



## PSDSRA Member Update January 2019

The Port of San Diego Ship Repair Association would like to introduce our new Chairman of the Board.



Terry Buis

Terry Buis served as a nuclear power trained electrician on submarines during his 6-year service in the U.S. Navy. He has been in the San Diego ship repair industry since early 1982, during which time he held various positions in production, program management, planning, estimating, contracts, and community relations. Currently, Terry serves as business development manager for BAE Systems San Diego Ship Repair and reports to the vice president and general manager.

Terry represents BAE Systems on the board of directors for the San Diego Port Tenants Association, the Working Waterfront Group, the Propeller Club, and the San Diego Regional Economic Development Corporation, where he is committed to working collaboratively with the community to develop win-win solutions for the waterfront and the region.

Terry holds a Bachelor of Science degree in business administration and management from Redlands University. In addition, he is a member of the National Defense Industry Association and the Naval Submarine League. Terry and his wife Annette reside in La Jolla.

### **Member Action Items**

- 1) We are preparing for the upcoming NSRIC's Navy Day and the Small Business Forum to be hosted by CNRMC. We need **PSDSRA MEMBER FIRMS** to identify three major issues related to doing ship repair business. Members can provide any additional information that they feel is required to fully define their issues.
- 2) For the City of San Diego. The PSDSRA is requesting that **PSDSRA MEMBER FIRMS** identify the number of employees that reside in each of the 9 City Council Districts. This information is needed as we move forward with the Barrio Logan Community Plan update. Please provide the number of employees by zip code.

Please submit your responses to [mpot@sandiegoshiprepair.com](mailto:mpot@sandiegoshiprepair.com)

If you have any questions regarding the aforementioned, please contact your Board Representative or Derry Pence.

Associate Member Representatives **Ed Zanjonc** and **Eric Stigall**  
ABR Member Representatives **Tim Dernbach** and **Anthony Greenwell**

### **Strategic Affairs Update**

The first order of business for 2019 will be installing a new secretary of defense. Until then deputy secretary Patrick Shanahan has the reins. Although Shanahan has considerable qualifications in the defense industry, he has little experience dealing with the White House and Congress not to mention military operations, or the intelligence community. Most changes of secretaries of defense bring in new personalities but, absent a change of administration, not major changes in policy.

Fiscal year 2019 was the first time in a decade that we saw a fully funded defense budget on October 1<sup>st</sup>. Both the authorization bill and the appropriation bill were signed by the beginning of the government's fiscal year. That occurred because the President and the Congress had made a budget deal last February covering FY 2018 & FY 2019.

The likelihood of Congress passing a FY 2020 budget on time is extremely low. Caps from the Budget Control Act of 2011 continue in FY 2020 and FY 2021, if implemented would cut over a \$100 billion a year from the planned amounts. Every year since the BCA passed the President and Congress have made a deal to fund defense at levels above the caps however with the change in the majority in the House there will be considerable political capital required to make a deal. We are much more likely to see budget stalemates and continuing resolutions for FY 2020.

In these uncertain times Defense modernization funding is particularly vulnerable it is relatively easy in the short term to cut investment in the future force, rather than operations cost of the force already in existence. The war funding (OCO), is not restricted by the Budget Control Act caps and could enable an agreement by allowing more spending without increasing the BCA constrained base budget as Congress has done in the past. Nonetheless, it will be an uphill climb and we should prepare for a continuing resolution in October.