

# SAC NEWSLETTER



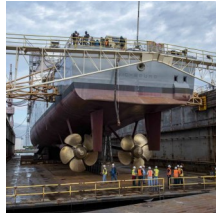
12.30.2022

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

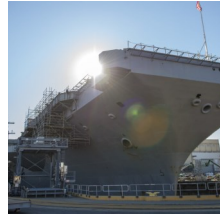
## Top stories in this newsletter (Helpful Hint: click the pictures to be taken to the articles/links)



Defense spending to rise by 9% in Congress' FY23 budget deal



Congress is building a stronger fleet than the Navy



How many ships? Lawmakers set to establish independent commission to study Navy's structure



Congress pushing for more amphibs despite Navy projecting production shutdown



US Navy creates innovation center, advisory board to focus investments

## Defense spending to rise by 9% in Congress' FY23 budget deal



(Tech. Sgt. Ter Haar/Air National Guard)

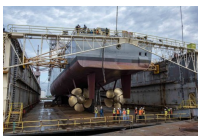
"The Department of Defense would see a 9% funding boost over fiscal 2022 spending levels — including enough money to fund a 4.6% pay raise for troops next month — under a compromise full-year federal appropriations bill unveiled by lawmakers Tuesday.

The measure is the culmination of a year of budget debates on Capitol Hill and gives the military a multi-billion-dollar boost in funding for fiscal 2023, well above the mark requested by President Joe Biden in his budget proposal last spring.

The Defense Department's total available funding under the plan is nearly \$817 billion. Although plans for that funding (including the 4.6% pay raise) were already laid out in the annual defense authorization bill finalized last week, Congress still needs to approve the appropriations measure to deliver the money to federal agencies.

It allocates \$31.9 billion for the Navy to procure an additional 12 ships, including three Arleigh Burke-class destroyers, which the White House had opposed. The bill also provides \$4.5 billion for two Virginia-class fast attack submarines, \$3.1 billion for the first Columbia-class ballistic missile submarine, and \$1.1 billion for a Constellation-class frigate."

## Congress is building a stronger fleet than the Navy



(MC3 Brandon Roberson/U.S. Navy)

"...The House voted on a final National Defense Authorization Act for fiscal 2023 that secures the future of our naval fleet for another year. Fortunately, Congress improved the Navy's FY23 inadequate shipbuilding plan in critical ways: We rejected the Navy's ship construction plans, their decommissioning schedules, force structure proposals and overarching threat assumptions.

First, Congress recognizes that fleet capacity cannot be sacrificed in the near term. I accept former Indo-Pacific Command leader Adm. Philip Davidson's assessment that China will likely aim to reintegrate Taiwan by force by 2027. Our entire force structure should be optimized to prevent conflict at the time of our greatest vulnerability. Our president must have options to respond appropriately to that crisis.

For this reason, Congress rejected the Navy's request to retire ships that have service life remaining, and those equipped with modern combat systems. This judgement from Congress conflicts with Navy Secretary Carlos Del Toro's recent comments that "many members of Congress have been very supportive of our efforts to decommission these ships," in reference to Ticonderoga-class cruisers. Actually, Congress specifically prevented the retirement of the guided-missile cruiser Vicksburg in the FY23 NDAA.

Similarly, Secretary Del Toro also asserted that amphibious dock landing ships, or LSD, approaching 35-40 years of age should be retired early, but each of the four LSDs that the Navy recommended decommissioning this year have available hull life remaining. One of those ships, LSD 48, even has nine years of hull life remaining, meaning the ship could be in service until FY31.

Congress is willing to build more ships than the Navy and places more faith in the shipbuilding industrial base. Secretary Del Toro admitted that additional dollars would be better spent on "more [Arleigh Burke-class] DDG Flight IIIs or Constellation-class frigates," instead of modernizing Ticonderoga-class cruisers. Senior Navy leaders, however, have repeatedly tried to throw cold water on opportunities to build more than two DDG Flight IIIs per year, blaming industry for the service's own lack of commitment to strategy-based shipbuilding plans.

But industry is not the problem; our nation's shipbuilders confirm they have the capacity to support a larger fleet. Acknowledging this, Congress added an additional DDG Flight III to the budget for FY23.

It is unacceptable for the Navy to shift blame by misrepresenting the industrial base's capacity, rather than acknowledging the Biden administration's unwillingness to invest in our national security."

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## How many ships? Lawmakers set to establish independent commission to study Navy's structure



(U.S. Navy Photo by Mass Communication Specialist Seaman Michael Joseph Flesch)

“Lawmakers are poised to establish a new independent commission tasked with definitively telling Congress, the White House and the Pentagon just how big the US Navy’s fleet should be.

That panel, dubbed the “National Commission on the Future of the Navy,” would be borne out of this year’s National Defense Authorization Act, which was passed by the House last week and now awaits a vote in the Senate before heading to President Joe Biden’s desk. Should the NDAA pass as is, the panel’s eight members, each selected by various congressional leaders in both chambers, have daunting objectives and roughly 18 months to do their work.

“The Commission shall undertake a comprehensive study of the structure of the Navy and policy assumptions related to the size and force mixture of the Navy, in order— (I) to make recommendations on the size and force mixture of ships; and (II) to make recommendations on the size and force mixture of naval aviation,” according to the legislation released by House and Senate lawmakers last week.

The bill lays out numerous factors the panel should consider ranging from the needs of the combatant commanders and the Navy’s plan to revamp its four public shipyards to shipbuilding industrial capacity and relevant maintenance programs. In essence, the panel must consider just about every conceivable factor that the Navy itself likely considers when balancing the needs of its fleet against the fiscal realities it faces.

The commission’s final report would be due to lawmakers no later than July 1, 2024, according to the bill’s text, and the panel would be disbanded within three months of lawmakers receiving the report.”

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## Congress pushing for more amphibians despite Navy projecting production shutdown



(U.S. Navy photo by James Cleveland)

“Lawmakers in this year’s defense policy bill had a specific, albeit mostly implied, message to send the Navy about its fleet of amphibious ships: Make sure you’re ready to buy more next year.

That wouldn’t be noteworthy in most years; the amphibious shipbuilding contingent in Congress is lively and vocal. But what makes this year different is the elephant in the Navy’s fiscal 2023 budget request: The service projected it would stop buying San Antonio-class transport dock ships starting next year, ending production eight ships short of previous plans.

Because of how the federal budgeting and spending process works, Congress can’t demand the Navy continue to buy amphibious ships, so it may not be surprising there is no explicit language in the bill addressing the projected production sundown. But what lawmakers can do is write policy that pushes the service in a specific direction, and on that front, there was no shortage of activity.

“Congress is sending the Navy a clear message that it wants construction of large amphibious ships to continue. It set a target of 31 ships, which is about where the fleet is now and would require continuing production of the San Antonio class,” said Mark Cancian, a military analyst with the Center for Strategic and International Studies.

The target Cancian referred to is a new minimum ship count established in this year’s defense policy bill, requiring the Navy and Marine Corps maintain a fleet of 31 amphibious vessels. Historically, such legislation is more symbolic than anything else because it lacks meaningful penalties if the service fails to reach the goal — but it does set a clear marker from lawmakers about where they stand.”

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



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



Information on  
CMMC 2.0



CNRMC Workload  
Forecast Charts



Cal Chamber Job  
Killers



CARB Bulletin

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## FAREWELL TO THE PRESIDENT



The Strategic Affairs Committee would like to congratulate Derry Pence on his retirement from the San Diego Ship Repair Association. We have enjoyed working with you during your time here and we consider you a pillar of the ship repair community.

While you will be missed by all of us in the Association, you certainly deserve your retirement. Your hard work and diligence have greatly benefitted the waterfront community and we hope that your successor strives to follow your stellar example. Your contributions, and the guidance you provided to our industry, will be sorely missed.

We wish you the best in your future endeavors. Retirement will surely offer you many new opportunities, which we know you will embrace wholeheartedly, just as you did at the Association.

Thank you for your tireless efforts on behalf of our Association and a lifetime of service to our fleet. Your San Diego Waterfront Community is grateful and in your debt!

Please keep in touch, and visit often if you find that you have the time. We hope you have a fun and fruitful retirement!

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## US Navy creates innovation center, advisory board to focus investments



(Cpl. Patrick King/U.S. Marine Corps)

“The U.S. Navy is creating an innovation center and an advisory board focused on science and technology as the service seeks to better invest its resources to stay ahead of potential adversaries in the long term, the Navy secretary told Defense News.

The Navy Innovation Center will be located at the Naval Postgraduate School in Monterey, California, and will “focus on the truly transformational technology that we need, not just two years, five years down the road, but 10, 15 years down the road,” Carlos Del Toro said while traveling back from a visit to Columbia University in New York.

Early focus areas will include, but are not limited to, artificial intelligence, machine learning and quantum computing, he explained.

The Navy in the last several years tightened its relationship with small businesses and academia to leverage their new products and research investments. A web of so-called Tech Bridges throughout the United States and globally provides a point of contact for a company or research group looking to pair ideas with a Navy or Marine community.

A soon-to-be established Department of the Navy Science and Technology Advisory Board will also help make strategic decisions about where to invest limited funds. Del Toro said the Navy selected individuals from a range of backgrounds for the board, and the White House will screen them before they formally join the board.”

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## Time running out for Pentagon nominees



(Andrew Harnik/AP)

“Pentagon leaders fear the chance of advancing a slate of critical department nominations this year is dwindling amid ongoing opposition on Capitol Hill, and they’re warning that delays could cause significant hardship for military operations in the months to come.

With only one week of scheduled work left for the Senate this year, 10 senior defense nominations await votes from the chamber. Several have been pending for months. Lester Martinez-Lopez, President Joe Biden’s pick to be assistant secretary of defense for health affairs, has been awaiting confirmation since January.

The end of a congressional session typically brings with it a flurry of confirmations of noncontroversial candidates. But in recent days, several Republican senators have vowed to block some or all Defense Department nominations over separate disagreements with the Biden administration, dimming the prospect for completing the work this month.

And since a new session of Congress begins next month, any nominees who aren’t confirmed by the end of this year will have to refile paperwork and restart the confirmation process, a situation that potentially leaves them waiting for additional months.

“These holds are hamstringing an organization at a time when we have a pacing challenge in China, an acute threat from Russia,” a senior defense official said, speaking on the condition of anonymity due to the sensitivity of negotiations between the Pentagon and Capitol Hill. “These are the people who would serve as connective tissue between the president, the White House, the secretary and the deputy, the uniformed military, and career bureaucracy — and that’s a really important role.

“At a time when Congress is telling us to run faster, compete with China, focus more on Taiwan, focus more on acquisitions, do a better job recruiting, they’re also saying: ‘And oh, by the way, do it without 10 highly qualified civilian nominees.’”

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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, Dan Cummins, Michael Gonzales, Dante Sitta, Charnel Kirkpatrick, and Michelle Walker.

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## Prepared By:

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With Contributions from Derry Pence — PSDSRA President

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