Deepwater Program Acquisition Schedule Update Needed

The degree to which the Deepwater program is on track with its original 2002 integrated acquisition schedule is difficult to determine because the Coast Guard has not updated the schedule. Coast Guard officials said they have not updated it because of the numerous changes Deepwater experiences every year and the cost, personnel, and time involved. However, in similar acquisitions—those of the Department of Defense (DOD)—cost, schedule, and performance updates are fundamental to congressional oversight. DOD is required to update the schedule at least annually and whenever cost and schedule thresholds are breached. In practice, DOD continually monitors and reports schedules for management on a quarterly basis. Updating the acquisition schedule—including phases such as design and fabrication, interim phase milestones, and critical paths linking assets—on a more timely basis is imperative so that annual Coast Guard budget submissions can allow Congress to base decisions on accurate information.

GAO used available data to develop the current acquisition status for a number of selected Deepwater assets and found that they have experienced delays and are at risk of being delivered later than anticipated.

The additional $168 million in fiscal year 2004, while allowing the Coast Guard to conduct a number of Deepwater projects that had been delayed or would not have been funded in fiscal year 2004, will not fully return the program to its original 2002 acquisition schedule. Reasons include: all work originally planned for fiscal year 2004 was not funded and some will have to be delayed to fiscal year 2005; delivery of some assets has fallen so far behind schedule that ensuring their original delivery dates is impossible; and nonfunding reasons have caused delays, such as greater than expected hull corrosion of patrol boats delaying length extension upgrades.