

United States Senate
WASHINGTON, DC 20510

October 25, 2024

The Honorable Carlos Del Toro
Secretary of the Navy
1000 Navy Pentagon
Washington, DC 20350-1000

Dear Secretary Del Toro,

We write to request your particular attention to funding for submarine programs in the coming months.

The United States' submarine programs provide our nation an undersea advantage that is critical to our national security. Further, the eventual sale of at least two Virginia-class submarines to Australia as part of the AUKUS partnership will bolster our security structure in the Indo-Pacific, reassure partners and allies, and strengthen our relationships globally. For this assurance to be credible, our submarine programs must be supported with the full resources and careful oversight they need to progress on time and on cost.

We are especially grateful for the attention that has been given to investment in the nation's submarine industrial base over the last several years. Between 2018 and 2023, over \$2.3 billion has been invested in the submarine industrial base, and the supplemental enacted earlier this year included an additional \$3 billion. This infusion of capital has enabled suppliers from across the United States to hire, train, and retain the American workforce critical to a strong submarine industrial supplier base, while also allowing them to make capital investments that improve production capacity and efficiency.

While these historic investments have been key for strengthening the supplier base, we must also ensure U.S. shipyards are fully supported and able to make the overdue investments necessary to increase productivity, get on schedule, and meet demand for submarines over the short- and long-term. It is our understanding that over months of conversation Pentagon leadership, the Navy, and industry reached an agreement to maximize use of taxpayer funding for construction of the next tranche of Columbia-class and Virginia-class submarines – including by raising wages to attract and retain America's skilled and organized shipyard workforce, addressing rising costs, and advancing much-needed infrastructure investments, all to improve program reliability and schedule. Based on the information available so far, the Shipbuilder Accountability and Workforce Support (SAWS) agreement strikes us as a promising approach to ensure our submarine industrial base rises to the occasion, accelerates submarine production, and fully meets the critical and building demand on U.S. shipyards.

Congress was only made aware of this agreement at the beginning of September. The Navy's hesitance to both notify Congress earlier and take a definitive stance is concerning. Rebuilding the submarine industrial base demands decisive leadership and steady communication between the Navy, Congress, and the Executive Branch. We therefore urge more consistent communication with Congress and with OMB so that all parties clearly understand the Navy's position on SAWS and overall plans to get our nation's submarine production on track.

It is critical that our submarine programs be on schedule and on budget. The news that the Navy is projected to be an astonishing \$17 billion short in the Virginia-class program *alone* in the next six years is especially distressing. Therefore, in order to ensure we invest as effectively as possible in our shipyards, submarine industrial base, and America's highly-skilled, organized workforce, and ensure we meaningfully and steadily increase productivity, we ask for your prompt response to the following questions:

1. When was the Navy first aware of the coming deficit in our submarine programs? How long was the delay in updating Congress of the expected overruns, and how will the Navy commit to improving those timely communication channels going forward?
2. How was the SAWS agreement negotiated? Please describe the timeframe for the agreement's negotiation and its reception by the stakeholder involved throughout its presentation to OSD and OMB.
3. What advantages does the Navy see in the SAWS agreement – especially related to increasing shipyard workers' pay, improving retention and productivity, and getting our submarine programs on schedule and cost? What concerns or risks, if any, does the Navy see in the agreement?
4. If not the SAWS initiative, what is the plan for the Navy to address the upcoming \$17 billion deficit and get our submarine programs back on track?

Thank you for attention to this matter.

Sincerely,



Tim Kaine
United States Senator



Chris Murphy
United States Senator



Richard Blumenthal
United States Senator



Jeanne Shaheen
United States Senator



Kevin Cramer
United States Senator



Angus S. King, Jr.
United States Senator



Mark R. Warner
United States Senator