



## Testimony

Before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

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# COAST GUARD

## Actions Needed to Improve Data Quality and Transparency for Reporting on Mission Performance and Capital Planning

Statement of Nathan Anderson, Acting Director  
Homeland Security and Justice

# GAO Highlights

Highlights of [GAO-18-408T](#), a testimony before the Subcommittee on Coast Guard and Maritime Transportation, Committee on Transportation and Infrastructure, House of Representatives

## Why GAO Did This Study

The Coast Guard, a component of DHS, serves as the principal federal agency responsible for maritime safety, security, and environmental stewardship in U.S. ports and waterways. To ensure that the Coast Guard is effectively fulfilling its missions, agency managers must have accurate information and base decisions on sound analyses for effective program management.

This statement discusses Coast Guard actions needed to (1) improve the quality of data used for program management and (2) improve the transparency of its data for reporting on mission performance and planning.

This statement is based on relevant products GAO issued from June 2014 through December 2017 on Coast Guard strategic planning and management issues, as well as related recommendation follow-up conducted through February 2018. GAO reviewed applicable laws, regulations, policies and guidance. GAO also interviewed Coast Guard officials responsible for administering these programs and obtained information on how they used data to inform decisionmaking. GAO interviewed a range of stakeholders, including federal and industry officials.

## What GAO Recommends

GAO is not making new recommendations in this statement but has made them to the Coast Guard and DHS in the past on improving its program management through, among other things, better quality and more transparent data. DHS and the Coast Guard agreed with these recommendations and reported actions or plans to address them.

View [GAO-18-408T](#). For more information, contact Nathan Anderson at (202) 512-3841 or [andersonn@gao.gov](mailto:andersonn@gao.gov).

March 2018

## COAST GUARD

### Actions Needed to Improve Data Quality and Transparency for Reporting on Mission Performance and Capital Planning

## What GAO Found

GAO's prior work recommended multiple actions to improve the Coast Guard's program management by improving the quality of data it uses to manage and report on its mission performance. Specifically, GAO recommended actions such as collecting more complete data and clarifying the data limitations to facilitate more effective program management. For example, in December 2017, GAO found that more information is needed to calculate vessel safety statistics that could enhance the Coast Guard's knowledge about accident, injury, and fatality trends involving commercial fishing vessels. Having more complete information could be useful to carrying out its marine safety mission, and GAO recommended, among other things, that the Coast Guard ensure that data collected during commercial fishing vessel incident investigations is accurately captured. In 2018, the Coast Guard reported taking initial steps to capture more accurate data.

## Coast Guard Ships



Source: U.S. Coast Guard. | GAO-18-408T

GAO's prior work also identified areas where the Coast Guard could improve the transparency of the data it uses for reporting on its mission performance as well its capital planning purposes. For example, in an October 2017 report on performance goals, GAO found the Coast Guard's Annual Performance Report (APR) has not been released publicly since 2011. Consequently, there has not been full visibility over performance across all of the Coast Guard's missions. Coast Guard officials stated that a decision by Department of Homeland Security (DHS) leadership to limit the number of performance goals shared publicly had deterred the Coast Guard from public release of its APR. GAO recommended that APRs be available on the Coast Guard's website; the Coast Guard plans to publicly release future APRs. In addition, previous GAO reports found that the Coast Guard's annual 5-year capital investment plan, which projects acquisition funding needs for the upcoming 5 years, did not consistently reflect current total cost estimates or the effects of tradeoffs made as part of the annual budget cycle. GAO made recommendations to help the Coast Guard plan for future acquisitions and the difficult trade off decisions it will face given funding constraints. The Coast Guard agreed, but it is unclear when it will complete the 20-year plan.

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Chairman Hunter, Ranking Member Garamendi, and Members of the Subcommittee:

I am pleased to be here today to discuss U.S. Coast Guard (Coast Guard) actions that could improve its program management by improving the quality and transparency of the data it uses to manage its mission performance and capital planning. The Coast Guard, within the Department of Homeland Security (DHS), serves as the principal federal agency responsible for maritime safety, security, and environmental stewardship in U.S. ports and waterways. The Coast Guard's 11 primary statutory missions identified in the Homeland Security Act of 2002, as amended, encompass the agency's important roles and responsibilities.<sup>1</sup> For example, as part of its marine safety mission, the Coast Guard performs mandatory safety inspections, conducts accident investigations, and promotes accident prevention involving vessels at sea, including for commercial fishing vessels.

To ensure that the Coast Guard is effectively fulfilling its missions, agency managers must have accurate and reliable mission performance information to monitor and track the progress the agency is making toward achieving its goals.<sup>2</sup> We have previously reported that evaluation can play a key role in strategic planning and program management, and that findings supported by sound analyses strengthen decision making.<sup>3</sup> Our findings are consistent with Office of Management and Budget (OMB)

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<sup>1</sup>The Coast Guard's 11 missions outlined in the Homeland Security Act of 2002, as amended, as well as other mission responsibilities, are identified in table 1 of this statement. See 6 U.S.C. § 468(a).

<sup>2</sup>The Government Performance and Results Act of 1993 (GPRA), as updated and expanded by the GPRA Modernization Act of 2010 (GPRAMA), requires agencies to establish annual performance goals with target levels of performance to measure progress towards those goals. See Pub. L. No. 111-352, 124 Stat. 3866 (2011) (amending Pub. L. No. 103-62, 107 Stat. 285 (1993)). Although GPRA and GPRAMA requirements apply to those goals reported by departments (e.g., DHS), they can also serve as performance management leading practices at other organizational levels, such as for component agencies (e.g., Coast Guard). In addition, GPRA requires executive agencies to prepare an annual performance report (APR) on program performance for the previous fiscal year, including a discussion of why any performance goals were not met and plans to meet those goals in the future.

<sup>3</sup>GAO, *Designing Evaluations 2012 Revision*, [GAO-12-208G](#) (Washington, D.C.: January 2012). This report addresses the logic of program evaluation design, presents generally accepted statistical principles, and describes different types of evaluations for answering varied questions about program performance, the process of designing evaluation studies, and key issues to consider toward ensuring overall study quality.

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guidance on assessing an agency's performance, which emphasizes the need for frequent, data-driven reviews, including data analyses, and identifying steps necessary to increase agency performance.<sup>4</sup> However, we have previously raised questions about whether annual performance goals<sup>5</sup> and reported performance information accurately reflect the extent to which the Coast Guard is accomplishing its mission goals. We have also raised concerns about the Coast Guard's management of its capital asset acquisitions given the impact these assets can have on the Coast Guard's ability to conduct some of its missions.

- In 2014, we reported that better information on performance and funding was needed to address Coast Guard acquisition shortfalls.<sup>6</sup>
- In 2016, we reported that the Coast Guard did not provide field units with realistic strategic goals to allocate their limited resources, and testified on Coast Guard actions to improve its asset allocation process.<sup>7</sup>
- In 2017, we issued five reports and testimonies that collectively underscore the importance of collecting good data and addressing its

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<sup>4</sup>GAO, *Managing for Results: Agencies Report Positive Effects of Data-Driven Reviews on Performance but Some Should Strengthen Practices*, [GAO-15-579](#) (Washington D.C.: July 7, 2015); OMB Circular No. A-11, Preparation, Submission, and Execution of the Budget, pt. 6, Section 270.3 (July 2017).

<sup>5</sup>Throughout this statement we use the term performance goal, which the Office of Management and Budget (OMB) and Government Performance Results Act (GPRA) of 1993 define as comprising a measure, a target, and a time frame. This is the term that most federal agencies use to assess and report performance. See Pub. L. No. 103-62, 107 Stat. 285 (codified as amended at 31 U.S.C. §§ 1115-11125). However, DHS and the Coast Guard use the term performance measure instead of performance goal to distinguish its performance measures from high level mission goals. Since DHS and the Coast Guard use the term performance measure as also comprising a measure, target and a time frame, they have all the elements of what we consider to be a performance goal, and therefore we evaluated them as such.

<sup>6</sup>GAO, *Coast Guard Acquisitions: Better Information on Performance and Funding Needed to Address Shortfalls*, [GAO-14-450](#) (Washington, D.C.: June 5, 2014).

<sup>7</sup>GAO, *Coast Guard: Actions Needed to Improve Strategic Allocation of Assets and Determine Workforce Requirements*, [GAO-16-379](#) (Washington, D.C.: May 24, 2016). GAO, *Coast Guard: Actions Underway to Develop Acquisition Plans that Reflect New Assets and Improve the Asset Allocation Process*, [GAO-16-633T](#) (Washington, D.C.: June 14, 2016).

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limitations and being transparent about it for the benefit of congressional decisionmakers and the public.<sup>8</sup>

My testimony today describes some of the findings and recommendations from these reports. Specifically, I will discuss Coast Guard actions needed to (1) improve the quality of data used for program management and (2) improve the transparency of data used for reporting on its mission performance and capital planning.

This statement is based on eight products we issued from June 2014 through December 2017 on Coast Guard strategic planning and performance management, and recommendation follow-up activities conducted through February 2018. To perform the work for our previous reports, among other things, we reviewed applicable laws, regulations, policies and guidance for selected performance goals. We interviewed Coast Guard officials responsible for administering these programs and obtained information on their processes for ensuring data reliability, including performing electronic testing for obvious errors in accuracy and completeness. We determined that data were sufficiently reliable for reporting some information, but in other instances, data reliability limitations precluded us from reporting information, which we describe later in this statement. We also conducted site visits and interviewed a range of other stakeholders, including federal officials and industry representatives. Further details on the scope and methodology for the previously issued reports are available within each of the published products. In addition, after the issuance of our reports and through February 2018 we contacted the Coast Guard to obtain updated information and documentation, as appropriate, on the status of recommendations we made.

We conducted the work on which this statement is based in accordance with generally accepted government auditing standards. Those standards

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<sup>8</sup>GAO, *Coast Guard Cutters: Depot Maintenance Is Affecting Operational Availability and Cost Estimates Should Reflect Actual Expenditures*, [GAO-17-218](#) (Washington, D.C.: March 2, 2017). GAO, *Coast Guard Recapitalization: Matching Needs and Resources Continue to Strain Acquisition Efforts*, [GAO-17-654T](#) (Washington, D.C.: June 7, 2017). GAO, *Coast Guard Acquisitions: Limited Strategic Planning Efforts Pose Risk for Future Acquisitions*, [GAO-17-747T](#) (Washington, D.C.: July 25, 2017). GAO, *Coast Guard: Actions Needed to Enhance Performance Information Transparency and Monitoring*, [GAO-18-13](#) (Washington, D.C.: October 27, 2017). GAO, *Commercial Fishing Vessels: More Information Needed to Improve Classification Implementation*, [GAO-18-16](#) (Washington, D.C.: Dec 14, 2017).

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require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Background

With a staff of over 47,000 members, the Coast Guard operates a multimission fleet of 201 fixed and rotary-wing aircraft and over 1,400 boats and ships.<sup>9</sup> Operational control of surface and air assets is divided into two geographic Areas (Pacific and Atlantic), within which are nine Districts consisting of 37 sectors and the stations within them. The Coast Guard's program oversight, policy development, and personnel administration are carried out at the Coast Guard's headquarters. As shown in table 1, the Coast Guard is responsible for 11 statutory missions identified in the Homeland Security Act of 2002, as amended.<sup>10</sup> The Coast Guard manages these missions through six mission programs, also listed in table 1. As part of its marine safety mission, for example, the Coast Guard conducts, among other activities, safety inspections and vessel accident investigations, including those involving commercial fishing vessels, which are part of an industry with one of the highest death rates of any industry in the United States.

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<sup>9</sup>In addition to the 47,000 members of the Coast Guard military component (active and reserve), Coast Guard officials reported that about 8,500 civilians support the Coast Guard in both field and staff positions, and these staff are further supplemented by approximately 26,500 volunteer members of the Coast Guard Auxiliary.

<sup>10</sup>6 U.S.C. § 468(a).

**Table 1: Information on the Coast Guard’s Mission Programs and 11 Statutory Missions<sup>a</sup>**

<b>Mission program</b>	<b>Statutory mission</b>	<b>Description</b>
Maritime security operations	Ports, waterways, and coastal security (response activities)	Ensure the security of the waters subject to the jurisdiction of the United States and the waterways, ports, and intermodal landside connections that comprise the marine transportation system, and protect those who live or work on the water or who use the maritime environment for recreation.
Maritime law enforcement	Migrant interdiction	Stem the flow of undocumented alien migration and human smuggling activities via maritime routes.
	Drug interdiction	Stem the flow of illegal drugs into the United States.
	Living marine resources	Enforce laws governing the conservation, management, and recovery of living marine resources, marine protected species, and national marine sanctuaries and monuments.
	Other law enforcement	Enforce international treaties, including the prevention of illegal fishing in international waters and the dumping of plastics and other marine debris.
Maritime prevention	Ports, waterways, and coastal security (prevention activities)	Ensure the security of the waters subject to the jurisdiction of the United States and the waterways, ports, and intermodal landside connections that comprise the marine transportation system, and protect those who live or work on the water or who use the maritime environment for recreation.
	Marine safety	Enforce laws that prevent death, injury, and property loss in the marine environment.
	Marine environmental protection (prevention activities)	Enforce laws that deter the introduction of invasive species into the maritime environment, stop unauthorized ocean dumping, and prevent oil and chemical spills.
Maritime response	Search and rescue	Search for, and provide aid to, people who are in distress or imminent danger in the maritime environment.
	Marine environmental protection (response activities)	Respond to oil and chemical spills.
Defense operations	Defense readiness	Maintain the training and capability necessary to immediately integrate with Department of Defense forces in both peacetime operations and during times of war.
Marine transportation system management	Aids to navigation	Mitigate the risk to safe navigation by providing and maintaining more than 51,000 buoys, beacons, lights, and other aids to mark channels and denote hazards.
	Ice operations	Establish and maintain tracks for critical waterways, assist and escort vessels beset or stranded in ice, and remove navigational hazards created by ice in navigable waterways.

Source: Coast Guard. | GAO-18-408T

<sup>a</sup>See 6 U.S.C. § 468(a). The Coast Guard divides responsibilities for 2 of the 11 missions into separate Coast Guard programs. Specifically, the Ports Waterways and Coastal Security mission encompasses the Maritime Security Operations response activities and Maritime Prevention activities. Similarly, the Marine Environmental Protection mission encompasses the Maritime Response program activities and Maritime Prevention activities. The Coast Guard has other mission responsibilities not explicitly delineated in the Homeland Security Act of 2002, as amended. These include products and services for the Intelligence Community; activities and efforts to support U.S.

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diplomacy and international relations, Bridge Administration, Great Lakes Pilotage, and other Waterways Management functions supplementary to providing Aids to Navigation.

For each of its 11 missions, the Coast Guard has developed goals and targets to assess and communicate agency performance. The Coast Guard's performance assessment process also includes identifying performance gaps and implementing corrective actions to address unmet performance goals. As part of its process, the Coast Guard is to establish targets for the current and subsequent 2 fiscal years, according to Coast Guard officials. Each target is set by the Coast Guard, but according to the Coast Guard's Annual Performance Report (APR), some are derived from external factors. For example, DHS requires that Coast Guard set a 100 percent target for the *percent of people in imminent danger saved in the maritime environment*. Further, several of the Coast Guard's assets used to conduct these missions are approaching the end of their intended service lives. As part of its efforts to modernize its assets used to carry out various missions, the Coast Guard has begun acquiring new vessels, such as the National Security Cutter, the Fast Response Cutter as well as other assets. However, concerns surrounding the affordability of this effort remain as the Coast Guard continues to pursue multiple new acquisitions without long-term planning to guide the affordability of its acquisition portfolio. Figure 1 shows the Coast Guard's Fast Response Cutter and National Security Cutter.

**Figure 1: The Coast Guard's Fast Response Cutter and National Security Cutter**



Source: U.S. Coast Guard. | GAO-18-408T



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## Coast Guard Actions that Could Improve Data Quality

We previously reported on actions the Coast Guard could take to ensure that, among other things, it addresses limitations posed by incomplete data, the use of unrealistic asset performance data, and limitations with its performance goal data, for more effective program management.<sup>11</sup> Examples of data limitations that we have recommended that the Coast Guard take action on are below.

**Improve completeness of mission data.** In December 2017, we found that several different federal agencies play a role in overseeing and promoting commercial fishing vessel safety, including the Coast Guard.<sup>12</sup> As part of its marine safety activities, the Coast Guard conducts, among other activities, safety inspections and vessel accident investigations. Commercial fishing has one of the highest death rates of any industry in the United States and vessel disasters are the leading cause of fatalities among fishers, according to the National Institute for Occupational Safety and Health. However, our December 2017 review found that more information is needed to calculate vessel safety statistics that could enhance the Coast Guard's knowledge about accident, injury, and fatality trends involving commercial fishing vessels.

The Coast Guard collects some data on commercial fishing vessels that operate in federal waters—including a vessel's length and construction date—but data on the population of the active U.S. commercial fishing vessel fleet are not complete. Between 2006 and 2015, the Coast Guard investigated 2,101 commercial fishing vessel accidents that were identified as occurring in federal waters.<sup>13</sup> While the number of accidents generally increased over this time period, the number of injuries and fatalities declined over the same 10-year period. However, we could not

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<sup>11</sup>[GAO-18-16](#); [GAO-18-13](#); [GAO-16-379](#).

<sup>12</sup>[GAO-18-16](#).

<sup>13</sup>In this statement, a commercial fishing vessel accident refers to instances where the Coast Guard responded after the vessel's crew reported a marine casualty involving damage to the vessel or other property, injury or loss of life, or harm to the environment. Accidents that did not occur in federal waters include, for example, those that occurred in state waters or misclassified observations. The United States' federal waters—also called the Exclusive Economic Zone—begin at the seaward boundary of each of the coastal states (generally 3 nautical miles from shore) and extends to 200 nautical miles from shore. In the instances of Texas, Puerto Rico, and the Gulf side of Florida, federal waters begin at 9 nautical miles from shore. The area within 3 nautical miles is generally referred to as state waters.

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assess the number of accidents, injuries, and fatalities by fishery—meaning the area in which a certain type of fish (e.g., shrimp, salmon, crab) is caught—because the Coast Guard’s data is not complete.<sup>14</sup> Further, we were unable to calculate the rates of commercial fishing vessel accidents, injuries, and fatalities, because reliable data on certain information needed to do so—including the total number of vessels that are actively fishing and the fishery or region in which the vessel operates—are either not maintained or are not collected by the Coast Guard or other federal agencies. Having this information could be useful to carrying out the Coast Guard’s marine safety mission, which includes enforcing laws to prevent death, injury and property loss in the marine environment.

We recommended in our December 2017 report that the Coast Guard ensure that data it collects during commercial fishing vessel incident investigations is accurately captured. We also recommended that the Coast Guard work with stakeholders to form a working group to determine an efficient means to establish a reliable estimate of the population of active commercial fishing vessels. The Coast Guard agreed with both recommendations, and in February 2018 informed us that it is in the process of developing additional data fields to capture more information, such as the fishery in which the commercial fishing is involved, and is engaging stakeholders to establish an appropriate working group. We will continue to monitor these actions.

**Use more realistic asset performance data.** In our May 2016 report on Coast Guard strategic planning, we found that the Coast Guard did not provide field units with realistic goals for allocating assets, by mission.<sup>15</sup> We reported that the Coast Guard’s strategic allocations of assets were based on unrealistic assumptions about the performance capacity of its assets and did not reflect asset condition and unscheduled maintenance. This was due, in part, to the Coast Guard not including information from its field units on the actual performance of its assets. For example, agency officials noted that one of its classes of cutters was 50 years old and these cutters were hampered by mechanical failures requiring emergency dry dock repairs, which resulted in reduced availability to carry out their missions during the year. In another example, a field unit

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<sup>14</sup>A fishery is the combination of one or more fish stocks, and fishing for such fish stocks.

<sup>15</sup>[GAO-16-379](#).

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stated that based on historical use, it planned for 575 hours per vessel for one type of cutter instead of the 825 hours performance capacity.

Because actual asset use has consistently fallen below asset performance capacities, there is not a direct alignment between the Coast Guard's strategic operational goals and its prospects for achieving those goals. As a result, the headquarters' strategic intent, which is based on asset capacity rather than actual performance, did not provide the field with strategic, realistic goals for allocating assets by mission. Agencies should use quality information that is appropriate, current, complete, accurate, accessible, and timely to achieve objectives and address related risks.<sup>16</sup> We recommended that the Coast Guard incorporate field unit input, such as information on assets' actual performance, to inform more realistic asset allocation decisions. The Coast Guard concurred with this recommendation, and in February 2018 informed us that it plans to address this recommendation through changes to two process documents that are under revision, with an expected completion date in March 2018.

**Improve performance goal data.** In our October 2017 review of Coast Guard performance goals, we reported that the Coast Guard and DHS identified limitations with two of the seven selected performance goals we reviewed, including *the five year average number of recreational boating deaths and injuries*.<sup>17</sup> In particular, officials believe that many recreational boating injuries that do not require hospitalization are not reported to the Coast Guard. These officials believe that the amount of underreporting may vary over time due to changes in industry trends, making it difficult to accurately determine actual injury rates and program performance.<sup>18</sup> We determined that the data for this performance goal was not sufficiently reliable for the purposes of our reporting objectives due to these likely limitations. We found that the Coast Guard did not report the possible extent of these limitations with this performance goal in its fiscal year 2016 APR.

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<sup>16</sup>GAO, *Standards for Internal Control in the Federal Government*, [GAO-14-704G](#) (Washington, D.C.: Sept. 10, 2014).

<sup>17</sup>[GAO-18-13](#).

<sup>18</sup>For example, officials cited the increased use of stand-up paddleboards as an example of changing industry trends.

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For the other performance goal, the Coast Guard and DHS identified limitations with the *number of detected incursions of foreign fishing vessels violating U.S. waters*, which is publicly reported in DHS's APR. DHS's review of this performance goal, reported in August 2015, raised questions about the validity of this goal—that is, whether it provides a useful measure of the Coast Guard's performance. Specifically, the review noted that this performance goal is intended to measure a deterrence effect, but doing so is inherently difficult and may lead to contradictory interpretations of performance. In October 2017, we found that the data for this performance goal was sufficiently reliable for our reporting objective purposes, but questions remain about its validity. Reliable data is not a useful indication of performance unless it is also a valid representation of the goal being addressed.<sup>19</sup> DHS officials reported that they did not include a discussion of the limitations for this performance goal in DHS's fiscal year 2015 APR because the performance goal met the minimum threshold for data reliability despite the goal's limitations. Coast Guard officials reported they were aware of these limitations and were working with DHS and OMB to improve the performance goal and implement corrective actions within 1 to 2 years. We recommended that the Coast Guard assess the extent to which documentation on performance data reliability contains appropriate information on known data reliability limitations and update these documents, as needed, based on the results of the assessment. The Coast Guard concurred and in February 2018, informed us that it had taken initial actions to address our recommendation. However, our preliminary review of these actions indicates that further action will be needed to fully address our recommendation, such as documenting and reporting the limitations of performance data.

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<sup>19</sup>GAO, *Assessing the Reliability of Computer-Processed Data*, [GAO-09-680G](#) (Washington, D.C.: July 1, 2009).

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## Coast Guard Actions that Could Improve Transparency of Data for Reporting on Its Mission Performance and Capital Planning

Our previous reports have identified areas in which the Coast Guard could improve the transparency of its data used for reporting on its mission performance and planning.

**Improve transparency of data on mission performance.** In our October 2017 report on performance goals, we found that the Coast Guard's APR has not been released publicly since 2011 due to a previous DHS leadership decision.<sup>20</sup> Consequently, there has not been full visibility over performance across all of the Coast Guard's missions.<sup>21</sup> For example, one of the Coast Guard's missions—defense readiness—has no goals that are publicly reported or shared with Congress, even though measures related to defense readiness are included in the Coast Guard's APR.

Coast Guard officials stated that they could see the benefit of publicly releasing their APR; however, DHS's decision to limit the number of performance goals shared publicly has so far deterred the Coast Guard from pursuing the public release of its APR. DHS officials told us that the department is concerned about conflicting information that a component's APR might present because it is vetted and produced separately from the DHS APR. However, the lack of transparency regarding performance data shared publicly and with Congress can result in an incomplete picture of mission performance and can limit effective oversight of Coast Guard operations. As a result, the public and Congress may be unable to determine the extent to which the Coast Guard is meeting its missions. We recommended that future Coast Guard APRs be available on the Coast Guard's public website. The Coast Guard concurred with this recommendation and in February 2018, the Coast Guard informed us that

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<sup>20</sup>[GAO-18-13](#).

<sup>21</sup>To measure mission performance, the Coast Guard uses three types of performance goals and measures established by DHS for performance reporting by the Coast Guard and other DHS components: Strategic goals are used to reflect achievement of missions that are publicly reported in the DHS APR. As part of DHS's APR, these goals are subject to GPRA and GPRAMA requirements. Management goals are used to gauge program results and tie to resource requests that are reported to Congress and publicly available through the DHS Congressional Budget Justification, along with the strategic goals. Operational measures are additional DHS component measures not reported by DHS, but used internally by components to inform management of operations and activities. The Coast Guard has at least 150 additional internal performance measures used to inform management of operations and activities based on our analysis of the Coast Guard's Strategic Performance Directive and Operational Performance Assessment Report.

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it had completed its 2017 APR and are determining an appropriate approach for making it publicly available.

**Improve capital planning transparency.** In our previously issued work on the Coast Guard's annual 5-year capital investment plan (CIP),<sup>22</sup> we found that the CIP does not consistently reflect current total cost estimates or the effects of tradeoffs that are made as part of the annual budget cycle.<sup>23</sup> We made several recommendations in recent years intended to help the Coast Guard plan for future acquisitions and the difficult tradeoff decisions it will likely face. The Coast Guard generally concurred with these recommendations and is in various stages of implementation. For example, in 2017 we reported that we have made recommendations that DHS and the Coast Guard take several actions to gain an understanding of what the Coast Guard needs to meet its mission within its likely acquisition funding levels.<sup>24</sup> These recommended actions included the Coast Guard: (1) conducting a comprehensive portfolio review across all its acquisitions to develop revised baselines that meet mission needs and reflect realistic funding scenarios and (2) developing a 20-year plan that identifies all necessary recapitalization efforts and any fiscal resources likely necessary to complete these efforts. For example, in 2014 we recommended the Coast Guard develop a 20-year fleet modernization plan that identifies all acquisitions needed to maintain the current level of service and the fiscal resources needed to acquire them. Without these efforts, the Coast Guard will continue, as it has in recent years, to plan its future acquisitions through the annual budgeting process, an approach that has led to delayed and reduced capabilities.

In 2016, the Coast Guard revised its 2005 Mission Needs Statement, which provides a basic foundation for long-term investment planning that is to serve as the basis for evaluating the effectiveness of various fleet mixes, and inform the Coast Guard's CIP. However, the 2016 Mission Needs Statement did not identify specific assets the Coast Guard needs to achieve its missions, nor did it update the annual hours it needs from

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<sup>22</sup>Since 2012, the Coast Guard has been legislatively required to submit a CIP annually to certain Congressional committees, alongside its budget proposal, that includes, among other things, projected funding for capital assets in such areas as acquisition, construction, and improvements needed for the upcoming 5 fiscal years. 14 U.S.C. § 2902.

<sup>23</sup>[GAO-14-450](#).

<sup>24</sup>[GAO-14-450](#); [GAO-17-654T](#).

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each asset class to satisfactorily complete its missions.<sup>25</sup> The Coast Guard has stated it is developing a 20-year Long-term Major Acquisition Plan, but it has not stated when the plan will be completed or what will be included in this plan, such as potential trade-offs that could be made across the Coast Guard's portfolio of acquisitions to better meet mission needs within realistic funding levels. A long-term plan with a tradeoff analysis would facilitate a full understanding of the affordability challenges facing the Coast Guard while it builds the Offshore Patrol Cutter. DHS concurred with our 2014 recommendation, but it is unclear when the Coast Guard plans to complete the 20-year plan.

Chairman Hunter, Ranking Member Garamendi, and members of the subcommittee, this completes my prepared statement. I would be happy to respond to any questions you may have at this time.

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## GAO Contacts and Staff Acknowledgments

If you or your staff members have any questions about this testimony, please contact Nathan Anderson at (202) 512-3841 or [andersonn@gao.gov](mailto:andersonn@gao.gov). Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Other individuals making key contributions to this work, and the underlying reports on which it is based, include Dawn Hoff (Assistant Director); Andrew Curry (Analyst-in-Charge); Chuck Bausell; David Bieler; Richard Cederholm; John Crawford; Timothy J. DiNapoli; Michele Fejfar; Laurier R. Fish; Peter Haderlein; Eric Hauswirth; Laura Jezewski; Tracey King; Benjamin Licht; Marie A. Mak; Gary Malavenda; Diana Moldafsky; Heidi Nielson; Meg Ullengren; and Kayli Westling.

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<sup>25</sup>[GAO-16-633T](#).

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## Public Affairs

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