

**The following commentary by RADM Patrick Stillman, USCG,
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A U.S. Coast Guard for the 21st Century

The Integrated Deepwater System (IDS), the U.S. Coast Guard's comprehensive effort to modernize and transform its fleet of cutters, aircraft and supporting systems, can only succeed with an acquisition strategy of comparable vision and a management philosophy that puts a premium on continuous process improvement.

The program, for which the administration has requested \$678 million in 2005, entails far more than the one-for-one replacement of existing legacy platforms urgently in need of modernization. Rather, it represents the largest, most difficult recapitalization undertaking in the service's history.

Deepwater is an integrated approach to upgrade existing assets while developing more capable platforms over 20-plus years, including unmanned aerial vehicles and improved command-and-control and sensor systems to create maritime domain awareness and protect maritime homeland security.

Deepwater calls for the delivery of an entire system of interoperable platforms and supporting systems designed to meet performance-based requirements — the largest performance-based acquisition program in the United States.

Moreover, integrated logistics support, human systems integration and life-cycle considerations all are being addressed at the inception of the program, not several years down the road.

Comprehensive Approach

Unlike past acquisition programs, Deepwater's system performance requirements must be viewed in their entirety. All platforms and systems must be compatible and interoperable, while providing high levels of operational effectiveness and a best-value solution to U.S. taxpayers.

Is this an easy undertaking? No. Change is inherently difficult, and Deepwater entails organizational, acquisition and technological change that forces public and private sectors to execute a program of significant scope, duration and complexity.

The Coast Guard has never worked with a systems integrator on this scale before. We have not simultaneously employed integrated product teams across multiple acquisition product lines, nor have we employed a performance-based strategy for such a long-term undertaking.

The Coast Guard cannot successfully complete this undertaking alone. It must rely on its public-private partnership with Integrated Coast Guard Systems, a joint venture between Lockheed Martin and Northrop Grumman, which received the contract in June 2002.

Nearly two years into program execution, it is clear that the success of Deepwater's acquisition strategy will rest on an unswerving commitment to ruthless execution if we are to keep the program on course, on cost and on schedule.

It also helps to learn from your experience, or the experience of others. Adm. Thomas Collins, the Coast Guard commandant, is fond of saying that we will steal a good idea in a minute.

The past 20 months have provided many lessons in improved management, the need for increased competition and the desirability of better ways to measure contractor performance. Deepwater has profited from multiple independent assessments and audits by the General Accounting Office and others.

We embrace their recommendations, as a learning organization fully committed to continuous process improvement, the adoption of best business practices and seeking continued refinement of our acquisition strategy and business plan.

During the year ahead, we will improve the effectiveness of our integrated product teams, for example, to ensure adequate staffing and a more effective electronic information sharing.

We will improve contractor accountability by refining and adhering to more measurable award-fee criteria consistent with the Office of Federal Procurement Policy's guidance.

Given Deepwater's provision for a five-year base period with five additional five-year options, we also can improve cost control through competition to ensure adequate out-year competition among second-tier suppliers.

Tracking Performance

Particular emphasis will be placed on our ability to measure performance within the broad scope of the program. Deepwater's Performance Measurement Plan and Balanced Scorecard provide the means to assess operational effectiveness, total ownership cost and customer satisfaction.

Open, ongoing communication also is essential if Deepwater's public-private partnering is to succeed. Relationships are not forged overnight, and there is an unavoidable challenge in establishing an atmosphere of trust with our systems integrator as we learn to work as a team committed to shared goals and risks.

The transformational power of the Deepwater program is profound — nothing less than the ability to alloy the Coast Guard's operational experience and expertise with our industry partners' world-class technical mastery, innovation and industrial capacity. We will excel collectively, not individually.

Deepwater's progress in achieving its vision of transforming the Coast Guard for the 21st century means nothing less than keeping it the world's best Coast Guard, properly equipped and maintained to meet every maritime challenge. The Deepwater team — military-civilian and government-industry — is equal to the task.

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