

GAO Highlights

Highlights of [GAO-17-548](#), a report to congressional committees

Why GAO Did This Study

The Navy's four public shipyards—Norfolk Naval Shipyard, Portsmouth Naval Shipyard, Puget Sound Naval Shipyard and Intermediate Maintenance Facility, and Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility—are critical to maintaining fleet readiness and supporting ongoing operations involving the Navy's nuclear-powered aircraft carriers and submarines. The condition of these facilities affects the readiness of the aircraft carrier and submarine fleets.

Senate Report 114-255, accompanying a bill for the National Defense Authorization Act for Fiscal Year 2017, included a provision for GAO to examine the capital investment in and performance of the Navy's shipyards. GAO evaluated (1) the state of the naval shipyards' capital facilities and equipment, (2) the extent to which shipyard capital facilities and equipment support the Navy's operational needs, and (3) the extent to which the Navy's capital investment plans for facilities and equipment are addressing shipyard challenges. GAO reviewed data from fiscal years 2000 through 2016 on shipyard capital investment and performance and the age and condition of facilities and equipment; reviewed Navy guidance; visited the shipyards; and interviewed Navy and shipyard officials.

What GAO Recommends

GAO recommends that the Navy develop a comprehensive plan to guide shipyard capital investment, conduct regular management reviews, and report to Congress on progress in addressing the shipyards' needs. DOD concurred with all 3 recommendations.

View [GAO-17-548](#). For more information, contact Zina Merritt at (202) 512-5257 or merrittz@gao.gov.

September 2017

NAVAL SHIPYARDS

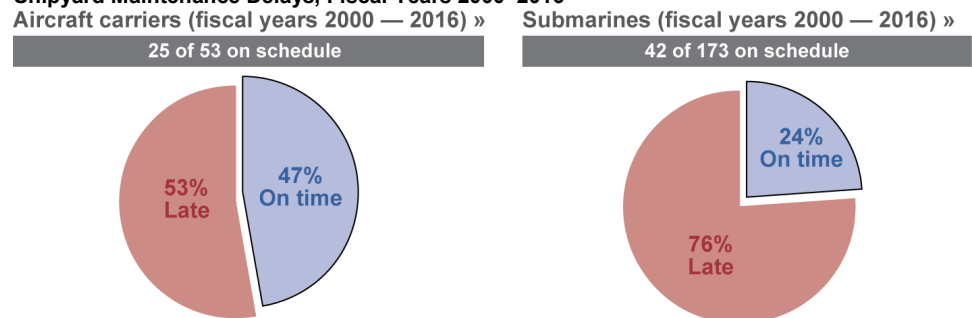
Actions Needed to Improve Poor Conditions that Affect Operations

What GAO Found

Although the Navy committed to increased capital investment and developed an improvement plan in 2013, the shipyards' facilities and equipment remain in poor condition. GAO's analysis of Navy shipyard facilities data found that their overall physical condition remains poor. Navy data show that the cost of backlogged restoration and maintenance projects at the shipyards has grown by 41 percent over five years, to a Navy-estimated \$4.86 billion, and will take at least 19 years (through fiscal year 2036) to clear. Similarly, a Navy analysis shows that the average age of shipyard capital equipment now exceeds its expected useful life.

Partly as a result of their poor condition, the shipyards have not been fully meeting the Navy's operational needs. In fiscal years 2000 through 2016, inadequate facilities and equipment led to maintenance delays that contributed in part to more than 1,300 lost operational days—days when ships were unavailable for operations—for aircraft carriers and 12,500 lost operational days for submarines (see figure). The Navy estimates that it will be unable to conduct 73 of 218 maintenance periods over the next 23 fiscal years due to insufficient capacity and other deficiencies.

Shipyard Maintenance Delays, Fiscal Years 2000–2016



Source: GAO analysis of Navy data. | GAO-17-548

Note: Aircraft carrier data are incomplete for fiscal year 2016, and submarine data are incomplete for fiscal years 2014 through 2016. Both will likely be higher once these data are complete.

Though the Navy has developed detailed plans for capital investment in facilities and equipment at the shipyards that attempt to prioritize their investment strategies, this approach does not fully address the shipyards' challenges, in part because the plans are missing key elements. Missing elements include analytically-based goals and metrics, a full identification of the shipyards' resource needs, regular management reviews of progress, and reporting on progress to key decision makers and Congress. For example, the Navy estimates that it will need at least \$9.0 billion in capital investment over the next 12 fiscal years, but this estimate does not account for all expected costs, such as those for planning and modernizing the shipyards' utility infrastructure. Unless it adopts a comprehensive, results-oriented approach to addressing its capital investment needs, the Navy risks continued deterioration of its shipyards, hindering its ability to efficiently and effectively support Navy readiness over the long term.