The Advanced SEAL Delivery System (ASDS) is a hybrid combatant submersible providing clandestine delivery and extraction of Navy SEALs and equipment in high-threat environments. The first ASDS has had significant performance issues and has cost, to date, over $885 million. In May 2006, you requested that GAO review ASDS. This report examines (1) how the Navy managed ASDS risks through its contracts and (2) the status of major technical issues and program restructuring.

What GAO Recommends

GAO is making recommendations to the Secretary of Defense to help ensure that a decision to proceed with ASDS is based on acceptable cost, schedule, and performance criteria; that essential design changes are operationally tested prior to a program decision; and that the future contract strategy appropriately balances risk and promotes better accountability. DOD partially concurred with GAO’s first two recommendations and concurred with the third recommendation.

Continuing problems with the existing ASDS led to DOD’s April 2006 decision to cancel plans to buy additional ASDS boats, establish an improvement program for the in-service ASDS, and conduct an assessment of alternative material solutions to fulfill remaining operational requirements. The problems have seriously degraded the boat’s reliability and performance, and the boat is only available for limited operational use. The results of these improvement and assessment efforts are expected to provide DOD the knowledge needed to determine whether ASDS’s reliability can be improved cost-effectively to make ASDS an operational asset and whether an alternative development program is needed to meet the remaining operational requirements. A program decision is planned in mid-2008, after the ASDS improvement program and assessment of alternate material solutions are completed.