GAO Highlights

NAVAL SHIPYARDS

Complete Information Needed for Decision-Making on Multibillion-Dollar, 50-Year Infrastructure Program

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A report to congressional committees

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What GAO Found

The Navy's Shipyard Infrastructure Optimization Program (SIOP) will surpass $200 billion and take over 50 more years to execute, based on GAO's analysis of Navy plans. Developing the plans and cost estimates to rebuild the Navy's four public shipyards has taken the Navy years longer—and will cost much more—than originally anticipated due to multiple challenges and changes involved in the program. For example, environmental issues led to additional projects and more extensive work affecting project plans and costs at the shipyards, including Puget Sound Naval Shipyard (see figure).

Seismic Risks Identified at Puget Sound Naval Shipyard

Issue

The Navy included known risks in its 2018 *Shipyard Infrastructure Optimization Plan*, but increased seismic risks uncovered since 2023 have resulted in unplanned projects, including for dry docks at Puget Sound.

Unplanned project costs

The Navy identified more than $1 billion in needed retrofits and construction to address seismic risks at Puget Sound. This included $830 million requested in fiscal year 2026 for upgrades to Dry Dock 4 (pictured).

Source: GAO analysis of Navy information; U.S. Navy/Jeb Fach (image). | GAO-26-107830

The Navy established an oversight framework to guide SIOP plans and decisions over the duration of the program. The framework includes tools and requirements typically used for major defense acquisition programs—like for missiles, aircraft, or ships. However, the Navy has not outlined steps in the framework to reevaluate program objectives and resources as the program progresses over the next several decades. Without building such reviews into key future decision points, the Navy is limiting its ability to ensure that capabilities in SIOP's plans today continue to be aligned or adjusted to support future fleet warfighting needs.

Further, while the Navy provides Congress with reports and briefings on various aspects of SIOP, the Navy does not provide Congress with consolidated, standardized information on full program costs and risks because there is no requirement to do so. In contrast, major defense acquisitions are required to provide annual program status reports with detailed metrics, including total costs to date, cost and schedule baselines, and risks, to track and monitor progress. Without a full picture of how much has been spent, what remains to be funded, and what risks may affect SIOP progress, Congress could make consequential decisions for SIOP based on incomplete information, thus risking billions in taxpayer dollars and a lack of program oversight for the decades to come.

Finally, the Navy created several organizations to manage SIOP projects and challenges. For example, the Navy created organizations for project oversight and program integration teams to coordinate issues with shipyards. However, the Navy has not fully documented the organizations' roles and responsibilities. Doing so would formalize their new SIOP roles and help to ensure not only their ability to effectively implement SIOP's essential projects but also the continuity of the critical shipyard operations to maintain and modernize the U.S. naval fleet now and throughout SIOP's extended timeline.

Why GAO Did This Study

The Navy's four public shipyards are essential to maintaining and modernizing the U.S. fleet of nuclear-powered vessels and its critical warfighting capabilities. The Navy initiated SIOP in 2018 to address poor shipyard conditions and capability gaps affecting fleet readiness. GAO has reported on the shipyards' persistently poor condition and found that preliminary SIOP cost estimates were understated by billions of dollars.

The joint explanatory statement accompanying the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2024 includes a provision for GAO to report on SIOP oversight and management. This report examines (1) Navy planning and implementation of SIOP, including costs, timing, and challenges; (2) Navy oversight of SIOP; and (3) Navy establishment of project management organizations to oversee SIOP construction projects.

GAO analyzed SIOP program documents and project cost and schedule data; visited the shipyards to observe SIOP projects and ship maintenance; and interviewed officials.

What GAO Recommends

GAO recommends Congress consider requiring the Navy to annually report consolidated, standardized status updates for SIOP, including total costs, for its duration. GAO is also making three recommendations for the Navy to include future reviews of program requirements and resources in its oversight framework, and to document key SIOP organizations' roles and responsibilities for managing shipyard projects and risks. The Navy agreed with the recommendations and outlined planned steps to implement them.