

“The Budget for Fiscal Year 2004 will continue to support the recapitalization of the U.S. Coast Guard’s aging fleet, as well as targeted improvements in the areas of maritime domain awareness, command and control systems, and shore-side facilities. The United States asks much of its Coast Guard and we will ensure the service has the resources needed to accomplish its multiple missions.”

From the President’s National Strategy for Homeland Security, issued 16 July 2002

In order to continue to fulfill its obligation to the American public in an environment of ever-growing multimission demands, the Commandant has emphasized three primary objectives for the Coast Guard to accomplish in fiscal year 2004: recapitalize legacy assets and infrastructure; increase maritime homeland security capabilities; and sustain non-homeland security missions. The Integrated Deepwater System (IDS) Program is essential to achieving all of these goals.

From a business perspective, the flexible IDS acquisition framework was created to adapt to the kinds of changes the Coast Guard has experienced since the notional funding baseline for IDS was established in 1998 and, particularly, since the terrorist attacks of September 11, 2001. Not surprisingly, the president and Congress have recognized Deepwater’s critical role and worked with the Department of Homeland Security and the Coast Guard to meet the program’s financial requirements. Below is the IDS Program budget history since FY 2002:

IDS Budget Categories	FY 02 Appropriation	FY 03 Appropriation	FY 04 Appropriation
	\$M	\$M	\$M
Aircraft		163.2	142.7
Maritime Patrol Aircraft (MPA)		146.3	25.0
VTOL Unmanned Air Vehicle (VUAV)			50.0
Other Contracts/Legacy Sustainment		16.9	67.7
Surface Ships		198.9	302.6
National Security Cutter (NSC)		131.9	208.0
Offshore Patrol Cutter (OPC)			20.0
Patrol Boats (110’ to 123’ Conversions and Fast Response Cutter [FRC])		60.4	66.0
Short Range Prosecutor (SRP)		2.8	1.6
Other Contracts/Legacy Sustainment		3.8	7.0
C4ISR		23.7	101.4
Command & Control System for Common Operating Picture (COP)			58.0
Cutter Upgrades – C4ISR			7.1
270’ Cutter Upgrade – C4ISR		0.7	
210’ Cutter Upgrade – C4ISR		1.4	
378’ Cutter Upgrade – C4ISR		3.1	
Shore Sites		5.4	22.1
Other Contracts/Legacy Sustainment		13.2	14.2
Logistics		17.8	45.4
Integrated Logistics Support		16.8	19.2
Shore Sites		1.0	20.7
Facilities Design Required for Future Asset Deployments			5.5
Systems Engineering and Integration		43.4	42.1
Government Program Management		27.8	34.0
Total Capital Acquisition	(A) 320.2	(B) 474.9	668.2

(A) The appropriation in FY2002 started the acquisition and procurement stage of the program. For FY2002, a single IDS amount was appropriated.

(B) \$478.0 M was appropriated, but a .00165 recission resulted in \$474.9 M being available for obligation.