

Submarine Industrial Base Council Supply Chain Overview



Remarks by:

Ken Jeanos - EB Vice President of Supply Chain, Materials & Strategic Sourcing

Matt Mulherin Jr - NNS Vice President of Supply Chain & Strategic Sourcing

GENERAL DYNAMICS
Electric Boat



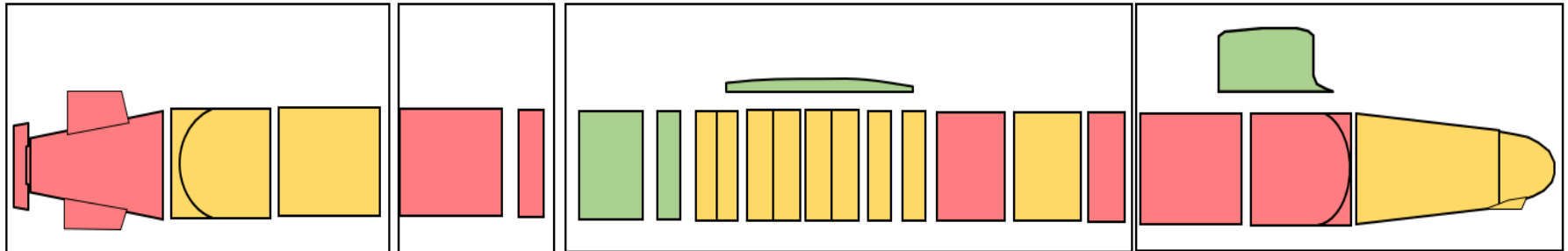
We Are In A War Time Footing

- The threats from our adversaries are clear and growing
- The defense of our Nation requires the industrial base's ability to improve performance and velocity
- Material availability is improving but does not meet Shipbuilder requirements
- Technology is mature, secure and ready to be adopted within the defense sector
- We must build submarines faster with no sacrifice to required standards of quality and safety
- It is a priority to deliver SSBN826 and SSN803 in 2028

Increased Throughput Is Required to Meet 1+2+Recovery

Being 'On Pace' Means 1+2+Recovery Per Year

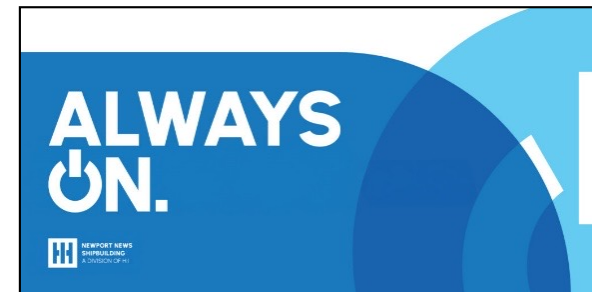
- Industrial Base pace must exceed 1+2 to retire delinquent backlog
- Repeatability of manufacturing performance and accurate, supportable lead times are essential to enterprise success
- Late Sequence Critical Material (SCM) continues to impact Shipbuilder schedules
 - Shipbuilders are forced to execute parallel path and construction work arounds to recover from SCM delinquency
 - Out of sequence work is disruptive, time consuming and costly



Do Not Normalize Delinquency!

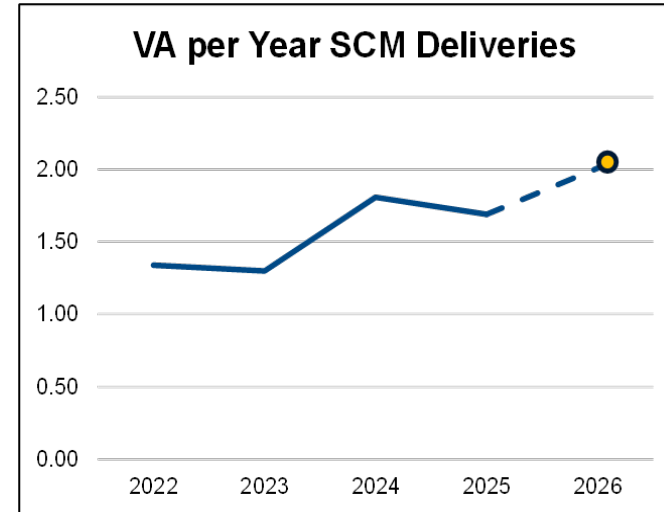
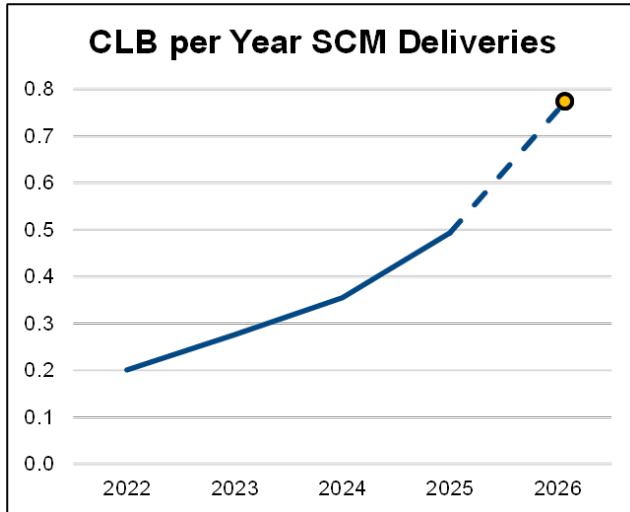
Stakeholders Are Driving New Approaches To Accelerate Production

- We must deliver COLUMBIA Class in support of our nations needs; VIRGINIA Class build spans must stabilize and decrease
 - GDEB and HII-NNS are operating 24/7
 - Shipyards have increased the capacity of our workforce through overtime to accelerate submarine production
- Supply Chain and support organizations are expanding to support the increased demand on the Industrial Base
 - Focused technical and program support for sequence critical material
 - Increasing consistent and persistent oversight / partnering to aid in the identification and elimination of roadblocks at the supplier facilities
- Cumbersome work practices are being identified and reconciled to enable efficiency within the shipyards and the Industrial Base
- Partnership with Palantir to bring modernized technology to the Industrial Base and aid in 1+2+Recovery achievement



Improvement In Delivery Performance Is Critical To Meeting Shipbuilding Objectives

- Delivery to schedule requirements needs improvement
 - Adhering to schedule demands and contract delivery dates
 - 30% of material is currently late to need
- Extended lead times and quality issues continue to disrupt cadence
- Shipbuilders are ramping up manufacturing, the Industrial Base must do the same
- Transparency to supply base production schedules is a top initiative
 - Data Sharing is a mission imperative of the Supply Base, embrace technology
 - Identify delivery risks early; we cannot help eliminate barriers without transparency
 - Expect more collaborative management and oversight



Delivery Volume Must Grow; Construction Cannot Outpace Material

Phased Implementation Of CMMC Requirements Has Begun!

What?

- The DoD's cybersecurity standard required to protect sensitive defense data across the United States Defense Supply Chain

Why?

- Cyber threats are targeting the U.S. Industrial Base
- CMMC strengthens trust, resilience and readiness of the U.S. Industrial Base

When?

- Phase 1 Implementation: November 2025 through November 2026, requirements are being phased into contracts now
- Phase 2 through full implementation transitions from limited rollout to mandatory third-party certification, with certification a required condition for all contracts by 2029



Partnering To Protect Schedule: Supplier Responsibilities

- *First time quality is the standard*; control work processes and minimize rework
- *Open and transparent communication*; we cannot break down barriers we do not know about
- *Stability and predictability*; repeatability of manufacturing performance and accurate, supportable lead times
- *Accountability at all levels*; do not be content with being late
- *Call to action for all manufacturing facilities*; shipbuilders are ramping up and we need you to do the same
- *Sub-tier management*; proper oversight of suppliers is required for enterprise success
- *Past success is not a strategy*; meeting the demands of high-rate production requires new ways of working

Challenge Your Business With Innovation!

What You All Do Matters!!



There Are Many Depending On You!