

GAO Highlights

Highlights of [GAO-19-147T](#), 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

Both the Coast Guard—a component of the Department of Homeland Security (DHS)—and the Department of Commerce’s National Oceanic and Atmospheric Administration (NOAA) are investing significant resources to recapitalize their aging fleets of ships. Ensuring that the Coast Guard and NOAA maintain their ships and address potential capability gaps is vital for protecting national security and scientific interests.

This statement summarizes lessons that GAO has identified from its prior reviews of Coast Guard and Navy acquisitions, which can be applied to the Coast Guard’s and NOAA’s shipbuilding efforts. Specifically, this testimony provides information on, among other things, (1) long-term strategic planning for acquisitions, (2) the need for a sound business case, and (3) the leveraging of the Navy’s acquisition resources and shipbuilding expertise. In its prior work, GAO reviewed Coast Guard and Navy programs and interviewed officials. For this testimony, GAO obtained publicly available information on NOAA’s ship acquisition efforts.

What GAO Recommends

GAO has previously recommended that the Coast Guard develop a 20-year fleet modernization plan, reflect acquisition trade-off decisions in its annual Capital Investment Plans, and address risks to establish a sound business case for its polar icebreakers acquisition. DHS concurred with these recommendations and is taking steps to implement them.

View [GAO-19-147T](#). For more information, contact Marie A. Mak at (202) 512-4841 or makm@gao.gov.

October 2018

COAST GUARD ACQUISITIONS

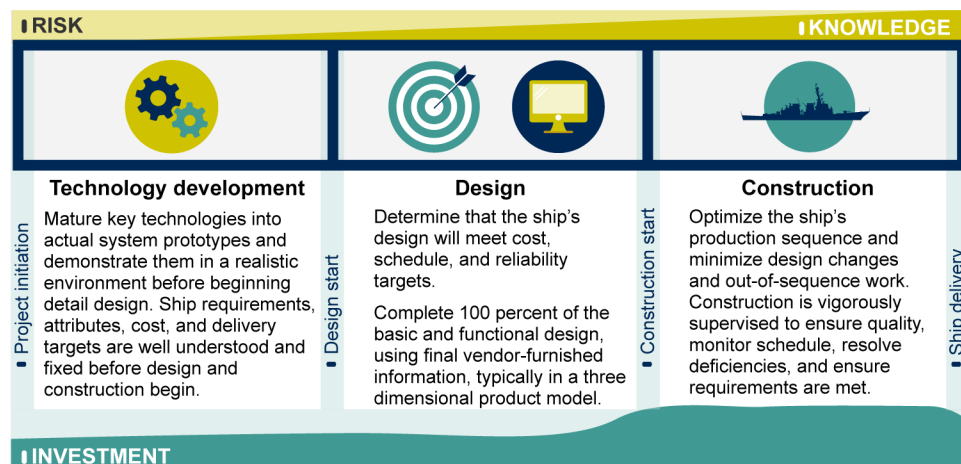
Lessons Learned to Inform Coast Guard and NOAA Shipbuilding Efforts

What GAO Found

GAO has found that acquisition programs can benefit from long-term strategic planning that identifies how tradeoff decisions would affect the future of the acquisition portfolio. In July 2018, GAO found the Coast Guard continues to manage its acquisitions through its annual budget process and the 5-year Capital Investment Plan. As a result of this planning process, the Coast Guard has continued to defer planned acquisitions to future years and left a number of operational capability gaps unaddressed. Incorporating the use of a long-term strategic plan and additional tradeoff discussion into the Capital Investment Plan could lead to more informed choices before irreversible commitments are made.

GAO’s prior work has also found that acquisition programs should start with solid business cases before setting program baselines and committing resources. At the heart of a business case is a knowledge-based approach—successful shipbuilding programs build on attaining critical levels of knowledge at key points in the shipbuilding process before significant investments are made (see figure).

Executing a Strong Shipbuilding Case



Source: GAO depiction of notional shipbuilding process. | GAO-19-147T

In September 2018, GAO found the Coast Guard did not have this type of sound business case when it established the program baselines for its polar icebreaker program in March 2018 due to risks in technology, design, cost, and schedule. For example, the Coast Guard’s planned delivery dates were not informed by a realistic assessment of shipbuilding activities, but rather were primarily driven by the potential gap in icebreaking capabilities once the Coast Guard’s only operating heavy polar icebreaker reaches the end of its service life.

Agencies have partnered with the Navy to take advantage of its resources and shipbuilding expertise, including the Coast Guard when acquiring the polar icebreakers. For example, in September 2018, GAO found that the Coast Guard and the Navy had established an integrated program office and a ship design team. These teams provided input to Navy cost estimators, who developed the polar icebreaker program’s cost estimate.