



# Deepwater News

EXTENDING OUR MARITIME BORDERS



JUNE 2006 EDITION

## Admiral Allen: "Cut Steel, Float Boats"

Commandant Calls Deepwater Program the "Centerpiece" of Coast Guard's Future Capability

Testifying before the U.S. House Subcommittee on Coast Guard and Maritime Transportation June 14, Coast Guard Commandant Adm. Thad Allen left no doubt in the minds of subcommittee members of his determination to advance the Deepwater Program with a needed sense of urgency.

"People are nothing without platforms," Allen said in his opening remarks. "I have made it clear that my message is 'ruthless execution.' We must cut steel and float boats."

In describing the important ways that the Deepwater Program will help close today's operational gaps in patrol boat cutter hours and maritime patrol aircraft flight hours, Allen expressed his commitment to meet the program's cost, schedule, and performance objectives.

"The Deepwater Program is the centerpiece of the Coast Guard's future capability in nearly all of our maritime missions," Allen said in his written statement. "The Deepwater Program will provide more capable, interoperable assets that will enable our forces to close today's operational gaps and to perform their demanding missions more effectively, efficiently, and safely."

In the commandant's view, the Deepwater Program has made steady progress over the past year



Adm. Thad W. Allen (left), the commandant of the Coast Guard, tours the Deepwater Program's National Security Cutter *Bertholf* (WMSL 750) June 9 during its construction at the Northrop Grumman's Ship Systems shipyard in Pascagoula, Miss. Adm. Allen was escorted by Jamie Anton, center, sector vice president and general manager, U.S. Coast Guard programs and Northrop Grumman Boat Foreman David Lewis (right), a flotilla commander in the Coast Guard Auxiliary's Flotilla 38 and team leader for the cutter's construction. (Photo courtesy of NGSS)

implementing its revised post-9/11 plan. "The revised plan, a \$24-billion/25-year sustainment, modernization, conversion, and recapitalization effort ensures Deepwater cutters and aircraft will be equipped with the right systems and capabilities to operate successfully in all mission areas in the face of a more challenging post-9/11 threat environment," he said.

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The Coast Guard's counter-drug operations during the past year illustrate the challenges of performing a high-priority mission with aging legacy assets. "As a result of increases in the level of timely, actionable counter-drug intelligence," Allen said, "we now have an insufficient number of assets to intercept all suspect vessels identified by Panama Express and other successful interagency initiatives."

"Sufficient numbers of long-range maritime air patrol aircraft are critical to the early detection of suspect vessels," he continued. "Cutters, patrol boats, armed helicopters, and fast pursuit boats then play a carefully orchestrated role in their subsequent interdiction and apprehension."

During 2005, working closely with other federal agencies, the Coast Guard prevented more than 338,000 pounds of cocaine from entering the United States by sea—an all-time maritime record. The Coast Guard also intercepted 9,500 undocumented migrants attempting to enter the United States illegally by sea last year—a 100 percent increase over 2001 and the second highest number in any non-mass migration exodus over the past 20 years. These trends are expected to continue Allen said.

"Beyond its vital importance to our national economy," Allen stated, "the maritime domain also is an avenue that could be exploited as a means to smuggle weapons of mass destruction and terrorists into our country. Last year's record seizures at sea of illegal drugs and interceptions of illegal migrants show us the threat is real."

Rep. Frank LoBiondo (R-NJ), the subcommittee's chairman, used the hearing to con-

gratulate Adm. Allen on his appointment as the Coast Guard's 23<sup>rd</sup> commandant. "I can not think of a better choice to lead the men and women of the Coast Guard during these challenging times," he said.

LoBiondo also expressed concern, however, over the revised Deepwater Program's projected time line for completion. "I am disappointed that the plan extends the time period for acquiring new assets from 20 to 25 years," he said. "Every year that we delay the purchase of new assets the men and women of the Coast Guard and our taxpayers lose because maintaining legacy assets significantly increases, eating more and more of the money available to purchase replacement assets. Newer, more capable assets are not available to improve the performance and safety of the service's operations."

Adm. Allen, expressing his appreciation to the Bush administration, Congress, and the subcommittee in particular for strong support of the program, said that the long-term Deepwater plan requires a fine balance between removing legacy assets from service to realize cost savings and maintaining sufficient system capacity. "The requirements and capabilities reflected in the post-9/11 revised Deepwater implementation plan will be delivered methodically and prudently over the next 21 years," he said in his prepared statement.

The commandant, who assumed his duties during a change of command ceremony May 25 that was attended by President Bush, also used his written statement for the hearing to highlight several near-term challenges and the Deepwater Program's plans to address them.

Regarding the critical need to close the operational gap in patrol boat hours, Allen said that advancing the design and construction of a new patrol boat is a priority. Earlier this year the Coast Guard deferred the critical design review for the Fast Response Cutter owing to a number of technical issues associated with its initial design. In April, a request for information was issued to identify patrol boats currently in production with the potential to satisfy the majority of Coast Guard requirements.

"We have received more than 20 design submissions in response to our market survey," Allen said. He indicated that the Coast Guard would complete its initial review and a subsequent more detailed assessment of these in-service patrol boat designs later this summer to determine if any are suitable for meeting today's urgent operational requirements

Allen stressed the importance of congressional support for planned logistics and maintenance systems to ensure the Coast Guard is optimally organized to support field operations. He also asked for the subcommittee's support for the continued challenge of attracting, retaining, and certifying acquisition professionals to support the complex Deepwater acquisition.

"I have stated many times that we should credit the innovation, resourcefulness, and devoted service of Coast Guard men and women for our Service's sterling performance in its multiple missions," he said. "I am convinced we can do even better as we deliver the Deepwater Program's more capable, reliable, and interoperable assets and systems."

*By Gordon I. Peterson*

## Rear Adm. Stillman Honored by Navy League and NDIA

Retired Rear Adm. Patrick M. Stillman, the former program executive officer of the Coast Guard's Integrated Deepwater System, was honored in June with the presentation of two prestigious awards by the Navy League of the United States and the National Defense Industrial Association.

During a farewell dinner hosted by Deepwater staff in Arlington, Va., June 19, Navy League officials presented Still-

*"One of the Admiral's most distinctive accomplishments has been his ability to forge new and important partnerships with industry to advance the Deepwater Program's performance-based acquisition."*

NDIA Gold Medal Citation

man with a "Scroll of Honor," the League's highest award for an individual serving on active duty in the armed forces.

"We salute him for his exceptionally meritorious efforts in support of the Coast Guard's Deepwater modernization program, a vital part of an overall strategy to ensure the men and women who defend our shores and keep our waterways safe and navigable have the ships, weapons, and computer networks to effectively meet the challenges of the 21<sup>st</sup> century," the citation stated.

The Navy League also praised Stillman's "vast profes-



Shown here June 19 following the Navy League's presentation of its "Scroll of Honor" award to retired Rear Adm. Patrick M. Stillman, the former program executive officer of the Coast Guard's Integrated Deepwater System, are (left to right): John R. Thorne, Navy League; retired Vice Adm. James Hull, chairman of the Navy League's Coast Guard Affairs Committee; Rear Adm. Stillman; and Randy Hollstein, Navy League national vice president for legislative affairs. (USCG Photo by Beth Fleshman)

sional knowledge, personal dedication, and unmatched work ethic" in serving as a "powerful advocate" for the Coast Guard.

At the Coast Guard Innovation Expo in Tampa, Fla., June 27, the National Defense Industrial Association (NDIA) awarded Stillman its "Gold Medal" in recognition of his outstanding service as Deepwater's program executive officer.

"Under Admiral Stillman's leadership," the citation stated, "he has made it a priority for the IDS Program to have industry work closely with the customer—the Coast Guard men and women who will be directly affected by the program's progressive mod-

ernization and recapitalization."

The award, presented by retired Air Force Lt. Gen. Lawrence P. Farrell Jr., NDIA's president and chief executive officer, recognized Stillman's efforts to craft a "model of government and private-sector cooperation"—reflecting his ability to forge "new and important partnerships with industry to advance the Deepwater Program's performance-based acquisition."

*By Gordon I. Peterson*



## Deepwater's Mission and Vision Statements Revised

### A Renewed Focus on Acquiring and Delivering Assets and Systems

The Coast Guard serves the nation as a multimission branch of the armed forces—a reflection on a long organizational history that led to its diverse roles today in maritime security, maritime safety, protection of natural resources, maritime mobility, and national defense.

Throughout their careers, Coast Guard men and women develop proficiencies in a unique blend of humanitarian, law enforcement, regulatory, diplomatic, and military capabilities that enable them to perform what is, according to *Coast Guard Publication 1*, an "...interwoven, overlapping combination of roles and missions." Responsibility for maritime safety, for example, encompasses the well-recognized missions of search and rescue, marine safety, recreational boating safety, and the International Ice Patrol.

Given this framework and strong mission emphasis—characterized by a service ethos to be always ready for whatever the mission may hold—it should come as no surprise that Rear Adm. Gary T. Blore reviewed Integrated Deepwater System's mission and vision statements

when he assumed his duties as Deepwater's program executive officer to evaluate their suitability and relevance. Guided by discussions with a range of Deepwater staff and other stakeholders at

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"all-hands" gatherings and other meetings, he decided that they needed a sharper focus.

"During my discussions," he said at one Deepwater all-hands meeting in early June, "I felt surprised by the different answers I received regarding our core missions. As a result, I felt strongly that we must assert a common

understanding for the basic reason for the Deepwater Program's existence—our primary mission."

This principle of mission focus guides the most successful national and international corporations. "Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion," said Jack Welch during his storied tenure as General Electric's chief executive officer.

Given the Coast Guard's demanding post-9/11 mission requirements, there was no question in Rear Adm. Blore's mind that the Deepwater Program's primary mission is the acquisition and delivery of assets and systems for the Coast Guard's operational forces.

"One reason I decided to revise the Deepwater Program's mission and vision statements," Blore said during a recent interview, "was to capture more succinctly the real inspiration behind our efforts—and that is to acquire and deliver more capable, interoperable assets and systems. We play an important role in enabling Coast Guard operational forces to

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## The Integrated Deepwater System

### Deepwater Mission

*To acquire and deliver more-capable, interoperable assets and systems that support Coast Guard operational forces in executing missions effectively and efficiently.*

### Deepwater Vision

*Deepwater assets and systems will enable Coast Guard operational forces to perform more effectively, efficiently, and safely, resulting in increased operational readiness, enhanced mission performance, and a safer working environment.*

perform more effectively, efficiently, and safely. We must not lose sight of this, because it relates directly to the Coast Guard's ability to increase operational readiness, enhance mission per-

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*"...There are windows of opportunity for us to focus on building platforms, installing C4ISR systems, integrating net-centric capabilities, and building out Deepwater's grand architecture."*

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formance, and create a safer working environment. That is our guiding vision, and it should excite us all."

Commandant of the Coast Guard Adm. Thad Allen summarized his assessment of the Deepwater mission succinctly during

recent congressional testimony: "Cut steel, float boats." As he explained to members of Congress, the Deepwater Program's aircraft, cutters, patrol boats, and net-centric sensors and systems for command, control, and communications are urgently needed to help close today's operational gaps.

Deepwater's system-of-systems construct remains in place, Blore affirmed, and it will guide the continued design, development, and integration of the program's multiple air and surface assets and the systems that support them. "In today's world of joint and inter-agency operations," he said, "a system-of-systems approach towards design and acquisition is essential." The importance of lower total ownership costs also will be retained in Deepwater's acquisition strategy, as will the overarching imperative to maintain the proper balance of cost, schedule, and performance.

But, as new, interoperable

platform designs are finalized, the revised Deepwater mission's emphasis on acquisition and delivery will serve as a steady reminder of the compelling need to provide more capable and interoperable assets to the fleet to modernize and recapitalize today's aging platforms.

"I'm not saying Deepwater is becoming an asset-for-asset replacement program; it's not," Blore said. "But there are windows of opportunity for us to fo-

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*"We have a unique opportunity to advance the Coast Guard's transformation for its 21st-century missions."*

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cus on building platforms, installing C4ISR systems, integrating net-centric capabilities, and building out Deepwater's grand architecture."

During the months ahead, Blore will work with Deepwater's senior leadership to draft a new strategic plan that defines the strategic initiatives and action steps needed to perform Deepwater's revised mission and to achieve its long-range vision. "What does it take for us to be successful," he asked? "We have a unique opportunity to advance the Coast Guard's transformation for its 21st-century missions in many important ways; this awareness underpins Admiral Allen's call for 'ruthless execution' of the program."

*By Gordon I. Peterson*



The 2007 delivery of Deepwater's first production CASA EADS CN-235 medium-range surveillance patrol aircraft, shown here at its factory rollout in March, will mark an important milestone in acquiring more-capable and interoperable platforms and systems for the Coast Guard's operational forces.

## Acquiring and Delivering a 21st-Century Coast Guard

*An Interview with Rear Adm. Gary T. Blore, Program Executive Officer, Integrated Deepwater System*

### **Q. How have your experiences as special assistant to President Bush on the Homeland Security Council shaped your outlook as Deepwater's program executive officer?**

**Rear Adm. Blore:** It certainly was a rare privilege to serve at the White House. I was the senior director for border and transportation security, and my duties were much different than my responsibilities in the Coast Guard. I was involved in policy development for immigration reform and other complex homeland-security issues including a variety of border-screening initiatives.

As a result, I have a better understanding of the role of maritime assets, the Port Security Program, and the interfaces between the Coast Guard with Customs and Border Protection, the FBI, and other agencies—including our partners in the Navy. I also learned why maritime domain awareness—knowledge of all that is transpiring in the maritime domain—is so important to our nation's security.

It was instructive to see how we use intelligence to screen those who would do us harm. All of this has relevance, I believe, to our Deepwater Program's modernization and recapitalization of the Coast Guard. Our net-centric system for C4ISR [command, control, communications, computers, intelligence, surveillance, and reconnaissance], for example, will contribute to improved maritime do-

main awareness in a number of ways.

### **Q: What is your outlook early in your assignment?**

**Rear Adm. Blore:** We are grateful to those who first initiated, led, and nourished the Deepwater Program. This process began nearly 10 years ago, but it assumed a new dimension when the program was formally established at contract award in June 2002. We have stabilized our funding stream at a little less than \$1 billion a year, we have a 20-year plan adjusted for post-9/11 requirements, and we have a foundation to measure its execution. These are huge steps. Much more has been achieved, of course, with some 16 major acquisitions now moving forward in our surface, aviation, logistics, and C4ISR program areas.

We have developed a system-of-systems architecture, and I think that is the right approach. A performance-based contract with a joint venture also was the right way to go. For the next few years, I see my role as attending to the asset-by-asset delivery that supports the Deepwater System's net-centric plan. I'm not saying Deepwater is becoming an asset-for-asset replacement program; it's not. But there are windows of opportunity for us to focus on building platforms, installing C4ISR systems, integrating net-centric capabilities, and building out Deepwater's grand architecture.

One reason I decided recently to revise the Deepwater Program's mission and vision statements was to capture more succinctly the real inspiration behind our efforts—and

that is to acquire and deliver more capable, interoperable assets and systems. We play an important role in enabling Coast Guard operational forces to perform more effectively, efficiently, and safely. We must not lose sight of this, because it relates directly to the Coast Guard's ability to increase operational readiness, enhance mission performance, and create a safer working environment. That is our guiding vision, and it should excite us all.

The beauty of Deepwater—its magic—is that if we do step outside the architecture by developing an asset that is either more or less capable than we'll go back and look at the whole package to see if there are other trade-offs to make within the system. My emphasis over the next few years will be to get our appropriated money obligated and deliver assets to the Coast Guard. Our operational forces need the right tools to attend to the challenging tasks at hand. We must close today's capability gaps.

### **Q: What are the principal challenges facing the program?**

**Rear Adm. Blore:** One challenge is complexity. This is an extremely large acquisition—not just for the Coast Guard, but for the government. Deepwater is performance-based, and many of the acquisition protocols within the federal government are not based on a performance contract. We are trying to adapt measures that have been developed over the years to manage our acquisition program.

The second challenge is the large number of interests or stakeholders



associated with the program—political, industrial, our agency's interests, those of other agencies, communities within the Coast Guard, the Navy. They don't all necessarily pull you in the same direction. There are many different pressures; this is certainly a job where it is impossible to please everybody at once and difficult enough to please the majority at any one time.

We also must continue our emphasis to attract, certify, and retain acquisition professionals. As Admiral Allen [Commandant of the Coast Guard Adm. Thad Allen]

has said many times, the Coast Guard's success ultimately rests on the talent and performance of its people. This also is true for the Deepwater Program and any other major enterprise.

The secret to success in our environment is to gather the facts, do good analysis, do what is in the interest of the taxpayer and the Coast Guard, and stay the course. If we have done our homework and are truly doing what is best for the public those ideas will prevail. To the extent that our friends in the Government Accountability Office or others suggest improvements,

we must have the mindset to take their recommendations on board and adjust accordingly. We must continue to be a learning, knowledge-based, and adaptive enterprise. Rear Admiral Stillman [former IDS program executive officer] put a premium on those qualities—for good reasons.

**Q: How has the Deepwater Program progressed over the past year?**

**Rear Adm. Blore:** Overall, we have experienced many important milestones in nearly all program areas. Our fiscal year 2006 budget of \$923.7 million was an important installment implementing our revised post-9/11 plan. The president's fiscal year 2007 budget request contains \$934.4 million to advance the Deepwater Program; this also will be a critical investment in our efforts to build a Coast Guard that is more ready, aware, and responsive. This is not to say we have had no disappointments; we have had our share. We applaud our successes; we learn from our disappointments.

Construction of major surface and aviation platforms is moving forward. The first National Security Cutter will be launched this autumn and delivered next year. Additional cutters in the class are being built or being placed on order. We are procuring new medium-range maritime patrol aircraft and upgrading our inventory of long-range search aircraft, including missionization of six improved HC-130J aircraft. Our small and medium-range helicopters are being modernized and converted to serve as multimission platforms. Deepwater's C4ISR upgrades on all 39 legacy cutters are making a difference now in enabling them to operate more effectively and effi-



The first in class of the Coast Guard's new National Security Cutter, the *Bertholf*, will be launched this autumn and be delivered next year. Here, Coast Guard Commandant Adm. Thad Allen (center), accompanied by Integrated Coast Guard Systems executives James Anton (left), executive vice president, and Leo Mackay, president, walk through the cutter's starboard helicopter hangar bay during a June 2006 visit at Northrop Grumman Ship Systems sector's shipyard in Pascagoula, Miss. (Photo courtesy of Steven Blount, NGSS)

ciently.

We also have encountered some headwinds. For example, the conversion of 110-foot patrol boats was a disappointment owing to a number of factors—including far greater hull deterioration than we anticipated on these aging workhorses. We learned a tremendous amount from that experience, however, to apply in the future. It increased our awareness of the importance of sound early designs, analysis, and independent evaluations. It illustrated the necessity for ensuring the entire logistics system for the new platform is in place before the cutter is delivered. It is fortunate for us that these lessons occurred early in the program, because it was far better to learn them with a 123-foot cutter than it would have been with a larger cutter.

**Q: How would you describe your leadership style?**

**Rear Adm. Blore:** You probably should ask someone else to describe my style! I think a manager's self-image is not always borne out by their actions. I tend to be pragmatic and somewhat cynical—not to be contrary for contrary's sake, but cynical enough to say, "Let's examine all the potential consequences of a decision." There could be positive aspects, and there could be negative aspects.

I am very comfortable making decisions. I know they won't be perfect decisions, and I know we don't have all of the information by which to make a decision, but that's life. The program is endangered if we wait for perfect information. Yes, we must gather information. Yes, we must do sufficient analysis to have a factual basis

upon which to make a decision. But we also need to have the courage of our convictions to say, "I have enough information to make a risk-based decision." We modify our decisions based on our confidence in them.

I also would say that I am a believer in the need to build coalitions. Rear Admiral Dale Gabel [Assistant Commandant of the Coast Guard for Engineering and Logistics] is my technical authority and manages logistics for the Coast Guard. I feel that if Admiral Gabel and I agree on a logistics element in Deepwater, there will not be many people who are going to be able to dissuade us. If I can shake hands with Admiral Gabel over our plan for logistics, we will have the momentum needed to move the plan forward. I see similar opportunities in personnel, training, and other areas, and of course with our Coast Guard sponsor [the assistant commandant for readiness].

**Q: What qualities do you esteem in a person?**

**Rear Adm. Blore:** Honesty and courage of convictions top my list—the courage to stand up respectfully for what you believe in. If you feel strongly that I'm going in the wrong direction, come in and explain one more time why.

I esteem people who are confident and possess the analytical bent to allow them to be comfortable to make decisions and, more importantly, to be comfortable telling me "no" if that is the right answer.

As leaders, we also need to be extremely careful to be very clear what we're asking for and what our expectations are. Communications also are important to our program—externally to Deepwater,

of course, but they are just as important internally.

**Q. Since its inception, the Deepwater Program has sought to create a partnership with industry. Will this emphasis continue?**

**Rear Adm. Blore:** I see no lessening of the critical importance of sustaining an effective collaborative relationship with Integrated Coast Guard Systems [ICGS, a joint venture between Lockheed Martin and Northrop Grumman] and other industry partners. Our relationship with ICGS is maturing in a number of ways, and the program's recent Award Term decision [Ed. Note: See May 2006 *Deepwater News* cover story] will influence this relationship during the months and years ahead.

Deepwater is a nationwide program served by more than 550 suppliers across 41 states. It also includes foreign suppliers who are dedicated to bringing the Coast Guard the right balance of capability and value. Our work will continue to hinge on a partnership with ICGS that is unique in many respects. While the Coast Guard retains inherently governmental responsibilities and industry has a right to a fair profit, we share a common commitment to design and to build more capable assets that meet the Coast Guard's performance requirements, on schedule, and at an affordable cost over the asset's life.

*Rear Adm. Blore was recently interviewed by IDS Senior Technical Writer Gordon I. Peterson for Maritime Reporter and Engineering News magazine. This interview is based, in part, on that interview.*