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United States Senate

COMMITTEE ON
GOVERNMENTAL AFFAIRS

WASHINGTON, DC 20510-6250

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February 27, 2004

The Honorable Don Nickles
Chairman
Committee on the Budget
United States Senate
Washington, D.C.

The Honorable Kent Conrad
Ranking Member
Committee on the Budget
United States Senate
Washington, D.C.

Dear Chairman Nickles and Senator Conrad:

As you prepare the budget resolution for the 2005 Fiscal Year, the Committee on Governmental Affairs urges you to seriously consider enough funding for the Coast Guard to ensure replacement of its aging fleet within the next 10 years. Such a commitment would require \$1.862 billion for the Deepwater project in Fiscal Year 2005. While we understand the strict budget climate under which the government must operate, the Deepwater project is one that should be completed sooner rather than later. In the first four years of the project, the Coast Guard has already spent \$140 million above what it had planned to keep its aging fleet operational; each year the project is extended, these repair costs will increase exponentially as legacy assets further decay. Acceleration to a 10-year schedule will provide the Coast Guard with the tools it needs to protect our ports and waterways while giving taxpayers the best value.

Each day the Coast Guard relies on aging assets, many of which date back over a quarter of a century, and some even to World War II. Yet the demands on our operational Coast Guard are unrelenting in the post 9-11 environment. The argument to fund Deepwater on an accelerated schedule is simply good government practice. The longer the Deepwater project takes to complete, the more money the Coast Guard will have to divert to maintenance of its decaying assets, and the higher the overall price tag in the end.

We are receiving increasing reports of cutters being sidelined for emergency repairs due to engine fires and cracks in the hull as well as helicopters losing power in flight. Without acceleration, the Coast Guard will continue to struggle significantly to keep up with its workload as it continues to redirect money from replacement of assets to repairs. This phenomenon further

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delays Deepwater and the wasteful cycle continues resulting in dangers to crew members, reduced readiness, and increased total project costs.

The Deepwater replacement project would provide a robust system of technologically-advanced ships, helicopters and airplanes linked together by an interoperable communications system. If delivered within the next 10 years rather than 20, these assets will generate almost one million additional Coast Guard mission hours dedicated to homeland security. We strongly support a funding increase of \$1.184 billion (for a total of \$1.862 billion) for the Coast Guard in FY 2005 to accelerate the Deepwater project. The nation simply cannot afford to wait another 20 years or longer for the Coast Guard to employ more effective and reliable assets in the name of better homeland security. Of course, an increase of this magnitude would warrant careful oversight by the Coast Guard and Congress to ensure that the contracts are managed properly.

Thank you for the opportunity to comment on issues of interest within the purview of the Committee on Governmental Affairs.

Sincerely,



Susan M. Collins
Chairman



Joseph I. Lieberman
Ranking Member

SMC/JIL:ccg