

SAC NEWSLETTER



1.22.2021

A monthly newsletter brought to you by The Strategic Affairs Committee of the PSDSRA

Top stories in this newsletter (Helpful Hint: click the pictures to be taken to the articles/links)



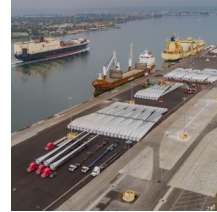
Countdown to Requirement to Certify to CMMC Interim Rule



Department of Navy Comptroller Harker to Serve as Acting SECNAV



Do the earliest Arleigh Burke-class destroyers still have legs? The US Navy thinks so



Port of San Diego Establishes Foreign Trade Zone at Tenth Avenue Marine Terminal



Check Out Our PSDSRA Member Features

Countdown to Requirement to Certify to CMMC Interim Rule



Contracts that contain the CMMC Interim Rule are being solicited now and the expectation is that these contracts will be awarded around May 1, 2021 with work commencing around June 1, 2021. This means that every contractor, prime or subcontractor, must be able to demonstrate that they have uploaded their assessment to NIST 800-171 to the Government's SPRS database. If the data is not in SPRS you will not be awarded a purchase order or contract to work on Navy ships. If you have not already begun to perform your assessment and are working towards uploading your data, you are strongly encouraged to get started now, you do not want to be left behind and find yourselves without work. - Contributed by Derry Pence. (President, PSDSRA)

Department of Navy Comptroller Harker to Serve as Acting SECNAV



USNI Photo

"Thomas Harker, who for the last few years has served as the Department of the Navy's chief civilian financial official, will assume the role of acting Navy secretary once President-elect Joe Biden is sworn in, a Navy official confirmed to USNI News.

Since 2018, Harker had served as the assistant secretary of the Navy for financial management and comptroller."

Do the earliest Arleigh Burke-class destroyers still have legs? The US Navy thinks so



MC2 Jonathan Trejo/U.S. Navy

"The U.S. Navy has a problem: The Arleigh Burke-class destroyer program was too successful.

We built our DDGs faster than we can modernize given the budget today," Vice adm. James Kilby said in a virtual Q&A at the Surface Navy Association's annual symposium. "So we made a decision some years ago, they leave 21 ships in their current state and continue to work on them but not modernize them in the latest Aegis configuration. I have the surface warfare director, Rear Adm. Paul Schlise, working on a number of things that we want to keep relevant for as long as possible, and I think they will be relevant for a long time."

"We need to keep those ships because they do add considerable value to us, even if we can't afford to modernize them because it's too costly or too lengthy to put them in an overhaul," Kilby said. "We need them operating in the fleet."

Multiple defense companies halt political donations in wake of Jan. 6 riot



(AP Photo/Julio Cortez)

"Many companies pause or dramatically reduce their PAC spending in the first few months of a new Congress, as they understand the makeup of the new committees and what issues may come up.

Byron Callan, an industry analyst with Capital Alpha Partners, noted there is still a risk for a sector that is competing with other industries for engineers, software developers and material specialist. "At the end of the day I don't think you want to do anything that diminishes your ability to compete and attract talent," he said, adding that there could potentially be future fall out for defense firms that want to work with Silicon Valley companies.

For industry, the smart move "at this point is just sit back, watch and monitor," Callan said. "It's like dropping a rock in the pond — you don't know how far the ripples will travel, and we won't really know until this summer or next year how it all plays out."

Port of San Diego Establishes Foreign Trade Zone at Tenth Avenue Marine Terminal



Port of San Diego Photo

The Port of San Diego has recently been approved by U.S. Customs and Border Protection and the City of San Diego and has activated a Foreign Trade Zone (FTZ) at the Tenth Avenue Marine Terminal. As an FTZ, the terminal is a secured, designated location where foreign and domestic merchandise is generally considered to be in international commerce and outside of United States customs territory.

In an FTZ, both foreign and domestic merchandise may be admitted for operations such as storage, exhibition, manipulation, destruction, assembly, manufacture, and processing, without being subject to formal entry procedures and payment of duties, unless and until the foreign merchandise enters the Customs territory for domestic consumption.

The FTZ at the Port of San Diego offers numerous benefits to businesses including:

Duty Reduction and Deferral

- Pay duties only when imports are withdrawn from FTZ
- Pay lower duty on component material or finished merchandise

Logistical Benefits

- Single Customs “entry” per week
- Expedited shipments
- Zone to zone transfers
- Store materials until ready for use

Cost Savings

- Assemble various components of a project, creating United States products
- Obtain additional cost savings as a duty drawback

Currently, the San Diego region has 19 FTZ sites with most of them operating out of warehouses. The Port of San Diego is the only cargo terminal location in San Diego County that offers a waterborne component with access to ships. The 96-acre Tenth Avenue Marine Terminal offers a competitive advantage and is particularly popular for project cargo, wind power, and breakbulk commodities.

The Port of San Diego has leveraged its natural advantages to become a leading, West Coast specialty port. Comprising two terminals – Tenth Avenue Marine Terminal (TAMT) and National City Marine Terminal (NCMT) – it is a natural, deep-water, protected harbor that is uncongested and, due to the temperate climate, ideal for handling all types of cargo year-round. Due to its strategic location, the Port of San Diego services goods movement to and from Mexico, Central and South America, Asia, Australia, Canada and Europe. It is also one of 17 commercial ports designated as a strategic port in support of national defense, which allows military access to the marine terminals and cargo-handling facilities on 48-hour notice during times of national emergency.

For more information about maritime efforts and the Tenth Avenue Marine Terminal visit portofsandiego.org/maritime.

Quick Link Resources Included for the Benefit of the Members



Model COVID-19 Prevention Program (CPP)



Notice of proposed emergency action by the occupational safety and health standards board regarding proposed changes to CA code of regulations



SCA Alert | Guide for the 117th Congress & Biden Administration First 100 Days



Tax information for businesses in COVID-19 Environment



Guidance for Businesses and Employers Responding to Coronavirus Disease (COVID-19)

US Navy should get bigger slice of defense budget, top sea power lawmakers say



MC2 Devin Langer/U.S. Navy

"WASHINGTON — To rebuild American sea power and face a growing Chinese threat, the U.S. Navy must get a larger share of the Defense Department's budget, the top Democrat and Republican on the House Seapower and Projection Forces Subcommittee said Monday at the annual Surface Navy Association meeting.

Reps. Joe Courtney, D-Conn., and Rob Wittman, R-Va., respectively the chair and ranking member of the subcommittee, said during a virtual panel discussion that they sense a growing consensus that positioning the Navy to take on the challenge from a growing Chinese fleet would require more money in the service's budget."

Navy's Unmanned Plan Inches Forward; Ships To Have Crew Quarters



Breaking Defense Photo

"WASHINGTON: The Navy is working on designs for its future Large and Medium Unmanned Surface Vessels that would allow them to support small crews for limited and specific missions, the service's top unmanned systems officer said today.

Capt. Pete Small told the virtual Surface Navy convention that the Large USV will remain "essentially unmanned," but will be equipped with room to berth a small crew to help getting underway and returning to a pier, refuelling and doing repair work at sea. The Medium USV will not have the capacity to carry any sailors, however."

Unclear on Unmanned



US Navy Photo

"This link takes you to part 3 of a 3-part series that explains how Lawmakers are tired of the Navy's acquisition failures, how the Navy has lost credibility, and how they need to build land based testing sites to research and develop technologies prior to trying to incorporate them during the build phase."

About the SAC:

The Strategic Affairs Committee's charter is to monitor current events and news relevant to the Ship Repair Industry and provide the Association's board of directors with items of interest that may affect the industry and / or the membership. The information includes but is not limited to current events, geopolitical information, budget news, political information and upcoming legislation.



The PSDSRA's Facebook page is regularly updated with news, which is focused on, timely and relevant information of value to our members in the Maritime Industry. To view, like, and/or follow the PSDSRA's page, click the Facebook logo.

The SAC meets on the 3rd Tuesday of every month.

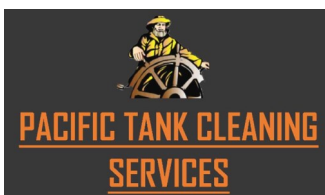
To join the Committee - Email KWilkinson@delphinus.com and you'll be added to the committee distributions and meeting invitations.

Current Active Committee Members include: Kyle Wilkinson, Derry Pence, Terry Buis, Marcel Becker, Kyle Clapp, Kelvan Hall, Michael Curtain, Michael Bice, Ed Zajonc, Michael Gonzales, Morgan Miller, Dante Sitta, Lorenzo Ramirez, and Patrick Mooney.

Members Featured

GENERAL DYNAMICS

NASSCO



Prepared By:

Kyle Wilkinson—SAC Committee Chair

With contributions from: Derry Pence (President, San Diego Ship Repair Association)

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More information about NASSCO can be found at www.nassco.com.

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