April 2006

GAO
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Highlights

Highlights of GAO-06-546, a report to congressional requesters.

COAST GUARD

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

Why GAO Did This Study

The Deepwater program was designed to produce aircraft and vessels that would function in the Coast Guard's traditional at-sea roles. After the terrorist attacks of September 11, 2001, however, the Coast Guard began taking on additional homeland security missions, and so it revised the Deepwater implementation plan to provide assets that could better meet these new responsibilities. While many acknowledge that the Coast Guard's aging assets need replacement or renovation, concerns exist about the approach the Coast Guard adopted in launching the Deepwater program. The subsequent changes in the program's asset mix and delivery schedules only increased these concerns. This report (1) compares the revised Deepwater implementation plans with the original plan in terms of the assets to be replaced or modified, and the time frames and costs for doing so; (2) assesses the degree to which the operational effectiveness model and other analytical methods used by the Coast Guard to develop the revised Deepwater asset mix are sound and appropriate for such a purpose; and (3) assesses the progress made in implementing GAO's prior recommendations regarding program management.

GAO is not making any new recommendations in this report.

www.gao.gov/cgi-bin/getrpt?GAO-06-546.

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.

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.

The Coast Guard's analytical methods were appropriate for determining if the revised asset mix would provide greater mission performance and whether the mix is appropriate for meeting Deepwater missions. GAO and other independent experts found the Coast Guard's methods were reliable for assessing the effects of changing the asset mix and a Department of Defense review board facilitated accreditation of the Coast Guard's approach. Because the model has proved useful for guiding Coast Guard decisions on the proper asset mix for achieving Deepwater performance goals, the Coast Guard is considering ways to expand the model to guide decisions on meeting its Coast Guard-wide performance goals.

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.