



FROM COMPLEX
REQUIREMENTS
TO CLEAR SOLUTIONS



NAVY SHIPYARD MODERNIZATION

SIOP NOW PROJECTED TO EXCEED \$200 BILLION

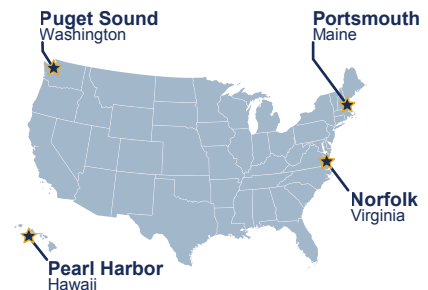
In 2018, the Navy established the Shipyard Infrastructure Optimization Program (SIOP) to modernize its four public shipyards and address deteriorating infrastructure and capability gaps affecting fleet readiness.

The original program was estimated to cost at least \$21 billion over 20 years. GAO now reports that, based on current Navy plans, SIOP is expected to surpass \$200 billion, with implementation potentially extending more than 50 additional years and currently planned projects continuing beyond 2080.



The \$21 billion original estimate and the current \$200+ billion 50+ year projections are documented by GAO.

THE FOUR PUBLIC NAVAL SHIPYARDS



These facilities provide essential depot-level maintenance and modernization for the Navy's nuclear-powered aircraft carriers and submarines.

READ THE FULL REPORT



WHY HAVE COSTS AND SCHEDULES INCREASED?

GAO identified several factors contributing to the program's growth, including:

- More extensive work than originally anticipated
- Seismic improvements
- Utility upgrades required for newer ships
- Additional repair and infrastructure projects
- Commodity-price increases
- Previously unidentified facility and construction conditions

80 to more than 120 years old, and construction must be accomplished while the shipyards continue performing active maintenance and modernization work.



GAO'S CONCERNS

The Navy has established an oversight framework for SIOP, but GAO found that it does not include adequate future steps for periodically reevaluating program requirements, objectives, resources, affordability, and performance as the program progresses over several decades.

Although the Navy provides Congress with numerous SIOP reports and briefings, the information is spread among different reporting mechanisms. Congress does not currently receive a single, standardized annual report presenting total program costs, expenditures, schedule, performance and risks comparable to the reporting required for major defense acquisition programs.



GAO RECOMMENDATIONS

GAO recommended that Congress consider requiring the Navy to provide annual, consolidated and standardized SIOP status reports for the duration of the program.

GAO made three recommendations to the Navy:

- 1 Include periodic reassessment of program requirements and resources in its oversight framework.
- 2 Conduct annual sufficiency reviews.
- 3 Clearly document the organizations responsible for managing SIOP projects and risks.

The Navy agreed with GAO's recommendations and outlined steps to implement them.



WHY IT MATTERS TO SHIP REPAIR

SIOP is more than a construction program. Modernizing dry docks, production facilities, utilities, shops, and industrial equipment must occur while the shipyards continue maintaining and modernizing the fleet. GAO notes that construction and ship-maintenance activities are already occurring simultaneously, creating significant coordination and logistical challenges.

