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Changes in Navy's plans hurt shipyards, Petters says

By DALE EISMAN,

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WASHINGTON — An influx of inexperienced workers, repeated shifts in the Navy's plans to buy new ships, and investor uncertainty are combining to create a "perfect storm" that is roiling the shipbuilding industry and Northrop Grumman's Newport News shipyard, the yard's president said Wednesday.

Mike Petters, who took charge of the yard and its 19,000 workers last year, said that major gaps in aircraft carrier purchases are driving experienced shipbuilders to "decide they want to do something else." That has forced the yard to make major investments in training new workers, he said.

Because it is relying on a less-experienced work force, the yard is struggling to get work done efficiently, Petters said. Executives estimate that it takes about five years to fully train a shipyard worker, he said.

Petters said that the inexperience of much of its own work force also is driving the yard to hire subcontractors to do work previously handled in-house. Two foreign nationals employed by a subcontractor working at the yard were arrested last month and charged with using fake documents to get their jobs, fueling concerns about security at the massive facility.

Petters said the yard continually evaluates security and said that the two workers "never had access to any of the sensitive things that we do." An internal audit led to the discovery of the workers' false papers, he added.

Petters' comments came as he and representatives of several dozen firms that manufacture carrier components stormed Capitol Hill to lobby against a Bush administration plan to delay until 2008 the start of construction of a new-design carrier, now called CVN-21.

Northrop Grumman has carrier suppliers in about 45 states, so the \$5 billion or more needed to build and outfit each of the 90,000-ton ships is spread among hundreds of congressional districts. The company has helped organize a new "Aircraft Carrier Industrial Base Coalition" to remind lawmakers of the financial impact of flattop contracts in their cities and states.

The administration's proposed delay in CVN-21 could add \$1 billion to the cost of the ship, according to an analysis by Ronald O'Rourke, who tracks Navy programs at the Congressional Research Service. The new carrier is to cost as much as \$12 billion, though Petters said Wednesday that about half of that money is going to research and development.

But Petters said he could not predict whether the delay will force the yard to lay off some of its employees.

Forecasting layoffs now would do little more than create “scare headlines,” he said, and the yard and the Navy might be able to negotiate other jobs that could keep workers occupied until it’s time to begin construction of the carrier.