

**DEPARTMENT OF HOMELAND SECURITY**  
**Office of Inspector General**

**Independent Review of the  
U.S. Coast Guard (CG) Reporting of  
FY2004 Drug Control Funds Report**



**Office of Audits**

**OIG-05-13**

**March 2005**



# Homeland Security

March 21, 2005

MEMORANDUM FOR: Admiral Thomas H. Collins  
Commandant  
U.S. Coast Guard

FROM: Richard L. Skinner *Richard L. Skinner for*  
Acting Inspector General

SUBJECT: *Independent Review of the U.S. Coast Guard Annual Accounting of FY  
2004 Drug Control Funds – Audit Report No. OIG-05-13*

We have reviewed management's assertions in Section B of the accompanying U.S. Coast Guard's (Coast Guard) annual report of FY 2004 drug control funds (Submission). The Submission, including the assertions made, is required by 21 U.S.C § 1704(d) and Office of National Drug Control Policy (ONDCP) Circular, *Drug Control Accounting* (Circular), and is the responsibility of Coast Guard's management.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertions in Section B of the Submission. Accordingly, we do not express such an opinion.

The *Independent Auditors' Report* for the FY 2004 financial statements of the Department of Homeland Security (DHS), of which Coast Guard is a part, identified a material weakness related to financial systems functionality and technology. The report also identified specific conditions at Coast Guard that contributed to material weaknesses at DHS related to financial reporting, fund balance with Treasury, budgetary accounting, and undelivered orders. Reportable conditions are matters coming to the auditors' attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in the auditors' judgment, could adversely affect DHS' ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Based on our review, except for the effects, if any, of the material weaknesses, as described in the preceding paragraph, nothing came to our attention that caused us to believe that management's assertions included in Section B of the accompanying Submission are not fairly stated in all material respects based on the criteria set forth in the Circular.

We provided Coast Guard's management with a draft copy of this report. Their response is included at the end of the Submission. We made changes as deemed appropriate.

This report is intended solely for the information and use of Coast Guard, DHS, ONDCP, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Should you have any questions concerning this review, please call me, or your staff may contact J. Richard Berman, Assistant Inspector General for Audits, at (202) 254-4100.

**Attachment**

cc: General Counsel  
DHS Chief Financial Officer  
Coast Guard, Chief Financial Officer  
DHS OIG Liaison  
CG Audit Liaison  
Office of Security

U.S. Department of  
Homeland Security

United States  
Coast Guard



Commandant  
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**DEC 8 2004**

Ms. Sue Schwendiman  
Department of Homeland Security  
Director of Financial Management  
Office of the Inspector General  
1120 Vermont Avenue, 10<sup>th</sup> Floor, NW  
Washington, D.C. 20005

Dear Ms. Schwendiman,

In accordance with the Office of National Drug Control Policy (ONDCP) Circular: *Annual Accounting of Drug Control Funds* dated April 18, 2003, I have enclosed Coast Guard's response of FY 2004 drug control obligations, drug control methodology and assertions.

If you require further assistance on this information, please contact Mr. Dave Pokora, x7-2415.

Sincerely,

*R.S. Horowitz*  
for R.S. HOROWITZ  
Chief Financial Officer  
U.S. Coast Guard

Enclosure

Copy: Chief Financial Officer, DHS

**DEPARTMENT OF HOMELAND SECURITY  
 UNITED STATES COAST GUARD  
 ANNUAL ACCOUNTING OF  
 FY 2004 DRUG CONTROL FUNDS  
 6A. DETAILED OBLIGATION SUBMISSION**

**(a) Table of Prior Year Drug Control Obligations (dollars in millions)**

<b>RESOURCE SUMMARY</b>	<b>2004 Actual</b>
<b>Drug Resources by Function:</b>	<b>Obligations</b>
• Interdiction	\$823.327
• Research and Development	2.068
<b>Total Resources by Function</b>	<b>\$825.395</b>
<b>Drug Resources by Decision Unit:</b>	
• Operating Expenses (OE)	\$564.889
• Reserve Training (RT)	\$10.665
• Acquisition, Construction, and Improvements (AC&I)	\$247.773
• Research, Development, Test and Evaluation (RDT&E)	\$2.068
<b>Total Drug Control Obligations</b>	<b>\$825.395</b>

**(1) Drug Methodology**

Over twenty years ago, the Coast Guard designed its cost allocation methodology to systematically allocate funding to the Coast Guard's primary mission areas. This methodology allocated Coast Guard costs based on the time that Coast Guard resources (cutters, aircraft, boats, and personnel) spent on various types of missions. This view of the Coast Guard budget provided valuable insight into the multi-mission use of assets and personnel. However, for many years the only information taken into consideration was results of a past year's operational activity. Prior to 1998, operational data (resource hours) and obligation data were downloaded only at the end of the fiscal year to develop mission cost allocations for the year just completed and budgetary projections for current and future years taking into account incremental changes. Today, the methodology and software have been updated to take advantage of improved technology. Further, the Coast Guard has developed an operating hour baseline as a method to allocate resource hours for each resource class to multiple Coast Guard missions. This is the basis for funding allocations in budget projections. The operating hour allocation, or baseline, is developed and modified based upon line item requests, congressional direction and national priorities.

The Coast Guard's drug control funding estimates are computed by closely examining the decision units, or appropriations, that comprise the Coast Guard's drug control budget estimates. These decision units consist of: Operating Expenses (OE); Acquisition, Construction, and Improvement (AC&I); Reserve Training (RT); and Research, Development, Test, and Evaluation (RDT&E).

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6A. DETAILED OBLIGATION SUBMISSION**

**(1) Drug Methodology (Continued)**

Each decision unit contains its' own unique spending authority and methodology. For example, AC&I includes funding that can last up to five years after appropriation and RDT&E funding does not expire. OE and RT funding must be spent in the fiscal year it is appropriated and therefore their methodology is the same.

**Operating Expenses**

The majority of the funds the Coast Guard allocates to the drug interdiction program are in the Operating Expenses (OE) decision unit. OE funds are used to operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and recruit, train, and sustain an active duty military and civilian workforce. In the OE budget, the amount allocated to the drug interdiction program is derived by allocating a share of the actual expenditures based upon the amount of time aircraft, cutters, and boats spent conducting drug interdiction activities. The Coast Guard tracks the resource hours spent on each of the 11 Coast Guard programs by using a web-based Abstract of Operations (AOPS) data collection and report system. Coast Guard AOPS data is used to develop the amount of time that each asset class spent conducting each of the Coast Guard's missions. Using financial data gathered from over 3,000 cost centers around the United States along with the Abstract of Operations information, the Coast Guard is able to allocate OE costs to each of the 11 program areas consisting of: Drug Interdiction; Migrant Interdiction; Ports, Waterways and Coastal Security; Other Law Enforcement; Defense Readiness; Search and Rescue; Marine Safety; Ice Operations; Marine Environmental Protection; Living Marine Resources; and Aids to Navigation.

**Acquisition, Construction, and Improvements**

In scoring drug control funding requests within the zero-based Acquisition, Construction, and Improvement (AC&I) decision unit, every line item requested in the FY 2004 AC&I budget was evaluated for its anticipated contribution to drug interdiction efforts. For each AC&I Project, a discrete driver is selected to allocate the funding for that project to the various mission areas of the Coast Guard. In most cases, the driver is the percentage of time the new asset is expected to contribute to the drug control mission based on the corresponding percentage of time that the asset it will replace contributed to the drug control mission. If the new asset will not replace a similar asset, the new asset's drug-related contribution is either based on a like asset or on experienced professional judgment. The program percentage spreads for each of these drivers are extracted from the mission cost model. Furthermore, as mentioned above, unlike OE's annual funding, AC&I funding is available for obligation for up to five years, depending on the nature of the project. Therefore, various spikes in operational activity (e.g. reduced/increased aircraft and/or cutter resource hours) will directly effect OE cost allocations in a given fiscal year, but will have relatively little effect on AC&I obligations.

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6A. DETAILED OBLIGATION SUBMISSION**

**(1) Drug Methodology (Continued)**

**Reserve Training**

The Coast Guard allocates a portion of the Reserve Training (RT) decision unit funds to the drug interdiction program. RT funds are used to support Coast Guard Selected Reserve personnel who support and operate Coast Guard facilities, maintain capital equipment, improve management effectiveness, and assist in sustaining all Coast Guard operations. The actual FY 2004 obligations for the RT decision unit is determined using the same methodology used for OE.

**Research, Development, Test and Evaluation**

The final decision unit is Research, Development, Test and Evaluation (RDT&E). As with the AC&I Appropriation, scoring of drug interdiction funding is accomplished within the zero-based RDT&E decision unit and every line item requested in the FY 2004 RDT&E budget was evaluated for its anticipated contribution to drug interdiction efforts. Generally, each RDT&E project, has a discrete driver that is selected to allocate the funding for that project to the various mission areas of the Coast Guard. These drivers are based upon experienced professional judgment. Once the unique program driver is determined the program percentage spreads for each of these drivers are extracted from the mission cost model.

**(2) Methodology Modifications**

The methodology described above has not been modified from the previous year.

**(3) Material Weaknesses or Other Findings**

As a result of the CFO Act audit, material weaknesses impacting the obligation process were noted. We do not feel that these findings would have a significant impact on the figures contained in this report.

**(4) Reprogrammings or Transfers**

No reprogrammings or transfers of drug related budget resources in excess of the ONDCP's \$5 million threshold occurred during FY 2004.

**(5) Other Disclosures**

The following provides a synopsis of the United States Coast Guard's FY 2004 Drug Control Funds reporting which describes:

1. The agency's overall mission and the role of drug interdiction efforts within the Coast Guard's multi-mission structure;
2. The Coast Guard's drug control budget submission.

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6A. DETAILED OBLIGATION SUBMISSION**

**(5) Other Disclosures (Continued)**

**Coast Guard Mission**

The Coast Guard is a military service with mandated national security and national defense responsibilities in addition to being the United States' leading maritime law enforcement agency with broad, multi-faceted jurisdictional authority. The Coast Guard is a multi-mission maritime service consisting of 11 complementary program areas: Drug Interdiction; Migrant Interdiction;

Ports, Waterways and Coastal Security; Other Law Enforcement; Defense Readiness; Search and Rescue; Marine Safety; Ice Operations; Marine Environmental Protection; Living Marine Resources; and Aids to Navigation.

The Coast Guard faces many of the same challenges as the other four military services when it comes to deciding which assets should be deployed for what missions and where. This is not only true between the broad categories of missions, but also within sub-sets of the various missions the Coast Guard undertakes. For example, assets used for the Enforcement of Laws and Treaties must be divided between drug interdiction and migrant interdiction, as well as enforcement of fishing regulations and international treaties. Due to the multi-mission nature of the Coast Guard and the necessity to allocate the effort of a finite amount of assets, there is a considerable degree of asset "cross-over" between the missions. This crossover contributes to the challenges the Coast Guard faces when reporting costs for the various mission areas.

**Coast Guard's Drug Budget**

In the annual National Drug Control Strategy (NDCS) Budget Summary, all agencies present their drug control resources broken out by function, and decision unit. The presentation by decision unit is the one that corresponds most closely to the Coast Guard's congressional budget submissions and appropriations. It should be noted and emphasized that the Coast Guard does not have a specific appropriation for drug interdiction activities. All drug interdiction operations, capital improvements, reserve support, and research and development efforts are funded out of general Coast Guard appropriations. For the most part, the Coast Guard drug control budget is a reflection of the Coast Guard's overall budget. The Coast Guard's Operating Expenses appropriation budget request is incremental, focusing on the changes from the prior year base brought forward. The Coast Guard continues to present supplementary budget information through the use of a model, which allocates its base funding and incremental requests by mission.

This general purpose Mission Cost Model serves as the basis for developing drug control budget estimates for the OE and RT appropriations and provides allocation percentages used to develop the drug control estimates for the AC&I and RDT&E appropriations. Similarly, this is the methodology used to complete our annual submission to ONDCP for the NDCS Budget Summary.



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6B. ASSERTIONS**

**(1) Obligations by Budget Decision Unit – N/A.** As a multi-mission agency, the Coast Guard is exempt from reporting under this section as noted in ONDCP Circular: *Drug Control Accounting*, Sections 6a (1) (b).

**(2) Drug Methodology**

The following methodology was applied to derive the drug control information presented in the table in section 6A. The information reported is timely, accurate, and repeatable and is derived from an allocation process involving the Coast Guard's audited financial statement information. The Coast Guard does not have a discrete drug control appropriation and its financial systems are not structured to accumulate accounting data by operating programs or missions areas. Drug control funding data is developed using a systematic process for the OE and RT appropriations, and a combination of project analysis, subject matter review and OE-based allocations for the AC&I and RDT&E appropriations.

(a) **Data** -- As pointed out in the previous section, the Coast Guard reports its drug control funding to ONDCP for each of the four appropriations or decision units. The mechanics of how each decision unit's drug control data is derived as follows:

- **Operating Expenses (OE) and Reserve Training (RT)** – Budget Authority or Expenditures are allocated to the mission areas of the Coast Guard based upon the output of a Mission Cost Model (MCM). This is basically an OE expenditure driven model that is used in presenting the mission based data shown in the OE and RT budget submissions across the 11 Coast Guard programs. The following data sources feed the OE/RT MCM:
  1. **Core Accounting System (CAS)** – FY 2003 expense data broken down by cost center, unit name, allotment fund code, and dollar amount. This data is audited annually as part of the Chief Financial Officers Act audit process. These expenses are fed into the Standard Rates and User Fees Model (SRUFM). The SRUFM uses an activity-based methodology to assign and allocate expenses to the Coast Guard's assets and certain non-asset intensive missions, such as Marine Safety. The resulting total cost pools serve as one of the major inputs to the Mission Cost Model. If current year SRUFM data is not available, the previous year total cost pools are normalized to fit the relevant fiscal year's asset inventory. For example, the FY04 actual expenses Mission Cost Model uses FY03 financial data, normalized to reflect changes in the Coast Guard's asset inventory from FY03 to FY04. The SRUFM is reconciled to the Coast Guard's Statement of Net Cost.

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6B. ASSERTIONS**

**(2) Drug Methodology (cont.)**

2. **Naval Electronics Supply Support System (NESSS) – The Coast Guard**  
Engineering Logistics Center and Coast Guard Yard at Baltimore operate a stand alone financial system. Similar to the Core Accounting System, NESSS data is broken down by cost center, unit name, allotment fund code, and dollar amount. NESSS expense data is fed into the SRUFM and allocated to Coast Guard assets and certain non-asset intensive missions. NESSS financial data is included in the Coast Guard's audited financial statements.
3. **Aviation Maintenance Management Information System (AMMIS) - The Coast Guard Aircraft Repair and Supply Center in Elizabeth City** operates a stand alone financial system. Similar to the Core Accounting System, AMMIS data is broken down by cost center, unit name, allotment fund code, and dollar amount. AMMIS expense data is fed into the SRUFM and allocated to Coast Guard assets and certain non-asset intensive missions. AMMIS financial data is included in the Coast Guard's audited financial statements.
4. **Abstract of Operations (AOPS)** – web-based information of how an asset (aircraft, boat, or cutter) spent its time performing various missions of the Coast Guard. Each unit or activity that performs a mission is responsible for including the resource hours in the AOPS database.
5. **Other Expenses** – The drug related pieces that feed this area of the model are the Tactical Law Enforcement Teams (TACLET), the Law Enforcement Detachments (LEDET) and the Special Projects. The percentage that drives the TACLET /LEDET resource areas are computed from team deployment days divided by the total deployment days in the fiscal year for the drug interdiction mission. The Special Projects percentage driver is formulated from a professional judgment of how funding is used to support costs related to counter-drug operations such as Frontier Shield/Frontier Lance as well as liaison costs for Coast Guard's Organized Drug Enforcement Task Force (OCDETF).
6. **Mission Cost Model (MCM) Application & Results – The MCM produces a percentage of Coast Guard OE and RT expenditures allocated to each of the 11 programs.**
  - **Normalize to BA or Obligations** – The program percentages derived from the MCM are then applied to total OE and RT fiscal year 2004 budget authority or obligations (See Attachments A & B respectively) depending upon the reporting requirement. Budget Authority is derived from the agency's annual enacted Appropriation and expenditure data is derived from the final financial accounting Report of Budget Execution (SF-133).

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6B. ASSERTIONS**

**(2) Drug Methodology (cont.)**

- **Acquisition, Construction & Improvements (AC&I)** - is a multi-year appropriation where funding is available for up to 5 years depending on the nature of the project. The methodology used to develop the drug funding estimate is systematically different than that of OE and RT. AC&I drug funding levels, for either BA or obligations, is developed through an analysis of each project/line item. For each line item, a discrete driver is selected that best approximates the contribution that asset or project, when delivered, will contribute to each of the Coast Guard's 11 programs. The program/mission area spreads for these drivers are based on the MCM outputs. To ensure consistency, extracts used for the analysis of enacted BA for any fiscal year are used for the end of year analysis of obligations as well. For FY 2004 AC&I program and mission area spreads, the following data sources and methods were used:
  1. **AC&I Mission Cost Model** – is developed based on data feeds from the OE/RT MCM model as presented in the above OE/RT statements. The following data sets are than required to complete the AC&I MCM:
  2. **Drug related percentage** – The percentage spread for each driver is extracted from the MCM (see #1). This information is further analyzed to:
    - (a) Ensure a discrete driver was applied to each project consistent through the life of the project or;
    - (b) A driver was used that was based upon historical or future projected use of an asset.
  3. **Mission cost results/application** - Once the project drivers were reviewed, they were applied to the total BA or obligations of the FY 2004 project/line item to derive the allocated drug levels (See Attachment C). The BA levels are derived from the agency's enacted Appropriation Bill. The FY 2004 expenditure data is a data run from CAS of AC&I Obligated/Unobligated Balances by Project.
- **Research, Development, Test & Evaluation (RDT&E)** - is a no-year appropriation where funding, once appropriated, may be obligated indefinitely in the future until all balances are expended. The methodology used to develop the drug-funding estimate is similar to AC&I in that drug-funding costs are based on an analysis of each project. The program/mission area percentages are based upon subject matter expert review. The method used to compile the FY 2004 data was:
  1. **Drug related percentage** – The percentage spread for each driver is extracted from the MCM. This information is further analyzed to:
    - (a) Ensure a discrete driver was applied to each project consistent through the life of the project or;
    - (b) A driver was used that was based upon historical or future projected use of an asset.

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6B. ASSERTIONS**

**(2) Drug Methodology – RDT&E (cont.)**

2. **Subject matter expert review** of each project/line item to estimate their direct and indirect impact to the drug control percentage of effort.
3. **Application** - Once the project drivers were reviewed, they were then applied to the total cost of the FY 2004 project/line item to derive the drug-associated costs (See Attachment D). Budget Authority (BA) data is derived from the agency's enacted Appropriation and expenditure data is extracted from a Large Unit Financial System (LUFFS) transaction summary report by project.

(b) **Other Estimation Methods** - Where the MCM allocates a percentage of time/effort expended to a given AC&I project/line item, in some cases changes were made to better represent the drug costs associated. As noted in the AC&I and the RDT&E methodology, experienced professional judgment is sometimes used to change a driver based on specific knowledge that a resource will be used differently than the historical profile indicates. An example of this would be in the change in the allocation of resource hours associated with a new Great Lakes icebreaker. In the past, icebreakers have dedicated a majority of their annual resource hours to ice breaking with the remainder of the annual resource hours being allotted to environmental response. The new icebreaker is being designed as more of a multi-mission asset that will be tasked with aids to navigation, marine safety, and search and rescue and aids to navigation missions in addition to its ice breaking activities. This change requires that the MCM allocation for this resource be manually adjusted, based on professional judgment, to reflect the change in the planned operating profile for the new icebreaker.

(c) **Financial Systems** – Data is derived from CAS. No other financial systems or information are used in developing program or mission area allocations.

(3) **Application of Drug Methodology** - The methodology disclosed in this section was the actual methodology used to generate the table required by Section 6A. Documentation on each decision unit is provided.

(4) **Reprogrammings or Transfers** -- No reprogrammings or transfers of drug related budget resources in excess of the ONDCP's \$5 million threshold occurred during FY 2004.

(5) **Fund Control Notices** – The FY 2004 data presented herein is associated with obligations reported in Coast Guard's FY 2004 financial plan that fully complies with all Fund Control Notices issued by the Director under 21 U.S.C. Section 1703(f) and Section 8 of ONDCP Circular, *Budget Execution*, dated April 18, 2003.

**OPERATING EXPENSES (OE)  
MISSION COST MODEL OUTPUT:**

(dollars in thousands)		
FY 2004		
	Obligations	% of total
1. Search and Rescue (SAR)	450,360	9.31%
2. Marine Safety (MS)	308,111	6.37%
3. Aids to Navigation (ATON)	682,016	14.10%
4. Ice Operations (IO)	154,760	3.20%
5. Marine Environmental Protection (MEP)	123,953	2.57%
6. Living Marine Resources (LMR)	384,204	7.94%
7. Drug Interdiction	564,889	11.68%
8. Migrant Interdiction	407,244	8.42%
9. Other Law Enforcement (OTH-LE)	133,044	2.75%
10. Ports, Waterways & Coastal Security (PWCS)	1,264,882	26.15%
11. Defense Readiness	363,959	7.52%
<b>Total OE Obligations</b>	<b>\$ 4,837,422</b>	<b>100%</b>

## RESERVE TRAINING (RT) MISSION COST MODEL OUTPUT:

		(dollars in thousands) FY 2004	
		Obligations	% of total
1.	Search and Rescue (SAR)	8,503	9.31%
2.	Marine Safety (MS)	5,817	6.37%
3.	Aids to Navigation (ATON)	12,878	14.11%
4.	Ice Operations (IO)	2,922	3.20%
5.	Marine Environmental Protection (MEP)	2,340	2.57%
6.	Living Marine Resources (LMR)	7,254	7.94%
7.	Drug Interdiction	10,665	11.68%
8.	Migrant Interdiction	7,689	8.42%
9.	Other Law Enforcement (OTH-LE)	2,513	2.75%
10.	Ports, Waterways & Coastal Security (PWCS)	23,883	26.15%
11.	Defense Readiness	6,872	7.52%
<b>Total RT Obligations</b>		<b>\$ 91,336</b>	<b>100%</b>

**DEPARTMENT OF HOMELAND SECURITY  
U.S. COAST GUARD  
FY 2004 ACQUISITION, CONSTRUCTION AND IMPROVEMENTS  
DRUG CONTROL DIRECT OBLIGATIONS**  
*(dollars in thousands)*

<b>FISCAL YEAR</b>	<b>PROJ</b>		<b>PROJECT TITLES</b>	<b>FY 2004 Project Direct Obligations</b>	<b>Key</b>	<b>Mission Cost Model % of Drug Funding</b>	<b>FY 2004 Drug Obligations</b>
<b>APPROP</b>	<b>REG</b>	<b>NO.</b>					
1999	3J	SRM 1301	SURVEY & DESIGN - CUTTERS & BOATS	(1)		20.00%	(0.2)
1999	3J	ARM 1302	SEAGOING BUOY TENDER WLB REPLACE	3			
1999	3J	AWL 1303	COASTAL BUOY TENDER WLM REPLACE	-		5.27%	-
1999	3J	AWP 1304	STERN LOADING BUOY BOAT BUSL REPL	-			
1999	3J	AWL 1305	47' MOTOR LIFEBOAT MLB REPLACMNT	59		0.01%	-
1999	3J	AIB 1306	POLAR ICEBREAKER REPLACEMENT PIR	4			
1999	3J	GA1 1307	COASTAL PATROL BOAT CPB REPLACMNT	20		22.95%	4.6
1999	3J	ASM 1309	SURFACE SEARCH RADAR REPLACEMENT	3		25.96%	0.8
1999	3J	GA1 1310	DEEPWATER CAPABILITY REPLACE ANAL	301		31.66%	95.3
1999	3J	SRM 1312	CONFIGURATION MANAGEMENT	-		25.96%	-
1999	3J	SRM 1314	ATS-1 CONVERSION	-			
1999	3J	AWL 1315	MACKINAW REPLACEMENT	95			
VESSEL, FY 1999				484			100.5
<b>TOTAL 1999 APPROPRIATION (excluding reimbursables)</b>				<b>\$ 484</b>			<b>\$ 100.5</b>

**DEPARTMENT OF HOMELAND SECURITY**  
**U.S. COAST GUARD**  
**FY 2004 ACQUISITION, CONSTRUCTION AND IMPROVEMENTS**  
**DRUG CONTROL DIRECT OBLIGATIONS**  
*(dollars in thousands)*

<b>FISCAL YEAR</b>	<b>PROJ</b>	<b>FY 2004 Project Direct Obligations</b>	<b>Key</b>	<b>Mission Cost Model % of Drug Funding</b>	<b>FY 2004 Drug Obligations</b>
<b>APPROP</b>	<b>REG NO.</b>	<b>PROJECT TITLES</b>			
2000	2U ADW 1250	DEEPWATER REPLACEMENT PROJECT I	(128)	28.50%	(36.5)
DEEPWATER, FY 2000			(128)		
2000	2U AFL 4201	FLEET LOGISTICS SYSTEM (FLS)	(12)	26.37%	(3.2)
2000	2U AVT 4202	PORTS & WATERWAYS SAFETY SYSTEMS	-		
2000	2U AMO 4204	MARINE INFO FOR SAFETY & LAW INFR	(35)		
2000	2U SEA 4207	AVIATION LOGISTICS MGMT INFO SYS	(3)	30.15%	(0.9)
2000	2U AND 4208	NATL DISTRESS & RESPONSE SYS MOD	-		
2000	2U SCT 4212	DEFENSE MSG SYS IMPLEMENTATION	64		
2000	2U WRI 4214	PERSONNEL MGMT INFO SYS JOINT UNI	(10)	19.02%	(1.9)
2000	2U SCT 4215	COMMERCIAL SATELLITE COMM UPGRADE	-		
2000	2U T 4312	TISCOM CGMS	-		
OTHER EQUIPMENT, FY 2000			4		(6.0)
2000	2U H 7250	HYDE PARK REFUND - SHORE	-		
2000	2U SEC 3201	SURVEY & DESIGN - SHORE PROJECTS	2		
2000	2U SEC 3203	WATERWAYS ATON INFRASTRUCTURE	(8)		
2000	2U SEC 3205	CG HOUSING - VARIOUS LOCATIONS	2		
2000	2U SEC 3207	MINOR AC&I SHORE CONSTR PROJECTS	-		
2000	2U SEC 3220	RENOVATE AIR STA HANGER KODIAK AK	-		
2000	2U SEC 3221	AIR STA RAMP STRUL IMPRV ECITY NC	-	25.37%	-
2000	2U SEC 3222	RENOVATE AIR STA MIAMI HANGER	-	30.31%	-
2000	2U SEC 3223	UPGRADE EDU FACL CG ACADEMY	1		
2000	2U SEC 3224	CONSTR PATROL BOAT MAINT FAC PR	(162)	17.32%	(28.1)
2000	2U SEC 3225	MODERNIZE CG STA SHINNECOCK	-		
2000	2U SEC 3226	RELOCATE CG MARINE SAFETY OFF&STA	-	17.30%	-
2000	2U SEC 3228	HOMEPORTING OF DRUG INTERDICTION	1	100.00%	1.0
2000	2U SEC 3229	UNALASKA PIER	-		
SHORE PROGRAM, FY 2000			(164)		(27.1)
2000	4U SEN 1401	SURVEY&DESIGN-CUTTERS&BOATS	66	24.20%	16
2000	4U AWL 1402	SEAGOING BUOY TENDER REPLACEMNT	(1,346)	5.18%	(70)
2000	4U AWL 1404	STERN LOADING BUOY BOAT REPLACEN	(3)		
2000	4U AWP 1405	47FT MOTOR LIFEBOAT REPLACEMENT	2,201	1.00%	22
2000	4U AIB 1406	POLAR ICEBREAKER REPLACE (HEALY)	(1)		
2000	4U AWP 1407	COASTAL PATROL BOAT REPLACEMENT	108	46.40%	50
2000	4U AWP 1409	SURFACE SEARCH RADAR REPLACEMENT	(445)	26.38%	(117)
2000	4U SEN 1411	POLAR CLASS RELIABILITY IMPROVMNT	59		
2000	4U SEN 1412	CONFIGURATION MGMT (CM)	-	26.38%	-
2000	4U AGL 1413	MACKINAW REPLACEMENT	1,200		
VESSEL, FY 2000			\$ 1,839		\$ (99.0)
2000	5U AGL 1513	MACKINAW REPLACEMENT	-		
<b>TOTAL FY 2000 APPROPRIATION (excluding reimbursables)</b>			<b>1,551</b>		<b>\$ (168.6)</b>



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**FY 2004 ACQUISITION, CONSTRUCTION AND IMPROVEMENTS**  
**DRUG CONTROL DIRECT OBLIGATIONS**  
*(dollars in thousands)*

FISCAL YEAR	PROJ	FY 2004 Project Direct Obligations	Key	Mission Cost Model % of Drug Funding	FY 2004 Drug Obligations
APPROP	REG NO.	PROJECT TITLES			
2001	2W CBU 0201	DIRECT PERSONNEL COST	-	14.33%	-
2001	2W GA 0202	CORE ACQUISITION COSTS	-	14.33%	-
2001	2W CBU 0203	CCS ADMINISTRATIVE ACCOUNT	-		
ADMIN, FY 2001			-		-
2001	3W GS 2307	HH-65 HELO MISSION COMPUTER REPLA	69	HH-65	16.96%
2001	3W GS 2331	HH-65 LTS-101 ENGINE LIFE CYCLE	(30)		
2001	3W GD 2332	AVIATION SIMULATOR MODERNIZATION	(5)	A/C	11.84%
2001	3W GS 2333	CG CUTTER HEALY AVIATION SUPPORT	(9)	A/C	11.84%
AIRCRAFT, FY 2001			25		10.0
2001	3W ADW 5350	DEEPWATER CAPABILITY REPLACE PROJ	(1,168)	IDS	34.47%
DEEPWATER, FY 2001			\$ (1,168)		\$ (402.6)
2001	3W AFL 4301	FLEET LOGISTICS SYSTEM (FLS)	1	CUTTERS	27.27%
2001	3W AVT 4302	PORTS & WATERWAYS SAFETY SYSTEM	(3)		
2001	3W GS 4303	GLOBAL MARITIME DISTRESS & SAFETY	13		
2001	3W AMO 4304	MARINE INFO FOR SAFETY & LAW ENFR	(5)		
2001	3W GS 4307	AVIATION LOGISTICS MGMT SYSTEM	1	A/C	11.84%
2001	3W AND 4308	NATL DISTRESS & RESPONSE SYSTEM	37	HISTORICAL	2.00%
2001	3W GS 4312	DEFEMSE MESSAGE SYSTEM (DMS)	(71)		
2001	3W GW 4314	PERS MGMT INFO SYS JOINT UNIFORM	-		
2001	3W GS 4315	COMMERCIAL SATELLITE COMM UPGRADE	94	GEN-OE	14.33%
2001	3W GO 4316	SAR CAPABILITIES ENHANCEMENT PROJ	298		
2001	3W GO 4317	LOCAL NOTICE TO MARINERS (AUTO)	-		
OTHER EQUIPMENT, FY 2001			365		13.9
2001	3W GS 3301	SURVEY AND DESIGN	100	GEN-OE	14.33%
2001	3W GS 3303	WATERWAYS ATON INFRASTRUCTURE	169		
2001	3W GS 3305	CG HOUSING - VARIOUS	(1)		
2001	3W GS 3307	MINOR ACI CONSTRUCTION PROJECTS	-	GEN-OE	14.33%
2001	3W GS 3308	TRANSPORTATION IMPROVE ALEMEDA CA	-	GEN-OE	14.33%
2001	3W GS 3309	CG MEDIUM ENDURANCE CUTTER PORTS	20	CUTTERS	27.27%
2001	3W GS 3310	MODERNIZE CG FACILITIES CAPE MAY	199	GEN-OE	14.33%
2001	3W GS 3311	REBUILD CG STA PORT HURON PH-I	-	GEN-OE	14.33%
2001	3W GS 3312	MODERNIZE CG STA PORT ANGELES HGR	-	GEN-OE	14.33%
2001	3W GS 3313	HOMEPORTING PIER CONSTR HOMER AK	-	GEN-OE	14.33%
2001	3W GS 3314	HELIPAD MODERNIZATION CRAIG AK	9	GEN-OE	14.33%
2001	3W GS 3320	RENOVATE AIR STA HANGAR KODIAK AK	-	GEN-OE	14.33%
SHORE PROGRAM, FY 2001			496		49.6
2001	5W GS 1501	SURVEY & DESIGN CUTTERS & BOATS	263	Cutters/Boats	11.72%
2001	5W AWL 1502	SEAGOING BUOY TENDER REPLACEMENT	4,065	180' WLB	0.57%
2001	5W GA 1506	POLAR ICEBREAKER USCGC HEALY	411		
2001	5W AWP 1507	87 FT PATROL BOAT REPLACEMENT	1,087	87' WPB	12.87%
2001	5W AWP 1509	SURFACE SEARCH RADAR REPLACEMENT	15	CUTTERS	27.27%
2001	5W GS 1511	POLAR CLASS ICEBREAKER RELIABILIT	327		
2001	5W GS 1512	CONFIGURATION MANAGEMENT SYSTEM	(6)	CUTTERS	27.27%
2001	5W GS 1514	ALEX HALEY CONVERSION PROJECT PII	116		
2001	5W GO 1521	OVER THE HORIZON CUTTER BOATS	41		
2001	5W GS 1522	CG PATROL CRAFT CONVERSION PROJ	-		
2001	5W CBU 7520	TRUST FUND SHARE OF EXPENSE/VESS	-		
VESSEL, FY 2001			6,319		196.4
<b>TOTAL FY 2001 APPROPRIATION (excluding reimbursables)</b>			<b>\$ 6,037</b>		<b>\$ (132.7)</b>

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*(dollars in thousands)*

FISCAL YEAR	APPROP	PROJ REG NO.	PROJECT TITLES	FY 2004 Project Direct Obligations	Key	Mission Cost Model % of Drug Funding	FY 2004 Drug Obligations
2002	3B	CBU 0301	AC&I PERSONNEL COSTS	10	Gen.AC&I	18.10%	1.8
2002	3B	G A 0302	AC&I CORE COMPETENCIES & CAPABILI	(3)	Gen.AC&I	18.10%	(0.5)
2002	3B	CBU 0303	CCS UNDISTRIBUTED ACCOUNT	-	Gen.AC&I	18.10%	-
ADMIN, FY 2002				7			1.3
2002	4B	G S 2401	AVIATION PARTS & SUPPORT	1,272	A/C	18.07%	229.9
2002	4B	G A 2460	C 130J SYS PROVISIONING & TRAININ	(32)	C-130	23.26%	(7.4)
AIRCRAFT, FY 2002				1,240			222.5
2002	4B	099 5450	INTERGRATED DEEPWATER SYSTEM	(267)	IDS	27.14%	(72.5)
DEEPWATER,FY2002				(267)			(72.5)
2002	4B	G A 4402	PORTS & WATERWAY SAFETY SYS PAWSS	1,642	GEN. OE	12.50%	205.3
2002	4B	G S 4403	GLOBAL MARTINE DISTRESS & SAFETY	1,215			
2002	4B	G A 4404	MARINE INFORMATION FOR SAFETY & L	(251)	GEN. OE	12.50%	(31.4)
2002	4B	G A 4408	NATIONAL DISTRESS & RESPONSE SYS	146	NDRSP	2.24%	3.3
2002	4B	G S 4412	DEFENSE MESSAGING SYS DMS IMPLETA	3	GEN. OE	12.50%	0.4
2002	4B	G S 4415	COMMERCIAL SATELLITE COM SATCOM	1,751	GEN. OE	12.50%	218.9
2002	4B	G O 4416	SEARCH & RESCUE CAPABILITIES ENHA	1,320			
2002	4B	G S 4417	13TH DISTRICT MIRCOWAVE MODERNIZI	2	GEN. OE	12.50%	0.3
2002	4B	G S 4418	HAWAII RAINBOW COMMUNICATION SYS	(1,833)	GEN. OE	12.50%	(229.1)
2002	4B	G S 4419	HIGH FREQUENCY HF RECAPITALIZATIO	99	GEN. OE	12.50%	12.4
2002	4B	G O 4422	COMMAND CTR READINESS & INFRA REC	650	GEN. OE	12.50%	81.3
2002	4B	G S 4423	P 250 PUMP REPLACEMENT	214	CUTTERS	21.26%	45.5
2002	4B	G S 4424	CONFIGURATION MANAGEMENT PHRASEII	874	CUTTERS	21.26%	185.8
2002	4B	G S 4425	SELF CONTAINED BREATHING APPARATU	3	GEN. OE	12.50%	0.4
2002	4B	G S 4427	MARITIME ELECTRIC OPTICAL INFRAR	918	CUTTERS	21.26%	195.2
2002	4B	G S 4428	ICE DETECTING RADAR CORDOVA AK	7			
2002	4B	A 4429	PAWSS	17,814	GEN. OE	12.50%	2,226.8
2002	4B	T 4430	CUTTER DEFENSE MESSAGING SYS REPL	-	CUTTERS	21.26%	-
OTHER EQUIPMENT, FY 2002				24,574			2,915.1
2002	4B	G S 3401	SURVEY & DESIGN SHORE OPS PROJECT	762	GEN. OE	12.50%	95.3
2002	4B	G S 3403	WATERWAYS AIDS TO NAVIGATION INFR	883			
2002	4B	G S 3405	COAST GUARD HOUSING VARIOUS LOCAT	2,555	Gen.AC&I	18.10%	462.5
2002	4B	G S 3407	MINOR AC&I SHORE CONSTRUC PROJECT	(288)	GEN. OE	12.50%	(36.0)
2002	4B	G S 3410	CONSOLIDATE WHSE - CG YARD, MD	505	GEN. OE	12.50%	63.1
2002	4B	G S 3411	REPLACE CG STA PORT HURON-PHASEII	206	41' BOAT	0.56%	1.2
2002	4B	G S 3413	CONSTRUCT NEW STA BRUNSWICK	328	GEN. OE	12.50%	41.0
2002	4B	G S 3414	REPLACE ISC BOSTON BUILDING 8 UTL	(26)	GEN. OE	12.50%	(3.3)
2002	4B	G S 3416	RECONSTRUCT N WALL ESCANABA DOCK	-	GEN. OE	12.50%	-
2002	4B	G S 3417	CONSTRUCT NESU-ESU ENG BLDG HONOL	4,074	GEN. OE	12.50%	509.3
2002	4B	G S 3418	CONSOLIDATION OF KODIAK AVA SPT	953	A/C	18.07%	172.2
2002	4B	G S 3419	REBUILD ISC SEATTLE PIER PHASEI	229	GEN. OE	12.50%	28.6
2002	4B	3420	CG MARINE SAFETY & RESCUE STA CHI	2,000	41' BOAT	0.56%	11.2
2002	4B	099 3421	ISC SEATTLE PROJECT (CCS UNDIST)	-			
2002	4B	T 3422	STATION OAK ISLAND NC FIRE DAMAGE	534	GEN. OE	12.50%	66.8
2002	4B	T 3424	HOMELAND SECURITY SHORE INFRASTRU	(188)	GEN. OE	12.50%	(23.5)
SHORE PROGRAM, FY 2002				12,527			1,388.4
2002	4B	A 1407	87 FOOT BOARDING & ESCORT PATROL	7,120	CPB	6.64%	472.8
VESSEL, FY 2002				7,120			472.8
2002	6B	G D 5650	INTERGRATED DEEPWATER SYS PROGRAM	25,123	IDS	27.14%	6,818.4
DEEPWATER, FY 2002				25,123			6,818.4
2002	6B	G S 1601	SURVEY & DESIGN CUTTERS & BOATS	176	Cutters/Boats	15.34%	27.0
2002	6B	G A 1602	SEAGOING BUOY TENDERS WLB REPLACE	10,681			
2002	6B	G O 1603	85 FOOT FAST PATROL CRAFT	45	DRUG	100.00%	45.0
2002	6B	G A 1604	41 FOOT UTILITY BOAT REPLACEMENT	3,222	UTB	0.56%	18.0
2002	6B	G S 1611	POLAR CLASS ICEBREAKER RIP PROJEC	246			
VESSEL, FY 2002				14,370			90.0
<b>TOTAL FY 2002 APPROPRIATION (excluding reimbursables)</b>				<b>\$ 84,694</b>			<b>\$ 11,836.0</b>

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FISCAL YEAR	APPROP	REG	PROJ NO.	PROJECT TITLES	FY 2004 Project Direct Obligations	Key	Mission Cost Model % of Drug Funding	FY 2004 Drug Obligations
2003	4G	H	0401	DIRECT PERSONNEL COSTS	(986)	Gen.AC&I	17.21%	(169.7)
2003	4G	H	0402	ACI CORE	330	Gen.AC&I	17.21%	56.8
ADMIN., FY 2003					(656)			(112.9)
2003	5G	T	2531	LTS 101 ENGINE IMPROVEMENTS	-	HH-65	6.73%	-
2003	5G	A	4502	PORTS - WATERWAY SAFETY PAWSS	827	GENERAL OE	10.43%	86.3
2003	5G	T	4503	GLOBAL MARTINE DISTRESS - SAFETY	98			
2003	5G	A	4508	NATIONAL DITRESS - RESPONSE SYS	26,735	RESCUE-21	0.31%	82.9
2003	5G	T	4512	DEFENSE MESSAGE SYS DMS IMPLEMT	293	GEN. OE	10.43%	30.6
2003	5G	T	4517	GLOBAL MARITIME DISTRESS - SAFETY	2,478	GEN. OE	10.43%	258.5
2003	5G	T	4518	HAWAII RAINBOW COMMUNICATION SYS	2,805	GEN. OE	10.43%	292.6
2003	5G	T	4519	HIGH FREQUENCY RECAPITALIZATION	1,705	GEN. OE	10.43%	177.8
2003	5G	T	4520	PRINCE WILLIAM SOUND MICROWAVE	1,847	GEN. OE	10.43%	192.6
2003	5G	D	4521	MARITIME DOMAIN AWARENESS INFO MGT	1,272	GEN. OE	10.43%	132.7
2003	5G	D	4522	SECURITY SURVEILLANCE - PROTECT	2,639	RESCUE-21	0.31%	8.2
OTHER EQUIPMENT, FY 2003					40,699			1,262.2
2003	5G	T	3501	SURVEY - DESIGN SHORE PROJECTS	522	GEN. OE	10.43%	54.4
2003	5G	T	3503	WATERWAYS AIDS TO NAVIGATION INF	3,310			
2003	5G	T	3505	HOUSING PROJECTS	82	GEN. OE	10.43%	8.6
2003	5G	T	3507	MINOR ACI SHORE CONSTRUCTION PRO	1,368	GEN. OE	10.43%	142.7
2003	5G	T	3518	CONSOLIDATION OF KODIAK AVI - SUP	2,720	A/C	18.65%	507.3
2003	5G	T	3519	REBUILD ISC SEATTLE PIER 36 PHI	192	GEN. OE	10.43%	20.0
2003	5G	T	3521	STATION MANISTEE MI CONSTRUCTION	149			
2003	5G	T	3530	VESSEL PIER FACILITY CORDOVA AK	15	GEN. OE	10.43%	1.6
SHORE PROGRAM, FY2003					8,358			734.6
2003	6G	2	56A1	MARTINE PATROL AIRCRAFT	-	IDS		
2003	6G	2	56A3	OTHER CONTACTS LEGACY SUSTAINMT	3,749	IDS		
2003	6G	2	56B1	NATIONAL SECURITY CUTTER	4,675	IDS		
2003	6G	2	56B2	110 - 123 PATROL BOAT UPGRADE	13,010	IDS		
2003	6G	2	56B3	SHORT RANGE PROSECUTOR	-	IDS		
2003	6G	2	56B4	OTHER CONTRACTS LEGACY SUSTAINMT	-	IDS		
2003	6G	2	56C1	270 FOOT CUTTER C4ISR UPGRADE	126	IDS		
2003	6G	2	56C2	210 FOOT CUTTER C4ISR UPGRADE	400	IDS		
2003	6G	2	56C3	378 FOOT CUTTER C4ISR UPGRADE	52	IDS		
2003	6G	2	56C4	SHORES SITES	-	IDS		
2003	6G	2	56C5	OTHER CONTRACTS LEGACY SUSTAINMT	4,136	IDS		
2003	6G	2	56D1	INTERGRATED LOGISTICS SUPPORT	16,790	IDS		
2003	6G	2	56D2	SHORES SITES	-	IDS		
2003	6G	2	56E1	SYSTEMS ENGINEERING - INTERGRAT	(1)	IDS		
2003	6G	2	56F1	GOVERNMENT PROGRAM MGT	7,584	IDS		
DEEPWATER, FY 2003					50,521	IDS	22.78%	11,508.7
2003	7G	H	5750		(1,558)			
2003	7G	H	5752		-			
DEEPWATER, FY 2003					(1,558)	IDS	22.78%	(354.9)
2003	7G	T	1701	SURVEY - DESIGN CUTTER - BOATS	372	CUTTERS/BOATS	11.68%	43.4
2003	7G	A	1702	SEAGOING BUOY TENDER WLB REPLACE	-			
2003	7G	A	1704	41 FOOT UTB - NSB REPLACEMENT	2,031	41' BOAT	0.34%	6.9
2003	7G	A	1707	87 FOOT COASTAL PATROL BOAT	3,598	87' WPB	6.79%	244.3
2003	7G	T	1711	POLAR CLASS ICE BREAKER IMPROVEMT	1,169			
2003	7G	T	1714	ALEX HALEY CONVERSION PROJECT II	44			
VESSEL, FY 2003					7,214			294.6
<b>TOTAL FY 2003 APPROPRIATION (excluding reimbursables)</b>					<b>\$ 104,578</b>			<b>\$ 13,332.3</b>

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*(dollars in thousands)*

FISCAL YEAR	PROJ	FY 2004 Project Direct Obligations	Mission Cost Model % of Drug Funding	FY 2004 Drug Obligations	
APPROP	REG NO.	PROJECT TITLES	Key		
2004	4K GCG 0400	PERSONNEL COMPENSATION BENEFITS	-		
2004	4K A 0401	DIRECT PERSONNEL COSTS	63,503	Gen.AC&I 24.97%	
2004	4K GA 0402	ACI CORE ACQUITION	5,223	Gen.AC&I 24.97%	
2004	4K A 0460	C 130J AIRCRAFT DOD PL 108-87	-		
ADMIN, FY 2004				<b>68,726</b>	<b>17,160.9</b>
2004	4K 2 54A4	C-130 PROJECT - SUPPLEMENTAL	60,000	C-130 36.00%	
DEEPWATER, FY 2004				<b>60,000</b>	<b>21,600.0</b>
2004	6K GA 4602	OIL SPILL PREVENTION EFFORTS PAWS	601	GEN. OE 11.68%	
2004	6K GA 4608	NATIONAL DISTRESS RESPONSE SYS MO	40,868	RESCUE-21 0.25%	
2004	6K GS 4612	DEFENSE MESSAGING SYS DMS IMPLEM	-	GEN. OE 11.68%	
2004	6K GA 4650	AUTOMATION IDENTIFICATION SYS	15,922	GEN. OE 11.68%	
OTHER EQUIPMENT, FY 2004				<b>57,391</b>	<b>2,032.1</b>
2004	8K GD 58A1	MARITIME PATROL AIRCRAFT	-	HU-25 5.62%	
2004	8K GD 58A2	UNMANNED AIR VEHICLES	49,700	C-130/HU-25 26.72%	
2004	8K GD 58A3	OTHER CONTRACTS LEGACY SUSTAINMET	56,141	TRAD-IDS (A/C) 19.59%	
2004	8K GD 58B1	NATIONAL SECURITY CUTTER	187,253	378' Cutters 51.77%	
2004	8K GD 58B2	FAST RESPONSE CUTTER 110 123 FT	3,224	110' Cutters 12.18%	
2004	8K GD 58B3	SHORT RANGE PROSECUTOR	-	378',270',210',110' 36.15%	
2004	8K GD 58B4	OTHER CONTRACTS LEGACY SUSTAINMT	1,868	378',270',210',110' 36.15%	
2004	8K GD 58B5	OFFSHORE PATROL CUTTER CONCEPT	7,713	270', 110' Cutters 37.11%	
2004	8K GD 58C1	COMMAND CONTROL SYS FOR COMMON OP	55,510	TRAD-IDS 27.08%	
2004	8K GD 58C2	CUTTER UPGRADE C4ISR	6,431	378',270',210',110' 36.15%	
2004	8K GD 58C4	SHORE SITES	17,845	TRAD-IDS 27.08%	
2004	8K GD 58C5	OTHER CONTRACTS LEGACY SUSTAINMT	3,164	TRAD-IDS 27.08%	
2004	8K GD 58D1	INTERGRATED LOGISTICS SUPPORT	20,329	TRAD-IDS 27.08%	
2004	8K GD 58D2	FACILITIES DESIGN REQUIRED FOR FU	589	TRAD-IDS 27.08%	
2004	8K GD 58E1	SYSTEMS ENGINEERING INTERGRATED	41,967	TRAD-IDS 27.08%	
2004	8K GD 58F1	GOVERNMENT PROGRAM MANAGEMENT	28,537	TRAD-IDS 27.08%	
2004	8K GD 58G1	SHORE FACILITIES	16,904	TRAD-IDS 27.08%	
DEEPWATER, FY 2004				<b>497,175</b>	<b>177,529.8</b>
2004	8K GA 1804	41 FT UTB NSB REPLACEMENT PROJECT	2	41' UTB 0.34%	
2004	8K GA 1807	ENFORCE SECURITY ZONES 9 ADD CPBS	33,804	87 WPB 9.65%	
2004	8K GA 1813	GREAT LAKE ICEBREAKER GLIB REPLAC	1,988		
VESSEL, FY 2004				<b>35,794</b>	<b>3,262.1</b>
<b>TOTAL FY 2004 APPROPRIATION (excluding reimbursables)</b>				<b>\$ 719,086</b>	<b>\$ 221,584.9</b>

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FISCAL YEAR	PROJ				FY 2004 Project Direct Obligations	Key	Mission Cost Model % of Drug Funding	FY 2004 Drug Obligations
APPROP	REG	NO.	PROJECT TITLES					
NO	X3	H 1013	ACI		11,367			
NO	X3	ASM 1312	378-FOOT WHEC FRAM		-			
NO	X3	AWL 1313	WLB REPLACEMENT		-			
NO	X3	AWP 1314	ACI NO YEAR		-			
NO	X3	SRM 1880	LISA CHECK		-			
NO	X3	SRM 1911	ACQUISITION C3 PLATFORMS 2		-		100.00%	-
NO	X3	G O 1912	DEPLOYABLE PURSUIT BOAT ACQUISITI		2		100.00%	2.0
NO	X3	GA1 1913	BARRACUDA CLASS COASTAL PATRL BTS		353		100.00%	353.0
NO	X3	SRM 1914	CUTTER SENSOR & COMM SYSTEMS		(2)		100.00%	(2.0)
NO	X3	GA1 1915	BARRACUDA CLASS COASTAL PATRL BTS		(1)		100.00%	(1.0)
NO	X3	SRM 1916	CUTTER SENSOR & COMM SYSTEM		31		100.00%	31.0
VESSEL, FY NO					11,750			383.0
NO	X3	H 2060	ACI		7,940			
NO	X3	H 2061	ACI		765			
NO	X3	ARM 2309	MRR HELICOPTER HH60 DRUG		-		12.10%	-
NO	X3	SRM 2310	APS RADAR DRUG		-		12.10%	-
NO	X3	ASM 2342	TRAFFIC COLLISION AVOID SYS		-		12.10%	-
NO	X3	SRM 2910	MARITIME PATRL AIRCRAFT ACQUISITN		836		100.00%	836.0
NO	X3	SRM 2917	REACTIVATE OF HU-25 JETS		-		100.00%	-
NO	X3	G O 2918	OPERATNL TEST, FORCE FRM AIRCRAFT		-		100.00%	-
NO	X3	SRM 2919	AIRCRAFT SENSOR & C-130 ENGINE UP		2		100.00%	2.0
AIRCRAFT, FY NO					9,543			838.0
NO	X3	GS 3160	FY01 SUP-NISQUALLY EARTHQUAKE		9			
NO	X3	SRM 3480	MIDWEST FLOOD		-			
NO	X3	SRM 3879	ATC MOBILE		-			
NO	X3	SRM 3918	HURRICANE GEORGES SUPPLEMENTAL		99			
NO	X3	CBU 3950	HYDE PARK PROCEEDS		-			
SHORE PROGRAM, FY NO					108			-
NO	X3	SRM 4380	COMSTA MIAMI RESTORE (ANDREW)		-		12.10%	-
NO	X3	CFS 4515	REFUND ACT		-			
REFUND, FY NO					-			
NO	X3	CBU 7950	REFUND PROGRAM		-			
NO	X3	H 9999	UNDISTRIBUTED		-			
NO YEAR PROJECTS					-			
<b>TOTAL NO-YEAR APPROPRIATION (excluding reimbursables)</b>					<b>\$ 21,401</b>			<b>\$ 1,221.0</b>
<b>TOTAL ALL-YEARS</b>					<b>\$ 937,831</b>			<b>\$ 247,773</b>

**DEPARTMENT OF HOMELAND SECURITY  
U.S. COAST GUARD  
RESEARCH, DEVELOPMENT, TEST AND EVALUATION  
Annual Accounting of FY 2004 Drug Control Funds  
(dollars in thousands)**

<u>Budget Sheets/Programs/Line Items</u>	<u>FY 2004 Obligations</u>	<u>DRUG BUDGET</u>	<u>Pct. For Drug Law Enforcement</u>
<b>G1. Marine Safety</b>	<b>1,287</b>	<b>150</b>	<b>11.7%</b>
a. Risk Competency	302	35	
b. Human Effort/Human Performance	179	21	
SUBTOTAL, NON-PERSONNEL	481	56	
Direct Project Personnel	806	94	
<b>G2. Waterways Safety &amp; Management and Aids to Navigation</b>	<b>658</b>	<b>42</b>	<b>6.4%</b>
a. Navigation Aids	179	--	
b. Vessel Traffic	210	25	
SUBTOTAL, NON-PERSONNEL	389	25	
Direct Project Personnel	269	17	
<b>G3. Marine Environmental Protection</b>	<b>1,084</b>	<b>--</b>	<b>0.0%</b>
a. Oil Spill Response	128	--	
b. Aquatic Nuisance Species Control	150	--	
SUBTOTAL, NON-PERSONNEL	278	--	
Direct Project Personnel	806	--	
<b>G4. Comprehensive Law Enforcement</b>	<b>4,102</b>	<b>862</b>	<b>21.0%</b>
a. Improve Domain Awareness	694	81	
b. Enhanced Interdiction Capability	597	151	
c. Contraband Detection and Vessel Stopping	930	235	
SUBTOTAL, NON-PERSONNEL	2,221	467	
Direct Project Personnel	1,881	395	
<b>G5. Technology Investment</b>	<b>3,652</b>	<b>426</b>	<b>11.7%</b>
a. Technology Assessment	240	28	
b. Select Projects	240	28	
c. Command Center Concept Exploration	1,560	182	
SUBTOTAL, NON-PERSONNEL	2,040	238	
Direct Project Personnel	1,612	188	
<b>G6. R&amp;D Personnel, Program Support &amp; Operations</b>	<b>4,287</b>	<b>588</b>	<b>13.7%</b>
a. Admin/Support Personnel & Related Costs	2,571	353	
b. Support and Operations	1,716	235	
<b>TOTAL REQUEST</b>	<b>\$ 15,070</b>	<b>\$ 2,068</b>	<b>13.7%</b>

U.S. Department of  
Homeland Security

United States  
Coast Guard



Commandant  
United States Coast Guard

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7100

**MAR 15 2005**

**MEMORANDUM**

*R. R. Houck*  
From: RADM R. R. Houck  
Acting G-CCS

Reply to: CG-82  
Attn of: Mr. Dave Pokora  
202-267-2415

To: Acting Inspector General  
Department of Homeland Security

Subj: INDEPENDENT REVIEW OF THE U.S. COAST GUARD REPORTING OF FY 2004  
DRUG CONTROL FUNDS – AUDIT REPORT NO. OIC-05-13

1. In response to your request for Coast Guard's concerns to the content of the subject draft audit report, I recommend you include the following changes:

a. Change the official title of this report to: Independent Review of the U.S. Coast Guard Annual Accounting of FY 2004 Drug Control Funds.

b. In the context of paragraph 3, we recommend you include a statement that explains Coast Guard corrections of material weaknesses discussed are part of the CFO remediation plan.

2. If you require additional assistance on this matter, please contact Mr. Dave Pokora at 202-267-2415.

#

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