

## Ship Clips - September 13, 2011

A compilation of  
articles concerning the Shipbuilding Industry

From the  
Congressional Shipbuilding Caucus

Tuesday, September 13th, 2011

New Navy Ship to Carry Milwaukee's Name

Panetta Seeks To Reassure Defense Industry  
on Budget Cuts

Bath Iron Works Lays off 44 Salaried Workers

Lockheed Martin VP Joe North Discusses  
Marinette Marine Littoral Combat Ships

New Navy Ship to Carry Milwaukee's Name

MARINETTE,  
Wis. -- The U.S. Navy's latest combat ship being built in Marinette, Wisconsin  
will bear the name of another city in the Badger state. The fifth Littoral Combat Ship being built at  
Marinette Marine will bear the name USS Milwaukee.

Construction  
on the ship began in August. It is scheduled for delivery to the Navy in 2014. The LCS class ship is designed to be  
operated  
closer to shore. Its main functions are to hunt for submarines and to support  
military ground troops.

The ship will be 388 feet long, and is capable of traveling at speeds above 40 knots. Navy Secretary Ray Mabus met with Milwaukee mayor Tom Barrett on Tuesday to discuss the new ship. Fans at Tuesday night's Milwaukee Brewers game will see video of the Littoral ship as Mabus throws out the first pitch of the game.

(WISN ABC MILWAUKEE 13 SEP 11)

### Panetta Seeks To Reassure Defense Industry on Budget Cuts

#### Defense

Secretary Leon Panetta told a defense industry group it is "essential" to U.S. military superiority and said he will work with executives to establish policy for the industrial base as the Pentagon faces at least \$330 billion in budget cuts over 10 years.

#### Panetta

expressed his "desire to work together to formulate a policy for industrial base that I believe we've not had in place until now," Chief Executive Officer Jim Albaugh of Boeing Co. (BA)'s commercial aircraft said today at a meeting of the Aeroclub in Washington. Establishing policy to guide the industrial base "needs to be addressed, and we both feel very strongly" about getting it done, Albaugh said in a short interview after his speech, referring to Panetta. "We are going to work together to do that."

#### For

the first time "in 100 years," the Defense Department lacks any "active manned aircraft design teams," he said. Lockheed Martin Corp. (LMT)'s F-35 Joint Strike Fighter is the only new fighter jet in the Pentagon's buying plans. The F-35 is designed to replace older fighter jets over the next 30 years for the Air Force, Navy and Marine Corps. "Having a strong industrial base is not a given," Albaugh said.

#### Industry Meeting

#### Panetta

met with members of the executive committee of the Aerospace Industries Association at the Pentagon for about an hour and urged the representatives to help improve efficiency, according to his press secretary, George Little, who characterized the meeting as "productive." The association represents manufacturers such as Boeing, United Technologies Corp. (UTX) and Northrop Grumman Corp. (NOC)

"The secretary emphasized to this group of industry partners that the Defense Department can't protect the nation without the support of a strong defense industrial base," Little told reporters at the Pentagon.

Panetta is seeking to reassure major weapons manufacturers and win their cooperation as the Defense Department considers how to make the spending cuts demanded by the Budget Control Act, signed Aug. 2 by President Barack Obama. The Pentagon faces as much as \$500 billion in further reductions if a congressional supercommittee fails to agree on other ways to reduce the federal debt.

### 'Devastating' Cuts

Panetta emphasized again during the meeting that such a cut "would be devastating," Little said.

The association plans to kick off a campaign tomorrow to highlight the "devastating job losses, national security threats and infrastructure implications that would result from budget cuts put in motion by this summer's debt-ceiling deal," according to a Sept. 12 statement on the group's website.

Association spokeswoman Alexis Allen declined to comment on the meeting or reveal which members of the group's executive committee attended. She said association President and Chief Executive Officer Marion Blakey will comment at the campaign kickoff press conference tomorrow. Obama's nominee to become Panetta's deputy defense secretary, Ashton Carter, told a Senate committee considering his nomination today that the Pentagon's weapons-buying system is "not acceptable."

Carter, the undersecretary of defense for acquisition, technology and logistics, told the Senate Armed Services Committee that further steps will be taken to rein in costs beyond the measures adopted under a 2009 reform law. Panetta said in his meeting that he considered research and development a priority, according to Little.

### 'Creativity and Innovation'

"Creativity and innovation in the private sector are absolutely essential to developing what we need to provide for the nation's defense," Little said. Panetta also discussed efforts to revise and improve the nation's export-control regulations for defense items. He pledged to the group that the changes would be made "in a way that allows American companies to sell their goods and services and materiel to other countries," Little said, without providing specifics.

The defense chief plans to conduct regular meetings with the aerospace association and similar groups, Little said.

(BLOOMBERG NEWS  
13 SEP 11) ... Viola Gienger and Roxana Tiron

#### Bath Iron Works Lays Off 44 Salaried Workers

BATH, Maine - Maine's Bath Iron Works is cutting 44 salaried positions in the engineering department as design work slows down on the next-generation Zumwalt destroyer. Spokesman Jim DeMartini says the lead ship is now 50 percent complete, so much of the design work is finished for the destroyer. Bath plans to build three of the Zumwalts before construction shifts back to Arleigh Burke-class destroyers.

DeMartini says the layoffs become effective on Sept. 23. Workers were notified Friday. He says the job cuts are necessary "to meet our Navy customer's changing requirements within their available funding."

(ASSOCIATED PRESS 01 SEP 11)

#### Lockheed Martin VP Joe North Discusses Marinette Marine Littoral Combat Ships

MARINETTE - The Green Bay Press-Gazette speaks with members of the business community in its Monday conversation feature. Joe North, vice president of littoral ship and systems programs for Lockheed Martin, talks about the status of littoral combat ships under construction at Marinette Marine

Corp., in Marinette, as well as the working relationship between the shipyard and Lockheed Martin.

Lockheed Martin is the prime contractor selected to build as many as 10 littoral combat ships in Marinette through the middle of the decade. The U.S. Navy would eventually like to see 55 of the ships in service. Austal USA is building 10 ships of a different design in Alabama.

Q. What's the status of LCS 3 (future USS Fort Worth) and LCS 5 (future USS Milwaukee)?

A. Right now, 3 is roughly 95 percent complete, and we're into the mode of final touches and into the test phase. We're getting ready for dock trials, which are followed by builder's sea trials. We've got about a month's gap between our sea trials and the Navy showing up for the acceptance trial. All of that is being done this fall before winter.

LCS 3 will stay here through the ice period, and she'll be going through crew move aboard and certifications during that time ... then somewhere around June - the Navy will control those dates - the crew will make their way out of here and start their sail around the lakes and out the locks.

LCS 5 is in the early stages of construction, almost all the materials and all the vendors are under contract, so we're just going to turn the work force straight off of 3 to 5, and that's the transition Chuck (Goddard, Marinette Marine president, CEO and general manager) is referring to when he talks about getting into a manufacturing mode.

LCS 7 (future USS Detroit) will start production later this year as well, and she'll be following right in the footsteps of 5, and with the award of two more ships in 2012, we plan to just continue that cycle, folks are moving off one hull to the next.

Q. What is production time on each ship?

A. When we get a contract, it's about a year before you start on production, only because we're waiting on big engines, gears and things like that that are 20 to 22 months of lead time. So what we do is start production on a schedule that allows that gear and larger equipment to come, and the yard can outfit it and load it out in sequence.

The overall (production) time is roughly between 36 and 40 months. And we also try to work around the ice period, so we're not getting close to finishing a ship - and the next things are trials - and we have to wait for the ice to melt. You'll see a cycle here where we're doing trials on every other ship in early summer and ... the October

and November time frame.

It keeps everything in a steady state.

Q. How closely is Lockheed Martin working with Marinette Marine Corp. to make this project happen?

A. We're hand in hand. We have folks that set up our aircraft production lines - and we're going to reach capacities on that line where we're delivering a plane a day - so there's a lot of very good experience and technology there.

They know what has worked and what we've tried that hasn't worked, and we're passing those lessons along to Chuck and his staff as we're setting this up. ... We want to set it up right and get the most bang for the buck, that's where you get the efficiencies.

Q. How high-stress is your job?

A. It's easier to manage this job from where I sit. When the yard is on schedule, on budget, we're meeting our production timelines and things are going smooth. But it's shipbuilding, and stuff happens. We will have different issues on every hull we build.

At the same time, I'm also working on taking care of the ships we're delivering to the fleet, so that's a whole other focus I have as well as trying to grow into the international market where there is still interest.

I have a very good staff - and I lean on Chuck who has a very good staff - and there's very rarely anything that pops up that they don't come and say, "Here's the issue," but also "Here's the options for how we're going to fix it."

(GREEN BAY PRESS-GAZETTE 12 SEP 11) ... Nathan Phelps