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On The Horizon



Admiral says maintaining current equipment is just as vital as developing new technologies

While expanded, 355-ship fleets and dazzling new technology platforms may get a lot of media and industry attention, the reality is that we'll need to rigorously maintain our existing naval equipment in order to meet our future responsibilities, says Admiral Christopher Grady.

FIGHTING FUTURE BATTLES WITH TODAY'S EQUIPMENT

According to an article in [USNI News](#), Grady – who is Commander of U.S. Fleet Forces – recently spoke at the Surface Navy Association Symposium about the balance needed between maintaining the "old" while exploring the "new." The reality, he said, is that commanders will largely need to fight with the equipment and manning they currently have – a task made more complicated by several factors, such as:

- The uneven funding and appropriations levels of recent years
- A significant reduction in defense industrial base contractors and maintenance capabilities since 2000
- A lack of scheduling and operational flexibility for shipbuilding and maintenance

GROWING OUR CAPACITY FOR MAINTENANCE AND MODERNIZATION

The industrial base's ability to build new ships while keeping current ships in operation is at risk, Grady maintains. "Seventy five percent of the fighting force today will be what we fight with in 2030," he said. "We must sustain what we have now to defend our interests in the future...and grow our capacity for both maintenance and modernization."

In addition to expanding the number of companies involved in Navy shipbuilding and maintenance, and removing barriers that prevent companies from submitting competitive bids, Grady said, adopting more of a "partnership" approach and sharing solutions will be critical as we move forward.

Learn more about this issue and proposed solutions by reading the full article in [USNI News](#).

[VIEW MORE DETAILS](#)

Trade Talk



Tariffs create pressure on the valve industry

The Trump administration's trade war with China has affected many sectors of our economy, including the valve industry. A recent article at [ValveMagazine.com](#) provides a helpful recap of the tariffs currently in place, and an outlook for the future. Here's an overview.

TRUMP: CHINA'S POLICIES HARM AMERICAN COMMERCE, IP AND INNOVATION

In August 2017, President Trump instructed his U.S. Trade Representative (USTR) office to investigate whether China was "undermining American manufacturing, services and innovation" – in violation of the Trade Act of 1974. After a lengthy investigation, the USTR concluded that, in addition to "dumping" low-priced steel and aluminum into the American market, China:

- Uses foreign ownership restrictions to force technology transfers from U.S. companies
- Facilitates investment in U.S. companies to gain new technologies and Intellectual Property
- Supports illegal intrusions into and thefts from U.S. networks

After the report was presented to the president, the USTR announced \$50 billion in new tariffs on a category of imported goods. China quickly responded with its own \$50 billion in tariffs. Other countries have retaliated as well. Thus began an ongoing escalation in duties and rhetoric. Though the U.S. and China agreed in December to a 90-day halt on new tariffs, the existing duties remain.

THE IMPACT ON VALVES AND OUR INDUSTRY'S SUPPLY CHAIN

It's easy to get lost in the details of these tariffs, and it should be noted that some U.S. industries can apply for exclusions. But here are the tariffs that affect the valve industry the most:

- 25% tariff on imported steel, which greatly impacts the cost of valve inputs
- 10% tariff on aluminum, another critical valve component
- 5-25% tariffs on more than 24 valve products either imported from or exported to China

The Trump administration repeatedly states that it needs to see significant concessions and fair-trade reforms from China before it drops the tariffs. It also strongly encourages U.S. manufacturers to explore supply sources outside of China – especially, obviously, American partnerships.

For more tariff insights, exclusion details and other recommendations for managing through this challenge, read the full article at [ValveMagazine.com](#).

[VIEW MORE DETAILS](#)

Lisa's Letter

Possible shipbuilding backtrack, an exciting new contract and other news

IS THE NAVY PULLING BACK ON SHIP COMMITMENT?

A recent article in [USNI News](#) revealed new industry worries about a pullback in shipbuilding funding in the FY 2020 budget, and even uncertainty about the long-term goal of a 355-ship fleet. We'll know more when the budget is released in March but it is concerning that Chief of Naval Operations Adm. John Richardson recently said that they are "reassessing" the force structure.



This timing is unfortunate. These are crucial months for our industry. The president typically submits his budget to congress in early February. At the same time, representatives of shipbuilding companies visit Capitol Hill and discuss the positive impact that these projects have on their districts and states. Did you know, for example, that more than 2,000 small, mid-sized and large businesses – from 46 states and 293 congressional districts – contribute parts and services to the construction and maintenance of U.S. Navy aircraft carriers?

THESE CONGRESSIONAL CONVERSATIONS ALWAYS CENTER ON THE IMPORTANCE OF:

- Stable, predictable funding – which allows suppliers to plan their work and capital expenditures most efficiently
- Realistic, consistent timelines – which allow for the best use of resources
- Finding other ways to collaborate, save time and create new cost efficiencies for the Navy

These signs of instability and possible pullback are troubling. Stay tuned for more updates.

CONGRATULATIONS TO NEWPORT NEWS!

Amid this uncertainty, there are also reasons to celebrate: Newport News Shipbuilding just received a contract to build the next two Ford-Class aircraft carriers. The efficiencies created by the two-ship buy are expected to save \$4 billion. We look forward to partnering with Newport News in creating these impressive additions to the Navy's fleet. The Navy is also reportedly considering a similar two-ship buy for the next two big-deck amphibious assault vehicles.

REP. ROYBAL-ALLARD NAMED CHAIR OF KEY APPROPRIATIONS COMMITTEE

Congratulations to U.S. House Rep. Lucille Roybal-Allard, from California's 40th District (home to Dante Valve). When the new congress convened in January, she was named Chair of the House Homeland Security Appropriations Committee, which covers border, port and other security issues. This committee works closely with the U.S. Coast Guard – a longtime partner to Dante Valve – and we pledge our total support to Rep. Roybal-Allard in her efforts to protect our country.

NEW BOOK SHOWS "THE WAY"

I recently came across a great new book by Ryan Holiday entitled, "The Obstacle is the Way: The Timeless Art of Turning Trials into Triumph." It's based on this fascinating insight:

"...Obstacles are not only to be expected but embraced. Embraced? Yes, because these obstacles are actually opportunities to test ourselves, to try new things, and ultimately, to triumph."

Our Dante Valve management team is applying this concept, both professionally and personally. The book is unquestionably having a positive impact on how we think, plan and turn challenges into opportunities for learning and growth.

If you're interested in the book, shoot me an email at lpapini@dantevalve.com and I'll send you a free copy, compliments of Dante Valve.

Lisa Dante Papini
President

Industry Happenings

Military

- [ACIBC Action Days](#)
March 27-28, 2019 | Washington, DC
- [Sea Air Space](#)
May 6-8, 2019 | National Harbor, MD
- [Intelligent Ships Symposium](#)
April 9-10, 2019 | Philadelphia, PA

Commercial

- [Valve Industry Leadership Forum](#)
March 28-29, 2019 | Ontario, Canada
- [Valve Industry Knowledge Forum, Exhibit & Tours](#)
April 9-11, 2019 | Birmingham, AL

What A Relief!



Danco Stainless Steel Enclosed Spring Semi-Nozzle Pressure Relief Valve (Sizes ¼" – 8")

Shipboard pressure relief valves in full conformance with the applicable ASTM and military specifications. Sizes 1/4" through 8". Steel construction with flanged connections, enclosed spring, flanged connections, stainless steel construction and semi-nozzle design.



Kunkle Bronze Vacuum Relief Valve Model 215V (Non-Code Vacuum) & Kunkle Bronze Safety Valve Model 337 – Certified Valve

Models 215V and 337 feature a large nozzle design for high capacity applications. Model 337 is certified for air and gas. Both valves are certified for non-hazardous gas. Used with low to medium pressure high-volume blowers, compressors and pneumatic conveying systems. Also used to regulate bulk hauling trailers and bulk hauling equipment, and light gauge tanks.

For more information, visit us at DanteValve.com or call us at 888-212-3222

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