

Table 3: Summary Assessment of Cooperation Pathways

Outcome criteria				Implementation criteria	
Pathway	Accelerating delivery timelines	Up-front and production costs	Increasing U.S. shipbuilding capacity	Allied industry willingness and ability	U.S. political and regulatory viability
Allied acquisition of, partnership with, or investment in U.S. shipyards	- Method requires yard reconfiguration, expansion, and workforce development before achieving productivity gains. - Substantial production speed improvements are possible via alignment with international best practices.	- Yard upgrades require up-front capital investments with direct governmental support or demand signal-related facilitation. - Production improvements could yield limited savings, but dramatic cost reductions require aligning U.S. naval procurement with international best practices.	- Allied construction of new greenfield/brownfield yards or conversion of repair/offshore equipment yard would considerably enhance top-line U.S. capacity. - A purchase of or partnership with existing naval production yard(s) could also yield capacity improvements through production efficiencies.	- South Korean yards have indicated a high degree of interest; MASGA initiative will provide significant incentives for investments in U.S. shipbuilding. - Japanese yards are more focused on securing MRO contracts. - European yards have participated in the LCS and ASC programs.	- Austal, Fincantieri, and Hanwha have all been welcomed by local leaders, communities, and congressional delegations. - Greenfielding/reopening of yards is likely to be most popular; purchase of existing naval production yards could involve initial cultural and labor tensions.
Coproduction of ships by U.S. and allied shipyards	- Method could facilitate faster production by taking advantage of excess capacity and advanced production processes of overseas yards. - Green hull approach could result in hulls being delivered more rapidly, but significant rework and retrofitting would add time and expense.	- Method would require up-front investments in design and coordination before any cost savings could result. - Participating yards are likely to face a learning curves as module production ramps up; stable demand signal is required.	- Modular production would offer an avenue for technology transfer and workforce skill development by working with lead shipbuilders. - Green hull approach is less effective for enhancing capacity for new builds.	- Allied shipyards have experience with modular and green hull production. - Financial incentives vary based on the degree of overseas value add.	- Method would require a presidential waiver of the Byrnes-Tollefson amendment. - ITAR may impede sharing of expertise. - Naval construction standards will require updates.
U.S. purchase of ships from allied shipyards	- Production speed and delivery timeline performance are significantly superior at international shipbuilders constructing domestic version of U.S. vessels. - Purchase of foreign designs is the most expeditious sub-pathway; joint designs or international construction of U.S. designs risks a learning curve.	- Requires little up-front capital investment and limited investment in compliance. - Estimates of cost savings versus domestic production range from ~20% for production of U.S. designs to ~65% for production of local variants of U.S. vessels.	- Method could have potential negative impacts if foreign purchases directly replace contracts awarded to U.S. yards, or positive impacts if it facilitates the reconfiguration of U.S. yards. - Foreign variants of U.S. vessels currently utilize U.S.-produced subsystems; increased production would support supply chain capacity.	- Japanese, South Korean, and European yards have expressed significant enthusiasm for construction of U.S. naval vessels, particularly auxiliary/support ships. - Multiple European and Asian yards possess demonstrated experience constructing ships for foreign navies.	- Method is opposed by domestic industry and labor groups. - NDAA typically includes language restricting use of funds to U.S.-built ships. - Method requires a presidential waiver of the Byrnes-Tollefson amendment. - Method entails a new framework for IP sharing.
Foreign cooperation on MRO	While this could accelerate ship MRO and availability, it would not increase the speed of delivery of new ships until substantial investments were made in the repair yards.	- Method could reduce the costs of ship maintenance. - Conversion of U.S. repair yard(s) to naval new construction requires substantial capital expenditures to retool all operations. - Method has comparable economics to brownfield new yards.	Converting repair yards to naval construction is highly challenging, requiring all new equipment, production lines, and workforce retraining.	- Japanese and South Korean shipyards have already begun to perform MRO on U.S. ships. - South Korean builders have expressed interest in maintenance as on-ramp to higher-value naval work.	- Existing limits on performing MRO overseas would need to be overcome. - If government investment is necessary, it would require congressional action.