

## U.S. Set to Finalize AUKUS Pact Review by Autumn

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The United States is expected to complete its review of the AUKUS (Australia–United Kingdom–United States) defense pact by fall 2025, as the Pentagon reassesses its commitments under the agreement. The review, ordered by the Trump administration, seeks to determine whether the deal remains in line with American defense priorities.

Launched in 2021, the AUKUS pact is designed to equip Australia with nuclear-powered submarines, marking Canberra's most significant military investment to date. Valued at approximately A\$368 billion (about USD 245 billion) over three decades, the initiative also includes U.S. investments to expand its submarine industrial base to support both American and Australian fleets.

Elbridge Colby, the Under Secretary of Defense for Policy, who is leading the review, has raised concerns about the U.S. shipbuilding sector's capacity to meet the agreement's ambitious goals. Speaking earlier this year, Colby emphasized the need for a clear-eyed, practical analysis, especially given current production bottlenecks.

Admiral Daryl Caudle, who has been nominated to serve as the next Chief of Naval Operations, has echoed those concerns. During a recent Senate hearing, he warned that the U.S. is currently building just over one Virginia-class submarine per year, well below the level needed to fulfill AUKUS promises. Without a significant increase in production, the U.S. may not be able to deliver the three to five submarines pledged to Australia in the 2030s.

Despite these hurdles, Australia remains committed. Australia recently made an A\$800 million payment toward the submarine acquisition and signed a 50-year submarine cooperation agreement with the United Kingdom to strengthen trilateral defense ties. Australian officials maintain confidence in the project's long-term viability.

Defense Minister Richard Marles described the U.S. review as a routine process during an administration change and stressed that Canberra expects the agreement to stay on course. However, the U.S. has

reportedly encouraged Australia to raise its defense spending toward 3.5 percent of gross domestic product (GDP), a significant increase from its current levels of just over 2 percent.

The future of AUKUS now hinges on whether the U.S. can overcome its industrial constraints. While the strategic logic behind the pact remains sound, delays or a failure to meet commitments could leave Australia exposed in the critical decades ahead, an outcome Washington can ill afford if it hopes to maintain credibility in the Indo-Pacific.