



SUBMARINE INDUSTRIAL BASE COUNCIL

SUPPLIER DEVELOPMENT

Rebuilding and Revitalizing the Nation's Submarine Manufacturing Capacity

The submarine supply base lost approximately 12,000 suppliers since the end of the Cold War. Material provided by the submarine industrial base is planned to grow by more than 200% over the next five years, after more than two decades of nurturing a fragile industrial base where 75% of funding for supplier material is awarded to single or sole source suppliers.

Congressional Support Resulted In Significant Initial Accomplishments

Congress authorized and appropriated funding in FY19 and FY20 and provided flexible authorities supporting industrial base expansion and stability initiatives.

FISCAL YEAR	CONGRESSIONAL FUNDING	RESULTS TO DATE
2019	\$225M	50 suppliers received funding including 27 supplier projects focused on improving performance, reducing risk and developing alternate sources to improve the Submarine Industrial Base readiness
2020	\$123M	16 supplier projects are planned to receive funding which continues to improve the readiness of critical suppliers and fragile market spaces

The funding authorized and appropriated by Congress for the industrial base has supported over 130 suppliers in more than 20 states. This includes the 2018 funding that was targeted for advance procurement to stabilize existing suppliers. Seventy of these suppliers have been identified as critical to both the submarine and aircraft carrier construction programs. Supplier assessment programs initiated by the shipbuilders, with the Navy's support, are helping to identify critical suppliers and implement improvement plans and projects that expand capability and capacity while reducing

program risk. Continued investment in supplier development will reduce material lead times and improve the ability of the submarine industrial base to meet challenging construction schedules at higher rates of production. It has become clear that additional supplier development funding is still needed to continue to support the ramp-up of additional capability and capacity to reduce the risk to both the Columbia and Virginia Class programs. Examples of improvements in the industrial base through current funding include:

- Expand capability and capacity to produce and machine large forgings as an alternative to large castings
- Increase capability and capacity of the supply base to fabricate large bargable submarine structures
- Establish a center of excellence outside of the shipyards for high solid paint
- Develop and qualify alternate suppliers to create competition for critical components and market spaces

Request for FY21

- Provide \$130M in funding to continue the build-up of fragile segments of the submarine industrial base
- Continue the increase in supplier capacity and capability including:
 - » Investment in unique equipment, facilities and tooling for all levels in the supply chain
 - » Placing material orders with sufficient lead time for companies to invest in their facilities and people
 - » Procuring spare and follow-ship hardware to smooth workload, reduce risk and encourage investment
 - » Creating multiple suppliers for critical components to add resiliency, competition and capacity
 - » Identifying additional points in the supply chain where capacity shortfalls exist

**REQUEST
FOR ACTION**

Add \$130M to FY21 Navy SCN, Columbia Class Submarine Advance Procurement Funding for Submarine Industrial Base Qualification and Start-up