

GAO Highlights

Highlights of [GAO-16-148](#), a report to the Chairman, Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

Why GAO Did This Study

As part of the decades-long, multi-billion-dollar effort to replace aging Coast Guard vessels, aircraft, and information technologies, the Coast Guard developed the NSC to replace its High Endurance Cutter fleet. The Coast Guard conducted initial testing—a key acquisition event designed to ensure an asset is capable of meeting its mission prior to approving full-rate production—in 2014 after seven of eight planned NSCs had already been placed under contract and three were operational. In June 2014, GAO found that the Coast Guard continues to address design changes required for the NSC fleet that were identified prior to IOT&E.

GAO was asked to review the NSC's initial testing event. This report examines (1) the performance of the NSC and its systems during that test, (2) the Coast Guard's plans for follow-on testing, and (3) the performance of the NSC during regular operations. GAO analyzed NSC requirements and test reports, post operational reports, and Coast Guard and DHS policies. GAO also interviewed officials with the Coast Guard, DHS, and NSC operators.

What GAO Recommends

GAO recommends that DHS ensure that the NSC's cutter boat requirements are clarified, that guidance address the timing of follow-on testing, and that further oversight is conducted as the Coast Guard works to remedy issues revealed in testing and operations. DHS agreed with the recommendations and provided timeframes for actions to address them.

View [GAO-16-148](#). For more information, contact Michele Mackin at (202) 512-4841 or mackinm@gao.gov.

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NATIONAL SECURITY CUTTER

Enhanced Oversight Needed to Ensure Problems Discovered during Testing and Operations Are Addressed

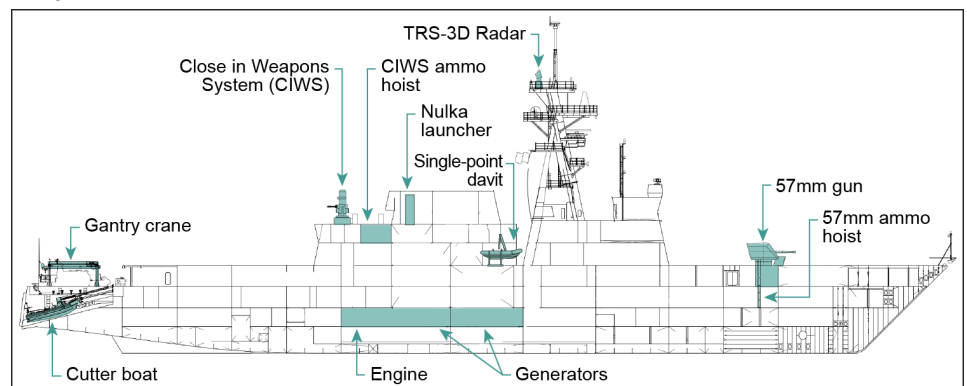
What GAO Found

The U.S. Navy, the Coast Guard's independent test agent, completed initial testing for the National Security Cutter (NSC) in April 2014 and rated the NSC as operationally effective and suitable. Still, testing revealed 10 major deficiencies (some are shown in figure). Initial testing is an event designed to verify performance of critical systems to ensure assets are capable of meeting mission requirements. The event tests critical operational issues and key performance parameters. The NSC fully met 12 of 19 key performance parameters. Tests of one key performance parameter, as well as other critical systems, were deferred to follow-on testing. The Coast Guard and the U.S. Navy disagree on the NSC's requirements for cutter boat operations. Without clear requirements the Navy and Coast Guard will not have a basis for determining actions to resolve any performance issues. Coast Guard officials acknowledged that clarifying these requirements would be beneficial.

The Coast Guard plans to begin follow-on testing in fall 2016. It must submit corrective action plans to the U.S. Navy to close any deficiencies. According to Coast Guard documentation, it may choose not to correct all deficiencies due to the cost of changes. Department of Homeland Security (DHS) acquisition guidance does not specify the timing of follow-on testing or the actions to be taken in response to the findings. Without a definite time frame DHS risks encountering the same problems as the NSC program experienced with future acquisitions and fielding assets without knowing the full capabilities.

During operations, the NSC has experienced performance issues that were not identified during initial testing, and the Coast Guard has planned design changes to some of the cutters' equipment (some are shown in figure). However, the Coast Guard has not yet found the causes for problems affecting the NSC's propulsion systems. As a result of these and other equipment failures, the NSC has been operating in a degraded condition in some mission areas. DHS has no plans for additional acquisition review boards for the NSC, which would provide oversight going forward. Continued management-level oversight by DHS would help ensure that problems identified during testing and operations are addressed.

Examples of National Security Cutter Equipment That Have Encountered Problems in Testing or Operations



Source: GAO presentation and analysis of U.S. Coast Guard data. | [GAO-16-148](#)