

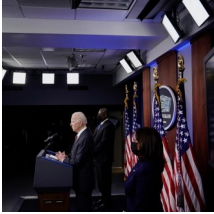
# SAC NEWSLETTER



6.29.2021

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)



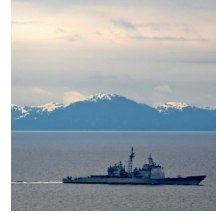
This week in Congress: Budget fireworks before the July 4 break



Pentagon chiefs insist flat defense budget is enough



Is the Navy ready to repair battle-damaged ships in wartime?

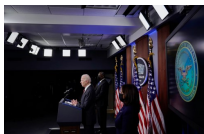


Lawmakers Probe Navy's Plan to Decommission Cruisers, Navy Says Cuts Will Save \$5B Across FYDP



\*\*\*NEW\*\*\*  
Notes from the President

## This week in Congress: Budget fireworks before the July 4 break



President Joe Biden speaks as Secretary of Defense Lloyd Austin and Vice President Kamala Harris accompany him at the Pentagon on Feb. 10. (Alex Brandon/Pool via AP)

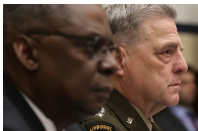
"The Senate has already started its July 4 break, but House lawmakers return to Capitol Hill this week for a flurry of budget work before starting their short vacation.

The House Appropriations Committee, which unveiled its first draft of the military construction and Veterans Affairs spending plan last week, is expected to unveil its defense spending plan this week amid a series of hearings on funding for other agencies like the State Department and the Department of Homeland Security.

President Joe Biden has asked for \$716 billion in defense spending for fiscal 2022, a figure that many conservatives have attacked as too small and some progressives have blasted as still too large. The appropriations committee's draft will set the stage for a summer-long debate over the right military spending figure.

Both chambers are scheduled to be out next week, and return for the rest of July before an extended legislative recess starting in August."

## Pentagon chiefs insist flat defense budget is enough



U.S. Defense Secretary Lloyd Austin, left, and Chairman of the Joint Chiefs of Staff Gen. Mark Milley testify to the House Armed Services Committee on June 23, 2021. (Alex Wong/Getty)

"Top defense officials have completed multiple trips to Capitol Hill to defend President Joe Biden's flat defense budget request, and now the task of tailoring that request falls to Congress.

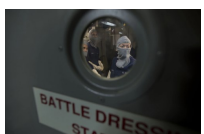
The Biden administration sent Congress a fiscal 2022 budget request that seeks \$715 billion for defense — an \$11 billion increase which some progressives say is too much and lead Republicans say is too little.

"I think that this budget provides us flexibility in granting the capabilities we need to support the operational concepts that will allow us to be not only competitive against any near peer, but actually dominant in that battlespace," Austin said.

Republicans on the panel pointed to China's rising military and lamented Biden's proposal boosts defense only 1.6 percent, while increasing nondefense by 16 percent — part of the administration's efforts to strengthen the country's economy and social safety net in the pandemic's wake.

Partisan disconnects over the top line, combined with the late arrival of the budget request, have raised fears Congress won't reach a budget deal by the end of the fiscal year, Oct. 1. If so, Congress would have to pass a stopgap continuing resolution to avoid a government shutdown — though the Pentagon would prefer on-time appropriations.

## Is the Navy ready to repair battle-damaged ships in wartime?



Sailors prepare a battle dressing station for a simulated emergency aboard the guided-missile destroyer Mason during a damage control drill in 2014. A new government watchdog report is calling for the Navy to reform how it plans for wartime battle-damaged ship repair. (Navy)

"As U.S. Navy brass continues to sound the alarm about a future war with China, or at least the end of American naval dominance in the Pacific, a new government watchdog report questions whether the sea service would have the ability to repair battle-damaged ships should a conflict break out.

The Navy divested many of its wartime ship repair capabilities following the Cold War, last week's Government Accountability Office report states. "With the rise of great power competitors capable of producing high-end threats in warfare, the Navy must now be prepared to quickly salvage and repair damage to a modern fleet.

The Navy itself has identified several challenges in using its regular maintenance systems — which restore ships to full operational status — should battle damage repairs be required in war, according to the GAO.

The Navy hasn't had to conduct battle damage repair since World War II and would now need to repair ships with far more intricate electrical, radar and computer systems while doing so without as many public shipyards or tenders, GAO notes. The GAO has in recent years filed several reports warning of the Navy's challenges when conducting peacetime maintenance and getting ships out of the yards in time when no all-out war is occurring."

## Lawmakers Probe Navy's Plan to Decommission Cruisers, Navy Says Cuts Will Save \$5B Across FYDP



USS Bunker Hill (CG-52) transits the Gulf of Alaska as part of the Theodore Roosevelt Carrier Strike Group on May 8, 2021. US Navy Photo

“The Navy’s proposal to decommission seven guided-missile cruisers from the fleet in the next fiscal year met extensive questions from House lawmakers on Thursday.

House Armed Services seapower and projection forces subcommittee chairman Rep. Joe Courtney (D-Conn.) during his panel’s hearing today asked the Navy’s top requirements officer how much the service would need if Congress decides to keep the cruisers in the fleet.

“If we were to retain the seven cruisers that are in the budget to be decommissioned in [Fiscal Year 20]22 – that’s five from previous budget and Hue City and Anzio in this budget – it would be roughly \$5 billion across the FYDP,” Vice Adm. Jim Kilby, the deputy chief of naval operations for warfighting requirements and capabilities (OPNAV N9) told the panel, referring to the five-year budget outlook known as the Future Years Defense Program (FYDP).

In its Fiscal Year 2022 budget proposal, unveiled at the end of May, the Navy asked to decommission seven cruisers – USS San Jacinto (CG-56), USS Lake Champlain (CG-57), USS Monterey (CG-61), USS Port Royal (CG-73), USS Vella Gulf (CG-72), USS Hué City (CG-66) and USS Anzio (CG-68) – because the service says the aging fleet is becoming too costly to upgrade and maintain.

But the proposal has met some criticism in Congress, with several lawmakers pointing out that the service wants to inactivate ships while struggling to build the larger fleet the Navy says it needs.

Rep. Rob Wittman (R-Va.), the seapower panel’s ranking member, also voiced concerns over decommissioning the cruisers because of a potential capability gap. Each cruiser has 122 missile cells, meaning the seven ships have a total of 854 cells. Kilby confirmed to Wittman that a “large percentage” of the Navy’s surface fires comes from those cruisers.

The Navy has cited both cost growth and maintenance issues in its rationale for decommissioning the cruisers, which the service planned to modernize. Chief of Naval Operations Adm. Mike Gilday told the House Armed Services Committee earlier this week that the costs for the modernization program were up by 175 to 200 percent.

## Memo reveals US Navy must pick between future destroyer, fighter or sub for FY23 plan



The U.S. Navy envisions an air wing of fourth-generation Super Hornets and fifth-generation F-35 Joint Strike Fighters into the 2030s. (U.S. Navy)

“The U.S. Navy may have to pick just one of three major modernization programs on the horizon to fund — pursuing a new destroyer, a new attack submarine or a new fighter jet, the acting Navy secretary warns in a recent memo. The other two due would be postponed to budget limitations, he wrote.

A June 4 memo from acting Navy Secretary Thomas Harker stated that, in line with recently reissued fiscal guidance from the Office of the Secretary of Defense, the service should be prepared to fully fund certain top priorities in its fiscal 2023 planning cycle but cut back in other areas.

“The Navy cannot afford to simultaneously develop the next generation of air, surface, and subsurface platforms and must prioritize these programs, balancing the cost of developing next-generation capabilities against maintaining current capabilities. As part of the [program objective memorandum ‘23] budget, the Navy should prioritize one of the following capabilities and re-phase the other two after an assessment of operational, financial and technical risk,” the memo read.

The Navy had planned to upgrade from its Arleigh Burke-class destroyers to the future DDG(X); from its Virginia-class submarines into the future SSN(X); and from its F/A-18E/F Super Hornets into a Next Generation Air Dominance platform — with all three projects coming to fruition sometime in the next decade.

Each has compelling reasons to continue at pace, making the upcoming risk assessments tricky for the Navy.

The article goes on to discuss other spending priorities including strategic deterrence recapitalization, operational initiatives that connect warfighters and weapons systems with the data necessary to achieve precision effects, technology investments that support continued teleworking, and a decrease in physical footprint by 1% a year for 10 years.”

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



Contact Monica at  
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iprepair.com to  
advertise open  
positions on the  
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CNRMC Domestic  
Workload FY21-24  
(01JUN2021)



Cal/OSHA COVID-  
19 ETS Update



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flyer that lists how to  
apply and email it to  
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nament is a go.  
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above and email  
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# NOTES FROM THE PRESIDENT

WRITTEN BY: DERRY PENCE



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The Ship Repair Association is working to get resolution on issues that impact our ability to effectively and efficiently accomplish work. We continue to work with representatives from CNRMC and SWRMC to address issues that our industry. We will also maintain relationships with our local Congressional delegation to make sure they are versed in issues that affect our industry. We are also engaged with the SCA and the other SRAs to present a unified front to our customers. Last, but not the least, is our engagement with local government entities including the Mayor's office and the APCD.

Let's begin by addressing two local issues: adoption of the Barrio Logan Community Plan and implementation of the requirements of AB 617.

The Barrio Logan Community Plan Update did not receive approval from the Planning Group at the June meeting. The outcome was direction to the City to work on incorporating a requirement for 15% affordable in all projects. This request will, in all likelihood, delay getting the Community Plan Update before the City Council by at least 3 months. We will continue to monitor the Plan and its requirements.

The AB 617 Steering Committee has voted to accept the CERP. The next steps are for the CERP to go before the APCD Board and then before the California Air Resources Board. The CERP in its current form is available for review on the APCD website, you are encouraged to look at it for potential impacts to your business.

A bill to fully fund the public shipyard improvement initiatives along with funding for the shipbuilding and ship repair private sector industries. The total value of this bill is \$25 billion with \$2 billion earmarked for the ship repair industry. We will be following this bill and will be encouraging support from our local Congressional delegation.

The issues that we are currently working with CNRMC are: CMMC and CUI requirements; DBIDS; workload stability; and change management.

NAVSEA has announced that they intend to conduct an industry day to address the requirements of the CMMC Interim Rule and to establish a common definition of what CUI is in July and CNRMC will hold a follow up session in August. Details will be forwarded as soon as they become available.

One of the main initiatives for the Navy is to create a stable and predictable workload in all ports. CNRMC will continue to issue the workload charts and the dialogue will continue on how to "smooth out the peaks and valleys". This topic has taken on increased importance with the release of the latest workload curves in June. You can find a link to these charts at the bottom of page 2 of this Newsletter.

I cannot stress the importance of identifying barriers to on time delivery. Reducing lost operational days for our ships as a result of delays in completing maintenance remains the number one priority for the Navy. We continue to look forward to your inputs on issues that are affecting you. Our standing committees are continuing to meet and provide important information. If you would like to participate or have questions/comments please reach out to the Committee chairs. Thank you.

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## Navy Reaches 'Handshake' Deal on Four-Ship Amphib Buy, Pentagon Wants New Navy Force Structure Assessment



USS America (LHA-6) sails in the Gulf of Thailand in support of Exercise

"The Navy has reached a preliminary agreement with Huntington Ingalls Industries on a plan to buy four amphibious warships, but the Pentagon may hold off on executing the deal pending a new force structure assessment, said a service official testifying before Congress today.

During a hearing in front of the Senate Armed Services Committee's seapower subcommittee, acting Navy acquisition chief Jay Stefany told lawmakers that the Navy reached a "handshake agreement" with HII's Ingalls Shipbuilding that would adhere to Congressional authorities the service received in the Fiscal Year 2021 policy bill.

Senator Roger Wicker (R-Miss.), from the state home to Ingalls Shipbuilding and previously chaired the upper chamber's seapower panel, described the recent budget submission as "dangerously inadequate." He noted the Navy did not ask to buy any amphibious ships in the request.

"Last year's Congress authorized a multi-ship procurement bundle for three LPDs and one LHA. Yet today, contracts for LPDs 32 and 33 have not been awarded," Wicker said.

Lawmakers, including Wicker, also criticized the service for only asking for one guided-missile destroyer instead of the two previously projected.

The service is party to a multi-year procurement agreement with Bath Iron Works and Huntington Ingalls Industries for the Arleigh Burke-class Flight III destroyers. A Navy official confirmed to reporters last month that the service will have to pay a \$33 million penalty if it only buys one destroyer because it would breach the multi-year deal."

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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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### Prepared By:

Kyle Wilkinson—SAC Committee Chair

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

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**Lorenzo Ramirez**  
**Business Development**

**Phone: 619-922-0541**

**lorenzo@sandiegopowdercoating.com**

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**PSDSRA QSL LIST**



**Michelle Simmons**

**QA Manager**

**1702 N. Magnolia Avenue**

**El Cajon, CA 92020**

**msimmons@sandiegopowdercoating.com**

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