THE SUBMARINE INDUSTRIAL BASE COUNCIL

1825 I STREET, NW
SUITE 600
WASHINGTON, DC 20006
PHONE: 202.207.3633
FAX: 202.575.3400
sibc@submarinesuppliers.org
www.submarinesuppliers.org

March 1, 2016

TO: Submarine Suppliers

FROM: James I. Jelinek, Co-Chair
Keith Macdowall, Co-Chair
Patricia Herschkowitz, Co-Chair

Welcome to the Submarine Industrial Base Council's 25th annual Supplier Days. We want to thank you for your ongoing support. Your participation in Supplier Days and throughout the year helps ensure that our elected representatives understand the importance and value of submarines and the submarine industrial base.

As we prepare to engage Congress on the FY17 Defense budget, we are coming off another successful year for submarine programs. The FY16 omnibus spending bill supported the SIBC's submarine program priorities.

It is crucial that every member of Congress understand the importance of our nation's submarine programs and that the requests outlined below support both national and economic security, with the submarine industrial base providing thousands of high-quality jobs across the country. We must ask Congress to:

- ***Support funding for OHIO Replacement development.*** The Ohio-class SSBNs are the nation's most survivable and secure nuclear deterrent. The Chief of Naval Operations, Admiral Richardson, has indicated that maintaining and modernizing the undersea leg of the strategic deterrent triad is foundational to our survival as a nation. Authorizing $1.864 billion ($1.091B in RDT&E, $773M in SCN) in DOD funding and $214 million in DOE funding in FY17 for OHIO Replacement development will support FY21 construction start, mitigate risk to the industrial base, and provide stability to reduce program costs.
- ***Support funding to continue procurement of two Virginia-class submarines per year.*** The SIBC supports the FY17 funding requested by the President of $3.188 billion for procurement of two Virginia-class submarines. This will ensure that we can continue building two submarines per year which is essential to sustain efficiencies and ensure our nation's security and continued undersea dominance. However, an additional $85 million for advance procurement (AP) funding is required in FY17 ($1.852 billion in total AP) to prevent negative impacts on Block V FY19 ships. Higher AP funding will increase the shipyard's ability to place orders for long lead material and reduce risk to the industrial base by increasing the ability to manage workload and retain skilled workers.
- ***Support funding for development of the Virginia Payload Module (VPM).*** As the total number of U.S. attack submarines reaches a low point and our SSGNs retire, submarine strike capacity will drop by 60 percent. Adding VPMs to future Virginia-class submarines is a cost-effective and innovative way to mitigate this undersea strike gap. Funding of $205 million in FY17 ($98M in RDT&E funding, $107M in VCS SCN funding) is needed to continue development of the VPM.

Thank you again for participating in this year's Supplier Days. Your time and effort make a real difference and are greatly appreciated.