

# GAO Highlights

Highlights of [GAO-22-105993](#), a testimony before the Subcommittees on Readiness and Management Support and Seapower, Committee on Armed Services, U.S. Senate

## Why GAO Did This Study

The poor condition of infrastructure at the Navy's four public shipyards directly affects the readiness of the aircraft carrier and submarine fleets they are charged with maintaining. These conditions also affect the Navy's ability to support the national defense. In response, the Navy developed a plan to address the shipyards' infrastructure deficiencies, called the Shipyard Infrastructure Optimization Plan. The Navy estimates it will require \$21 billion and 20 years to implement the plan.

This statement summarizes (1) the Navy's actions to address the shipyards' infrastructure challenges and (2) remaining challenges the Navy faces in implementing the SIOPI. It also discusses the Navy's progress in implementing GAO's prior recommendations.

This statement is based on previously published work from 2017 through May 2022 on Navy maintenance, the condition of Naval shipyards, and the Navy's Shipyard Infrastructure Optimization Plan.

## What GAO Recommends

GAO made nine recommendations in prior work cited in this statement. The Navy concurred with these recommendations and has fully implemented five of them. The Navy should continue taking steps to address the remainder of these recommendations, particularly those to develop more accurate cost estimates for the SIOPI.

View [GAO-22-105993](#). For more information, contact Diana Maurer at (202) 512-9627 or [maurerd@gao.gov](mailto:maurerd@gao.gov).

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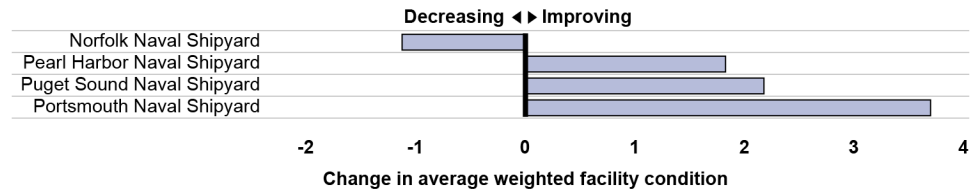
## NAVAL SHIPYARDS

### Ongoing Challenges Could Jeopardize Navy's Ability to Improve Shipyards

## What GAO Found

The Navy has taken several actions to improve its public shipyards in recent years. In 2018, the Navy began a 20-year, \$21 billion effort to modernize and optimize its shipyards, known as the Shipyard Infrastructure Optimization Plan (SIOPI). The Navy has also implemented some GAO recommendations in its efforts to improve shipyards, such as creating a program office to manage the SIOPI. In addition, the Navy invested in shipyard infrastructure above the minimum level set by Congress. Finally, the average condition of facilities at Navy shipyards has improved at three of the four shipyards from 2016 to 2020.

Change in Average Weighted Condition Rating at Navy Shipyards, Fiscal Year 2016 - 2020



Source: GAO analysis of service facility condition data. | GAO-22-105993

However, the Navy faces a number of remaining challenges to improving the infrastructure at the shipyards.

- The backlog of facility restoration and modernization projects—those intended to restore, renovate, or replace buildings or components—has increased by over \$1.6 billion in the last 5 years.
- The average age of capital equipment has continued to increase. More than half the equipment at the shipyards is past its expected service life.
- The cost of dry dock projects has doubled and may grow further. In 2018, the Navy estimated that it would need \$4 billion to modernize its 17 dry docks. However, the Navy reports that the cost of just the first three dry dock projects has grown by over \$4 billion. This is on top of costs not included in the initial SIOPI estimate—such as inflation, utilities, environmental remediation, and historical preservation—which could add billions.
- Initial SIOPI schedule goals have slipped. Detailed shipyard investment plans will not be complete until fiscal year 2025, 3 years later than planned.
- Completely implementing the SIOPI will involve funding well above the levels allocated in recent years for shipyard infrastructure; as well as significant planning and sustained management attention over 20 years.

Addressing the remaining GAO recommendations could assist the Navy in reaching its goals of improved shipyard capacity and performance. For example, developing accurate cost estimates will help the Navy articulate its resource needs to fully implement the SIOPI. This includes optimizing facilities and replacing aged equipment in addition to the dry dock improvements already underway. GAO will continue to monitor and assess this multi-year effort, including the Navy's cost and schedule estimates for the SIOPI.