DEPARTMENT OF DEFENSE BLOGGERS ROUNDTABLE WITH WITH REAR ADMIRAL GARY T. BLORE, ASSISTANT COMMANDANT FOR ACQUISITION; CHIEF ACQUISITION OFFICER, U.S. COAST GUARD SUBJECT: ACQUISITION REFORM TIME: 10:00 A.M. EST DATE: FRIDAY, NOVEMBER 7, 2008

(Note: Please refer to www.dod.mil for more information.)

CHARLES "JACK" HOLT (chief, New Media Operations, Office of the Secretary of Defense for Public Affairs): Whenever Admiral Blore is ready to go we're ready for him.

ADM. BLORE: Okay, well this is Admiral Gary Blore and I'm the chief of acquisition for the Coast Guard. I appreciate all your time today. I know that it's busy and we're getting a late start so let me get right into some preliminary remarks which hopefully will generate some of your questions, but will save most of the time for questions and answers, which I'd be happy to address.

I think everybody is aware of the fact that is probably calling in to this that I've been at this post since April of 2006. And pretty much coincidentally with my arrival, Admiral Allen became the Commandant and started us on a path of acquisition reform. Just recently, in the last week or so, we've reached what we really feel is our full operating capability as far as new process and people. We used to have a split plan with a lot of the government employees working in Northern Virginia as opposed to where our main headquarters is in Southwest D.C. And now we're all together in the same building along with our technical authorities and our sponsor operators who are just across the street.

During 2008, we delivered quite a few assets to Coast Guard operational forces. I'll just hit a couple of the highlights, but I'm not going to go into great detail unless you have questions because again I want to save plenty of time. We do have the first National Security Cutter, Bertholf, operating off the West Coast right now as it continues to go through its post-acceptance availability. We've christened Waesche, which is the second one and we've started fabrication work on Stratton, which is the third National Security Cutter.

We've delivered four boats on the Response Boat-Medium program and just did the ribbon cutting yesterday on the new facility in Green Bay, which will allow us to go to a full operating capability on that project of about 30 boats per year until we get to 180 boats. We awarded a contract for our new Sentinel-class patrol boat to Bollinger Shipyards on a firm fixed price, after full and open competition. We're just wrapping up our Coastal Patrol Boat contract.

We've delivered 68 boats, have about four more to go and then that contract will wrap up. It's been a great asset for us. We continue with our Mission Extension Program on our Medium Endurance Cutters, our 210s, 270s and our 110s.

We just yesterday accepted our sixth Ocean Sentry aircraft, the Casa 144 in Seville, Spain and it'll be arriving in the United States in about two weeks. We continue with the C-130J missionization program having just awarded the contract for number four of six. And I think you'll see contract awards for five and six before the end of the year.

We continue our modifications to the C-130H. We have 16 of those to do. Rescue 21 continues to roll out a sector about every four to five weeks. I think we're just out about 22,000 miles of coast line on our maritime and shore distress system.

That's all I was going to hit as far as acquisition highlights. While I have just another 30 seconds, though, I would like to remind everybody that we have a website, I'm sure you're all aware of it, uscg.mil/acquisition. It does have RSS capability and we would encourage you to use that, as I know many folks do. And with that, I'll allow the moderator to open it up to questions.

Thank you. MR. HOLT: All right, thank you very much, sir. And Collin, since you were first on the line, why don't you get us started? Hello, Collin, are you still with us?

Q Yes, I am. I had you on speaker, sorry.

MR. HOLT: Okay, thanks.

Q Admiral, I saw your statement you guys put out yesterday on the milestone decision authority. And my basic question to you is how do you expect the change in the milestone decision authority to affect management of the program? And I know you've got your acquisition people stood up now, but what's going to be different?

ADM. BLORE: Okay, and this one I accept is a little confusing, based on the way the directive came out. So let me answer the question quickly but I need to explain it a little bit because the answer may not at first appear to be making sense. If the question is what are we going to be doing differently in acquisition because of the directive, the answer is nothing.

Because what it basically did is, as you know, the directive used the term rescind authority. And, of course, the term rescission means to remove. But it removed an authority we haven't used for 10 months. It's an authority we didn't intend to use in the future.

When Admiral Allen came on board in 2006, I mentioned he started us on this acquisition reform process. And pretty early after that start we recognized that milestone decision authority for the three major times in a project's life: establishing the project as having a material solution and going forward; choosing the alternate that you're going to use; and the production decision; were correctly placed at the departmental level. And all non-Deepwater Coast Guard acquisitions have continued to operate that way in the last 20, 30 years and continue to operate that way today.

We felt that one of the things in the early Deepwater program that caused some of the challenges we had is that we had that waiver to do that within the Coast Guard, that had existed since the Department of Transportation days. And we didn't really want to exercise the waiver anymore. We felt that was a good time to be going to your department, briefing them on your milestone decisions and seeking their concurrence. You get an independent set of eyes, more experience, we meet with all the other agencies up there.

So, what the legislation and the directive basically did is it codified what we're doing. Now we do think it's important to document and codify what we consider a best practice, because that means it will be used now forever in our acquisition organization. But it doesn't physically change the way we're doing things because we have been doing it that way. And if you look at -- I'm most familiar with the United States Navy because we work so closely with them, but this is the same process the Navy uses. That's why they have an assistant secretary for shipbuilding and that's why they take certain milestone decisions to their department, and it's the same for us. So pragmatically it doesn't change what we're doing.

We do believe it's a best process, best practice. We're glad the legislation kind of dots the i's and crosses the t's. But that's the way we'll do business in the future, it's the way we've done business in the near-term past.

Q I understand, sir, that it doesn't change what you're doing, but it does mean that DHS has the final chop on whether each program moves ahead to its next milestone, correct?

ADM. BLORE: That's correct, but they've already been doing that for the non-Deepwater projects and, I believe, all the other components that are in DHS. If you look Sentinel award for the patrol boat, that's a Deepwater project that's been going on for a little over the last year. That was done with all these milestones going up to the department. Even though we technically had a waiver and didn't need to do it, we felt that was a best practice.

DHS has already stood up -- they discussed this with us as the oversight committees did before the legislation came out. And at the time we advised them we didn't see any change in our processes. It's a best practice.

We've already adopted it. But DHS is more than prepared to be doing this and they have been doing it for the last 10 months with us.

Q Okay.

MR. HOLT: Okay, David.

Q Hi, David Act (ph) here. How are you?

ADM. BLORE: I'm fine, how are you?

Q Good. Great. So let's talk about skiffs on Bertholf.

(Laughter.)

Q Random background chuckles. So the secure compartments for communications, does Bertholf have one?

ADM. BLORE: It has space and weight reserved for one. We have the design for one and the equipment is just starting to arrive for it.

Q The equipment is just starting to arrive?

ADM. BLORE: Right. The way the project had been planned, the National Security Cutter was -- as the National Security Cutter design was finalized back in, I guess 2002-2003, we had a decision at the time that this was going to be the first Coast Guard Cutter that was going to have a skiff, which is very, very similar to the way they would be used on naval combatants. At the time, we didn't have a design for a skiff, again because it's a new thing for the Coast Guard and it's a first in class, so we had to work closely with the Navy to design it.

We did immediately come up with space and weight reservations, which were put into the contract. The equipment was determined probably, I don't know, seven or eight months ago. A lot of this is fairly long lead time.

The spaces have been built out. The secure facility has been established. You know, it has the power and the other leads going into it but the equipment is just arriving and being installed. We have our first Coast Guard petty officers that are going to the Navy schools to be trained in how to use it. And that had always been the plan, that we were going to basically deploy the cutter and add the skiff after the fact, since this is the first time we're using a skiff. And any lessons learned we gain. As we install the skiff we'll, of course, backfeed into Waesche and Stratton and Hamilton as they're constructed.

Q Why the delay? Why wasn't the skiffs completed before the vessel was accepted?

ADM. BLORE: Well, I mean the delay in that sense is there's only so many things you can do simultaneously. Again, the equipment and skiffs, as you're aware of because I know you're pretty familiar with them, changes quite frequently. It was just a matter of sitting down with the Navy, once we had the space and weight reserved for it, and deciding exactly what we wanted to put in it.

You know the cutters, since we haven't had skiffs before, you know for Coast Guard missions, is fully capable without a skiff. For national missions the skiff adds a new capability for our government services. So we'll install it as quickly as possible but it was always intended that we would, you know, largely complete the cutter and add the skiff as one of the last major additions.

Q Sir, did the Navy give you the guidance on the space and weight reservation?

ADM. BLORE: I know they worked with us as far as the detailed design. I'm assuming that it was Coast Guard engineers that approved the final design. I'd have to check on that, but I know we worked closely with the Navy.

Again, because we haven't had one before, it's very probable that for the first two or three years the skiff will operate with some complement of Navy personnel. And we've talked to the Navy about that, probably sitting shoulder-to-shoulder with Coast Guard personnel as we kind of cross train and continue to

go through the training programs. Again, because skiffs are a new element that we haven't had in the Coast Guard before.

Q I was just really worried about the -- actually about the physical design of the ship. I know you can't just plunk a skiff down wherever you want. You know, the thing has to be sort of integrated into the design from the beginning. But you're saying that that -- in a sense it was. The equipment wasn't installed but the space itself was there from the outset?

ADM. BLORE: Right, in roughly the June-ish, July-ish 2003 time frame we did the decision memo that approved the skiff, sized it approximately and set aside space and weight. That following spring, so this is 2004, the final designs were done for the National Security Cutter and they completely designed out the skiff. So down to -- you know, these are how many racks of equipment you're going to have, these are the power supplies necessary to feed the skiff, how the air conditioning is going to come into it.

I realize you may not have seen it, the space is physically there. All the racks are in place. It was part of the original design that was finalized as the cutter went into construction. It's just the actual guts of the skiff itself needed to be finalized.

Q That seems like something of a risk, to sort of bring in that national capability after the vessel has been accepted. It seems like, you know, that's a somewhat delicate change to make. I mean, is there going to be a process of reviewing the skiff once the equipment is installed and maybe getting Navy inspectors onboard to make sure everything is up to code?

ADM. BLORE: Yeah, no, absolutely David. And I think, you know, it's a good point that there's always some risk incurred when you don't finish everything simultaneously. But I don't think there's a lot here.

Skiffs, while they're new to the Coast Guard, they're not new to the Navy. If you look at Navy construction it's very common that weapons systems, skiffs, TEMPEST certification, lots of things are done after final acceptance, as long as you have a good plan and a way forward. We're not going to take any steps with the skiff without involving the United States Navy and SPAWARS. It has to be properly certified.

You know, the gear in there is highly classified. This is certainly not something the Coast Guard would even attempt to go alone on, and that's why I mentioned earlier we're kind of shoulder-to- shoulder with the Navy on this.

And SPAWARS, SPAWARS reviewed the design. They approved the space and weight set asides that we were using, as did the Navy NAVSEA, and we'll continue to work with them. But this is not a risk to the project as far as the Coast Guard is concerned.

Q Okay, great. Hey, Jack, I have about 350 follow-up questions so I can (cut ?) that back if there's somebody else who wants to go?

MR. HOLT: Okay, did anyone else join us? Okay, all right, well then Colin.

Q Well I had a basic question, Admiral. Have you -- I understand that you've set aside weight and space, but I assume that since you got the skiff design approved relatively recently, that you've had to make changes in

terms of wiring, some of the integration. Have there been cost increases as a result of this? ADM. BLORE: No, there's cost associated with building a skiff. There's been no cost increases. And I apologize that maybe I'm not completely understanding the questions here, but the skiff feed from a cutter basically involves the air conditioning, power input and, I don't know, three or four or five sensor inputs from the cutter itself.

When you use the term integration, the skiff is largely a stand- alone space. In fact, you intentionally compartmentalize it, that's why it's in the title because you don't want it integrated with the ships C4ISR. The design was done in 2004. It's been approved by SPAWAR and NAVSEA.

So I, you know, we've anticipated the types of concerns that you're expressing, which would be legitimate concerns if you hadn't planned for it. But we're, again, they're putting in the racks. They're putting in the equipment. They have the basic feeds going into the compartment, you know, meeting the necessary standards because it's classified information in there, obviously.

Q Right.

ADM. BLORE: And we'll proceed with it.

Q All right, fair enough.

MR. HOLT: Okay, well David?

Q My turn again, great.

So Admiral, can you run me through some of the lessons learned on Bertholf and which ones will have design implications for follow-on NSCs? In other words, where are we changing NSCs two through whatever, based on what we've learned with NSC-1?

ADM. BLORE: Okay, and you're not talking about management changes, you're talking about physical changes to the ship?

Q Yeah, right, the actual ship itself, right.

ADM. BLORE: Okay, well I think you know that post-September 11th, from what was the original national security cutter concept, that there's about 11 changes that were introduced into NSC-1. So they were already introduced into the Bertholf. That included things like, I think they lowered the camber a little bit on the bow so that the gun could de-elevate a little bit for close-in weapons support if you have like swarming small boats coming at you. They lengthened the flight deck so it could take 860s with tail wheels. But that was all done before the HS -- or excuse me, the National Security Cutter number one final design was done.

Since then, you know, we had the issue with doing modeling with NAVSEA Carderock division, that we did not feel 100 percent confident that we could get a 30 year fatigue life. So we did a redesign that included some structural enhancements to ensure that we would get a 30 year fatigue life. So those will be introduced at a later time into number one and number two. They're being built from the ground up in number three, because that was the soonest we could re-enter into the construction process.

The stern doors that were originally put on the Bertholf have been modified to have a little bit of a camber. The original stern doors were pretty much horizontal. This was because, as you know, we have a stern launch and they open horizontally across the water. We felt it would be better if they actually had a little camber so that gravity was holding them closed and hydraulically you would open them. That has already been modified on Waesche and is in the process of being modified on Bertholf.

We've learned a lot about TEMPEST and the way the classified, and at the point, the classified and nonclassified wiring and systems touch each other, about what we need to do to meet standards. I think there's about 44 or 45 total C4SR cabinets on Bertholf, of which 12 or 13 involve classified circuits. And we've already changed quite a bit in three of those. We have two more that will be finished in December.

This has to do with the bonding of connectors, the way grounds are in there, how, you know, red and black wires are used and that sort of thing. That's certainly a lesson learned, that for Waesche, their cabinets will be installed that way. So TEMPEST certification for one should be a much quicker exercise on Waesche and Stratton and Hamilton than it has been on Bertholf.

Maybe I'll stop there, but I think those are the -- we do backfit any changes we're making to Bertholf into the construction for Waesche and Stratton. As everybody knows, it's less expensive if you do it from the beginning rather than put it in after construction. But I think those are probably the three major things: the stern doors, the structural enhancements and TEMPEST.

Q Right, and of course like you said, it's cheaper to make those changes early on. But nevertheless, in light of the ongoing lessons learned process, in light of the possibility there will be more, are we budgeting adequately for potential cost increases based on changes that we might need to make to the vessels?

ADM. BLORE: Well as a good acquisition official I would tell you I always could use a little more money for a management reserve. But yes, we are budgeting for it. We don't have a real large change allowance for these things because we're trying to use the taxpayers money as efficiently as possible.

But we do allow for some changes, especially with the first in class, less so with subsequent vessels. I did have an article recently that I think Patricia Kime (ph) put out in Seapower that has some quotes from me and Allison Stiller (ph), which I would commend to you if you have time to read it. I think it was printed in early November.

It talked about commodity price increases and some of the Euro dollar inflation versus the dollar that we're facing. Some of those were certainly not as anticipated to be as strong as they are. For example, the price of nickel I think has gone up 353 percent over the last five or six years.

So that's probably where most of the pressure is right now. It's on -- well it's really in three areas: commodity price increases, the continued strength or lack thereof of the dollar versus the Euro dollar. About eight percent of the National Security Cutter is purchased with Euro dollars, so that exchange rate affects as we purchase equipment. And then labor, of course, is the other big component of that on the Gulf coast. Q Okay. There have been reports earlier that the Coast Guard was considering buying maybe just six

National Security Cutters in light of cost increases or requirements changes. Can you comment on that first, and then I have a follow up on that point.

ADM. BLORE: Sure, I can only comment on things I know about, but I'll be happy to comment on those. The Coast Guard, you know, if you're talking about the Coast Guard as an agency, we've never talked about six NSCs other than to report that we did an alternatives analysis which looked at the offshore fleet mix. And as part of that alternatives analysis, which was done by a third party independent, ABSG Consulting, and as part of full disclosure, they teased the idea of should it be six National Security Cutters and then maybe build a more capable Offshore Patrol Cutter? Would that be a better balance or would it be a better balance to have the original eight National Security Cutters and the 25 Offshore Patrol Cutters?

We haven't taken, really, a position on that other than our program of record is eight. We're continuing with the eight. We thought it was an interesting academic argument but there certainly wasn't enough information in the alternatives analysis to show how you would do a trade off from the last two National Security Cutters to the next lines. So there's no active Coast Guard interest in anything other than eight National Security Cutters. But I suspect, if you've read something about it, you would be able to trace it back to that alternatives analysis which I think is available publicly if you need a copy.

Q No, no, you're right, that's where it came from. So you don't believe that there's a possibility -- you can't swap out the Offshore Patrol Cutters for a National Security Cutter? I mean, what's the -- is it the size of the vessel that makes a difference?

ADM. BLORE: Well I think it's the range and it's the firepower that the National Security Cutter has. You know, the National Security Cutter is really intended to be our global maritime defense cutter that can deploy with the Navy, which affects its speed of advance so it can stay with the squadron. It affects its range capabilities and its armament.

You know, the Coast Guard is interested, again, in trying to bring in an Offshore Patrol Cutter, when we do, that expenses our treasury as efficiently and as effectively as possible. So, of course, the more capable you make the Offshore Patrol Cuter the more costly it's going to be. So we think the eight National Security Cutters and 25 less capable Offshore Patrol Cutters is a good mix for efficiency, but we need about eight of the National Security Cutters for our Western Pacific missions where the ranges are much longer and some of our Arctic missions and also for our deployments with the Navy.

Q Fantastic, great. Jack, does anybody else want to jump in here? MR. HOLT: Okay, well I think -- I'm thinking the others probably didn't -- couldn't navigate the system there. And we've got just probably enough time for one more question, so go ahead.

Q Damn. Me?

MR. HOLT: Yes.

Q Oh, good. Then I guess I'd better sift through my big stack of questions here and settle on one more. Okay, fine. What are we going to do about icebreakers?

ADM. BLORE: Okay, and I'm good for Jack's purposes -- I'm good for at least another 15 minutes here, but I'll try to keep my answers shorter. I don't have icebreakers as a program of record in acquisition right now. You know, there's been a lot of work on it. We are looking at the potential for ice-reinforced hull options for the Offshore Patrol Cutter. Probably not for the whole class but whether parts of the 25 ships should have ice-reinforced hulls. But we're just starting to do the very preliminary look at that.

You know, icebreakers is a national policy issue and needs to be made. I think you're aware of the fact that we have one Arctic-class icebreaker and one Polar-class that's operational. We have another Polar-class that is not operational. We just got, I think it was $30 million, to start the rejuvenation of the -- I think it's the Star, the Polar Star that is not currently operational. But right now I don't have a program within acquisition for icebreakers.

I'm hoping -- I think the Coast Guard is hoping that there will be a national policy decision probably with the new administration that we need to build either some new icebreakers or we need to do a fairly heavy rehabilitation of the existing icebreakers.

Q That doesn't give you -- doesn't keep you up at night, the age and size of the icebreaking fleet?

ADM. BLORE: I have 22 other projects that keep me up at night and when I have 23 then I suppose it will, but again, right now it's not something that the acquisition director is working on until the national policy decision is made and it becomes a program of record.

Q Okay, great. UAVs, the Coast Guard had to give up the TiltRotor UAV concept. What's going on with UAVs now?

ADM. BLORE: Okay, well we look at it as kind of a system of UAS, unmanned Aerial Systems, and if you go back to the original ICGS concept they had like a tactical -- the Eagle Eye that was going to operate off the National Security and Offshore Patrol Cutters. And then I think they were using a Global Hawk type vehicle for high altitude. We've taken a hard look at that. We also used the alternatives analysis for it.

We think we need a mix of tactical vertical lift UAVs off the backs of the National Security Cutter and Offshore Patrol Cutter and then probably a mid-altitude UAS to help do maritime surveillance, especially in areas like the Caribbean, well offshore but not that far offshore. You know, 3(00), 4(00), 500 miles. We've done some preliminary work to try to look at what that matrix would look like.

One of the things we learned from Eagle Eye, which was the tilt rotor that you referenced, is we cannot afford developmental costs for these program. So we're really looking for UAS systems that are technically mature and production mature. We're working closely with PNA-266, which is the naval project for Fire Scout. We believe that has a lot of potential for us.

Fire Scout does not have an integrated radar right now, which would be a Coast Guard requirement. But with our encouragement the Navy added that to their program of record last fiscal year and they'll be installing a radar, I believe it's late this fiscal year for testing.

We're doing what they call a dry fit of Fire Scout on the National Security Cutter Bertholf when it comes back into port, which they'll literally crane a Fire Scout on board and then move it around the deck and into the hangar to make sure there's no unforeseen consequences doing that. It should fit fine. And we also like the idea that we might be joining with our Navy partners to do that.

In the mid-altitude area, we've primarily been working with Customs and Border Protection. As I think you're aware, they have several UAS programs, but it's primarily the Predator program that they're using that we're interested in. We believe there's a lot of savings that could be had by us joining with CBP and using a common command and control facility, which they already have, where we would operate both, you know, potentially Coast Guard Predator aircraft and CBP Predator aircraft from the same site.

We have gotten support from the Congress in both our regular appropriation and in our RDT&E appropriation to continue to do evaluations of both the type of UAS that would operate off the National Security Cutter and the mid-altitude UASs. And that's, I think, the extent of my knowledge. We have a couple published reports which I think you could also access that talk about our early evaluations. We did a Predator evaluation in the Gulf. We've done some preliminary work on how a vehicle like Fire Scout would work and how we would use that.

Q Okay, fantastic. Let's talk about the Fast Response Cutter, if we've got a few more minutes.

MR. HOLT: Okay. Yeah, go ahead.

ADM. BLORE: Sure.

Q So, there's been a protest and would -- what do you anticipate happening -- I mean, how fast, how long is this protest going to hold up the program? Are there going to be potential cost increases because of the protest? And when can we get this thing moving forward again?

ADM. BLORE: Well, you know, the protest has been filed with GAO. The government just had its first due date for documents as part of the discovery process just yesterday that we needed to provide to the GAO, and we met that deadline and provided it.

We have spoken informally with the GAO. We certainly respect the process and acquisition integrity of the protest process. They've assured us they'll try to keep it on their 100-day timeline. Typically, for these sorts of things, though, by the time you go through all the documentation -- we don't anticipate a decision much before 100 days, and that would put it, I think, in the third week of January.

Right now, we don't really foresee any significant cost increase as a result of this, but we do lose schedule, you know, which is about day-for-day, so we'll starting the program 100 days later. While we're not excited about the fact that we're delaying the program a little bit, we respect the fact that it's important, overall, writ large for the government, that we make sure that we have good visibility and that we can demonstrate the integrity of the award process, which we think we can. We think it was done exactly the way you should do contract awards, and we think -- we're very confident that GAO will find that. But we need to wait until GAO says go ahead.

Q So leaving aside the protest issue, looking -- let's assume that, you know, we move forward with the existing contract with Fast Response Cutter, what are the big risks in that program?

ADM. BLORE: The big risks in that program --

Q Surely, there are some -- in your mind, what are the greatest risks in FRC?

ADM. BLORE: Well, I'm going to turn it around the other way a little bit, but I think it'll get to the same questions -- what are the risks we considered and how did we try to mitigate them? You know, the standard triangle cost schedule performance, of course.

We wanted to go to a fixed price contract because of the control it gives us over cost. You know, we did look at schedule -- certainly, one of the criteria was looking at management capabilities of the company. You know, we looked at things like, you know, the effects of weather, the effects of the labor pool.

I think that a lot of our interest in the new Coast Guard acquisitionm process, where the Coast Guard is the system integrator, is that we have a direct contractual relationship with whoever the manufacturer is, which we have here. We've written into the contract -- since we're using a parent craft, which is using a Dammon design -- that Dammon has to be involved in any modifications that are made to that original design. We think that's important from lessons learned from the past.

We have extensive involvement of our own technical authorities, our engineers and our C4SR folks, in reviewing this design from the very, very beginning. So that mitigates, you know, risk of surprises potentially down the line.

We have an on-site government staff, which we haven't always used. So the -- the project resident office -- program resident office is -- in fact, some of them are already there -- but they will stand up and be physically at the manufacturer site as we go forward.

We're classing the vessel, which was another way to mitigate risk. We're using ABS for that. We chose a parent craft that had been classed internationally -- and I think it was Lloyds in this case. So it already meets most of the class characteristic that it needs to. But ABS will ensure it continues to do that as it's modified. And we continue our Navy partnership with Soup Ships down there. So I guess that's -- that's more the way I'd express it. Those are the things we thought about that -- and others that we thought would be of concern to us that we wanted to ensure that we could mitigate risk in those areas and bring any potential risk into a low-risk category. And that's how we addressed it.

Q Would you characterize this as a conservative design?

ADM. BLORE: I think I would characterize it as a modern design. I don't know how you're using the word conservative. But it's -- it is a design that is used worldwide.

You know, the Dammon series of designs -- we're using the 47 meter, but they have a 41 meter, a 42 meter -- you know, so they've used the kind of same basic hull form and made it a little bit bigger and a little bit smaller. It's been modified elsewhere in the world with Stern Launch. It's been built elsewhere in the world under license. So it's a very proven design in that sense.

So if you meant conservative meaning "low risk," yes --

Q Right.

ADM. BLORE: -- then I would agree it's a low risk design.

Q Okay. Great.

MR. HOLT: Okay.

Q Jack, I'll -- I'll just -- I could go on forever. I'll just stop here. (Chuckles.) Thanks.

MR. HOLT: (Chuckles.) All right. Okay.

Well, thanks, David. Thanks, Colin. And thank you, Rear Admiral Gary T. Blore, who's the assistant commandant for acquisitions and the chief acquisition officer for the United States Coast Guard. Thanks for being with us today for this Bloggers' Roundtable.

Q Thanks.

ADM. BLORE: You're very welcome. Thank you.

Q Bye-bye.

END.