

# GAO Highlights

Highlights of [GAO-19-711T](#), 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, within the Department of Homeland Security (DHS), owns or leases more than 20,000 shore facilities—such as piers, boat stations, air stations, runways, and housing units—at more than 2,700 locations, from which it carries out its missions.

This shore infrastructure is often positioned along the nation's coastlines where it can be vulnerable to damage from extreme weather.

This statement summarizes GAO findings related to the condition of Coast Guard shore infrastructure, actions the Coast Guard has taken to improve its management of its shore infrastructure, and additional actions it needs to take. This statement is based on three GAO products issued from October 2017 through September 2019, along with selected updates on actions the Coast Guard has taken to address GAO's recommendations from these reports. GAO analyzed relevant Coast Guard documents, management processes and decisions, and interviewed Coast Guard officials. To conduct updates, GAO also reviewed information on the Coast Guard's actions to implement its prior recommendations.

## What GAO Recommends

In the three reports, GAO made 10 recommendations to improve the Coast Guard's asset management efforts, including employing models for predicting investment outcomes, disposing of unneeded assets, and implementing DHS's critical infrastructure risk management framework to guide shore infrastructure resilience decisions. DHS concurred and generally described planned actions to address these recommendations, but has not yet fully implemented them.

View [GAO-19-711T](#). For more information, contact Nathan Anderson at (202) 512-3841 or [AndersonN@gao.gov](mailto:AndersonN@gao.gov).

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## COAST GUARD SHORE INFRASTRUCTURE

### Actions Needed to Better Manage Assets and Reduce Risks and Costs

#### What GAO Found

In February 2019, GAO reported that the Coast Guard's \$18 billion portfolio of shore infrastructure was deteriorating, and almost half of it was past its service life as of 2018. Coast Guard data showed that it would cost at least \$2.6 billion to address its maintenance and recapitalization (major renovation) project backlogs at recent funding levels. Coast Guard data also showed that hundreds of projects had not been factored into the backlog costs.

GAO's prior work has shown that the Coast Guard has taken initial steps toward improving how it manages its shore infrastructure, including conducting an initial assessment of shore infrastructure vulnerabilities. However, GAO also found that the Coast Guard had not fully applied leading practices and key risk management steps in managing its shore infrastructure, and needs to take the following actions:

- **Employ models for predicting the outcome of investments and analyzing tradeoffs.** In February 2019, GAO found that the Coast Guard had used a model to determine that it could more efficiently prioritize its investment in aviation pavement—one segment of an almost \$3 billion portfolio of aviation shore infrastructure—and save about \$13.8 million. However, as of February 2019, the agency had not implemented the aviation pavement study results. Moreover, according to Coast Guard officials, the agency could employ models to its entire portfolio of shore infrastructure. By not implementing the results of its aviation pavement model or employing similar models across its shore infrastructure assets, the Coast Guard is missing opportunities to potentially identify and achieve cost savings across other assets.
- **Dispose of unneeded assets.** In October 2017, GAO found that closing boat stations that the Coast Guard had found to be unnecessarily duplicative could potentially generate \$290 million in cost savings over 20 years. However, in February 2019, GAO found that instead of closures, the Coast Guard was planning recapitalization projects at 5 of the 18 stations it had recommended for closure. Given the Coast Guard's competing shore infrastructure priorities and existing project backlogs, GAO recommended disposing of unneeded assets to more efficiently manage resources and better position the Coast Guard and Congress to address shore infrastructure challenges.
- **Implement DHS's Critical Infrastructure Risk Management Framework.** In September 2019, GAO found that DHS has recognized the importance of protecting critical infrastructure from extreme weather and other risks. However, the Coast Guard has not fully aligned its processes for improving shore infrastructure resilience with DHS's five key steps for critical infrastructure risk management. For example, when identifying and then assessing risks to its infrastructure—two of the steps in the DHS process—the Coast Guard did not identify all assets that are critical to its missions, such as aircraft runways, or screen them for all vulnerabilities, such as flooding. Aligning its processes with the DHS steps would provide greater assurance that the Coast Guard is investing its resources to minimize potential damage and expenses caused by future extreme weather events.