

**Statement Of
The Honorable Elijah Cummings
Hearing On
“Deepwater: 120-Day Update”
June 12, 2007**

Today, the Subcommittee on Coast Guard and Maritime Transportation convenes to receive an update on the steps that the Coast Guard has taken over the past 120 days to continue strengthening the management of the \$24 billion, 25-year Deepwater procurement program.

I note the significance of the 120-day time period – it is the time that has elapsed since I convened the Subcommittee’s first oversight hearing on Deepwater in the 110th Congress and it is the time period after which I promised the Subcommittee would reconvene to hear again from the Coast Guard’s Commandant, Admiral Thad Allen.

This hearing continues our Subcommittee’s unwavering commitment to requiring strict accountability from the Coast Guard for its implementation of the Deepwater program and the expenditures it makes of taxpayer resources. Since we met in January, our Subcommittee has examined the Coast Guard’s fiscal year 2008 budget – and the House is considering the appropriation for the Coast Guard on the floor today. The Full Committee on Transportation and Infrastructure has also held an investigative hearing to examine the extent to which contractors working on the failed 123-foot patrol boat program complied with the requirements of the Deepwater contract.

During that 120-day period, the Commandant has also announced important changes to the Deepwater program, including promising that the Coast Guard will assume the lead role as systems integrator for the program, that the use of third-party certification will be increased, and that the Coast Guard will contract directly with vendors when it is in the best interest of the service to do so. Further, the Coast Guard will stand up a new acquisitions directorate under the command of Rear Admiral Gary Blore on July 13. The principles and plans the Commandant has announced appear likely to set the Deepwater program on a steadier course. However, it is important that we understand how these principles will be translated into the specific practices that will ensure the success of the program.

The failures already registered in Deepwater are simply unacceptable. An approximately \$100 million effort to lengthen eight 123-foot patrol boats yielded only eight buckled hulls. According to the Inspector General, the Coast Guard has obligated more than \$100 million of the money allocated to the development of the vertical unmanned aerial vehicle through fiscal year 2007 – but this obligation has yielded little more than a pile of rubble. And the first effort to design a Fast Response Cutter which, at just 120 to 160 feet is the smallest of the new cutters expected to be acquired under Deepwater, produced a failed design.

As I have said before, what we expect from Deepwater is really quite simple. We expect boats that float. We expect aircraft that fly. And yet, as simple as these goals appear to be, too frequently, they have not been met in the Deepwater program – and this is intolerable.

Unfortunately, there are problems with other on-going procurements, most notably the National Security Cutter – the most expensive asset class to be acquired under Deepwater. I had the opportunity to visit the NSC last week – and it is indeed an impressive ship. However,

like all of my colleagues on the Subcommittee, I am deeply concerned by lingering questions about the likely fatigue life of hulls 1 and 2.

I believe it is imperative – and should be among the Coast Guard’s top priorities at this time – to ensure that design changes incorporated into hulls 3 through 8 will yield ships that will fulfill all of the requirements of the Deepwater contract. For that reason, I believe all proposed designs must be closely examined by the Navy’s Carderock division.

During today’s hearing, I also hope to understand the specific role that the Integrated Coast Guard Systems team is currently playing in implementing the Deepwater procurements – and how any future contract extension granted to that team will be structured to ensure that performance is based solely on the quality of work performed and the effectiveness of assets produced.

In recent years, our great country has, unfortunately, witnessed the terrible aftermath of incompetence in government and the Congress has been too willing to tolerate mediocrity. Ladies and gentlemen, these days are over. We are the United States of America. We were not founded on mediocrity, we cannot stoop to it now, and we will no longer tolerate failures in the Deepwater program.

Thus, while I continue to have the utmost confidence in Admiral Allen, our Subcommittee will also continue to expect the Coast Guard to meet the highest standards of performance. We look forward to hearing today from Admiral Allen how he will put in place the systems and personnel that will ensure these standards are met.

In addition to hearing from Admiral Allen, we will also hear from the Inspector General of the Department of Homeland Security, Richard Skinner. Inspector General Skinner has done outstanding work in reporting on emerging problems throughout the Deepwater program – and it was his office that identified the hull fatigue life problems with the NSC.

The Inspector General’s office has been a critical partner to our Subcommittee as we have conducted our oversight over the Coast Guard, and I look forward to Mr. Skinner’s comments today on the steps that the Coast Guard still needs to take to prepare to implement the reforms that Admiral Allen has announced. I also invite him to comment on the steps being taken to mitigate the problems with the NSC.

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