

GAO Highlights

Highlights of [GAO-25-108225](#), a testimony before the Subcommittee on Seapower, Committee on Armed Services, U.S. Senate

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, fully capable ships.

This statement addresses (1) challenges that Navy practices pose to achieving desired shipbuilding outcomes, and (2) leading commercial practices that could improve Navy results over both the near term and far term.

This statement is based on information from [GAO-25-108136](#), [GAO-24-106546](#), [GAO-24-105503](#), and [GAO-23-106222](#), among others. 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; 60 remain unaddressed. GAO's 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

Enduring Challenges Call for Systemic Change

What GAO Found

Although maritime threats have been growing, the Navy has not increased 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, GAO identified schedule risks in 2024 for the *Constellation* class frigate program. Counter to leading ship design practices, construction for the lead ship started before the ship design work was complete, and delivery is expected to be delayed by at least 3 years.

The Navy's recent practices with the frigate program are similar to its prior performance with its Littoral Combat Ship and *Zumwalt* Class Destroyer programs. Both programs were hampered by weak business cases that over-promised the capability that the Navy could deliver. Together, these two ship classes consumed tens of billions of dollars more to acquire than initially budgeted and ultimately delivered far less capability and capacity to fleet users than the Navy had promised. The Navy cannot expect to look within its existing playbook to find answers. Current challenges can provide the Navy leadership with the impetus to look for solutions outside of the existing defense acquisition paradigm. Specifically, the Navy can innovate by using effective, proven ship design practices and product development approaches that are rooted in the approaches of industry-leading companies worldwide.

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.

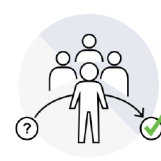
Leading Practices Supporting Timely Ship Design and Delivery



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-25-108225](#)

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. Leading practices offer the Navy a near-term path toward restoring credibility with the operational fleet, Congress, and the taxpayers. More importantly, over the long-term, these leading practices can help the Navy redefine its shipbuilding acquisition process, achieve its goals related to the number of ships needed to compete against potential adversaries, and reinforce the superiority of the Navy fleet.