

**DEPARTMENT OF HOMELAND SECURITY**  
**Office of Inspector General**

**Annual Review of Mission Performance**  
**United States Coast Guard (FY 2006)**



*Office of Inspector General*

**U.S. Department of Homeland Security**  
Washington, DC 20528



**Homeland  
Security**

February 28, 2008

### Preface

The Department of Homeland Security (DHS) Office of Inspector General (OIG) was established by the Homeland Security Act of 2002 (*Public Law 107-296*) by amendment to the Inspector General Act of 1978. This is one of a series of audit, inspection, and special reports prepared as part of our oversight responsibilities to promote economy, efficiency, and effectiveness within the department.

This report presents the annual review of the U.S. Coast Guard's mission performance, as required by the Homeland Security Act of 2002, Public Law 107-296, November 25, 2002. It is based on interviews with employees and officials of relevant agencies and institutions, direct observations, and a review of applicable documents.

The analysis herein has been developed to the best knowledge available to our office, and has been discussed in draft with those responsible for implementation. It is our hope that this report will result in more effective, efficient, and economical operations. We express our appreciation to all of those who contributed to the preparation of this report.

A handwritten signature in cursive script that reads "Richard L. Skinner".

Richard L. Skinner  
Inspector General

# Table of Contents/Abbreviations

---

Executive Summary .....	1
Background.....	2
Results of Audit .....	3
Growth in Total Resource Hours Has Leveled Off .....	3
Coast Guard Experienced Difficulty Maintaining Readiness and Operational Capability of Marine Assets.....	4
Mission Performance Leaves Room For Improvement.....	5
Barriers to Improving Performance Still Exist .....	6
Performance Measures Are Not Always Measurable or Clear.....	7

## Appendices

Appendix A: Non-Homeland Security Missions .....	10
Appendix B: Homeland Security Missions .....	20
Appendix C: Purpose, Scope, and Methodology .....	28
Appendix D: Management Comments to the Draft Report.....	29
Appendix E: Major Contributors to this Report .....	32
Appendix F: Report Distribution .....	33

## Abbreviations

ATON	Aids-to-Navigation
C3	Command, Control, and Communication
DR	Defense Readiness
DHS	Department of Homeland Security
EEZ	Exclusive Economic Zone
FY	Fiscal Year
GAO	Government Accountability Office
LMR	Living Marine Resources
OIG	Office of Inspector General
OMB	Office of Management and Budget
P.L.	Public Law
PTFMC	Percent Time Fully Mission Capable
PWCS	Ports, Waterways, and Coastal Security
SAR	Search and Rescue

---

# OIG

---

*Department of Homeland Security*  
*Office of Inspector General*

## **Executive Summary**

This report presents our annual review of the U.S. Coast Guard's mission performance as required by the Homeland Security Act of 2002. To address the Act's requirements, we reviewed the Coast Guard resource hours used to perform the various homeland security and non-homeland security missions, as well as performance goals and results, from FY 2001 through FY 2006.

Coast Guard data shows that total resource hours have increased in every period from the baseline of pre-September 11, 2001, through FY 2005 and then decreased slightly (less than one percent) in FY 2006. The Coast Guard's mission performance leaves room for improvement because it did not meet performance goals for three of its missions – Undocumented Migrant Interdiction, Defense Readiness, and Marine Safety. In addition, the Coast Guard missed its target performance goals by less than one percent for three non-homeland security missions: Search and Rescue, Aids-to-Navigation, and Living Marine Resources. The Coast Guard's performance measures are not always measurable or clear. The Coast Guard acknowledged there are limitations to some of the measures it uses and is working to improve several metrics to better reflect actual performance.

The Coast Guard experienced difficulty maintaining readiness and operational capability of aging marine assets. The Coast Guard also faces major barriers to improving or sustaining its mission performance, including major asset decommissioning and displacement, limited and finite assets to respond to crises, and challenges with the delivery of key Deepwater assets.

The Coast Guard concurred with our draft report regarding: growth in resource hours, difficulty maintaining readiness and operational capability of marine assets, and existing barriers to improving performance. The Coast Guard concurred in part to our conclusion that performance measures are not always measurable or clear. In contrast, the Coast Guard did not concur with our conclusion that mission performance leaves room for improvement. The Coast Guard's comments to our report are incorporated into the body of this report, as appropriate, and are included as Appendix D.

---

## Background

**Coast Guard Missions.** Section 888 of the *Homeland Security Act of 2002*<sup>1</sup> defines the Coast Guard's missions as either non-homeland security missions or homeland security missions as follows:

### Non-Homeland Security Missions

- Search and Rescue (SAR)
- Aids-to-Navigation (ATON)
- Ice Operations
- Living Marine Resources (LMR)
- Marine Safety
- Marine Environmental Protection

### Homeland Security Missions

- Ports, Waterways, and Coastal Security (PWCS)
- Drug Interdiction
- Undocumented Migrant Interdiction
- Defense Readiness
- Other Law Enforcement

In addition, Section 888 of the *Homeland Security Act of 2002* prohibits the Secretary from substantially or significantly reducing the missions of the Coast Guard or the Coast Guard's capability to perform those missions, subsequent to transfer of the Coast Guard to DHS.

**Resource Hours.** The Coast Guard uses resource hours – generally the number of flight hours (for aircraft) and underway hours (for boats and cutters) dedicated to a specific mission – to determine the amount of time that is expended in each of its non-homeland security and homeland security mission areas. During our review, we analyzed the total number of resource hours reported by the Coast Guard prior to September 11, 2001,<sup>2</sup> through FY 2006. We did not, however, verify the resource hour data reported by the Coast Guard, nor did we validate that the Coast Guard had accurately classified resource hour use for each mission. We assessed total resource hours for the 11 individual missions in order to identify the changes in each.

**Performance Goals and Results.** The Coast Guard uses outcome-oriented performance goals and measures to assess results of each Coast Guard mission in achieving current year goals, and to report past performance. For example,

---

<sup>1</sup> Public Law 107-296, November 25, 2002, Section 888 directs the Inspector General to conduct an annual review that assesses the performance of all Coast Guard missions, with a particular emphasis on non-homeland security missions.

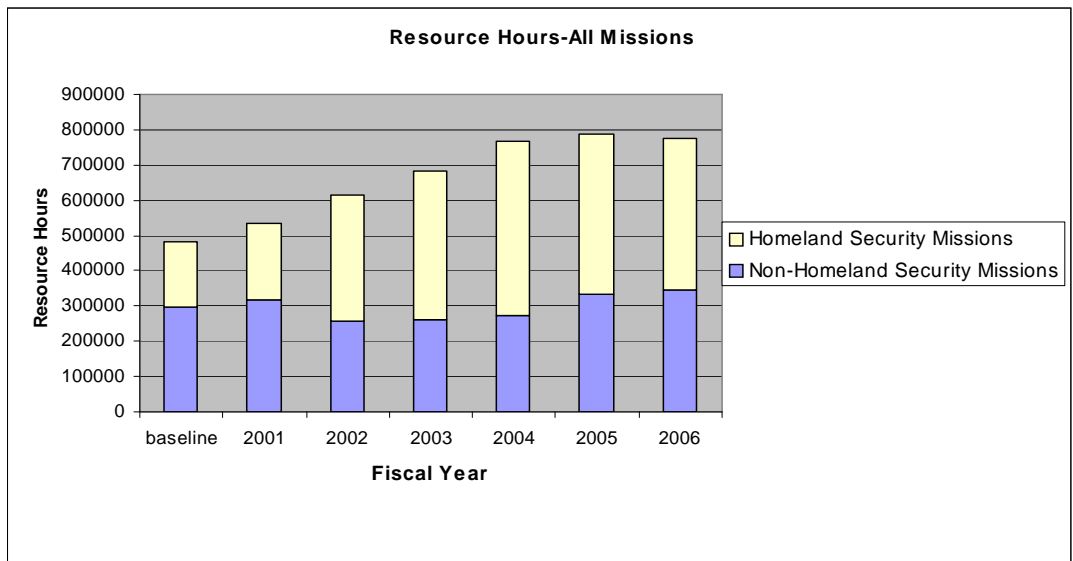
<sup>2</sup> The Coast Guard-calculated baseline (annual average based on eight fiscal year quarters preceding September 11, 2001) from which changes in resource hours since the September 11, 2001, attacks could be estimated.

the performance goal for Drug Interdiction is to reduce the flow of illegal drugs entering the U.S. via non-commercial maritime shipping sources, and its corresponding performance measure is the removal rate for cocaine that is shipped via non-commercial maritime means. Performance results provide information that enables the President, Department, Congress, and the public to assess the effectiveness of the Coast Guard's mission performance and stewardship of resources. Managers and executives use performance results to help gauge performance against resources appropriated by Congress for each Coast Guard mission, which are aligned with the Department of Homeland Security's strategic goals. Performance measures are also used to monitor actions, such as the number of incursions into the U.S. Exclusive Economic Zone, and enable executives to make decisions regarding future priorities.

## Results of Audit

### Growth in Total Resource Hours Has Levelled Off

Total Coast Guard resource hours have significantly increased since the baseline period, with increases in every period through FY 2005 and then a decrease by less than one percent in 2006, as depicted in the chart below. Some of the FY 2006 decrease in resource hours is the result of the Coast Guard's decision to permanently withdraw eight 123' Island Class Patrol Boats (123' patrol boats) from service on November 30, 2006, due to structural design and performance problems.



---

Prior to FY 2001, the non-homeland security missions represented the largest percentage of resource hours within the Coast Guard. Following September 11, 2001, the Coast Guard dedicated a larger percentage of resource hours to homeland security missions than for non-homeland security missions. After an initial drop in non-homeland security resource hours in FY 2002, the non-homeland resource hours increased through FY 2006 bringing total non-homeland security hours to approximately 16% above baseline levels. The percentage of resource hours dedicated to homeland security grew until FY 2004 and decreased marginally in FY 2005 and again in FY 2006.

Assessments of resource hours for all Coast Guard missions, and individual non-homeland security missions and homeland security missions, are included in Appendices A and B.

### **Coast Guard Experienced Difficulty Maintaining Readiness and Operational Capability of Marine Assets**

A Coast Guard official testified that the agency experienced difficulty in maintaining the readiness and operational capability of its cutter fleets, including the 378' (commissioned 1967), 270' (commissioned between 1983 and 1991), and 210' (commissioned between 1964 and 1969). These vessels have, on average, been in service for 33 years, are nearing the end of their useful service life, and are increasingly expensive to repair. Further, in September 2006, the US Government Accountability Office (GAO) reported that as ATON assets continue to age, their condition is declining, though not precipitously.<sup>3</sup> As a result, the Coast Guard may experience difficulty sustaining resource hours necessary to meet ever-increasing homeland security mission requirements and its traditional non-homeland security mission requirements.

The Coast Guard measures the time that its cutters, icebreakers, patrol boats, tugs, and buoy tenders are fully mission capable, known as Percent Time Fully Mission Capable (PTFMC). The PTFMC measures the absence of deficiencies in mission critical equipment, which causes a major degradation or loss of a primary mission. For example, the 13 - 270' medium endurance cutters were fully mission capable 51% of the time during FY 2006. Table 1, on the following page, shows the Coast Guard's calculation of the percentage of time each asset class of cutters was fully mission capable for FY 2006.

---

<sup>3</sup> GAO-06-979, *Coast Guard Condition of Some Aids-to-Navigation and Domestic Icebreaking Vessels Has Declined; Effect on Mission Performance Appears Mixed.*

**Table 1. Percent Time Fully Mission Capable, FY 2006**

<b>Coast Guard Cutters</b>	<b>No. of Assets</b>	<b>Percent of Time Fully Mission Capable FY 2006</b>
378' High Endurance Cutter (WHEC)	12	43%
282' Medium Endurance Cutter (WMEC)	1	56%
270' Medium Endurance Cutter (WMEC)	13	51%
213' Medium Endurance Cutter (WMEC)	1	64%
210' Medium Endurance Cutter (WMEC)	14	64%
420' Icebreaker (WAGB)	1	80%
399' Polar Class Icebreaker (WAGB)	2	12%
123' Patrol Boat (WPB)	8	16%
110' Patrol Boat (WPB)	41	57%
87' Coastal Patrol Boat (WPB)	65	70%
179' Patrol Coastal Boat (WPC)	5	67%
240' Seagoing Buoy Tender/Icebreaker (WLBB)	1	0%
225' Seagoing Buoy Tender (WLB)	16	52%
175' Coastal Buoy Tender (WLM)	14	75%
160' Inland Construction Tender (WLIC)	4	41%
100' Inland Construction Tender (WLIC)	1	93%
75' Inland Construction Tender (WLIC)	8	72%
100' Inland Buoy Tender (WLI)	2	63%
65' Inland Buoy Tender (WLI)	3	93%
140' Icebreaking Tug (WTGB)	9	77%
75' River Buoy Tender (WLR)	12	61%
65' River Buoy Tender (WLR)	6	91%
65' Small Harbor Tug (WYTL)	11	67%
<b>Total</b>	<b>250</b>	

**Source:** U.S. Coast Guard

## Mission Performance Leaves Room for Improvement

The Coast Guard is not meeting all of its performance goals despite a substantial increase in resource hours since FY 2001. For FY 2006 the Coast Guard has been more successful in meeting its goals for its homeland security missions, meeting three of five (60%) goals, compared to meeting two of six (33%) goals for non-homeland security missions. However, three of the four performance measures for non-homeland security missions, where goals were not achieved, were statistically insignificant. For example, the Coast Guard reported for FY 2006, it saved 85.27% of mariner's lives where the goal was 86%; there were 1,765 collisions, allisions, and groundings for the ATON mission, although the goal was 1,748 or fewer; and finally the Coast Guard



---

reported 96.6% of fisherman were complying with regulations where the goal was 97%.

Of the 11 Coast Guard missions (six non-homeland security and five homeland security), the Coast Guard met its performance goal for all six years surveyed for just one mission: Marine Environmental Protection. The Coast Guard first established a performance measure for the Marine Safety mission in FY 2003 and met its goal in three out of four years since a goal was established. In addition, the Coast Guard only developed a risk-based performance measure for the Ports, Waterways, and Coastal Security mission in FY 2005 and met its goal in 2006. Six of the remaining missions did not consistently meet the goals during the same six-year period, including LMR, SAR, Ice Operations, Drug Interdiction, Undocumented Migrant Interdiction and Other Law Enforcement. Lastly, Defense Readiness has not met its goals for any of the six years.

According to Coast Guard officials, the failure of the Coast Guard to meet a performance goal is not necessarily indicative of underlying performance problems. When higher priority threats arise, the Coast Guard shifts resources. As a result, missions that “donate” resources to deal with higher-priorities can temporarily experience lower performance. We agree this may impact mission performance for periods of time, such as the impact of the removal of eight 123’ cutters on the Undocumented Migrant Interdiction mission and the resultant shifting of assets to cover for these removed cutters. However, the Coast Guard establishes the goals they want to achieve and they need to work to achieve these goals.

Assessments of performance goals and results for all Coast Guard missions, and individual non-homeland security missions and homeland security missions, are included in Appendices A and B.

## **Barriers to Improving Performance Still Exist**

The Coast Guard faces three major barriers to improving or sustaining its mission performance:

1. Major asset decommissioning and displacement,
2. Limited and finite assets to respond to crises, and
3. Challenges with key Deepwater Assets.

### **Major Asset Decommissioning and Displacement**

The slight decrease in total resource hours between FY 2005 and FY 2006 can be somewhat attributed to the poor performance of the 123’ patrol boats. Per

---

a Coast Guard official, the November 2006 removal of these assets from service will impede missions, including the Coast Guard's Undocumented Migrant Interdiction mission. As a result, the Coast Guard is currently short 25,000 patrol boat mission hours. To compensate for this capability gap, for FY 2007, the Coast Guard reports it plans to shift 87' patrol boats and buoy tenders to South Florida on an as needed basis and multi-crew some 110' patrol boats.

### **Limited and Finite Assets To Respond To Crises**

The Coast Guard has a limited and finite number of assets, and therefore available resource hours, to respond to an extended crisis. With no additional reserve assets for use in catastrophic situations, the Coast Guard must use resource hours normally dedicated to other missions to respond to crises and to meet often changing mission priorities. One of the reasons the Coast Guard has not been able to meet its goals for asset availability is the Deepwater acquisitions program, which has continued to encounter difficulties, most recently in the acquisition of the Fast Response Cutters. These cutters are scheduled to replace the Coast Guard's aging patrol boat fleet. Also the Rescue 21 program<sup>4</sup> has been plagued by delays, technical problems, cost escalation, and a delay in full implementation, which has slipped by five years.

### **Challenges with Key Deepwater Assets**

While some Deepwater assets have been delivered, others have encountered significant problems that have created a number of challenges for the Coast Guard. These challenges include delivery delays and loss of operational capabilities. For example, the Coast Guard is assessing alternatives as a result of the delays with the Vertical Unmanned Aerial Vehicle. In addition, design problems associated with the National Security Cutter and the Fast Response Cutter will potentially hinder future operations. The Coast Guard is taking a variety of actions to address these challenges, such as relying more heavily on existing assets, making plans to purchase off-the-shelf assets, and planning corrective structural modifications.

## **Performance Measures Are Not Always Measurable or Clear**

Performance measures can be weakened when they involve the Coast Guard's reliance on data or estimates received from outside sources. However, the Coast Guard presumes that government-owned data is of sufficient rigor to be

---

<sup>4</sup> Rescue 21 is a program that will assist the Coast Guard in carrying out the SAR and all the other missions the Coast Guard performs by providing an advanced command, control, and communications (C3) system. According to Coast Guard officials, this new C3 system will be more robust, more reliable, and more capable than the current system.

---

used in drawing performance conclusions. For example, both states and the Army Corp of Engineers provide data in support of the Coast Guard's Marine Safety mission performance. However, the Coast Guard does not test the reliability of this data because it considers it a fair presumption that government-owned data is of sufficient rigor to be used by other agencies. Also, estimates based on intelligence data and economic conditions of Caribbean countries affect performance measures for the Undocumented Migrant Interdiction mission. For this reason, the Coast Guard is changing its performance measure in FY 2007 for the Undocumented Migrant Interdiction mission.

Performance measures can also help managers evaluate related performance. For example, the ATON performance measure is based on the five-year average of collisions, allisions, and groundings, which is also related to Marine Safety. Because research has shown the majority of maritime accidents occur as a result of human error, a more accurate measure of ATON performance may be the percentage of fully operational and properly positioned aids-to-navigation.

In August 2006, the GAO reported that although Coast Guard performance measures are generally sound, the data is not always clear.<sup>5</sup> For example, for performance measures related to domestic ice-breaking operations, the Coast Guard measures success based on the annual number of days waterways are closed because of ice. However, this measure actually reflects closures of only one critical waterway – St. Mary's River, a connecting channel between Lakes Superior and Huron, which acts as a thoroughfare for international shipping. As a result, the measure could confuse users and might cause them to conclude that performance is better or worse than it actually is. The Coast Guard is working to resolve these inconsistencies in measurement reporting, but notes that these inconsistencies do not substantially impact the level of performance asserted by the Coast Guard.

Some of the performance measures that the Coast Guard has in place, and the data behind them, may not always be comprehensive, practical, or accurate. The Coast Guard's actual performance and the standards by which some of these are based may not present an accurate account of whether the Coast Guard is performing its missions successfully. The Coast Guard acknowledged there are limitations to some of the measures it uses, and is working with DHS and Office of Management and Budget (OMB) to improve several metrics to better reflect actual performance.

---

<sup>5</sup> GAO-06-816, *Coast Guard Non-Homeland Security Performance Measures Are Generally Sound, but Opportunities for Improvement Exist.*

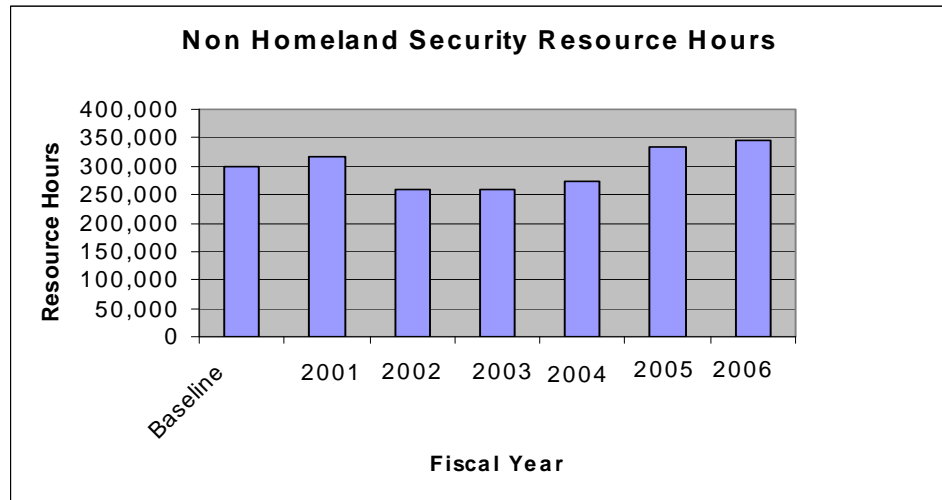
---

## **Conclusion**

The aging and deteriorating fleet of cutters and patrol boats will continue to negatively affect the Coast Guard's ability to meet its mission performance goals. As a result of challenges with the Deepwater acquisition program, new assets have either been delayed or cancelled. The Coast Guard recognizes these challenges and is taking action to strengthen the Deepwater acquisition program and its technical and management oversight. Although we have not tested the actions the Coast Guard is taking in the Deepwater acquisitions program, it appears, when fully implemented, these actions will put the Coast Guard on track to restoring its readiness to perform its non-homeland and homeland security mission in a timely, effective, safe, and efficient manner.

### Non-Homeland Security Resource Hours

After an initial drop in non-homeland security resource hours in FY 2002, the total non-homeland resource hours have increased through 2006, exceeding the baseline by 16%.



After the increase in FY 2001, the total resource hours dedicated to non-homeland security missions decreased through FY 2003, then increased in FY 2004, and continued through FY 2006. The significant increase in resource hours from FY 2004 to FY 2005 is largely attributed to major SAR efforts in the aftermath of Hurricane Katrina. In FY 2006, non-homeland security hours represented approximately 45% of resource hours.

**Performance Goals and Results.** The Coast Guard has been more successful in meeting its goals for its traditional non-homeland security missions. The Coast Guard met its goal for every year during the period of FY 2001 through FY 2006 for the Marine Environmental Protection mission. The Coast Guard had similar success with its ATON mission where it met its goal for five out of the six years (FYs 2001-2005). The Coast Guard did not meet its FY 2006 performance goals in four of six non-homeland security mission areas. However for the SAR, ATON, and LMR missions, the performance shortfalls were insignificant; the Coast Guard failed to meet its goals by less than a percentage point in these areas.

The Coast Guard's ability to meet performance goals for its Marine Safety mission decreased from its baseline of an average 1,317 down to an average of 1,277 in FY 2005. However, this average increased to 1,400 in FY 2006. The Coast Guard reported that recreational deaths and injuries have been added into the performance measure for the Coast Guard's successful

## **Appendix A**

### **Non-Homeland Security Missions**

---

accomplishment of its Marine Safety mission, which could explain why the average has increased in FY 2006. The Coast Guard also reported implementation of a proposed towing vessel inspection regulation should help decrease the five-year average. Yet, the towing vessel inspection regulations have not been promulgated.

Specific performance goals and results for each of the non-homeland security missions from FY 2001 through FY 2006 are summarized in the Table 2.

**Appendix A**  
**Non-Homeland Security Missions**

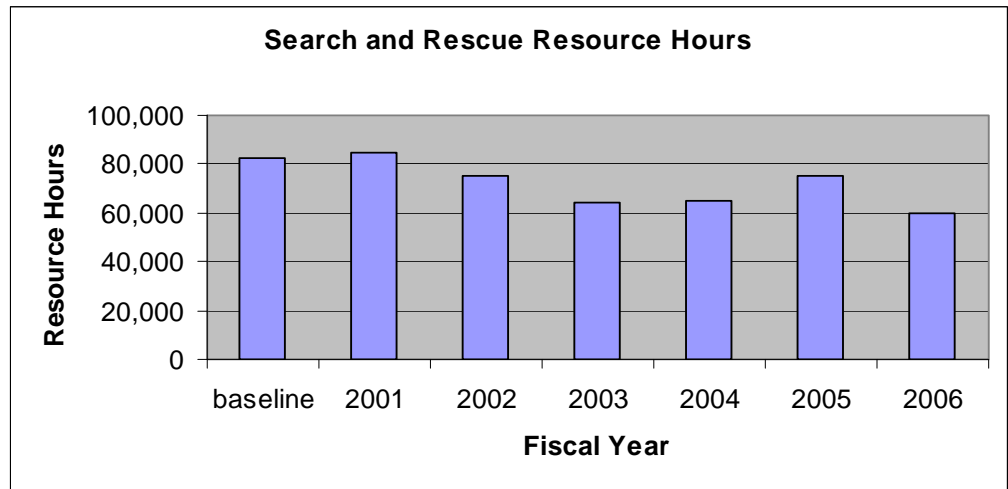
**Table 2: Non-Homeland Security Missions Performance Goals and Results**

Non-Homeland Security		2001	2002	2003	2004	2005	2006	Performance Measure
<b>Search/Rescue</b>	<b>Goal</b>	85%	85%	85%	85%	86%	86%	Percentage of mariners in imminent danger saved
	<b>Actual</b>	84.2%	84.4%	87.7%	86.8%	86.1%	85.27%	
	<b>Result</b>	× Not met	× Not Met	√ Met	√ Met	√ Met	× Not met	
<b>Aids to Navigation</b>	<b>Goal</b>	2,261	2,098	2,010	1,923	1,831	1,748 or Fewer	Five -year average number of collisions, allisions, and groundings
	<b>Actual</b>	2,215	2,098	2,000	1,876	1,825	1,765	
	<b>Result</b>	√ Met	√ Met	√ Met	√ Met	√ Met	× Not Met	
<b>Ice Operations</b>	<b>Goal</b>	8	2	8	2	2	2 (avg) 8 (severe)	Limit the number of days critical waterways are closed due to ice to 2 days in an average winter and 8 days in a severe winter
	<b>Actual</b>	7	7	7	4	0	0	
	<b>Result</b>	√ Met	× Not Met	√ Met	× Not Met	√ Met	√ Met	
<b>Living Marine Resources</b>	<b>Goal</b>	97%	97%	97%	97%	97%	97%	Percentage of fishermen complying with federal regulations
	<b>Actual</b>	98.6%	97.3%	97.1%	96.3%	96.4%	96.6%	
	<b>Result</b>	√ Met	√ Met	√ Met	× Not Met	× Not Met	× Not Met	
<b>Marine Safety</b>	<b>Goal</b>	NA	NA	1,543	1,513	1,317	1,280	5-year average annual fatalities and injuries
	<b>Actual</b>	1,651	1,332	1,307	1,293	1,277	1,400	
	<b>Result</b>	NA	NA	√ Met	√ Met	√ Met	× Not Met	
<b>Marine Environmental Protection</b>	<b>Goal</b>	47	45	43	41	20	19 or less	Five -year average number of U.S. Coast Guard investigated oil spills greater than 100 gallons and chemical discharges into the navigable waters of the U.S. per 100 million short tons of chemical and oil products shipped in U.S. waters
	<b>Actual</b>	40.3	35.1	29.4	22.1	18.5	16.3	
	<b>Result</b>	√ Met	√ Met	√ Met	√ Met	√ Met	√ Met	
<b>Subtotal: Non Homeland Security Goals Met</b>		4 of 5	3 of 5	6 of 6	4 of 6	5 of 6	2 of 6	

**Non-Homeland Security Mission: Search and Rescue**

The SAR mission responsibilities include minimizing the loss of life, personal injury, and property loss and damage in the maritime environment by rendering aid to persons in distress and property associated with maritime transportation, fishing and recreational boating.

**Resource hours.** Resource hour levels for the SAR mission increased in FY 2001, decreased during FYs 2002 and 2003, and then slightly increased in FY 2004, as illustrated in the chart below. The decrease during FY 2002 and FY 2003 was expected due to the responses to the events of September 11, 2001, with more resources directed to homeland security missions, such as PWCS. However, in FY 2005, SAR showed a significant increase, attributable to the Coast Guard’s response to Hurricane Katrina, approaching baseline levels. SAR resource hours dropped 20% again in FY 2006. These current levels are within 28% of baseline levels, the lowest amount of hours in the last six years.



**Performance Goals and Results.** The SAR mission performance measures are based on the percentage of mariners’ lives saved. In FY 2001 and FY 2002 the goal of saving 85% of mariners in distress was not obtained, although it fell just marginally short of the goals, as shown in Table 2. However, since then, the goal was attained in FY 2003 through FY 2005 and fell marginally short in FY 2006. Coast Guard officials stated that a review of SAR data does not indicate a specific reason why the goal was not achieved, but contributing factors include delays in fielding improved SAR capabilities (Rescue 21) and the uncontrollable variables such as weather, location, incident severity, and life saving devices on board, that influence the number and outcome of SAR incidents. Coast Guard Mission Analysis personnel also stated that the Coast Guard is receiving more calls for complex rescue cases



## Appendix A Non-Homeland Security Missions

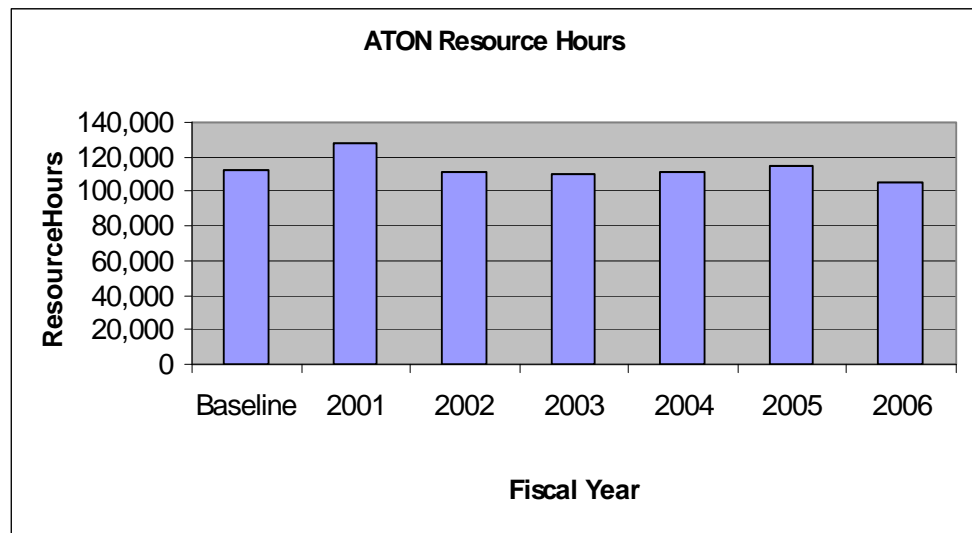
---

because private towboats are assuming what once was considered easy Coast Guard rescues.

### **Non-Homeland Security Mission: Aids-to-Navigation**

The ATON mission is a means for the Coast Guard to mark the waters of the United States and its territories to assist boaters in navigation and alert them to obstructions and hazards.

**Resource Hours.** Resource hour levels for ATON tracked similar to the SAR mission -- they increased in FY 2001, decreased during FY 2002 and FY 2003, increased slightly in FYs 2004 and 2005, and decreased again in FY 2006. This resulted in levels falling to approximately six percent short of the baseline level, as illustrated in the chart below.



**Performance Goals and Results.** The Coast Guard showed progress in the ATON mission for FYs 2001 through 2005; however, the organization did not meet its goal in FY 2006 by less than one percent. This mission, which is measured based on a five-year average number of collisions, allisions, and groundings, has been successful in accomplishing its established goals for five of the last six years. According to performance reports, the five-year average number of distinct collision, allision, and grounding events continues to decline. The Coast Guard attributes its success in this area to reorganization of service delivery processes at every level of the organization. In addition, the waterways management organization as it exists now harmonizes other activities, including vessel traffic services, bridge administration, and domestic ice breaking. The goals for this mission area, however, remain problematic in that they use the number of allisions, collisions, and

## Appendix A

### Non-Homeland Security Missions

---

groundings as a performance indicator, although the majority of marine casualties are related to human error and not ATON. Leading indicators of ATON program performance include the availability of ATON and failure rates among various ATON.

#### **Non-Homeland Security Mission: Ice Operations**

Ice Operations is responsible for icebreaking activities in the Great Lakes and Northeast.<sup>6</sup> This facilitates the movement of bulk cargoes carried by regional commercial fleets during the winter months. Domestic icebreaking is normally conducted for SAR and other emergency situations, prevention of flooding caused by ice, and facilitation of navigation.

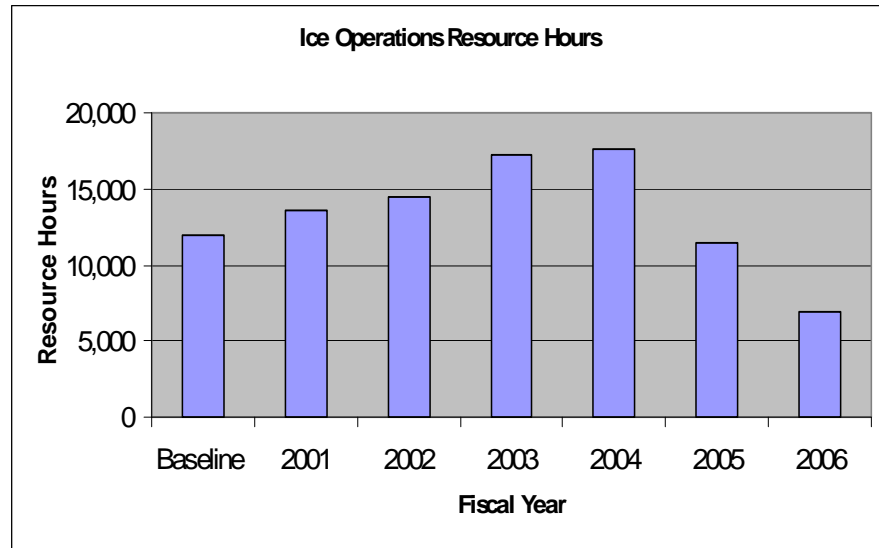
**Resource hours.** As illustrated in the chart on the next page, resource hours for Ice Operations steadily increased through FY 2004 and took a sharp decline in FY 2005 and again in FY 2006, bringing it within approximately 40% of FY 2004 levels. Hours declined sharply in FY 2005 to 11,398 hours, down 35% from FY 2004, and decreased once again in FY 2006 to 6,877 hours. Baseline levels were at 11,935, with FY 2004 levels at 17,552, representing an overall increase of 47%. However, in FY 2005 the mission had a major decline in resource hours, ending in levels almost five percent below baseline levels. These are not unusual fluctuations since this mission is dependent on ice accumulation, which fluctuates on a yearly basis. As of FY 2006, resource hours were 43% below baseline levels.

---

<sup>6</sup> In addition to domestic ice operations, the Coast Guard operates the only U.S.-controlled icebreakers capable of operations in the polar regions. The Coast Guard operates these cutters and is reimbursed for their operation and maintenance by the National Science Foundation. Resource hours for polar operations are included in the chart; however, only Coast Guard-directed domestic ice operations performance goals are measured.

## Appendix A Non-Homeland Security Missions

---



**Performance Goals and Results.** The success of the Ice Operations mission is measured by days of waterway closures: no more than eight days of closure for winters considered severe and two days of closure for winters considered average. The Coast Guard met the established goals in FY 2001 and FY 2003 (both severe winters), and again in FY 2005 and 2006 (average winter), as shown in Table 2. The goals were not attained in FY 2002 and FY 2004 (average winters). Since the Coast Guard achieved its goal in both severe and average winters, it appears that the type of winter is not the deciding factor in whether the Coast Guard meets its goals. There were no closures of critical waterways recorded in FY 2006 due to ice.

### **Non-Homeland Security Mission: Living Marine Resources**

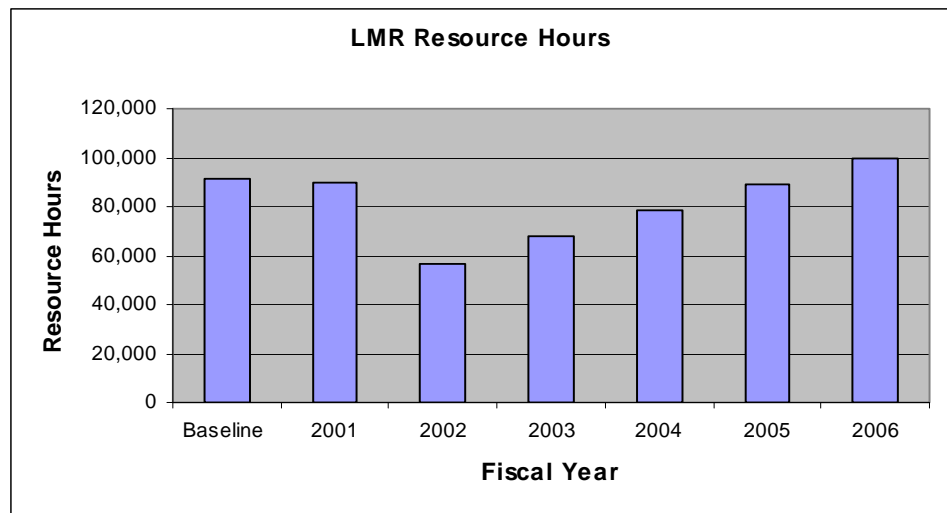
LMR is responsible for federal LMR regulations and enforcing domestic fisheries laws.

**Resource hours.** After the events of September 11, 2001, resource hour levels for LMR showed a significant decrease in FY 2002. In FY 2003, the levels began to increase, but still were 26% below baseline levels.

The resource hours then increased again in FYs 2004 through FY 2006, resulting in levels within nine percent of baseline levels, after a low of almost 38% below baseline levels during FY 2002, as illustrated in the chart on the next page.

## Appendix A Non-Homeland Security Missions

---



**Performance Goals and Results.** The LMR mission measures its successes by determining the percentage of fishermen complying with domestic federal fisheries regulations. The goals set for this mission were met in FYs 2001, 2002, and 2003, but were not achieved in FYs 2004 through 2006, as depicted in Table 2. The Coast Guard fell short of its goal by 0.4% in FY 2006. There has been an overall decline in actual compliance since FY 2001. Per Coast Guard Officials, complex, ever changing fisheries regulations in the northeast, particularly when combined with days at sea restrictions, produced strong incentives to violate the regulations, contributing to a steady increase in violations. Several years of poor economic conditions in the shrimp fisheries and effects of the 2005 hurricane season also created a strong incentive for the fishing industry to disregard regulations.

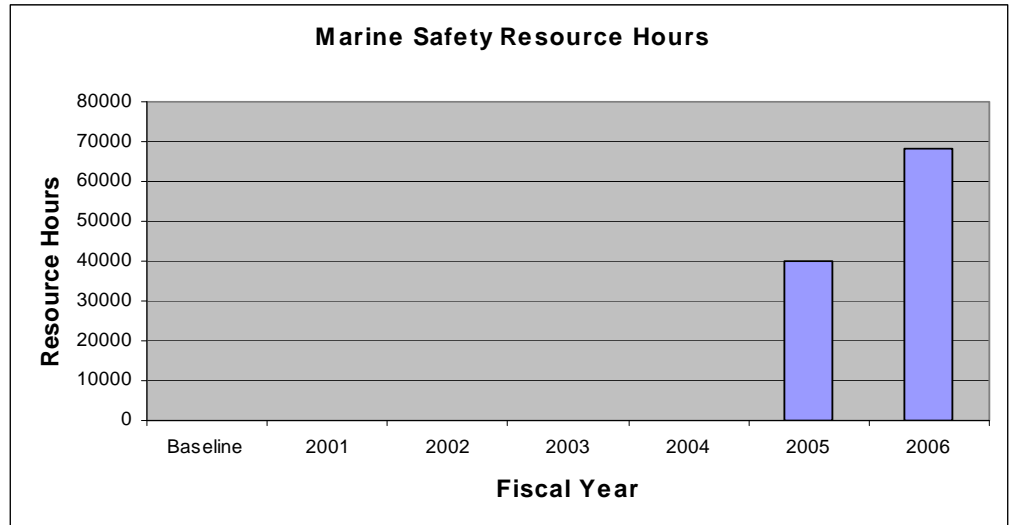
### **Non-Homeland Security Mission: Marine Safety**

Marine Safety is responsible for providing safe, efficient, and environmentally sound waterways for the myriad of commercial and recreational users.

## Appendix A Non-Homeland Security Missions

---

**Resource hours.** We analyzed resource hour data for FYs 2005 and 2006 because the Coast Guard did not report hours for this mission prior to 2005. The Marine Safety mission is personnel intensive and is largely carried out without using Coast Guard aircraft, cutter, and boat assets.



**Performance Goals and Results.** The Coast Guard measures the success of the Marine Safety mission by comparing five-year average annual fatalities and injuries. The Marine Safety mission accomplished its goals in FY 2003 through FY 2005, but did not meet its goal in FY 2006, as shown in Table 2. The Coast Guard did not establish goals in FYs 2001 and 2002. The Coast Guard reported it ambitiously set its goal of no more than 1,280 deaths or injuries for FY 2006 (actual 1,400) based in part on anticipated towing vessel regulations that were not yet implemented. Completion of these regulations, as well as proposed changes to requirements for safety/survival systems and a requirement that fishing vessels have a current safety decal, are expected to favorably affect future results. The Coast Guard also is now reporting recreational injuries and deaths, as reported by States. According to Coast Guard officials, this also has contributed to why the Coast Guard has not met its goal.

### **Non-Homeland Security Mission: Marine Environmental Protection**

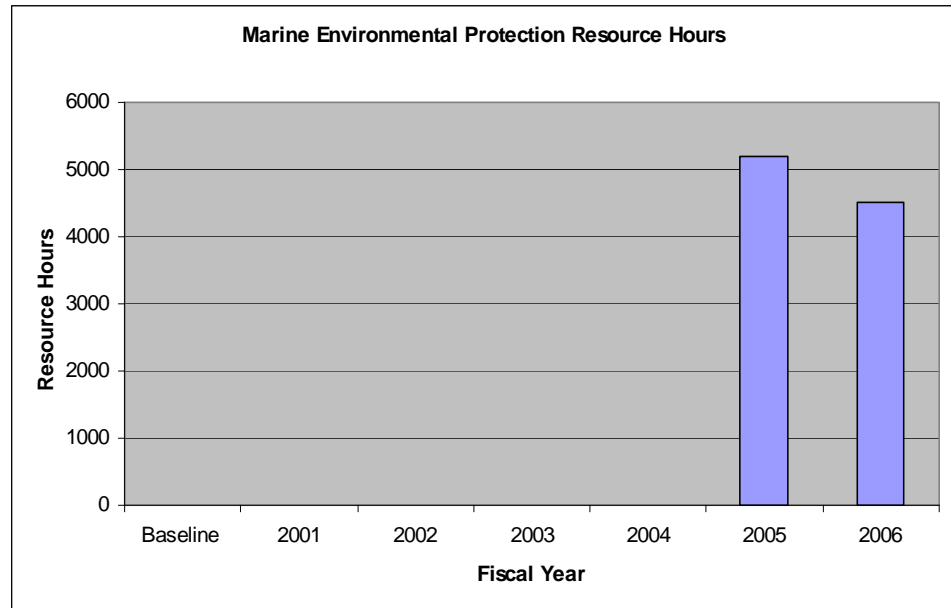
The Marine Environmental Protection is to prevent the introduction of invasive species, stop unauthorized ocean dumping, and protect against accidental oil and chemical spills.

**Resource hours.** We only analyzed resource hour data for FYs 2005 and 2006 for the marine environmental protection mission because the Coast

## Appendix A Non-Homeland Security Missions

---

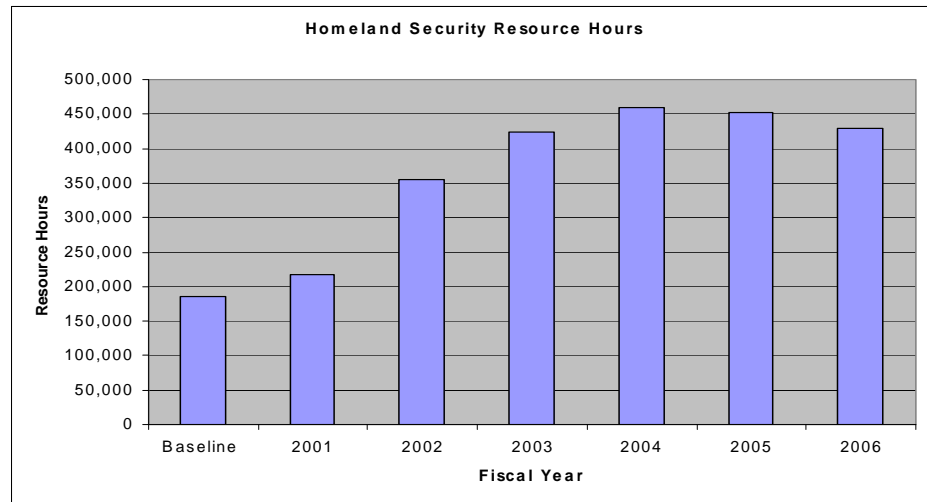
Guard did not report resource hours for previous years. Traditionally, this mission is personnel intensive and is largely conducted without using Coast Guard aircraft, cutter, and boat assets.



**Performance Goals and Results.** Marine Environmental Protection's successes are measured by the five-year average annual oil spills and chemical discharges. The Coast Guard has been successful in reducing the number of incidents year to year, thus accomplishing its goals for the entire five-year period. As depicted in Table 2, the mission has been so successful that the Coast Guard reduced its goal by over 50% in FY 2005 (from 41% to 20%), which it still met. The Coast Guard also met its goal in FY 2006, reducing its goal from a five-year average of 20 oil spills and chemical discharges to 19 or less. The Coast Guard attributes the decrease to many initiatives including a more thorough assessment of the skills of merchant mariners employed as members of a ship's engineering watch, as well as a more uniform policy for ensuring compliance with the international safety management code that governs routine ship operations such as cargo transfers and ship fueling.

### **Homeland Security Resource Hours**

Overall total resource hours for homeland security missions increased through FY 2004, then slightly decreased in FY 2005, and again in FY 2006. However, the FY 2006 level is still significantly (231%) above baseline levels, as depicted in the chart below.



Resource hours for some individual homeland security missions increased while others decreased. When compared to the baseline, Ports, Waterways, and Coastal Security (PWCS); Defense Readiness; and Undocumented Migrant Interdiction showed significant increases while Drug Interdiction and Other Law Enforcement showed decreases. Specifically, through FY 2006, PWCS, Defense Readiness, and Undocumented Migrant Interdiction increased a total of 1,023%, 602%, and 129%, respectively, while Drug Interdiction and Other Law Enforcement showed decreases of 23% and 36%, respectively.

**Homeland Security Performance Goals and Results.** The Coast Guard continues to experience difficulty in meeting its homeland security performance goals. The Coast Guard was not successful in meeting some of its goals for its homeland security missions, as illustrated in Table 3. The Coast Guard did not meet its goal for Defense Readiness for any of the six years surveyed. Additionally, the Coast Guard failed to meet its Undocumented Migrant Interdiction goals in four out of the six years surveyed. The Coast Guard achieved its goals in FY 2002 and FY 2004 for this mission. For Drug Interdiction and Other Law Enforcement, the Coast Guard achieved its goals in three of the six years reviewed. For PWCS, the Coast Guard did not establish a goal until FY 2006 and met its goal that year. Performance goals and results for the five individual homeland security missions, from FY 2001 through FY 2006, are summarized in Table 3.

**Appendix B**  
**Homeland Security Missions**

**Table 3: Homeland Security Missions Performance Goals and Results**

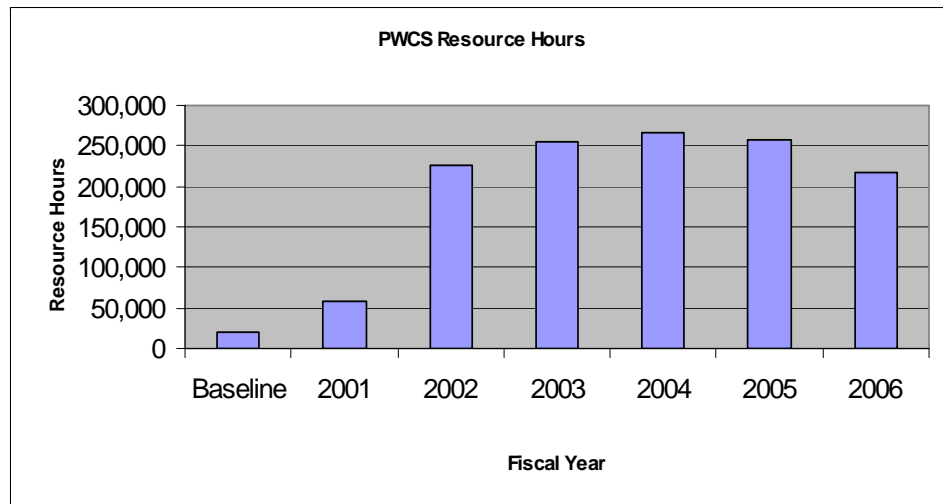
Homeland Security		2001	2002	2003	2004	2005	2006	Performance Measure
<b>Ports, Waterways, &amp; Coastal Security</b>	<b>Goal</b>	No Measure	No Measure	No Measure	No Measure	Measure Baselined	14%	Reduction in the Coast Guard PWCS Risk Index that is attributable to Coast Guard combating maritime terrorism activities
	<b>Actual</b>					3.4%	18%	
	<b>Result</b>						√ Met	
<b>Drug Interdiction</b>	<b>Goal</b>	15%	18.7%	20.7%	15%	19%	22%	Removal rate for cocaine that is shipped via non-commercial maritime means
	<b>Actual</b>	11.7%	10.6%	16.3%	30.7%	27.3%	22%	
	<b>Result</b>	× Not Met	× Not Met	× Not Met	√ Met	√ Met	√ Estimated -Met	
<b>Undocumented Migrant Interdiction</b>	<b>Goal</b>	87%	87%	87%	87%	88%	89%	Percentage of undocumented migrants who attempted to enter the U.S. via maritime routes that are interdicted or deterred
	<b>Actual</b>	82.5%	88.3%	85.3%	87.1%	88.5%	<89%	
	<b>Result</b>	× Not Met	√ Met	× Not Met	√ Met	× Not Met	× Estimated -Not Met	
<b>Defense Readiness</b>	<b>Goal</b>	100%	100%	100%	100%	100%	100%	Percentage of time that Coast Guard assets included in the Combatant Commander Operational Plans are ready at a Status of Resources and Training System rating of 2 or better
	<b>Actual</b>	67%	70%	78%	76%	69%	62%	
	<b>Result</b>	× Not Met	× Not Met	× Not Met	× Not Met	× Not Met	× Not Met	
<b>Other Law Enforcement</b>	<b>Goal</b>	202	202	202	202	200	199	Number of incursions into U.S. Exclusive Economic Zone
	<b>Actual</b>	212	250	152	247	171	164	
	<b>Result</b>	× Not Met	× Not Met	√ Met	× Not Met	√ Met	√ Met	
<b>Subtotal: Homeland Security Goals Met</b>		<b>0 of 4</b>	<b>1 of 4</b>	<b>1 of 4</b>	<b>2 of 4</b>	<b>2 of 4</b>	<b>3 of 5</b>	



**Homeland Security Mission: Ports, Waterways, and Coastal Security**

The Ports, Waterways, and Coastal Security (PWCS) mission is to prevent and protect against maritime security threats, reducing America’s vulnerability to those threats, and minimizing the adverse consequences of maritime security incidents that do occur.

**Resource hours.** Resource hours for PWCS rapidly increased in response to the events of September 11, 2001, resulting in a 1,220% increase over baseline levels by FY 2003.<sup>7</sup> In FY 2004, the levels increased slightly by four percent over FY 2003 levels, decreased by three percent in FY 2005, and decreased again in FY 2006. Even with the decrease, the mission still showed an increase in resources at a level 1,023%, or 11 times greater than the baseline. The chart below shows this rapid increase in resource hours. This is by far the largest user of resource hours of any Coast Guard mission area.



**Performance Goals and Results.** Prior to FY 2005, the Coast Guard had not established performance goals for the PWCS mission. In FY 2005, the Coast Guard established a new risk-reduction performance measure to demonstrate PWCS performance. This risk-based performance measure involves the scoring of high-consequence maritime terrorist attack scenarios with respect to threat, vulnerability, and consequence. The Coast Guard met its goal for FY 2006 for this mission. The Coast Guard attributes this success to new or enhanced initiatives aimed at improved maritime risk reduction including: a

---

<sup>7</sup> Prior to FY 2001 and the subsequent formal establishment of the PWCS program, resource hours were collected under a variety of categories that were used to establish the baseline.

## Appendix B Homeland Security Missions

---

comprehensive update to Operation Neptune Shield;<sup>8</sup> verification of 78% of the previously uninspected vessel fleet for security compliance; operational testing of explosive screening technologies for ferries; enhancement to the Maritime Law Enforcement Academy facility and curriculum; promulgation of Maritime Sentinel;<sup>9</sup> convening of the National Maritime Recovery Symposium;<sup>10</sup> and implementation of the Maritime Security Risk Analysis Model enabling local, regional, and national assessment of infrastructure-focused security risk.

### **Homeland Security Mission: Drug Interdiction**

The Coast Guard's Drug Interdiction mission is key to combating the flow of illegal drugs to the United States. The Coast Guard's mission is to reduce the supply of drugs from the source by denying smugglers the use of air and maritime routes in the Transit Zone, a six million square mile area, including the Caribbean, Gulf of Mexico, and Eastern Pacific. The Coast Guard is the lead federal agency for maritime drug interdiction and shares responsibility for air interdiction with U.S. Customs and Border Protection.

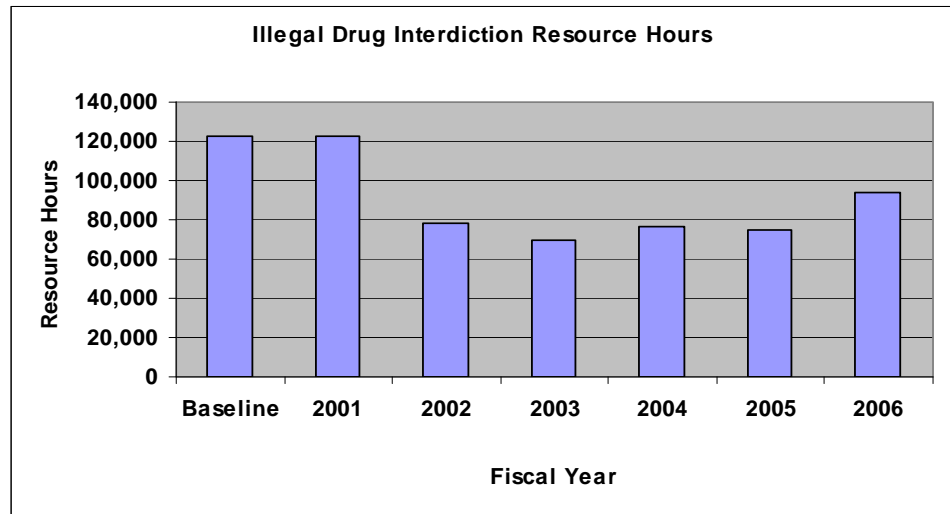
**Resource hours.** The Drug Interdiction mission area had a significant reduction in resource hours through FY 2003, resulting in a 43% decrease from baseline levels. However, the number of resource hours showed a moderate increase of 11% from FY 2003 to FY 2004 and a slight 3% decrease in FY 2005, followed by a significant increase of 26% in FY 2006, resulting in a net decrease of 23% below baseline levels. These changes are shown in the chart on the next page.

---

<sup>8</sup> Operation Neptune Shield is the Coast Guard's internal plan to identify, prevent, and protect facility and vessel operations with the potential for material consequences from a terrorist attack.

<sup>9</sup> This is Coast Guard's strategic plan to combat maritime terrorism.

<sup>10</sup> The National Maritime Recovery Symposium aims to identify issues and alternative solutions to improve federal government and industry plans supporting national recovery efforts after a "national transportation security incident." The symposium, comprised of members from DHS and the Department of Transportation, was held at the Maritime Institute of Technology and Graduate Studies in Linthicum, Maryland in August 2006.



**Performance Goals and Results.** From FY 2001 through FY 2003, Drug Interdiction mission success was measured by the percentage of cocaine seizures. Starting in FY 2004, performance was measured by the cocaine removal rate. The mission area failed to accomplish its goal in FYs 2001 through 2003, but did accomplish its goal in FY 2004 through 2006, as shown in Table 3. The Coast Guard considers several external factors, such as intelligence and interagency cooperation, as vital to the Coast Guard’s Drug Interdiction mission. These efforts enable Coast Guard commanders to best position assets for anticipated interdictions.

**Homeland Security Mission: Undocumented Migrant Interdiction**

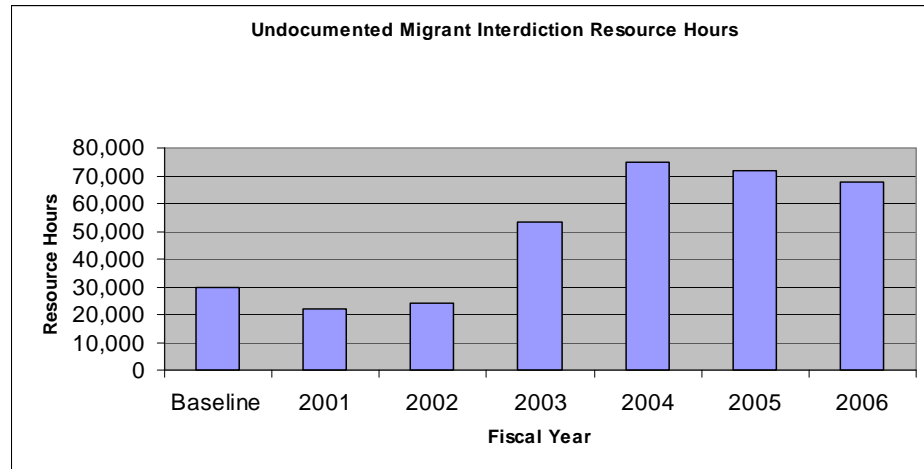
The Undocumented Migrant Interdiction mission responsibilities consist of enforcing immigration laws at sea. To fulfill its responsibilities, the Coast Guard conducts patrols and coordinates with other federal agencies and foreign countries to interdict undocumented migrants at sea, denying them entry via maritime routes to the United States, its territories, and its possessions.

**Resource Hours.** As illustrated in the chart below, there was a moderate decrease in Undocumented Migrant Interdiction resource hours in FY 2001, but resource hours began to increase in FY 2002. FY 2003 saw a significant 81% increase in resource hours, and a significant increase from FY 2003 through FY 2004 by an additional 40%. This resulted in an overall increase of 153% in FY 2004 from the baseline. However, resources were down slightly for FY 2005 and decreased again in FY 2006, but were still above baseline levels by 129%. Coast Guard officials attributed the decline of available 110’

## Appendix B Homeland Security Missions

---

cutters and the November 2006 removal of eight 123' cutters as affecting FY 2006 missions.



**Performance Goals and Results.** The Undocumented Migrant Interdiction mission successes are measured by the percentage of migrants interdicted or deterred, based on intelligence estimates of the number of migrants who would attempt entrance, via maritime routes, into the United States if there were no enforcement. The mission area accomplished its goals in FY 2002 and FY 2004 but failed to do so in FYs 2001, 2003, 2005, and 2006, as depicted in Table 3.

The Coast Guard reported it will implement an improved performance measurement in FY 2007 that will be based on an independent program evaluation.

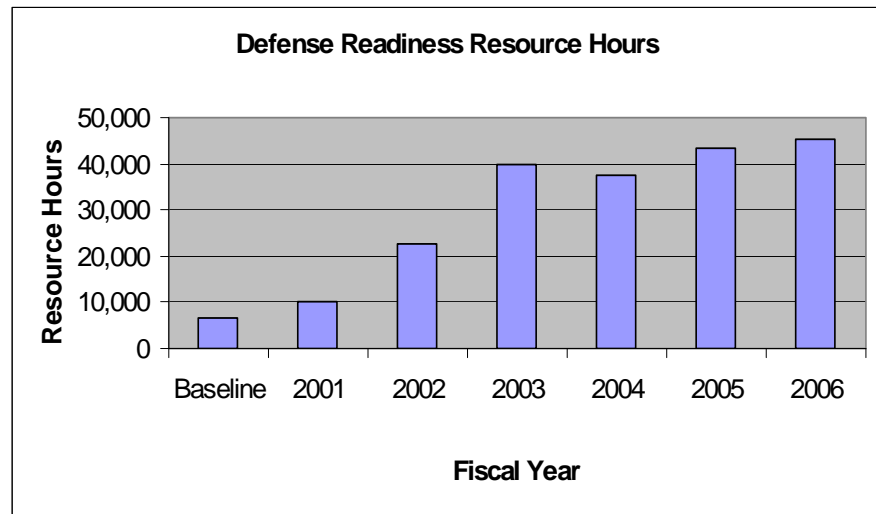
### **Homeland Security Mission: Defense Readiness**

The Defense Readiness mission is to provide essential capabilities to support national security and national military strategies. Resource hours primarily depict the execution of these defense missions, while the performance goals and results measure the Coast Guard's readiness to perform the mission.

**Resource hours.** Resource hours for Defense Readiness increased through FY 2006. Resource hour levels increased by 516% through FY 2003, slightly decreased by 6% from FY 2003 to FY 2004, and then increased again in FY 2005 and FY 2006 to the highest level for Defense Readiness, bringing the total number of hours to more than seven times the baseline levels. These changes in resource hours are shown in the chart below.

## Appendix B Homeland Security Missions

---



**Performance Goals and Results.** Success of the Defense Readiness mission is measured by the percentage of time that Coast Guard assets included in the Combatant Commander Operational Plans are ready with a Status of Resources and Training System rating of 2 or better. The Coast Guard failed to meet the established goals for this mission in FY 2001 through FY 2006. The Coast Guard primarily attributes the shortfall in meeting its performance target to an aging cutter fleet and limited annual reserve training time that precluded the rapid accomplishment of both personnel and unit training requirements for Port Security Units. FY 2006 also marked the Coast Guard's assumption of duties associated with air intercept support for defense of the National Capital Region.

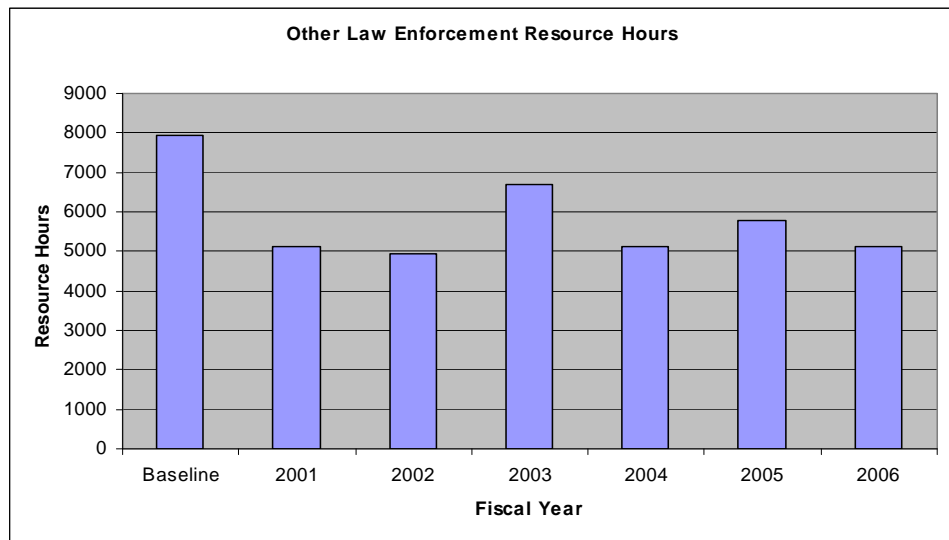
### **Homeland Security Mission: Other Law Enforcement**

Living Marine Resources covers foreign fishing incursions into the United States Exclusive Economic Zone (EEZ). The DHS Other Law Enforcement mission encompasses law enforcement operations that are not related to foreign fishing incursions.

**Resource hours.** The resource hours for the Other Law Enforcement mission have fluctuated between the baseline and FY 2006. The mission performance showed a decrease through FY 2002, an increase in FY 2003, a decrease in FY 2004, an increase in FY 2005, and finally a decrease in 2006, resulting in a level 36% below the baseline levels. The chart below depicts these fluctuations.

## Appendix B Homeland Security Missions

---



**Performance Goals and Results.** The Coast Guard measures the Other Law Enforcement mission success in limiting the number of foreign fishing vessel incursions into the EEZ. The Coast Guard failed to accomplish this mission's goal in FYs 2001, 2002, and 2004; but reached its goal in FYs 2003, 2005, and 2006. The Coast Guard attributes much of its success in this program to its good working relationship it has developed with Mexican fisheries enforcement personnel in recent years. A majority of the incursions are made on the Gulf of Mexico. The Coast Guard continued its efforts, with increased success in FY 2006 to monitor, detect, and interdict foreign fishing vessel incursions into the EEZs of the Western Central Pacific and along the maritime boundary line with Russia in the Bearing Sea.

## Appendix C

### Purpose, Scope, and Methodology

---

Section 888(f)(1) of the Homeland Security Act of 2002 directs the Inspector General to conduct an annual assessment of the Coast Guard's performance of all its missions, with a particular emphasis on non-homeland security missions. The objective of this review was to determine the extent that resource hours and performance results and targets for each Coast Guard mission have changed from prior to September 11, 2001, through FY 2006.

We reviewed the following GAO reports and testimonies: (1) *Coast Guard Non-Homeland Security Performance Measures Are Generally Sound, but Opportunities for Improvement Exist*, GAO-06-816; (2) *Coast Guard, Observations on Agency Performance, Operations, and Future Challenges*, GAO-06-448T; and (3) *Coast Guard Condition of Some Aids-to-Navigation and Domestic Icebreaking Vessels Has Declined; Effect on Mission Performance Appears Mixed*, GAO-06-979.

We analyzed the total number of resource hours reported by the Coast Guard prior to September 11, 2001, through FY 2006, and obtained the FY 2006 PTFMC for its cutters, icebreakers, patrol boats tugs, and buoy tenders. We did not attempt to verify the resource hour data or the percentage of time fully mission capable reported by the Coast Guard, nor did we attempt to validate whether the Coast Guard had accurately classified such data. We assessed total resource hours for the 11 individual Coast Guard missions to identify the changes in each.

We analyzed performance targets and goals to determine whether the goals for each of the Coast Guard's missions had been accomplished. We obtained information on performance targets and goals from the Department of Homeland Security FY 2006 Performance and Accountability Report, the FY 2008 Coast Guard Budget in Brief, and specific updates provided by the Coast Guard. Lastly, we held discussions with Coast Guard mission analysis personnel to obtain information on why the Coast Guard did not meet its performance targets for certain missions.

We conducted our audit between October 2006 and March 2007 under the authority of the *Inspector General Act of 1978*, as amended, and according to generally accepted government auditing standards.

We would like to extend our appreciation for the cooperation and courtesies extended by the Coast Guard to our staff during the review.

Appendix D  
Management Comments to the Draft Report

---



Commandant  
United States Coast Guard

2100 Second Street, S.W.  
Washington, DC 20593-0001  
Staff Symbol: G-823  
Phone: (202) 372-3533  
Fax: (202) 373-3942  
Email: mark.a.kulwicki@uscg.mil

7500

**MEMORANDUM**

**19 DEC 2007**

From: R.J. Papp, Jr., WADM  
Chief of Staff, U.S. Coast Guard

Reply to: CG-823  
Attn of: Mark Allen Kulwicki  
372-3533

To: Deputy Inspector General

Subj: COAST GUARD RESPONSE TO DHS OIG DRAFT REPORT, "ANNUAL REVIEW OF THE U.S. COAST GUARD'S MISSION PERFORMANCE (FY 2006)"

Ref: (a) DHS OIG Draft Report dated October 29, 2007

1. This memorandum transmits the Coast Guard's comments to your findings contained in reference (a).
2. If you have any questions, please contact Mark Kulwicki at (202)-372-3533.

#

Enclosure: (1) U.S. Coast Guard Comments



## Appendix D Management Comments to the Draft Report

---

### UNITED STATES COAST GUARD STATEMENT ON INSPECTOR GENERAL DRAFT REPORT

---

**FINDING 1: Growth in total resource hours has leveled off.**

**RESPONSE: Concur.**

**FINDING 2: Coast Guard experienced difficulty maintaining readiness and operational capability of marine assets.**

**RESPONSE: Concur.**

**FINDING 3: Mission performance leaves room for improvement.**

**RESPONSE: Do not concur.** The OIG implies the Coast Guard is not showing increased results commensurate with increased resource hours. The Coast Guard recognizes the need to improve the analytic connection between resources and results. However, actual Coast Guard performance is not correctly portrayed through the OIG's methodology.

Platform resource hours are not the predominant driver of mission performance across the Coast Guard's statutory mission areas. Platform capability and capacity drive mission performance with our Living Marine Resources, Other Law Enforcement, Drug Interdiction, Ice Operations, Search & Rescue, and Migrant Interdiction missions. However, Marine Safety, Marine Environmental Protection, Defense Readiness, and significant portions of our Aids to Navigation mission do not use capacity measures to determine results. Rather, performance is driven by external factors such as oil spills, collisions, allisions, and/or groundings, etc.

Resource hour growth has been mostly limited to PWCS. There has been little or no real growth in hours devoted to legacy Coast Guard missions, although there has been some reprioritization of hours between missions (i.e. shifting cutter hours from drug interdiction activities to handle increased illegal immigration threats). When responding to increased security threats, natural and man-made disasters, or other contingencies, the Coast Guard uses risk-based decision models to reevaluate and shift resources to respond to changing risk environments.

Resource limitations can drive performance outcomes when higher priority, emergent threats are at hand. The resource reallocations often lead to lower performance in missions that "donate" resources to deal with higher-priorities. For example, the impact of level of effort on performance partly accounts for a decline in Living Marine Resource (LMR) performance since 2004. Following 9/11, some LMR assets were reassigned to

## Appendix D Management Comments to the Draft Report

---

higher-priority security missions. In the short-term, little performance impact was observed. However, elements of LMR such as fisheries enforcement typically demonstrate time-lag between resource allocation and performance change.

---

The failure to meet a performance target is not indicative of underlying performance problems. The Coast Guard establishes performance targets that are aggressive yet attainable. Most Coast Guard missions have shown performance improvements or stable performance despite generally static growth in resource hours - not including PWCS. Some missions, like drug interdiction, have shown dramatic performance improvements with substantially fewer resource hours. These improvements were attained due to innovations in planning, tactics, partnerships, and capability implemented by program managers.

The CG has worked diligently to develop measures that are representative of actual mission performance. However, these measures do have limitations, especially when viewed independently of a broader suite of indicators. The Coast Guard is working with DHS and OMB to improve several metrics to better reflect actual performance.

**FINDING 4: Barriers to improving performance still exist.**

**RESPONSE: Concur.** The Center for Naval Analyses has noted in a number of independent mission program evaluations that continued performance improvement in legacy mission areas is heavily dependent upon increases in capability and capacity.

**FINDING 5: Performance Measures are not Always Measurable or Clear.**

**RESPONSE: Concur in part.** When using information and data from other agencies, the Coast Guard uses official, public sources. It is a fair presumption that government-owned data is of sufficient rigor to be used by other agencies or the public to draw performance conclusions. Non-government sources are not given this presumption by the Coast Guard, and their information is generally not used in performance assessment absent a data reliability inquiry. The Coast Guard is not aware of a government standard or policy requiring our independent validation of official government sources.

The Coast Guard is resolving measurement reporting inconsistencies noted in the GAO report (i.e. "observed compliance rate" for the LMR mission description, the scope of waterways measured for closure during ice season, and the exclusion of cases of more than 11 lives when calculating the SAR lead outcome metric). These inconsistencies do not substantially impact the level of performance asserted by the Coast Guard. We are working to improve metrics and collection of underlying data that do not clearly and reliably reflect Coast Guard performance.

**Appendix E**  
**Major Contributors to this Report**

---

**Washington, DC Office**

Richard T. Johnson, Director  
USCG and Maritime Security Operations Division

**Boston, MA Office**

Maureen Duddy, Audit Manager  
Brian Lynch, Auditor in Charge

## Appendix F Report Distribution

---

### **Department of Homeland Security**

Secretary  
Deputy Secretary  
Chief of Staff  
Deputy Chief of Staff  
General Counsel  
Executive Secretary  
Director, GAO/OIG Audit Liaison  
Assistant Secretary for Office of Policy  
Assistant Secretary for Office of Public Affairs  
Assistant Secretary for Office of Legislative Affairs  
USCG Audit Liaison

### **Office of Management and Budget**

Chief, Homeland Security Branch  
DHS OIG Budget Examiner

### **Congress**

Congressional Oversight and Appropriations Committees, as appropriate

### **Additional Information and Copies**

To obtain additional copies of this report, call the Office of Inspector General (OIG) at (202) 254-4199, fax your request to (202) 254-4285, or visit the OIG web site at [www.dhs.gov/oig](http://www.dhs.gov/oig).

### **OIG Hotline**

To report alleged fraud, waste, abuse or mismanagement, or any kind of criminal or noncriminal misconduct relative to department programs or operations:

- **Call** our Hotline at 1-800-323-8603;
- **Fax** the complaint directly to us at (202) 254-4292;
- **Email** us at [DHSOIGHOTLINE@dhs.gov](mailto:DHSOIGHOTLINE@dhs.gov); or
- **Write** to us at:  
DHS Office of Inspector General/MAIL STOP 2600 Attention:  
Office of Investigations – Hotline, 245 Murray Drive, SW, Building 410  
Washington, DC 20528

The OIG seeks to protect the identity of each writer and caller.