



Highlights of [GAO-05-757](#), a report to congressional requesters

Why GAO Did This Study

The Coast Guard has been asserting that its deepwater legacy assets are “failing at an unsustainable rate.” After the events of September 11, 2001, the Coast Guard’s deepwater missions expanded to include a greater emphasis on ports, waterways, and coastal security. These heightened responsibilities required changes to the Deepwater implementation plan to provide the assets with greater operational capabilities. To address these needs, in 2002, the Coast Guard began a multiyear acquisition program to replace or modernize its deepwater assets that is currently estimated to cost \$19 to \$24 billion. More recently, it began studying options for replacing or modernizing the assets more rapidly in an effort to avoid some of the costs that might be involved in keeping aging assets running for longer periods.

This report addresses three questions related to this effort: (1) How has the condition of the Coast Guard’s deepwater legacy assets changed during fiscal years 2000 through 2004? (2) What actions has the Coast Guard taken to maintain, upgrade, and better manage its deepwater legacy assets? and (3) What are the management challenges the Coast Guard faces in acquiring new assets, especially if a more aggressive acquisition schedule is adopted?

www.gao.gov/cgi-bin/getrpt?GAO-05-757.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Margaret Wrightson at (415) 904-2200 or wrightsonm@gao.gov.

COAST GUARD

Progress Being Made on Addressing Deepwater Legacy Asset Condition Issues and Program Management, but Acquisition Challenges Remain

What GAO Found

Available Coast Guard condition measures indicate that the condition of most Coast Guard legacy aircraft and cutters generally declined during fiscal years 2000-2004, but these measures are inadequate to capture the full extent of the decline in the condition with any precision. GAO’s field visits and interviews with Coast Guard staff, as well as reviews of other evidence, showed significant problems in a variety of asset systems and equipment that are not currently captured in the Coast Guard’s condition measures.

The Coast Guard has already taken actions to help keep its deepwater legacy assets operational. For example, to help meet mission requirements, Coast Guard staff are performing more extensive maintenance between deployments, but even so, aircraft and cutters continue to lose mission capabilities. Responding to these continued concerns, as well as to matters raised during this review and in prior GAO reports, the Coast Guard has begun to explore additional strategies and approaches to better determine and improve the mission capabilities of its legacy assets. These actions include (1) developing a more proactive approach for prioritizing maintenance and capability enhancement projects needed on its legacy assets; (2) developing measures that more clearly demonstrate the extent to which assets’ conditions affect mission capabilities; and (3) for one command, proposing a new strategy to sustain one of its oldest classes of cutters. These ongoing efforts, while promising, are too new to allow GAO to assess whether they will allow the Coast Guard to better determine and improve the mission capabilities of its legacy assets.

If the Coast Guard adopts a more aggressive acquisition schedule, it will likely continue to face a number of challenges to effectively manage the Deepwater program. GAO has warned that the Coast Guard’s acquisition strategy of relying on a prime contractor (“system integrator”) to identify and deliver the assets needed carries substantial risks. GAO found that well into the contract’s second year, key components for managing the program and overseeing the system integrator’s performance had not been effectively implemented. While the Coast Guard has been addressing these problems—for example, putting more emphasis on competition as a means to control costs—many areas have not been fully addressed. A more aggressive acquisition schedule would only heighten the risks.

Two Coast Guard Deepwater Legacy Assets in Action



Pictured at left is a 270-foot medium-endurance cutter and an HH-65 helicopter.

Source: Photo courtesy of the U.S. Coast Guard.