

Why GAO Did This Study

In 2010, the Navy concluded that decisions it made to increase efficiencies of its surface force had adversely affected ship readiness and service life. To improve ship readiness the Navy developed a new strategy, which includes several initiatives. House Report 112-78, accompanying a proposed bill for the Fiscal Year 2012 National Defense Authorization Act (H.R. 1540), directed GAO to review the recent Navy initiatives. GAO assessed 1) how the Navy evaluates the material readiness of its surface combatant and amphibious warfare ships and the extent to which data indicate trends or patterns in the material readiness of these ships, and 2) the extent to which the Navy has taken steps to improve the readiness of its surface combatant and amphibious warfare ships, including implementing its new readiness strategy. GAO analyzed Navy policies, material and readiness data from January 2008—two years prior to the release of the Navy’s 2010 report on the degradation of surface force readiness—through March 2012, two years after the release of the report, and interviewed headquarters and operational officials and ship crews.

What GAO Recommends

GAO recommends that the Navy conduct a comprehensive assessment of the risks the new strategy faces and develop alternatives to mitigate these risks. DOD partially concurred, but felt that current assessments sufficiently identify risks. GAO continues to believe that a comprehensive assessment that takes into account the full range of risk to the overall strategy is needed.

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MILITARY READINESS

Navy Needs to Assess Risks to Its Strategy to Improve Ship Readiness

What GAO Found

Recent data show variations in the material readiness of different types of ships, but do not reveal any clear trends of improvement or decline for the period from 2008 to 2012. The Navy uses a variety of means to collect, analyze, and track the material readiness of its surface combatant and amphibious warfare ships. Three data sources the Navy uses to provide information on the material readiness of ships are: casualty reports, which reflect equipment malfunctions; Defense Readiness Reporting System-Navy (DRRS-N) reports; and Board of Inspection and Survey (INSURV) material inspection reports. These data sources can be viewed as complementary, together providing data on both the current and life cycle material readiness of the surface force. INSURV and casualty report data show that the material readiness of amphibious warfare ships is lower than that of frigates and destroyers. However, there is no clear upward or downward trend in material readiness across the entire Navy surface combatant and amphibious warfare ships. From 2010 to March 2012, INSURV data indicated a slight improvement in the material readiness of the surface combatant and amphibious warfare fleet, but over that period casualty reports from the ships increased, which would indicate a decline in material readiness. DRRS-N data also show differences in material readiness between ship types, but the precise differences are classified and therefore are not included in this report.

The Navy has taken steps to improve the readiness of its surface combatant and amphibious warfare ships, including a new strategy to better integrate maintenance actions, training, and manning, but it faces risks to fully implementing its strategy and has not assessed these risks or developed alternatives to mitigate them. In March 2012, near the end of a year-long pilot, the Navy issued its Surface Force Readiness Manual, which calls for integrating and synchronizing maintenance, training and manning among multiple organizations. The Navy expects this strategy to provide a standard, predictable path for ships to achieve and sustain surface force readiness, but certain factors, such as high operational tempos and supporting organizations’ staffing levels, could delay the entry of some ships into the strategy and the execution of the strategy. For example, one supporting organization reported needing an additional 680 personnel to fully execute the strategy. As of August 2012, the Navy plans to reflect its funding needs for 410 personnel in its fiscal year 2014 budget request and the remaining 270 in subsequent requests. Also, due to high operational tempos the phased implementation of some ships into the strategy may be delayed. Furthermore, ships that do not execute the strategy’s maintenance periods as planned will have lifecycle maintenance actions deferred. GAO has previously reported that risk assessment can inform effective program management by helping managers make decisions about the allocation of finite resources, and alternative courses of action. However, the Navy has not undertaken a comprehensive assessment of risks to the implementation of its strategy, nor has it developed alternatives to mitigate its risks. GAO believes operational tempo, supporting organizations’ staffing levels, and other risks may hinder the Navy’s full implementation of its surface force readiness strategy. If not addressed, this could lead to deferrals of lifecycle maintenance, which have in the past contributed to increased maintenance costs, reduced readiness, and shorter service lives for some ships.