Congressional Budget Office
Nonpartisan Analysis for the U.S. Congress

An Analysis of the Navy's Fiscal Year 2027 Shipbuilding Plan









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At a Glance

Each year, as directed by the Congress, the Department of Defense submits a report with the President's budget describing the Navy's plan for its future fleet for the next 30 years. In this report, the Congressional Budget Office analyzes the Navy's 2027 plan and estimates its costs. Overall, the Navy wants to build a larger fleet whose firepower is distributed among more ships and unmanned vessels than it is today.

- **Cost.** CBO estimates that the Navy's 2027 plan would cost 41 percent more annually in real terms (that is, with costs adjusted to remove the effects of inflation) than the average amount appropriated over the past 5 years. Total shipbuilding costs would average $54 billion (in 2026 dollars) over the next 30 years, which is about 18 percent more than the Navy estimates. A notable addition to the 2027 plan is a new proposal to purchase 15 nuclear-powered guided missile battleships, which would significantly increase the cost of the Navy's large surface combatant program. To implement the 2027 plan, the Navy's total budget, including the costs of operating and maintaining its ships, buying new aircraft and weapons, and funding the Marine Corps, would increase from about $310 billion today to $415 billion (in 2026 dollars) in 2056.
- **Fleet Size.** The number of battle force ships would increase from 286 today to 398 in 2056.
- **Purchasing Plan.** The Navy would purchase a total of 371 new combat ships and combat logistics and support ships. It would also purchase 58 new and 29 used auxiliary ships that would not be part of the battle force.
- **Fleet Capabilities.** The fleet's firepower would increase slightly over the next five years but would then decline until 2035 as the Navy retired more missile-capable ships than it commissioned. After that, the fleet's firepower would increase again and become distributed among more ships and unmanned vessels.
- **Industrial Base.** Over the next 30 years, building the future fleet envisioned in the 2027 plan would involve producing substantially more tonnage than the nation's naval shipyards have produced over the past 10 years. Production of nuclear-powered submarines, in particular, would increase significantly.

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Notes About This Report

Unless this report indicates otherwise, all years referred to are federal fiscal years, which run from October 1 to September 30 and are designated by the calendar year in which they end.

In this report, "cost" refers to budget authority, the amount that would need to be appropriated to implement the Administration's plans; unless otherwise indicated, all dollar amounts reflect budget authority in 2026 dollars.

All ship tonnage numbers are expressed as long tons, which are also known as imperial tons or displacement tons. A long ton equals 2,240 pounds.

Numbers in the text, tables, and figures may not add up to totals because of rounding.

Previous editions of this report are available at https://tinyurl.com/mr24mftf.

On the cover (clockwise from top left):

The unmanned surface vessel *Sea Hunter*. U.S. Navy photo by John F. Williams.

The guided missile destroyer USS *Arleigh Burke* (DDG-51). U.S. Navy photo by Mass Communication Specialist 2nd Class Eduardo Otero.

The aircraft carrier USS *Gerald R. Ford* (CVN-78). U.S. Navy photo by Mass Communication Specialist 3rd Class Hannah Donahue.

The amphibious transport dock ship USS *San Antonio* (LPD-17). U.S. Marine Corps photo by Sergeant Daniel Childs.

The nuclear-powered attack submarine USS *New Mexico* (SSN-779). U.S. Navy photo by Neil Boorjian.

The unmanned surface vessel Rampage, built by HavocAI. U.S. Army photo by Private 1st Class Peter Bannister.

An Analysis of the Navy's Fiscal Year 2027 Shipbuilding Plan

Summary

The Department of Defense (DoD) submitted the Navy's shipbuilding plan for fiscal year 2027 to the Congress on May 11, 2026. The Congressional Budget Office is required by law to analyze that plan and assess its costs. Like several previous plans, the 2027 plan reflects the Navy's desire to build a larger fleet whose firepower is greater and distributed among more ships and unmanned vessels than it is today.

The average annual cost of implementing the 2027 plan, which covers fiscal years 2027 to 2056, would be $53.8 billion (in 2026 dollars), including $48.9 billion for new-ship construction, CBO estimates (see Table 1). The 2027 plan differs from the Navy's 2025 shipbuilding plan in several ways. (DoD did not submit a 2026 shipbuilding plan to the Congress.) Most notably, the 2027 plan includes a new battleship program and would substantially increase the number of large surface combatants. Consequently, the 2027 plan's real costs (that is, costs adjusted to remove the effects of inflation) are higher than those of the 2025 plan because unit costs would be higher for almost all major shipbuilding programs and because more ships would be purchased. Much of the additional costs in the 2027 plan stem from the Navy's decision to purchase 15 large, heavily armed battleships, which would concentrate firepower in a few large ships and thus would be at odds with the Navy's stated goal of distributing it among a greater number of ships or vessels.

The Navy Still Has a Goal of a 381-Ship Fleet

The Navy submitted its most recent Battle Force Ship Assessment and Requirement (BFSAR) report to the Congress on June 20, 2023. On the basis of that report, the Navy outlined the goals for its future fleet in its 2025 shipbuilding plan. The Navy stated at the time that its 2025 plan and the classified BFSAR report aligned its shipbuilding goals with DoD's national security strategy under the Biden Administration. Those goals included achieving a fleet of 381 battle force ships (aircraft carriers, submarines, surface combatants, amphibious ships, combat logistics ships, and some support ships) and 134 unmanned surface and undersea vessels for a total force of 515 naval platforms. The Navy's 2027 plan did not formally change or update those inventory objectives for its future fleet.

In this report, CBO analyzes the 2027 plan in relation to the Navy's broad goals of building a larger fleet whose firepower is distributed among more ships and vessels than it is today. The Navy wants to install greater offensive capability—mainly missiles and unmanned systems—on more ships than it currently has in its fleet. Doing so would provide a task force commander with more ships capable of offensive operations and thus make destroying the fleet's offensive capability more difficult. If fully implemented, the 2027 plan would eventually result in a fleet that was larger than it has been at any time since 2001.

But if the Navy was unable to reduce the maintenance delays that it has experienced for more than a decade, it would be unable to deploy as many ships as achieving its 381-ship goal would suggest. The premise of the Navy's inventory objectives is that a certain percentage of ships would be available for regular deployments and that it could create a surge in deployments in the event of an armed conflict. But if maintenance delays prevented deployments, the actual number of available ships would be less than implied by the inventory goal.

The 2027 Plan Would Expand the Fleet to 398 Battle Force Ships

On November 1, 2026, the Navy's fleet numbered 286 battle force ships. To achieve its goal of 381 battle force ships, the Navy would buy 371 ships over the next 30 years—311 combat ships and 60 combat logistics and support ships. If the Navy adhered to its schedule for retiring ships at an average rate of 9 ships per year, as detailed in its 2027 plan, it would have a fleet of over 300 ships by the early 2030s (see Figure 1). In 2056, the

Table 1.

Comparison of Ship Purchases and Estimated Costs Under the Navy's 2025 and 2027 Plans

	Fiscal year 2025 plan (2025–2054)	Fiscal year 2027 plan (2027–2056)	Difference	Average per-ship cost under the 2027 plan (CBO's estimate in billions of 2026 dollars)
	Number of battle force ships purchased over 30 years			
Combat ships				
Aircraft carriers	6	7	1	22.2
Ballistic missile submarines	10	9	-1	10.4
Large payload submarines	6	7	1	12.2
Attack submarines				
Virginia class guided missile submarines	9	6	-3	5.1
Virginia class submarines	36	38	2	4.9
SSN(X) next-generation attack submarines	14	16	2	10.3
Subtotal	59	60	1	n.a.
Large surface combatants				
DDG-51 Flight III destroyers	23	57	34	3.2
DDG(X) next-generation surface combatants	28	0	-28	n.a.
BBGN nuclear-powered battleship	n.a.	15	15	18.3
Subtotal	51	72	21	n.a.
Small surface combatants				
FF(X) frigates	n.a.	79	79	1.5
FFG-62 frigates	24	0	-24	n.a.
FFG-62 Flight II frigates	57	0	-57	n.a.
Subtotal	81	79	-2	n.a.
Large and midsize amphibious warfare ships				
LHA-6 amphibious assault ships	8	9	1	5.4
LPD-17 Flight II amphibious transport docks	5	6	1	2.5
LPD(X) next-generation amphibious ships	12	13	1	3.1
Subtotal	25	28	3	n.a.
Medium landing ships	55	49	-6	0.3
Total combat ships	**293**	**311**	**18**	**n.a.**
Combat logistics and support ships	71	60	-11	n.a.
Total battle force ships	**364**	**371**	**7**	**n.a.**
	Costs of new-ship construction (billions of 2026 dollars)[a]			
Total cost over 30 years				
Navy's estimate	1,011	1,234	223	n.a.
CBO's estimate	1,214	1,468	254	n.a.
Average annual cost				
Navy's estimate	33.7	41.1	7.4	n.a.
CBO's estimate	40.5	48.9	8.4	n.a.
Average cost per ship				
Navy's estimate	2.8	3.3	0.5	n.a.
CBO's estimate	3.4	4.0	0.6	n.a.
Addendum:				
Average annual costs of all activities typically funded from budget accounts for ship construction plus medium unmanned surface vessels				
Navy's estimate	38.2	45.7	7.5	n.a.
CBO's estimate	45.3	53.8	8.5	n.a.

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

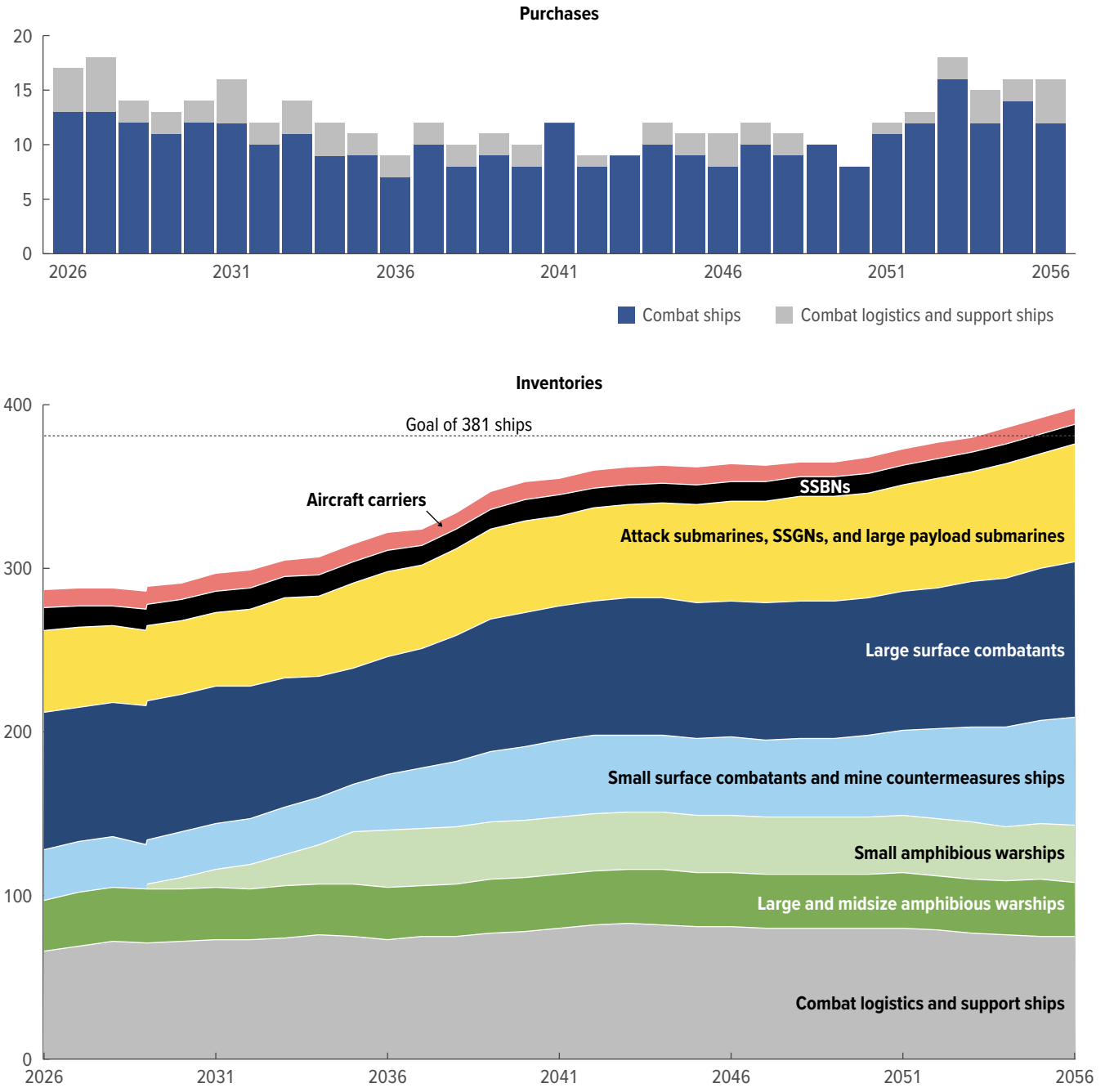
n.a. = not applicable.

a. Costs of new-ship construction include only the costs for purchasing new battle force ships. Thus, they exclude the costs of unmanned systems and ships that are not counted as part of the battle force. Those costs are included elsewhere, as part of all the activities that would be funded in the Navy's shipbuilding accounts.

Figure 1.

Annual Ship Purchases and Inventories Under the Navy's 2027 Plan

Number of ships



Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

SSBN = nuclear-powered ballistic missile submarine; SSGN = nuclear-powered guided missile submarine.

fleet would number 398 ships, 17 more than the Navy's goal. In addition, the Navy plans to build and maintain a force of 72 medium unmanned surface vessels to complement its battle force of crewed ships.

The Costs of New-Ship Construction Under the 2027 Plan Would Average $48.9 Billion per Year

CBO estimates that buying only the new ships specified in the Navy's 2027 plan would cost $1,468 billion (in 2026 dollars) over 30 years—an average of $48.9 billion per year. That amount is 21 percent more than CBO's estimate for the 2025 plan of $1,214 billion, or an average of $40.5 billion.

The Navy's cost estimates for new ships are lower than CBO's: $1,234 billion over 30 years (or an average of $41.1 billion per year). That amount is 22 percent higher than the service's estimate for the 2025 plan.

In general, CBO's estimates of new-ship construction costs are higher than the Navy's because CBO and the Navy made different assumptions about the design and capabilities of some future ships, used different estimating methods, and treated growth in the costs of labor and materials for shipbuilding differently.

The growth in costs reflected in the Navy's and CBO's estimates for the 2027 plan is attributable to both an increase in the estimated costs of many shipbuilding programs and to the larger number of ships the Navy would purchase (compared with the number it would have purchased under the 2025 plan). The estimated costs have increased for several reasons, but these are the most significant:

- Some ships have taken longer and have been more difficult to build than the Navy anticipated,
- Some ships' designs have proved more complicated to complete than expected,
- The estimated costs of some ships were unrealistically low in earlier shipbuilding plans, and
- The Navy's new battleship program substantially increased the costs of its large surface combatant program.

Average Annual Total Shipbuilding Costs Over the Next 30 Years Would Be 41 Percent More Than Average Appropriations Over the Past 5 Years

The Navy's shipbuilding plan reports only the costs of new-ship construction for battle force ships. It does not report the cost of refueling nuclear-powered ships or other costs, such as those associated with outfitting new ships or purchasing ships that are not considered part of the battle force (for example, used sealift ships), that are typically funded from the Navy's shipbuilding account. When those costs are included, the Navy's average annual shipbuilding costs under the 2027 plan increase by about $4.6 billion, CBO estimates. (The cost of fixed-wing aircraft or helicopters that operate from aircraft carriers, amphibious warfare ships, or surface combatants are not included in this analysis.)

Thus, when funding for all activities supported by the Navy's shipbuilding account is included in the calculation, CBO estimates that the average annual cost of the 2027 plan would be $53.8 billion. That amount is 41 percent more than the $38.1 billion the Navy has received in annual appropriations, on average, over the past five years. In real terms, CBO's estimate of the average annual cost of this year's shipbuilding plan is 19 percent more than its estimate of the cost of the Navy's 2025 plan.

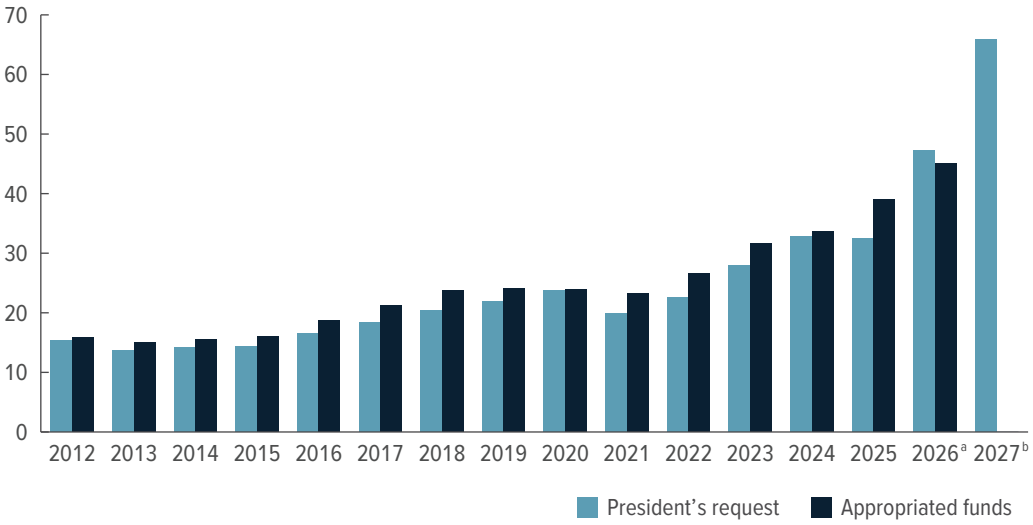
The cost of the Navy's 2027 shipbuilding plan is high not only compared with recent funding but also by historical standards. Over the past decade, funding for ship construction has reached its highest levels since the Reagan Administration's defense buildup in the 1980s. Since 2016, lawmakers have generally appropriated an average of $2.5 billion more per year for shipbuilding than the President has requested, partly because of concerns that the fleet is too small to perform all its missions (see Figure 2).

The Cost of Building, Maintaining, and Operating the Larger Fleet Envisioned in the 2027 Plan Would Exceed Past Budgets

CBO estimates that purchasing, operating, and maintaining the larger fleet envisioned in the 2027 plan would require the Navy's budget to grow by about 1 percent annually in real terms, resulting in a total annual budget of about $415 billion (slightly more than a one-third increase) by the 2050s. The total budget for the Department of the Navy (which includes the Marine Corps) in 2026 is $307 billion. As the fleet increased in

Figure 2.

Requested and Appropriated Shipbuilding Budgets, 2012 to 2026



In most years since 2012, the Congress has appropriated more money for ships than the President has requested.

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

a. The 2026 appropriation includes discretionary funding and the mandatory funding from the 2025 reconciliation act.

b. The 2027 appropriation had not yet been enacted when this report was published.

size, various costs in addition to those of shipbuilding would increase. Like shipbuilding costs, operation and support costs have historically increased faster than the economywide rate of inflation.

The Combat Power of the Fleet Would Decline Before It Increased

Over the next 30 years, the Navy's 2027 plan would increase, then decrease, and then increase substantially the number of missile launchers in the service's fleet. The number of ships and unmanned systems that can fire missiles would double by 2056. However, taking full advantage of that increased capacity would involve substantially building up the Navy's inventory of munitions.

Building the Envisioned Fleet Would Involve Increasing the Amount of Tonnage Produced by the Nation's Naval Shipyards

Over the past decade, the amount of tonnage under construction at the nation's naval shipyards increased by nearly 50 percent. Under the 2027 plan, the amount of naval tonnage that the Navy wants to buy would increase further, although demand would be greater for some types of ships than for others. Construction of aircraft carriers would remain steady, but the tonnage of submarines, surface combatants, and amphibious warfare ships under construction from 2031 to 2056 would be about 70 percent greater, on average, than it is today.

The Navy's Goal of a 381-Ship Fleet

The Navy submitted its most recent analysis of its goals for the future fleet—called the Battle Force Ship Assessment and Requirement report—to the Congress on June 20, 2023. (See the appendix for a description of the major types of ships in the Navy's fleet.) Most of the details in the BFSAR were classified.[1] Unlike previous shipbuilding plans, the 2027 plan does not discuss the goals put forth in that most recent BFSAR, which were established under the previous Administration.[2] The Navy has stated that it plans to update its inventory goals in 2026. In its 2025 plan, the Navy followed the 2023 BFSAR and stated that it wanted to build a fleet of 381 crewed battle force ships and 134 unmanned surface and undersea vessels (see Table 2).

1. Department of the Navy, *Report to Congress on the Annual Long-Range Plan for Construction of Naval Vessels for Fiscal Year 2024* (March 2023), p. 3, https://tinyurl.com/37bkemd9. For more information about the BFSAR, see Congressional Budget Office, *An Analysis of the Navy's Fiscal Year 2024 Shipbuilding Plan* (October 2023), www.cbo.gov/publication/59508.

2. Department of the Navy, *U.S. Navy Shipbuilding Plan* (May 2026), https://tinyurl.com/yus323b3. Although the Navy does not refer to years in the title of its plan, CBO refers to the plan as the 2027 plan because it covers fiscal years 2027 to 2056, which is consistent with how the agency has referred to previous shipbuilding plans.

Table 2.

The Navy's Inventory Goals, 2016 to 2026

Number of platforms

	2016 Force Structure Assessment	2023 Battle Force Ship Assessment and Requirement	Difference	Addendum: fleet composition as of November 1, 2026
Manned battle force ships				
Combat ships				
Aircraft carriers	12	12	0	11
Submarines				
Ballistic missile	12	12	0	14
Guided missile and large payload	0	0	0	3
Attack	66	66	0	47
Surface combatants				
Large: CGs and DDGs	104	87	-17	84
Small				
MCMs and LCSs	28	15	-13	31
FFGs	24	58	34	0
Subtotal, small surface combatants	52	73	21	31
Amphibious ships				
Large: LHAs and LHDs	12	10	-2	9
Midsize: LPDs and LSDs	26	21	-5	22
Small: LSMs	n.a.	18	18	0
Total combat ships	284	299	15	221
Combat logistics and support ships				
Combat logistics ships				
Large: T-AKEs, T-AOs, and T-AOEs	34	33	-1	33
Small: T-AOLs	n.a.	13	13	0
Support ships				
Large	12	10	-2	12
Small	25	26	1	20
Total combat logistics and support ships	71	82	11	65[a]
Total manned battle force ships	**355**	**381**	**26**	**286[a]**
Unmanned vessels				
Surface	n.a.	78	78	0[b]
Undersea	n.a.	56	56	0[b]
Total unmanned vessels	n.a.	134	134	0
Total manned battle force ships and unmanned vessels	**355**	**515**	**160**	**286**
Addendum:				
Year in which force structure objective would be achieved	After 2030	2045	n.a.	n.a.

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

CG = guided missile cruiser; DDG = guided missile destroyer; LHA and LHD = amphibious assault ship; LPD = amphibious transport dock; LSD = dock landing ship; LSM = medium landing ship; T-AKE = dry cargo and ammunition ships; T-AO = fleet replenishment oilers; T-AOEs = fast combat support ship; T-AOL = next generation logistics ship; n.a. = not applicable.

a. The Navy has laid up 15 combat logistics and support ships because it does not have the civilian crews to operate the ships. (Combat logistics and support ships are operated by the Military Sealift Command and mostly use civilian crews.) Thus, while the Navy officially has 65 of those ships in commission and 286 battle force ships, the service effectively has only 50 combat logistics and support ships and 271 battle force ships.

b. The Navy is currently experimenting with prototype versions of these vessels and received money in the 2025 reconciliation act to begin purchasing numerous versions of those vessels.

As is discussed in more detail in subsequent sections of this report, the 2027 plan suggests that the Navy has increased some of the shipbuilding goals established in the most recent BFSAR. The number of large and midsize amphibious ships is set at 31 in the BFSAR, which is consistent with the number specified by the Congress in the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (Public Law 117-263). But under the 2027 plan, the Navy would build and maintain a force of at least 33 large and midsize amphibious ships for most years from 2027 to 2056. (In November 2026, the Navy and Marine Corps announced that they wanted 40 of those ships to meet their force planning objectives.)

In the BFSAR, the number of small amphibious ships—the new class of medium landing ships—is set at an "initial capacity goal" of 18, but a force of 35 such ships is envisioned in the 2027 plan. The Marine Corps wants to acquire those ships to achieve the objectives outlined in *Force Design* (the service's plan to restructure its forces), including distributing small units of Marines armed with missile batteries over a theater of operations.[3] In addition, the BFSAR indicates a goal of 13 light oilers; 18 such ships would be built and maintained under the 2027 plan.

The Navy called for 134 unmanned vessels in the BFSAR. Since then, the technology underlying those vessels has advanced rapidly, and the usefulness of unmanned systems in combat has been proven in Ukraine, the Red Sea, and the Persian Gulf. As a result, the Navy has begun to discuss such craft in its force structure assessments. The 2027 plan suggests a goal of 72 medium unmanned surface vessels (MUSVs) and at least 16 extra-large undersea vessels. The Navy's goal for MUSVs in the 2025 plan was unclear, but the service envisioned a force of 40 large unmanned surface vessels (a program that the Navy merged with MUSVs in April 2025) in that plan. Those numbers do not include potentially thousands of much smaller systems that could play a role in the future of naval warfare.

The Navy's 2027 plan would increase the number of ships and vessels capable of conducting offensive operations, but about half of the additional cost of the 2027 plan (as compared with the cost of the 2025 plan) is attributed to a proposal to buy 15 nuclear-powered battleships—large and heavily armed surface combatants.[4] As other analysts have observed, that proposal runs counter to the Navy's concept of distributed maritime operations, which would disperse the service's firepower among a larger number of smaller, less expensive ships and unmanned systems.[5]

Ship Inventories and Purchases

The Navy's fleet numbered 286 battle force ships on November 1, 2026. However, the Navy has taken 15 combat logistics and support ships operated by the Military Sealift Command (which uses mostly civilian mariners) out of service because of an insufficient number of civilian mariners to crew the ships. Thus, only 271 ships (of the 286 battle force ships) are operational. The service's broad goal is to build a larger fleet whose firepower is greater and distributed among more platforms than it is today. The ship purchases and inventories described in the 2027 plan would, by 2056, increase the fleet to 398 ships—a little more than the Navy's goal.

The Navy proposes to buy a total of 371 battle force ships over the next 30 years (or an average of 12.4 ships a year): 18 ships in 2027, 57 ships from 2028 to 2031, and 296 ships from 2032 to 2056. The pace of shipbuilding would be fastest in the next 10 years, reflecting the service's desire to increase the size of the fleet as quickly as feasible. It would slow from the mid-2030s to the mid-2040s; then construction would ramp up again in the late 2040s and 2050s to replace smaller ships, with a service life of 20 to 25 years, purchased in the first decade of the plan. Over the next three decades, the Navy plans to purchase ships at the following average annual rates: 13.3 ships from 2027 to 2036, 10.7 ships from 2037 to 2046, and 13.1 ships from 2047 to 2056.

Those purchases do not include any unmanned systems. To build and maintain a force of 72 MUSVs, the Navy would buy 347 of those craft (in addition to the 39 that it purchased with appropriations in 2025 and 2026) using accounts other than its shipbuilding account.

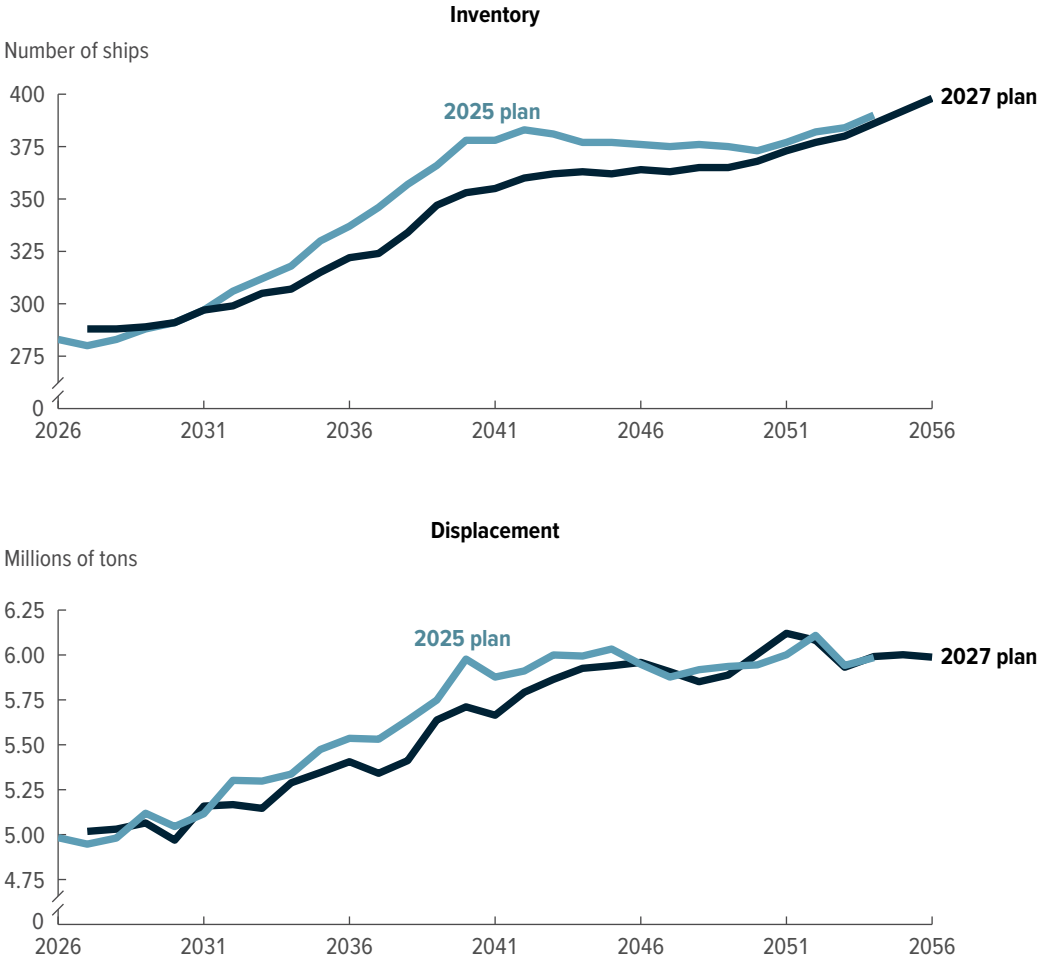
3. General Eric M. Smith, Commandant of the Marine Corps, *Force Design Update* (October 2025), www.marines.mil/force-design. And see Marine Corps, *Force Design: A Snapshot* (May 2024), https://tinyurl.com/2jne9huv.

4. For a detailed discussion of the battleship program, see Congressional Budget Office, *The Navy's New Battleship Program: Costs and Implications for the Shipbuilding Industrial Base* (August 2026), www.cbo.gov/publication/62550.

5. See, for example, Steve Cohen, "Building 'Trump Class' Battleships Will Be a Big, Expensive Mistake," *The New York Times* (September 18, 2026), https://tinyurl.com/52c7a6sp; and Mark F. Cancian, "The Golden Fleet's Battleship Will Never Sail" (Center for Strategic and International Studies, December 23, 2025), https://tinyurl.com/4uzaxx8a.

Figure 3.

Inventory and Fleetwide Displacement Under the Navy's 2025 and 2027 Plans



In most years, the Navy's 2027 plan envisions a smaller fleet, both in terms of the number of ships and their total full-load displacement, than the one envisioned under the 2025 plan.

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

The Navy would also purchase 58 new nonbattle force ships to fill various auxiliary roles and 29 used sealift ships to recapitalize the Ready Reserve Fleet, a reserve sealift force that provides transportation for DoD's military operations overseas. Those ships would be purchased with funding from the Navy's shipbuilding account.

Overall, for most of the next 30 years, the 2027 plan would build a fleet of crewed battle force ships that is smaller in number and in full-load displacement than the fleet envisioned in the 2025 plan (see Figure 3). Full-load displacement measures the amount of water that a ship displaces when carrying its crew, stores, cargo, ammunition, fuel, and other liquids. Displacement is commonly used as a general proxy for the capability of a ship. Thus, a fleet that totals two million tons in displacement is considered to be more capable than one with a similar composition of ships that totals half that amount. Under the 2027 plan, the fleet is smaller than under the 2025 plan because of further shipbuilding delays, the cancellation of some programs, and delaying the start of some new programs.

This report assesses the costs of implementing the 2027 plan, its effects on the Navy's force structure, the extent to which it would satisfy the Navy's specific goals for major components of the U.S. fleet, and the capabilities that the plan would bring to the fleet. CBO did not evaluate the Navy's analysis of its future force structure or of the fleet's ability to fulfill its missions in the national military strategy.

Combat Ships

Under its 2027 plan, the Navy would buy 311 combat ships—aircraft carriers, submarines, large and small surface combatants, and amphibious warfare ships—over the next 30 years. Those purchases would leave the service with 1 fewer carrier than it currently has, but all other types of battle force ships would increase compared to the current fleet (see Figure 4).

Aircraft Carriers. Currently, the Navy's carrier force consists of 10 Nimitz class carriers and 1 Ford class ship. Under the 2027 plan, the Navy would purchase 7 Ford class aircraft carriers over the next 30 years—1 every 4 years starting in 2029 (see Figure 5). That schedule reflects an increased production rate compared to the 2025 plan, which would have seen 1 ship built every 4 or 5 years. Following the 2027 schedule would allow the Navy to maintain the size of its existing force of 11 aircraft carriers for 15 of the next 20 years, as new Ford class carriers replaced Nimitz class ships. From 2047 to 2056, the force would fluctuate between 9 and 10 carriers, however.

In addition to buying a new carrier every 4 years, maintaining a force of 11 carriers after 2046 would require extending the service life of some existing Nimitz class ships to 55 years. To reach and maintain the goal of 12 carriers expressed in the latest BFSAR, the Navy would need to buy a new carrier every 3 years over the next 30 years and extend the service life of some Nimitz class ships to 55 years.

Ballistic Missile Submarines. The current plan for the new Columbia class ballistic missile submarines (SSBNs), which are slated to replace the Navy's 14 Ohio class submarines as they retire, is the same as it was under the 2025 plan. The Navy ordered the first of the Columbia class ships in 2021, the second in 2024, and the third in 2026. The 2027 plan calls for purchasing 9 more, at a rate of 1 per year, from 2027 to 2035 (see Figure 5). Unlike the goals for other categories of ships, force goals for SSBNs are not determined by the Navy's force structure assessments but rather stem from the number of submarines DoD's Strategic Command wants on station and, secondarily, by the operational availability of those ships. Therefore, the Navy's plan to replace its 14 Ohio class SSBNs with 12 Columbia class ships has been set for many years and remains unchanged in the service's latest shipbuilding plan. However, the Navy has stated that the number of Columbia class submarines could increase and has programmed some advance procurement funding in 2028 for a 13th and 14th new SSBN; those plans depend on the outcome of the Navy's ongoing SSBN Force Structure Study.[6]

The Navy currently estimates that building the lead Columbia class submarine will take eight to nine years. (A lead ship is the first ship of its class.) In April 2024, the Navy completed a 45-day shipbuilding review, which the Secretary of the Navy ordered when he became concerned about the state of the Navy's shipbuilding programs. That review found that the lead ship was 12 to 16 months behind schedule. The service hopes to make up for some of that delay in coming years by investing in the submarine industrial base—especially in those elements of the base that are heavily involved in building Columbia class ships.

The Navy's budget justification documents for its 2027 request indicate that the lead Columbia class submarine would be delivered into the fleet in 2029. An additional 2 or 3 years of testing, training, and preparing the ship for deployment would elapse before it would be ready to go on its first deterrent patrol. Those documents indicate that future SSBNs would take only 6 years to build. That estimate implies an optimistic assessment of how long it will take to build SSBNs compared to attack submarines, which are currently taking 10 years to build but are less than half the size of SSBNs. Over the past 2 years, the Navy has determined that it could extend the service life of 5 Ohio class submarines by 3 years each so that the SSBN force would remain at 12 ships or more throughout the 2027–2056 period. Thus far, the Navy has included a service-life extension for 1 of those submarines in its long-term plan; it will assess whether it must extend the service life of the other 4 Ohio class submarines in the future.

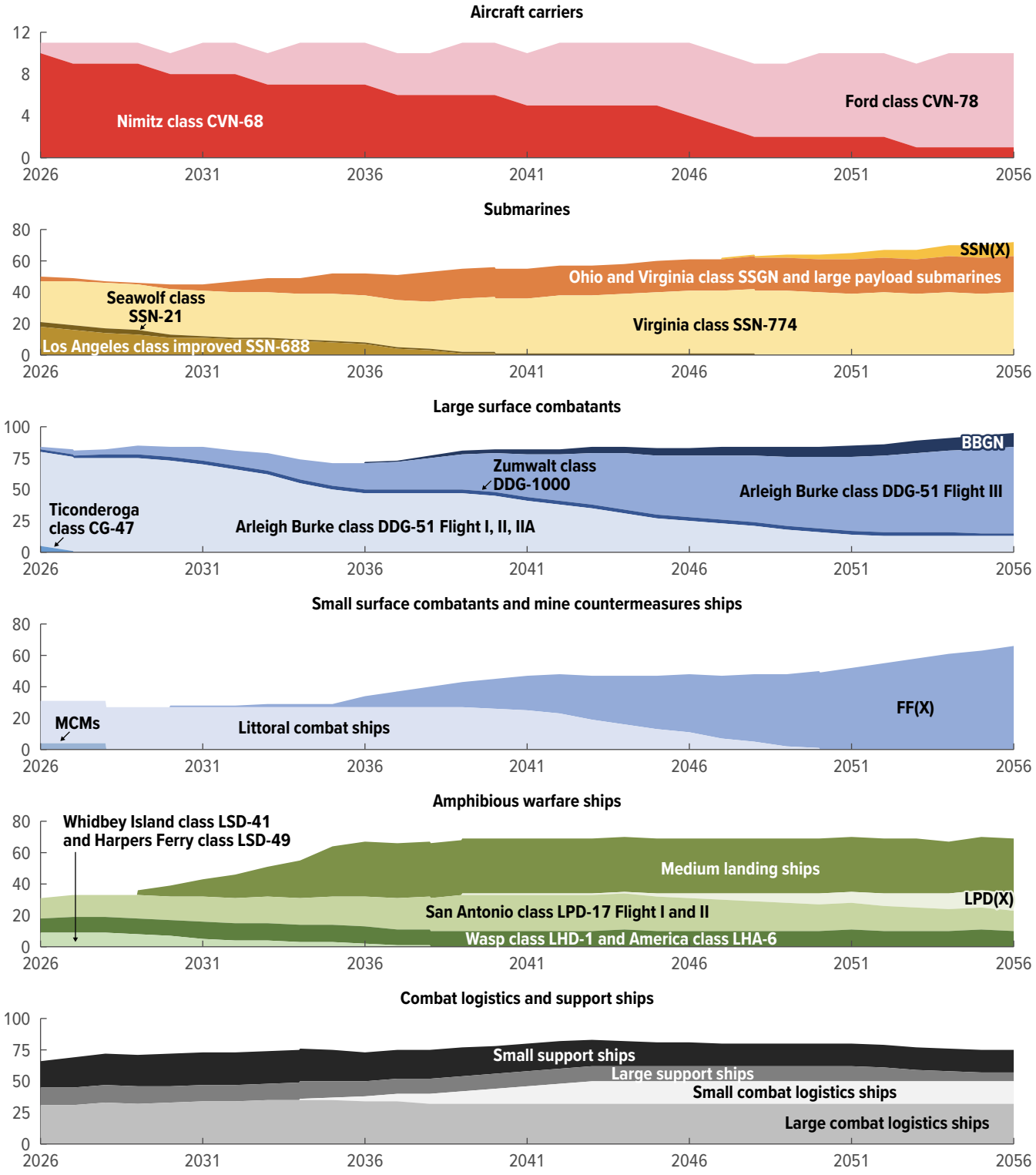
Attack Submarines and Guided Missile Submarines. The Navy currently has 47 nuclear-powered attack submarines (SSNs): 18 Los Angeles class, 3 Seawolf

6. Department of War, *Fiscal Year (FY) 2027 Budget Estimates, Shipbuilding and Conversion, Navy* (April 2026), https://tinyurl.com/3m84kuk8.

Figure 4.

Inventories of Selected Categories of Ships Under the Navy's 2027 Plan

Number of ships



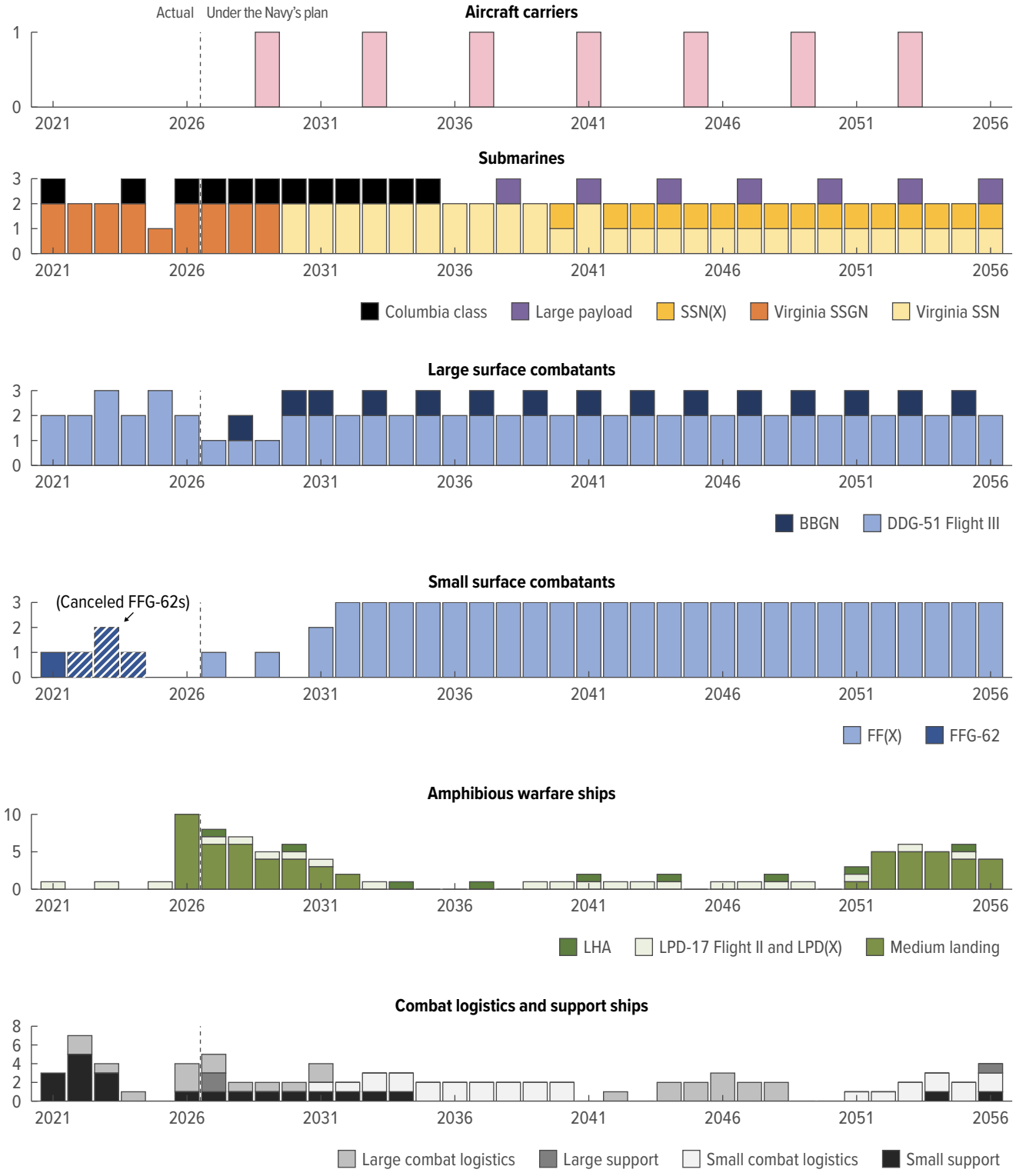
Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

BBGN = nuclear-powered guided missile battleship; CG = guided missile cruiser; CVN = nuclear-powered aircraft carrier; DDG = guided missile destroyer; FF(X) = general purpose frigate; LHD and LHA = amphibious assault ship; LPD = amphibious transport dock; LPD(X) = next-generation amphibious transport dock; LSD = dock landing ship; MCM = mine countermeasures ship; SSGN = nuclear-powered guided missile submarine; SSN = nuclear-powered attack submarine; SSN(X) = next-generation nuclear-powered attack submarine.

Figure 5.

Annual Ship Purchases Under the Navy's 2027 Plan, by Category

Number of ships



Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

BBGN = nuclear-powered guided missile battleship; DDG = guided missile destroyer; FFG = guided missile frigate; FF(X) = general purpose frigate; LHA = amphibious assault ship; LPD = amphibious transport dock; SSGN = nuclear-powered guided missile submarine; SSN = nuclear-powered attack submarine; SSN(X) = next-generation nuclear-powered attack submarine.

class, and 26 Virginia class ships.[7] The fleet also includes 3 guided missile submarines (SSGNs), which are converted Ohio class ballistic missile submarines that can carry large numbers of conventional missiles and special-operations forces. On August 3, 2026, the Navy announced that the 19 Virginia class submarines with Virginia payload modules (VPMs) currently under or slated for construction over the next three years would also be designated as SSGNs.[8]

According to the 2027 shipbuilding plan, after an initial decline to 45 SSNs and SSGNs in 2030 and 2031, the force would grow larger and become more capable than it is today. Under the 2027 plan, the Navy would buy 60 SSNs and SSGNs (see Figure 5) and would have 68 SSNs and SSGNs in the fleet by 2056 (see Figure 4 on page 10).

The Navy would finish purchasing Virginia class SSGNs in 2029 and would resume production of a redesigned variant without the VPM. It would purchase the redesigned ships at a rate of 2 per year from 2030 to 2039 and then 1 per year for most years from 2040 to 2056. In addition, the first next-generation attack submarine, SSN(X), would be bought in 2040, then 1 SSN(X) per year would be purchased from 2042 to 2056.

Large Payload Submarines. Under the 2027 plan, the Navy's 3 Ohio class SSGNs would retire in the next three years. The Navy would build 7 new large payload submarines starting in the late 2030s. Those new ships would be large-capacity submarines, perhaps built on Columbia class hulls in much the same way the Navy's existing SSGNs are converted Ohio class SSBNs. The new ships would be bought in small numbers: 1 ship would be built every three years starting in 2038.

Large Surface Combatants. The Navy currently has 84 cruisers and destroyers in its fleet. Under the 2027 plan, all 5 of the service's remaining CG-47 Ticonderoga class cruisers would be retired over the next two years. The number of large surface combatants would be short of the Navy's goal of 87 ships until 2053; the force would decline to a low of 71 ships in 2035 before steadily increasing to 95 ships by 2056.

The most significant change in the 2027 shipbuilding plan is the Navy's strategy for large surface combatants. In December 2025, the Trump Administration announced that a new class of battleship would be the Navy's premier future surface combatant—one that would displace 35,000 tons or more.[9] (By comparison, a DDG-51 Flight III destroyer displaces 9,700 tons.) The Navy later announced that the new battleship would be nuclear-powered and designated as a BBGN, for guided missile battleship, nuclear. Under the 2027 shipbuilding plan, the Navy would purchase the first new battleship in 2028 and then about 1 every other year through 2056, for a total of 15 ships. The BBGN would replace the DDG(X) program, which was to be a new class of destroyer, as the Navy's next-generation large surface combatant. In addition, the Navy would buy DDG-51 Flight III destroyers, mostly at a rate of 2 per year through 2056. Under the 2025 plan, the Navy would have ended production of the DDG-51 destroyer in 2037 and would have begun purchasing the DDG(X) in 2032. Overall, the Navy would purchase 72 large surface combatants under the 2027 plan.

Small Surface Combatants. The Navy's fleet now includes 27 littoral combat ships (LCSs), which are categorized as small surface combatants. In addition, the service operates 4 mine countermeasures ships, which it often includes in that category. (CBO does not include mine countermeasures ships in its tally of small surface combatants.)

7. For an overview of those programs, see Ronald O'Rourke, *Navy Virginia-Class Submarine Program and AUKUS Submarine (Pillar 1) Project: Background and Issues for Congress*, Report RL32418, version 295 (Congressional Research Service, January 26, 2026), www.congress.gov/crs-product/RL32418, and *Navy Next-Generation Attack Submarine (SSN[X]) Program: Background and Issues for Congress*, Report IF11826, version 42 (Congressional Research Service, December 4, 2025), https://tinyurl.com/2p8asnmm.

8. Department of the Navy, "Navy to Reclassify Virginia Payload Module-Equipped SSNs to SSGNs, Unleashing Next-Generation Strike Power" (press release, August 3, 2026), https://tinyurl.com/rsbuurjc. The Virginia payload module adds four large-diameter payload tubes to the existing Virginia class submarine; each tube can carry 7 Tomahawk missiles or other payloads, such as unmanned underwater vessels. That modification would increase the submerged displacement of the submarine by nearly 30 percent and would increase the number of the Virginia class submarine's Tomahawk-sized vertical-launch weapons from 12 to 40. The submarines would be armed with approximately 25 additional weapons—torpedoes and Tomahawks—in the torpedo room.

9. For a full discussion of the battleship program and its costs, see Congressional Budget Office, *The Navy's New Battleship Program: Costs and Implications for the Shipbuilding Industrial Base* (August 2026), www.cbo.gov/publication/62550.

In November 2025, the Navy announced that it was canceling all but 2 FFG-62 Constellation class frigates because of cost overruns and shipbuilding delays. The following month, the service announced that it would develop a new class of general purpose frigate, the FF(X), which would be based on the Coast Guard's Legend class national security cutter. The FF(X) is expected to be about 40 percent smaller than the FFG-62 and would be less capable than that ship: It would not have an air defense system capable of defending other ships, vertical missile cells, or an antisubmarine warfare sonar system.

The Navy plans to acquire about the same number of FF(X)s as it had planned for the FFG-62 class. According to the 2025 plan, FFG-62s would have been built in two variants, a Flight I and a Flight II. Although the 2027 plan does not indicate different variants of FF(X)s, the Navy intends to purchase several Flight I variants of that ship before an improved variant, the Flight II, is built. How the capabilities of the variants would differ has not yet been determined.

Overall, the Navy plans to purchase 79 FF(X)s to build a force of about 66 small surface combatants by 2056 (see Figure 5). The ship would have a service life of 25 years, which means some of those purchases would replace ships that would retire at the end of the 30-year plan. The Navy would also keep its 27 LCSs until retiring them after 25 years of service, starting in the 2040s.

Although the 2027 shipbuilding plan includes 2 FFG-62 class ships that were not canceled, CBO does not count them in its tally of battle force ships. On the basis of information in the Navy's budget materials and discussions with Navy officials, CBO expects that those ships will not be completed.[10] Their major combat systems and weapons have already been reprogrammed for other ships. Those 2 ships, which are still under construction, are intended to keep the workforce at Fincantieri Marinette Marine employed until other shipbuilding programs begin there.

Amphibious Warfare Ships. The Navy's current amphibious warfare force comprises 31 ships: 9 large amphibious assault ships designated as LHAs or LHDs; 13 midsize amphibious transport docks, or LPDs; and 9 midsize dock landing ships, or LSDs. Under the 2027 plan, the Navy would maintain 31 to 35 of those ships after 2026 to comply with the Congressional mandate to maintain at least 31 and to meet the force goal for those ships set forth in the June 2023 BFSAR (see Figure 4 on page 10). In addition, a major building program for small amphibious ships—called medium landing ships (LSMs)—would continue. Last year, the Navy purchased 10 LSMs with funding from the 2025 reconciliation act and the 2026 shipbuilding appropriation.[11] Under the 2027 plan, the LSM force would grow to 35 ships by 2035, eight years earlier than under the 2025 plan. That number is almost double the Navy's "initial capacity" goal, as stated in the BFSAR, of 18 ships but is consistent with the Marine Corps' objective for the program.

The Navy would buy a total of 28 large and midsize amphibious warfare ships, increasing the rate of procurement for the latter in the near term. The Navy would buy 25 more LSMs between 2027 and 2032. In 2051, it would start buying replacements for LSMs because those ships have only a 20-year service life (see Figure 5). Overall, the Navy would buy 49 LSMs.

Combat Logistics and Support Ships

The Navy's combat logistics and support ships include large ships, such as T-AO oilers and T-AKE dry cargo ships (which resupply vessels at sea), as well as smaller ships, such as tug and salvage ships, surveillance craft, and expeditionary fast transports. Under the 2027 plan, the Navy would decrease the number of large oilers it planned to build under the 2025 plan by 7 ships and would begin buying a smaller logistics ship called the next-generation logistics ship (NGLS). Referred to as a light oiler in the past, the NGLS is currently designated as a T-AOL and would help resupply a larger fleet with a greater number of smaller warships. The NGLS, however, would not be purchased until 2031, four years later than under the 2025 plan. Overall, the Navy would buy 60 combat logistics and support ships under the 2027 plan (see Figure 5).

10. The Navy's 2027 budget justification book, for example, substantially reduces the costs of the lead ship compared with costs in the 2026 book and no longer provides a delivery date for the first two ships. See Department of War, *Fiscal Year (FY) 2027 Budget Estimates, Shipbuilding and Conversion, Navy* (April 2026), https://tinyurl.com/3m84kuk8.

11. In its 2027 shipbuilding plan, the Navy describes its plans for the LSM program in its discussion of amphibious ships but then counts them as support ships in the inventory tables in the plan's appendix. Consistent with its previous assessments of the Navy's shipbuilding plans, CBO categorizes LSMs as amphibious warfare ships, as does the Congressional Research Service, to more accurately reflect the missions they would perform.

Unmanned Surface and Undersea Vessels

In the June 2023 BFSAR, the Navy set a goal of adding 134 unmanned vessels to the fleet, but the 2027 plan does not include any estimated costs for them. In that plan and the Navy's budget submission, unmanned surface vessels are consolidated under one program: medium unmanned surface vessels (MUSVs). The Navy envisions building a force of 72 MUSVs that could carry any payload that would fit within a modified 20-foot or 40-foot container. The service wants its MUSV force to be as flexible as possible, so those containers could carry sensors, weapons, drones, or other payloads. At least 16 extra-large unmanned underwater vehicles, commonly known as XLUUVs, would also be purchased. Those unmanned vessels are all much larger than the single-use, expendable drones used in the war in Ukraine and would be a standing component of the service's fleet.[12]

The MUSVs would have a service life of 6 years. As a result, the Navy would buy 347 MUSVs over the next 30 years to build and then sustain a force of 72 vessels. Those purchases would be in addition to the 36 vessels the Navy plans to purchase with funding from the 2025 reconciliation act and the 3 other vessels it plans to purchase in 2026. (See Box 1 for a discussion of how the Navy would count unmanned surface vessels and other auxiliary ships in its fleet.) The total number of undersea vessels would be determined in the future as the service further developed the technology and acquisition strategy for undersea systems. Although the Navy would not purchase the MUSVs and XLUUVs via its shipbuilding account, CBO includes those costs in its analysis because they are specified in the 2027 shipbuilding plan.[13]

12. Nathan Rennolds, "Ukraine's Hi-Tech Naval Attack Drones Have Paralyzed Russia's Black Sea Fleet, Spy Chief Says," *Business Insider* (August 26, 2023), https://tinyurl.com/3cv4f6r4; and Emmanuel Grynszpan and Marie Jégo, "In the Black Sea, Ukraine Attacks the Russian Fleet With Naval Suicide Drones," *Le Monde* (August 5, 2023), https://tinyurl.com/2x52bp8v.

13. To estimate the costs of the Navy's MUSV force, CBO used the average budgeted cost for MUSVs in the Navy's five-year budget plan submitted to the Congress in April 2026. The Navy's acquisition strategy for MUSVs involves a "marketplace" in which seven companies have been selected to complete the vessels; the Navy may select multiple designs. CBO has no detailed cost information for those individual designs and thus did not attempt to develop an independent cost estimate.

Shipbuilding Costs

According to the Navy's estimates, even if the service received annual funding for shipbuilding from 2027 to 2056 that equaled the amount of such funding that it received in each of the past five years—a half-decade during which that funding was at its highest level since the 1980s—the service still could not afford to buy all the ships in its 2027 shipbuilding plan. The Navy's planned purchases of new ships from 2027 to 2056 would cost (that is, require appropriations of) an average of $41.1 billion per year in 2026 dollars (see Figure 6). That amount represents an increase of 22 percent over the service's estimates in its 2025 shipbuilding plan, after the effects of inflation have been removed.

CBO estimates that other activities the Navy would fund from its shipbuilding account (and the costs for MUSVs from its other procurement account) would add an average of $4.6 billion per year to projected costs. Examples of those activities include refueling nuclear-powered aircraft carriers, building auxiliary ships that are not part of the battle force, or outfitting new ships with equipment not provided by the construction yard. Thus, using the service's estimates for new-ship construction costs and CBO's own estimates for other costs, CBO estimates that the total average annual cost for all activities typically funded from the Navy's shipbuilding account, and including major unmanned vessels, would be $45.7 billion, or 20 percent more than the estimated total average annual costs under the 2025 plan. That increase is attributable to the higher estimated costs of shipbuilding programs, particularly the battleship program, in the service's latest plan and to the greater number of ships the Navy would purchase.

CBO estimated the costs of the Navy's 2027 plan using its own models and assumptions.[14] On average, CBO's estimates of annual costs for new-ship construction over the 30-year period are higher than the Navy's estimates by $7.8 billion, or 19 percent. CBO estimates that all items in the shipbuilding account would cost $53.8 billion per year, or 18 percent more than the Navy estimates.

14. For more information about how the agency estimates shipbuilding costs, see Congressional Budget Office, *How CBO Estimates the Cost of New Ships* (April 2018), www.cbo.gov/publication/53785.

Box 1.

Counting the Total Naval Vessel Force

In its 2027 shipbuilding plan, the Navy introduced a different method for counting the ships in its fleet. In addition to the standard count of battle force ships, which the Congressional Budget Office uses throughout its analysis, the Navy included a count of what it calls the total naval vessel force. The total naval vessel force includes battle force ships, medium unmanned surface vessels (MUSVs), and various auxiliary ships that are mostly operated by the Military Sealift Command (notably sealift ships; see the figure). According to the Navy, that new way of counting ships "will provide a more comprehensive measure of naval combat power going forward."[1]

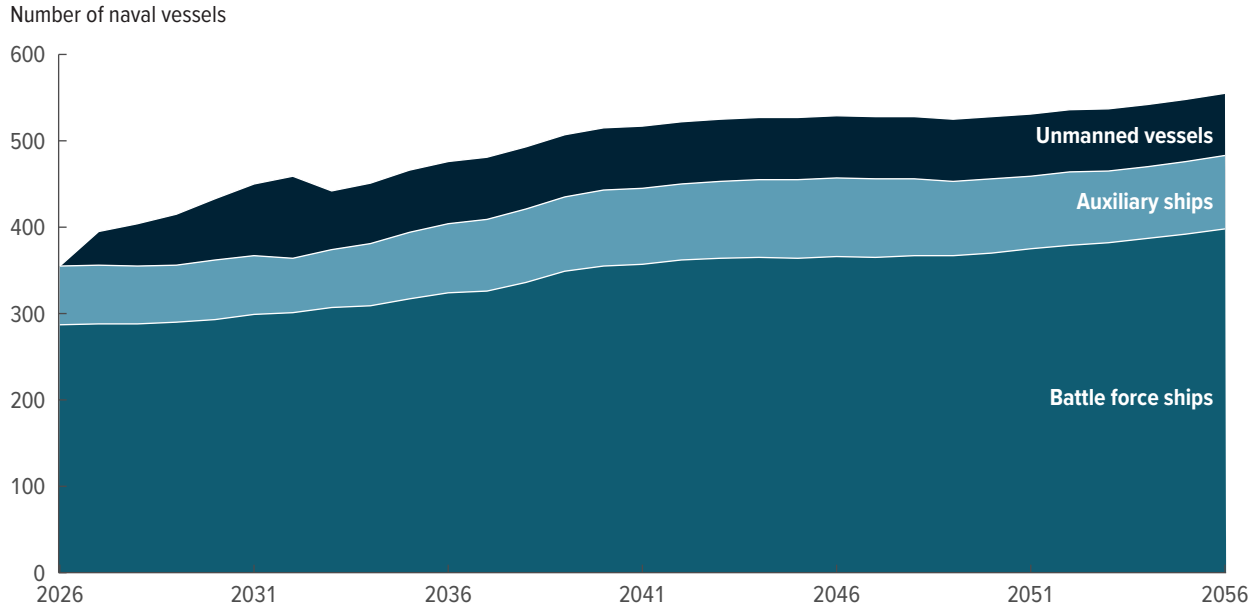
The Navy stated that auxiliary ships, such as sealift ships, are included in the new method for counting ships because they are essential to sustaining and supplying the fleet. MUSVs are the only type of unmanned vessels to be included because, according to the Navy, they are unique for three reasons. First, they are becoming mature systems that will be able to perform missions approved by the Chief of Naval Operations. Second, they have an "approved acquisition strategy," which incorporates the mechanism of a "marketplace." Under that strategy, companies offer MUSV prototypes that are ready for production and demonstrate their capabilities. The Navy then tests the vessels and selects ones for purchase. That strategy thus does not involve the government's funding a development program to build a specific vessel to meet a specific set of military requirements.[2] Third, MUSVs have procurement funding that is "budgeted," which may refer to the $5.5 billion made available for naval unmanned systems in the 2025 reconciliation act (Public Law 119-21).

Although CBO's analysis focuses on battle force ships, the agency's estimates of shipbuilding costs include all the vessels counted in the total naval vessel force. Moreover, CBO's assessment of the fleet's capabilities under the 2027 shipbuilding plan includes the MUSV program.

1. Department of the Navy, *U.S. Navy Shipbuilding Plan* (May 2026), pp. 14–15, https://tinyurl.com/yus323b3.

2. Sam LaGrone, "Navy Selects 7 MUSV Designs to Enter Prototype Phase," *USNI News* (May 22, 2026), https://tinyurl.com/3yuane8k.

Total Naval Vessel Force Under the Navy's 2027 Plan

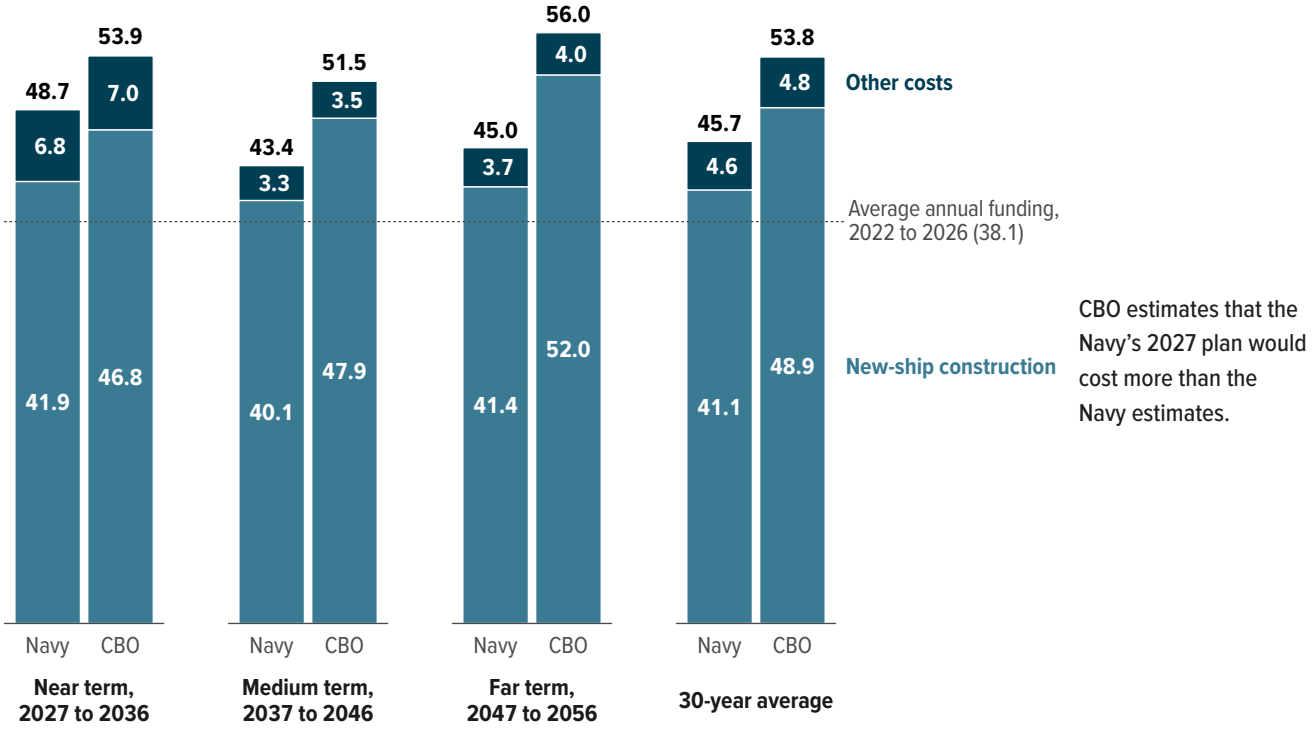


Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

Figure 6.

Estimated Average Annual Total Shipbuilding Costs Under the Navy's 2027 Plan

Billions of 2026 dollars



Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

New-ship construction excludes the costs of refueling nuclear-powered aircraft carriers, purchasing ships that are not part of the battle force (such as oceanographic survey ships and sealift ships), constructing medium unmanned surface vessels, conducting outfitting and postdelivery activities (including purchasing the equipment and many small tools that are needed to operate a ship but that are not necessarily provided by the shipyard when the ship is built), and other smaller items. Those costs are included in "other costs."

The Navy's Estimates

The Navy's 2027 plan delineates projected shipbuilding procurements, retirements, and inventories. The plan also emphasizes the importance of improving how the Navy designs, acquires, and builds new ships as well as providing steady work to the shipbuilding industry as a way to prevent boom-and-bust cycles, which could jeopardize the financial health of some shipyards and secondary suppliers and create uncertainty about the cost of shipbuilding in the future. The quantities of new ships purchased and the delivery times laid out in the Navy's 2027 plan are predicated on the assumption that the production delays that shipyards are currently experiencing will be resolved in the next decade, leading to the steady and on-time delivery of new ships in the future.

Nevertheless, the Navy's shipbuilding plan continues to be affected by cost overruns in shipbuilding programs already underway. Over the 2023–2031 period, the Navy expects to spend an additional $19 billion to complete ships that were authorized and appropriated before 2027 (see Table 3).

New-Ship Construction Costs. According to estimates in the Navy's 2027 plan, the construction of submarines and surface combatants would consume three-quarters of shipbuilding funds—in almost equal measure—over the next 30 years. Other than aircraft carriers, the new BBGNs would be the most expensive ships the Navy would buy (once the Navy includes the cost of nuclear power). Submarines are the second most expensive ships in the 2027 plan, and the Navy expects to have many of them in its future fleet.

According to the Navy, submarines would account for 38 percent of the cost of new-ship construction under

Table 3.

Cost Overruns Under the 2027 Budget Request for Ships and Programs Authorized and Appropriated in Previous Years

Millions of 2026 dollars

	Funding for 2023 to 2031 under the 2027 budget request
Ford class CVN-78 aircraft carrier	1,737.1
Nimitz class CVN-68 nuclear refueling and overhaul	1,737.4
Columbia class SSBN-826 ballistic missile submarine	1,994.7
Virginia class SSN-774 attack submarine	7,552.7[a]
Arleigh Burke class DDG-51 guided missile destroyer	3,358.3[b]
Freedom class LCS-1 littoral combat ship	151.3
San Antonio class LPD-17 amphibious transport dock	339.6
America class LHA-6 amphibious assault ship	329.3
John Lewis class T-AO-205 oiler	714.9
Navajo T-ATS-6 towing, salvage, and rescue ship	473.2
T-AGS oceanographic survey ship	22.6
T-AGOS SURTASS ocean surveillance ship	349.6
Spearhead T-EPF expeditionary fast transport	34.8
T-ESB expeditionary sea base	18.5
LCAC ship-to-shore connector	102.6
Total	**18,916.6**

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

LCAC = landing craft air cushion; SURTASS = surveillance towed array sensor system.

a. For the Virginia class SSN-774, CBO included $3.5 billion in the Administration's request for an anomaly in the fiscal year 2025 continuing resolution, which represented further cost growth in submarines requested for fiscal year 2024 and 2025 after the President's 2025 budget was submitted.

b. For the Arleigh Burke class DDG-51, CBO included $1.7 billion that the Navy requested as "subsequent full-year funding" but that it is using to pay to complete ships authorized before 2025.

the 2027 plan, or an average of about $15.8 billion per year—which is similar to their cost under the 2025 plan. Surface combatants would account for 37 percent of the total cost of new-ship construction—an average of $15.0 billion per year, which is a 70 percent increase over the 2025 plan. Aircraft carriers would account for 12 percent of new-ship construction; amphibious ships, 9 percent; and combat logistics and support ships, 4 percent.

Total Shipbuilding Costs. As in all the Navy's previous shipbuilding plans, estimates in its 2027 plan do not include certain costs that would be paid from its budget account for shipbuilding. Specifically, the estimates exclude the costs of refueling nuclear-powered aircraft carriers, purchasing ships that are not part of the battle force (such as oceanographic survey ships or sealift ships), conducting outfitting and postdelivery activities (including purchasing the equipment and many small tools that are needed to operate a ship but that are not necessarily provided by the shipyard when the ship is built), and other smaller items.[15] The Navy's estimates for total shipbuilding costs include costs for medium unmanned surface vessels, even though those vessels are funded from the Navy's other procurement account.

The Navy's estimates do not include the $7.6 billion the service had already budgeted (because of cost overruns or other increased expenses) to complete ships, from 2027 to 2031, that were authorized before 2027. Including all those costs, as estimated by CBO, would add an average of $4.6 billion annually to the Navy's estimates. Combining the estimates in the Navy's 2027 shipbuilding plan with the agency's own estimates of the additional costs that the service did not account for, CBO projects that under the 2027 plan, the total costs for all activities funded through the Navy's shipbuilding account would average $45.7 billion per year over the 2027–2056 period.

CBO's Estimates

According to CBO's estimates, the full cost of the 2027 shipbuilding plan (including new-ship construction, refueling of aircraft carriers, and other items) would average $53.8 billion per year over the 2027–2056 period. That amount is 18 percent (or $8.8 billion) more than the Navy's estimate as adjusted by CBO to include the additional costs beyond new-ship construction. It is 41 percent more than the average annual funding that the Navy has received over the past five years (see Figure 7).[16] CBO's estimates for the 2027 plan are 19 percent greater than its estimates for the 2025 plan after the effects of inflation have been removed.

CBO's estimates (like the Navy's) reflect the expectation that the production delays that several shipyards are currently experiencing would be resolved over the next

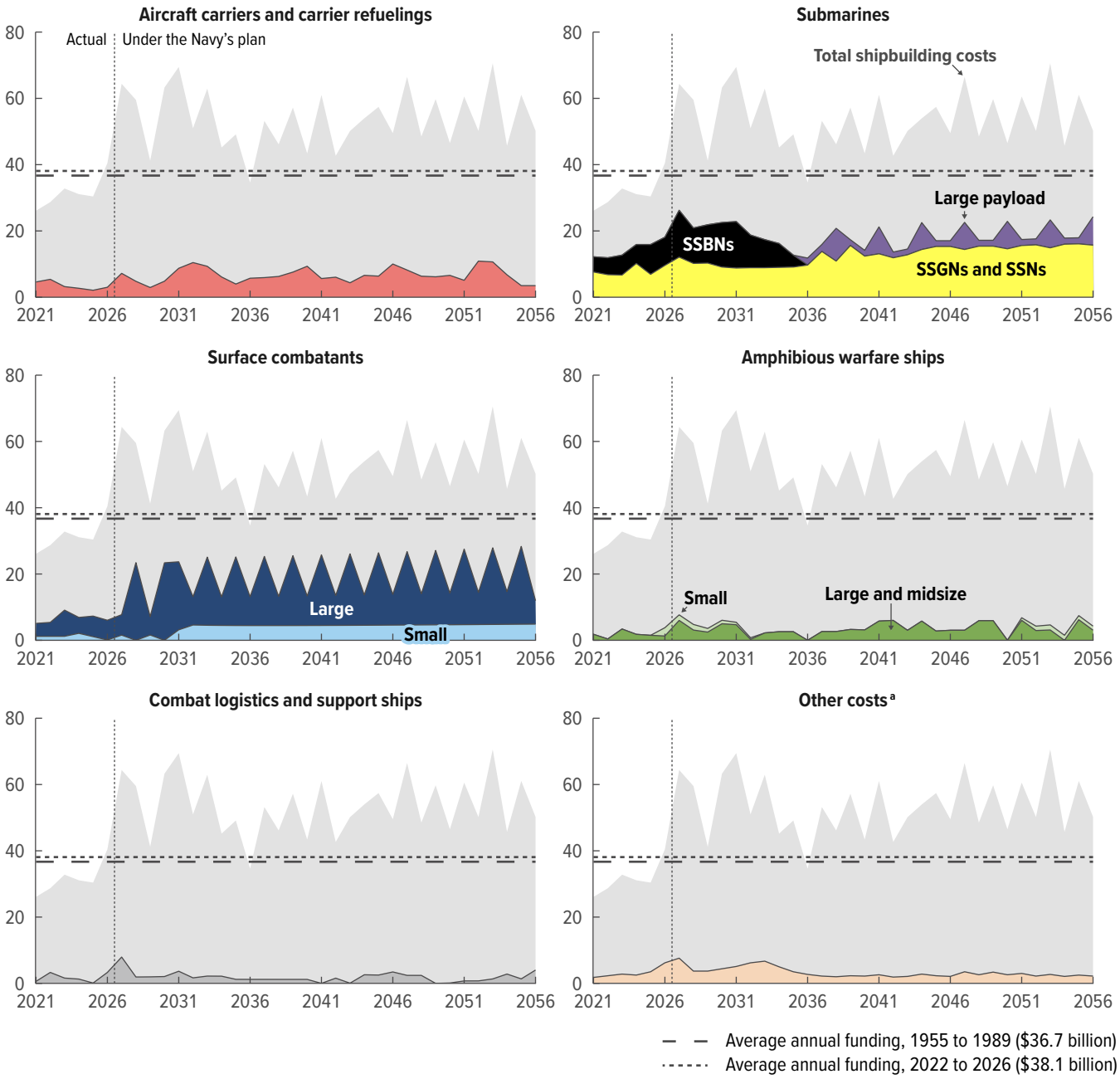
15. Under this plan, the unmanned surface vessels would be purchased through the Navy's other procurement account. CBO included those costs in this analysis because they are explicitly included as part of the Navy's shipbuilding plan.

16. As another point of comparison, shipbuilding appropriations averaged $36.7 billion (in 2026 dollars) during the Cold War years of 1955 to 1989, a period of intense competition between the United States and the Soviet Union in which the Navy faced challenges that look increasingly similar to those it expects to face over the next two decades. CBO's historical data for shipbuilding budgets begins with 1955; the Berlin Wall fell in 1989, which is widely regarded as the end of the Cold War.

Figure 7.

CBO's Estimates of Annual Shipbuilding Costs Under the Navy's 2027 Plan

Billions of 2026 dollars



CBO estimates that under the 2027 plan, the Navy's annual shipbuilding budget would be an average of 41 percent larger than the average amount of annual funding from 2022 to 2026.

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

SSBN = nuclear-powered ballistic missile submarine; SSGN = nuclear-powered guided missile submarine; SSN = nuclear-powered attack submarine.

a. Includes costs for purchasing ships that are not part of the battle force (such as oceanographic survey ships or sealift ships), constructing medium unmanned surface vessels, conducting outfitting and postdelivery activities (including purchasing the equipment and many small tools that are needed to operate a ship but that are not necessarily provided by the shipyard when the ship is built), and other smaller items.

Table 4.

Average Annual Shipbuilding Costs Under the Navy's 2027 Plan

Billions of 2026 dollars

	Near term (2027–2036)	Medium term (2037–2046)	Far term (2047–2056)	30-year average (2027–2056)
			Navy's estimates[a]	
New-ship construction	41.9	40.1	41.4	41.1
New-ship construction and all other items in the Navy's shipbuilding accounts	48.7	43.4	45.0	45.7
			CBO's estimates	
New-ship construction	46.8	47.9	52.0	48.9
New-ship construction and all other items in the Navy's shipbuilding accounts	53.9	51.5	56.0	53.8
			Difference between CBO's and the Navy's estimates (percent)	
New-ship construction	12	20	26	19
New-ship construction and all other items in the Navy's shipbuilding accounts	11	19	24	18

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

a. These figures include the Navy's estimates for new-ship construction and amounts to complete ships purchased in prior years and CBO's estimates for the refueling of nuclear-powered aircraft carriers, ships that are not counted in the battle force, outfitting of new ships, and other items.

15 years, leading to the steady and on-time delivery of new ships. If that did not happen, costs for new ships could be higher than the Navy and CBO estimate, and the delivery of new ships would take longer than anticipated in the 2027 plan.

Explaining the Difference in the Navy's and CBO's Estimates

The gap between CBO's and the Navy's estimates widens over time. CBO's estimate of total shipbuilding costs over the 2027–2036 period is 11 percent higher than the Navy's, and the agency's estimate for the 2047–2056 period is 24 percent higher (see Table 4). The two sets of estimates are closer in the near term because most of the ships that the Navy plans to buy then are already under construction and their costs are reasonably well known.

But CBO and the Navy made different assumptions about the size and capabilities of future ships, which led to divergent cost estimates for the far term. Over the entire 30-year period covered in the 2027 plan, two large programs in particular—the new attack submarine and the battleship—account for about three-quarters of the difference between the Navy's and CBO's cost estimates. In the medium term, from 2037 to 2046, the difference between CBO's and the Navy's estimates is larger than in the near-term but less than in the far term. The Navy would still buy many of the same classes of ships that it would buy in the near term but would also start to build new classes of ships, such as the battleship, for which CBO's estimates are higher.

A portion of the difference in estimates over time is attributable to CBO's treatment of the cost growth in shipbuilding in excess of economywide inflation. When estimating the cost to build a ship in the future that is identical to one already built, the Navy reports the future cost of capabilities purchased as being the same as the cost today in real terms. By contrast, when CBO projects the cost to build the same ship in the future, it accounts for the growth in the costs of labor and materials used in building naval ships (that is, shipbuilding inflation) as well as the growth in the costs of other goods and services in the economy. CBO regards the difference between shipbuilding inflation and overall inflation as real growth in the constant-dollar cost of building naval ships.[17]

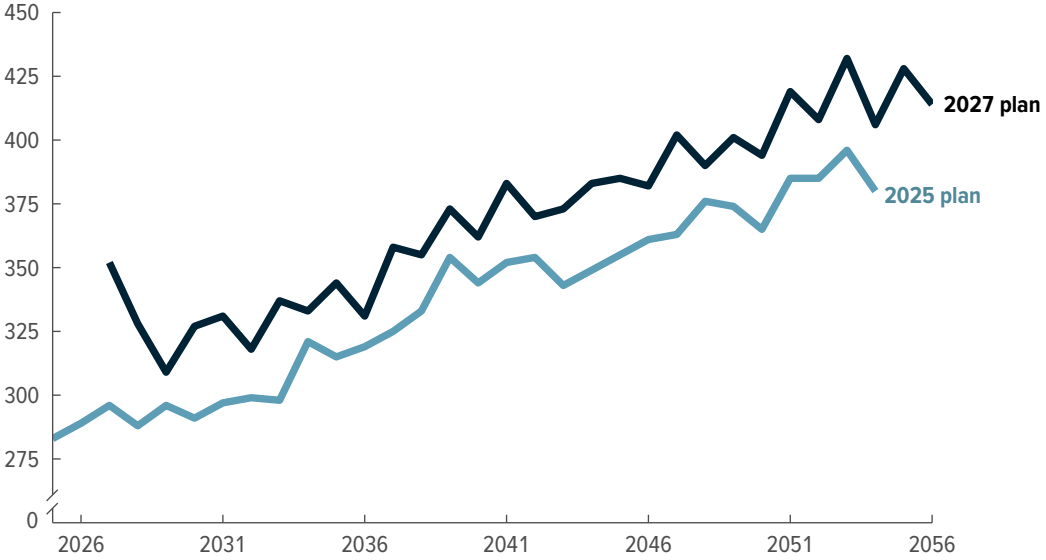
For this report, CBO used the historical difference between shipbuilding inflation and inflation in the overall economy, as measured by the gross domestic product price index, to calculate the growth in its constant-dollar

17. For more information, see Congressional Budget Office, *How CBO Estimates the Cost of New Ships* (April 2018), www.cbo.gov/publication/53785, and *The Shipbuilding Composite Index and Its Rates of Change Compared With Economywide Inflation Rates* (April 2024), www.cbo.gov/publication/59026.

Figure 8.

CBO's Estimate of the Navy's Total Budget Under Its 2025 and 2027 Plans

Billions of 2026 dollars



The Navy's 2027 shipbuilding plan would result in a larger total budget than the service's 2025 plan.

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

estimates of shipbuilding programs. From 1996 to 2025, annual shipbuilding inflation outpaced annual inflation in the economy by an average of about 1 percentage point. CBO's projections of shipbuilding costs reflect the assumption that that difference in rates would continue from 2027 to 2056. As a result, the agency estimated that a ship that costs $2.5 billion to build in 2027 would cost $3.4 billion (in 2026 dollars) in 2056. (Shipbuilding costs cannot, however, continue to grow faster than the costs of goods and services in the overall economy indefinitely. If that occurred, the price of ships would eventually outstrip the Navy's ability to pay for even a small number of them unless its shipbuilding budget grew commensurately with shipbuilding costs.)

Growth in the Navy's Total Annual Budget

The larger fleet envisioned in the 2027 plan would increase costs of other parts of the Navy's budget as the fleet grew. Fully purchasing, operating, and maintaining that larger fleet would, in CBO's estimation, increase the Navy's total annual budget by about one-third over the next three decades, from $307 billion today to about $415 billion (in 2026 dollars) in the early to mid-2050s. Shipbuilding costs would account for about 12 percent of the Navy's total budget for 2056.[18] By contrast, operating and manning the larger fleet under the 2027 plan would represent the largest components of the Navy's budget, together accounting for 45 percent of the total. Overall, costs would increase through 2056, but the amount of cost growth would vary from year to year because of the shipbuilding budget (see Figure 8).

To estimate growth in the Navy's total budget, CBO independently developed estimates for each of the service's budget accounts. Specifically, to estimate the costs associated with the shipbuilding and aircraft procurement accounts, CBO first estimated the cost of each ship and aircraft procurement program.[19] The agency then developed estimates for other items purchased and activities funded through those accounts—and through the remaining procurement accounts—on the basis of historical relationships between the shipbuilding and aircraft procurement accounts and those other procurement accounts.

CBO estimated costs for operation and maintenance accounts on the basis of historical relationships between those costs and the size of the Navy's fleet, as measured by its total full-load displacement for surface ships and

18. Shipbuilding budgets can vary from year to year. In 2053, for example, shipbuilding would account for 16 percent of the Navy's total budget.

19. The estimates for the cost of new aircraft are drawn from and are consistent with those published in Congressional Budget Office, *The Cost of Replacing Today's Naval Aviation Fleet* (January 2020), www.cbo.gov/publication/55949.

submerged displacement for submarines. Estimates for the Navy's military personnel accounts were based on the historical relationship between the total number of sailors serving on ships and the total number of service members. Estimates for Marine Corps military personnel were based on historical averages adjusted for the size of the Corps, which is set by law. Estimates for the remaining accounts, such as the one for military construction, were based on historical averages.

CBO adjusted its estimates to vary with changes in the Navy's fleet over time (specifically, changes in ship and aircraft procurements, displacements, and crew sizes). In addition, costs paid from most of the Navy's accounts have grown faster than economywide inflation; those differences are included as real growth in the estimates.

Measures of Capability

Unlike several previous shipbuilding plans, the Navy's 2027 plan did not include metrics of the envisioned fleet's future capability. Nevertheless, in this report, CBO used various measures to assess the fleet's capability, as it has done in past reports. Specifically, CBO assessed:

- The number of missile launchers the fleet could carry—vertical launching system (VLS) cells, large missile cells that can accommodate Conventional Prompt Strike (CPS) missiles, and Naval Strike Missile (NSM) launchers—which indicates the fleet's *lethality*;
- The number of ships, submarines, and unmanned vessels capable of launching antiship or land-attack missiles, which indicates the *distribution* of the fleet's firepower;
- The capacity of the fleet to carry different types of missiles; and
- The number of payload containers that could be equipped with sensors, drones, or weapons.

CBO did not assess the state of the Navy's weapons stockpiles, which may be insufficient (in the near term, at least) to make use of all the missile launchers the future fleet would carry.

The 2027 shipbuilding plan would maintain a fleet with about the same degree of lethality over the next five years as the fleet envisioned in the 2025 plan (see Figure 9). However, after 2031, the 2027 plan would provide substantially fewer VLS cells overall than the 2025 plan.[20] Under the 2027 plan, the Navy would have more vessels that can launch missiles, mainly because the service intends to rapidly deploy a force of 72 MUSVs, which would use deck-mounted payload containers to do so (although the Navy may not equip them with such containers). The distribution of the fleet's firepower is an important element of the Navy's Distributed Maritime Operations concept.

In addition, under the 2027 plan, the number of missiles that are larger than those carried in VLS cells would increase, as would the number of smaller antiship missiles (see Figure 10). The Navy is currently converting its 3 DDG-1000s to carry CPS missiles, which are large, travel at hypersonic speeds, and have a long range. Once built, the Navy's 19 Virginia class submarines would each be equipped to carry 6 CPS missiles, and the new battleship would carry 12 of them. (All 3 DDG-1000s will go to sea before those missiles are built and deployed.) If the Navy successfully executed the CPS program and built the BBGNs to carry them, the fleet could carry 270 CPS missiles by 2056.

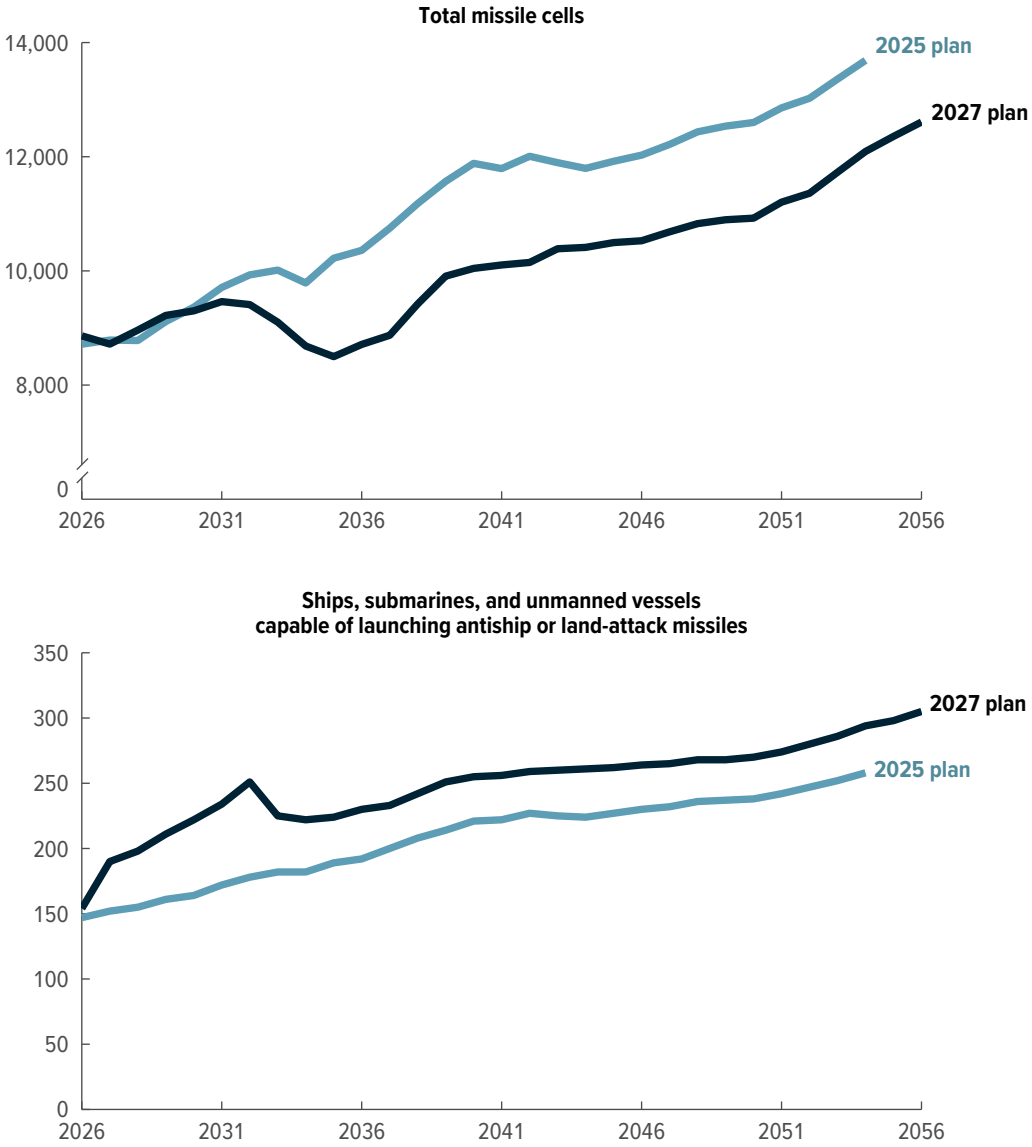
Under the 2027 plan, the Navy would also add shorter-range NSMs to future FF(X)s, any remaining LCSs that did not already carry them, and, potentially, other ships. Although only about 150 of those missiles are deployed on the Navy's ships today, it could deploy about 800 by 2056.

The number of deployed NSMs would depend on how the Navy outfitted its small surface combatants and unmanned systems. The service has emphasized the flexibility provided by 20-foot and 40-foot payload containers that could carry a variety of sensors, drones, or weapons. The Navy could, for example, install two 20-foot containers per frigate instead of three NSM launchers with four missiles each (and thus 12 NSMs). The Navy's

20. Using the number of VLS cells in the fleet as a measure of lethality reflects the assumption that the Navy has sufficient munitions to fill those cells and that the ships carrying them have a reasonable prospect of being effective in performing their missions. The Navy is planning to increase its missile purchases, but CBO has not analyzed how those efforts align with the service's shipbuilding plan. For a more thorough discussion of the advantages and disadvantages of using VLS cells as a measure of capability, see Congressional Budget Office, *Comparing a 355-Ship Fleet With Smaller Naval Forces* (March 2018), p. 11, www.cbo.gov/publication/53637, and *Increasing the Size and Missile Capability of the Navy's Fleet Within the Next Five Years* (May 2026), www.cbo.gov/publication/62389.

Figure 9.

Measures of the Fleet's Capability Under the Navy's 2025 and 2027 Plans



The Navy's 2027 plan would provide fewer missile launchers or cells but more ships capable of launching antiship or land-attack missiles than the 2025 plan.

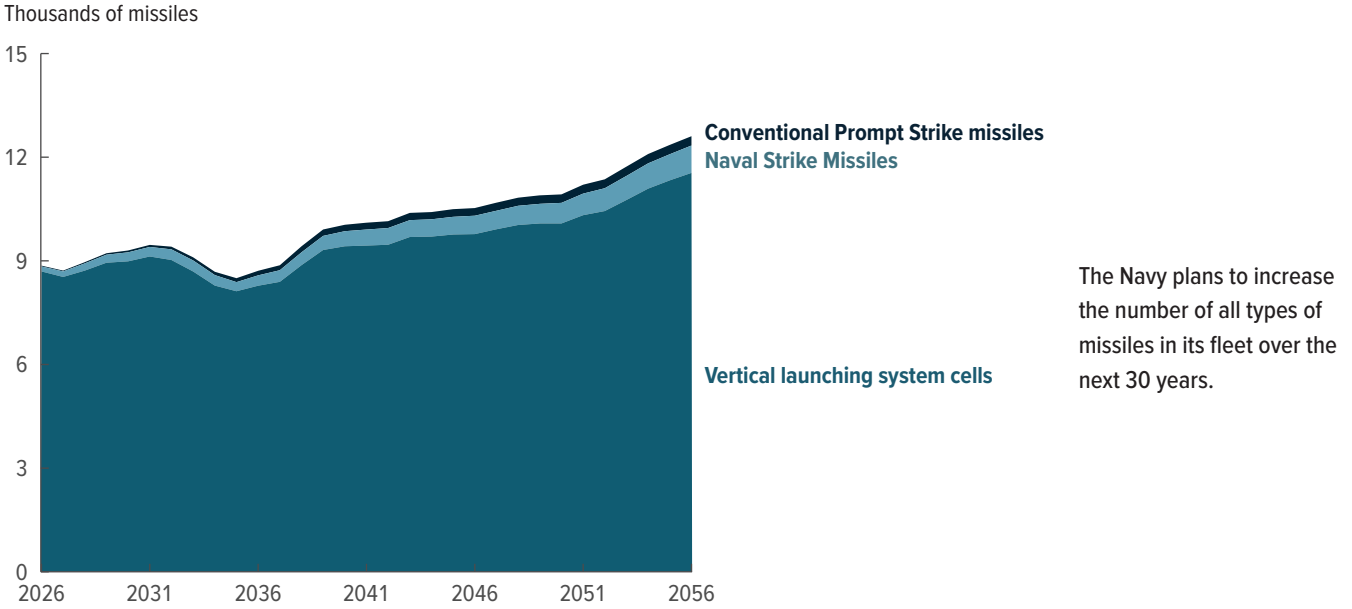
Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

planned MUSVs could each potentially carry eight 20-foot containers or four 40-foot containers; the latter could accommodate weapons normally carried in VLS cells. (The Navy could also mix and match the number of 20-foot and 40-foot containers on those vessels.)

To illustrate the effect of the Navy's choices, CBO analyzed how the payload-carrying capacity of the Navy's future fleet would differ under two scenarios. Under scenario 1, if the Navy devoted the reserved payload space on FF(X)s to two 20-foot containers and then used only 20-foot containers on its MUSVs, then those ships together would carry nearly 600 of them by 2036 and about 700 by 2056 (see Figure 11). If, under scenario 2, the Navy installed two 40-foot containers on each of its FF(X) Flight IIs (perhaps in lieu of a flight deck) and four 40-foot containers on its MUSVs, the fleet would have nearly 300 40-foot containers by 2036 and over 400 of them by 2056. Under scenario 2, the FF(X) would still carry two 20-foot containers. For the MUSV, the allocation of containers is a trade-off between eight 20-foot or four 40-foot containers (or some other combination of the two types of containers). For the FF(X), the trade-off is between three NSM launchers or two 20-foot

Figure 10.

The Fleet's Capacity to Carry Various Missiles Under the Navy's 2027 Plan



Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

containers. The 40-foot containers represent a potential *additional* capability for future FF(X) Flight II ships.

CBO's metrics reflect actual capability only to the extent that the Navy—and DoD more broadly—has sufficient munitions stockpiles to fully arm its ships and planes. The Navy and the other services recognize that and are spending more to increase munitions production. Conflicts in Ukraine, the Red Sea, and the Persian Gulf have shown that modern military operations consume large quantities of offensive and defensive weapons—and have substantially reduced the Navy's inventory of several types of weapons.

Implications for the Shipbuilding Industrial Base

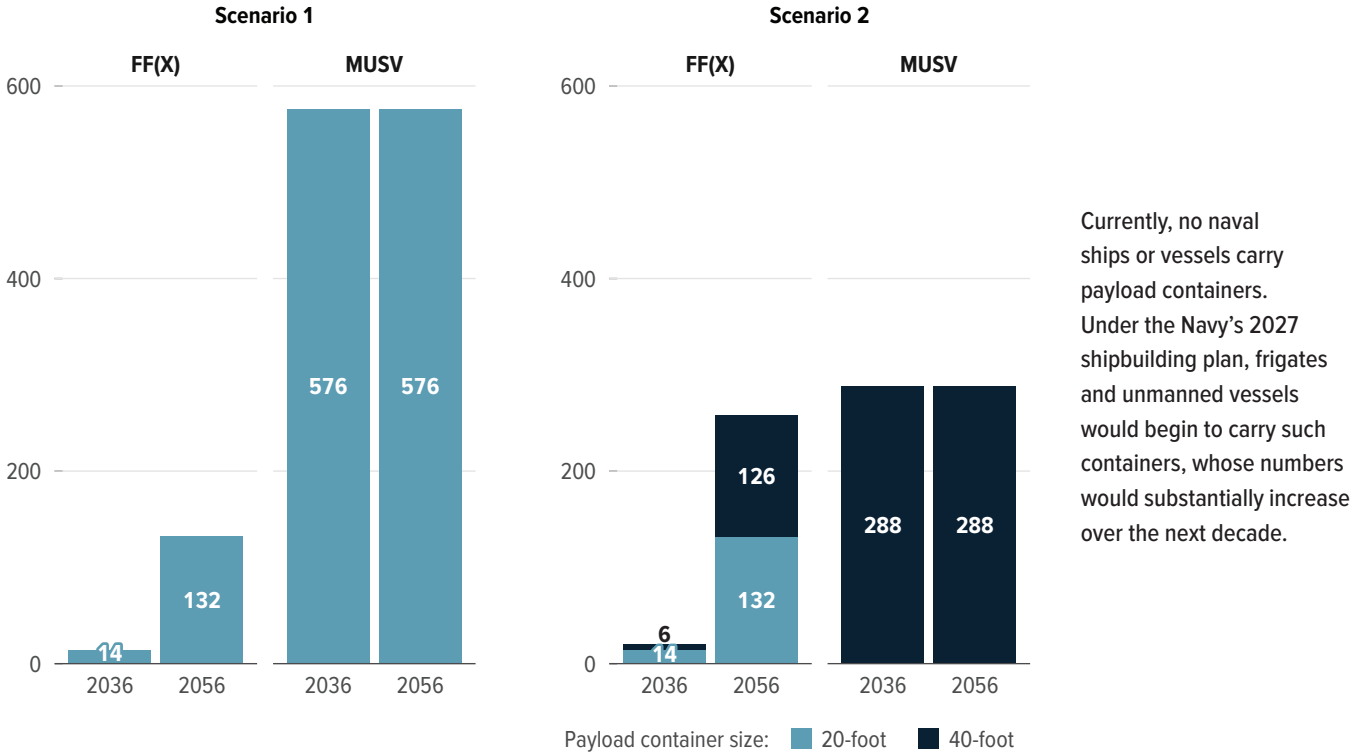
As did the Navy's 2025 shipbuilding plan, the 2027 plan poses a challenge to the nation's shipbuilders. Although hundreds, if not thousands, of companies are involved in building ships and their components, the Navy's ships are mainly built by eight shipyards:

- Austal Shipbuilding in Mobile, Alabama, is owned by Austal Limited of Henderson, Western Australia, and builds littoral combat ships, Coast Guard cutters, small support ships, and parts of submarines.
- Bath Iron Works in Bath, Maine, is owned by General Dynamics of Reston, Virginia, and builds destroyers.
- Bollinger Shipyards in Mississippi and Louisiana builds Coast Guard icebreakers, cutters, and patrol boats, as well as Navy towing, salvage, and rescue ships, medium landing ships, and oceanographic survey ships.
- Fincantieri Marinette Marine in Marinette, Wisconsin, is owned by Fincantieri of Trieste, Italy, and builds medium landing ships. It previously built littoral combat ships and would have built the Navy's new Constellation class frigate.
- General Dynamics Electric Boat in Groton, Connecticut, is owned by General Dynamics and builds nuclear-powered ballistic missile submarines and attack submarines.
- Ingalls Shipbuilding of Pascagoula, Mississippi, is owned by Huntington Ingalls Industries of Newport News, Virginia, and builds large and medium-sized amphibious warfare ships and destroyers. It will now also build the first general purpose frigate, which will be based on the Legend class national security cutter that it built for the Coast Guard.

Figure 11.

Payload Containers on the Navy's FF(X)s and MUSVs Under Two Scenarios

Number of containers



Currently, no naval ships or vessels carry payload containers. Under the Navy's 2027 shipbuilding plan, frigates and unmanned vessels would begin to carry such containers, whose numbers would substantially increase over the next decade.

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

Under Scenario 1, both FF(X)s and MUSVs carry only 20-foot payload containers. Under Scenario 2, the eight 20-foot payload containers on MUSVs are exchanged for four 40-foot payload containers. The FF(X)s continue to carry two 20-foot containers; the FF(X) Flight II also carries two 40-foot containers. This figure excludes any payload containers that other ships might carry.

FF(X) = general purpose frigate; MUSV = medium unmanned surface vessel.

- National Steel and Shipbuilding Company, or NASSCO, in San Diego, California, is owned by General Dynamics and builds large combat logistics and support ships.
- Newport News Shipbuilding in Newport News, Virginia, is owned by Huntington Ingalls Industries and builds nuclear-powered aircraft carriers, attack submarines, and sections of ballistic missile submarines.

Separately, the Navy owns four public shipyards, which used to build naval ships decades ago. Today, those shipyards almost exclusively perform the depot-level maintenance on the service's nuclear-powered submarines and aircraft carriers.

Shipbuilding Delays

Many Navy shipbuilding programs are currently experiencing schedule delays and cost growth. In early 2024, the Navy conducted a shipbuilding review that showed many programs were behind schedule. The review specifically highlighted the following ships, which were delayed by varying amounts:

- The Ford class aircraft carrier CVN-80, the Enterprise, 18 to 26 months;
- The first Columbia class ballistic missile submarine, 12 to 16 months;
- The Virginia class attack submarines, 24 to 36 months; and
- The first Constellation class frigate, 36 months.

The lead T-AGOS(X) ocean surveillance ship was also delayed, but the Navy did not specify for how long. That ship was first authorized by the Congress in 2022, and its design is not yet complete, nor has construction begun.

Since the 2024 review was released, the Ford class carrier and the Virginia class submarines have experienced further delays; the Constellation class frigates have been canceled. Since last year, delivery times for the CVN-80 and CVN-81 have increased by eight months and by two years, respectively. Any changes to the CVN-81's design would probably increase the delay.[21] Moreover, according to CBO's analysis of the Navy's budget documents, delays in DDG-51 class destroyers have grown by an average of almost two years over the past year alone, and by five years compared with their originally contracted delivery date.

And more broadly, building destroyers and submarines took 5 to 6 years in the 2000s but now takes an average of 10 to 11 years, according to current schedules. Building Nimitz class aircraft carriers took 7 to 8 years, whereas Ford class carriers are requiring 12 to 15 years to build on current schedules. Production schedules for amphibious warfare ships and combat logistics ships have also been extended, although by less time.

Causes of Delays

Of the many reasons for the increase in the amount of time it takes to build naval ships—including incomplete designs, changes sought by the Navy after construction begins, and, for more recent ships, effects of the COVID-19 pandemic—workforce challenges probably loom the largest. Most of the major shipyards are having difficulty hiring and retaining workers, and a generation of longtime shipyard workers has retired or soon will. As a result, the workforces in many of those yards are, overall, less experienced now than they were in the past.

Furthermore, fewer suppliers produce parts and components for naval ships today than in the past. For some ships, such as the Navy's submarines, roughly 70 percent of the suppliers of critical components have no competitors. In such cases, a single supplier of a critical component could disrupt ship construction if it encountered difficulties in production. Also, if the Navy wanted to purchase more ships than it currently plans to purchase, it could be hard for the supplier to increase production.

Increasing Demand for Ship Production

In addition to those challenges, the amount of naval tonnage under construction has increased substantially (see Figure 12). Since 2016, that amount has grown by 45 percent, from 75,000 tons to 110,000 tons.[22] (That amount is substantially less than it was under the 2025 plan because of ship cancellations and delays.) Excluding combat logistics and support ships and nonbattle force ships, which tend to be large but not necessarily difficult to build, combat ship tonnage has increased by 48 percent, from 48,000 tons to 71,000 tons. Combined with the conditions in the shipbuilding industry, those increases have left the nation's shipyards struggling to build the ships the Navy has ordered.

Under the Navy's 2027 plan, the amount of naval tonnage under construction—both battle force and nonbattle force ships—over the next three decades would increase further. Not all shipyards would be affected in the same way because the Navy's demand for different types of ships would vary over that time. Carrier construction would be relatively consistent and steady throughout the Navy's planning horizon. But construction at shipyards that build other types of combat ships—submarines, surface combatants, and amphibious warfare ships—would increase significantly: The average amount of tonnage under construction from 2031 to 2056 would be almost 70 percent greater than it is today.

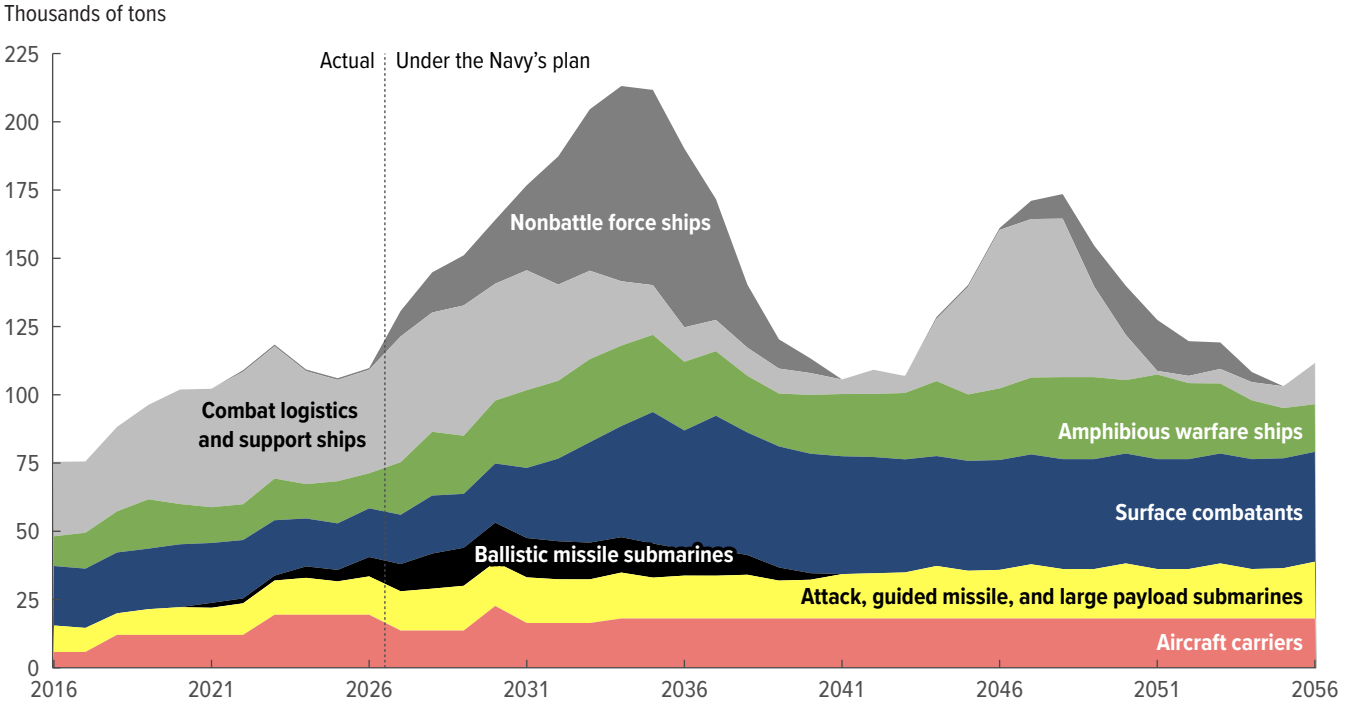
The Navy's new nuclear-powered battleship program could pose a particular challenge to the Newport News shipyard, which is slated to perform the battleships' final assembly. Over the past 40 years, only Bath Iron Works and Ingalls Shipbuilding have built the Navy's large surface combatants. Although Bath and Ingalls have, in recent years, outsourced small amounts of work to other facilities to speed construction of DDG-51 destroyers

21. For example, the Navy was directed to develop a plan for reverting to steam catapults and hydraulic weapons elevators on CVN-81 (and subsequent ships of the class). See the White House, "Rebuilding the United States Navy and America's Shipbuilding Industrial Base" (Presidential memorandum, August 13, 2026), https://tinyurl.com/393jevem.

22. The amount of tonnage in any given year is calculated using lightship displacement for surface ships and Condition A-1 weight for submarines divided by the number of years those ships take to build. Thus, an 8,000-ton ship that takes four years to build would account for 2,000 tons in each year that it is under construction.

Figure 12.

Amount of Displacement Tonnage Under Construction Under the Navy's 2027 Plan



Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

The amount of tonnage in any given year is calculated using lightship displacement for surface ships and Condition A-1 weight for submarines divided by the number of years those ships take to build. Thus, an 8,000-ton ship that takes 4 years to build would account for 2,000 tons in each year that it is under construction.

and LPD-17 amphibious transport docks, both shipyards have the facilities and technical expertise to build 35,000-ton BBGNs. But neither shipyard is certified by the Navy to build nuclear-powered ships. (Bath has never built nuclear-powered ships; Ingalls used to build nuclear-powered submarines but last did so in 1974.)

Many shipyards—especially Bath and Ingalls—would be involved in building parts, sections, and modules for the BBGNs. But currently, Newport News is the only shipyard certified to build nuclear-powered surface ships. The battleships' final assembly would take place at Dock 12, which is currently used to build aircraft carriers.[23] However, construction of 3 aircraft carriers at Newport News is already behind schedule, as is construction of many submarines. Adding the final assembly of a nuclear-powered battleship to the shipyard's workload could lengthen the delays for those other programs in addition to delaying construction of BBGNs.

Under the 2027 plan, the shipyards that build combat logistics and support ships and nonbattle force ships would experience a particularly uneven workload: They would have a substantial amount of work through the mid-2030s as the Navy built out its large fleet of T-AO oilers, began building a new class of next-generation logistics ships (NGLS), and ordered a variety of auxiliary ships (particularly, new replacement sealift ships). But then, for a period of about seven years, their workload would diminish as the Navy ordered only smaller ships, such as the NGLS. After that lull, work at the shipyards would ramp up quickly, as the Navy began replacing its T-AKE dry cargo ships and several more sealift ships, before falling off sharply in the 2050s.

Smoothing out the building profile of the combat logistics and support ships could eliminate the boom-and-bust cycle the shipyards would otherwise face—and

23. Sam LaGrone, "Modular Construction Key to Battleship Effort, Navy Official Says," *USNI News* (May 21, 2026), https://tinyurl.com/zyfje3te.

it could be accomplished relatively easily. For example, instead of buying 2 to 3 sealift ships per year in the 2030s, the Navy could purchase 1 of those ships per year over a longer period. Similarly, the Navy could advance construction of its T-AKE replacements and buy them at a rate of 1 per year instead of building 2 to 3 ships per year for five years beginning in 2044.

Challenges in Expanding the Shipbuilding Industrial Base

Addressing the growth in and sustained level of combat ship production would be challenging. Contracting with additional shipyards to build the Navy's combat ships might help the service manage the increase in production, but doing so could raise other concerns. For example, the Navy plans to sign contracts with as many as three shipbuilders to increase the rate of frigate production to 3 ships per year. On the one hand, two of those shipyards, and any others tasked with building a new type of ship for the first time, would face a steep learning curve, which could lead to widespread delays. On the other hand, having more than one shipyard to build the same ship would probably deliver more new ships to the Navy faster. It would also reduce the risk of a single yard's disrupting an entire shipbuilding program, as the Fincantieri yard did for the Navy's Constellation class frigates.

The increases in workload and complexity implied by the Navy's 2027 plan for the submarine industrial base in particular are considerable. Not only would the shipyards produce a greater amount of submarine tonnage than they do today, but they would also produce a wider variety of submarines. The amount of submarine tonnage under construction has grown by 120 percent since 2016. Under the 2027 plan, it would grow by an additional 47 percent by 2031—in other words, it would have tripled in 15 years.

Moreover, the Navy currently takes about 10 years to build a new submarine. That means that for about 10 years in the 2030s and 2040s, four types of submarines (including ballistic missile submarines and large payload submarines) would be in production. The Navy is currently experiencing substantial cost overruns, construction delays, and missed delivery dates with three types of submarines in production (Columbia class ballistic missile submarines, Virginia class attack submarines, and Virginia class guided missile submarines). Adding new classes of ships to the pipeline could tax the ability of the shipyards and the Navy to manage production even more.

To address those challenges, the Navy plans to invest a total of about $10 billion (some of which it has already invested) in the new-construction portion of the submarine industrial base. (The service intends to invest an additional $8 billion to support the maintenance portion.) That money would go to almost every activity associated with building submarines: the recruitment, retention, and training of shipyard workers; infrastructure development; supplier development; improvement of manufacturing methods; and support for outsourcing parts of submarine construction to other shipyards with the ability and capacity to do the work. (The Navy has also provided some money to the nation's surface combatant builders, though that amount represents just a fraction of the amounts it plans to invest in submarine construction.)

Whether those efforts will lead to an increase in the production of attack submarines remains to be seen. For the past five years, the rate of production has averaged only 1.2 submarines per year, even though the Navy has been purchasing them at a rate of 2.0 per year for most of the past decade.

In addition, a larger fleet would place greater demands on the shipyards that conduct maintenance on the Navy's ships. The nation's four public shipyards perform nearly all the maintenance on the Navy's nuclear-powered aircraft carriers and submarines, and they have struggled to meet the Navy's goals, particularly those for the attack submarine force.[24] The Navy would like to have no more than 20 percent of its SSNs in maintenance or awaiting maintenance. Currently, 35 percent of the service's SSN fleet is undergoing or awaiting maintenance—the largest portion in any year since 2008 other than 2021 and 2025, when it was 37 percent and 36 percent, respectively.[25] The maintenance of surface ships has also been subject to delays and cost growth in recent years—which the Navy hopes to remedy as it builds its force

24. Government Accountability Office, *Navy Readiness: Actions Needed to Address Costly Attack Submarine Maintenance Challenges*, GAO-26-109256 (August 27, 2026), www.gao.gov/products/gao-26-109256. And see Congressional Budget Office, *The Capacity of the Navy's Shipyards to Maintain Its Submarines* (March 2021), www.cbo.gov/publication/57026.

25. Ronald O'Rourke, *Navy Virginia-Class Submarine Program and AUKUS Submarine (Pillar I) Project: Background and Issues for Congress*, Report RL32418, version 295 (Congressional Research Service, January 26, 2026), pp. 7–8, www.congress.gov/crs-product/RL32418. And see Congressional Budget Office, *The Capacity of the Navy's Shipyards to Maintain Its Submarines* (March 2021), www.cbo.gov/publication/57026.

of surface combatants.[26] Unless the Navy reduces those maintenance delays, the number of ships it can deploy will be smaller than the number suggested by the size of the future fleet. Put another way, reducing maintenance delays would effectively increase the size of the fleet.

Plans for Specific Ship Programs

To project the costs of implementing the Navy's 2027 shipbuilding plan, CBO estimated the cost of each ship the Navy intends to purchase from 2027 to 2056. For ships under construction, the estimates were based in part on the Navy's data about actual costs. For ships yet to be built, CBO based the estimates mainly on information about the cost-to-weight ratio of similar ships acquired in the past.

Specifically, the agency used the cost per thousand tons of lightship displacement, which is the weight of the water a ship displaces without its crew, stores, ammunition, fuel, or other liquids. CBO then adjusted its estimates to reflect the effects of rate and learning. Rate is the reduction in average overhead costs per ship that occurs as a shipyard builds multiple ships of the same type simultaneously; learning refers to the efficiencies that shipyards gain as they produce additional ships of a given type. CBO applied those effects to the estimated cost of the first ship of a class to estimate the costs for all subsequent ships of that class. Thus, CBO's estimate of the cost of the lead ship of a class drove its estimate of the costs of subsequent ships of that class.[27]

For ships that have yet to be designed, CBO developed its estimates on the basis of the ships' likely size and capabilities. All cost estimates for specific ships exclude outfitting and postdelivery (included as "other costs" in estimates of total costs), which typically add about 2.5 percent to a ship's cost. CBO's estimates also reflect the expectation that costs of labor and materials in the naval shipbuilding industry would continue to grow at a rate that is 1 percentage point faster than prices in the economy as a whole, as they have for the past several decades.[28]

Aircraft Carriers

Over the 2027–2056 period, the Navy would buy 7 CVN-78 Ford class aircraft carriers under the 2027 plan. To project the costs of those ships, CBO considered the costs of the first 4 carriers of the class, which have already received some or all of their funding.

The first ship of the class, the USS *Gerald R. Ford* (CVN-78), cost $13.3 billion in nominal dollars appropriated from 2001 to 2021.[29] CBO used the Navy's inflation index for naval shipbuilding to convert that amount to $22.4 billion (in 2026 dollars).[30] That amount includes about $6 billion that the Navy categorizes as costs for "plans," which are generally onetime costs, associated with the first ship of a class, for engineering work and the detailed drawings used to build the ship. That amount does not include the $7 billion in research and development costs that apply to the entire class of ships.

The next carrier slated for delivery, the *John F. Kennedy* (CVN-79), is expected to be completed in 2027—two years later than scheduled under the 2025 plan—and deployed in 2028 or later. The Congress first appropriated advance procurement funding for the ship in 2007 and officially authorized its construction in 2013. As a result of cost overruns, the planned appropriations for the ship are expected to be completed in 2027. The Navy estimates that the ship will cost $18.2 billion (in 2026 dollars, or $13.4 billion in nominal dollars), which, for the first time, *exceeds* CBO's estimate of $17.9 billion (in 2026 dollars). In past years, CBO's estimated cost for the CVN-79 was higher than the Navy's. (Although the two estimates of costs under the 2025 shipbuilding plan were nearly identical.) However, continued cost growth in the program has pushed realized costs higher than CBO and the Navy estimated they would.

26. Congressional Budget Office, *Maintenance Delays for Conventional Navy Ships* (December 2025), www.cbo.gov/publication/61507.

27. For an explanation of how CBO combines the different factors in its cost model, as well as a detailed example of that process applied to a particular ship, see Congressional Budget Office, *How CBO Estimates the Cost of New Ships* (April 2018), www.cbo.gov/publication/53785.

28. Congressional Budget Office, *The Shipbuilding Composite Index and Its Rates of Change Compared With Economywide Inflation Rates* (April 2024), www.cbo.gov/publication/59026.

29. That amount does not include costs paid from other Navy accounts to make the ship operational after it was commissioned.

30. For more information about calculating the costs of aircraft carriers, see Congressional Budget Office, *Inflation in the Costs of Building Aircraft Carriers* (April 2016), www.cbo.gov/publication/51469.

In 2018, the Congress authorized the third carrier of the class, the *Enterprise* (CVN-80). Appropriations for that ship began in 2016 and are expected to be complete by 2030. In 2019, the Congress authorized the Navy to purchase materials jointly for the CVN-80 and the next ship, the CVN-81, to reduce costs by buying in greater quantities. It also authorized the Navy to change the sequencing involved in building the ships to gain greater efficiencies in their construction. Although that legislative action is known as a "two-carrier buy," the ships will not be built at exactly the same time. At the time, the Navy estimated that purchasing the two ships together rather than buying them separately accelerated the CVN-81's construction schedule by one year.

In its 2027 budget documents, the Navy estimated that the CVN-80 would cost $15.7 billion (in 2026 dollars, or $14.3 billion in nominal dollars). CBO is less certain than the Navy about potential savings from the two-carrier purchase. On the basis of the costs of the two previous ships, CBO estimates that the CVN-80 will cost $16.9 billion (in 2026 dollars), about 8 percent more than the Navy's estimate.

Since the Navy submitted its 2025 shipbuilding plan, the CVN-81 has experienced substantial cost growth. The service now estimates that, absent any changes to the ship's design, the CVN-81 will cost $15.3 billion (in 2026 dollars, or $15.6 billion in nominal dollars), which is 11 percent more than its estimate under the 2025 plan. By contrast, CBO estimates that the CVN-81 will cost $16.1 billion (in 2026 dollars), which is about 5 percent more than the Navy's estimate. Thus, the gap between the Navy's and CBO's estimates continues to narrow, as it did for both the 2025 and 2024 shipbuilding plans. The Navy's (and CBO's) estimates reflect the assumption that the current design of the Ford class, including its electromagnetic catapults, electric weapons elevators, and the current location of the ship's island, would remain unchanged. (The island is the carrier's command tower, which houses the ship's bridge, flight control, radars, and antennas.) If a redesign changed those elements, costs for the ship (and, potentially, subsequent ones in its class) would probably increase.

In the 2027 plan, the Navy estimates that the 7 carriers it would purchase over the next 30 years would each cost an average of about $22.0 billion (in 2026 dollars; see Table 5 on page 30). That amount is much higher than the Navy estimated in the 2025 plan, partly because the service then assumed it would use a two-carrier buy strategy, as it did to purchase the CVN-80 and CVN-81. But because the Congress has not authorized a multiship purchase of carriers, the Navy's 2027 plan envisions purchasing those ships individually. If the Congress authorized multiship purchases, estimates would probably decrease. CBO's estimates of costs for Ford class carriers do not include effects of potential changes to their design.

CBO estimates that the 7 carriers in the Navy's 2027 plan would, on average, cost $22.2 billion—just 1 percent more than the Navy's estimate. Although using the two-carrier buy strategy could generate some savings, the amount of savings is unclear. But it will be better understood after the CVN-80 and CVN-81 are complete—assuming that the design of the latter remains unchanged.

Submarines

Under the 2027 plan, the Navy would buy 9 new Columbia class submarines over the next nine years. (The first Columbia class ship was ordered in 2021, and then the second and third ships in 2024 and 2026, respectively.) In addition, the service plans to purchase 7 large payload submarines that would have the flexibility to carry many smaller missiles, fewer larger missiles, special-operations forces, or other types of payloads.

With respect to attack submarines, the Navy's 2027 plan is nearly identical to its 2025 plan. Specifically, the Navy would continue to buy Virginia class submarines with the Virginia payload module—now designated as guided missile submarines (SSGNs)—until 2029.[31] After that, it would purchase 38 Virginia class ships without the VPM through 2056. It would also start construction of the new and much more capable SSN(X) in 2040. Overall, the Navy would purchase 2 attack submarines per year through 2056, but once the SSN(X) entered serial production in 2042, the service would buy 1 Virginia and 1 SSN(X) each year (see Figure 5 on page 11).

A source of uncertainty in the Navy's plans for attack submarines is the tripartite security arrangement between Australia, the United Kingdom, and the United States, known as AUKUS. (See Box 2 for a discussion of how AUKUS could affect the size of the U.S. attack submarine force.)

31. The Navy stated that the redesignation better aligns those submarines with their mission; see Department of the Navy, "Navy to Reclassify Virginia Payload Module-Equipped SSNs to SSGNs, Unleashing Next-Generation Strike Power" (press release, August 3, 2026), https://tinyurl.com/32pxjxf3.

Table 5.

Comparison of the Navy's and CBO's Estimates of the Construction Costs of Major New Ships Under the Navy's 2027 Plan

Billions of 2026 dollars

Ship class	Number of ships purchased	Total costs per class over the 2027–2056 period		Average cost per ship over the 2027–2056 period	
		Navy's estimates	CBO's estimates	Navy's estimates	CBO's estimates
Ford class CVN-78 nuclear-powered aircraft carriers[a]	7	154	156	22.0	22.2
Columbia class SSBN-826 nuclear-powered ballistic missile submarines[b]	9	85	91	10.2	10.4
Large payload submarines	7	83	85	11.9	12.2
Virginia class SSGN nuclear-powered guided missile submarines	6	30	31	5.0	5.1
Virginia class SSN-774 nuclear-powered attack submarines	38	163	188	4.3	4.9
SSN(X) next-generation nuclear-powered attack submarines	16	112	165	7.0	10.3
BBGN nuclear-powered guided missile battleships	15	157[c]	275	10.4	18.3
Arleigh Burke class DDG-51 Flight III guided missile destroyers	57	167	183	2.9	3.2
FF(X) future general purpose frigate[d]	79	127	121	1.6	1.5
America class LHA-6 amphibious assault ships	9	45	49	5.0	5.4
San Antonio class LPD-17 Flight II amphibious transport docks	6	15	15	2.5	2.5
LPD(X) next-generation amphibious ships	13	40	40	3.0	3.1
LSM medium landing ships[d]	49	12	14	0.2	0.3
John Lewis class T-205 fleet oilers	7	7	7	1.0	1.0
T-AOL next-generation logistics ships	28	16	18	0.6	0.7
T-AKE(X) next-generation dry cargo ships	12	10	15	0.8	1.2
T-AGOS(X) next-generation ocean surveillance ships[d]	10	7	10	0.7	1.0

Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

Amounts shown exclude funding for research and development.

a. Both CBO and the Navy assumed that aircraft carriers would be bought as single ship purchases and not use any acquisition strategy, such as a multi-ship buy, to reduce costs. Total costs for the class include the remaining funding for CVN-79, CVN-80, and CVN-81, which were authorized before 2027, and some funding for a carrier that the Navy would purchase in 2057. Estimates for the average cost per ship only include the 7 ships the Navy would purchase under the 2027 plan.

b. CBO's estimate for total costs includes only full funding for the 9 submarines in the Navy's 2027 plan. The Navy's estimate for total costs appears to include funding for industrial base support and excludes some funding for submarines authorized before 2027. The Navy's estimate for the unit cost of the submarines includes all funding for the 9 ships in the plan.

c. The Navy's estimate does not include the cost of nuclear propulsion, which was a late design decision that was concurrent with the service's publishing its shipbuilding plan.

d. Ship quantity and costs include the cost of some replacement ships because the medium landing ship and next-generation logistics ships would have a service life of 20 years and the general purpose frigate and ocean surveillance ships would have a service life of 25 years.

Ballistic Missile Submarines. SSBNs, which carry Trident ballistic missiles, constitute the sea-based component of the United States' strategic nuclear triad. (The other two components are land-based intercontinental ballistic missiles and strategic bombers.) The cost of the 9 Columbia class submarines included in the 2027 shipbuilding plan is one of the more significant uncertainties in the Navy's and CBO's analyses of future shipbuilding costs.[32] Under the 2027 plan, the Navy would purchase 1 Columbia class ship each year from 2027 to 2035.[33] The Navy is assessing whether it will purchase 2 more SSBNs after the first 12 have been ordered.

The Navy currently estimates that construction of the first Columbia class ship, the *District of Columbia*, will be complete in 2029 at a cost of $18.5 billion (in 2026 dollars), which includes the onetime upfront

32. In July 2026, the Navy awarded a block-buy contract to General Dynamics Electric Boat and Newport News Shipbuilding to build the next 5 Columbia class ballistic missile submarines and 9 Virginia class guided missile submarines.

33. For more information, see Ronald O'Rourke, *Navy Columbia (SSBN-826) Class Ballistic Missile Submarine Program: Background and Issues for Congress*, Report R41129, version 283 (Congressional Research Service, December 4, 2025), www.congress.gov/crs-product/R41129.

design and engineering costs for the Columbia class. As of May 2026, the ship was 66 percent complete (measured in terms of the number of labor hours the Navy estimates it will need to build the ship). The second ship, authorized in 2024, would cost $11.0 billion, and the third would cost $10.0 billion. Subsequent ships in the class would cost $10.2 billion, on average, according to the Navy, which is 15 percent more than its estimate under the 2025 plan. The total cost for all 12 ships would be $131 billion, $85 billion of which would be incurred from 2027 to 2035.[34]

CBO's estimate for a program of 12 SSBNs is 6 percent higher than the Navy's. CBO estimates that the first Columbia class submarine will cost $19.8 billion—$1.8 billion (or 7 percent) more than the Navy estimates. (Lead ships often cost much more than the Navy estimates; see Figure 13.) The second submarine would cost $12.9 billion. Including appropriations from 2017 to 2026, CBO estimates that, all told, 12 Columbia class submarines would cost $138 billion. The 9 submarines set to follow the first three ships would cost an average of $10.4 billion each—$0.2 billion more per submarine than the Navy estimates.

Large Payload Submarines. As with previous shipbuilding plans, the 2027 plan includes a program to buy large payload submarines. Some of the missions the ships would probably perform would be similar to those that are currently conducted by Ohio class SSGNs and that will, in the future, be conducted by Virginia class SSGNs. The first ship would be ordered in 2038, three years after the last Columbia was ordered. The Navy would then purchase 1 ship every three years through 2056, for a total of 7 ships.

The Navy's plan provides little information about the size and capabilities of the large payload submarine. CBO's and the Navy's estimates reflect the expectation that the ship will be based on the Columbia class hull with its missile tube section reconfigured to perform various missions and that other sections of the ship would receive the necessary equipment and modifications to support the payloads the submarine might carry. The Navy estimates that each ship would cost an average of $11.9 billion, or about 25 percent more than it estimated under the 2025 plan (see Table 5). CBO estimates that each ship would cost an average of $12.2 billion.

Attack Submarines. Under the 2027 shipbuilding plan, the Navy would buy 6 Virginia class guided missile submarines, 38 Virginia class attack submarines, and 16 SSN(X) next-generation attack submarines. Overall, the Navy would buy 2 SSGNs or SSNs per year from 2027 through 2056. From 2027 to 2029, the service would complete its purchase of Virginia class SSGNs. From 2030 to 2039, the service would purchase 2 Virginia class SSNs each year. After the SSN(X) program began, in 2040, the Navy would purchase 1 Virginia SSN and 1 SSN(X) per year for all years through 2056, except for 2041, when it would buy 2 Virginias and no SSN(X)s.

The Navy estimates that Virginia class SSGNs would cost $5.0 billion each, on average, and that Virginia class ships built without VPMs (the first of which would be purchased in 2030) would cost $4.3 billion each, on average. Although 13 Virginia SSGNs are under construction, none have been delivered to the fleet yet. The Navy's current estimate for future Virginia SSNs is 18 percent less than its estimate in the 2025 plan. The basis for the reduction in the Navy's estimate (compared with its 2025 estimate) is not completely clear; the service appears to believe that improvements in the submarine industrial base will reduce the cost of submarine tonnage by the 2030s.

The Navy also plans to undo the current arrangement between Newport News Shipbuilding and General Dynamics Electric Boat for building submarines. Currently, each shipyard builds about half of a Virginia class ship, and the final assembly alternates between the shipyards. Beginning in 2030, each of the two shipyards would build an entire submarine, even as they outsourced the construction of modules (large pieces of a submarine that can be barged to the principal builders for final assembly) to other shipyards in an effort to speed the pace of construction. According to the Navy, establishing that separate build capacity would cost $2.4 billion.[35] Such a strategy would increase costs as each shipyard learned to build sections of Virginia class ships that it has never built. Moreover, submarines

34. In a May 2026 report to the Congress about the Columbia program, the Navy stated that there was a 67 percent chance that the cost of the first Columbia class submarine would exceed its estimates and a 33 percent chance that it would cost less than estimated. The likelihood that subsequent ships in the class would cost more or less than estimated was 88 percent and 12 percent, respectively.

35. The Navy calls this effort Submarine Capacity and Long-Term Expansion, or SCALE.

Box 2.

The Potential Effect of the AUKUS Security Pact on the U.S. Navy's Inventory of Attack Submarines

In September 2021, the governments of Australia, the United Kingdom, and the United States announced that they were forming a pact to promote security and deterrence in the Western Pacific region. The pact, known as AUKUS, comprises two groups of cooperative endeavors, referred to as pillars. The aim of Pillar 1 is for the United States and the United Kingdom to help Australia establish an industrial base for building nuclear-powered attack submarines. The ships would eventually be built using a British design modified, in part, with technology from U.S. Virginia class submarines. Pillar 2 focuses on cooperation in several high-technology areas, including cyber capabilities, artificial intelligence, undersea capabilities, offensive and defensive hypersonic weapons, and electronic warfare.

Because it could take decades for Australia to build its own attack submarines, the pact calls for the United States to sell at least 3, and possibly 5, Virginia class nuclear-powered attack submarines (SSNs) to Australia as an interim step. The Navy has indicated that the sale of 3 submarines would occur in 2032, 2035, and 2038. In May 2026, the AUKUS partners announced that those 3 submarines would be used Virginia class ships. (Previously, the third submarine slated to be sold to Australia was a new vessel to be built in the early 2030s.) If the U.S. was to sell 5 SSNs to Australia, it is unclear whether the remaining 2 would be used or newly built submarines.

The Navy's 2027 shipbuilding plan does not address the AUKUS agreement, other than to briefly state (in a footnote in Appendix 1) that the agreement's effect on the service's inventory of attack submarines or on its purchasing replacement submarines has not been factored into the plan. The U.S. submarine industrial base is currently struggling to meet the Navy's demand for submarines. Increasing production further to replace SSNs sold to Australia would increase the challenges that the Navy and the shipyards are facing.

The sale of SSNs to Australia would reduce the number of attack submarines available to the Navy for many years. Using the 2027 shipbuilding plan as a baseline, the Congressional Budget Office developed three illustrative scenarios to show how AUKUS could affect the size of the Navy's attack submarine force through 2060 (see the figure). In the first two scenarios, the Navy would not buy submarines to replace those it sold to Australia, whereas in the third scenario, it would.

In Scenario 1, the United States would sell 3 used Virginia class SSNs to Australia in the 2030s. The used ships would have roughly 20 years of remaining service life, so they would probably come from the recently completed or soon-to-be-completed group of submarines known as Block IV. In Scenario 2, the United States would sell 5 attack submarines to Australia from 2032 to 2044. Consistent with the change in the AUKUS agreement, this scenario assumes that all 5 SSNs would be used ships from Block IV. The last two ships would have from 17 to 19 years of remaining service life.

Under the 2027 plan, the Navy's force of SSNs and guided missile submarines would consistently number 50 or more ships beginning in 2035 and would grow to 68 by 2056. (Those numbers exclude the Navy's planned large payload submarine.) In Scenarios 1 and 2, the Navy would have from 3 to 5 fewer SSNs during most of the 2033–2053 period. The loss of those submarines translates to a loss of 68 operational years for the SSN force from 2032 to 2060 in Scenario 1 and a loss of 104 operational years over that period in Scenario 2. Those losses result in 29 fewer SSN deployments in Scenario 1 and 44 fewer deployments in Scenario 2.[1]

In Scenario 3, the United States would sell 5 used SSNs to Australia, but the Navy would buy 5 submarines in the 2030s and 2040s to replace them, effectively increasing production of SSNs to 2.3 ships per year during the period in which they are scheduled to be built. In that case, the Navy would still have fewer attack submarines for 20 years, from 2032 to 2052, than it would have under its 2027 plan but still more than it would have had in the other two illustrative scenarios. By 2055, however, the Navy would have a slightly larger force of SSNs in Scenario 3 than it would under the Navy's 2027 plan. Although the service would lose 40 operational years through 2052 in

1. CBO made this calculation on the basis of the assumption that Virginia class submarines undertake 14 deployments over the course of a 33-year service life.

Continued

Box 2. Continued

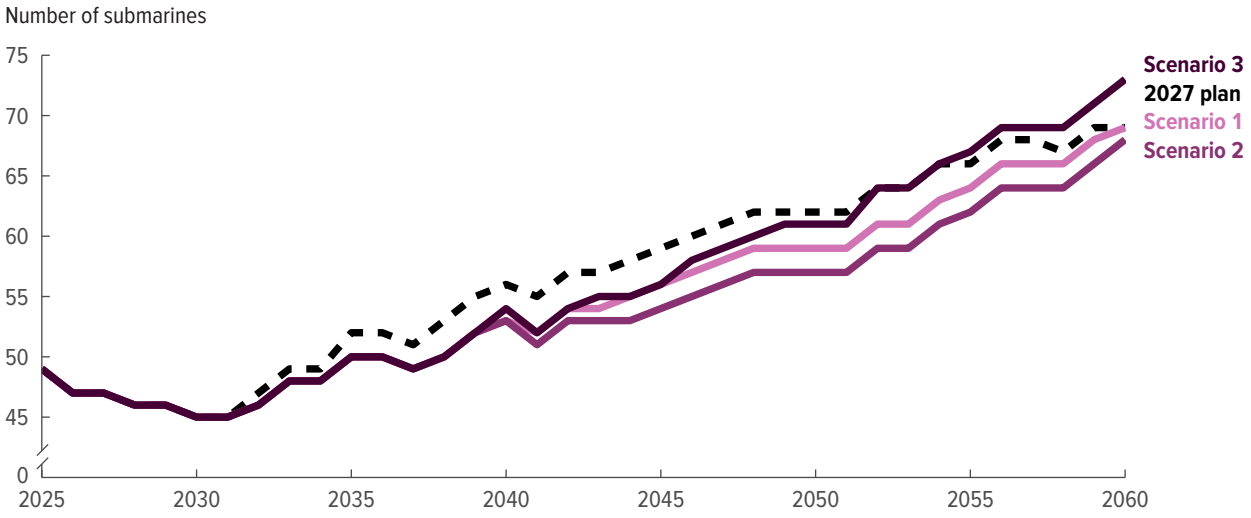
The Potential Effect of the AUKUS Security Pact on the U.S. Navy's Inventory of Attack Submarines

that scenario, it would begin regaining them in 2053 and would have recovered 11 of the lost operational years by 2060. The Navy would lose 17 deployments before 2052 but then regain 5 of them from 2053 to 2060. (More operational years would be regained after 2060, but estimating the amount was outside the scope of this analysis.)

Would China be less deterred if the United States reduced the number of its attack submarines to help Australia develop its own submarine force? Because the United States and Australia have a strong alliance, improving the Australian navy's capability could help offset the U.S. Navy's potential loss of capability. That loss might even be more than offset because the Australian submarines would be based in the Western Pacific region and therefore could respond more quickly to any conflict with China over Taiwan or other issues in the South China Sea. However, Australia would control its own submarines, and their participation in any particular conflict would not be guaranteed. In March 2023, the Australian defense minister articulated that point when he specifically stated that his country had *not* promised to support the United States in any future conflict with the People's Republic of China over Taiwan as part of the AUKUS agreement.[2] The Australian government has not explicitly addressed that issue since.

2. See the interview of Richard Marles, Deputy Prime Minister and Minister for Defence, by David Speers: Australia Department of Defence, "Interview With David Speers, ABC, Insiders" (March 19, 2023), https://tinyurl.com/3cc46tr2.

The Potential Effect of the AUKUS Security Pact on the U.S. Navy's Inventory of Attack Submarines and Guided Missile Submarines



Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

ordered in 2030 and beyond will differ from earlier Virginias without VPMs; they will be larger than the original Virginia SSNs and have improvements that will probably increase costs, including additional costs to redesign portions of the ship.[36]

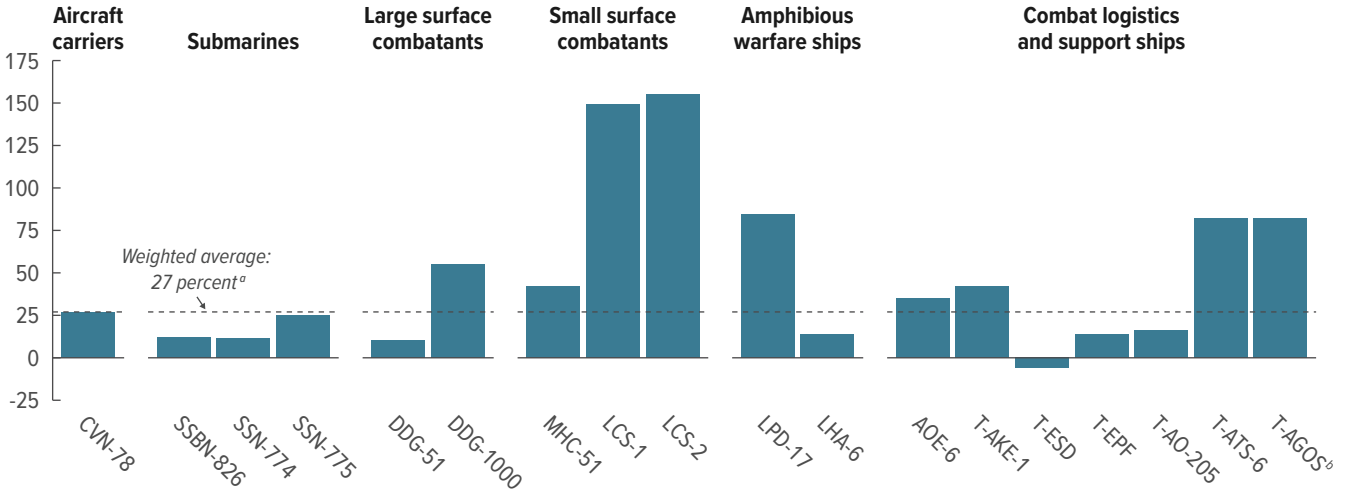
CBO estimates that, by comparison, Virginia SSGNs would cost an average of $5.1 billion each. Virginia SSNs ordered in 2030 and beyond would cost an average of $4.9 billion each. Although CBO's cost model accounts for the smaller size of Virginia class submarines without VPMs, the agency expects that establishing a separate build capacity (as the Navy plans to do) would increase the average unit cost of those submarines. In addition, because real cost growth in the shipbuilding industry exceeds economywide inflation, those smaller

36. Ronald O'Rourke, *Navy Virginia-Class Submarine Program and AUKUS Submarine (Pillar 1) Project: Background and Issues for Congress*, Report RL32418, version 295 (Congressional Research Service, January 26, 2026), pp. 13–14, www.congress.gov/crs-product/RL32418.

Figure 13.

Cost Growth in the Navy's Lead Ships, 1985 to 2026

Percent



Data source: Congressional Budget Office, using data from the Department of the Navy. See www.cbo.gov/publication/62884#data.

The lead ship is the first ship of its class. For most ships, CBO calculated cost growth using the first and last mentions of a ship in the books that accompany each year's budget: *Justification of Estimates, Shipbuilding and Conversion, Navy.* For AOE-6, DDG-51, MHC-51, and T-EPF, CBO relied on information provided by the Navy for the final estimates and on the *Budget Appendixes* for the years those ships were authorized.

AOE = fast combat support ship; CVN = nuclear-powered aircraft carrier; DDG = guided missile destroyer; LCS = littoral combat ship; LHA = amphibious assault ship; LPD = amphibious transport dock; MHC = coastal mine hunter; SSBN = nuclear-powered ballistic missile submarine; SSN = nuclear-powered attack submarine; T-AGOS = ocean surveillance ship; T-AKE = dry cargo ship; T-AO = oiler; T-ATS = towing, salvage, and rescue ship; T-EPF = expeditionary fast transport; T-ESD = expeditionary transfer dock.

a. CBO calculated the weighted average cost growth by adding the initial costs for all ships in the dataset and comparing the result with the sum of all final costs for the ships in the dataset. For ships still in an early phase of construction, their weight in the average was adjusted by the percentage of the ship that was complete. The unweighted average cost growth is 47 percent.

b. This ship is still in an early phase of construction, and further cost growth is likely.

submarines—which are purchased later in the plan—would cost nearly as much as the Virginia SSGNs purchased earlier. Furthermore, because the challenges in the submarine industrial base are ongoing, costs could increase more than the Navy or CBO estimates.

Estimating the costs of the SSN(X) is difficult because the Navy has not yet determined its capabilities or design. In the past, the Navy has indicated that, like the Seawolf class submarine, the next-generation attack submarine would be faster, stealthier, and able to carry more torpedoes than Virginia class ships; the latest information provided to CBO is consistent with that vision for the ship. The service has also indicated that it wants the SSN(X) to have a vertical launch capability, an attribute of the improved Los Angeles class submarine and the original Virginia class submarine. CBO's estimates therefore reflect the assumption that the SSN(X) would have several capabilities in common with a Seawolf submarine (including underwater speed and weapons payload) but would have an entirely new design. The submarine's advanced features would make it quieter and stealthier than any existing submarine; it could launch missiles from missile cells and would contain a torpedo room as large as those on Seawolf submarines.

According to the Navy, the SSN(X) will have a displacement (when fully submerged) of something less than 12,000 tons, which is significantly more than CBO estimated (10,100 tons) when it assessed the service's 2025 shipbuilding plan. As a result, CBO increased its estimate of the SSN(X)'s tonnage by 10 percent, to 11,100 tons. That would make the SSN(X) about 21 percent larger than a Seawolf class submarine and 10 percent larger than a Virginia class SSGN. To estimate the size of the SSN(X) in relation to the Seawolf, CBO measured the change in displacement from the older Ohio class SSBN to the newer Columbia class SSBN (after

adjusting for the smaller number of missile tubes that the latter carry). The new generation of submarine technology included on the Columbia class ship increased its displacement by about 21 percent, making it the largest ballistic missile submarine the Navy has ever built.

After incorporating that analysis, CBO estimates that the average cost of each SSN(X) would be $10.3 billion. The Navy estimates that each SSN(X) would cost $7.0 billion, on average. (Those averages include the cost of the lead ship, which costs considerably more than subsequent submarines in the class.) Although CBO's estimate for the SSN(X) has increased by $600 million per ship (or 6 percent) since it evaluated the 2025 shipbuilding plan, the Navy's estimates have remained unchanged despite the increase in tonnage.

Large Surface Combatants

The most consequential changes to the Navy's shipbuilding plan involve large surface combatants. Whereas the 2025 plan called for the purchase of 51 destroyers, under the 2027 plan, the Navy would buy 72 large surface combatants, consisting of 57 Arleigh Burke class DDG-51 guided missile destroyers and a new class of 15 nuclear-powered guided missile battleships. Currently, the service's fleet includes 77 DDG-51 destroyers consisting of four variants, designated as Flight I, Flight II, Flight IIA, and Flight III. In addition to those ships, 22 Flight IIIs are being built or have been authorized for construction by the Congress. The Navy also has 2 DDG-1000 Zumwalt class destroyers (construction of a third ship is nearing completion) and 5 Ticonderoga class cruisers, the latter slated for retirement over the next two years.

DDG-51 Flight III Destroyers. The Navy estimates that the 57 destroyers it would purchase under the 2027 plan would cost an average of $2.9 billion (in 2026 dollars)—which is about the same as the estimated cost for each of the 23 ships it would have purchased under the 2025 plan, after adjusting for inflation. Over the next 5 years, the average cost per ship would be higher because the Navy plans to order only 1 ship per year from 2027 to 2029. Moreover, the shipyards are taking longer to build ships, which boosts costs by requiring more labor hours and increasing overhead costs per ship. Under the President's 2026 budget submission, building the destroyers then under construction took an average of 9 years; under the 2027 budget submission, the average time is 11 years.

Factoring in the higher costs of ships and the difficulty in completing them, CBO estimates that the 57 DDG-51 Flight III destroyers in the Navy's 2027 shipbuilding plan would each cost an average of $3.2 billion.

Battleships. On December 22, 2025, the Administration announced that the Navy would develop and build a new class of large surface combatants, designated as the Trump class guided missile battleship. That ship would displace 35,000 tons or more and would be the most heavily armed surface combatant the Navy has ever built; it would carry air-defense, land-attack, and antiship missiles, hypersonic missiles, nuclear cruise missiles, a rail gun, and large lasers.[37] Under the 2027 plan, from 2028 to 2056, the Navy would purchase 15 of what it designates as BBGNs; that designation indicates that the guided missile battleships would be nuclear-powered. In previous shipbuilding plans, the Navy's next-generation surface combatant was a 14,500-ton destroyer, designated the DDG(X), which would have been about 50 percent larger than a DDG-51. The new BBGN program effectively cancels the DDG(X) program.

In August 2026, CBO published a report about the potential cost of a nuclear-powered battleship and its implications for the shipbuilding industrial base. The following discussion is drawn directly from that report.[38]

In its 2027 shipbuilding plan, the Navy's estimates of costs for the battleship program do not include the cost of nuclear propulsion. The service estimated that the first ship would cost $15.1 billion (in 2026 dollars) and that subsequent ships—all conventionally powered—would each cost $9.7 billion, on average. (To date, the Navy has not updated those estimates.)

By contrast, CBO estimates that the first BBGN would cost $23.4 billion and that subsequent ships of the class would each cost $18.0 billion, on average. To estimate the cost of the lead BBGN, CBO used previous large surface combatants as historical analogues and made adjustments to account for a nuclear propulsion plant

37. Ronald O'Rourke, *Navy DDG(X) Next-Generation Destroyer Program: Background and Issues for Congress*, Report IF11679, version 54 (Congressional Research Service, January 16, 2026), www.congress.gov/crs-product/IF11679.

38. Congressional Budget Office, *The Navy's New Battleship Program: Costs and Implications for the Shipbuilding Industrial Base* (August 2026), www.cbo.gov/publication/62550.

and the current conditions of the shipbuilding industrial base. CBO's estimates, however, are highly uncertain; actual costs could be higher or lower depending on several factors that the agency has discussed in its report on the battleship program.

Small Surface Combatants

Under the 2027 plan, the Navy would purchase about the same number of small surface combatants as it would have purchased under the 2025 plan. Specifically, it would buy 79 of the new general purpose frigates, designated the FF(X): 1 ship in 2027 and 2029, 2 ships in 2031, and 3 per year thereafter through 2056. Those ships would have a 25-year service life, which suggests that the Navy eventually wants a total small combatant force of 75 ships. It would have 66 of them in 2056. The first few ships of the class, characterized as Flight I, would be based on the Coast Guard's Legend class national security cutter.[39]

Compared to the Coast Guard cutter that it is based on, the FF(X) would have a handful of changes. Perhaps most importantly, it would be capable of carrying either 12 Naval Strike Missiles or a variety of payloads in two 20-foot containers. Fully loaded, the ship would displace about 4,800 tons and would thus be roughly 40 percent smaller than the latest FFG-62 class design. By the early 2030s, an FF(X) with additional capabilities, the Flight II configuration, would be produced, although the Navy has not yet specified the changes that would be made. Other than the first ship, which will be built by Ingalls Shipbuilding, the Navy has not determined who would build the class but plans to involve at least two, and perhaps three, shipyards to accelerate production and distribute the work.

The Navy estimates that the average cost of an FF(X) would be $1.6 billion per ship, whereas CBO estimates that the average cost would be $1.5 billion per ship. Neither estimate accounts for any changes beyond the Flight I configuration.

In August 2026, the Trump Administration announced the potential purchase of frigates designed by other countries, specifically South Korea, Japan, and Turkey, under an arrangement similar to the U.S. Coast Guard's purchase of arctic icebreakers.[40] Two ships would be built overseas before production shifted to a U.S.-based shipyard. It is unclear whether the foreign design would replace, complement, or augment the FF(X) Flight II program. As a result, CBO did not address the issue in this analysis.[41]

Amphibious Warfare Ships

The Navy's current force goal calls for 31 large and midsize amphibious warfare ships, and separately, a goal of 35 medium landing ships, which is based on the building program for those vessels. The 31-ship goal brings the Navy, the Marine Corps, and the Congress into alignment on the desired number of the larger ships.[42] In the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023, the Congress directed the Navy to maintain a force of 31 large and midsize amphibious ships, consisting of LHA and LHD amphibious assault ships, LPD amphibious transport docks, and LSD dock landing ships. However, the Navy is currently reviewing its force goals and has indicated, in conversations with CBO, that its goal for large and midsize amphibious ships might increase. The Navy's procurement and retirement plan for those ships implies a force goal of at least 33 ships.

Specifically, under the 2027 plan, the Navy would purchase 9 LHA America class amphibious assault ships, 6 LPD-17 Flight II amphibious transport docks, and 13 next-generation amphibious transport docks, designated the LPD(X). To build and maintain a force of 35 medium landing ships, the service would purchase 49 LSMs—in addition to the 10 it purchased in 2026. Because those

39. Ronald O'Rourke, *Navy Constellation (FFG-62) and FF(X) Class Frigate Programs: Background and Issues for Congress,* Report R44972, version 136 (Congressional Research Service, January 20, 2026), www.congress.gov/crs-product/R44972.

40. The White House, "Rebuilding the United States Navy and America's Shipbuilding Industrial Base" (Presidential memorandum, August 13, 2026), https://tinyurl.com/393jevem. And see Sam LaGrone, Mallory Shelbourne, and Caitlyn Burchett, "New White House Memo Calls for Foreign-Built Warships, Return to Steam Catapults on Ford Carriers," *USNI News* (August 13, 2026), https://tinyurl.com/yz3p7w3u.

41. However, one noteworthy observation is that the FFG-62 program was based on a foreign design, the Italian FREMM (Fregata Europea Multi-Missione). Adapting that design to U.S. Navy standards for construction and incorporating U.S. Navy combat systems and weapons played a significant part in the cost growth and delays that led to the cancelation of the FFG-62 program.

42. Testimony of General David H. Berger, Commandant of the Marine Corps, before the Senate Appropriations Committee (March 28, 2023), p. 1, https://tinyurl.com/bdha4j5z; and see Chief of Naval Operations, *Navigation Plan 2022* (July 2022), p. 10, https://tinyurl.com/waru7vwt.

ships have a service life of 20 years, 24 of the 49 would be replacements for retiring first-generation ships.

As for LHA class ships, the Navy would purchase them at an alternating rate of 1 every 3 or 4 years starting in 2027, which is the same rate for purchasing them envisioned in the 2025 shipbuilding plan. The Navy estimates that each ship would cost an average of $5.0 billion, whereas CBO estimates an average cost of $5.4 billion. Both estimates are generally consistent with earlier ones produced on the basis of the 2025 plan after adjusting for inflation.

The Navy's and CBO's cost estimates for the San Antonio class LPD-17 Flight II ships are the same—an average of $2.5 billion per ship. Compared with the Navy's estimate under the 2025 plan, however, that amount represents about $300 million in real growth (that is, growth after removing the effects of inflation). Similarly, the Navy's estimate for the LPD(X) increased by nearly $500 million per ship, or 18 percent, in real terms, to $3.0 billion per ship. That is almost the same as CBO's estimate of $3.1 billion per ship.

In December 2025, the Navy announced that the design of its LSMs would be based on the Landing Ship Transport 100 produced by Dutch shipbuilder Damen Naval.[43] On February 18, 2026, the Navy assigned the first ship to Bollinger Shipyards and announced that 4 ships would be awarded to Fincantieri Marinette Marine. On July 13, 2026, the Navy awarded a contract to TOTE Services to manage construction of the LSMs.[44] TOTE will be responsible for overseeing, managing, and negotiating the prices for the first 5 LSMs that were directed to the Bollinger and Fincantieri shipyards. It will also determine who builds the remaining 3 ships for which funding has already been appropriated under the 2025 reconciliation act. (The 2026 appropriation provided for 2 more LSMs, but they are not, as yet, part of TOTE's contract.) TOTE will probably select an additional shipbuilder for the LSM program. The Navy plans to buy a total of 35 LSMs (including the 10 already purchased) by 2032 to have 35 LSMs in its fleet by 2035.

In 2026, the Congress appropriated almost $2.8 billion for 10 LSMs, or about $2.5 billion in 2026 dollars, for an average of $250 million per ship.[45] The Navy estimates that under the 2027 plan, the 25 LSMs it would purchase from 2027 to 2032 would each cost an average of $260 million, whereas the replacements it plans to purchase in the 2050s would each cost an average of $220 million. (TOTE's fees for managing the program are included in that cost.) Overall, the Navy's estimate of the average cost of the LSM program over the next 30 years is $240 million per ship. CBO estimates that the average cost of all 49 LSMs would be $300 million per ship. (That estimate assumes that the Navy would use two shipyards to build the ships.)

Combat Logistics and Support Ships

The Navy would buy 60 combat logistics and support ships, excluding medium landing ships, for the battle force under its 2027 plan. Most of those ships are operated by the Military Sealift Command in support of naval operations, which means they are mostly crewed by civilian mariners. Of the 60 ships, 47 are for combat logistics: large fleet oilers, small light oilers, and dry cargo ships. As for support ships, the Navy plans to buy 2 submarine tenders, 1 command ship, and 10 new ocean surveillance ships. (Two of those surveillance ships would be purchased in 2054 and 2056 as replacements for the first two ships of the new class, the first of which the Navy bought in 2022.)

The Navy's and CBO's estimates for both types of oilers are nearly the same (see Table 5 on page 30). But for the dry cargo ships and the ocean surveillance ships, the estimates differ significantly. In the case of the dry cargo ships, which would be purchased in the 2040s and 2050s, CBO's estimate of just over $1.2 billion per ship is 55 percent more than the Navy's estimate of $800 million per ship, largely because CBO's constant-dollar estimates account for real cost growth in the shipbuilding industry.

The lead ship of the Navy's new ocean surveillance ship program, the T-AGOS(X), was authorized in 2022, and another was purchased in 2026. Under the 2027 plan, the Navy would buy an additional 8 ships at a rate of 1 per year from 2027 to 2034 and would then buy

43. Ronald O'Rourke, *Navy Medium Landing Ship (LSM) Program: Background and Issues for Congress*, Report R46374, version 78 (Congressional Research Service, January 13, 2026), www.congress.gov/crs-product/R46374.

44. TOTE's role is that of the vessel construction manager, or VCM.

45. Because naval ships are usually built over many years, the Navy and CBO use a weighted shipbuilding index to reflect phased construction and spending. Thus, for 2026, the amount appropriated in nominal (or current) dollars is greater than the amount adjusted to reflect constant (or real) dollars.

2 replacement ships in the mid-2050s. The Navy estimates that T-AGOS(X)s purchased from 2027 to 2031 would cost $550 million and those purchased in 2032 and beyond would cost $800 million—which amounts to an average of $700 million for 10 ships. (The costs for the earlier ships do not appear to have been updated in the Navy's 2027 budget submission; thus, those costs may increase in future budgets.) That amount is 40 percent more than the Navy's estimate under the 2025 plan. But if $800 million is a better representation of the service's estimate for the average cost of a ship, then the increase would be 58 percent more than under the 2025 plan.

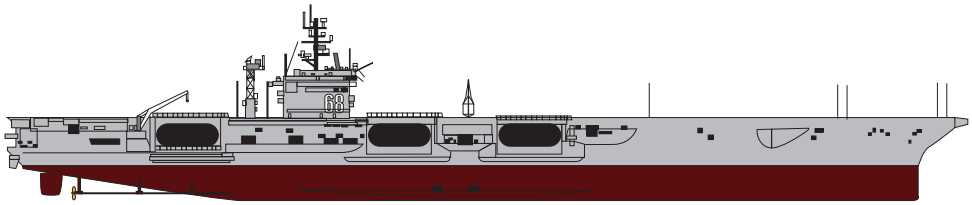
To estimate the costs of the new T-AGOS(X)s, CBO used the T-AGOS-23, which was authorized in 1991 and delivered in 2000, as an analogue. CBO estimates that the 10 T-AGOS(X)s would cost an average of $1.0 billion each. Ships purchased earlier would cost about $940 million, on average. Those purchased in the 2050s would cost about $1.3 billion, on average, an increase that is largely due to the effect of compounded real growth of costs in CBO's estimates.

Auxiliary Ships Outside of the Battle Force

Under the 2027 plan, the Navy would purchase 58 new auxiliary ships that are not included in the count of battle force ships. Those vessels include new sealift ships, consolidated cargo replenishment at sea tankers (known as CONSOL tankers), and various auxiliary ships. Like most of the Navy's combat logistics and support ships, the auxiliary ships are mainly operated by the Military Sealift Command. The sealift ships and tankers constitute 31 of the 58 purchases in this category. The 2027 plan also envisions the purchase of 29 used sealift ships to recapitalize the Maritime Administration's Ready Reserve Fleet. In its 2027 shipbuilding plan, the Navy provided a purchase, delivery, and retirement schedule for those ships but did not include their cost. CBO estimates that buying those 58 new ships and 29 used ships would cost about $28 billion from 2027 to 2056, or an average of a little more than $900 million per year.

Appendix: Major Types of Ships in the Navy's Fleet

Aircraft Carriers



Nimitz Class CVN-68

The Navy's 11 aircraft carriers are the heart of the battle force. Each carries an air wing of about 60 aircraft, which can attack hundreds of targets per day for up to a month before needing to rest. Carriers are the largest ships in the fleet, with a displacement of about 100,000 tons. (A ship's displacement is the weight of water that it displaces when floating or, for a submarine, when submerged.) Ten of the current carriers belong to the Nimitz class. The Navy commissioned the first of a new class, the *Gerald R. Ford*, in 2017.

Strategic Ballistic Missile Submarines



Ohio Class SSBN-726

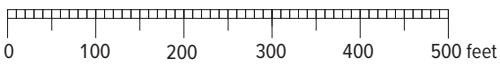
Strategic ballistic missile submarines are one component of the U.S. nuclear triad. Each submarine carries up to 20 Trident missiles armed with 1 to 8 nuclear warheads apiece. (Originally, they were built with 24 missile tubes, but arms control treaties now limit them to 20 operational tubes.) The Navy has 14 Ohio class ballistic missile submarines, each of which displaces about 19,000 tons when submerged. The service has 3 other submarines of that class that it converted to a conventional guided missile (SSGN) configuration. Those SSGNs carry up to 154 Tomahawk missiles as well as special operations forces.

Attack Submarines

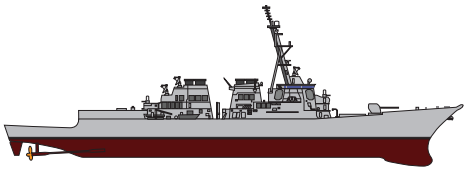


Virginia Class SSN-774

Attack submarines are the Navy's premier undersea warfare and antisubmarine weapons. Since the end of the Cold War, however, they have mainly been used for covert intelligence gathering. They can also launch Tomahawk missiles at land targets, a critical capability used in the early stages of a conflict in an effort to destroy enemy air defense systems. Of the Navy's 47 attack submarines, 26 belong to the Virginia class, 3 to the Seawolf class, and 18 to the Los Angeles class. Their displacement is less than half that of ballistic missile submarines.



Large Surface Combatants



Arleigh Burke Class DDG-51 Destroyer

Large surface combatants, which include cruisers and destroyers, are the workhorses of the fleet. They provide ballistic missile defense for the fleet and for overseas regions. They defend aircraft carriers and amphibious warfare ships against other surface ships, aircraft, and submarines, and they perform such day-to-day missions as patrolling sea lanes, providing an overseas presence, and conducting exercises with allies. They can also launch Tomahawk missiles at land targets. Most of the Navy's large surface combatants displace about 9,000 to 10,000 tons.

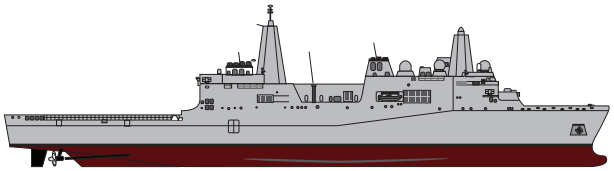
Small Surface Combatants



Freedom Class LCS-1 Littoral Combat Ship

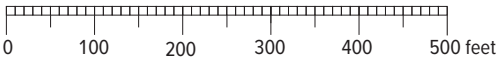
Small surface combatants include littoral combat ships (LCSs) and frigates. LCSs, which are built in two variants, are intended to counter mines, small boats, and diesel-electric submarines in the world's coastal regions. The Navy's new general purpose frigate, which it plans to begin building in 2027, is designed for routine escort duties, surface ship warfare, and maritime interception operations. They do not carry robust antiair capabilities. More routinely, LCSs and frigates—like their counterparts, the large surface combatants—patrol sea lanes, provide an overseas presence, and conduct exercises with allies. They range in size from 3,000 to 7,000 tons. The Navy currently has no frigates because it retired the last of its Oliver Hazard Perry frigates in 2015.

Amphibious Warfare Ships

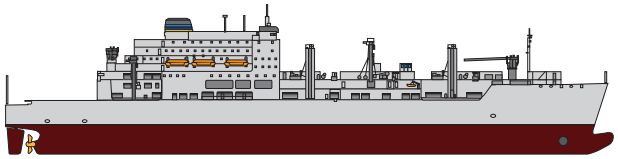


San Antonio Class LPD-17

The Navy has five classes of amphibious warfare ships. The two classes referred to as amphibious assault ships (also known as large-deck amphibious ships or helicopter carriers) are the second-largest types of combat ships in the fleet, displacing between 40,000 and 45,000 tons. With capacity for about half the troops and equipment of a Marine expeditionary unit, the amphibious assault ship is the centerpiece of the amphibious ready group. In addition to troops, each ship can carry as many as 30 helicopters and 6 fixed-wing Harrier jump jets or short takeoff and landing versions of the Joint Strike Fighters (F-35Bs), or up to 20 of those fixed-wing aircraft. The other three classes are divided into two types: amphibious transport docks and dock landing ships. Two of those ships together provide the remaining transport capacity for a Marine expeditionary unit in an amphibious ready group. They range in size from 16,000 to 25,000 tons.

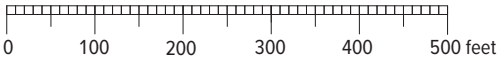


Combat Logistics and Support Ships



Lewis and Clark Class T-AKE-1

The many combat logistics and support ships in the Navy's fleet provide the means to resupply, repair, salvage, or tow combat ships. The most prominent of those vessels are fast combat support ships, which resupply carrier strike groups with fuel, dry cargo (such as food), and ammunition. Logistics and support ships can be as small as 2,300 tons for an oceangoing tug or as large as 90,000 tons for an expeditionary sea base.



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About This Document

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