

# SAC NEWSLETTER



4.26.2021

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



HASC Chair Blasts White House For 'Dragging Their Feet' On Budget



Biden Administration Seeks \$715B Pentagon Budget; Calls for Investment in SSN(X), Shedding Legacy Platforms



Navy 'Struggling' to Modernize Aging Cruiser Fleet As Tight Budgets Push Pentagon to Shed Legacy Platforms



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## 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)

## HASC Chair Blasts White House For 'Dragging Their Feet' On Budget



Rep. Adam Smith, Chairman of the House Armed Service Committee, asks a question about the F-35

"A key Congressional Democrat said it's important to "shout it from the rafters" that the Biden administration is taking too much time to divulge details about when the 2022 defense budget will be released, and while he's been trying, he's heard almost nothing back.

"I am deeply concerned about the Biden administration dragging their feet on getting us the damn budget," chairman of the House Armed Services Committee, Adam Smith, said during a virtual event hosted by the Ronald Reagan Presidential Foundation. "The White House itself is not doing the job they should be doing."

The White House last week released a \$1.6 trillion 'skinny budget' that only contained the topline for each department, including a \$715 billion request to fund the Pentagon in 2022, a slim 1.7% increase from the 2021 spending plan.

WRT the top line pentagon budget #, He called for a renewed focus on capabilities rather than capacity, particularly when it comes to modernizing the Navy, which has called for building dozens of new manned ships and hundreds of unmanned vessels in the coming decade, but which has yet to fully explain how that expansion will be paid for.

"We have spent defense dollars in a very ineffective way in the last 20 years," Smith said, "and we need to get our arms around that."

## Biden Administration Seeks \$715B Pentagon Budget; Calls for Investment in SSN(X), Shedding Legacy Platforms



"The Biden administration is requesting a \$715 billion budget for the Pentagon, keeping defense spending largely flat when adjusting for inflation, the White House announced...

In a summary of the forthcoming Fiscal Year 2022 budget submission, the administration lays out its priorities for the Pentagon, which include shedding legacy platforms and pursuing the Navy's new SSN(X) program.

The summary also alludes to cuts to legacy platforms that the administration argues are not providing a return on investment.

The Biden proposal also seeks to abolish the Overseas Contingency Operations account, which has been used to fund the wars in Afghanistan and Iraq. Getting rid of OCO is "a significant budgetary reform" that would see the Pentagon "instead funding direct war costs and enduring operations in the DOD base budget," according to the summary."

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## Navy 'Struggling' to Modernize Aging Cruiser Fleet As Tight Budgets Push Pentagon to Shed Legacy Platforms



Guided-missile cruiser USS Hué City (CG-66) was inducted into the Cruiser Modernization program on Oct. 3, 2019. US Navy Photo

“A plan to keep the Navy’s guided-missile cruiser fleet operating through the end of the 2030s is struggling as the ships show there’s a very real cost in time and money to keep old platforms around for the sake of having a larger fleet

The Navy’s Ticonderoga-class cruisers pack a punch with their 122 vertical launching system cells packed with guided missiles, but today their most important role is hosting a carrier strike group’s air defense commander and staff during carrier strike group deployments.

The Navy has for almost two decades struggled to figure out what kind of platforms should replace these CGs as the air defense command ship for the carrier strike group, and several efforts have been canceled or postponed along the way. To buy more time to find a replacement, the Navy modernized 10 cruisers beginning in the 2000s to extend their lives and give them the newest combat capabilities. A second cruiser modernization program that began in 2015 aimed to do the same to seven more.

Now, cruisers in that first group are showing their age, becoming more expensive and difficult to maintain and less reliable to operate as their material condition declines. Those in the second group, five of which are currently in the cruiser modernization program, are also having issues as they require more repair work than the Navy expected – calling into question whether the Navy should keep them for the sake of having a larger fleet or decommission them due to their declining state.

In a budget environment where the military services are increasingly looking to “divest to invest,” or rid themselves of legacy gear to free up money for new equipment aimed at a high-end future fight, the cruiser fleet may not see much support in the upcoming budget cycle, two admirals told USNI News.”

The article goes on to explain the Cruiser Modernization Program Challenges, Why the Navy Needs Cruisers, & Congressional Challenges.

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## House Lawmakers Want Pentagon to Rethink Global Force Deployments



Sailors observe flight operations from the flight deck of the aircraft carrier USS Theodore Roosevelt (CVN-71) while conducting dual-carrier operations with the Nimitz Carrier Strike Group in the South China Sea on Feb. 9, 2021. US Navy Photo

“Lawmakers on the House Armed Services Committee are urging the Pentagon to reassess how it employs military forces around the world.

In a letter dated 4/5/21 to Defense Secretary Lloyd Austin and Deputy Defense Secretary Kathleen Hicks, the members argue the Defense Department should be more critical of the global combatant commands’ supplemental appeals for more forces than originally requested so the military can do a better job of maintaining readiness.

Quotes from the letter include “Future readiness can no longer be sacrificed at the altar of lower-priority requirements. All the [Request for Forces], and their approvals, represent more than just a failure to adhere to the existing [Global Force Management Plan]; they also reflect a failure to prioritize. The consistent high operational tempo of our military assets is creating unsustainable deploy-to-dwell rations,” the lawmakers write.

“Put plainly, regular circumvention of the GFMAP is leaving the services scrambling at a time when they need to rebuild the health of the force. At this rate, the desire to solve every immediate problem, regardless of its strategic prioritization, may hollow the force for the next generation,” they continue. “It is imperative that the [combatant commands] accept and share the appropriate amount of risk required to balance their needs against the chiefs’ requirement to recruit, train and modernize the services in the long term.”

The lawmakers are calling on the Pentagon to answer a series of questions about how the combatant commands seek and justify an appeal for more forces, including whether both past and present Global Force Management Plans (GFMAP) were inaccurate.

Lawmakers expressed concern over how the military will pursue modernization to keep pace with the Pentagon’s strategy while they are under pressure from the combatant commands’ appeals.

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## Quick Link Resources Included for the Benefit of the Members



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Tax information for  
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ment

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## High operating costs cloud the future of littoral combat ships, budget data reveals



The Independence-variant littoral combat ship Coronado conducts operations with an MH-60S Seahawk helicopter on Nov. 1, 2018. (MC2 Chelsea Meiller/U.S. Navy)

"As the U.S. Navy's littoral combat ship program battles reliability problems, it is also wrestling another and potentially just as fearsome bear: operating costs.

The answer? Put sailors back in charge of more maintenance, which means the Navy might need to add even more sailors to the crew.

Today, a littoral combat ship costs about \$70 million annually to operate, according to a calculation of budget data obtained by Defense News. The Navy disputed this number, saying it is closer to \$50 million. In comparison, the cost of operating an Arleigh Burke-class destroyer — a much more mature and established design program — runs around \$81 million.

"So if you snap the chalk line today, the costs are pretty high, especially compared to a [guided-missile destroyer] DDG" Gilday said. "But what we're trying to do is move from a contractor-centric maintenance model to a sailor-centric maintenance model, or a Navy-centric maintenance model."

Since its introduction to the fleet, the littoral combat ship has gone from 40 assigned sailors and officers to 50; then in 2016, that grew to 70 sailors when the surface fleet decided to permanently assign each LCS with a single mission — either surface, mine or antisubmarine warfare. Now, to support more crew-centered maintenance, that number may have to grow again.

"We do have a responsibility to try and make use of those ships and be the most efficient they can be," he said. "I think we're going to be learning for a little while as we shift to this new maintenance model and as we get more water under the keel of those hulls."

The article goes on to discuss the delivery of the anti sub and mine warfare mission packages in addition to speculation about decommissioning a portion of the LCS fleet.

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### 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](mailto: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, Morgan Miller, Lorenzo Ramirez, Patrick Mooney, Ross Shook, Desiree Waldon, David Widener, Chris Hill, and Dan Cummins.

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# Members Featured



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**We employ the best and create  
opportunity to achieve the extraordinary.**

U.S. Navy photo by MC2 Camer R. Evans/Released

## **OUR SERVICES**

### **Modernization & Maintenance**

- Alteration Installation Team (AIT)
- Ship Organization & Intermediate and Shop Depot Level Maintenance
- Cable Fabrication and Certified Molding Facility (S930-AM-PRO20)
- Electrical and Structural Fabrication
- HM&E, C5ISR, Combat, Habitability, and DC/FF Systems
- Certified Welding, NDT, Fiber Optics including Air Blown Fiber

### **SUBSAFE & DSS-SOC**

- Listed on NAVSEANOTE 5000
- Structural & Pipe Welding
- Non-Destructive Testing (MT, PT, VT, UT/Thickness)
- Electrical Hull Fittings Removal, Repair, & Reinstallation
- Divers Life Support System
- Air Valve Repair & Maintain
- Cleanliness (DSS-SOC)

### **Contractor Business Systems**

- Quality Management (SEA04RP)
- Accounting (DCAA)
- Cost Estimating
- Property Management (DCMA)
- Purchasing (DCMA)
- ISO 9001-2015 (ABS-QE) for engineering services
- SECRET Facility Clearance (DCSA) and 2020 Cogswell Award Winner

## **OUR APPROACH**

Refined using 25 years of maintenance and modernization experience, we blend the technical, the professional, and the personal to provide services that exceed expectations. Our approach relies on a complete understanding of the scope, rigorously planned and scheduled, executed by qualified personnel with relevant experience, with engaged and active oversight.

## **WHO WE ARE**

Delphinus Engineering is a privately-owned, small-business founded in 1994. We employ nearly 700 trained and skilled trades, designers, engineers, and leaders. We provide maintenance and modernization, level of effort, design engineering, and cyber operations and security services from our facilities in Norfolk, San Diego, Bremerton, and Philadelphia our using fly-away teams

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## We Are the Only Supplier of Both Aeroquip and Hydrasearch on the West Coast

Charter Industrial Supply has been one of the top providers of supplies and support to the US Navy, US Coast Guard and Military Subcontractors since 2000. We are certified hose and fitting specialists that operate at Military Specification and are the only industrial supplier on the West Coast that distributes both Aeroquip and Hydrasearch. Our product specialists and support team provide unparalleled service in getting you the supplies you need for immediate and specific jobs, as well as anticipate requirements during planning for future projects.



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