

Perspectives on the Navy's 2024 Shipbuilding Plan

January 11, 2024

Presentation at the Surface Navy Association's 36th National Symposium

Eric J. Labs

Senior Analyst for Naval Forces and Weapons

National Security Division

2024 Shipbuilding Report: Familiar Plans and Higher Costs

- Congressional Support for Shipbuilding
- The Navy's Five-Year Shipbuilding Plan
- CBO's Analysis of the Navy's 2024 Shipbuilding Plan
 - Purchases and Their Effects on Inventory
 - Costs
- Special Topic: The Size of the Navy's Large and Midsize Amphibious Force

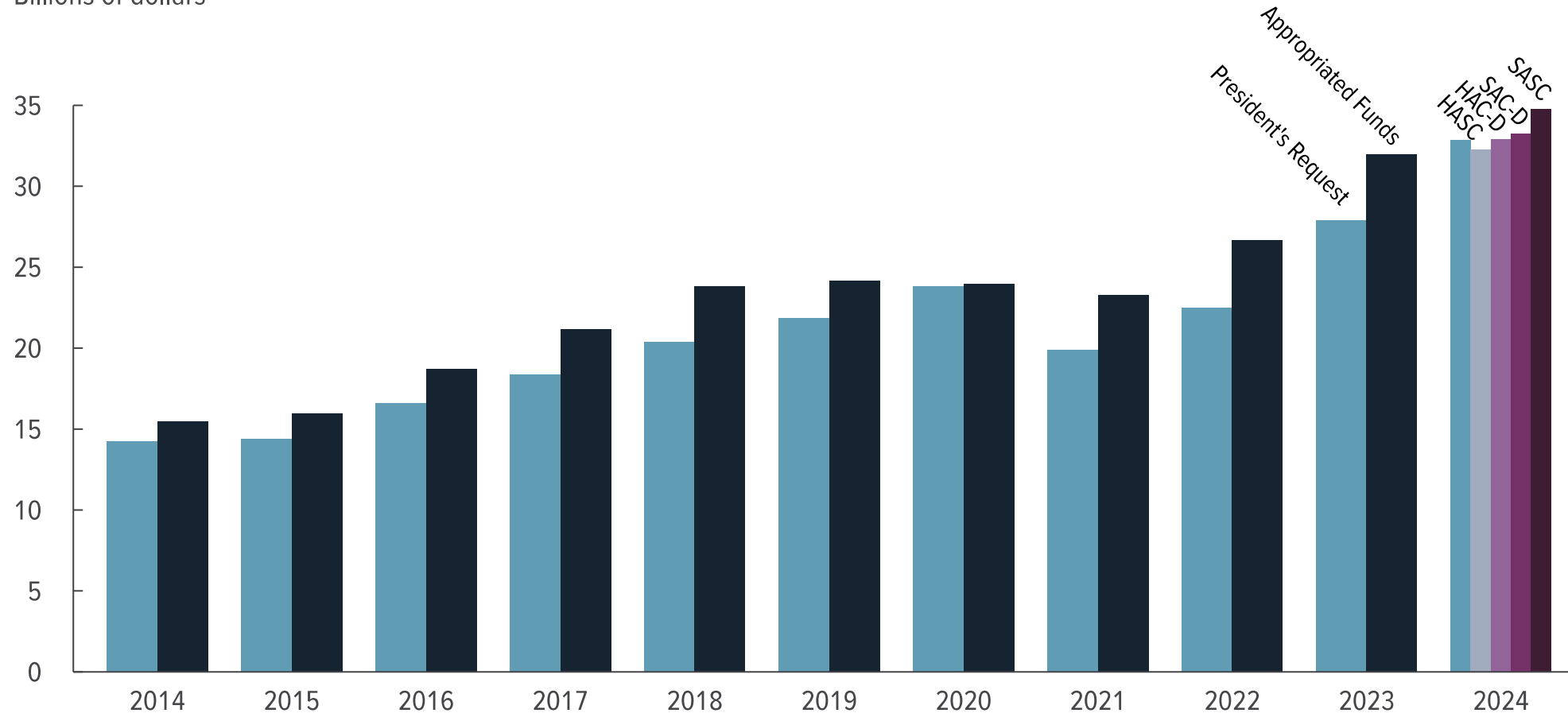


Congressional Support for Shipbuilding



Requested and Appropriated Shipbuilding Budgets, 2014 to 2024

Billions of dollars



Figures for the HAC-D and SAC-D represent the amounts for shipbuilding in their respective appropriations, as ordered reported out of committee earlier this year. Figures for the HASC and SASC represent the amounts for shipbuilding in their respective authorization legislation, as ordered reported out of committee earlier in 2023.

HAC-D = House Appropriations Committee, Defense Appropriations Subcommittee; HASC = House Armed Services Committee; SAC-D = Senate Appropriations Committee, Defense Appropriations Subcommittee; SASC = Senate Armed Services Committee.



Congressional Action on Shipbuilding for Fiscal Year 2024

	President's request	HASC	SASC	NDAA	HAC-D	SAC-D	Final
--	---------------------	------	------	------	-------	-------	-------

Ship purchases

Destroyers	2	2	2	2	2	2	*
Submarines	3	3	3	3	3	3	*
Frigates	2	2	2	2	2	2	*
Amphibious ships	0	1	1	1	0	0	*
Logistics and support ships	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	*
Total	9	10	10	10	9	9	*

Shipbuilding budgets (billions of dollars)

New combat ships	27.0	27.8	28.9	29.5	26.9	29.1	*
New logistics and support ships	2.5	1.1	2.5	1.1	2.4	1.3	*
Other	<u>3.3</u>	<u>3.4</u>	<u>3.4</u>	<u>3.4</u>	<u>3.7</u>	<u>2.8</u>	*
Total	32.8	32.3	34.8	32.9	32.9	33.3	*
Amount above President's request		-0.6	1.9	0.1	0.1	0.4	*
Percentage of increase above fiscal year 2023 amount	18%	17%**	19%	9%	18%	4%	*

HAC-D = House Appropriations Committee, Defense Appropriations Subcommittee; HASC = House Armed Services Committee; NDAA = National Defense Authorization Act for 2024; SAC-D = Senate Appropriations Committee, Defense Appropriations Subcommittee; SASC = Senate Armed Services Committee; * = to be determined.

** Relative to the Chairman's mark. As amended, the change compared with the 2023 amount was -0.1 percent.



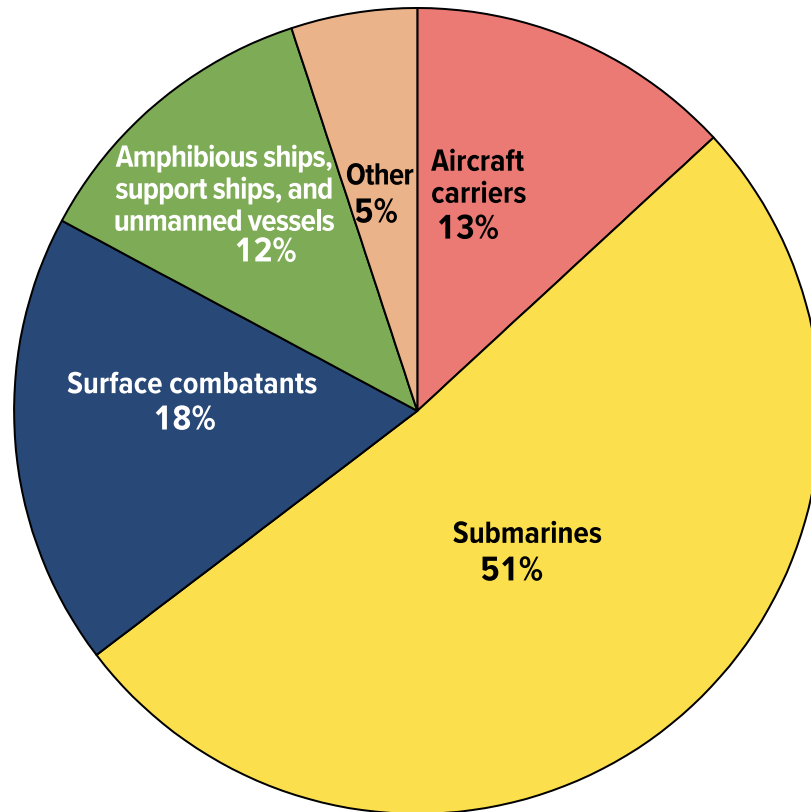
The Navy's Five-Year Shipbuilding Plan



The Navy's Five-Year Shipbuilding Plan, 2024 to 2028

Ship class	2024	2025	2026	2027	2028	Total
Columbia class ballistic missile submarines	1	0	1	1	1	4
Gerald R. Ford class aircraft carriers	0	0	0	0	1	1
Virginia class attack submarines	2	2	2	2	2	10
Arleigh Burke class destroyers	2	2	2	2	2	10
Constellation class guided missile frigates	2	1	2	1	2	8
America class amphibious assault ships	0	0	0	1	0	1
San Antonio class amphibious transport docks	0	0	0	0	0	0
Medium landing ships	0	1	1	2	2	6
John Lewis class oilers	1	0	2	1	2	6
Next-generation logistics ships	0	0	1	1	1	3
Tender/T-AGOS SURTASS ships	1	1	2	1	1	6
Total	9	7	13	12	14	55
T-ARC cable-laying ships	0	1	0	0	0	1
Used sealift ships	2	2	2	2	2	10
Large unmanned systems	0	0	3	4	5	12
Total, shipbuilding costs (billions of dollars)	32.8	31.2	35.2	34.0	32.4	165.6
Total, shipbuilding costs (billions of 2023 dollars)	30.6	28.4	31.3	29.5	27.4	147.2

Breakdown of the Navy's Shipbuilding Budget, by Ship Type, 2024 to 2028



“Other” includes outfitting and postdelivery costs for new ships, ship-to-shore connectors, lighters, service craft, and the completion of prior-year shipbuilding (funding for cost overruns for ships appropriated in earlier budgets).

CBO's Analysis of the Navy's 2024 Shipbuilding Plan: Purchases and Their Effects on Inventory



Comparing Ship Purchases in the 2023 and 2024 Shipbuilding Plans

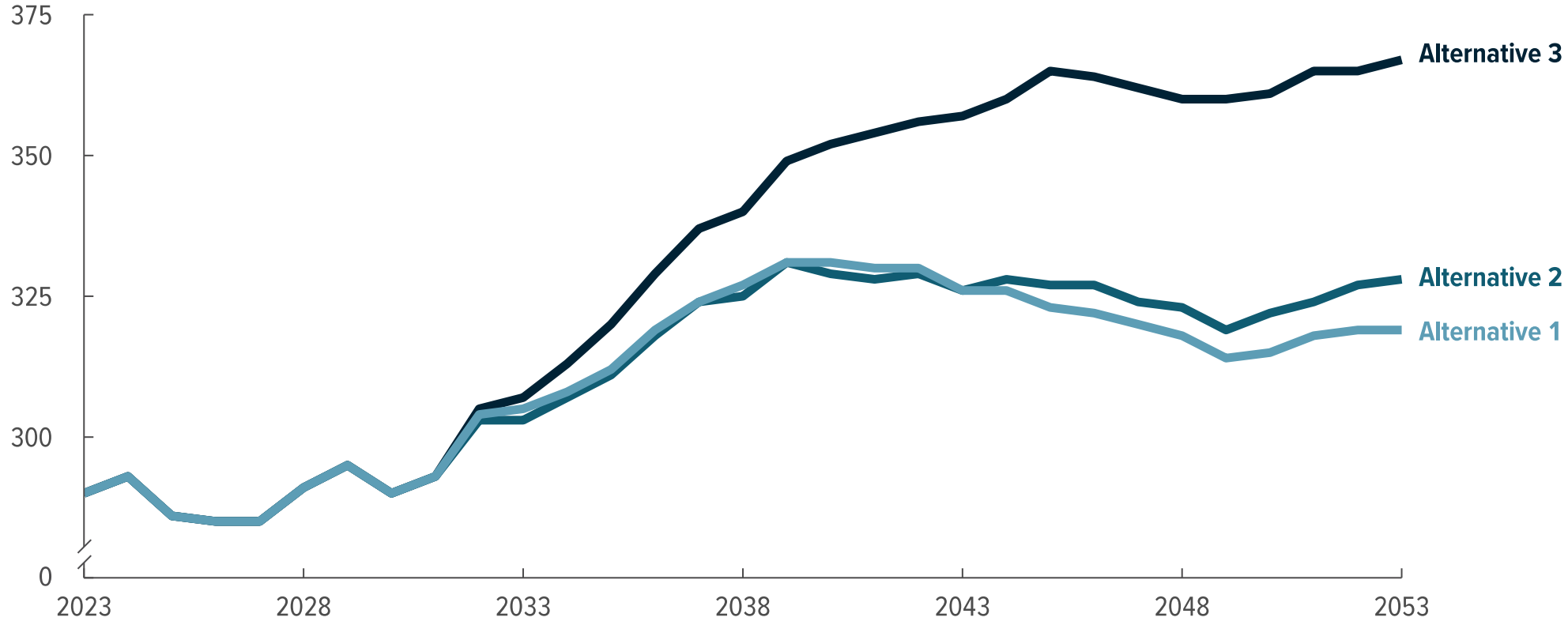
	2023 Plan Alt. 1	2024 Plan Alt. 1	2023 Plan Alt. 2	2024 Plan Alt. 2	2023 Plan Alt. 3	2024 Plan Alt. 3
Aircraft carriers	5	6	5	6	7	7
SSBNs/large payload	11/4	11/4	11/6	11/6	11/4	11/4
SSNs: VA + SSN(X)s	23+31=54	21+33=54	49+17=66	48+18=66	27+33=60	23+35=58
Large/small surface combatants	54/52	56/53	47/55	50/56	64/57	64/58
Large/small amphibious ships	10/40	11/42	13/34	12/36	14/49	14/51
CLF and support ships	52	53	57	56	74	73
Total	282	290	294	299	340	340

CLF = combat logistics force; SSBNs = strategic ballistic missile submarines; SSNs = attack submarines; SSN(X)s = next-generation attack submarines; VA = Virginia class attack submarines.



Annual Inventories of Battle Force Ships Under the Navy's 2024 Plan

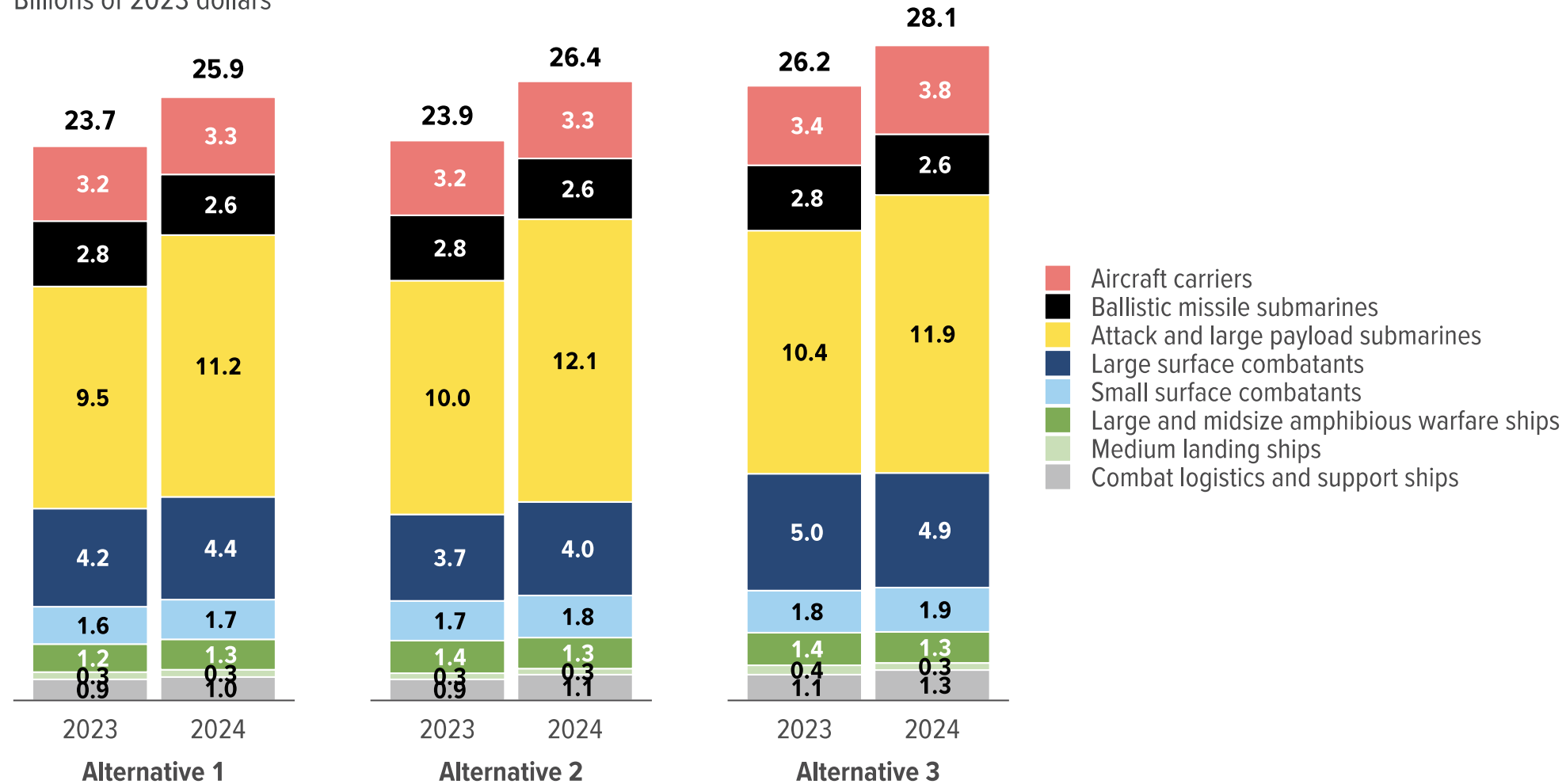
Number of ships



CBO's Analysis of the Navy's 2024 Shipbuilding Plan: Costs

The Navy's Estimates of Average Annual Costs of New-Ship Construction, by Ship Type, 2023 and 2024

Billions of 2023 dollars

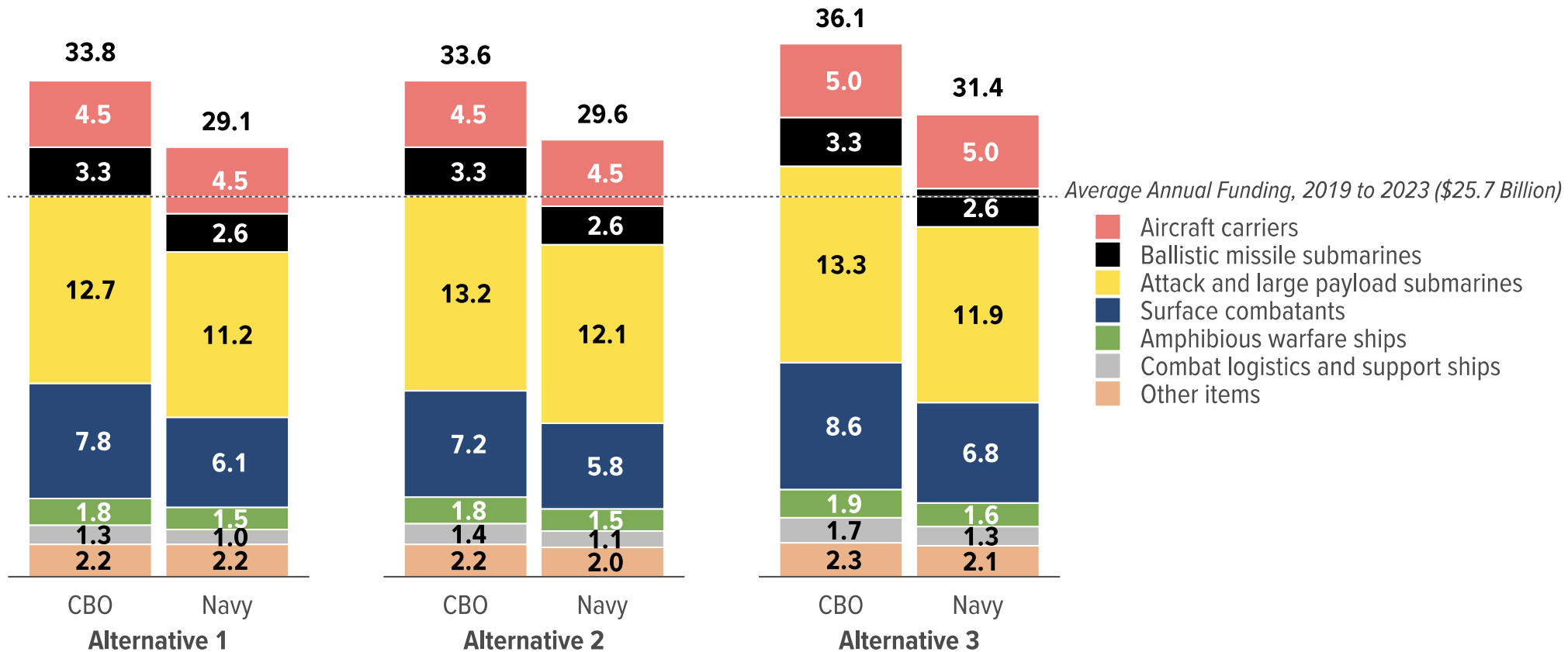


Major Cost Drivers in the Navy's 2024 Plan

	Alternative 1	Alternative 2	Alternative 3
Total 30-year cost of new ships (billions of 2023 dollars)	776	792	842
Submarine costs as a percentage of the cost of new ships	54%	56%	52%
Top three programs (billions of 2023 dollars)			
Gerald R. Ford class aircraft carrier	100	99	113
DDG(X) next-generation destroyer	93	76	109
SSN(X) next-generation attack submarine or Virginia class attack submarine	<u>222</u>	<u>193</u>	<u>234</u>
Total	415	368	456
Cost of the top three programs as a percentage of the cost of new ships	54%	47%	54%

Average Annual Total Shipbuilding Costs Under the Navy's 2024 Plan, as Estimated by CBO and the Navy

Billions of 2023 dollars



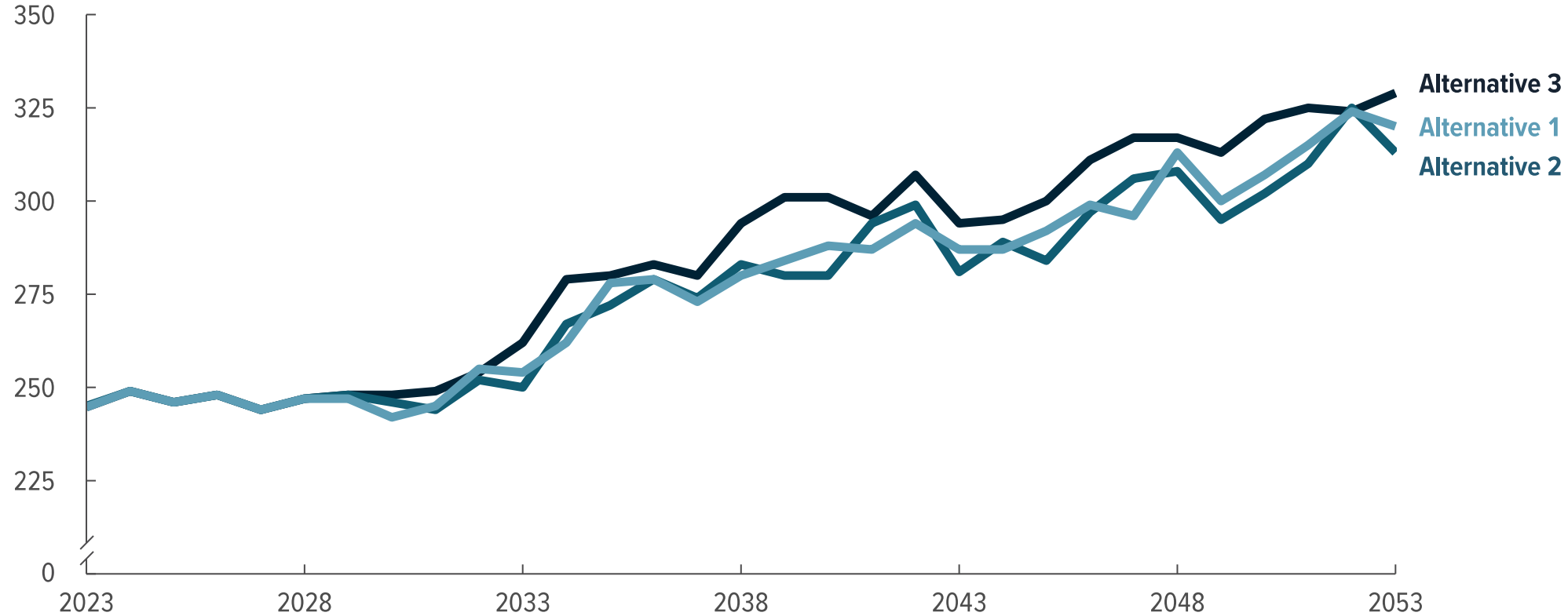
Change in Unit Costs of Selected Shipbuilding Programs in the Navy's 2024 Plan

Shipbuilding program	Percentage change (adjusted for inflation)
Shipbuilding programs experiencing significant unit cost growth in the 2024 plan compared with their cost in the 2023 plan	
Virginia class attack submarine	15
SSN(X) next-generation attack submarine	16 to 21
CVN refueling and overhaul program	15
John Lewis class oiler	38
T-AGOS SURTASS ocean surveillance ship	82
Shipbuilding programs not experiencing significant unit cost growth in the 2024 plan compared with their cost in the 2023 plan (but whose unit costs will probably increase significantly)	
Columbia class ballistic missile submarine	5
Constellation class guided missile frigate	8
DDG(X) next-generation destroyer	4
Medium landing ship	-17 to -33



CBO's Estimate of the Navy's Total Budget Under Its 2024 Plan

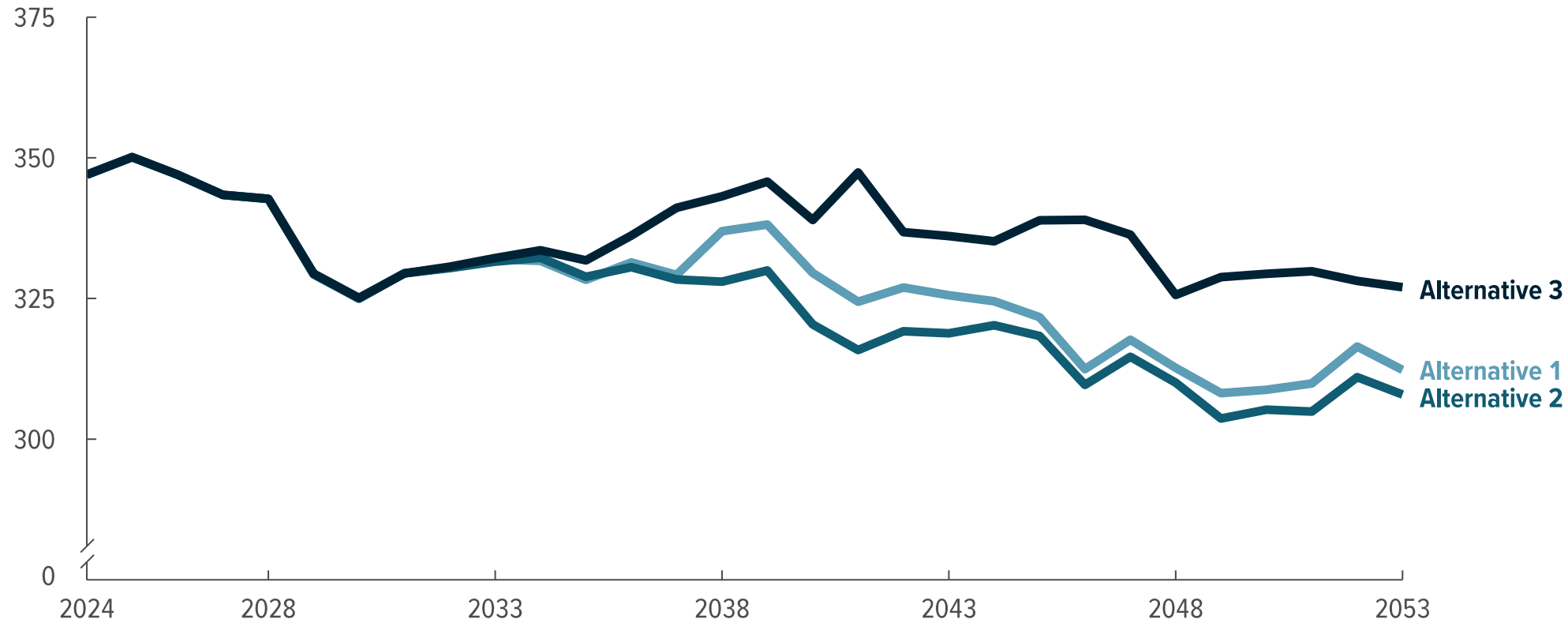
Billions of 2023 dollars





CBO's Estimate of the Navy's End Strength Under Its 2024 Plan

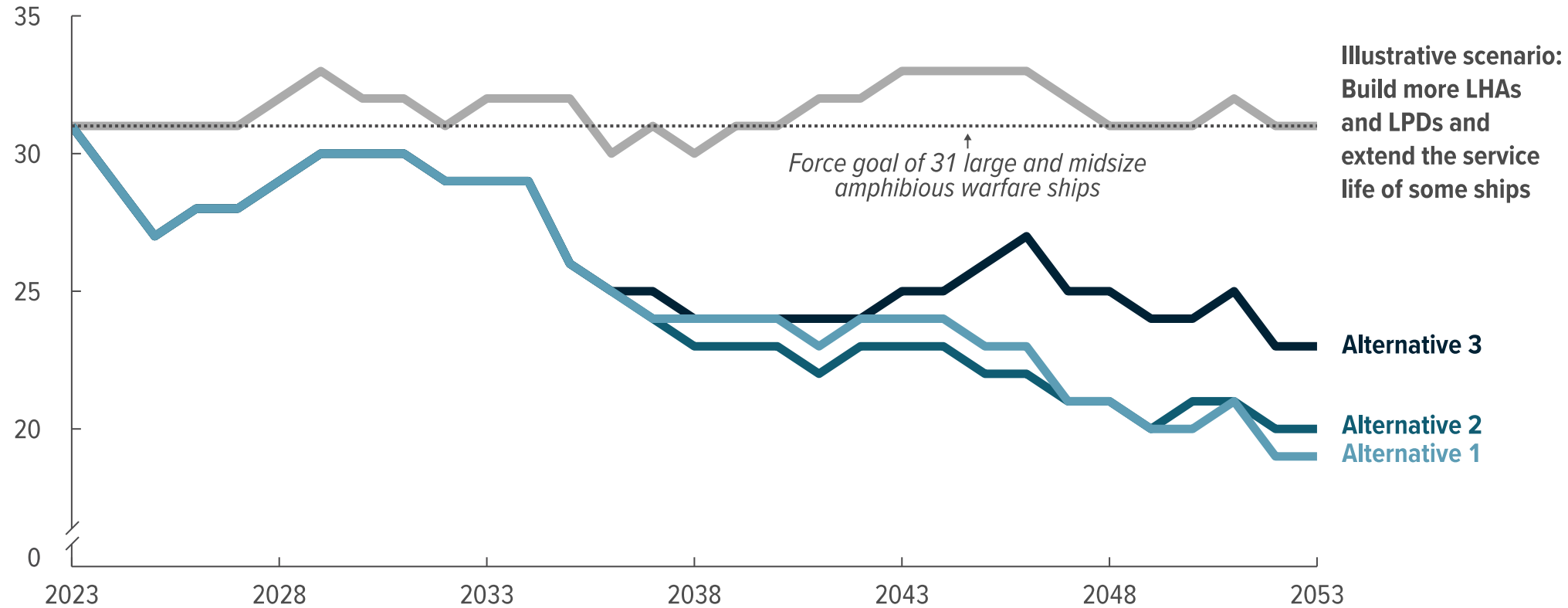
Thousands of personnel



Special Topic: The Size of the Navy's Large and Midsize Amphibious Force

Large and Midsize Amphibious Warfare Ships Under the Navy's 2024 Plan

Number of ships



For more details about the statutory requirements associated with the Navy's force of large and midsize amphibious warfare ships, see Congressional Budget Office, *An Analysis of the Navy's Fiscal Year 2024 Shipbuilding Plan* (October 2023), Box 2, www.cbo.gov/publication/59508.

LHAs = amphibious assault ships; LPDs = amphibious transport docks.