

AWIBC 2023 Supplier Survey:

THE HEALTH OF THE INDUSTRIAL BASE DEPENDS ON CONSISTENT FUNDING



Over 650 companies across the U.S. provide parts and services for U.S. Navy amphibious warship (LPD and LHA) construction and maintenance. This report¹ provides an analysis of the health, challenges and future of the amphibious warship industrial base, a critical asset for national security.

THE INDUSTRIAL BASE'S IMPACT

650
COMPANIES

39
STATES

\$1.7B²
OF WORK

249
CONGRESSIONAL DISTRICTS

¹AWIBC administered a survey in November 2023 to a representative sample group of 150 suppliers that conduct business in all 50 states and Washington, D.C..

²Data reflects amphibious warship spending between 2019–2023.

Threats to the Amphib Industrial Base UNCERTAINTY AND DELAY ON THE LPD LINE

Suppliers are acutely aware of the negative impacts that would arise from extended build intervals. Most anticipate laying off workers, seeking more commercial contracts and deprioritizing shipbuilding.

Over half of amphibious warship suppliers say that extended build intervals would significantly increase the cost of their products/services.

IF LHA OR LPD PRODUCTION WERE TO DELAY BY A YEAR OR MORE:

40% Would anticipate needing to **LAY OFF WORKERS**

29% Would explore more commercial contracts and **DEPRIORITIZE SHIPBUILDING**

What Suppliers Need CLEAR COMMITMENT FROM GOVERNMENT PARTNERS

Suppliers are calling for **two-year construction centers for LPDs and four-year centers for LHAs**. These clearly defined build intervals would allow them to plan and maintain consistent inventory and workforce levels.

~70% Said the most helpful thing the government can do is provide predictability and stability via **MULTI-SHIP AND MULTI-YEAR PROCUREMENT STRATEGIES**.

The Defense Industrial Base is Interconnected THE AMPHIB PROGRAM AFFECTS THE LARGER SHIPBUILDING INDUSTRY

Of the suppliers that contribute to both the amphibious warship and submarine programs, **53% said that steady amphib contracts benefit their company's capacity and capability to deliver submarine orders** as it makes it possible to invest in equipment to ensure quality and on-time delivery.

TOP CONCERNS FACING SUPPLIERS

“People with specific skills needed to build these vessels will leave to work in other industries—increasing the demand on a workforce that is already strained.”

—AWIBC Survey Respondent



67%

INFLATION

Leading to raw material price hikes



59%

HIRING AND RETAINING QUALIFIED WORKERS

Lacking workers with necessary skillsets



66%

SUPPLY CHAIN DISRUPTIONS

Resulting in increased time needed to deliver products and services



31%

SOLE-SOURCE SUPPLIERS

Survey Respondents think that extended build intervals would lead to sole-source supplier loss (61% of suppliers provide sole source materials for the Navy)

PLANNING AHEAD FOR LPD 33



Halting procurement of Flight II *San Antonio*-class amphibious warships delays the fielding of critical platforms and impairs U.S. Marine Corps service readiness. **WE MUST HAVE A CLEAR FUNDING PLAN** in order to meet the congressionally mandated 31-amphibious warship requirement.

SUPPLIERS NEED EARLIER ADVANCED PROCUREMENT FUNDING FOR LPD 33 to account for challenges like inflation, employee retention and supply chain disruptions to ensure ship parts are delivered on time.