



Highlights of [GAO-09-810T](#), a testimony before the Subcommittee on Oceans, Atmosphere, Fisheries, and Coast Guard, Committee on Commerce, Science, and Transportation, U.S. Senate

Why GAO Did This Study

The U.S. Coast Guard, a component of the Department of Homeland Security (DHS), conducts 11 statutory missions that range from marine safety to defense readiness. To enhance mission performance, the Coast Guard is implementing a modernization program to update its command structure, support systems, and business practices, while continuing the Deepwater program—the acquisition program to replace or upgrade its fleet of vessels and aircraft. This testimony discusses the Coast Guard's (1) fiscal year 2010 budget, (2) mission performance in fiscal year 2008, the most recent year for which statistics are available; and (3) challenges in managing its modernization and acquisition programs and workforce planning. This testimony is based on GAO products issued in 2009 (including [GAO-09-530R](#) and [GAO-09-620T](#)) and other GAO products issued over the past 11 years—with selected updates in June 2009—and ongoing GAO work regarding the Coast Guard's newest vessel, the National Security Cutter. Also, GAO analyzed budget and mission-performance documents and interviewed Coast Guard officials.

What GAO Recommends

GAO previously has made recommendations to improve planning and other aspects of the Deepwater program, and DHS is in various stages of implementing them. GAO provided a copy of the information in this statement to DHS and incorporated technical comments as appropriate.

View [GAO-09-810T](#) or key components. For more information, contact Stephen Caldwell at (202) 512-9610 or caldwells@gao.gov.

COAST GUARD

Observations on the Fiscal Year 2010 Budget and Related Performance and Management Challenges

What GAO Found

The Coast Guard's fiscal year 2010 budget request totals \$9.7 billion, an increase of 4.2 percent over its fiscal year 2009 enacted budget. Of the total requested, about \$6.6 billion (or 67 percent) is for operating expenses—the primary appropriation account that finances Coast Guard activities, including operating and maintaining multipurpose vessels, aircraft, and shore units. This account, in comparing the 2010 budget request to the 2009 enacted budget, reflects an increase of \$361 million (about 6 percent). The next two largest accounts in the 2010 budget request, at about \$1.4 billion each, are (1) acquisition, construction, and improvements and (2) retired pay—with each representing about 14 percent of the Coast Guard's total request. The retired pay account—with an increase of about \$125 million in the 2010 budget request compared to the 2009 enacted budget—is second only to the operating expenses account in reference to absolute amount increases, but retired pay reflects the highest percentage increase (about 10 percent) of all accounts.

Regarding performance of its 11 statutory missions in fiscal year 2008, the Coast Guard reported that it fully met goals for 5 missions, partially met goals for 3 missions, and did not meet goals for 3 missions. One of the fully met goals involved drug interdiction. Specifically, for cocaine being shipped to the United States via non-commercial means, the Coast Guard reported achieving a removal rate of about 34 percent compared to the goal of at least 28 percent. Search and rescue was a mission with partially met goals. The Coast Guard reported that it met one goal (saving at least 76 percent of people from imminent danger in the maritime environment) but narrowly missed a related goal (saving at least 87 percent of mariners in imminent danger) by achieving a success rate of about 84 percent. For missions with unmet goals, the Coast Guard reported falling substantially short of performance targets for only one mission—defense readiness. The Coast Guard reported meeting designated combat readiness levels 56 percent of the time compared to the goal of 100 percent.

The Coast Guard continues to face several management challenges. For example, GAO reported in June 2009 that although the Coast Guard has taken steps to monitor the progress of the modernization program, development of performance measures remains in the early stages with no time frame specified for completion. Also, as GAO reported in April 2009, although the Coast Guard has assumed the lead role for managing the Deepwater acquisition program, it has not always adhered to procurement processes, and its budget submissions to Congress do not include detailed cost estimates. GAO also reported that the Coast Guard faces challenges in workforce planning, including difficulties in hiring and retaining qualified acquisition personnel. Further, GAO's ongoing work has noted that delays associated with the Coast Guard's newest vessel, the National Security Cutter, are projected to result in the loss of thousands of cutter operational days for conducting missions through 2017. The Coast Guard is working to manage this operational challenge using various mitigation strategies.