

# GAO Highlights

Highlights of [GAO-25-108136](#), a testimony before the Subcommittee on Seapower and Projection Forces, Committee on Armed Services, House of Representatives

## Why GAO Did This Study

Although the Navy has seen a near doubling of its shipbuilding budget over the past 2 decades, acquisition challenges have resulted in consistent failure to increase its ship count as planned. GAO has regularly reported that the Navy's shipbuilding acquisition approach does not align with innovative practices that promote timely, predictable development and delivery of new ships.

This statement addresses (1) challenges that Navy practices pose to achieving desired shipbuilding outcomes; (2) barriers to innovation presented by Navy budgeting and acquisition processes; (3) shipbuilding infrastructure and workforce challenges; and (4) leading commercial practices that could improve Navy shipbuilding and acquisition results.

This statement is based on information from [GAO-25-106286](#), [GAO-24-105503](#), and [GAO-23-106222](#), among other work. Information about the scope and methodology of prior work on which this statement is based can be found in those products.

## What GAO Recommends

GAO has made 90 recommendations to the Navy since 2015 to improve its shipbuilding acquisition practices and outcomes. The Navy agreed with many of them. However, the Navy has only fully or partially addressed 30, with 60 recommendations unaddressed. Our leading practices, observations on the industrial base, and open recommendations provide a starting point for the Navy to develop a holistic approach to improve its shipbuilding outcomes.

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## NAVY SHIPBUILDING

### A Generational Imperative for Systemic Change

## What GAO Found

Despite growing maritime threats, the Navy has failed to increase its fleet size as planned over the past 20 years. Over this period, GAO has found that the Navy's shipbuilding acquisition practices consistently resulted in cost growth, delivery delays, and ships that do not perform as expected. For example, cost and schedule risks that GAO identified in 2017 for the *Columbia* class submarine program have recently been realized, with at least a 1-year delay to the first submarine's delivery and hundreds of millions of dollars in additional cost.

The Navy's existing budget and acquisition processes lack the schedule-driven principles found in leading industry practices, which prioritize the timely, predictable development and delivery of innovative, essential capabilities to users. This contributes to Navy shipbuilding programs struggling to deliver new ships with needed warfighting capability in a timely, cost-effective manner. Without changes that embrace leading practices, the Navy risks not keeping pace as technological innovation provides adversaries with new ways of fighting.

Infrastructure and workforce limitations worsen the Navy's shipbuilding challenges. Shipyards have problems with aging facilities and equipment as well as space limitations that are affecting shipbuilding performance. Shipyards are also struggling to replace the loss of experienced, skilled workers with new ones. While the Navy has made investments to improve shipyard capabilities, the Navy has not developed a cohesive strategy to confront these challenges.

GAO has previously identified leading ship design practices used by commercial ship buyers and builders that the Navy can use to achieve more timely, predictable outcomes for its shipbuilding programs.

#### Leading Practices Supporting Timely Ship Design and Delivery



Establish business cases and requirements that support predictable design outcomes



Use iterative design to accelerate ship design maturity



Use efficient ship design collaboration and decision-making practices



Employ robust in-house ship design capabilities and tools

Source: GAO analysis of commercial company information; GAO (icons). | [GAO-25-108136](#)

While the Navy strives to improve its shipbuilding performance, marginal changes within the existing acquisition structures are unlikely to provide the foundational shift needed to break the pervasive cycle of delivery delays and cost overruns. The Navy must take comprehensive action on a scale necessary to match the demands that it faces in this era of strategic competition. Without a thorough retooling of its processes, the Navy is likely to continue creating conditions where overall fleet capability falls short of expectations and needs.