



Highlights of [GAO-05-364T](#), a report to the Subcommittee on Fisheries and Coast Guard, Committee on Commerce, Science, and Transportation, U.S. Senate

Why GAO Did This Study

The Coast Guard's budget has steadily increased in recent years, reflecting the agency's need to address heightened homeland security responsibilities while also addressing traditional programs such as rescuing mariners in distress and protecting important fishing grounds. The fiscal year 2006 budget request, which totals \$8.1 billion, reflects an increase of \$570 million over the previous year. GAO has conducted reviews of many of the Coast Guard's programs in recent years, and this testimony synthesizes the results of these reviews as they pertain to three priority areas in the Coast Guard's budget: (1) implementing a maritime strategy for homeland security, (2) enhancing performance across missions, and (3) recapitalizing the Coast Guard, especially the Deepwater program—an acquisition that involves replacing or upgrading cutters and aircraft that are capable of performing missions far out at sea. GAO's observations are aimed at highlighting potential areas for ongoing congressional attention.

www.gao.gov/cgi-bin/getrpt?GAO-05-364T.

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

COAST GUARD

Observations on Agency Priorities in Fiscal Year 2006 Budget Request

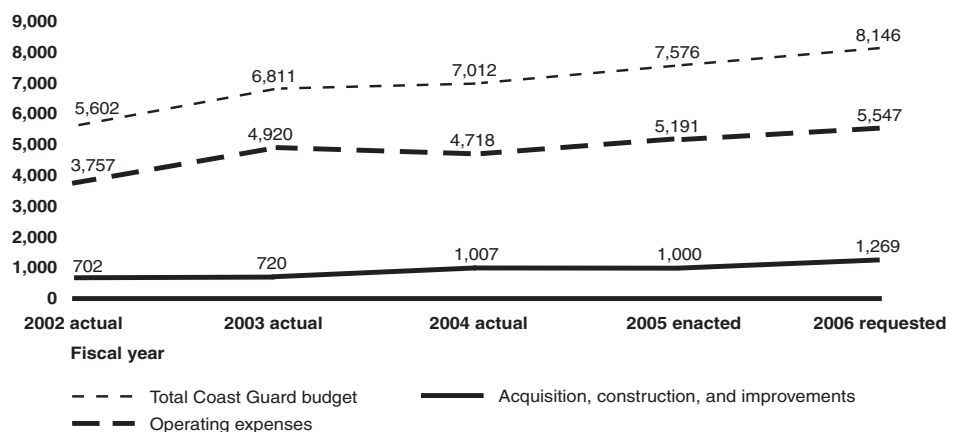
What GAO Found

The Maritime Transportation Security Act of 2002 charged the Coast Guard with many maritime homeland security responsibilities, such as assessing port vulnerabilities and ensuring that vessels and port facilities have adequate security plans, and the Coast Guard has worked hard to meet these requirements. GAO's reviews of these efforts have disclosed some areas for attention as well, such as developing ways to ensure that security plans are carried out with vigilance. The Coast Guard has taken steps to deal with some of these areas, but opportunities for improvement remain.

The Coast Guard has three efforts under way that hold promise for enhancing mission performance but also merit ongoing attention. One is a new coastal communication system. The fiscal year 2006 budget request includes \$101 million to move the system forward. A successful system would help almost all Coast Guard missions, but to develop it the Coast Guard must build more than 300 towers along the nation's coasts, some of them in environmentally sensitive areas. The second effort involves restructuring the Coast Guard's field units—tying resources and command authority closer together. This effort represents a major organizational change, and as such, it may be challenging to implement successfully. The third effort, enhancing readiness at the Coast Guard's stations for search and rescue and other missions, remains a work in process.

The Deepwater program, which would receive \$966 million under the budget request, appears to merit the most ongoing attention. GAO reviews of this program have shown that the Coast Guard clearly needs new or upgraded assets, but the Coast Guard's contracting approach carries a number of inherent risks that, left unaddressed, could lead to spiraling costs and slipped schedules. The Coast Guard is taking some action in this regard, but GAO continues to regard this approach as carrying substantial risk. Some expansion of cost and slippage in schedule has already occurred.

Coast Guard Budget, Fiscal Years 2002-2006 (dollars in millions)



Source: GAO analysis of Coast Guard data.