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Coast Guard Waterways Commerce Cutter (WCC) Program: Background and Issues for Congress

Introduction

The Coast Guard's Waterways Commerce Cutter (WCC) program envisages procuring 30 replacements for the Coast Guard's 35 aging river buoy tenders (WLRs), inland construction tenders (WLICs), and inland buoy tenders (WLIs). The Coast Guard wants to award the first contract for constructing the new WCCs in FY2022, and to have the first new WCC be in service by 2025. The Coast Guard's proposed FY2021 budget requested \$25.0 million in procurement funding for the WCC program; Congress, as part of its action on the Coast Guard's FY2021 budget, approved this request. The issue for Congress is whether to approve, reject, or modify the Coast Guard's proposed acquisition strategy and funding requests for the WCC program.

Terminology

Cutters are Coast Guard vessels that are more than 65 feet long and have accommodations for a crew. (Coast Guard vessels less than 65 feet long are called boats.) The term *waterways* refers here to the intra-coastal waterways along the U.S. East and Gulf coasts, and U.S. inland waterways, such as the Mississippi River. *Tenders* are vessels whose primary mission is to maintain or repair something. The designations of Coast Guard tenders begin with *WL*, meaning Coast Guard vessel (W) and tender (L). (The W in the acronym WCC, however, stands for waterways.)

WCC Missions

WCCs perform three primary missions under the Coast Guard's statutory role of providing aids to navigation (ATON): river buoy tending; inland construction tending (which involves driving and removing piles and erecting and repairing range towers and major lights); and inland buoy tending. The waterborne commerce supported by WCCs is important to the U.S. economy. Additional missions for WCCs include ports, waterways, and coastal security (PWCS); search and rescue (SAR); marine environmental protection; and marine safety.

Existing Waterways Cutters

The Coast Guard's 35 existing WCCs (one of which is shown in **Figure 1**), are built to nine different designs, and include 18 WLRs, 13 WLICs, and four WLIs. As of 2020, the 35 vessels were an average of 56 years old, with the oldest two being 76 and 75 years old, the youngest two being 30 years old, and the others 44 to 66 years old.

Geographic Distribution

As of 2019, the 18 WLRs were based at cities along the Mississippi and other inland rivers in Alabama, Arkansas, Illinois, Iowa, Kentucky (two cutters), Mississippi (three cutters), Missouri, Nebraska, Oklahoma, Pennsylvania, and

Tennessee (four cutters). Although these locations are in the central and eastern United States, the rivers in question are referred to by the Coast Guard as the western rivers.

As of 2019, the 13 WLICs were based at cities along the U.S. East and Gulf coasts in Alabama, Florida (three cutters), Louisiana (two cutters), Maryland, North Carolina, South Carolina, Texas (three cutters), and Virginia. As of 2019, the four WLIs were based at locations in Alaska, Michigan, Oregon, and North Carolina.

Figure 1. Coast Guard River Buoy Tender (WLR)



Source: Coast Guard photograph.

Coast Guard Rationale for Building New WCCs

The Coast Guard wants to replace the 35 existing waterways cutters because their annual maintenance costs are rising rapidly, they break down frequently (and can remain out of operation for periods of 30 to 45 days while being repaired), and they have poor living conditions for their crew members. The Coast Guard argues that replacing the aging cutters will be more cost effective than continuing to operate and maintain them.

WCC Program

Program Initiation and Name

The WCC program was initiated in the Coast Guard's FY2018 budget submission. It was originally called the Inland Waterways and Western Rivers Tender (or Cutter) program. It was renamed the WCC program in the FY2019 budget submission. Some budget documents may continue to use the program's older name.

Acquisition Strategy

The Coast Guard wants to replace the 35 existing waterway commerce cutters with 30 new WCCs, including 16 WLRs, 11 WLICs, and 3 WLIs. The Coast Guard states that it

has taken steps to accelerate the WCC Program by more than a year, following direction in the FY

2018 DHS [Department of Homeland Security] Appropriations Act (P.L. 115-141).... On the basis of market research, design studies, and an independent analysis, the Coast Guard has determined that three WCC variants will meet mission needs best. Each variant will perform one mission set (river buoy tending, inland construction, or inland buoy tending). The Coast Guard is planning to acquire the WLRs and WLICs on one contract; these variants are expected to be common except for hull length, working deck layouts, and deck equipment, including the crane.... The WLIs will be procured separately from the WLRs and WLICs. The Coast Guard is examining whether commercial vessels will meet this variant's top-level requirements....

(U.S. Coast Guard, *Inland Waterways and Western River Tenders, Fiscal Year 2020 Report to Congress*, April 27, 2020, p. 4.)

Figure 2 and **Figure 3** show notional Coast Guard designs for the WCCs. Vessels of this size can be built by smaller U.S. shipyards. In 2018, the Commandant of the Coast Guard stated that WCCs might have a notional unit procurement cost of roughly \$25 million, but this figure may have changed since then.

Figure 2. Coast Guard Notional Designs for WLR, WLIC, and WLI

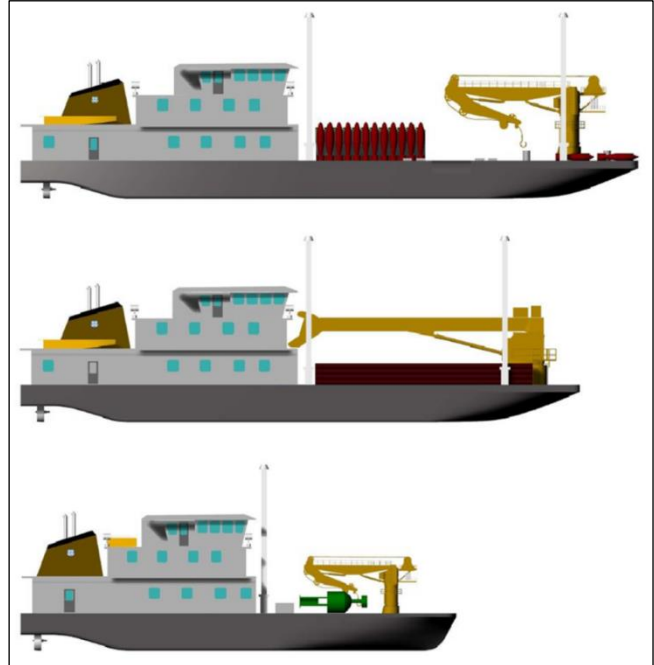


Source: Coast Guard illustration showing indicative (i.e., notional) designs for the WLR (right), WLIC (middle), and WLI (left).

The Coast Guard wants to award the WLR/WLIC contract in FY2022. The WLR/WLIC acquisition is to be a small business set-aside. Large businesses could team with a small business for the WLR/WLIC acquisition, but the small business would need to be responsible for at least 51% of the total cost of the contract. The Coast Guard is still determining the WLI acquisition strategy. The winner of the WLR/WLIC contract would be able to compete for the WLI contract as well.

The Coast Guard wants the first new WCC to enter service by 2025, and for all the WCCs to be in service by 2030. To meet this schedule, up to six WCCs might be procured each year.

Figure 3. Coast Guard Notional Designs for WLR, WLIC, and WLI



Source: Coast Guard illustration showing indicative (i.e., notional) designs for the WLR (right), WLIC (middle), and WLI (left).

Program Funding

The WCC program through FY2021 has received \$58.6 million in procurement funding. As mentioned earlier, the Coast Guard's proposed FY2021 budget requested \$25.0 million in procurement funding for the WCC program; Congress, as part of its action on the Coast Guard's FY2021 budget, approved this request.

Recent Program Events

On January 10, 2020, the Coast Guard released a request for information (RFI) for the prospective WLIs. On July 29, 2020, the Coast Guard released a draft request for proposal (RFP) for the WLR/WLIC contract.

April 2020 Report to Congress

The Senate Appropriations Committee's report (S.Rept. 116-125 of September 26, 2019) on the FY2020 DHS appropriations act (S. 2582) directed the Coast Guard to provide an acquisition plan and requirements document detailing the Coast Guard's plans to acquire new WCCs. The Coast Guard provided the information in the report dated April 27, 2020, from which the earlier quote is taken.

Congressional Action on FY2021 Funding Request

The final version of the FY2021 DHS Appropriations Act (Division F of H.R. 133/P.L. 116-260 of December 27, 2020, the Consolidated Appropriations Act, 2021) approved the Coast Guard's request for \$25.0 million in procurement funding for the WCC program.

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