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Highlights

Highlights of [GAO-07-489T](#), a statement for the record to 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 is a multimission agency responsible for maritime safety, security, and stewardship. It performs these missions, relating to homeland security and non-homeland security in U.S. ports and inland waterways, along the coasts, and on international waters.

The President's budget request, including the request for the Coast Guard, was transmitted to Congress on February 5, 2007.

This testimony, which is based on current and past GAO work, synthesizes the results of this work as it pertains to the following:

- budget requests and performance goals,
- organizational changes and related management initiatives,
- current acquisition efforts and challenges, and
- challenges related to performing traditional legacy missions.

What GAO Recommends

While this statement makes no recommendations, in the past GAO has made a number of recommendations on issues covered in this statement. The Coast Guard is in various stages of implementing these recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-07-489T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Stephen Caldwell at (202) 512-9610 or caldwells@gao.gov.

COAST GUARD

Observations on the Fiscal Year 2008 Budget, Performance, Reorganization, and Related Challenges

What GAO Found

The Coast Guard's fiscal year 2008 budget request totals \$8.7 billion, an increase of 3 percent over the enacted budget for fiscal year 2007 and a slowing of the agency's budget increases over the past 3 fiscal years. The Coast Guard expects to meet its performance goals in 6 of 11 mission areas in fiscal year 2006, down from 8 in 2005. Trends indicate increased homeland security activities have not prevented meeting non-homeland security goals.

Two new reorganization efforts are under way. One creates a single command for all specialized deployable units, such as those for responding to pollution or terrorist incidents. However, experience with an effort to reorganize field units suggests there may be challenges in such matters as merging different operating approaches and addressing resource issues. The other effort merges the Coast Guard's various acquisition management efforts under a single Chief Acquisition Officer. The reorganization of acquisition management is in part a response to past troubled acquisition efforts. This change in the acquisition structure is too new to assess.

Current major acquisitions include Deepwater for cutters and aircraft, the Rescue 21 communication system, and the National Automatic Identification System for vessel tracking. Deepwater and Rescue 21 have had schedule delays and performance reductions in the past, but the Coast Guard has been taking actions to improve oversight. Installation of equipment for the first phase of the National Automatic Identification System is under way, but the Coast Guard is still determining which types of vessels will have to participate. All three programs have also accumulated sizeable carryover balances of unspent moneys from previous years.

Competing funding priorities have placed aging polar icebreakers and aids-to-navigation assets at risk. Many aids-to-navigation vessels are near the end of their service lives. The Coast Guard is exploring alternatives for replacement or extending their service. Similarly, high maintenance costs prompted the Coast Guard to take one of two Antarctic icebreakers out of service, increasing reliance on the remaining one.

Competing priorities have reduced funds to maintain or replace aging Coast Guard assets, such as aids-to-navigation vessels and polar icebreakers.



Source: Coast Guard.