homeland security missions, such as protecting the nation's ports and waterways. The 2002 Maritime Transportation Security Act and the 2006 SAFE Port Act required a wide range of security improvements.

GAO is monitoring the acquisition of Deepwater and the Coast Guard's ability to carry out its numerous missions. This testimony addresses: (1) changes the Coast Guard is making as it assumes a larger role in managing the Deepwater Program and (2) challenges the Coast Guard is facing in carrying out its various missions. To conduct this work, GAO reviewed key documents, such as Deepwater acquisition program baselines, human capital plans, and Coast Guard budget and performance documents. For information on which GAO has not previously reported, GAO obtained Coast Guard views. The Coast Guard generally concurred with the information.

To view the full product, including the scope and methodology, click on [GAO-08-531T](#). For more information, contact John Hutton, (202) 512-4841 huttonj@gao.gov or Stephen Caldwell, (202) 512-9610 caldwells@gao.gov.

COAST GUARD

Deepwater Program Management Initiatives and Key Homeland Security Missions

What GAO Found

With a recognition that too much control had been ceded to the system integrator under the Deepwater Program, the Coast Guard began this past year to shift the way it is managing the acquisition. Significant changes pertain to

- increasing government management of the program as part of the Coast Guard's reorganized Acquisition Directorate,
- acquiring Deepwater assets individually as opposed to through a system-of-systems approach,
- improving information to analyze and evaluate progress, and
- developing an acquisition workforce with the requisite contracting and program management skills.

Many of these initiatives are just getting under way and, while they are positive steps, the extent of their impact remains to be seen.

The Coast Guard will likely continue to face challenges balancing its various missions within its resources for both the short and long term. For several years, we have noted that the Coast Guard has had difficulties fully funding and executing both homeland security missions and its non-homeland security missions. GAO's recent and ongoing work has shown that the Coast Guard's requirements continue to increase in such homeland security areas as providing vessel escorts, conducting security patrols of critical infrastructure, and completing inspections of maritime facilities here and abroad. In several cases, the Coast Guard has not been able to keep up with these security demands, in that it is not meeting its own requirements for vessel escorts and other security activities at some ports. In addition, there are indications that the Coast Guard's requirements are also increasing for selected non-homeland security missions.

Since 2001, we have reviewed the Deepwater Program and have informed Congress, the Department of Homeland Security, and the Coast Guard of the risks and uncertainties inherent with such a large acquisition. In March 2004, we made a series of recommendations to the Coast Guard. The Coast Guard has taken actions on many of them. Three recommendations remain open, as the actions have not yet been sufficient to allow us to close them. In past work on Coast Guard missions, GAO made recommendations related to strategic plans, human capital, performance measures, and program operations.