Keeping Sights Focused on the Future

In 2013, the ship repair industry faced an enormous challenge in educating elected officials and policy makers that the effects of sequestration would incur more costs in the long-term than would be saved in a short-term shut down. The depth of planning required to execute long range maintenance schedules means that repair cannot just be turned on and off arbitrarily, the well must remain primed to sustain the quality and workforce required to ensure fleet readiness. Since then, Bill Crow and various leaders representing VSRA, have stayed focused on consistent and frequent communication with decision makers at all levels of government. Educating leaders on the complexity of our industry is critical. When threats to funding and changes in schedules are made based on political climates, versus ships' needs, this creates significant risks to fleet safety, strength and security. This is also the case when home porting decisions are made. Our industry understands that shifts in strategic positioning may be

considered. However, it is vitally important that we continue to demonstrate the fiscal advantage to having ships that are home ported elsewhere, be repaired in Virginia because

have both the infrastructure and workforce to accomplish very tightly scheduled and specialized requirements.



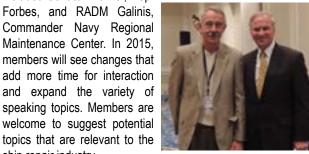


Members Hear from Congressional Leaders

The VSRA Monthly General Membership Lunch meeting is a valuable member benefit. These events are well-attended by industry leaders, and many people arrive early to maximize networking time. This year, Bill Crow, with input from the Board of Directors, worked diligently to bring in speakers who are vital to the future of ship repair. They included Senator Warner, Rep. Forbes, and RADM Galinis. Commander Navy Regional Maintenance Center. In 2015. members will see changes that add more time for interaction and expand the variety of speaking topics. Members are welcome to suggest potential

ship repair industry.

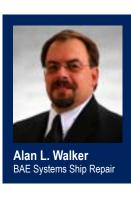






Virginia Ship Repair Foundation Chairman's Message...

The Virginia Ship Repair Foundation has made significant strides over the past eight years in bringing quality programs and **I** partnerships to benefit the industry. As a Board member since 2010, I am looking forward to serving as the Chairman and being involved with the leadership on current initiatives. I am also excited about planning for the future, as we continue to identify improvements and expand partnerships. The Foundation is not only bringing attention to the value of our ship repair industry, but making a lasting impact in the lives of our workforce and communities. We are grateful to all of our volunteer and sponsor supporters. On behalf of the Foundation Board, we encourage industry members to consider our 501(c)3 organization in your contribution plans for 2015.





Garrett A. Barber with AMSEC. He is a Senior Master Tradesperson Mechanic who has led more than 100 projects implementing technological advancements and systems upgrades. His expertise has saved the Navy hundreds of thousands of dollars by innovating solutions to critical systems repairs, and he has been cited for numerous awards. He additionally coaches football and basketball, and volunteers as an advisor for the Suffolk Youth Center.

The Junior Tradesmen of the Year is Mr. Antonio Sanchez with Marine Hydraulics International. Inc. Mr. Sanchez has a Bachelor's of Science in Information Systems and chose to be a marine electrician. He led the design and build-out of a new valve shop, provides instruction on electrical theory to the vounger electricians and installed the new T1 system on the CFFC Barges. He also volunteers with the Southside Boys and Girls Club, where he has made many facility upgrades.



Junior Tradesman—MHI Antonio Sanchez with Tom Epley



Senior Tradesman—AMSEC **Garrett Barber with Chris Murray**

Our FUTURE Workforce: Expanding Access to Trades Training.... PRE-HIRE TRAINING and TECH SCHOOLS

In 2014, VSRF worked with Newport News Shipbuilding to implement their existing Pre-Hire Training Program industry wide. This program teams together VSRA member companies with workforce development agencies and Virginia Community Colleges to offer training that helps applicants get a head start on a career in the ship repair industry. The program was enhanced with the assistance of several member companies who gave their time to add more content and interview candidates. Members also hired several of the great students that went through the first classes. Vanwin Coatings of Virginia and UHP Projects led the way in coatings, while Superior Marine Solutions, Capital Consultants and AMSEC were instrumental in the success of the initial electrical courses. The Foundation looks forward to making continued improvements to the Pre-Hire Employment Courses in 2015, including adding courses in welding and outside machining and has committed seed funding for up to 11 classes.

No single effort is going to provide the long-term pipeline required to maintain a journeymen level workforce beyond the next decade. While the Pre-Hire training partnership affords the existing worker an opportunity to transfer their experience and skills into a shipyard trade career, another new program is designed for the emerging workforce. In 2014, VSRF launched its Tech School Shipyard Skills book with a focus on welding. This project involved nine member companies, along with MARMC, and was piloted at the Norfolk Technical Center. The book, which is accompanied by a CD filled with teaching resources, gives high school and adult night school instructors a set of short modules that introduces shipyard skill sets in tandem with existing commercial trades curricula. These skill areas include: ship yard safety, compartment location, standard items, and workmanship. In 2015, more than 10 companies are working on adding a testing process to this weld program, as well as completing a book of modules for marine electrician.

Bringing a Positive Image of Ship Repair to our COMMUNITIES...



2014 Ship Repair **LEGO Competition**

Our 1st place winner, Ruffner Academy took home the grand prize of \$1,500, while Rosemont Academy took 2nd place for \$1,000, and Trinity Lutheran came in 3rd with a \$500 award! Our members who volunteer as

technical advisors do a wonderful job teaching these students about ship repair!

Reaching the FUTURE: Career Days

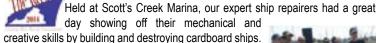
Our volunteers attended 13 career events reaching 5.450 students, and ship repair focused materials were sent to 7,000 youngsters. Attending these events is an important part of our industry being visible and engaged with the community, and we thank all of our volunteers for committing their time. We encourage member companies to join the Career Day volunteers and help us reach more students, teachers and parents.



race events and TV programs on SKY4 for the entire NASCAR season, and one race night is dedicated to our industry. More than 300 people from the ship repair industry attended Race Night 2014 in May. 2014 FM99 The Yard & The Yard's Force Competition

Ship Repair RACE NIGHT at Langley Speedway

Langley Speedway promotes ship repair trade careers during



Norfolk Naval Shipyard took home the title as "The Yard" and UHP Projects was named "The Yard's Force," winning the sub-contractor category. Attendance grew over the

previous year. Music from FM99, food, fun, and games were enjoyed by all, making this event a great success!





Chairman's Message...

Virginia Ship Repair Association

As the incoming Chairman for the Virginia Ship Repair Association, I am excited about the opportunities and work planned for our region to lead the way in ship repair innovation and quality. Substantial progress has already been made in furthering the goals of the strategic plan established in 2013. My goal is to continue providing leadership that brings all of our industry partners together with a singular mission that strengthens our industry for the future.



BAE Systems Ship Repair

This includes: continuous education and awareness activity with communities and legislators not only in Virginia but across the nation; encourage member companies to engage in VSRA programs that support their business and the industry; promote the value of ship repair to community partners and leaders who make decisions on infrastructure and investments; and continue to engage other regional associations in finding ways to share resources that provide mutual benefits for the industry as a whole. I am proud of the work accomplished by the more than 300 volunteers each year who make VSRA a premier trade association and look forward to a strong 2015.

President's Call...

fter my second full year as your Association President, I am totally convinced that you. Virginia Ship Repairers, are without a doubt the country's most patriotic, dedicated and passionate citizens. Your unending energized efforts continue to ensure that all remain aware of the enormous



part in national security that our industry plays. Every day, I become more and more enamored with the depth and diversity of skills and the services accomplished by all of our talented members. In 2014, our ship repairers not only completed a full maintenance schedule, but also creatively sought to expand services into adjacent markets such as transportation and energy. Through your forward thinking, VSRA continues to make great strides establishing partnerships that allow our industry to aggressively take and remain in the driver's seat for trades education, industry certifications and public awareness activities. A major highlight of this year was the substantial increase in member participation in all activities. Attendance at all VSRA and VSRF events exceeded every expectation. Professional seminars, training, committee meetings, "The YARD" competition, Race Night, Member Luncheons and social events all broke previous participation records. This trend indicates that you as an Association are delivering services that meet the needs of your fellow members. I hope that in 2015 this trend will continue, and that we, the VSRA Staff, meet every member's expectation. I want to personally thank you for allowing me to have the best job in the world, because I get to wake up each day and work with all of you. Your dedication to the maintenance and modernization of all ships, keeps our Navy as the best the world has ever known. My greatest pride is knowing that I am able to support patriotic ship repairers who, through their demonstrated active role as members, work together to always keep our Navy at maximum readiness.

VSRA Committees in Action

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OSHA Partnership

In 2014, Angelo Costa, our regional OSHA leader and partner, retired. The decades long work accomplished in making our shipyard environments and employees safer was due in part to the strong lines of communication established through the OSHA Partnership and Mr. Costa's leadership. The VSRA leadership is determined to set the stage for this important work to continue, and held the first annual "all hands on deck" meeting of safety professionals and Senior Executives from member companies. As quoted by Bill Crow, the message was clear, "Our leaders are committed to continuing the trends towards safety together."

Safety Suggestion Awards!

Three quarterly safety suggestions will be considered for the 2014 Safety Suggestion of the Year and presented at the January 2015 General Membership Meeting: Dan Small of MHI for his design of a hanging support bar across doorways to keep hoses and lines within eight inches of the top frame; Joe Teijeiro of Epsilon Systems Solutions for his design of protective guards for tank access holes; and Kyle Cheatwood of Sunbelt Rentals for his idea to install temporary swing gates at



Dave Baker (L) presents
Dan Small (R) with the 2013
Annual VSRA Safety Award

access routes vulnerable to fall incidents versus chains that may be left unlatched. These safety conscious professionals were each awarded \$250.00. Dan Small was the Annual winner for 2013, receiving \$500.00.

Professional Seminars EXCEED Expectations!

The VSRA Annual Safety & Health Seminar is our largest seminar and cited as the "Best in the Nation" by several shipyard safety experts. The 2014 19th Annual Safety & Health Seminar theme was "Safety is Not Just for You - It's for your Buddy Too!" Over 244 participants attended, representing 46 VSRA member companies. There were 14 presentations by safety experts and 29 sponsors who exchanged ideas, discussed regulations and showcased some of the best new products available in the marketplace. Kudos to the team of 15+ volunteers for their work on this event. Several other seminars were held by the HR and Contracts Committees. The HR event had to be moved to a larger venue with over 50 attendees learning about "Employee Drug Testing"; "Affirmative Action and EEO Recordkeeping Compliance": "The Service Contract Act"; and the "Affordable Care Act and Private Exchanges." The Contracts sessions offered presentations on contracts, ethics and business growth strategies. These sessions offer recertification credits or meet annual training requirements.

Keeping in Sync with Member Needs

The Communications Committee worked diligently to improve the value of the newsletter and forge a path for measuring VSRA Strategic objectives. The 2014 Member Survey results highlighted the continued need for VSRA to focus on awareness activities that secure consistent funding for repair work and resources for workforce stability. The full survey report may be found in the VSRA Online Library.

New Quality Assurance Audit Program: SUCCESS!

Before any sub-contractor can work for the Navy with a prime contractor, they must have their QA Program audited either by VSRA or the prime with whom they are subcontracting. If they are audited through the VSRA program, the audit is valid for work at all prime contractors in Hampton Roads. This is a benefit of being a VSRA Member since the VSRA audit is accepted by our member companies and the Navy. In late 2013, the QA Audit Sub-Committee successfully completed updates to the New QA Audit and the QA Audit Database system to align with ISO requirements. A pre-questionnaire is designed to help companies prepare and reduce incomplete audit incidents. The audit is completed onsite via an online web portal which updates in real time so letters can be generated the same day of completion. VSRA offers training for both auditor and audited VSRA member companies, and sessions are scheduled periodically through the year.

Strengthening Ties with our Most Important Partner: The U.S. Navy

VSRA leadership and volunteers have made significant efforts this year to increase the level of working partnerships with the government in areas where there is a common vision such as quality, safety, training and procedures. For over a decade, the MARMC/MSR/ABR/VSRA/AMMA Quality Assurance Management Board (QMB) working group has kept a focus on continuous improvement within the port in an industry and government partnering effort. In 2014, the MARMC/VSRA Safety Management Board (SMB) was established to support continuous improvement in safety in the same manner as the QMB. These are closed meetings for VSRA contractors and government representatives. In addition, the Communications Committee is ensuring one representative is assigned to submit a briefing for the membership on any joint Navy meetings such as those held at the FMMS. The VSRA Security Committee is another strong working group with representatives from MARMC, Regional Security and RAPIDGate. The committee has over 100 members, and topics in 2014 included: RAPIDGate and the Navy Initiative involving modifications and software updates to hand held scanners; PIV-I credential, MARMC's implementation of the New SHVR program for ship access; and the Defense Security Service (DSS) Foreign Travel Briefing/Debriefing, Active Shooter Training and CI Program.

Another area of collaboration has been in training. MARMC participated in the WAF training review team that was launched in February, and is also providing commentary on the VSRA Firewatch training being launched in 2015. VSRA also worked with MARMC to restructure the existing blueprint course specifically for the deck plate workforce, resulting in a stronger learning experience with more hands-on print reading. Plans to work more closely with the Navy in 2015 on creating professional development opportunities for safety personnel is already in the works.

Exciting New Directions for Committees, Membership Luncheons and Volunteers!

VSRA has always had an extremely active and productive group of committees; they are truly the backbone of the organization. The strategic way ahead identified some changes and improvements that will benefit members and maximize our volunteer's time. The number one priority was to expand on the success of the Quality Management Board (QMB) and add a Safety Management Board (SMB) that brings key Navy leadership together with yard representatives to discuss issues, trends and solutions. Members also advocated for an additional committee focused on Business Advisory topics. These would include issues such as succession planning, growth strategies and technical practices helpful to small businesses. The Contracts Committee will be merging with this new group as a natural fit to their business development seminars. Members can read updated committee purpose statements on the VSRA website which include: the Workman's Comp Committee will be replaced with the HR Committee attending to Workman's Comp issues; and the Safety and Environmental Committees are merging to share common issues more effectively. In addition, Committee reports at the General Membership meeting will only include current action items and events; all other general reports will be made available on the website. Efforts to provide members with information that helps them choose volunteer and sponsorship decisions that align with their business outcomes or fulfill their mission will continue.

Training Expands to Meet Member Needs

VSRA began an initiative to expand training options that meet member needs, but also examine current training in an effort to enhance learning outcomes and maximize class time. The WAF training has definitely fulfilled a need - with more than 3,600 workers using it to meet their annual requirement. More courses were arranged for member companies that had a specific need, including 6 additional Emergency First Responder classes and an OSHA Maritime 10-Hour Course held in D.C. More improvements are being planned for 2015. Among them: the development of a new Firewatch course; enhancements to the OSHA 10-Hour Training Course; and a restructuring of the Standard Items course. Member contributions are vital to the quality of these programs. From recommending content improvements to suggesting additional courses, our members help to make the VSRA training program the very best!

VSRA provides economical training solutions to its members, and revenues generated are reinvested in activities that benefit member companies. In 2014, the online Compartment Location, Nomenclature and Safety Orientation courses were offered free of charge to 24 technical high schools in Virginia as a way to help students receive some exposure to the shipyard environment before seeking employment. This is another example of your Association working for the future of the ship repair industry. Your investment in VSRA makes that happen!

Workforce of the Future

The Best Workforce Keeps Getting Better....

The VSRA Board of Directors is focused on keeping ship maintenance and modernization at the forefront of priorities for defense decision-makers, and along with that effort, has established a new VSRA committee for workforce initiatives. The committee will be called the Entry-Level to Apprentice "EL2A" Committee with an emphasis on expanding access to skills training and engaging partners in continuous activities to improve the quality of employee candidates. EL2A held its first meeting in December 2014 with 30+ representatives in attendance, and will meet bi-annually to review all of the VSRA and VSRF workforce activities to ensure they are meeting member company needs. These activities will be conducted by task groups with designated leaders who will report at the bi-annual meeting.

The following action areas were endorsed as a priority for 2015:

Advancement - expand the Pre-Hire and Tech School Programs in Coatings, Electrical, Outside Machining and Welding to provide non-apprentice candidates better employment opportunities and a jump-start to their shipyard careers.

Marketing – increase traffic to the VSRA training and job portals; promote a positive image of ship trades careers and garner more positive media exposure.

Access – expand the availability of training and development opportunities through as many partners as possible, such as offering Pre-Hire programs through Virginia's Community Colleges and continuing to support Community College initiatives, including Thomas Nelson's "open weld lab" Saturdays.

Partnerships – grow and strengthen partnerships with members, educators and officials and establish a task group to pursue grants and other funding opportunities to support partner training options.

Resources for Companies – provide connections, information and leadership opportunities for member companies to leverage various programs and resources available for training and development.

Investing in the Ship Repair Image....

Advertising can be a costly endeavor, however the VSRA Board recognized the need for ship repair to gain more prominence in the region in order to gain support for the industry and attract the future workforce needed to maintain fleet readiness. Our smaller member companies especially benefit from VSRA sending unified messages to build awareness of the industry, especially if they utilize our free Job Board and participate in workforce partnerships. Several types of media were analyzed this year for effectiveness, and the digital and TV options proved to provide the most value on investment. In 2014, more than 19,000 people searched our job board and an average of 5,500 visits are made to the VSRA home page each month.

In 2015, more investments will be made, with additional outlets in order to keep our industry at the forefront of career choices and community support. Members are encouraged to collaborate with VSRA if they are considering a media campaign to take advantage of discounts or special offers.