



Commandant  
United States Coast Guard

2100 2nd Street  
Washington, DC  
Staff Symbol: G-SEN  
Phone: (202) 267-2002

**COMDTINST 5400.13B**  
FEBRUARY 11, 2002

**COMMANDANT INSTRUCTION 5400.13B**

**Subj: U. S. COAST GUARD YARD POLICY STATEMENT**

1. **PURPOSE.** This Instruction establishes the Coast Guard’s policy regarding the Coast Guard YARD from FY 2002 – FY 2006. This policy focuses on the YARD’s mission, its workload composition, and the selection of the YARD by Coast Guard senior management for assignment of work and the YARD’s ongoing commitment to improving efficiency, quality and cost effectiveness.
2. **ACTION.** Area and district commanders, commanders of maintenance and logistics commands, commanding officers of headquarters units, assistant commandants for directorates, Chief Counsel, and special staff offices at Headquarters shall ensure compliance with the policy in this Instruction.
3. **DIRECTIVES AFFECTED.** U.S. Coast Guard YARD Policy Statement, COMDTINST 5400.13A is cancelled.
4. **FORMS/REPORTS.** None
5. **BACKGROUND.**
  - a. In the report accompanying the Department of Transportation Appropriations Bill of 1989, Congress specified the YARD would remain permanently open as part of the Coast Guard’s (CG) core industrial base. The Secretary of Transportation LTR dated April 21, 1989 designated the YARD as an “essential logistics activity.” Moreover, the YARD is the Coast Guard’s sole ship construction facility and primary major repair facility. As such, it is an essential part of the CG’s core industrial support base and supplier of depot level fleet support services. In the wake of the September 11, 2001 Attack on America, and the intensity of the CG response role in the Homeland Security realm, the value of the YARD to provide the necessary agility to sustain critical fleet readiness is ever more crucial to our Coast Guard and our nation.
  - b. The YARD activities are funded by a revolving fund pursuant to 14 USC 648, and operates similar to a not for profit business. The charges for accomplishing projects at the YARD are used to pay the employee’s salaries (military and civilian), pay overhead cost and procure

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material. In order to maintain a versatile workforce representing a cross section of marine related trades, it is vital for the Coast Guard to identify and plan for future YARD workload. The YARD maintains a five-year projection of future work in order to project activity levels. In order for the YARD to operate in the most cost-effective manner, steady state workload must remain at or near capacity. To achieve this workload to capacity balance requires an organizational commitment to direct sufficient work to the YARD. Moreover, to manage activity levels and ensure a viable workforce, the YARD must be aware of future projects that could be accomplished either at the Curtis Bay facility, or by exportable work teams. This document provides Team Coast Guard with guidance for YARD workload management for the next five fiscal years.

6. **POLICY**. The following Coast Guard components shall take the appropriate action to ensure YARD is included in planning for all projects within the Coast Guard YARD's capabilities and actively view the YARD as the primary logistics support provider. They shall be guided by the amplifying information in enclosure (1).
  - a. The Assistant Commandants for Acquisitions and Operations (G-A, G-O) and their respective staffs shall, upon receipt of tasking, or commencement of planning for new projects/acquisitions/missions involving cutters, boats, or marine electronics systems, notify the YARD, via Chief, Office of Naval Engineering (G-SEN), of new requirements. This notification will serve as a reminder for the acquisition and operation directorate staffs to review the YARD's capabilities in the development of acquisition strategies or issuing requirement changes.
  - b. The Program Executive Officer (PEO) for the Deepwater Capabilities Project (G-D) shall work closely with the Assistant Commandant for Systems (G-S) to identify Deepwater cutter sustainability work that may be suitable or identified by the Integrated Deepwater System (IDS) system integrator for accomplishment at the CG YARD.
  - c. The Assistant Commandant for Systems shall be alert to all marine related work that fits the YARD's capabilities. Such work includes, but is not limited to: renovation, conversion, repairs, and remediation of cutters and boats; new construction of ships, boats, and electronic systems; buoy overhauls, and Other Government Agency (OGA) work. Within the Systems Directorate, this shall include:
    - 1) The Offices of Electronic Systems (G-SCE), Telecommunications Systems (G-SCT), and the Computer Systems (G-SCC) shall notify the YARD, via G-SEN, of all future electronic systems projects that fall within the YARD's capability.
    - 2) Chief, Office of Civil Engineering (G-SEC) shall consider the YARD as a source of supply for new buoy construction and notify the YARD, via G-SEN, of all other future projects that fall within the YARD's capabilities.
    - 3) Chief, Office of Naval Engineering (G-SEN) shall both advocate for and provide fiscal oversight and quality assurance oversight of the YARD. Specifically, G-SEN shall:

- a. Pursue all prospective work identified by Headquarters staffs and OGAs and coordinate marketing and planning efforts with the YARD.
  - b. Identify and facilitate marketing opportunities for potential customers and/or tours of the YARD.
  - c. Review the YARD's budget quarterly.
  - d. YARD shall provide, via G-SEN, detailed documentation of project expenditures monthly compared directly to the original project estimate with justification for any cost or schedule overruns.
  - e. Review all reports of quality deficiency and act as independent arbiter over equitable. Arrange for a quarterly brief of the YARD's 5-Year Projected Workload Plan with appropriate Offices within Headquarters.
- d. The Director, International Affairs (G-CI) shall consider the YARD as the sole source for Coast Guard Naval Engineering industrial activity in support of Coast Guard International actions. This does not preclude G-CI from utilizing other non-Coast Guard contracting sources on behalf of foreign clients as required, following the transfer of Excess Defense Articles. G-CI and staff shall notify the YARD, via G-SEN of support needs in connection with the transfer and follow-on support of excess cutters and boats as Excess Defense Articles (EDA) under the Foreign Military Sales (FMS) program. Additionally, G-CI shall assist in obtaining other projects with the YARD's maintenance, repair, or support capabilities, which will enhance the Coast Guard's role in supporting friendly nations and U.S. foreign affairs (e.g., Royal Saudi Navy MK 75gun overhaul program).
  - e. The Chief, Office of Financial Management (G-CFM) shall consider the YARD as a source for storing, on a space available basis, excess cutters and boats preparatory to disposal disposition. G-CFM shall notify the YARD, via G-SEN, of all new requirements.
  - f. Commander, Maintenance and Logistics Commands (v and t division) shall actively work with the YARD to schedule and execute cutter availabilities with due regard to competing requirements for employment standards (days away from home port). Additionally, MLC's shall consider the YARD as a preferred source for manufactured components, of ship and boat change installations, casualty support, buoy repair work and for other in-port work to be accomplished by exportable work teams.
  - g. Commanding officer, Engineering Logistics Center (ELC) shall continue to use the YARD as a primary supplier of goods and services in the following areas: Patrol Board engine overhauls, Cutter & Boat engineering change accomplishment, controllable pitch propeller repairs, ordnance repairs, and electronics projects. The ELC shall actively view the YARD as the preferred source for manufacturing of components, repair of marine related equipment, and supplier or Naval Architect Engineering Services.

- h. Commanding Officers of TISCOM and C2CEN shall review their electronic system repair, overhaul, modernization and ship alteration projects for their suitability for YARD accomplishment. The goal is to fully employ the YARD when the capabilities, cost and schedule constraints are competitive with other sources and provide the best value to the Coast Guard.
- i. The YARD Commanding Officer and staff shall continue to maintain the YARD's core Industrial capability to ensure an efficient and cost effective organization with the goal of contracting and expanding the workforce commensurate with the workload. This shall be accomplished by proactively managing the YARD workforce using all available civilian workforce management tools to ensure staffing flexibility. This includes the increased use of term versus full time permanent positions. Furthermore, particular attention should be paid to the goal of reducing fixed overhead costs. He/she shall strive for continuous improvement toward comparable affordability with private sector shipyards and diligently work with customers to ensure maximum adherence to cost, schedule and performance requirements. In addition, the YARD Commanding Officer shall maintain a 5-year workload-planning horizon in coordination with headquarter staff components, other Coast Guard commands and other government organizations and actively promote the YARD's industrial capabilities.

J. M. LOY

Encl: (1) Listing of YARD Considerations and Capabilities for Work Assignments

## **YARD CONSIDERATIONS AND CAPABILITIES FOR WORK ASSIGNMENT**

1. The YARD is considered a center of excellence in the quality and environment fields and has recently received both ISO 9001 recertification and ISO14001 registration.
2. These certifications along with many other process improvement and quality awards, distinguish the YARD's fleet support capabilities. These capabilities are typically provided in partnership with the Engineering Logistics Center and the Maintenance and Logistics Commands as part of our overall Integrated Logistics Infrastructure and include the following: New construction of cutters and boats; repair, retrofit, and renovation of cutters and boats and various aids to navigation; manufacture of unique Coast Guard items; essential engineering, logistics and technical information support; industrial planning and estimating support; industrial experience to the naval engineering community; casualty response support to the fleet; design and production engineering; electronic equipment installation and overhaul; establishing and maintaining component reparable Production lines; and prototype development. In addition, the YARD is certified by the Naval Sea Systems Command as a Limited Repair Facility for Coast Guard operated, Navy-owned ordnance.
3. The YARD is also the host facility for the Engineering Logistics Center, Activities Baltimore, USCGC JAMES RANKIN, USCGC SLEDGE, Station Curtis Bay, and numerous Coast Guard detachments. Over 1600 personnel depend on the YARD's support personnel to provide a wide spectrum of community services. This role which is independent of the YARD's Industrial activities enables the YARD to offer visiting cutters a broad spectrum of shore support services not found at commercial shipyards (e.g., full support gym, MWR, swimming pool, tennis courts, ball fields, boating marina, exchange, onsite medical and dental).