



**TESTIMONY OF
REAR ADMIRAL JOSEPH M. VOJVODICH
ASSISTANT COMMANDANT FOR ACQUISITION AND CHIEF ACQUISITION OFFICER
ON**

“STATUS OF COAST GUARD CUTTER ACQUISITION PROGRAMS”

**BEFORE THE
HOUSE TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON COAST GUARD AND MARITIME TRANSPORTATION**

FEBRUARY 3, 2016

INTRODUCTION

Good morning Chairman Hunter, Ranking Member Garamendi, and distinguished members of the Subcommittee. Thank you for your continued oversight and strong support of the Coast Guard. I am honored to appear before you today to update you on our cutter acquisition programs, which are the centerpiece of our larger strategy to recapitalize our aging surface, aircraft, Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems, and shore infrastructure assets.

The Coast Guard continues to face a dynamic and complex array of challenges in performing the service’s many missions to secure, safeguard and exercise stewardship over activities in our inland, coastal, and offshore waters. Chief among these challenges is the age and condition of existing assets not yet addressed by our ongoing recapitalization program, and the impact that declining readiness of those assets has on mission performance. For this reason, the Commandant continues to place the highest priority on advancing the planned recapitalization programs that will provide our men and women in the field with new and enhanced platforms and capabilities necessary to achieve mission success.

As the Chief Acquisition Officer of the Coast Guard, I lead a talented team of professionals dedicated to delivering the goods and services the Coast Guard needs to carry out its missions. It’s easy to see the positive influence that our acquisition enterprise has on the organization when you consider the recent achievements of our new National Security Cutters (NSC) and Fast Response Cutters (FRC).



USCGC Stratton Crew stand by to offload 34 metric tons of cocaine in San Diego, August 2015. U.S. Coast Guard photo



USCGC Stratton boarding team members take control of a self-propelled semi-submersible off the coast of Central America, August 2015. U.S. Coast Guard photo

This summer, National Security Cutters were deployed to the Eastern Pacific, participating in the largest-ever narcotics seizure in the Coast Guard's history – over 34 metric tons of cocaine with a street value of more than \$1 billion. The new cutters' enhanced command and control capabilities were on display as the operational group seized two self-propelled semi-submersibles and numerous go-fast vessels during the deployment.

USCGC WAESCHE performed operations in the Arctic, and FRCs have provided enhanced capabilities to respond to increasing migrant traffic in the Florida Straits and Caribbean Sea.

This subcommittee has been instrumental in supporting the Coast Guard's acquisition programs, and we are realizing the results of those critical investments in every mission area.

The Coast Guard continues its progress in acquiring the assets and capabilities necessary to meet the service's mission needs. In addition to efforts to complete the acquisition of the NSC class – including the recent start of fabrication for NSC 8 and preparations for a future contract award for production of NSC 9 – we are working hard on the Coast Guard's top acquisition priority: delivery of an affordable and capable Offshore Patrol Cutter (OPC). The OPC will serve as the backbone of the Coast Guard's strategy to project and maintain offshore presence in concert with the extended range and capability of the NSC and the enhanced coastal patrol capability of the FRC. The fifteenth FRC was commissioned in San Juan, Puerto Rico, last week, and we are preparing for the first delivery to our fourth FRC homeport, Cape May, New Jersey, later this summer.

In addition, we are acting on the President's direction to accelerate the acquisition of a new heavy icebreaker and begin planning for construction of additional icebreakers. We look forward to working with the Subcommittee as we advance the acquisition of this vital national asset..

Recapitalization is a key component to the Coast Guard's strategy to efficiently allocate resources to meet today's operational requirements, while investing in future capability to best serve the Nation. Our acquisition enterprise is working every day to ensure every appropriated dollar is used to its best advantage.

THE COAST GUARD ACQUISITION ENTERPRISE

With the stand-up of the Acquisition Directorate in 2007, the Coast Guard consolidated its portfolio of major and minor acquisition projects, contracting and procurement functions, research and development programs, logistics support and transition to sustainment functions, and other elements of acquisition support under a single command. Further, the Service established an acquisition governance structure, strengthened processes, institutionalized the role of our technical authorities, and built and maintained a highly capable and trained acquisition workforce.

These improvements have been codified in the Coast Guard's Major Systems Acquisition Manual and are guided by the principles and requirements under Department of Homeland Security (DHS) - Acquisition Management Directive 102-01 and Federal Acquisition Regulations (FAR). We continue to implement initiatives to minimize acquisition risks and maximize affordability within our projects. We leverage the experience and expertise of our partners to perform key functions and guide Coast Guard decision-makers throughout the acquisition life cycle.

As a result of these ongoing efforts, Coast Guard acquisition personnel have routinely received awards for contracting and program management excellence. Most recently, the NSC acquisition program was recognized as the Fiscal Year 2014 DHS program of the year.

RECENT ACQUISITION SUCCESSES

The Coast Guard has made great strides in our efforts to recapitalize the Coast Guard fleet and support systems. The Service continues to accept delivery of new cutters, aviation assets, boats, C4ISR capabilities, and upgraded shore infrastructure, bolstering our mission readiness and performance.

In support of the OPC Program, the Coast Guard has completed Preliminary and Contract Design activities with three shipyards – Bollinger Shipyards Lockport LLC (Lockport, Louisiana), Eastern Shipbuilding Group Inc. (Panama City, Florida), and General Dynamics, Bath Iron Works (Bath, Maine). Following the receipt of final management, technical, and price proposals, we plan to begin the source selection process leading to a Phase II (Detail Design and Construction) award to one contractor by the end of the current fiscal year.



The fifth National Security Cutter (JAMES) is commissioned into service, August 2015. U.S. Coast Guard photo.

Over the past year, the Coast Guard started fabrication of the eighth NSC (MIDGETT), accepted delivery of and commissioned the fifth NSC (USCGC JAMES), christened the sixth NSC (MUNRO), and continued production activities for the seventh NSC (KIMBALL). Following the receipt of additional funding for this program through the Consolidated Appropriations Act, 2016, the Coast Guard has begun activities that will lead to the acquisition of a ninth NSC.

The Coast Guard is conducting FRC operations out of three homeports: Sector Miami, Sector Key West, Florida, and Sector San Juan, Puerto Rico. A total of 32 FRCs have been ordered to date, and five additional FRCs are scheduled to be delivered in 2016. Later this year, we plan to award a Phase II contract that will include options for the acquisition of up to 26 FRCs on a firm fixed price basis with an economic price adjustment.



WPC 1109 (KATHLEEN MOORE) performs operations in the Caribbean Sea, December 2015. U.S. Coast Guard photo.

The Coast Guard is actively working to accelerate the acquisition of a new heavy icebreaker to maintain Coast Guard mission capabilities in the high latitude regions. Since the President's announcement, we have finalized the Polar Icebreaker Operational Requirements Document, and published a draft technical package, the first step in an industry outreach strategy that will continue up to and through the release of a contract solicitation. Industry engagement will provide the Coast Guard with the opportunity to receive feedback and input to inform the acquisition process; we anticipate our first industry engagement event this Spring. All of these efforts are complemented by ongoing consultation and coordination with international partners. We look forward to communicating additional details regarding our acquisition strategy through the FY 2017 budget process.



WLB 211 (OAK) is the first of sixteen 225' Seagoing Buoy Tenders to undergo a Midlife Maintenance Availability at the Coast Guard Yard. Coast Guard photo.

In concert with our efforts to acquire new assets, we are also focused on sustaining and improving our existing fleet through the In Service Vessel Sustainment program. The current work being conducted at the Coast Guard Yard in Curtis Bay, Maryland, includes a Service Life Extension Project (SLEP) to enhance mission readiness and extend the service life of the 140-foot icebreaking tug class by approximately 15 years. Last year, work began on the second of four planned SLEP phases on Coast Guard Cutter EAGLE. EAGLE SLEP will enhance habitability, remediate hazardous materials, and complete major maintenance necessary to ensure the vessel remains safe for operations. Earlier this year, the Coast Guard initiated a Midlife Maintenance Availability on the first 225-foot sea-going buoy tender that will address obsolescence of critical ship components and engineering systems.

CONCLUSION

Since 1790, the Coast Guard has safeguarded our Nation's maritime interests and natural resources on our rivers, in the ports, on the high seas, and in theaters around the world. Each day, the Coast Guard carries out its missions to protect lives, protect the environment, secure our maritime borders and facilitate commerce. Our acquisition workforce is, likewise, working each day to acquire and deliver the assets and capabilities needed to support these critical missions.

The cutters we acquire today will provide vital capability for decades to come. We are committed to maximizing the Nation's return on these important investments. Given the projected timelines to replace our aging fleet of legacy assets, continued investment in sustainment will be incorporated into our planning to ensure mission effectiveness in the 21st century.

Thank you for the opportunity to testify before you today and for all you do for the men and women of the U.S. Coast Guard. I look forward to answering your questions.