GAO Highlights

Highlights of GAO-18-629T, a testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

The Coast Guard, a component within DHS, is spending billions of dollars to acquire assets, such as cutters and aircraft. This portfolio of major acquisition programs is intended to help the Coast Guard accomplish its missions—including interdicting illegal drugs and search and rescue missions. GAO's extensive prior work on Coast Guard acquisitions has found that the Coast Guard's reliance on its annual budget process to manage its portfolio is a major management challenge. In the report issued today, GAO discusses particular challenges with the Coast Guard's approach in managing its acquisition portfolio, such as not performing a collective assessment of the portfolio to ensure affordability.

This statement addresses the challenges the Coast Guard faces in (1) managing its overall acquisition portfolio, and (2) sustaining aging assets. 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

The report on which this statement is primarily based (GAO-18-454) recommends that the Coast Guard work with Congress to include in its annual CIP a discussion of how trade-off decisions could affect other acquisition programs. DHS agreed with this recommendation. GAO has also made other recommendations in this area in the past, as discussed in this testimony.

View GAO-18-629T. For more information, contact Marie Mak at (202) 512-4841 or makm@gao.gov.

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COAST GUARD

Improved Acquisition Portfolio Management Could Help Address Aging Assets and Capability Gaps

What GAO Found

The Coast Guard's approach of relying on the annual budget process and the 5-year Capital Investment Plan (CIP) to manage its acquisition portfolio does not provide the best basis for making decisions to develop a more balanced and affordable portfolio in the long term. Specifically, the Coast Guard's annual budget-driven trade-off approach creates constant churn as program baselines must continually re-align with budget realities instead of budgets being formulated to support program baselines. Further, Coast Guard officials have told GAO the CIP reflects trade-off decisions made as part of the annual budget process, but it does not describe the effects of those trade-offs because including such information is not statutorily required. This short-term approach has also left the Coast Guard with a bow wave of near-term unfunded acquisition programs, putting future missions at risk. Until these trade-offs are transparent to all stakeholders and decision makers, the effectiveness of Coast Guard's long-term acquisition portfolio planning is limited.

Until new assets being acquired become available, the Coast Guard plans to rely on aging assets, many of which are already past their intended service lives—the time an asset is expected to operate. For example, the Coast Guard plans to replace the Medium Endurance Cutters (see figure) with the Offshore Patrol Cutters beginning in 2023, but the Medium Endurance Cutters exhausted their intended service lives in 2014.

A Medium Endurance Cutter at the Coast Guard Yard

Source: GAO. | GAO-18-629T

The Coast Guard plans to extend service lives for some of the Medium Endurance Cutters to keep them operating longer; however, maintenance for these vessels is becoming more expensive, and some systems are obsolete. GAO will continue to monitor the maintenance effort for the Medium Endurance Cutter and the Offshore Patrol Cutter acquisition in an annual review of Department of Homeland Security (DHS) major acquisition programs.