



COMMITTEE ON HOMELAND SECURITY

Ranking Member Bennie G. Thompson

FOR IMMEDIATE RELEASE

Subcommittee Hearing Statement of Ranking Member Bennie G. Thompson (D-MS)

Building the Fleet: Assessing the Department of Homeland Security's Role in the United States Coast Guard's Acquisitions Process

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The Department of Homeland Security plays an important role in overseeing component acquisition activities and driving program effectiveness and accountability. The Coast Guard's acquisition portfolio is particularly immense and complex, as the service seeks to recapitalize an aging fleet of surface and aviation assets. The Coast Guard has struggled to meet shipbuilding budgets and deadlines, as some of its largest acquisition programs have far exceeded initial cost estimates and delivery schedules.

The Polar Security Cutter program, for example, is currently in breach status, as the program has fallen out of compliance with the schedule and cost basis set forth in its acquisition program baseline. In addition, the Offshore Patrol Cutter program—the Coast Guard's largest acquisition program and highest investment priority—is likewise off schedule and over budget.

In recent years, the Coast Guard has faced a variety of challenges. The COVID-19 pandemic interrupted business processes and global supply chains, increasing the costs of materials. Natural disasters have impacted shipyards, including when Hurricane Michael tore through the southeastern United States in 2018 and damaged the Offshore Patrol Cutter shipbuilder's facilities.

The Coast Guard has grappled with an inexperienced U.S. industrial base, which has not produced a heavy icebreaker in nearly 50 years, leading to delays in producing complex ship designs. Most recently, a strong economy has increased wages for workers, leading to a rise in labor costs associated with shipbuilding. Though these challenges have been unpredictable to some degree, we can be certain that more challenges lie ahead.

DHS and the Coast Guard must develop robust acquisition and shipbuilding practices that accurately account for the likelihood of unforeseen circumstances and setbacks. Accurate cost estimates and delivery schedules are critical to the Coast Guard's mission readiness, as ballooning costs and repeated delays have cascading impacts across the service. With topline budget levels set in place, investing unplanned additional funds into acquisition programs means removing funds from other priorities.

The Coast Guard has a wide variety of funding needs, from shore infrastructure to housing to recruiting and retention incentives. Developing acquisition programs that reliably stick to baseline schedules and cost estimates will allow DHS and the Coast Guard to prioritize and invest systematically, ultimately improving the safety and security of our Nation's maritime environment.

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