

Aircraft carrier suppliers storm the Beltway

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MARCH 29, 2015

Harry Epstein has never commanded a Navy strike group, and Lisa Papini doesn't have a cushy **Pentagon** office. But without small businesses such as theirs, America's mighty aircraft carrier fleet would be dead in the water.

Last week, they and dozens of others in the Aircraft Carrier Industrial Base Coalition descended on Capitol Hill for an annual lobbying blitz that organizers said was its largest ever. They came from around the country, but all have economic ties to **Newport News Shipbuilding**, the nation's sole manufacturer of aircraft carriers.

Their message: Suppliers matter.

In past weeks, **Congress** has heard this same story from admirals and top Navy civilians as the 2016 defense budget comes up for debate. Top officials worry that if defense spending becomes spotty or unpredictable, businesses will seek nondefense work.

Coalition members offer a perspective that comes straight from the shop floor.

"Because of the uncertainty of the shipbuilding program, we actually have vendors that are leaving the industry," said Epstein, CEO of Marine Electric Systems Inc., of South Hackensack, N.J. "They actually have no interest in supporting the military when they don't know if they have consistent sales coming in."

Marine Electric makes conductivity equipment that measures water impurities in various aircraft carrier systems. It also provides sensors used in flight, ammunition and cargo elevators. The company employs about 40 people.

Papini is vice president of Dante Valve, based in California with an office in Norfolk. It supplies safety and relief valves for aircraft carriers and employs 45 people in the two locations. In the past year, its workforce has jumped by 25 percent.

Both companies have contributed parts to the Gerald R. Ford, the next generation of U.S. aircraft carrier christened last year at Newport News and currently undergoing further work at the shipyard. The Ford-class program represents the future for carriers, but small suppliers are concerned about the present.

"I think our industry in general is changing very dramatically right now," she said. "We're seeing ... the need to drive costs out of the system and we're seeing the shipbuilder take an active role in that."

The Newport News shipyard, a division of **Huntington Ingalls Industries**, is building the second Ford-class ship under a fixed-price contract with a cost cap set by Congress. It expects to receive a major contract award for that ship, named for former President John F. Kennedy, in the coming weeks. That will further test how the lessons learned on Ford will improve work on the Kennedy.

Bottom line: Even though Newport News has no private sector competition, it faces pressure to drive down costs.

And that pressure flows downhill.

Just as Huntington Ingalls CEO Mike Petters has vowed to invest in his Newport News shipyard, suppliers are doing the same thing, when needed.

Epstein has spent \$1 million at Marine Electric to upgrade equipment.

"I get yelled at by my accounting department," he joked. "But I want to bring costs down, and that's why we spent one million dollars."

When it comes to telling their stories, Papini said she communicates on two levels. With House members, it's a more detailed pitch about how the company is performing and how a stable defense budget is helpful in terms of planning.

She speaks with senators — California's Barbara Boxer and Dianne Feinstein in her case — on behalf of other suppliers in the Golden State.

Epstein said he finds willing listeners among congressional staff members.

"I find that the staffers are very interested in learning about what is going on," he said. "They're really interested in what the carrier program is about and what defense is about."

Both Epstein and Papini have been coming to Capitol Hill to lobby for 11 years. During their two-day stay in D.C., the suppliers also receive briefings from the Navy and Huntington Ingalls, and hold panel discussions.

"It's really quite interesting hearing from the admirals and the shipbuilders," Papini said. "It helps the suppliers put the whole picture together."

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The supplier base

The Aircraft Carrier Industrial Base Coalition maintains a website with current members, agenda and information on aircraft carriers. Visit them at <http://www.acibc.org>

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