Deepwater Industry Leaders Committed To Coast Guard Modernization Program

Integrated Coast Guard Systems reports progress, reassures cooperation before Senate Subcommittee on Oceans, Atmosphere, Fisheries, and Coast Guard

Representatives from Integrated Coast Guard Systems (ICGS) today presented testimony on the Integrated Deepwater System program before the Senate Subcommittee on Oceans, Atmosphere, Fisheries, and Coast Guard.

Mr. Philip Teel, president of Northrop Grumman Ship Systems, and Dr. Leo Mackay, vice president and general manager of Lockheed Martin Coast Guard Systems, highlighted ICGS' commitment to the Coast Guard and its continued support of the service's evolving post-9/11 mission requirements.

"We are making good progress and are delivering significant new and upgraded capabilities in the face of a new mission needs statement and re- baselined program," said Mackay.

The industry partners noted the many milestones the program continues to achieve including:

* Completion of a two-phased command, control and communications (C4ISR) upgrade to all 39 medium and high endurance cutters;
* Arrival in December 2006 of the Coast Guard's first new HC-144A maritime patrol aircraft which is currently undergoing installation of mission pallets in Elizabeth City, N.C.; the second aircraft was accepted by the Coast Guard in January and a third is currently in flight testing;
* Near completion of the HH-65C helicopter re-engine project with 68 of 95 helicopters delivered to date nationwide that can fly faster, twice as far and with twice the payload;
* Renewal of the service contract for the Helicopter Interdiction Tactical Squadron (HITRON) based in Jacksonville, Fla., for a fifth year. These eight MH-68A helicopters are equipped with airborne use of force and have had a significant impact on illicit drug interdictions. The squadron celebrated its 100th interdiction last May;
* Christening of the first National Security Cutter, USCGC Bertholf, in November 2006 and keel laying of the second, USCGC Waesche, in September 2006, with a long lead materials contract in place for the third cutter.

Each of these milestones has had significant government oversight by the Coast Guard, the Department of Homeland Security and the Government Accountability Office.

"We make recommendations," said Teel, "but all major acquisition decisions are made by the Coast Guard after review and approval by its senior leadership through a series of cross-functional government teams."

"ICGS leverages the depth of capabilities and experience of its partners to provide best value solutions to meet Coast Guard requirements," said Mackay. "The Deepwater team includes more than 600 suppliers in 41 states

plus the District of Columbia. In addition, ICGS maintains an active database of more than 3,000 supplier-product application providers."

Mr. Teel responded to specific concerns raised in recent reports about the NSC and the 123-foot patrol boats. Both assets have come under recent scrutiny in the Department of Homeland Security Office of the Inspector General report and the Defense Acquisition University Quick Look Study. The reports concluded that the combination of a change in requirements and a lack of proper acquisition support by the Coast Guard contributed to assets which do not appear to meet contract requirements.

The industry team refuted these allegations throughout their testimony, stating that the NSC meets contract requirements and specifications.

"The NSC that will be delivered to the Coast Guard this year is not the same ship that was first proposed in 1998," said Teel. "Enhancements to the ship's design due to post-9/11 requirements and the impact of Hurricane Katrina have added approximately 1,000 tons to the displacement, including a one-third increase in electrical power

systems, a tripling of air conditioning and ventilation capacity, the addition of 25 antennas, and a 26 percent growth in the size of berthing spaces."

Reaffirming to the subcommittee that ICGS does not self-certify, Mr. Teel also pointed out that during the design and acceptance process of Bertholf, the American Bureau of Shipping (ABS) certified 14 systems level drawings and will certify 35 ship systems. There will be a total of 46 independent third party certifications.

Mr. Teel also addressed the structural questions about the 123-foot patrol boats stating his commitment to identify the root cause of the structural problems.

"Northrop Grumman and Coast Guard engineers are currently reviewing and re-reviewing all available data on the 110- and 123-foot patrol boats in an effort to better understand the cause or causes of both hull buckling and shaft and propeller alignment problems," said Teel.

"We are fully engaged and look forward to continuing to partner with the Coast Guard as Adm. Thad Allen leads the service through its aggressive reorganization," said Mackay.

About Integrated Coast Guard Systems

ICGS is a joint venture of Lockheed Martinand Northrop Grumman . ICGS was awarded the Deepwater contract in June 2002 and has been renewed through January 2011. Headquartered in Rosslyn, Va., core leadership teams are co-located in Virginia, Louisiana, Mississippi, New Jersey, and Washington, D.C.
http://www.icgsdeepwater.com/

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