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## THE SUBMARINE INDUSTRIAL BASE COUNCIL

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**TO:** Submarine Suppliers

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Welcome to the Submarine Industrial Base Council's 27th annual Supplier Days. We want to thank you for your ongoing support. Your participation in Supplier Days and SIBC programs 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 fiscal year (FY) 2019 Defense spending, we are coming off another successful year for submarine programs. The National Defense Authorization Act for FY 2018 authorized up to thirteen submarines in Virginia Class Block V. This is three submarines above the ten in the United States Navy's current shipbuilding plans. While Congressional support clearly reflects the importance of submarines to our nation's security, it also reflects the effectiveness of the SIBC and more specifically, the hard work of SIBC members like you.

With every aspect of government spending under scrutiny, 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. The submarine industrial base is a unique national asset, providing both the world's finest submarines as well as thousands of high-quality jobs across the country. This year, we must ask Congress to:

- **Support funding for Columbia Class ballistic missile submarine (SSBN) development.** The SIBC supports DOD funding of \$3.71 Billion (\$705 Million in RDT&E, \$3.005 Billion in SCN) and DOE funding of \$138 Million in FY19 for Columbia Class ballistic missile submarine development that will support FY21 construction start, mitigate risk to the industrial base, and provide stability to reduce program costs. The current Ohio Class SSBNs and the Columbia Class that will replace them are the nation's most survivable nuclear deterrent. In FY19, advanced procurement of major long lead components is initiated to support ship construction starting in FY21. Delivery of a minimum of 12 Columbia Class SSBNs on schedule prevents a gap in U.S. deterrent capabilities when the Ohio Class SSBNs begin to retire.
- **Support funding for Virginia Class attack submarine (SSN) construction and development.** Virginia Class attack submarine funding is critical to maintain program cost, schedule, and design improvements while providing future capabilities to the fleet. The SIBC supports Advance Procurement (AP) Funding of \$2.796 Billion (\$1.811 Billion in AP + \$985 Million in Economic Order Quantity (EOQ)) for Virginia Class submarine construction, Procurement Funding of \$4.373 Billion for two Virginia Class submarines, and RDT&E funding of \$148 Million for future Virginia Class submarine upgrades in FY19. This will ensure that we can continue the two per year Virginia Class construction rate which is essential to sustaining production efficiencies while ensuring our national security and Navy's continued undersea dominance. FY19 funding supports construction of the first Block V, Virginia Payload Module (VPM) equipped submarine. VPM provides over three times the firepower of current Virginia Class submarines. VPM is the most cost effective way to restore the Navy's undersea strike capacity, which drops by 60% as the current SSGN force retires by 2028.
- **Request additional \$150 Million in FY19 Navy SCN, Columbia Class Submarine Advance Procurement Funding for Supplier Base Reconstitution.** The SIBC supports this funding request which will enable the shipbuilders to place material orders and help the nuclear shipbuilding supply base with capital investments, adding additional resiliency, and create multiple suppliers for critical components. The nuclear shipbuilding industrial base is poised to ramp up production capacity to support the increased demand associated with the Navy shipbuilding plan. Lack of capacity in the current industrial base poses risk to the Columbia and Virginia Class submarine programs as well as the Ford Class Aircraft Carrier program. Supplier development must be funded now due to the time necessary to add sustainable capacity and capability to the supply base and qualify new suppliers to perform this complex submarine and nuclear work as the increase in demand starts in 2019.

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