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COAST GUARD SHORE INFRASTRUCTURE

Applying Leading Practices Could Help Better Manage Project Backlogs of at Least $2.6 Billion

GAO Highlights

Highlights of GAO-19-82, a report to congressional requesters

Why GAO Did This Study

The Coast Guard, within the Department of Homeland Security (DHS), owns or leases more than 20,000 shore facilities, such as piers, docks, boat stations, air stations, and housing units, at more than 2,700 locations. In June 2017, the Coast Guard testified to Congress that it had a $1.6 billion recapitalization backlog for its shore infrastructure, which had a replacement value of about $20 billion.

GAO was asked to review the Coast Guard's management of its shore infrastructure. This report examines: (1) what is known about the condition and costs of managing the Coast Guard's shore infrastructure, and (2) the extent to which the Coast Guard's process for managing its shore infrastructure meets leading practices.

To answer these questions, GAO reviewed relevant laws and Coast Guard annual reports on its shore infrastructure, analyzed Coast Guard data, and interviewed Coast Guard officials. GAO also compared Coast Guard policies and procedures, and actions taken during fiscal years 2012 through 2018 to manage its shore infrastructure, against the leading practices that GAO previously identified for managing public sector maintenance backlogs.

What GAO Recommends

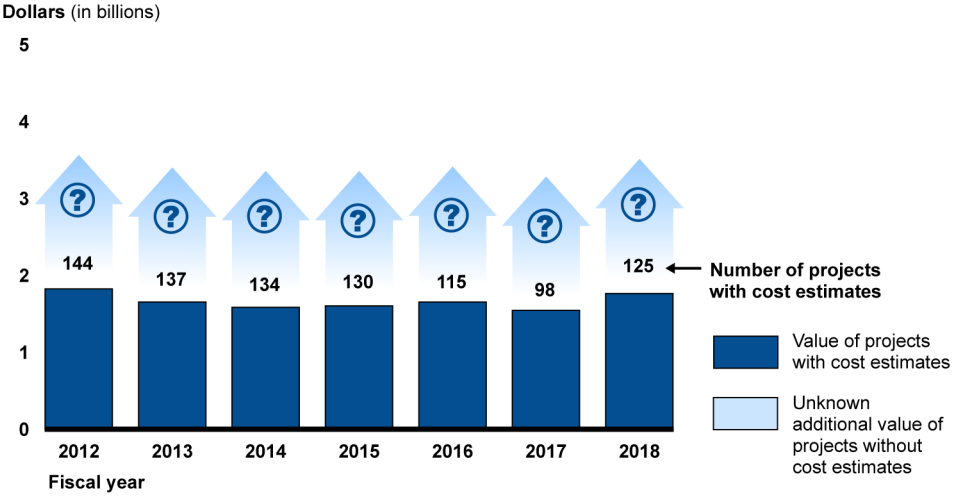
GAO is making six recommendations, which DHS agreed to implement, including that the Coast Guard align its management of its shore infrastructure backlogs with leading practices by requiring the use of models for predicting the outcome of, and optimizing among, competing investments for maintenance projects.

View GAO-19-82. For more information, contact Nathan Anderson at (202) 512-3841 or andersonn@gao.gov.

What GAO Found

About 45 percent of the Coast Guard's shore infrastructure is beyond its service life, and its current backlogs of maintenance and recapitalization projects, as of 2018, will cost at least $2.6 billion to address, according to Coast Guard information. The deferred maintenance backlog included more than 5,600 projects, with an estimated cost of $900 million. The recapitalization and new construction backlog had 125 projects, with an estimated cost of at least $1.77 billion as of 2018 (see figure). GAO's analysis of Coast Guard data found that as of November 2018 there were hundreds of recapitalization projects without cost estimates—the majority of recapitalization projects. Coast Guard officials told GAO that these projects are in the preliminary stages of development.

Value of Coast Guard's Backlog of Recapitalization and New Construction Projects, Fiscal Years 2012-2018



Source: GAO analysis of Coast Guard data. | GAO-19-82

Note: The arrows are intended to characterize the uncertain costs due to the lack of Coast Guard cost estimates associated with those projects.

The Coast Guard's process for managing its shore infrastructure did not fully meet 6 of 9 leading practices that GAO previously identified. Of the nine leading practices, the Coast Guard met three, partially met three, and did not meet three. For example, the Coast Guard generally has not employed models for predicting the outcome of maintenance investments and optimizing among competing investments, as called for in leading practices. In one instance, the Coast Guard used a model to optimize maintenance for its aviation pavement and, according to Coast Guard officials, found that it could save nearly $14 million by accelerating investment in this area (e.g., paving runways) sooner rather than deferring such maintenance. Coast Guard officials told us that such modeling could be applied within and across all of its shore infrastructure asset types, but the Coast Guard did not implement the results of this model and does not require their use. Without requiring the use of such models, the Coast Guard could be missing opportunities to achieve cost savings and better manage its maintenance backlogs.