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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 have the first new WCC be in service by 2025. The Coast Guard's proposed FY2025 budget requests \$135.0 million in procurement funding for the program. The Coast Guard's FY2025 unfunded priorities list (UPL) includes an item for \$40.0 million in additional procurement funding for accelerating WCC production.

Terminology

Cutters are Coast Guard vessels that are more than 65 feet long and have accommodations for a crew. (Those less than 65 feet long are called boats.) *Waterways* refers here to the intra-coastal waterways along the U.S. East and Gulf coasts, and to U.S. inland waterways such as the Mississippi River. *Tenders* are vessels whose primary mission is to maintain or repair something. Coast Guard tender designations 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. WCCs are used for maintaining more than 28,200 marine aids to navigation on 12,000 miles of inland waterways on which 630 million tons of cargo move each year. Additional WCC missions include search and rescue (SAR), marine safety, marine environmental protection, and ports, waterways, and coastal security.

Existing Waterways Cutters

The Coast Guard's 35 existing WCCs—including 18 WLRs, 13 WLICs, and 4 WLIs—were built to nine different designs and are now generally old or very old, having been commissioned into service in 1990-1991 (2 of them), 1976 (4), 1960-1970 (25), 1954 (2), and 1944-1945 (2).

Geographic Distribution

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

ivers 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.

Rationale for Building New WCCs

The Coast Guard states in its FY2025 budget submission that it wants to replace the 35 existing waterways cutters with new WCCs because "[i]n addition to age concerns and the associated equipment obsolescence issues, the legacy fleet presents other sustainment challenges, including hazardous materials stemming from the use of asbestos and lead paint during construction of these assets. Outdated technology and vessel designs have also led to crew safety concerns, maintenance cost increases, and noncompliance with environmental regulations. Finally, legacy vessel configuration does not allow the assignment of mixed gender crews in accordance with the Coast Guard's workforce goals."

WCC Program

Program Initiation and Name

The WCC program was initiated in the Coast Guard's FY2018 budget submission. It was earlier called the Inland Waterways and Western Rivers Tender (or Cutter) program.

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

The [16] River Buoy Tender [WLR] and [11] Inland Construction Tender [WLIC] variants will be acquired on one contract; these variants will maximize commonality with notable exceptions for hull length, working deck layout, and deck equipment, including the crane.

The [3] Inland Buoy Tender[s] [WLIs] will be acquired separately from the other two variants. In June 2021, the WCC Program began partnering with the U.S. Army Corps of Engineers Marine Design Center, which has experience with similar acquisitions, to develop a Government-led design for the Inland Buoy Tender variant. The Inland Buoy Tender will be contractor-built.

(U.S. Coast Guard, “Waterways Commerce Cutter,” accessed January 18, 2024.)

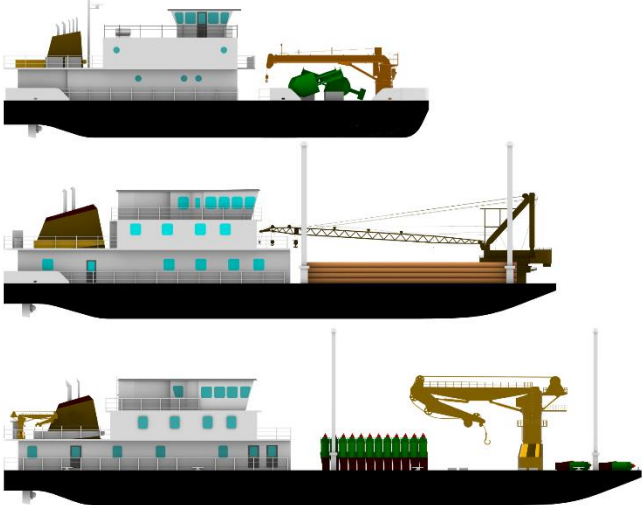
Figure 1 and **Figure 2** show renderings of WCCs. The winner of the WLR/WLIC contract (see below) will be able to compete for the WLI contract.

Figure 1. Notional Rendering of WLIC and WLR



Source: Notional vendor rendering of WLIC (left) and WLR (right), shown at U.S. Coast Guard, “Waterways Commerce Cutter,” accessed March 23, 2023.

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



Source: Coast Guard illustration showing indicative (i.e., notional) designs for the WLI (top), WLIC (middle), and WLR (bottom), shown at U.S. Coast Guard, “Waterways Commerce Cutter,” accessed March 23, 2023.

Procurement Cost

An April 2023 Government Accountability Office (GAO) report on major Department of Homeland Security (DHS) acquisition programs states that as of June 2022, the WCC program’s total estimated procurement cost was \$922 million, or an average of about \$30.7 million per cutter. (GAO Report 23-106701, p. 52.)

Contract Award

On October 5, 2022, the Coast Guard announced that it today awarded Birdon America, Inc. of Denver, an indefinite-delivery, indefinite-quantity firm fixed

price contract with economic price adjustments for the detail design and construction of its river buoy and inland construction tenders [WLRs and WLICs]. The initial award is worth \$28.49 million. The contract includes options for the construction of a total of 16 river buoy tenders [WLRs] and 11 inland construction tenders [WLICs]. If all contract line items are exercised, the total contract value is estimated at \$1.19 billion.

A total contract value of \$1.19 billion for 27 WLRs and WLICs equates to an average cost of about \$44.1 million each. Birdon states that its subcontractors include Bollinger Shipyards (Lockport, LA), for the WCCs’ bare hulls; Master Boat Builders, Inc. (Codens, AL) for their superstructures; Incat Crowther (an Australian firm with a U.S. office in Lafayette, LA) for design work; Kern Martin Services, Inc. (Codens, AL); Hiller Marine (Mobile, AL); Techcrane International (Covington, LA); Beier Integrated Systems (Gray, LA); LeBlanc Associates (Houma, LA); and Cummins (Charleston, SC).

WCC Cutter Boats

The Coast Guard plans to hold an industry day in St. Louis on October 17, 2024, in support of a future request for proposal (RFP) for the acquisition of cutter boats for the WCCs. The planned acquisition, referred to as Cutter Boat–Aids to Navigation–Small (CB-ATON-S), is planned to be executed as a total small business set-aside.

April 2023 GAO Report

The April 2023 GAO report states: “The program plans to achieve initial operational capability (IOC) before adjudicating the full results of initial operational testing. This raises the possibility of rework if testing identifies problems, such as design flaws, on cutters that have already been produced. The Coast Guard plans to mitigate this risk by using the preliminary results from initial testing to inform its initial operational capability decision.” (GAO Report 23-106701, p. 52; see page 53 for additional discussion.)

Funding

The Coast Guard’s proposed FY2025 budget requests \$135.0 million in procurement funding for the WCC program. The Coast Guard’s FY2025 unfunded priorities list (UPL) includes an item for \$40.0 million in additional procurement funding for accelerating WCC production.

The House Appropriations Committee, in its report (H.Rept. 118-553 of June 14, 2024) on the FY2025 DHS Appropriations Act (H.R. 8752), recommends \$175.0 million in procurement funding for the WCC program. The report states: “The Committee recognizes the urgency in replacing the Service’s existing fleet of inland river tenders and fully supports the program” (page 54; see also page 142).

Ronald O'Rourke, Specialist in Naval Affairs

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