

Anduril, U.S. Navy Invest \$6.6B to Expand America's Submarine Industrial Base



President Donald J. Trump today announced Arsenal-2, a new software-defined shipyard backed by a \$3.7 billion private capital investment by Anduril Industries. The facility will manufacture critical components for the Virginia-class submarine, adding significant new capacity to America's submarine industrial base in support of the Navy's effort to increase attack submarine production.

Under President Trump's leadership, the U.S. Navy has awarded Anduril a contract of up to \$2.9 billion, with payments tied directly to demonstrated production outcomes. This contract structure ensures that Anduril, not the taxpayer, takes on the majority of the execution risk, aligning incentives to ensure on-time, high-quality submarine production. Altogether, this equates to a \$6.6 billion investment in America's submarine industrial base.

Virginia-class submarines are built by General Dynamics Electric Boat and Huntington Ingalls Industries' Newport News Shipbuilding as part of one of the most complex manufacturing enterprises in the country. Meeting domestic fleet requirements and AUKUS commitments will require substantial growth across that enterprise, including new suppliers, infrastructure, workforce, and production capacity. Arsenal-2 is intended to contribute to that expansion.

Arsenal-2 will build complex components and large scale assemblies of the Virginia-class submarine and deliver them to Electric Boat and Newport News Shipbuilding for final assembly. Adding another source of this work will allow more submarine construction to happen in parallel across the industrial base and increase the overall capacity available to the Virginia-class program.

Building Arsenal-2 in Baltimore County

The scale of the production plan is reflected in the physical infrastructure and workforce required for its execution. Arsenal-2 will be built at Tradepoint Atlantic in Baltimore County, Maryland, where the project will create 3,100 direct jobs and support more than 11,000 indirect jobs. The site will drive \$2 billion in annual economic output, including an estimated \$312 million in wages each year.

Permitting and site preparation will begin immediately, with construction commencing as soon as the necessary approvals are in place. Initial operations are expected to come online in 2030, with production scaling progressively thereafter as Anduril builds the workforce, supplier base, infrastructure, and manufacturing throughput required for submarine production.

Arsenal-2 will sit within the Sparrows Point complex, a site central to America's maritime heritage and well positioned for a new generation of heavy industry. Existing road, rail, and

maritime infrastructure connect the site to suppliers and to the nation's two primary submarine builders. Baltimore's shipyards produced the first Liberty Ship during World War II, and Sparrows Point was once known as the "Patriarch of U.S. Tanker Builders;" Arsenal-2 will return shipbuilding to a site that once helped define American naval power.

A Shipyard Designed for Production

Arsenal-2 is designed as a product in its own right: a modern shipbuilding system built around software-defined production and advanced manufacturing. At more than 2 million square feet – roughly 40 football fields – the facility will be purpose-built on a 187-acre site for high-volume, high-precision production of undersea naval capabilities.

The shipyard's layout is optimized for production. Reduced distances between fabrication, assembly, testing, and integration areas eliminate the staging bottlenecks that slow conventional yards. A functional 1,200-foot graving dock and multimodal road and rail access support large-scale component movement. High-bay assembly halls, adjacent fabrication areas, and reconfigurable production lines allow the yard to shift rapidly as Navy requirements evolve.

ArsenalOS, Anduril's industrial software platform, will provide the digital backbone for the yard and its production systems. It will connect fabrication workflows, outfitting sequences, material movement, inspection protocols, and documentation requirements in a single system, giving workers and managers real-time visibility into the state of production. Digital work instructions, embedded quality controls, modern sensing, and automation will support the expertise of welders, pipefitters, electricians, shipfitters, inspectors, and other skilled trades. By making production requirements more visible and processes more consistent, ArsenalOS will help new workers train faster while preserving the technical rigor, judgment, and quality required for

submarine construction.

Building the Industrial Foundation

In parallel with Arsenal-2's construction, Anduril is already standing up the manufacturing capabilities that will anchor operations at the new yard. Anduril will manufacture critical Virginia-class submarine components at a new 160,000-square-foot facility in Orange County, California, purpose-built to support key submarine construction processes and SUBSAFE-qualified production qualification efforts.

The Orange County facility gives Anduril a two-year operational head start to develop and validate manufacturing methods, production workflows, and quality systems before Arsenal-2 comes online. It will support prototyping and production of Virginia-class test assets and critical maritime components, including torpedo tubes, while allowing Anduril to recruit and train the early workforce on the systems and standards that will ultimately scale at Arsenal-2. Once Arsenal-2 comes online, the Orange County facility will continue supporting broader maritime manufacturing efforts across Anduril's industrial network.

This is the same approach Anduril has used at Arsenal-1 in Ohio: building the workforce, processes, and production system ahead of full-scale operations.

A Distributed Industrial Network

Arsenal-2 is also part of a broader network of Anduril production facilities spanning the United States and allied nations – including Arsenal-1 in the Columbus, Ohio region; its maritime factory at Quonset Point, Rhode Island; its Ghost Shark factory in Sydney, Australia; a rocket motor facility in McHenry, Mississippi; and more than 15 additional production sites. Together, these facilities form a distributed industrial network designed to rapidly scale production of the systems, components, and infrastructure required for modern

defense.

Closing the gap between current Virginia-class output and the Navy's requirement will require expansion across the submarine industrial base. By investing private capital in additional shipbuilding infrastructure, proving out its production system years before Arsenal-2 opens, and accepting a contract structure tied to measurable outcomes, Anduril is adding capacity to an existing national enterprise and helping create the industrial scale required to increase Virginia-class production.

From Anduril, Oct. 6.