COAST GUARD

Changes to Deepwater Plan Appear Sound, and Program Management Has Improved, but Continued Monitoring Is Warranted

What GAO Found

The revised Deepwater implementation plans change the balance between new and legacy assets, alter the delivery schedule for some assets, lengthen the overall acquisition schedule by 5 years, and increase the projected program cost from $17 billion to $24 billion. The higher cost generally relates to upgrading assets to reflect added homeland security mission requirements. Upgrades to vessels account for the single largest area of increase; with upgrades to the command, control, communications and other capabilities being second highest. In contrast, because the revised plans upgrade rather than replace most legacy aircraft and reduce the number of unmanned aircraft, the cost for Deepwater aircraft drops. The revised plans, like the original plan, are heavily dependent on receiving full funding each year. Coast Guard officials state that a shortfall in funding in any year could substantially increase total costs.

Actions by the Coast Guard and the system integrator have fully implemented three of the eight GAO recommendations that were not fully addressed during GAO’s review in 2005, and three more recommendations appear to be nearly implemented. The remaining two have unresolved concerns, but the Coast Guard is taking steps to resolve them. A program of this size, however, will likely experience other challenges beyond those that have emerged so far, making continued monitoring by the Coast Guard important.