

Congress of the United States
House of Representatives
Washington, DC 20515

October 1, 2015

The Honorable Ray Mabus
Secretary of the Navy
The Pentagon
Room 4E686
Washington, D.C. 20350

Dear Secretary Mabus,

We write to call your attention to the serious challenges facing our shipbuilding and ship repair industry in the Hampton Roads area.

As you have noted in the past, the U.S. Navy has “a critical partnership with the American people and with the shipbuilding and defense industries.” That partnership is critical to grow and maintain our fleet at a time when the demand for U.S. naval forces greatly exceeds their supply. Thanks to your leadership and attention, the Navy’s relationship with the shipbuilding and ship repair industry is strong. However, the industry faces a number of challenges associated with an anticipated decline in workload.

Those challenges are especially acute in Hampton Roads, the world’s largest center of naval shipbuilding and ship repair and a strategically critical node in our defense industrial base. Private shipyards in the Hampton Roads area are currently facing a decline in naval construction and repair work that is prompting them to lay off a large portion of their workforce. Last month, the President of Newport News Shipyard publicly announced that his yard could see 1,500 layoffs between now and 2016. On September 18, 2014, the first 480 employees were notified of their termination. Four days later, BAE Systems Norfolk Ship Repair announced that it will be laying off 650 full-time employees (roughly 40% of its workforce) and 300 temporary workers. Other yards in the area are anticipating further reductions but have yet to make them public.

Based on the Navy’s plans and the conversations we have had with industry, we believe the anticipated layoffs could total over 2,500 jobs lost across the Hampton Roads shipbuilding and ship repair industry over the next few years. The employees laid off will include skilled craftsmen and artisans with decades of experience under their belts. These workers are truly a strategic asset that will be difficult and costly for our shipyards and our nation to replace, should they exit the workforce or move to another area or industry. This is problematic as the workload in the region is expected to increase again in FY2018 and beyond.

We believe that it is imperative that the Navy immediately prepare a strategic plan to stabilize the workload in the Hampton Roads area and mitigate the harmful impact and

costs of the anticipated fluctuations. We believe that you have several options that could be implemented to reduce the harm to the Hampton Roads industrial base, including:

- Repair of forward-deployed naval forces in the United States for maintenance availabilities that exceed six months;
- Using available congressionally-approved appropriations to expedite the cruiser modernization process;
- Implementing public-private partnerships to contract out non-core work at the public shipyard;
- Outsourcing lower-priority public shipyard work such as *Los Angeles*-class availabilities to the private sector; and
- Seeking to hire former private yard workers as Norfolk Naval Shipyard expands its public-sector workforce by 1,500.

Of note, many of these options could be executed with funds already allocated in the budget.

The shipbuilding and ship repair industries have always had to deal with some ebb and flow in the size of their workload and labor force. But the magnitude of the change in Hampton Roads impels the Navy to mitigate its impact. It is our hope that we can work together to increase stability and predictability at the waterfront and sustain the skilled work force that supports our fleet. Steady workloads will ensure that this critical industrial base is maintained at the lowest possible cost to the Navy and the nation.

We look forward to meeting with you and your staff to consider the various alternatives that should be implemented to provide immediate relief to the Hampton Roads area.

Yours sincerely,



J. Randy Forbes
U.S. Representative



Rob Wittman
U.S. Representative



Scott Rigell
U.S. Representative



Bobby Scott
U.S. Representative