



SUBMARINE INDUSTRIAL BASE COUNCIL

SUBMARINE SUPPLIER DEVELOPMENT

Rebuilding and Revitalizing the Nation's Submarine Manufacturing Capacity

The submarine supply base has lost thousands of suppliers since the end of the Cold War. 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, material provided by the submarine industrial base is planned to grow by more than 200% over the next five years to support the Virginia Class SSN and Columbia Class SSBN programs.

Congressional Support Fueled Significant Initial Accomplishments

Congress authorized and appropriated funding in FY19, FY20 and FY21 and provided flexible authorities supporting industrial base expansion and stability initiatives. The funding authorized and appropriated by Congress for the industrial base has supported over 130 suppliers in more than 26 states (includes FY18 advance procurement funding to stabilize existing suppliers).

| FY | FUNDING | RESULTS TO DATE |
|------|---------|--|
| 2019 | \$225M | 50 suppliers in 24 states received funding, including 27 supplier projects focused on improving performance, reducing risk and developing additional sources |
| 2020 | \$145M | 15 supplier projects in 10 states have currently received funding which continues to improve the readiness of critical suppliers and fragile market spaces |
| 2021 | \$146M | 28 initial projects are planned and geared towards critical suppliers challenged to meet current or future submarine construction demand |

Recent Improvements in the Industrial Base

- 38 projects are expanding capability and capacity in critical areas such as large structural fabrication, valves, fittings and mechanical items. 16 of these projects will increase capacity or efficiency by more than 25% and nine of these projects will increase capacity or efficiency by more than 50%.
- 14 projects are developing alternate sources for critical components that are currently sole-sourced.
- An annual evaluation process for critical suppliers rates them in ability to meet current and future demand using a red/yellow/green rating system. 30 projects are underway to improve the ratings of critical suppliers from red to yellow or green, or yellow to green.
- Developing a supply base-wide program to improve welding and non-destructive test proficiency.

Request for FY22

After three years of strengthening our industrial base, it has become clear that our suppliers continue to need help. Funding is still needed to continue the ramp-up of additional capability and capacity to reduce the risk to both the Columbia and Virginia Class programs. The FY22 funding will:

1. Continue to increase the supplier capacity, capability and agility to meet increased production demand.
2. Allow investment in unique equipment, facilities and tooling for all levels in the supply chain.
3. Qualify multiple suppliers for critical components to add resiliency, competition and capacity.
4. Provide workforce training, qualification opportunities and educational tools to suppliers.

**REQUEST
FOR ACTION**

Add \$130M to FY22 Navy SCN, Columbia Class Submarine Advance Procurement Funding for Supply Base Reconstitution