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Aircraft-carrier suppliers rally to save their industry

By Megan Scully

A band of mostly small and midsize defense suppliers will storm Capitol Hill this week to persuade lawmakers to save the beleaguered aircraft-carrier industry, one of several areas of the defense sector hit hard by recent budget cuts.

The suppliers are all part of the Aircraft Carrier Industrial Base Coalition (ACIBC), an organization founded several months ago in an effort to educate lawmakers and drum up support in Congress for maintaining a robust carrier fleet even in the austere budget environment.

Most of the member companies do not have government-affairs shops and few have any experience lobbying Capitol Hill.

But during two “action days” this week, coalition members will try to persuade lawmakers to thwart Bush administration plans to retire the USS John F. Kennedy aircraft carrier next year. Retiring the Kennedy, which was expected to remain in service for more than another decade, would reduce the military’s fleet to 11 carriers and save the Defense Department \$1.3 billion between 2007 and 2011.

Aside from the Kennedy, coalition members also plan to stress the importance of keeping funding and development on track for future carrier production. There already is talk of slipping development of the next nuclear carrier by at least a year.

“Carriers are the big behemoth of the fleet,” said Gerry Nicholson, co-chairman of the ACIBC and president and chief executive officer of Marlo Coil in High Ridge, Mo. “We just feel we have to raise our hand and say, ‘Are you aware of what’s happening here?’”

Aircraft carriers have played a pivotal role in Iraq and Afghanistan, where the ships were used as massive sea bases for U.S. troops and aircraft. A carrier also was used in the humanitarian relief effort after the tsunami in southern and eastern Asia.

Typically, shipbuilding has been an issue that concerns only a handful of members — mostly from industry bastions such as Virginia, Mississippi, Connecticut, Louisiana and

Maine. But coalition members plan to stress to Congress that the industry has a much wider net than that.

More than 2,000 supplier companies — employing roughly 100,000 workers — contribute to the construction of a single aircraft carrier, according to the coalition's statistics. Cuts or delays to one program can have a significant impact on jobs across the country.

“There are ... first-tier suppliers in 46 of the 50 states,” Nicholson said. “I don't think a congressman from Chicago [is] aware of the depth of manufacturing that supports shipbuilders.”

Individual coalition members already have been contacting their lawmakers, stressing that major shipbuilding cuts could have a nationwide impact on jobs.

“It is time now to schedule some appointments,” Nicholson said. “There are more constituents [employed by shipbuilding] and a bigger effect on their constituents than they might realize.”

The group also will hold a congressional breakfast March 9, hosted by Rep. Jo Ann Davis (R), whose southern Virginia district is located near Northrop Grumman's Newport News Shipbuilding business. The breakfast is expected to draw more than 100 lawmakers and staffers.

“The whole point in all of this is to get awareness on Capitol Hill into the shipbuilding industrial base,” said Davis, who has introduced legislation in the past requiring a 15-carrier fleet. “England cut back, and they are struggling now. They let things slide. ... We can't just get our industrial base back overnight.”

Nicholson said he believes the organization will be around long after this round of budget negotiations is over.

“I don't think the concern will wane in this budget cycle,” he said.