



**ACIBC**

**AIRCRAFT CARRIER  
INDUSTRIAL BASE COALITION**



THESE LOGOS ARE A REPRESENTATIVE SAMPLE OF THE COMPANIES THAT PROVIDE PARTS AND SERVICES TO THE AIRCRAFT CARRIER PROGRAM.





“As we enter an era of looking to strengthen the fleet, advance procurement funding and planning is more critical than ever.”

—LISA PAPINI, DANTE VALVE







“The two-ship buy is a significant schedule and cost saving mechanism. It continues to be a huge enabler for industry.”

—JIM KENNY, FAIRBANKS MORSE DEFENSE









BEWARE  
OF JET BLAST  
PROPELLERS  
AND ROTORS

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▣▣ If the program of record changes and shifts to the right, we're likely to see increased costs and lead times. Leadership can be most effective if they're following a 2-3-4 strategy. ▣▣

—LISA PAPINI, DANTE VALVE





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USS GERALD R. FORD (CVN 78)  
Integrity at the Heart











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“ The two-ship buy allows us to negotiate better contracts for materials and plan better so we can hit contract delivery dates for carriers.”

—PETE BORDEN, GENERAL TOOL COMPANY











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# A CRITICAL MOMENT FOR THE SHIPBUILDING INDUSTRY

An industrial base assessment from the Aircraft Carrier Industrial Base Coalition



The Aircraft Carrier Industrial Base Coalition (ACIBC) recently performed an analysis on the health, capacity, and future of the nuclear-powered U.S. Navy aircraft carrier industrial base.<sup>1</sup>

The findings of the ACIBC analysis focus on challenges to the industrial base, and how to sustain and maintain the the nation's shipbuilding capabilities, which are a national security imperative.

## THE INDUSTRIAL BASE'S IMPACT<sup>2</sup>

**\$9.2 Billion**

WORTH OF WORK

**44 States**

ARE HOME TO 2,000+ INDUSTRIAL BASE COMPANIES

Comprised of supply-chain companies across the nation, ACIBC member companies provide parts and services for the construction and maintenance of U.S. Navy aircraft carriers.



## AIRCRAFT CARRIER SUPPLIERS FACE CHALLENGES TO THE HEALTH AND STRENGTH OF THE INDUSTRIAL BASE

### Inflation

Challenge: **95%** have faced challenges due to rising costs from inflation

Impact: **79%** have experienced raw material cost increases of at least 7%

Resolution: **91%** regard multi-ship "block buys" critical to offsetting inflation and contributing to the health and future of their company

### Supply Chain Disruptions

Challenge: **91%** have faced challenges as a result of material availability/delivery

Impact: **76%** have experienced an increase in the amount of time it takes to build and deliver their products

Resolution: **64%** regard earlier advance funding critical to addressing increased material lead-times and meeting required in-yard dates

### Workforce Issues

Challenge: **85%** have faced challenges hiring, training, and retaining their workforce

Impact: **32%** believe workforce-related challenges have had a detrimental impact on their ability to fulfill contracts

Resolution: **76%** believe 3- or 4-year centers are optimal build intervals with 60% saying operating under four-year construction intervals will enable the hiring, retention and training of a workforce



<sup>1</sup>ACIBC administered a survey to 150 suppliers across the nation between October 30 – November 10, 2023.

<sup>2</sup>Data reflects CVN spending between 2019-2023







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#USA









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**ANY DELAY TO CVN 82 FURTHER EXACERBATES SUPPLIER CONCERNS AND MAY CAUSE IRREVERSIBLE HARM TO THE INDUSTRIAL BASE**

- ★ CVN 82 is forecast to be 6+ years after CVN 81 based on the President's Budget 2024 projections (procurement in 2028); based on that timeline, **nearly 50% of AP suppliers are already expected to have already stopped continuous production (i.e. "go cold") for their respective CVN material/equipment by then.**<sup>3</sup>
- ★ The impact will be exacerbated if CVN 82 is delayed beyond 2028, with **40% of suppliers saying they will need to lay off workers and/or deprioritize military shipbuilding and explore more commercial options.**
- ★ If Ford-class intervals remain at 6 or more years beyond CVN 82, **71% of suppliers regard this as negative to their business**, potentially leading to a significant cost increase in products/services, reduction in workforce, and/or exploring alternative business opportunities.

**THE IMPACT IS POTENTIALLY BOTH FAR-REACHING AND LONG-LASTING ACROSS THE ENTIRE NUCLEAR SHIPBUILDING INDUSTRIAL BASE**

**More than 50% of suppliers provide parts and services for both the aircraft carrier and submarine programs.** Of those joint CVN/submarine suppliers, at least 60% state that a stable, consistent and predictable CVN procurement strategy is critical to their overall production efforts, to include submarines. There is a strong interdependence across the nuclear industrial base:

- ★ **Encourages investments** to optimize quality and delivery timelines;
- ★ **Enhances workforce** hiring, retention, and training initiatives for both submarines and aircraft carriers production lines.

**More than 50% of respondents provide sole-source/single-source material**—underscoring the fragility of the industrial base. If impacted, it would take years to qualify new suppliers depending on the complexity of the system/equipment.

**CONSISTENCY, PREDICTABILITY AND STABILITY IS VITAL TO CVN SUPPLIERS**

The data from the coalition's analysis determines this is the optimal course for CVN construction:

- ★ **2-Ship Buy:** Procure CVN 82 & CVN 83 under one contract, starting CVN 82 in FY 2028
- ★ **Sufficient Early Funding:** Provide enough funding early enough to account for longer material lead times
- ★ **Consistent build intervals:** Build aircraft carriers—current and future—on 4-year centers

The Aircraft Carrier Industrial Base Coalition (ACIBC) represents the more than 2,000 businesses from 44 states that supply parts, equipment and services for the construction and maintenance of U.S. Navy aircraft carriers. Established in 2004, ACIBC seeks to preserve the strength of the aircraft carrier force and promote the value of the aircraft carrier industrial base as a vital part of the nation's overall defense structure.



<sup>3</sup>Newport News Shipbuilding data





The logo for Flowserve, featuring the word "FLOWSERVE" in a bold, red, sans-serif font with a red arc above and below the letters.

Limitorque Actuation Systems

The logo for Main Industries, Inc., featuring a stylized blue and yellow triangle to the left of the word "MAIN" in large blue letters, with "INDUSTRIES, INC" in smaller yellow letters below it.

MARINE AND INDUSTRIAL CONTRACTORS

The logo for Hydrasearch, featuring a stylized blue and grey wave icon to the left of the word "Hydrasearch" in a blue, italicized font.The logo for Técnico Marine & Industrial Contractors, featuring a large red letter "T" with the word "TÉCNICO" in small grey letters to its left, and "Marine & Industrial Contractors" in black text to its right.The logo for Stork, featuring the word "STORK" in white, bold, sans-serif letters inside a dark blue rounded rectangle.The logo for ATC, featuring the letters "ATC" in a large, black, sans-serif font.

AEROSPACE | GOVERNMENT | TURBINE

The logo for Curtiss-Wright, featuring the words "CURTISS-WRIGHT" in a bold, red, italicized, sans-serif font.The logo for Northrop Grumman, featuring the words "NORTHROP GRUMMAN" in a blue, sans-serif font with a stylized blue line to the right.

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“With a two-ship buy, we can get raw materials ahead of time and keep employees trained. It’s a more efficient and cost-effective way of manufacturing.”

—DARRELL GROW, AMMCON CORPORATION











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