

# SAC NEWSLETTER



7.29.2021

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)



SASC's FY 22 Defense Bill Boosts DoD Topline by \$25B; Adds 2nd Destroyer, More Navy F-35Cs



House appropriators advance \$706 billion defense spending bill



House appropriators would protect three of four littoral combat ships



Here are the ships the Navy wants to inactivate in fiscal 2022



Notes from the President

## SASC's FY 22 Defense Bill Boosts DoD Topline by \$25B; Adds 2nd Destroyer, More Navy F-35Cs



USS Daniel Inouye (DDG-118) at Bath Iron Works

"The Senate Armed Services Committee Fiscal Year 2022 authorization bill adds an additional destroyer, a Spearhead-class Expeditionary Fast Transport and five more F-35C Lightning II Joint Strike Fighters for the Navy, according to a summary of the markup issued on Thursday by the SASC.

The additions are part of a \$740.3 billion authorization bill that's \$25 billion more than the Pentagon's initial budget request from late May. The bill from the Democrat-led SASC is a major break from the White House's defense plan, which kept the Pentagon's topline flat compared to the FY 2021 budget.

Authorizers boosted the shipbuilding topline for the Navy by adding \$1.7 billion for a second Arleigh Burke destroyer and \$270 million for a Spearhead-class Expeditionary Fast Transport to the shipbuilding total.

The SASC bill follows last month's House appropriations \$706 billion defense spending package in line with the Biden administration's proposed top line including an additional \$11 billion in military construction."

## House appropriators advance \$706 billion defense spending bill



(Eric Baradat/AFP via Getty Images)

"The House Appropriations Committee on Tuesday approved a \$706 billion defense spending bill for fiscal 2022 over the objections of panel Republicans.

Though progressive Democrats voted to advance the bill, they said they were only doing so to allow for a debate and amendments on the House floor. They continued to decry what they saw as too much spending with too little oversight.

"We just spend too much on what is defined as traditional defense," said Rep. Mark Pocan, D-Wis. "What's actually in the defense of this country? It's not in defense contractors, but it's things like pandemics and climate change and other items that actually defend us."

Though the size of the bill hews to President Joe Biden's proposed defense budget, appropriators have proposed \$1.7 billion more for weapons procurement and \$1.6 billion less for development and testing of cutting-edge technologies meant to deter China.

The bill includes eight ships like Biden's budget does, but it adds a second Arleigh Burke-class destroyer widely sought by lawmakers, and it cuts one of two towing, salvage and rescue ships."

## House appropriators would protect three of four littoral combat ships



The crew of the LCS Coronado attends a change of command ceremony at Vigor Shipyard in Portland, Ore. (Ensign Jalen Robinson/U.S. Navy)

"House appropriators ripped a proposal to decommission four littoral combat ships contained in President Joe Biden's Pentagon budget request for next year as "a misuse of taxpayer funds."

The bill also includes a provision to block the retirement of three of the four littoral combat ships the administration asked to retire — the Fort Worth, the Detroit and the Little Rock — and it directs the Navy to report to Congress on plans and missions for the ships in its budget request next year. It would allow the Navy to retire the LCS Coronado.

The Navy's budget director said during the service's budget rollout in February that the cost of upgrading and repairing the first four littoral combat ships is too high and that it's better to decommission them.

Congress is allowing the LCS 1 and LCS 2 to be decommissioned — and now LCS 3 (the Fort Worth) and LCS 4 (the Coronado) are back on the Navy's hit list."

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## Here are the ships the Navy wants to inactivate in fiscal 2022



The Freedom-class littoral combat ship Detroit is one of several LCS the Navy wants to inactivate in fiscal 2022. (Navy)

“The U.S. Navy plans to inactivate 22 ships in fiscal 2022, according to a message to the fleet sent from the chief of naval operations earlier this month.

As expected, the schedule calls for scuttling littoral combat ships Detroit and Little Rock, which have faced issues with combining gear but which were commissioned in 2016 and 2017, respectively, according to the Naval Vessel Register.

The Navy’s schedule also seeks to do away with the LCS Fort Worth and Coronado, which each have served less than a decade.

The Navy would continue its long goodbye to the Ticonderoga-class cruisers under the proposed inactivation schedule, which would move the warships San Jacinto, Lake Champlain, Monterey, Hue City, Anzio, Vella Gulf and Port Royal into reserve status, according to the message.

Among other ships leaving the service, this month’s inactivation schedule includes five Cyclone-class patrol boats, which are slated for foreign military sale. They include Tempest, Typhoon, Squall, Firebolt and Whirlwind.

The amphibious assault ship Whidbey Island will also be moved into the reserve, while the submarines Providence and Oklahoma City are listed for recycling.

Fleet ocean tug Apache, along with the roll-on/roll-off ship 1st Lt. Harry L. Martin and the cargo ship LCpl. Roy M. Wheat will be scrapped.”

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## McCain’s Legacy Initiative on Pentagon Waste Is at Risk



John McCain Photographer: Andrew Harrer/Bloomberg

“The Senate Armed Services Committee wants to remove a mandated preference for the use of fixed-price contracts that increase financial risk for Pentagon contractors, overturning a signature initiative of the late Senator John McCain.

If the provision stays in the \$740 billion authorization bill for the year starting Oct. 1, it would eliminate a five-year-old requirement championed by McCain, the Senate panel’s former chairman, to eliminate what he described as billions of dollars in waste in defense spending from contracts that put the burden on taxpayers to shoulder many cost overruns.

The previously undisclosed move by the committee last week would eliminate Section 829 of the fiscal 2017 defense bill, which requires military contracting officers to favor the use of fixed-price provisions when determining what type of contract made the best economic sense. The annual defense bill still must be passed by the Senate and then reconciled with a House version.

A Pentagon spokesperson didn’t provide an immediate comment on whether the department supported the committee move. A spokesman for Senate Armed Services Chairman Jack Reed, a Rhode Island Democrat, said he had no immediate comment.

The Government Accountability Office said in February in a report mandated by Congress that fixed-price contracts for major defense acquisition programs “grew to account for almost half of the \$65 billion in obligations,” or money paid out on contracts, for fiscal year 2019.

But the GAO said the Defense Department “has not assessed its use” of fixed-price contracts, “which makes it difficult to determine if this contract type is helping to achieve the desired cost and schedule performance outcomes at an agency-wide level.”

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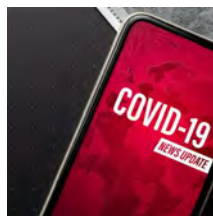
## Quick Link Resources Included for the Benefit of the Members



Contact Monica at  
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iprepair.com to  
advertise open  
positions on the  
PSDSRA Website



CNRMC Domestic  
Workload FY21-24  
(01JUN2021)



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PSDSRA Brief From  
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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 affect our industry. We are also maintaining 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.

I hope that everyone has had an opportunity to review the latest workload charts issued by CNRMC. The workload chart for our region shows a dramatic drop in work during FY 22 to be followed by a significant increase in workload beginning in FY 23. We have held discussions with SWRMC and COMNAVSEA/CNRMC about the dramatic dip in work followed by a steep increase in work in 23. While we don't have resolution at this time, we will remain engaged with the Navy to craft the best solution we can to restore work in 22.

Here is the latest information on our continuing local and national issues:

The Barrio Logan Community Plan Update is being reviewed by the City Planners about how to address the request to require a 15 percent affordable housing requirement in the Plan. This is progressing and it is expected that the Plan will be ready to move ahead in the October timeframe. We will continue to monitor the Plan and its requirements.

The AB 617 CERP has been approved by the APCD Executive Council. The next step is to present the CERP to the CARB in the October timeframe. The CERP is available for review on the APCD website, you are encouraged to look at it for potential impacts to your business. We are also monitoring a new regulation being developed by the APCD that will impact diesel vehicles in the future.

A bill to fully fund the public shipyard improvement initiatives along with funding for the shipbuilding and ship repair private sector industries is still working in Congress. 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 and DBIDS

We are still waiting to hear about the scheduling of an Industry Day with NAVSEA to address the requirements of the CMMC Interim Rule and to establish a common definition of what CUI. Details will be forwarded as soon as they become available.

Naval Station San Diego reports that they are getting closer to making the turnstiles in the enclaves DBIDS credential accessible.

I can not 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. Thank you.

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## Navy secretary nominee supports expanding fleet, but says more money is needed



Navy secretary nominee Carlos Del Toro speaks during a Senate Armed Services confirmation hearing on Capitol Hill July 13. (Jacquelyn Martin/AP)

“President Joe Biden’s pick to lead the Navy voiced strong support Tuesday for plans to maintain a 355-ship Navy but also acknowledged that reaching that goal will require “additional resources” from Congress in coming years.

Carlos Del Toro, a retired Navy commander and business leader, also told senators during his confirmation hearing that he sees both climate change and China as top threats to the force in coming years.

“As our nation shifts from a land-based strategy over the past 20 years, fighting the wars in the Middle East, to a more dominant maritime strategy in the Pacific, particularly in our efforts to deter China, I do believe that our Navy/Marine Corps team will need additional resources to be able to fully meet the combat effectiveness we will need,” he said.

He also said investments in unmanned naval systems will be key to meeting those threats. “It’s important to ensure that they’re fully integrated with all of our existing platforms.”

No timeline has been announced for when the full Senate could confirm Del Toro. Lawmakers are scheduled to break in early August for district work. If he isn’t approved by then, the confirmation vote will not come until sometime in September.

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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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# OTHERS PROMISE WE DELIVER!

## WHO WE ARE:

CTR Group has over 30 years of experience in providing quality skilled trades, technical, and engineering support services to supplement our client's manpower needs in the commercial, industrial and government arena. We have a proven system of candidate screening that reduces the percentage of "bad hires" typically resulting in higher productivity and lower turnover and less rework. This system combines intense screenings, testing customized to customer needs, customized orientations, and safety training. Permitting us to meet your staffing requirements with minimal turnover.

## OUR SERVICES BENEFITS

- ✓ **CONTRACT-TO-HIRE**
  - Easy conversion to "Contract."
  - Flat Fee-Driven.
  - Flexible Time Frames
  - "Try & Buy" philosophy.
- ✓ **DIRECT HIRE**
  - All candidates have background checks.
- ✓ **SERVICE FLEXIBILITY**
  - Bundled placements.
  - Contract-to-hire or Direct Hire conversion.
  - Partner in Project Life Cycle.

## CONTRACT STAFFING DISCIPLINES

*'INCLUDING BUT NOT LIMITED TO*

### ENGINEERING

Engineers  
Drafters  
Technical Illustrators  
Technical Writers  
Document Reviewers  
Engineering Technicians  
CNC Programmers  
Stress Analysts  
Project Managers

### ADMINISTRATIVE

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Estimators  
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Proposal Writers  
Human Resources  
Administrative Assistants  
Accounting Clerks  
Contract Administration

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Electronics  
Electrical  
Mechanical  
Electro Mechanical  
Maintenance  
Electronic Warfare  
Communications  
QAQC Inspectors  
Test Technicians

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Assemblers/Fabricators  
Machinists  
Industrial Mechanics  
Millwrights  
Electricians  
Construction Managers & Supervisors  
Pipefitters  
Outside Machinists  
Sheetmetal Mechanics  
Shipfitters  
Welders  
Coatings  
Iron Workers

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#### JAG Welding, Fab & Services: Next Generation JAG

JAG Welding, Fab & Services is the next generation of the JAG Marine Group family of marine and industrial services companies. We are advancing JAG's mission and legacy of excellence in shipbuilding and marine service by providing NAVSEA certified specialty welding, fabrication and other key shipyard services directly to our shipyard customers. As a direct service provider, JAG WFS has a greater capacity to monitor and control productivity and output of our crews, maximizing our opportunity to deliver on our mission to provide a superior customer experience along with enhanced quality and efficiency.

#### Specialty Welding

At JAG Welding, Fab & Services (JAG WFS), our NAVSEA certified specialty welders provide specialty alloy welding and fabrication for shipyard customers specializing in Navy projects and other government shipbuilding and marine repair contracts as well as large commercial shipbuilding and marine repair. Based in Seattle, Washington, JAG WFS crews of highly skilled and experienced welders are rapidly mobilized to shipyards nationwide.

#### Specialty Alloy Welding

Specialty alloy welding procedures are vital to the shipbuilding industry. These advanced welding skillsets are essential for our shipyard customers to meet the scope and quality required for large commercial, Navy and other government shipbuilding and marine repair projects.

#### Specialty Welding Processes

Our welders are certified in multiple processes including Gas Metal Arc Welding GMAW 5XXX, Gas Tungsten Arc Welding 5XXX, GTAW CRES, high yield steel (HY-100), 5XXX series aluminum welding and 6XXX series aluminum welding.

#### Mechanical and Electrical Support Services for Shipyards

To meet the widest possible range of needs for large commercial shipbuilding and marine repair projects, Navy projects and other government marine services projects, JAG WFS provides our shipyard customers key specialty shipyard services including mechanical and electrical support services.

#### PCP Development

We also provide PCP development for structural, pipe and machinery, writing technical work documents to governments standards such as process control procedures (NAVSEA 009-09).

#### Pre-Fabrication

Metal fabrication is a key service to our shipyard clients for both Navy and commercial shipbuilding projects. To meet customer and project needs, we provide a significant range of metal fabrication services including tube rolling, metal forming, plate rolling, press forming and bracing, specialty alloy welding and other processes. Additionally, we are skilled in pre-fabrication for Navy projects including phase II and phase III CG program.

Respectfully,  
Tom Shoup Jr  
Vice President  
[Tom.Shoup@JAGMARINEGROUP.com](mailto:Tom.Shoup@JAGMARINEGROUP.com)

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- Sheetmetal / HVAC**
- Habitability**
- Electrical**
- Composite**
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- GRP**
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- General Labor / Housekeeping**
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**Southcoast Welding & Manufacturing, LLC. (SCW&M)** was founded in 2003 as a structural and welding contractor for the defense and construction industries. We have since expanded our capabilities to include a fully equipped metal fabrication shop, machine shop with both CNC and conventional machining capabilities, mechanical shop with field services, and a certified welder training school. This expansion increases our company's ability to service our customer's needs with over 900 skilled tradesman. SCW&M's Management Team has over 300 years of combined experience which is valuable to ensure efficiency and quality work. SCW&M is customer focused and dedicated to delivering superior products and services on time to exceed expectations.

- |                                      |                             |
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