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Navy Ford (CVN-78) Class Aircraft Carrier Program: Background and Issues for Congress

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Summary

The aircraft carriers CVN-78, CVN-79, CVN-80, CVN-81, and CVN-82 are the first five ships in the Navy's new *Gerald R. Ford* (CVN-78) class of nuclear-powered aircraft carriers (CVNs). The Navy's proposed FY2025 budget requests \$2,143.9 million (i.e., about \$2.1 billion) in procurement funding for Ford-class ships, including \$236.0 million for CVN-79, \$1,186.9 million for CVN-80, and \$721.0 million for CVN-81. The Navy's FY2025 budget submission proposes deferring the procurement of the fifth ship in the class, CVN-82, by two years, from FY2028 to FY2030, with advance procurement (AP) for the ship beginning in FY2027.

CVN-78 (*Gerald R. Ford*) was procured in FY2008. The ship was commissioned into service on July 22, 2017, and achieved initial operational capability in December 2021. The ship's first deployment began in October 2022, more than five years after the ship was commissioned into service.

CVN-79 (*John F. Kennedy*) was procured in FY2013. The Navy's FY2025 budget submission states that the ship is scheduled for delivery in July 2025.

CVN-80 (*Enterprise*) was procured in FY2018. On April 2, 2024, the Navy announced delays in the scheduled deliveries of several of its shipbuilding programs, including CVN-80, whose delivery, the Navy stated, will be delayed approximately 18 to 26 months. The Navy's FY2025 budget submission, which was submitted to Congress in March 2024, shows the ship's scheduled delivery date as September 2029, or 18 months later than the March 2028 date shown in the Navy's FY2024 budget submission, which was submitted to Congress in March 2023.

CVN-81 (*Doris Miller*) is treated in this report as a ship that was procured in FY2019, consistent with congressional action on the Navy's FY2019 budget. (The Navy's FY2025 budget submission, like its FY2021-FY2024 submissions, shows CVN-81 as a ship that was procured in FY2020.) The ship is scheduled for delivery to the Navy in February 2032.

CVN-82, as noted above, is programmed for procurement in FY2030 under the Navy's FY2025 budget submission. Procuring CVN-82 two years earlier, in FY2028, could involve providing roughly \$550 million in AP funding for the ship in FY2025.

CVN-80 and CVN-81 were procured under a two-ship block buy contract that was authorized by Section 121(a)(2) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (H.R. 5515/P.L. 115-232 of August 13, 2018). The use of the two-ship block buy contract reduced the combined estimated procurement cost of the two ships.

Oversight issues for Congress for the CVN-78 program include the following:

- whether to procure CVN-82 in FY2030 (as proposed in the Navy's FY2025 budget submission), in FY2028 (as scheduled in prior-year Navy budget submissions), or in FY2029;
- whether to procure CVN-82 and a subsequent aircraft carrier (which would be CVN-83) as a two-ship buy that would be similar to the two-ship buy that was used for procuring CVN-80 and CVN-81;
- the future aircraft carrier force level;
- CVN-78 program issues that were raised in a January 2024 report from the Department of Defense's (DOD's) Director of Operational Test and Evaluation (DOT&E) and a June 2023 Government Accountability Office (GAO) report on DOD weapon systems; and
- the procurement of aircraft carriers after CVN-81 or CVN-82.

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Introduction

This report provides background information and potential oversight issues for Congress on the *Gerald R. Ford* (CVN-78) class nuclear-powered aircraft carrier (CVN) aircraft carrier program. The Navy's proposed FY2024 budget requests \$2,143.9 million (i.e., about \$2.1 billion) in procurement funding for the program. Congress's decisions on the CVN-78 program could substantially affect Navy capabilities and funding requirements and the shipbuilding industrial base.

Background

Current Navy Aircraft Carrier Force

The Navy's current aircraft carrier force consists of 11 CVNs,¹ including 10 Nimitz-class ships (CVNs 68 through 77) that entered service between 1975 and 2009, and one *Gerald R. Ford* (CVN-78) class ship that was commissioned into service on July 22, 2017.²

Statutory Requirements for Carriers and Carrier Air Wings

Requirement to Maintain Not Less Than 11 Carriers

10 U.S.C. 8062(b) requires the Navy to maintain a force of not less than 11 operational aircraft carriers.³ The requirement for the Navy to maintain not less than a certain number of operational aircraft carriers was established by Section 126 of the FY2006 National Defense Authorization Act (H.R. 1815/P.L. 109-163 of January 6, 2006), which set the number at 12 carriers. The requirement was changed from 12 carriers to 11 carriers by Section 1011(a) of the FY2007 John Warner National Defense Authorization Act (H.R. 5122/P.L. 109-364 of October 17, 2006).⁴

Prohibition on Retiring Nuclear-Powered Aircraft Carriers Prior to Refueling

Section 1054 of the FY2021 National Defense Authorization Act (NDAA) (H.R. 6395/P.L. 116-283) amended 10 U.S.C. 8062 to create a new subsection (which is now subsection [g]) stating: "A nuclear powered aircraft carrier may not be retired before its first refueling."

¹ The Navy's last remaining conventionally powered carrier (CV), *Kitty Hawk* (CV-63), was decommissioned on January 31, 2009.

² The commissioning into service of CVN-78 on July 22, 2017, ended a period during which the carrier force had declined to 10 ships—a period that began on December 1, 2012, with the inactivation of the one-of-a-kind nuclear-powered aircraft carrier *Enterprise* (CVN-65), a ship that entered service in 1961.

³ 10 U.S.C. 8062 was previously numbered as 10 U.S.C. 5062. It was renumbered as 10 U.S.C. 8062 by Section 807 of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (H.R. 5515/P.L. 115-232 of August 13, 2018), which directed a renumbering of sections and titles of Title 10 relating to the Navy and Marine Corps. (Sections 806 and 808 of P.L. 115-232 directed a similar renumbering of sections and titles relating to the Air Force and Army, respectively.)

⁴ As mentioned in footnote 2, the carrier force dropped from 11 ships to 10 ships between December 1, 2012, when *Enterprise* (CVN-65) was inactivated, and July 22, 2017, when CVN-78 was commissioned into service. Anticipating the gap between the inactivation of CVN-65 and the commissioning of CVN-78, the Navy asked Congress for a temporary waiver of 10 U.S.C. 8062(b) to accommodate the period between the two events. Section 1023 of the FY2010 National Defense Authorization Act (H.R. 2647/P.L. 111-84 of October 28, 2009) authorized the waiver, permitting the Navy to have 10 operational carriers between the inactivation of CVN-65 and the commissioning of CVN-78.

Requirement to Maintain a Minimum of Carrier Air Wings

10 U.S.C. 8062(e), which was added by Section 1042 of the FY2017 National Defense Authorization Act (S. 2943/P.L. 114-328 of December 23, 2016), requires the Navy to maintain a certain minimum number of carrier air wings.⁵

⁵ 10 U.S.C. 8062(e) states:

(e) The Secretary of the Navy shall ensure that-

(1) the Navy maintains a minimum of 9 carrier air wings until the earlier of-

(A) the date on which additional operationally deployable aircraft carriers can fully support a 10th carrier air wing; or

(B) October 1, 2025;

(2) after the earlier of the two dates referred to in subparagraphs (A) and (B) of paragraph (1), the Navy maintains a minimum of 10 carrier air wings; and

(3) for each such carrier air wing, the Navy maintains a dedicated and fully staffed headquarters.

Section 121 of the FY2024 National Defense Authorization Act (H.R. 2670/P.L. 118-31 of December 22, 2023) states:

SEC. 121. MODIFICATION OF REQUIREMENTS FOR MINIMUM NUMBER OF CARRIER AIR WINGS OF THE NAVY.

(a) Modification of Requirements.--

(1) In general.--Subsection (e) of section 8062 of title 10, United States Code, is amended to read as follows--

“(e) The Secretary of the Navy shall ensure that--

“(1) the Navy maintains a minimum of 9 carrier air wings; and

“(2) for each such carrier air wing, the Navy maintains a dedicated and fully staffed headquarters.”.

(2) Effective date.--

The amendment made by paragraph (1) shall take effect one year after the date on which the Secretary of the Navy submits to Congress the report required under subsection (b)(3).

The Secretary of the Navy shall notify the Law Revision Counsel of the House of Representatives of the submission of the report so that the Law Revision Counsel may execute the amendment made by paragraph (1) in accordance with the preceding sentence.

(b) Analysis and Report.--

(1) In general.--The Secretary of the Navy shall conduct an analysis of potential approaches to the manning, operation, and deployment of a 10th aircraft carrier and associated carrier air wing to determine how the Navy can mobilize such a carrier and air wing if required by operational needs.

(2) Elements.--The analysis under paragraph (1) shall address the following:

(A) The timeline associated with removing an aircraft carrier from each the following maintenance availability types:

(i) Complex Overhaul.

(ii) Selected Restricted Availability.

(iii) Docking Selected Restricted Availability.

(iv) Planned Incremental Availability.

(v) Docking Planned Incremental Availability.

(B) The potential for establishing a reserve component air wing capable of mobilization as a 10th carrier air wing.

(C) The timeline for activation of such a reserve component carrier air wing.

(D) The costs associated with establishing and maintaining a 10th active carrier air wing versus establishing and maintaining a reserve component air wing as described in subparagraph (B).

(E) The potential for deployment of a 10th aircraft carrier without a fully manned carrier air wing in the event the Navy only operates and crews 9 carrier air wings at the time deployment of a 10th aircraft carrier is required.

(continued...)

Navy's Aircraft Carrier Force-Level Goal

The Navy wants to achieve and maintain in coming years a fleet of 381 manned battle force ships, including 12 aircraft carriers. The Biden Administration has not explicitly endorsed the Navy's desired 381-ship force-level objective or any other ship force-level objective for the Navy as a whole.⁶

Projected Number of Aircraft Carriers

The Navy's FY2025 30-year (FY2025-FY2054) shipbuilding plan, which is designed to support the eventual attainment of a fleet of about 381 ships, projects that, if the plan were implemented, the Navy's carrier force would include a total of 12 carriers in only three years within the 30-year period, with the force including

- 11 carriers in FY2025-FY2036 (except for FY2025, FY2029, and FY2032, when it would include 12 carriers),
- 10 or 11 carriers in FY2037-FY2046, and
- 9 carriers in FY2047-FY2054 (except for FY2052, when it would include 10 carriers).

Incremental Funding Authority for Aircraft Carriers

Congress since the 1990s has authorized DOD to use incremental funding for procuring certain Navy ships, most notably aircraft carriers.⁷ Under incremental funding, some of the funding needed to fully fund a ship is provided in one or more years after the year in which the ship is procured.⁸

(F) The potential for additional forward deployed squadrons that could support an aircraft carrier during theater operations that may not have a fully embarked air wing at the time of embarkation.

(3) Report.—Following completion of the analysis required under paragraph (1), Secretary of the Navy shall submit to the congressional defense committees a report on the results of the analysis.

⁶ For additional discussion, see CRS Report RL32665, *Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress*, by Ronald O'Rourke.

⁷ The provisions providing authority for using incremental funding for procuring Ford-class carriers are as follows: Section 121 of the FY2007 John Warner National Defense Authorization Act (H.R. 5122/P.L. 109-364 of October 17, 2006) granted the Navy the authority to use four-year incremental funding for CVNs 78, 79, and 80. Under this authority, the Navy could fully fund each of these ships over a four-year period that includes the ship's year of procurement and three subsequent years.

Section 124 of the FY2012 National Defense Authorization Act (H.R. 1540/P.L. 112-81 of December 31, 2011) amended Section 121 of P.L. 109-364 to grant the Navy the authority to use five-year incremental funding for CVNs 78, 79, and 80. Since CVN-78 was fully funded in FY2008-FY2011, the provision in practice originally applied to CVNs 79 and 80, although as discussed in the footnote to **Table 1**, the Navy made use of the authority in connection with an FY2020 reprogramming action that reprogrammed \$86.0 million of funding into FY2012 for CVN-78.

Section 121 of the FY2013 National Defense Authorization Act (H.R. 4310/P.L. 112-239 of January 2, 2013) amended Section 121 of P.L. 109-364 to grant the Navy the authority to use six-year incremental funding for CVNs 78, 79, and 80. Since CVN-78 was fully funded in FY2008-FY2011, the provision in practice applies to CVNs 79 and 80.

Section 121(c) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (H.R. 5515/P.L. 115-232 of August 13, 2018) authorized incremental funding to be used for making payments under the two-ship block buy contract for the construction of CVN-80 and CVN-81. This provision does not limit the total number of years across which incremental funding may be used to procure either ship.

⁸ For more on full funding and incremental funding, see CRS Report RL31404, *Defense Procurement: Full Funding* (continued...)

Aircraft Carrier Construction Industrial Base

All U.S. aircraft carriers procured since FY1958 have been built by Huntington Ingalls Industries/Newport News Shipbuilding (HII/NNS), of Newport News, VA. HII/NNS is the only U.S. shipyard that can build large-deck, nuclear-powered aircraft carriers. The aircraft carrier construction industrial base as of 2019 also included roughly 2,000 supplier firms in 46 states.⁹

Gerald R. Ford (CVN-78) Class Program

Overview

The Gerald R. Ford (CVN-78) class carrier design (**Figure 1** and **Figure 2**) is the successor to the *Nimitz*-class carrier design. The Ford-class design uses the basic *Nimitz*-class hull form but incorporates several improvements, including features permitting the ship to generate more aircraft sorties per day, more electrical power for supporting ship systems, and features permitting the ship to be operated by several hundred fewer sailors than a *Nimitz*-class ship, reducing 50-year life-cycle operating and support (O&S) costs for each ship by about \$4 billion compared to the *Nimitz*-class design, the Navy estimates. Navy plans call for procuring at least five Ford-class carriers—CVN-78, CVN-79, CVN-80, CVN-81, and CVN-82.

CVN-78 (*Gerald R. Ford*)

CVN-78, which was named *Gerald R. Ford* in 2007,¹⁰ was procured in FY2008. The ship's final procurement cost was \$13,316.5 million (i.e., about \$13.3 billion) in then-year dollars. The ship was commissioned into service on July 22, 2017, and achieved initial operational capability (IOC) in December 2021.¹¹ The ship's first deployment, which was delayed by a need to complete work on the ship's weapons elevators and correct other technical problems aboard the ship, began in October 2022, more than five years after the ship was commissioned into service.¹² The ship reportedly began its first full-length deployment on May 2, 2023.¹³

Policy—Background, Issues, and Options for Congress, by Ronald O'Rourke and Stephen Daggett, and CRS Report RL32776, *Navy Ship Procurement: Alternative Funding Approaches—Background and Options for Congress*, by Ronald O'Rourke.

⁹ Source: Jennifer Boykin, president of HII/NNS, as quoted in Marcus Weisgerber, "US Navy Places First 2-Carrier Order in Three Decades," *Defense One*, January 31, 2019.

¹⁰ §1012 of the FY2007 defense authorization act (H.R. 5122/P.L. 109-364 of October 17, 2006) expressed the sense of Congress that CVN-78 should be named for President Gerald R. Ford. On January 16, 2007, the Navy announced that CVN-78 would be so named. CVN-78 and other carriers built to the same design are consequently referred to as Ford (CVN-78) class carriers. For more on Navy ship names, see CRS Report RS22478, *Navy Ship Names: Background for Congress*, by Ronald O'Rourke.

¹¹ See, for example, Marcus Weisgerber, "Surprise! The Navy Declared Its Newest Carrier Battle-Ready Last Year," *Defense One*, April 5, 2022.

¹² See, for example, Nick Wilson, "First-in-Class Ford Aircraft Carrier Completes Inaugural Deployment," *Inside Defense*, November 29, 2022; Sam LaGrone, "Video: USS Gerald R. Ford Back in Norfolk After Two Months in the Atlantic," *USNI News*, November 26 (updated November 27), 2022; Diana Stancy Correll, "USS Gerald R Ford Slated to Wrap Up First Deployment," *Navy Times*, November 23, 2022.

¹³ See, for example, Diana Stancy Correll, "USS Gerald R Ford Leaves Norfolk for First Full-Length Deployment," *Navy Times*, May 2, 2023; Aaron-Matthew Lariosa, "Aircraft Carrier USS Gerald R. Ford Departs Norfolk for Worldwide Deployment," *USNI News*, May 2, 2023.

Figure I. USS Gerald R. Ford (CVN-78)



Source: Cropped version of U.S. Navy photograph 240105-N-HJ055-1591, showing CVN-78 transiting the Strait of Gibraltar on January 5, 2024. Accessed April 15, 2024, at <https://www.navy.mil/Resources/Photo-Gallery/igphoto/2003370046/>.

CVN-79 (*John F. Kennedy*)

CVN-79, which was named *John F. Kennedy* on May 29, 2011,¹⁴ was procured in FY2013. The Navy’s proposed FY2025 budget estimates the ship’s procurement cost at \$12,936.0 million (i.e., \$12.9 billion) in then-year dollars. On August 10, 2023, the Navy notified the congressional defense committees that, using authority granted by Section 121 of the FY2020 National Defense Authorization Act (S. 1790/P.L. 116-92 of December 20, 2019), the Navy was increasing the cost limitation baseline (aka cost cap) for CVN-79 by \$236 million, to \$12,936 million, to support full ship delivery efforts. (For further information on procurement cost caps for the CVN-78 program, see “Program Procurement Cost Cap” below.) CVN-79 is being built with an improved shipyard fabrication and assembly process that incorporates lessons learned from the construction of CVN-78. The Navy’s FY2025 budget submission states that the ship is scheduled for delivery in July 2025.

¹⁴ See “Navy Names Next Aircraft Carrier USS John F. Kennedy,” *Navy News Service*, May 29, 2011, accessed online on June 1, 2011, at http://www.navy.mil/search/display.asp?story_id=60686. See also Peter Frost, “U.S. Navy’s Next Aircraft Carrier Will Be Named After The Late John F. Kennedy,” *Newport News Daily Press*, May 30, 2011. CVN-79 is the second ship to be named for President John F. Kennedy. The first, CV-67, was the last conventionally powered carrier procured for the Navy. CV-67 was procured in FY1963, entered service in 1968, and was decommissioned in 2007.

Figure 2. USS Gerald R. Ford (CVN-78)



Source: Cropped version of photograph accompanying Megan Eckstein, “Navy Removes Ford Carrier Program Manager, Citing Performance Over Time,” *USNI News*, July 2, 2020. The caption credits the photograph to the U.S. Navy and states that it shows CVN-78 on June 4, 2020.

CVN-80 (*Enterprise*)

CVN-80, which was named *Enterprise* on December 1, 2012,¹⁵ was procured in FY2018. The Navy’s proposed FY2025 budget estimates the ship’s procurement cost at \$13,719.9 million (i.e., about \$13.7 billion) in then-year dollars. On April 2, 2024, the Navy announced delays in the scheduled deliveries of several of its shipbuilding programs due to shipyard workforce and supply chain challenges and other issues, including CVN-80, whose delivery, the Navy stated, will be delayed approximately 18 to 26 months.¹⁶ The Navy’s FY2025 budget submission, which was

¹⁵ The Navy made the announcement of CVN-80’s name on the same day that it deactivated the 51-year-old aircraft carrier CVN-65, also named *Enterprise*. (“Enterprise, Navy’s First Nuclear-Powered Aircraft Carrier, Inactivated,” *Navy News Service*, December 1, 2012; Hugh Lessig, “Navy Retires One Enterprise, Will Welcome Another,” *Newport News Daily Press*, December 2, 2012.) CVN-65 was the eighth Navy ship named *Enterprise*; CVN-80 is to be the ninth.

¹⁶ See, for example, Megan Eckstein, “US Navy Ship Programs Face Years-Long Delays amid Labor, Supply Woes,” (continued...)

submitted to Congress in March 2024, shows the ship's scheduled delivery date as September 2029, or 18 months later than the March 2028 date shown in the Navy's FY2024 budget submission, which was submitted to Congress in March 2023.

CVN-81 (*Doris Miller*)

CVN-81, which was named *Doris Miller* on January 20, 2020,¹⁷ is treated in this report as a ship that was procured in FY2019, consistent with congressional action on the Navy's FY2019 budget. (The Navy's FY2025 budget submission, like its FY2021-FY2024 submissions, shows CVN-81 as a ship that was procured in FY2020.) The Navy's FY2025 budget submission estimates the ship's procurement cost at \$14,015.6 million (i.e., about \$14.0 billion) in then-year dollars. The ship is scheduled for delivery to the Navy in February 2032.

CVN-82

Prior to the Navy's FY2025 budget submission, Navy budget submissions showed CVN-82 as programmed for procurement in FY2028. The Navy's FY2025 budget submission proposes deferring the procurement of the ship by two years, from FY2028 to FY2030, with advance procurement (AP) for the ship beginning in FY2027. Procuring CVN-82 in FY2028, as previously scheduled, could involve providing roughly \$550 million in AP funding for the ship in FY2025.¹⁸

Two-Ship Block Buy Contract for CVN-80 and CVN-81

CVN-80 and CVN-81 were procured under a two-ship block buy contract that was authorized by Section 121(a)(2) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (H.R. 5515/P.L. 115-232 of August 13, 2018). The provision permitted the Navy to add CVN-81 to the existing contract for building CVN-80 after DOD made certain certifications to Congress. DOD made the certifications on December 31, 2018, and the Navy announced the award of the contract on January 31, 2019. Prior to the awarding of the two-ship block buy contract, CVN-81 was scheduled to be procured in FY2023. The use of the two-ship block buy contract reduced the combined estimated procurement cost of the two ships.¹⁹

Defense News, April 2, 2024; Justin Katz, "Navy Lays Out Major Shipbuilding Delays, in Rare Public Accounting," *Breaking Defense*, April 2, 2024; Nick Wilson, "Navy Shipbuilding Review Details Delays across Submarine and Ship Acquisition Portfolio," *Inside Defense*, April 2, 2024; Cal Biesecker, "Navy Confirms Delays In Shipbuilding Programs As Part Of Ongoing Review," *Defense Daily*, April 3, 2024.

¹⁷ Doris Miller was an African American enlisted sailor who received the Navy Cross for his actions during the Japanese attack on Pearl Harbor on December 7, 1941. For further discussion of the naming of CVN-81 for Doris Miller, see CRS Report RS22478, *Navy Ship Names: Background for Congress*, by Ronald O'Rourke.

¹⁸ Source: CRS estimate. As shown in **Table 1**, the Navy has programmed \$580.7 million in AP funding for CVN-82 in FY2027 to support the procurement of the ship in FY2030. Accelerating this AP funding by two years, to FY2025, to support the procurement of CVN-82 in FY2028, and deflating the amount into FY2025 dollars produces an adjusted figure of roughly \$550 million.

¹⁹ Compared to the estimated procurement costs for CVN-80 and CVN-81 in the Navy's FY2019 budget submission, the Navy estimated under its FY2020 budget submission that the two-ship block buy contract will reduce the cost of CVN-80 by \$246.6 million and the cost of CVN-81 by \$2,637.3 million, for a combined reduction of \$2,883.9 million (i.e., about \$2.9 billion). (DOD characterized the combined reduction as "nearly \$3 billion.") Using higher estimated baseline costs for CVN-80 and CVN-81 taken from a December 2017 Navy business case analysis, the Navy estimated under its FY2020 budget submission that the two-ship contract will reduce the cost of CVN-80 by about \$900 million and the cost of CVN-81 by about \$3.1 billion, for a combined reduction of about \$4.0 billion. These figures are all expressed in then-year dollars, meaning dollars that are not adjusted for inflation. For additional background information on the two-ship block buy contract, see the **Appendix**.

Interest in Potential Two-Ship Block Buy Contract for CVN-82 and CVN-83 and “2-3-4” Approach for Procuring Aircraft Carriers

Some observers reportedly are interested in the option of using another two-ship block buy contract to procure CVN-82 and a sixth Ford-class carrier, which would be CVN-83.²⁰ More broadly, some observers have argued in favor of a “2-3-4” approach for procuring carriers that would include two-carrier buys, three years (rather than two years) of advanced procurement funding for each carrier, and four-year centers for building carriers (i.e., starting construction of each carrier four years after the start of the previous carrier’s construction). In association with the 2-3-4 approach, these observers have argued that delaying the procurement of CVN-82 beyond FY2028 could damage the CVN construction industrial base.²¹

Section 132 of the FY2023 NDAA (H.R. 7776/P.L. 117-263 of December 23, 2022) required the Navy to submit a report to the congressional defense committees not later than March 1, 2023, on advance procurement funding for CVN-82 and CVN-83 under single-carrier and two-carrier acquisition strategies.

Program Procurement Cost Cap

Congress established and subsequently amended procurement cost caps for Ford-class aircraft carriers.²²

²⁰ See, for example, Megan Eckstein, “US Navy Mulls Timing of New Double-Carrier Award Amid Enterprise Delay,” *Defense News*, October 26, 2023; Loren Thompson, “The Right Way To Buy The U.S. Navy’s New Generation Of Supercarriers,” *Forbes*, September 30, 2022; Mike Gooding, “Block-Buy for New Aircraft Carriers Will Save Taxpayers Billions of Dollars,” *13 News Now*, August 30 (updated August 31), 2022; Megan Eckstein, “Navy, HII Pitch Congress for Another Two-Carrier Contract,” *Defense News*, August 29, 2022; Sam LaGrone, “HII Argues for Aircraft Carrier Block Buy as New Enterprise Takes Shape,” *USNI News*, August 28, 2022; Justin Katz, “Ahead of Shipyard Ceremony, Navy and Industry Advocate for Another Aircraft Carrier ‘Block Buy,’” *Breaking Defense*, August 26, 2022.

²¹ Rich Abott, “HII Argues For Two Carrier Block Buys With Three Years Advance Work, Warns If CVN-82 Delayed,” *Defense Daily*, January 8, 2024; Audrey Decker, “Delaying Aircraft Carrier Order Would Hurt Supply Chain, Shipbuilder Says,” *Defense Daily*, January 8, 2024; Megan Eckstein, “HII Warns of Potential Carrier, Amphib Issues in FY25 Budget Request,” *Defense News*, January 8, 2024; Brett Davis, “Delay to CVN 82 Buy Could Endanger Industrial Base, New Industry Report Says,” *Seapower*, January 17, 2024.

²² The provisions that established and later amended the cost caps are as follows:

Section 122 of the FY2007 John Warner National Defense Authorization Act (H.R. 5122/P.L. 109-364 of October 17, 2006) established a procurement cost cap for CVN-78 of \$10.5 billion, plus adjustments for inflation and other factors, and a procurement cost cap for subsequent Ford-class carriers of \$8.1 billion each, plus adjustments for inflation and other factors. The conference report (H.Rept. 109-702 of September 29, 2006) on P.L. 109-364 discusses Section 122 on pages 551-552.

Section 121 of the FY2014 National Defense Authorization Act (H.R. 3304/P.L. 113-66 of December 26, 2013) amended the procurement cost cap for the CVN-78 program to provide a revised cap of \$12,887.0 million for CVN-78 and a revised cap of \$11,498.0 million for each follow-on ship in the program, plus adjustments for inflation and other factors (including an additional factor not included in original cost cap).

Section 122 of the FY2016 National Defense Authorization Act (S. 1356/P.L. 114-92 of November 25, 2015) further amended the cost cap for the CVN-78 program to provide a revised cap of \$11,398.0 million for each follow-on ship in the program, plus adjustment for inflation and other factors, and with a new provision stating that, if during construction of CVN-79, the Chief of Naval Operations determines that measures required to complete the ship within the revised cost cap shall result in an unacceptable reduction to the ship’s operational capability, the Secretary of the Navy may increase the CVN-79 cost cap by up to \$100 million (i.e., to \$11.498 billion). If such an action is taken, the Navy is to adhere to the notification requirements specified in the cost cap legislation.

Section 121(a) of the FY2018 National Defense Authorization Act (H.R. 2810/P.L. 115-91 of December 12, 2017) further amended the cost cap for the CVN-78 program to provide a revised cap of \$12,568.0 million for CVN-80 and (continued...)

Program Procurement Funding

Table 1 shows procurement funding for CVNs 78, 79, 80, and 81 through FY2028, the final year of funding programmed for CVN-81, under the Navy’s FY2024 budget submission. As shown in the table, the Navy’s proposed FY2024 budget requests \$2,540.4 million (i.e., about \$2.5 billion) in procurement funding for Ford-class ships, including \$624.6 million for CVN-79, \$1,115.3 million for CVN-80, and \$800.5 million for CVN-81.

Changes in Estimated Unit Procurement Costs Since FY2008 Budget

Table 2 shows changes in the estimated procurement costs of CVNs 78, 79, 80, and 81 since the budget submission for FY2008—the year of procurement for CVN-78.

Issues for Congress

Procurement Date for CVN-82

One issue for Congress is whether to procure CVN-82 in FY2030 (as proposed in the Navy’s FY2025 budget submission), in FY2028 (as scheduled in prior-year Navy budget submissions), or in FY2029. As noted earlier, procuring CVN-82 in FY2028 could involve providing roughly \$550 million in advance procurement (AP) funding for the ship in FY2025.

The Navy argues that its proposal to defer procurement of CVN-82 by two years, from FY2028 to FY2030, was made necessary by limits on the Navy’s budget topline and competing Navy program priorities, and that providing AP funding for CVN-82 starting in FY2025 could reduce funding available for those other program priorities.²³ Supporters of procuring CVN-82 in FY2028, as previously scheduled, could argue that deferring the ship’s procurement will pose challenges for firms in the aircraft carrier supplier base due to the lengthened interval between the procurement of CVN-81 (procured in FY2019) and CVN-82,²⁴ and increase the ship’s cost in real terms for both that reason and due to loss of production learning curve benefits at the shipbuilder, HII/NNS.

subsequent ships in the program, plus adjustment for inflation and other factors. (The cap for CVN-79 was kept at \$11,398.0 million, plus adjustment for inflation and other factors.) The provision also amended the basis for adjusting the caps for inflation, and excluded certain costs from being counted against the caps.

Section 121 of the FY2020 National Defense Authorization Act (S. 1790/P.L. 116-92 of December 20, 2019) further amended the cost cap for the CVN-78 program to provide revised caps of \$13,224.0 million for CVN-78, \$11,398.0 million for CVN-79, \$12,202.0 million for CVN-80, and \$12,451.0 million for CVN-81. The provision directs the Navy to exclude from these figures costs for CVN-78 class battle spares, interim spares, and increases attributable to economic inflation after December 1, 2018.

²³ Source: Navy briefing for CBO and CRS on the Navy’s proposed FY2025 budget, March 12, 2024.

²⁴ See, for example, Bryan McGrath, “The US Is Not Serious about Aircraft Carriers—or Their Industrial Base,” *Defense One*, March 12, 2024; Abby Shepherd, “Carrier Delays Concern Industry Members, Congress,” *Inside Defense*, March 20, 2024.

Table I. Procurement Funding for CVNs 78, 79, 80, and 81 Through FY2028

(Millions of then-year dollars, rounded to nearest tenth)

FY	CVN-78	CVN-79	CVN-80	CVN-81	CVN-82	Total
FY01	21.7 (AP)	0	0	0	0	21.7
FY02	135.3 (AP)	0	0	0	0	135.3
FY03	395.5 (AP)	0	0	0	0	395.5
FY04	1,162.9 (AP)	0	0	0	0	1,162.9
FY05	623.1 (AP)	0	0	0	0	623.1
FY06	618.9 (AP)	0	0	0	0	618.9
FY07	735.8 (AP)	52.8 (AP)	0	0	0	788.6
FY08	2,685.0 (FF)	123.5 (AP)	0	0	0	2,808.5
FY09	2,687.0 (FF)	1,210.6 (AP)	0	0	0	3,897.6
FY10	851.3 (FF)	482.9 (AP)	0	0	0	1,334.2
FY11	1,848.1 (FF)	902.5 (AP)	0	0	0	2,750.6
FY12	86.0 (FF)**	554.8 (AP)	0	0	0	640.8
FY13	0	491.0 (FF)	0	0	0	491.0
FY14	588.1 (CC)	917.6 (FF)	0	0	0	1,505.7
FY15	663.0 (CC)	1,219.4 (FF)	0	0	0	1,882.4
FY16	123.8 (CC)	1,569.5 (FF)	862.4 (AP)	0	0	2,555.7
FY17	0	1,241.8 (FF)	1,370.8 (AP)	0	0	2,612.6
FY18	20.0 (CC)	2,556.4 (FF)	1,569.6 (FF)	0	0	4,146.0
FY19	0	0	929.1 (FF)	643.0 (FF)	0	1,572.1
FY20	0	0	1,062.0 (FF)	1,214.5 (FF)	0	2,276.5
FY21	71.0 (CC)	0	958.9 (FF)	1,606.4 (FF)	0	2,636.3
FY22	0	291.0 (CC)	1,062.0 (FF)	1,287.7 (FF)	0	2,640.7
FY23	0	461.7 (CC)	1,465.9 (FF)	1,052.0 (FF)	0	2,995.2
FY24	0	624.6 (CC)	1,104.4 (FF)*	800.5 (FF)	0	2,529.5*
FY25 (requested)	0	236.0 (CC)	1,186.9 (FF)	721.0 (FF)	0	2,143.9
<i>FY26 (programmed)</i>	0	0	1,135.4 (FF)	2,052.7 (FF)	0	3,188.1
<i>FY27 (programmed)</i>	0	0	1,001.4 (FF)	2,569.1 (FF)	580.7 (AP)	4,151.2
<i>FY28 (programmed)</i>	0	0	0	2,068.6 (FF)	2,574.2 (AP)	4,642.8
<i>FY29 (programmed)</i>	0	0	0	0	2,744.2 (AP)	
Total	13,316.5	12,936.0	13,719.9*	14,015.6	n/a	n/a

Source: Table prepared by CRS based on Navy's FY2025 budget submission and prior-year submissions.

Notes: Figures may not add due to rounding. * In addition, the total for CVN-80 does not add because the Navy used requested FY2024 funding figures in preparing the FY2025 budget submission, and the enacted figure for FY2024 for CVN-80 (\$1,104.4 million) differs from the requested figure (\$1,115.3 million). AP is advance procurement funding; FF is full funding; CC is cost-to-complete funding (i.e., funding to cover cost growth), which is sometimes abbreviated in Navy documents as CTC. Regarding the ** notation for the FY2012 funding figure for CVN-78, even though FY2012 is after FY2011 (CVN-78's original final year of full funding), the Navy characterizes the \$86.0 million reprogrammed into FY2012 as full funding rather than cost-to-complete funding on the grounds that in the years since FY2011, as discussed earlier in this report (see footnote 7), the authority to use incremental funding for procuring aircraft carriers has been expanded by Congress to permit more than the four years of incremental funding that were permitted at the time that CVN-78 was initially funded.

Table 2. Changes in Estimated Procurement Costs of CVNs 78, 79, 80, and 81

(As shown in FY2008-FY2024 budgets, in millions of then-year dollars)

Budget	CVN-78		CVN-79		CVN-80		CVN-81	
	Est. proc. cost	Scheduled/ actual FY of proc.	Est. proc. cost	Scheduled/ actual FY of proc.	Est. proc. cost	Scheduled/ actual FY of proc.	Est. proc. cost	Scheduled/ actual FY of proc.
FY08	10,488.9	FY08	9,192.0	FY12	10,716.8	FY16	n/a	FY21
FY09	10,457.9	FY08	9,191.6	FY12	10,716.8	FY16	n/a	FY21
FY10	10,845.8	FY08	n/a	FY13	n/a	FY18	n/a	FY23
FY11	11,531.0	FY08	10,413.1	FY13	13,577.0	FY18	n/a	FY23
FY12	11,531.0	FY08	10,253.0	FY13	13,494.9	FY18	n/a	FY23
FY13	12,323.2	FY08	11,411.0	FY13	13,874.2	FY18	n/a	FY23
FY14	12,829.3	FY08	11,338.4	FY13	13,874.2	FY18	n/a	FY23
FY15	12,887.2	FY08	11,498.0	FY13	13,874.2	FY18	n/a	FY23
FY16	12,887.0	FY08	11,347.6	FY13	13,472.0	FY18	n/a	FY23
FY17	12,887.0	FY08	11,398.0	FY13	12,900.0	FY18	n/a	FY23
FY18	12,907.0	FY08	11,377.4	FY13	12,997.6	FY18	n/a	FY23
FY19	12,964.0	FY08	11,341.4	FY13	12,601.7	FY18	15,088.0	FY19
FY20	13,084.0	FY08	11,327.4	FY13	12,335.1	FY18	12,450.7	FY19
FY21	13,316.5	FY08	11,397.7	FY13	12,321.3	FY18	12,450.7	FY19
FY22	13,316.5	FY08	11,929.7	FY13	12,405.5	FY18	12,483.6	FY19
FY23	13,316.5	FY08	12,700.0	FY13	12,832.9	FY18	12,930.0	FY19
FY24	13,316.5	FY08	12,700.0	FY13	12,812.9	FY18	12,929.1	FY19
FY25	13,316.5	FY08	12,936.0	FY13	13,719.9	FY18	14,015.6	FY19
Annual % change								
FY08 to FY09	-0.3		0%		0%		n/a	
FY09 to FY10	+3.7		n/a		n/a		n/a	
FY10 to FY11	+6.3		n/a		n/a		n/a	
FY09 to FY11					+26.7%			
FY11 to FY12	0%		-1.5%		-0.1%		n/a	
FY12 to FY13	+6.9%		+11.3%		+2.8%		n/a	
FY13 to FY14	+4.1%		-0.6%		0%		n/a	
FY14 to FY15	+0.5%		+1.4%		0%		n/a	
FY15 to FY16	0%		-1.3%		-2.9%		n/a	
FY16 to FY17	0%		+0.4%		-4.2%		n/a	
FY17 to FY18	+0.2%		-0.2%		+0.7%		n/a	
FY18 to FY19	+0.4%		-0.3%		-3.0%		n/a	
FY19 to FY20	+0.9%		-0.1%		-2.1%		-17.5%	
FY20 to FY21	+1.8%		+0.6%		-0.1%		0%	
FY21 to FY22	0%		+4.7%		+0.7%		+0.3%	
FY22 to FY23	0%		+6.5%		+3.4%		+3.6%	
FY23 to FY24	0%		0%		-0.2%		-0.007%	
FY24 to FY25	0%		+1.9%		+7.1%		+8.4%	
Cumulative % change through FY24 from actual procurement dates of FY08, FY13, FY18, and FY19								
Since FY08	+27.0%		+40.7%		+28.0%		n/a	
Since FY13			+13.4%					
Since FY18					+5.6%			
Since FY19							-7.1%	

Source: Table prepared by CRS based on Navy's FY2025 budget submission and prior-year submissions.

Notes: n/a means not available. The FY2010 budget submission did not show estimated procurement costs or scheduled years of procurement for CVNs 79 and 80. The scheduled years of procurement for CVNs 79 and 80 shown here for the FY2010 budget submission are inferred from the shift to five-year intervals for procuring carriers that was announced by Secretary of Defense Gates in his April 6, 2009, news conference regarding recommendations for the FY2010 defense budget.

Procuring CVN-82 and CVN-83 as a Two-Ship Buy

Another issue for Congress is whether to procure CVN-82 and a subsequent aircraft carrier (which would be CVN-83) as a two-ship buy that would be similar to the two-ship buy that was used for procuring CVN-80 and CVN-81. Such a two-ship buy could take place in FY2030 (the Navy's programmed year for procuring CVN-82 under its FY2025 budget submission), FY2028 (the Navy's programmed year for procuring CVN-82 under its prior-year budget submissions), or FY2029. Procuring CVN-82 and CVN-83 as a two-ship buy in FY2028 could involve increasing the amount of advance procurement (AP) funding provided for the aircraft program in FY2025 to something more than the figure of roughly \$550 million discussed in the previous section.

Opponents of procuring CVN-82 and CVN-83 as a two-ship buy could argue that it could be premature to commit to the procurement of another Ford-class carrier after CVN-81, given ongoing changes in military technologies and concepts of operation, and that the additional near-term procurement funding requirements of a two-ship buy could crowd out funding available for other Navy program priorities.

Supporters of procuring CVN-82 and CVN-83 as a two-ship buy could argue that Ford-class carriers will continue to be needed, notwithstanding changes in military technologies and concepts of operation, and that a two-ship buy would help support the aircraft carrier industrial base by providing a known quantity of carrier-construction work for years to come, and substantially reduce the combined procurement cost of the two ships, releasing Navy funding for use in meeting other program priorities.

Future Aircraft Carrier Force Level

Another issue for Congress concerns the future aircraft carrier force level. Decisions on this issue could have implications for the service lives of existing aircraft carriers and/or plans for procuring new aircraft carriers. The future aircraft carrier force level has been a frequent matter of discussion over the years, and (correctly or not) is often the starting point or the center of broader discussions over the future size and composition of the Navy. Factors involved in discussions about the future aircraft carrier force level include but are not limited to the following:

- the capabilities and costs (including procurement costs and life-cycle operation and support [O&S] costs) of aircraft carriers and their embarked air wings, and how those capabilities and costs compare to those of other U.S. military forces;
- the prospective survivability of aircraft carriers in conflicts against adversaries (such as China) with highly capable anti-ship missiles;
- the numbers of carriers needed to support policymaker-desired levels of day-to-day aircraft carrier forward presence in various regions around the world; and
- the utility of carriers for purposes other than high-end combat, including deterrence of potential regional adversaries, reassurance of allies and partners, signaling U.S. commitment and resolve, and noncombat operations such as humanitarian assistance/disaster response (HA/DR) operations.

As noted earlier:

- 10 U.S.C. 8062(b) requires the Navy to maintain a force of not less than 11 operational aircraft carriers.
- The Navy wants to achieve and maintain in coming years a fleet of 381 manned battle force ships, including 12 aircraft carriers. The Biden Administration has not explicitly endorsed the Navy's desired 381-ship force-level objective or any other ship force-level objective for the Navy as a whole.
- The Navy's FY2025 30-year (FY2025-FY2054) shipbuilding plan, which is designed to support the eventual attainment of a fleet of about 381 ships, projects that, if the plan were implemented, the Navy's carrier force would include fewer than 12 carriers in all but three years within the 30-year period.

Issues Raised in DOT&E and GAO Reports

Another oversight issue for Congress concerns CVN-78 program issues raised in a January 2024 report from DOD's Director, Operational Test and Evaluation (DOT&E)—DOT&E's annual report for FY2023—and in the 2023 edition of the Government Accountability Office's (GAO's) annual report surveying selected DOD weapon acquisition programs, which was published in June 2023.

January 2024 DOT&E Report

Regarding the CVN-78 program, the January 2024 DOT&E report stated the following in part:

TEST ADEQUACY

The Navy began CVN 78 IOT&E [Initial Operational Test & Evaluation] in September 2022 and is conducting it in accordance with TEMP [Test and Evaluation Master Plan] Revision E and the DOT&E-approved portions of the IOT&E test plan. However, analysis of the data provided to DOT&E to date revealed gaps in data collection, which, if not rectified, could result in insufficient data to inform conclusive assessments of reliability, maintainability, logistics and/or availability (RMLA) for some key subsystems. In addition to affecting suitability assessments, these data gaps could also affect effectiveness assessments due to the on-demand nature of many key subsystems and the reliance upon accurate RMLA data in both the self-defense and SGR models. The Navy has acknowledged these shortcomings, committed to improve data collection, and will update the IOT&E test plan for the major remaining tests such as SGR [sortie generation rate], self-defense, and cyber survivability tests. In April 2023, DOT&E submitted a classified CVN 78 Ford-class Aircraft Carrier EFR [early fielding report] to Congress, detailing operational and live fire test results to date.

Prior to deployment, CVN 78 conducted two significant underway periods during IOT&E that included fixed-wing flight operations, both of which were in accordance with the DOT&E-approved test plan and observed by DOT&E. A brief summary is below, and detailed results of the underway periods can be found in DOT&E's classified EFR.

In the first significant underway period of IOT&E, CVN 78 executed a service-retained early employment from October 4 to November 26, 2022, as part of CSG 12 [Carrier Strike Group 12] that included Tailored Ship's Training Availability (first deployment work-up integrated with CSG); port calls in Halifax, Canada and Portsmouth, England; and multiple operations with allies and partners. The early employment was the first time the air wing, destroyer squadron staff, and CSG staff embarked on the ship together, and the first period of consistent cyclic flight operations for the Ford class, which resulted in 896 arrested landings (not including carrier qualifications). During the early employment, the maximum air wing complement was approximately 75 percent of the full air wing.

In the second significant underway period of IOT&E, CVN 78 completed its first COMPTUEX [Composite Training Unit Exercise] (final pre-deployment workup) from March 2 to April 2, 2023, off the U.S. east coast. Administered by CSG 4, COMPTUEX was the first time CVN 78 operated with an operationally representative air wing embarked, conducting consistent, combat-representative scenarios. During COMPTUEX, CVN 78 executed 1,600 total arrested landings, including 1,185 arrested landings during cyclic and alert flight operations. At the end of COMPTUEX, CVN 78 had conducted a total of 14,177 catapult launches and arrested landings since its commissioning. In July 2023, the second of three planned CVN 78 land-based cyber survivability operational tests was completed on SSDS, CEC, and SEWIP [Surface Electronic Warfare Improvement Program]. The test was conducted in accordance with the DOT&E-approved test plan and observed by DOT&E. These land-based tests are intended both to inform planning for shipboard testing and to perform testing deemed too risky to conduct during shipboard cyber survivability tests prescribed by TEMP Revision E.

Many systems specific to CVN 78 have yet to undergo any operational cyber survivability assessments. In June 2023, the Navy updated its cyber survivability testing strategy by replacing the third land-based cyber survivability test with additional testing during shipboard cyber assessments after deployment. The third land-based test was scheduled for late FY23, and its focus was on hull, mechanical, and electrical systems. This change in strategy was primarily due to a lack of existing, robust cyber survivability testing facilities for shipboard industrial control systems. The Navy needs to conduct the shipboard tests to assess CVN 78's overall cyber survivability and enable post hoc accreditation of the test facilities used in completed land-based cyber survivability tests. The Navy is still developing these shipboard cyber survivability test plans.

The CVN 78 Total Ship Survivability Trial (TSST) has been delayed by approximately one year, until 4QFY24 [fourth quarter of FY2024], due to the ship's deployment being earlier than planned. The TSST is an onboard, extensive damage-control test to demonstrate how the ship design enables the crew to perform its recoverability-related procedures. For the CVN 78 TSST to be adequate, the testing will require at-sea execution with participation of an embarked air wing. Planning is ongoing to ensure that this adequacy requirement is met.

In 1QFY24, the Navy intends to publish two vulnerability assessment reports (VARs) examining the class's survivability against above-water and underwater kinetic threats. These reports will include findings from survivability testing and modeling of the ship conducted since 2007. However, these reports as drafted do not accurately model the ship as built and do not include findings from more recent testing. Without updating the models, the analysis in the VARs will not support conclusions on the survivability of the CVN 78 class against threat weapons. The Navy intends to issue a final survivability assessment report that will include the findings from recent testing and update model-based survivability analysis by 4QFY25. If the survivability modeling and simulation (M&S) is updated to accurately model the ship as built, this assessment will support DOT&E's report on the survivability of the class against threat weapons.

Together the CVN 78 TEMP Revision E and the Capstone Enterprise Air Warfare Ship Self-Defense (AW SSD) TEMP 1714 of March 2008 provide for a series of live missile fire events aboard CVN 78 against specific types of ASCM threat surrogates to assess the ship's anti-air warfare capabilities. The Navy intends to execute these tests in FY25. These live tests are necessary to assess ship self-defense capability of the as-built, deployed combat system, and to provide validation data for the M&S suite of the CVN 78 combat system. While these live fire tests, as planned, are adequate, DOT&E has concerns with the Navy's ability to adequately resource them. The M&S is intended to assess the Navy's PRA KPP [Probability of Raid Annihilation Key Performance Parameter]. These tests, combined with those conducted on the self-defense test ship, and the PRA model runs are required to determine CVN 78's operational effectiveness against specific types of ASCM

[anti-ship cruise missile] threats. In FY23, the Navy continued to develop a draft new Enterprise TEMP in support of SSDS Mk 2 Baseline 12 and SPY-6 V(2) and V(3) platforms [ships equipped with SPY-6 V(2) and V(3) radars] (TEMP 1910) that includes FOT&E [Follow-on Operational Test and Evaluation] on CVN 79. While CVN 79 self-defense test design will mature during the TEMP 1910 development, any delay in the current timeline for testing the CVN 79 combat systems will be challenged by the planned deactivation timeline for the self-defense test ship, the ex-USS Paul F. Foster. The Navy should maintain the capability of the self-defense test ship, currently provided by the ex-USS Paul F. Foster.

The CVN 78 SGR evaluation comprises M&S (for both Ford and Nimitz class), a four-day sustained test on CVN 78, a one-day surge test on CVN 78, and flight operations observations on a Nimitz-class carrier. Development of the M&S suite intended to evaluate the SGR, the Sea Strike/Sea Basing Aviation Model (SSAM), is ongoing. The CVN 78 SGR tests are incomplete. The CVN 78 sustained SGR test was originally scheduled for the first COMPTUEX; however, due to COMPTUEX syllabus changes, ship and air wing schedule changes, and resourcing, it was deferred to the second COMPTUEX, now expected to occur in FY25. The Navy plans to apply lessons from the CVN 78 sustained SGR test to the surge SGR test which is currently unscheduled. A Nimitz-class COMPTUEX to collect flight operations data to support a Nimitz-class SGR M&S suite (part of SSAM) for comparative analysis is planned for FY24. DOT&E approved these deferments in Revision 1 to the IOT&E test plan. The Navy needs to provide an updated test plan prior to conducting these events.

PERFORMANCE

EFFECTIVENESS

Insufficient data are available to determine CVN 78's operational effectiveness due to IOT&E being incomplete. Observations based on testing to date are below.

Combat System

Self-defense testing against unmanned aerial vehicles (UAVs) and high-speed maneuvering surface targets (small boats) was conducted in July 2022. Details can be found in DOT&E's classified EFR. The Navy is developing fixes to combat system deficiencies identified in DOT&E's classified USS Gerald R. Ford (CVN 78) Self-Defense Interim Assessment report dated April 2022. However, to date the fixes remain largely unfunded.

Sortie Generation

In FY23, CVN 78 conducted almost as many flight operations (as measured by the number of aircraft launch and recoveries) as it had in the previous five years combined since commissioning. From the first arrested landing on CVN 78 in July 2017 until the end of FY22, CVN 78 had conducted 10,826 arrested landings. In FY23 alone, CVN 78 conducted 9,266 arrested landings. The reliability and maintainability of CVN 78's EMALS and AAG continue to adversely affect sortie generation and flight operations, which remains the greatest risk to demonstrating operational effectiveness and suitability in IOT&E. Despite these continuing reliability challenges, DOT&E observed general increases in crew proficiency and decreases in some repair times. While this has improved sortie generation compared to previous years, SGR tests have not been completed yet nor have training sortie rates flown to date approached that of the KPP requirement. CVN 78 earned the flight operations efficiency portion of its Blue Water Certification as part of the Navy's deployment certification process. Observations during COMPTUEX suggests that the Ford-class flight deck design improves the efficiency of aircraft turnarounds compared to that of a Nimitz-class flight deck. Additional details on sortie generation effectiveness can be found in DOT&E's classified EFR. Executing the planned SGR testing, as outlined in TEMP Revision E, will be crucial to evaluating the ship's combat effectiveness and

accrediting the high-fidelity SSAM which is an essential tool for evaluating the SGR KPP and supporting life-of-class upgrades.

Electromagnetic Spectrum Compatibility

Developmental testing identified significant electromagnetic radiation hazard and interference problems. The Navy implemented some mitigation measures and conducted follow-on characterization testing during independent steaming events in developmental test, but some operational limitations and restrictions are expected to persist into IOT&E and deployment. The Navy should verify developmental test electromagnetic spectrum compatibility during operational test, particularly when integrated with CSG operations in an advanced electronic attack environment. This will enable capability assessments at differing levels of system use to inform decisions on system employment.

SUITABILITY

Insufficient data are available to determine CVN 78's operational suitability. However, the following four new CVN 78 systems have shown low or unproven reliability and are highlighted as the most significant challenge to flight operations.

AAG

During FY23, DOT&E observed AAG reliability similar to recent developmental testing (115 mean cycles between operational mission failures [MCBOMF] in FY21 and 460 MCBOMF in FY22). Despite some software and hardware improvements in AAG, reliability has not appreciably changed because the FY23 data reflects many short-duration failures that were unreported in developmental test, as well as system-of-systems degradations, all of which would have prevented landing. Naval Air Systems Command (NAVAIR) delivered hardware updates after early employment and before COMPTUEX, along with a software update before deployment. NAVAIR continues to work on short- and long-term improvements to address AAG reliability degraders. However, difficulties such as obtaining replacement parts and the reliance on off-ship technical support remain a challenge. The Navy is also using IOT&E to inform the decision of whether to retrofit the fourth AAG engine on Ford-class aircraft carriers (as designed, which would make it similar to the arresting gear engine/wire configuration on CVN 76 and CVN 77). The fourth AAG engine was not installed as a cost savings measure. In a 2016 requirements review board, the Navy committed to informing a potential retrofit decision with the results of IOT&E. The criteria on which to base a potential retrofit decision were not specified, and with changes to the IOT&E schedule, more data will be available before the end of IOT&E. The fourth engine would improve the reliability and availability of AAG, improve pilot boarding rate, and restore barricade redundancy. Additional details on AAG suitability can be found in DOT&E's classified EFR.

EMALS

During FY23, DOT&E observed EMALS reliability remained consistent with recent developmental test (460 MCBOMF in FY21 and 614 MCBOMF in FY22). Despite engineering upgrades to hardware and software, reliability has not appreciably changed from prior years and reliance on off-ship technical support remains a challenge. As part of an effort to provide short- and long-term improvements to address EMALS reliability degraders, NAVAIR delivered a software update and upgraded all catapult position sensor blocks prior to CVN 78's deployment and is continuing development on further improvements. Furthermore, a situational awareness display was added in the EMALS Maintenance Workstation that facilitates troubleshooting during operations. Additional details can be found in DOT&E's classified EFR.

Advanced Weapons Elevators (AWEs)

The early employment and COMPTUEX provided CVN 78's first operationally representative opportunities to demonstrate ordnance movement during cyclic flight

operations. The AWEs met operational mission needs during these underway periods, but preliminary data suggest AWE is unlikely to meet its operational availability requirement of 99.7 percent. Of note, the crew is reliant on off-ship technical support for correction of hardware and software failures. As of the end of COMPTUEX, the ship had conducted 23,042 total AWE cycles. The Navy has yet to build and transfer ordnance to the flight deck at combat-representative rates. DOT&E expects the SGR tests to be the first operationally representative demonstration of high ordnance throughput. Additional details can be found in DOT&E's classified EFR.

DBR

During COMPTUEX, DBR availability was observed to be lower than that during developmental testing. This is in part due to the operational expectation of continuous radar coverage. Reliability concerns are amplified due to the one-of-a-kind nature of the DBR. The radar relies on embarked contractor support and there is uncertainty on sourcing replacement parts as the system ages. The Navy should ensure replacement parts are manufactured and available for the life of the system or develop a timeline and strategy for replacing DBR with EASR [Enterprise Air Surveillance Radar²⁵] on CVN 78 to bring it in line with CVN 79's radar configuration. Additional details on DBR suitability can be found in DOT&E's classified EFR.

Manning and Berthing

Per the Navy's Shipboard Habitability Program, all new ships are required to have a growth allowance of 10 percent of ship's company when the ship delivers. This Service Life Allowance provides both empty bunks to allow for changes in the crew composition over the ship's life and berthing to support crew turnover, visitors, and personnel temporarily assigned to the ship for repairs, inspections, test, and training. However, sufficient berthing is not installed for CVN 78 to conduct combat operations with all hands assigned a bed. While the ship's company manning is reduced from Nimitz-class carriers by approximately 500 personnel, the lack of berthing capacity is driven by embarked units. Based on the composition of the ship and embarked units during COMPTUEX and their respective manning documents, if each was at 100 percent manning, the ship would have a shortfall of 159 beds. These berthing shortfalls will affect quality of life onboard and could reduce the Navy's operational flexibility in employing the ship across its full spectrum of missions and logistical support roles for the CSG. Furthermore, there is potential that the berthing shortfalls could increase as the air wing diversifies to include CMV-22, F-35, and MQ-25, none of which are on CVN 78 today. Additional details on manning and berthing can be found in DOT&E's classified EFR.

SURVIVABILITY

An adequate survivability assessment of the CVN 78 class depends upon a combination of FSST, TSST, and related modeling of the class supported by component and surrogate testing. To date, the Navy has completed all planned LFT&E [Live Fire Test and Evaluation], with the exception of TSST, the VARs, and the final survivability assessment. From June to August 2021, the Navy conducted FSST on CVN 78, including three shock events of increasing severity. In December 2022, DOT&E published a classified FSST report that details findings from the trial, and in July 2023, the Navy published its own FSST report. Both reports identify deficiencies that, if addressed, will improve the class's survivability against weapon events.

The survivability of CVN 78 in a cyber-contested environment has not yet been fully evaluated. Results from the land-based cyber survivability tests will inform the shipboard

²⁵ The term *Enterprise* in this instance is not a reference to CVN-80; it instead means a piece of equipment that is to be installed on multiple types of ships across the Navy (i.e., across the naval enterprise).

cyber survivability tests. Some systems specific to CVN 78 have yet to undergo any operational cyber survivability assessments.

The survivability of CVN 78 in contested and congested electromagnetic spectrum environments has not been evaluated. Discussions on how to evaluate CVN 78 survivability in these environments are ongoing with the Navy.

RECOMMENDATIONS

The Navy should:

1. Improve the suitability of AAG, EMALS, AWE, and DBR while minimizing the requirement for off-ship and/or contractor technical support.
2. Reevaluate the timeline and better define the criteria for a decision to retrofit the fourth AAG engine.
3. Collect data in accordance with the test plan for the remainder of IOT&E.
4. Resource and execute the testing per Enterprise AW SSD TEMP 1714 and CVN 78 TEMP, including the planned SGR testing, along with completing, verifying, and validating the SGR M&S suite; shipboard cyber survivability testing; and self-defense tests and PRA modeling.
5. Address the recommendations in DOT&E's classified self-defense interim assessment report from April 2022, and the additional recommendations in DOT&E's classified EFR from April 2023.
6. Develop a plan to sustain DBR on CVN 78 or replace it as soon as possible with the EASR configuration on CVN 79 and subsequent Ford-class carriers.
7. Re-examine manning and berthing for future ships of the class to ensure sufficient berthing is available and that 10 percent Service Life Allowance is allocated to allow future growth.
8. Submit for DOT&E approval a test plan revision to update the test plan schedule.
9. Continue to develop more robust capabilities to test the cyber survivability of shipboard industrial control systems.
10. Execute the TSST with an embarked air wing in FY24.
11. Prioritize and correct deficiencies identified in DOT&E's classified FSST report of December 2022.
12. Produce a project schedule to complete required updates to the vulnerability modeling and simulation by 4QFY24 to support accurate vulnerability reporting in the CVN 78 final survivability assessment report in 4QFY25.
13. Submit for DOT&E approval in 1QFY25 an update of the CVN 78 TEMP, aligned with the new Enterprise TEMP 1910, that provides the test strategy and test resources to determine operational effectiveness of new and/or upgraded capabilities on CVN 79.
14. Ensure the availability of the capability provided by ex-USS Paul F. Foster, the Navy's self-defense test ship, to support combat system testing.
15. To better inform effectiveness and survivability, verify developmental test electromagnetic spectrum compatibility during operational test, particularly when integrated with CSG operations in an advanced electronic attack environment.²⁶

²⁶ Director, Operational Test & Evaluation, *FY 2023 Annual Report*, January 2024, pp. 177-182.

June 2024 GAO Report

A June 2023 GAO report—the 2024 edition of GAO’s annual report assessing selected major weapon acquisition programs—stated the following about the CVN-78 program:

Technology Maturity, Design Stability, and Testing

Twenty-four years after the program started, CVN 78’s 12 critical technologies are mature and the design is stable, though the program replaced the Ford class’s original Dual Band Radar with the new Enterprise Air Surveillance Radar (EASR) on CVN 79 and later ships. Program officials stated that they plan to begin EASR testing on CVN 79 in 2024. The program also anticipates that the transition to a digital design tool will enhance construction efficiency.

The Navy began operational testing on CVN 78 in August 2022, but extended the test period by 16 months to March 2025, and the Office of the Director, Operational Test and Evaluation (DOT&E) reported an additional delay into fiscal year 2027. According to program officials, two factors caused this test extension. First, the program needs additional time to plan and prepare for one of the ship’s final test events that will also demonstrate CVN 78’s ability to launch and recover aircraft more quickly than Nimitz class ships. Second, the Navy moved CVN 78’s first operational deployment from 2024 to 2023 in support of operations in the Middle East, which also delayed test events. DOT&E identified a third factor: the time to incorporate data on aircraft launch and recovery testing, run associated models, and analyze results.

Cybersecurity

According to program officials, the CVN 78 program completed a second cybersecurity vulnerability assessment in February 2023, and they plan for a third to be completed in February 2024. Program officials also said the third assessment will use data from prior assessments to conduct an adversarial assessment on live ship systems.

Other Program Issues

Since our last assessment, the Navy increased the CVN 79 cost limitation baseline by \$236 million to support full ship delivery efforts. According to Navy documentation, this amount does not reflect new costs for the program because the Navy previously planned and budgeted this amount for post-delivery activities. As of December 2023, CVN 79 is 90 percent complete, according to program officials. This change moves work originally planned to occur after delivery—such as modifications to support the F-35—to the construction phase. Program officials told us they based this decision on lessons learned from CVN 78, which had more post-delivery work than expected, resulting in schedule delays and cost growth. The Navy anticipates that this will decrease the time required to resolve discrepancies discovered during the ship’s trials.

The shipbuilder is now scheduled to deliver CVN 79 in July 2025 instead of September 2024. Program officials stated this change did not result in new program costs. However, it did move planned post-delivery costs into CVN 79’s construction cost limitation baseline, resulting in an increase to \$12.9 billion—more than \$1.5 billion over the same baseline since 2021. As we reported last year, CVN 79 costs increased \$1.3 billion largely due to contract overruns.

Construction delays are emerging for CVN 80 because of ongoing industrial base challenges. Program officials project that the ship will not meet its planned March 2028 delivery and are conducting a schedule assessment with the shipbuilder. CVN 80 is 36 percent complete and facing supply chain delays, as well as challenges with shipyard and vendor workforces. Program officials explained that the shipbuilder is struggling with a smaller, inexperienced workforce that is less efficient at completing work, especially after many skilled, senior workers retired during the COVID-19 pandemic. The Navy reported

that the contractor is taking steps to mitigate these issues by using contracting incentives to improve shipyard facilities to better attract and support workers and expanding the dry dock to enable simultaneous construction of two carriers. While these mitigations can help the Ford class more broadly, they are unlikely to improve CVN 80 construction performance because they are not yet in place.

Program officials do not expect industrial base issues to affect CVN 81, based on planned shipyard improvements. CVN 81 keel laying is planned for 2026 and delivery in 2032. Further, officials are considering a two-ship contract for planned CVNs 82 and 83, like the Navy reported awarding for CVNs 80 and 81. They are examining potential acquisition strategies to inform the fiscal year 2025 budget submission.

Program Office Comments

We provided a draft of this assessment to the program office for review and comment. It provided technical comments, which we incorporated where appropriate.

The Navy noted that CVN 78's first operational deployment was accelerated from 2024 to 2023, and that the ship returned from the eastern Mediterranean in January 2024 after an extended deployment that included working with 17 nations, sailing 83,476 nautical miles, conducting 10,396 sorties, and logging 17,826 flight hours. Program officials did not provide additional details on DOT&E's reported delay of the end of operational testing except to note that they are evaluating the schedule of remaining test events. The program stated that CVN 79's delivery strategy is expected to lead to a more capable ship at delivery and prepare it as the first Ford class carrier to operate in the Indo-Pacific region while decreasing post-delivery time at the shipyard. It added that the Navy and the shipbuilder are upgrading shipyard facilities and assessing shipbuilder and vendor resources to improve efficiency and schedule performance. The program stated that it expects initiatives such as a digital shipbuilding model and shipyard improvement incentives to improve planning and construction efficiency.²⁷

Procurement of Aircraft Carriers After CVN-81 or CVN-82

Another issue for Congress concerns the procurement of aircraft carriers after CVN-81 or CVN-82. The question of whether the Navy should shift at some point from procuring CVNs like the Ford-class carriers to procuring smaller and perhaps nonnuclear-powered aircraft carriers has been a recurrent matter of discussion and Navy study over the years.

Although the Navy wants to achieve and maintain in coming years a fleet of 381 manned battle force ships, including 12 aircraft carriers, force-structure studies done by the Navy that eventually led to the 381-ship goal showed future Navy force structures that included 8 to 12 carriers, to be supplemented (in the case of the lower end of that range) by up to 6 light aircraft carriers (CVLs). The Navy does not currently operate CVLs. The Navy in recent years has experimented with the concept of using an LHA-type amphibious assault ship with an embarked group of F-35B Joint Strike Fighters as a CVL.²⁸

Advocates of smaller carriers traditionally have argued that they are individually less expensive to procure, that the Navy might be able to employ competition between shipyards in their procurement (something that the Navy cannot do with large-deck, nuclear-powered carriers like

²⁷ Government Accountability Office, *Weapon Systems Annual Assessment[:]* *DOD Is Not Yet Well-Positioned to Field Systems with Speed*, GAO-24-106831, June 2024, p. 132.

²⁸ See CRS Report R43543, *Navy LPD-17 Flight II and LHA Amphibious Ship Programs: Background and Issues for Congress*, by Ronald O'Rourke; Megan Eckstein, "Light Carrier Studies Already Underway As Navy Considers Role for CVLs in Future Fleet," *USNI News*, February 1, 2021. See also Joseph Trevithick, "Navy Looking At America And Ford Class Derivatives In New Light Aircraft Carrier Studies," *The Drive*, February 2, 2021.

the Ford-class carrier, because only one U.S. shipyard, HII/NNS, can build aircraft carriers of that size), and that today’s aircraft carriers concentrate much of the Navy’s striking power into a relatively small number of expensive platforms that adversaries could focus on attacking in time of war.

Supporters of CVNs traditionally have argued that smaller carriers, though individually less expensive to procure, are less cost-effective in terms of dollars spent per aircraft embarked or aircraft sorties that can be generated; that it might be possible to use competition in procuring certain materials and components for large-deck, nuclear-powered aircraft carriers; and that smaller carriers, though perhaps affordable in larger numbers, would be individually less survivable in time of war than CVNs.²⁹

Section 128(d) of the FY2016 National Defense Authorization Act (S. 1356/P.L. 114-92 of November 25, 2015) required the Navy to submit a report on potential requirements, capabilities, and alternatives for the future development of aircraft carriers that would replace or supplement the Ford-class aircraft carrier. The report, which was conducted for the Navy by the RAND Corporation, was delivered to the congressional defense committees in classified form in July 2016. An unclassified version of the report was then prepared and issued in 2017 as a publicly released RAND report.³⁰ The question of whether to shift to smaller aircraft carriers was also addressed in three studies on future fleet architecture that were required by Section 1067 of the FY2016 National Defense Authorization Act (S. 1356/P.L. 114-92 of November 25, 2015).

Legislative Activity for FY2025

Summary of Congressional Action on FY2025 Funding Request

Table 3 summarizes congressional action on the FY2025 procurement funding request for the CVN-78 program. The request for CVN-79 is for cost-to-complete (CC) funding to cover cost growth on CVN-79 following the completion in FY2018 of the ship’s original full funding.

Table 3. Congressional Action on FY2024 Procurement Funding Request
(Millions of dollars, rounded to nearest tenth)

	Request	Authorization			Appropriation		
		HASC	5ASC	Enacted	HAC	SAC	Enacted
CVN-79	236.0	236.0			236.0		
CVN-80	1,186.9	986.9			1,123.1		
CVN-81	721.0	721.0			674.9		
CVN-82	0	0			0		
CVN-82 and CVN-83	0	100.0			0		
Total	2,143.9	2,043.9			2,034.0		

Source: Table prepared by CRS based on Navy’s FY2025 budget submission, committee and conference reports, and explanatory statements on FY2025 National Defense Authorization Act and FY2025 DOD Appropriations Act.

²⁹ See, for example, Talbot Manvel, “The Lightning Carrier Isn’t Either,” *U.S. Naval Institute Proceedings*, July 2023.

³⁰ Bradley Martin and Michael McMahon, *Future Aircraft Carrier Options*, Santa Monica, CA, RAND Corporation, 2017, 87 pp.

Notes: **HASC** is House Armed Services Committee; **SASC** is Senate Armed Services Committee; **HAC** is House Appropriations Committee; **SAC** is Senate Appropriations Committee. The request for CVN-79 is for cost-to-complete (CC) funding to cover cost growth on CVN-79 following the completion in FY2018 of the ship's original full funding.

FY2025 National Defense Authorization Act (H.R. 8070)

House

The House Armed Services Committee, in its report (H.Rept. 118-529 of May 31, 2024) on H.R. 8070, recommended the funding levels shown in the HASC column of **Table 3**. The recommendation for Ford-class carriers other than CVN-81 (which has its own funding line item) includes a recommended increase of \$100.0 million for “Advance Procurement for CVN 82 and 83,” and a recommended reduction of \$200.0 million for “Rephasing of incremental funding.” (Page 425)

Section 131 of H.R. 8070 would modify a requirement for an annual report on cost targets for Ford-class carriers to include carriers after CVN-81, and to include certain additional cost information.

Section 138 would express the sense of the Congress that

- DOD and the Navy should implement aircraft carrier acquisition strategies that maximize benefits to operational commanders while simultaneously protecting the interests of the taxpayer and supporting the national nuclear shipbuilding industrial base;
- DOD and the Navy should review and revise the acquisition strategy, including a two-ship buy of CVN-82 and 21 CVN-83, for Ford-class aircraft carriers in the DOD's FY2026 budget submission to ensure it is consistent with accepted shipbuilding industrial base analyses, prior DOD recommendations, reports to Congress, congressional resolutions, 10 U.S.C. 8062, and national security interests; and
- DOD should request procurement of CVN-82 not later than FY2028.

Section 218 would modify a requirement for the Nimitz-class carrier CVN-73 to be modified to support the fielding of the MQ-25 carrier-based unmanned aerial vehicle (UAV).

H.Rept. 118-529 states:

Support for stable procurement schedules of Ford-class aircraft carriers

The committee notes that the future years defense program accompanying the President's budget request for fiscal years 2023 and 2024 forecast procurement of the fifth ship in the Gerald R. Ford-class of nuclear-powered aircraft carriers—CVN 82—in 2028.

The committee also notes that the fiscal year 2024 30-year shipbuilding plan recognizes the importance of stability and predictability to the fragile Navy shipbuilding industry, particularly the Navy's nuclear shipbuilding industry, and that without consistent and continuous commitment to steady and executable acquisition profiles the industrial base will continue to struggle.

The committee acknowledges that the Secretary of the Navy submitted a report to the congressional defense committees, in accordance with section 132 of the National Defense Authorization Act for Fiscal Year 2023 (Public Law 117-263), highlighting the overwhelming benefits of a stable, executable Ford-class acquisition profile to the

development and retention of highly-skilled workforces and investment in world-class manufacturing and shipbuilding facilities.

Consistent with this report, the committee remains supportive of acquisition strategies that maximize benefits to operational commanders while simultaneously protecting the interests of the taxpayer and supporting the nuclear shipbuilding industrial base.

The committee reaffirms that section 8062 of title 10, United States Code, mandates that the naval combat forces of the Navy shall include not less than 11 operational aircraft carriers, and that section 123 of the National Defense Authorization Act for Fiscal Year 2019 (Public Law 115–232) conveyed a Sense of Congress that the United States should accelerate the production of aircraft carriers to rapidly achieve the Navy’s goal of having 12 operational aircraft carriers.

The committee recognizes that attaining and maintaining this force structure requires a stable and predictable acquisition strategy to replace Nimitz-class aircraft carriers prior to inactivation.

The committee is displeased, therefore, that the President’s budget request for fiscal year 2025 delays CVN 82 procurement until 2030, in direct contrast with prior years’ budget requests and contrary to guidance outlined in the Navy’s 30-year shipbuilding plans and associated reports to Congress.

The committee is similarly concerned with the detrimental and potentially long-lasting impacts of this unstable and unpredictable acquisition strategy on the industrial base, mandatory aircraft carrier force structure levels and national security.

As such, the committee strongly encourages the Navy to review and revise the future Ford-class acquisition strategy, starting with CVN 82, in the President’s budget request for fiscal year 2026 to ensure it is consistent with accepted shipbuilding industrial base analyses, prior departmental recommendations, congressional resolutions, title 10 mandates, and national security interests. (Pages 25-26)

FY2025 DOD Appropriations Act (H.R. 8774)

House

The House Appropriations Committee, in its report (H.Rept. 118-557 of June 17, 2024) on H.R. 8774, recommended the funding levels shown in the HAC column of **Table 3**. The recommended reduction of \$63.749 million for CVN-80 includes a reduction of \$41.456 million for “Early to need,” and a reduction of \$22.293 million for “Unjustified cost growth.” (Page 129) The recommended reduction of \$46.115 million for CVN-81 is for “early to need.” (Page 129)

Appendix. Background Information on Two-Ship Block Buy for CVN-80 and CVN-81

This appendix presents additional background information on the two-ship block buy contract for CVN-80 and CVN-81.

The option for procuring two Ford-class carriers under a two-ship block buy contract had been discussed in this CRS report since April 2012.³¹ In earlier years, the discussion focused on the option of using a block buy contract for procuring CVN-79 and CVN-80. In subsequent years, interest among policymakers focused on the option of using a block buy contract for procuring CVN-80 and CVN-81.

On March 19, 2018, the Navy released a request for proposal (RFP) to Huntington Ingalls Industries/Newport News Shipbuilding (HII/NNS) regarding a two-ship buy of some kind for CVN-80 and CVN-81. A March 20, 2018, Navy News Service report stated the following:

The Navy released a CVN 80/81 two-ship buy Request for Proposal (RFP) to Huntington Ingalls Industries—Newport News Shipbuilding (HII-NNS) March 19 to further define the cost savings achievable with a two-ship buy.

With lethality and affordability a top priority, the Navy has been working with HII-NNS over the last several months to estimate the total savings associated with procuring CVN 80 and CVN 81 as a two-ship buy.

“In keeping with the National Defense Strategy, the Navy developed an acquisition strategy to combine the CVN 80 and CVN 81 procurements to better achieve the Department’s objectives of building a more lethal force with greater performance and affordability,” said James F. Geurts, Assistant Secretary of the Navy, Research Development and Acquisition. “This opportunity for a two-ship contract is dependent on significant savings that the shipbuilding industry and government must demonstrate. The Navy is requesting a proposal from HII-NNS in order to evaluate whether we can achieve significant savings.”

The two-ship buy is a contracting strategy the Navy has effectively used in the 1980s to procure Nimitz-class aircraft carriers and achieved significant acquisition cost savings compared to contracting for the ships individually. While the CVN 80/81 two-ship buy negotiations transpire, the Navy is pursuing contracting actions necessary to continue CVN 80 fabrication in fiscal year (FY) 2018 and preserve the current schedule. The Navy plans to award the CVN 80 construction contract in early FY 2019 as a two-ship buy pending Congressional approval and achieving significant savings.³²

Section 121(a)(2) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (H.R. 5515/P.L. 115-232 of August 13, 2018) permitted the Navy, after DOD made certain certifications to Congress, to add CVN-81 to the existing contract for building CVN-80. DOD provided the required certification on December 31, 2018. On January 31, 2019, the Navy

³¹ See the section entitled “Potential Two-Ship Block Buy on CVN-79 and CVN-80” in the April 4, 2012, version of CRS Report RS20643, *Navy Ford (CVN-78) Class Aircraft Carrier Program: Background and Issues for Congress*, by Ronald O’Rourke. In more recent years, this section was modified to discuss the option in connection with CVN-80 and CVN-81.

³² Naval Sea Systems Command Public Affairs, “Navy Seeks Savings, Releases Two-Carrier RFP,” *Navy News*, March 20, 2018. See also Megan Eckstein, “UPDATED: Navy, Newport News Taking Steps Towards Two-Carrier Buy,” *USNI News*, March 19, 2018.

announced that it had awarded a two-ship fixed-price incentive (firm target) (FPIF) contract for CVN-80 and CVN-81 to HII/NNS.³³

The two-ship contract for CVN-80 and CVN-81 can be viewed as a block buy contract because the two ships were procured in different fiscal years (CVN-80 was procured in FY2018 and CVN-81 was procured in FY2019 [or, according to the Navy's FY2021-FY2024 budget submissions, in FY2020]).³⁴ The Navy's previous two-ship aircraft carrier procurements occurred in FY1983 (for CVN-72 and CVN-73) and FY1988 (for CVN-74 and CVN-75). In each of those two earlier cases, however, the two ships were fully funded within a single fiscal year, making each of these cases a simple two-ship purchase (akin, for example, to procuring two Virginia-class attack submarines or two DDG-51 class destroyers in a given fiscal year) rather than a two-ship block buy (i.e., a contract spanning the procurement of end items procured across more than one fiscal year).

Compared to DOD's estimate that the two-ship block buy contract for CVN-80 and CVN-81 would produce savings of \$3.9 billion (as measured from estimated costs for the two ships in the December 2017 Navy business case analysis), DOD states that "the Department of Defense's Office of Cost Assessment and Program Evaluation (CAPE) developed an Independent Estimate of Savings for the two-ship procurement and forecast savings of \$3.1 billion ([in] Then-Year [dollars]), or approximately 11 percent.... The primary differences between [the] CAPE and Navy estimates of savings are in Government Furnished Equipment³⁵ and production change orders."³⁶ Within the total estimated combined reduction in cost, HII/NNS reportedly expects to save up to \$1.6 billion in contractor-furnished equipment.³⁷

A November 2018 DOD report to Congress that was submitted as an attachment to DOD's December 31, 2018, certification stated the following regarding the sources of cost reduction for the two-ship contract:

The CVN 80 and CVN 81 two-ship buy expands and improves upon the affordability initiatives identified in the Annual Report on Cost Reduction Efforts for JOHN F. KENNEDY (CVN 79) and ENTERPRISE (CVN 80) as required by section 126(c) of the National Defense Authorization Act for Fiscal Year 2017 (P.L. 114-328). Production saving initiatives for single-ship buys included use of unit families in construction, pre-outfitting and complex assemblies which move work to a more efficient workspace environment, reduction in the number of superlifts,³⁸ and facility investments which improve the shipbuilder trade effectiveness. A two-ship buy assumes four years between

³³ See Office of the Navy Chief of Information, "Navy Awards Contract for Construction of Two Carriers," Navy News Service, January 31, 2019; Megan Eckstein, "UPDATED: Navy Awards 2-Carrier Contract to Newport News Shipbuilding," *USNI News*, January 31, 2019; Marcus Weisgerber, "US Navy Places First 2-Carrier Order in Three Decades," *Defense One*, January 31, 2019; David B. Larter, "US Navy Signs Mammoth Contract with Huntington Ingalls for Two Aircraft Carriers," *Defense News*, January 31, 2019; Rich Abott, "Navy Awards HII \$15 Billion In Two Carrier Buy," *Defense Daily*, February 1, 2019.

³⁴ For more on block buy contracting, see CRS Report R41909, *Multiyear Procurement (MYP) and Block Buy Contracting in Defense Acquisition: Background and Issues for Congress*, by Ronald O'Rourke.

³⁵ Government-furnished equipment (GFE) is equipment that the government purchases from supplier firms and then provides to the shipbuilder for incorporation into the ships.

³⁶ Department of Defense, *FORD Class Aircraft Carrier Certification, CVN 80 and CVN 81 Two Ship Procurement Authority, as Required by Section 121(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (P.L. 115-232)*, November 2018, pp. 8-9.

³⁷ Rich Abott, "Navy Awards HII \$15 Billion In Two Carrier Buy," *Defense Daily*, February 1, 2019. Contractor-furnished equipment (CFE) is equipment that the contractor (in this case, HII/NNS) purchases from supplier firms for incorporation into the ships.

³⁸ A superlift is the use of a crane to move a very large section of the ship from the land into its final position on the ship.

ship deliveries which allows more schedule overlap, and therefore more shop-level and assembly-level production efficiencies than two single-ship buys.

Procuring two ships to a single technical baseline reduces the requirement for engineering labor hours when compared to single-ship estimates. The ability to rollover production support engineering and planning products maximizes savings while recognizing the minimum amount of engineering labor necessary to address obsolescence and regulatory changes on CVN 81. The two-ship agreement with the shipbuilder achieves a 55 percent reduction in construction support engineering hours on CVN 81 and greater than 18 percent reduction in production support and planning hours compared to single ship procurements.

The two-ship procurement strategy allows for serial production opportunities that promote tangible learning and reduced shop and machine set-up times. It allows for efficient use of production facilities, re-use of production jigs and fixtures, and level loading of key trades. The continuity of work allows for reductions in supervision, services and support costs. The result of these efficiencies is a production man-hours step down that is equivalent to an 82 percent learning curve since CVN 79.

Key to achieving these production efficiencies is Integrated Digital Shipbuilding (iDS). The Navy's Research, Development, Test, and Evaluation (RDT&E) and the shipbuilder's investment in iDS, totaling \$631 million, will reduce the amount of production effort required to build FORD Class carriers. The two-ship buy will accelerate the benefits of this approach. The ability to immediately use the capability on CVN 81 would lead to a further reduction in touch labor and services in affected value streams. The two-ship agreement with the shipbuilder represents a production man-hours reduction of over seven percent based on iDS efficiencies. Contractual authority for two ships allows the shipbuilder to maximize economic order quantity material procurement. This allows more efficient ordering and scheduling of material deliveries and will promote efficiencies through earlier ordering, single negotiations, vendor quotes, and cross program purchase orders. These efficiencies are expected to reduce material costs by about six percent more when compared to single-ship estimates. Improved material management and flexibility will prevent costly production delays. Furthermore, this provides stability within the nuclear industrial base, de-risking the COLUMBIA and VIRGINIA Class programs. The two-ship buy would provide economic stability to approximately 130,000 workers across 46 States within the industrial base.

Change order requirements are likewise reduced as Government Furnished Equipment (GFE) providers will employ planning and procurement strategies based on the common technical baseline that minimize configuration changes that must be incorporated on the follow ship. Change order budget allocations have been reduced over 25 percent based on two-ship strategies.

In addition to the discrete savings achieved with the shipbuilder, the two-ship procurement authority provides our partner GFE providers a similar opportunity to negotiate economic order quantity savings and achieve cross program savings when compared to single-ship estimates.³⁹

An April 16, 2018, press report stated the following:

If the Navy decides to buy aircraft carriers CVN-80 and 81 together, Newport News Shipbuilding will be able to maintain a steady workload that supports between 23,000 and 25,000 workers at the Virginia yard for the next decade or so, the shipyard president told reporters last week.

³⁹ Department of Defense, FORD Class Aircraft Carrier Certification, CVN 80 and CVN 81 Two Ship Procurement Authority, as Required by Section 121(b) of the John S. McCain National Defense Authorization Act for Fiscal Year 2019 (P.L. 115-232), November 2018, pp. 6-7.

Part of the appeal of buying the two carriers together is that the Navy would also buy them a bit closer together: the ships would be centered about three-and-a-half or four years apart, instead of the five-year centers for recent carrier acquisition, Newport News Shipbuilding President Jennifer Boykin told reporters.

Boykin said the closer ship construction centers would allow her to avoid a “labor valley” where the workforce levels would dip down after one ship and then have to come back up, which is disruptive for employees and costly for the company.

If this two-carrier buy goes through, the company would avoid the labor valley altogether and ensure stability in its workforce, Boykin said in a company media briefing at the Navy League’s Sea Air Space 2018 symposium. That workforce stability contributes to an expected \$1.6 billion in savings on the two-carrier buy from Newport News Shipbuilding’s portion of the work alone, not including government-furnished equipment....

Boykin said four main things contribute to the expected \$1.6 billion in savings from the two-carrier buy. First, “if you don’t have the workforce valley, there’s a labor efficiency that represents savings.”

Second, “if you buy two at once, my engineering team doesn’t have to produce two technical baselines, two sets of technical products; they only have to produce one, and the applicability is to both, so there’s savings there. When we come through the planning, the build plan of how we plan to build the ship, the planning organization only has to put out one plan and the applicability is to both, so there’s savings there.”

The third savings is a value of money over time issue, she said, and fourth is economic order quantity savings throughout the entire supply chain.⁴⁰

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⁴⁰ Megan Eckstein, “Newport News Would Save \$1.6 Billion, Maintain Stable Workforce of 25,000 Under 2 Proposed Carrier Buy,” *USNI News*, April 16, 2018. See also Rich Abott, “HII Sees Two Carrier Buy Saving \$1.6 Billion Before GFE,” *Defense Daily*, April 11, 2018: 10-11.