



Congress of the United States
House of Representatives
Washington, DC 20515

January 27, 2025

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The Honorable Terence G. Emmert
Acting Secretary of the Navy
1000 Navy Pentagon, Room 4D652
Washington, DC 20350

Dear Acting Secretary Emmert:

I write today to inform you that the Department of the Navy is the most recent recipient of my Golden Fleece Award. I am awarding this to the Navy for your department's subpar planning and weak quality assurance that has resulted in billions being spent to modernize ships that will not achieve the intended mission goal of extending their service lives.

Cruisers are Navy vessels that carry out several missions including defending aircraft carriers, launching missiles to strike maritime and land targets, and patrolling sea lanes. The cruisers are the most equipped ship class to support coordinating air and missile defense to protect fellow American and ally ships. The Navy has commissioned 27 *Ticonderoga* cruisers since 1983, with each ship having an estimated 35-year service life. Given the need to refresh on-ship technology frequently and the difficulties with building new ships, modernizing existing ships like the *Ticonderoga* class is crucial to ensuring the Navy maintains its mission capacity.¹

Since 2015, the Navy has spent about \$3.7 billion to modernize its fleet of cruisers. Originally, the Navy planned to modernize 11 ships by the first quarter of fiscal year 2026, extending each of their service lives by 5 years. However, in 2017, the Navy removed four of these ships from this effort due to a lack of funding; of the remaining seven ships, only three will be deployed again. The Navy has chosen to divest the other four cruisers before finishing their maintenance and modernization efforts, and the \$1.84 billion spent on these four ships will not provide any operational value to the Navy. The Navy cited a lack of funding to finish modernizing them as part of the reason to divest. The remaining three ships that have been completed or are still scheduled to be completed will be decommissioned by fiscal year 2030, and not a single one will have its service life extended the planned 5 years. While this may initially appear to be the result of a lack of Congressional commitment to fund the modernization effort, the Navy “experienced approximately 36 percent cost growth on the cruisers it attempted to modernize and has cumulatively experienced over 15 years of schedule delays”.²

Many of the issues related to the rising costs and schedule delays were the result of not using available planning and oversight tools to account for potential risks. These deficiencies included having no acquisition strategy, independent cost estimate, risk management plan, baseline, or Navy program oversight meetings. Most of these were not implemented because they were not required since the cruiser modernization was not a program within the Department of Defense’s acquisition system, despite receiving more than \$2 billion of procurement funding.³

¹ U.S. Government Accountability Office. “Navy Ship Modernization: Poor Cruiser Outcomes Demonstrate Need for Better Planning and Quality Oversight in Future Efforts”. 17 December 2024, pg. 1-3. GAO-25-106749.

² Ibid, pg. 13.

³ Ibid, pg. 25-26.

In hindsight, the Navy did not realize that the cruisers were in worse condition than originally understood because they deferred so much maintenance throughout the lives of the ships. This deferred maintenance left the Navy unable to make up for years of not tracking ship conditions before their pre-modernization surveys, which contributed to a high volume of unplanned work.⁴ One cruiser, for example, had over 2,500 unplanned work items that led to an increase of \$103 million in additional costs.⁵ These high levels of unplanned work derailed the cruiser modernization schedules as the resulting contract changes prolonged the time it took to make adjustments, allowed work to accrue, and disrupted the order of operations.

Issues stemming from poor planning were further exacerbated by Navy leadership discouraging the use of key quality assurance tools that reduced the Navy's ability to ensure that contractors were producing quality work and allowed their poor-quality work to persist. These included restricting the use of penalties without leadership approval, not utilizing independent oversight organizations, reducing inspection checkpoints during the COVID-19 pandemic, and failing to complete contractor and ship evaluations. Additionally, Navy guidance over management coordination inhibited effective oversight and failed to establish clear and commonly understood roles for different program offices and contractors. Without productive coordination, some teams became unable to access the ship or systems while others were using them, and continuous delays spiraled the inefficiencies as the proper sequence of work fell further out of order. On the USS Vicksburg, coordination issues led to 22 tons of electronic equipment sitting idle without air conditioning, causing significant portions of this equipment to become unsalvageable.⁶

In another example, on one ship, a contractor inspected and determined the Navy needed to replace a rubber window for the ship's sonar dome; however, the contractor installed the new window prematurely and without proper supervision, damaging the window beyond repair. This incident forced the Navy to purchase a second new window, which was installed four months later and cost over \$1.07 million, for which the government did not seek compensation from the contractor.⁷ Then, the same contractor conducted a required pressurization test for the sonar dome which failed; after 13 further retest fails and an 8-month delay, during which time the contractor used unauthorized materials to try to correct the pressure loss, the contractor, with government approval, finally sealed off the sonar dome. The Navy subsequently deprioritized this ship, removing it from dry dock before completing its necessary sonar dome repair work in order to accommodate another ship. This decision ultimately contributed to the justification for divesting the ship.⁸

Despite the cruiser modernization effort being unsalvageable now, the greater failure here would be allowing the mistakes that contributed to this waste to persist as the Navy continues to undertake more significant modernization efforts for other ship classes. With a ship-force-level goal of 355, the Navy will need to keep maintaining and modernizing existing ships, and the shortfalls experienced during this cruiser modernization are not exclusive to this example. The Navy must take proactive steps to address the root cause decisions that spurred these issues, or we will watch the same challenges plague upcoming ship modernizations.

⁴ Ibid, pg. 31

⁵ Ibid, pg. 36.

⁶ Ibid, pg. 53.

⁷ Ibid, pg. 21.

⁸ Ibid, pg. 22-23.

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I am committed to ensuring effective fiscal practices at our Nation's federal agencies. Should you require any additional authority from Congress to address these concerns, I urge you to notify us as soon as possible. I would also welcome any technical assistance you could provide to Congress to correct statutory issues that may have contributed to this problem. Thank you for your consideration and I look forward to working with you to address this important issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "French Hill".

French Hill
Member of Congress