

# Secretary Noem Terminates Contract for Two Coast Guard Offshore Patrol Cutters



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WASHINGTON – Today, United States Department of Homeland

Security Secretary Kristi Noem announced the partial termination of a wasteful shipbuilding contract to protect American taxpayer dollars while revolutionizing the United States Coast Guard for the 21st century.

“This Administration is unwavering in its commitment to the American taxpayer and to a strong, ready Coast Guard,” said a senior Homeland Security official. “We cannot allow critical shipbuilding projects to languish over budget and behind schedule. Our Coast Guard needs modern, capable vessels to safeguard our national and economic security, and we will ensure every dollar is spent wisely to achieve that mission. This action redirects resources to where they are most needed, ensuring the Coast Guard remains the finest, most-capable maritime service in the world.”

As part of that commitment, the Coast Guard is reviewing contracts which are failing to meet delivery agreements. An existing Offshore Patrol Cutter (OPC) contract with Eastern Shipbuilding Group (ESG) has been slow to deliver four OPCs, harming the U.S.’s defense capabilities and wasting American’s hard-earned money. In light of that, Secretary Noem partially canceled ESG’s contract for two out of the four OPCs expected from ESG in Panama City, Florida because it was not an effective use of taxpayer money.

ESG’s delivery of OPC 1 was initially due in June 2023 but will now be completed by the end of 2026 at the earliest. ESG missed its April 2024 delivery for OPC 2. The Coast Guard stopped work on OPCs 3 and 4 after ESG notified the service earlier this year they could not fulfill their contractual duty to deliver all four OPCs without unabsorbable loss. The money saved will be redirected to ensure it’s actually benefiting the Coast Guard.

Due to decades of neglect by previous Administrations and Congress, the Coast Guard has been underfunded, underequipped, and ignored for too long. President Donald Trump is ending

that era of neglect with the passage of the One Big Beautiful Bill and Force Design 2028 – Homeland’s plan to transform the Coast Guard into a more agile, capable fighting force. Now, a massive injection of nearly \$25 billion is coming to the Coast Guard.

The Coast Guard’s goal is to procure 25 OPCs – and that has not changed. The Coast Guard remains intent on acquiring and delivering the full OPC class as fast as possible to address the Nation’s security and safety needs.

The OPC fleet will complement the capabilities of the Service’s National Security Cutters, Fast Response Cutters and Polar Security Cutters as an essential element of the Nation’s layered maritime security strategy. They will be especially critical to the counter-drug and migrant interdiction missions along the southeast border.