

Virginia Ship Repair Association

2016 Annual Report 4th Edition

IN LOVING MEMORY...



This year's Annual Report is dedicated to the memory of our founder, Captain Leo J. Marshall, Jr., USN (Ret.), who passed on to his final shipyard resting place in 2016. VSRA will be forever grateful for his dedicated service to our Nation and to the Ship Repairers of Hampton Roads.

STRENGTH BEHIND THE FLEET



Dr. Edna Baehre-Kolovani,
TCC President

Congressman
Scott Taylor

Nominees for the 2016 Junior Tradesman
of the Year Award

Nominees for the 2016 Senior Tradesman
of the Year Award

Strength Behind the Association: VSRA's Committee Happenings

Communications: The Communications Committee continues to grow, and under the leadership of Kathy Bryan, had a very successful year in 2016. Teaming up with the Virginia Ship Repair Foundation to spotlight the important work done by the Foundation's workforce development efforts, the Communications Committee developed a new handout to be displayed at each Monthly Membership Luncheon that features important news and initiatives. Look for the Communications Committee to continue to grow over the next year, with new programs to boost both internal and external VSRA communication.

Contracts: Led by Kevin Cosgrove, the Contracts Committee had a successful year of informative presentations and open dialogue. Featuring a speaker every-other-month, the Committee had short briefings on topics such as ITAR Compliance and changes to the False Claims Act, interspersed with discussion meetings on the state of the industry and knowledge-sharing. Additionally, the Committee held another fantastic series of seminars in the fall, with over 170 attendees to topics on Fixed Price Contracting, Data Breaches, and Business Growth, as well as the renowned annual VSRA Ethics & Standards of Conduct Seminar.

Human Resources: The HR Committee, helmed by Chris Abel, had a record-breaking year once again. The HR Seminar was moved to the Ted Constant Convocation Center at ODU to accommodate a 20% increase in attendance over the previous year – the largest group in the Seminar's history. Additionally, the Committee's members were responsible for authoring five articles for the monthly VSRA Newsletter throughout the year, keeping the Membership updated on many important issues including two legal updates.

Quality Assurance: In 2016, the Quality Assurance Committee, led by Dennis Robbins, made several changes to the QA Audit Database. These changes increased the user-friendly functionality, and included acceptance of ISO, SSPC, and NAVSEA Certification Standards to shorten the Audit process for those already certified. The improvements, combined with increased participation within the Committee, led to a 50% reduction in the number of past-due audits. The QA Committee also carried many recommended improvements to the Navy during SSRAC. Additionally, the MARMC-VSRA Quality Management Board continues to see strong participation and topical, positive dialogue with the Navy customer.

Safety & Environmental: Tom Binner & Frank Wheatley teamed up to lead the joint Safety & Environmental Committee to another incredible year in 2016. In conjunction with the MARMC-VSRA Safety Management Board, the Committee launched an all-new Hot Work & PAI online training course that was completed by over 450 individuals, as well as a standardized MARMC-approved Hot Work Notice Form that addresses common issues across the port. The Annual Safety & Health Seminar was also a huge success, with over 230 attendees and more than 40 other company & organizational representatives, including individuals from CNRMC, Navy Medicine East, the United States Coast Guard, and the Shipbuilder's Council of America.

Security: Led by Leigh Kennedy, the Security Committee steadily increased its dialogue with both Government officials and RapidGATE representatives over the past year. Quarterly Security Meeting participation by CNRMA & MARMC led to positive movement on critical issues such as access denial, which reduced waiver approval times. Ongoing efforts began by CNIC, MARMC, and VSRA to eliminate redundancies in badging requirements, which will save industry and the government time and money. The Security Committee continues to prove its value, with a strong focus on improving communication between the Navy and Industry in the realm of Security.



RADM Mark Whitney, Director, Fleet
Maintenance, US Fleet Forces Command



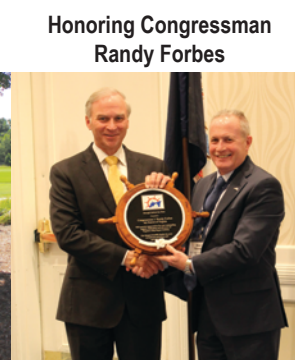
Maritime Administrator
Paul "Chip" Jaenichen



RADM Christopher Grady, Commander,
Naval Surface Force Atlantic



30th Annual
VSRF Golf Tournament



Honoring Congressman
Randy Forbes



Virginia State Senator
Frank Wagner



Senator Tim Kaine Meets with
Local Ship Repairers



2016: The Year of Partnerships



CHAIRMAN’S MESSAGE

VIRGINIA SHIP REPAIR ASSOCIATION



Dave Thomas
VSRA Board Chairman

Looking back over the past year, it is undeniable that 2016 was a year of enormous challenge that can aptly be described as a year of strengthening partnerships. From educational institutions to workforce investment boards, OSHA to the Navy, and legislators to the media – the list of partnerships we have forged over the past year is humbling to me as Chairman of this great Association. Through these partnerships we have been able to maintain confidence through austere times and to weather the storm; It is through the continued growth of these partnerships that the Ship Repair Industry and Virginia Ship Repair Association will continue to remain the Strength Behind the Fleet. As we move forward into 2017, I remain eternally grateful for the dedication of all of you, our industry’s hardworking men and women, and for the steadfast volunteers and members who continue to make our Association “second to none.”

CHAIRMAN’S MESSAGE

VIRGINIA SHIP REPAIR FOUNDATION



Terry Stead
VSRF Board Chairman

For many years I have served on the Board of the Virginia Ship Repair Foundation, and although 2016 was my last year of service, I look with great pride to the future of the Ship Repair Industry because of the groundwork that has been laid by our dedicated workforce. As the Foundation’s Board of Directors Chairman, I am grateful to have been able to serve as a champion of programs and initiatives aimed at ensuring the Ship Repair Industry remains strong for years to come through a highly-skilled workforce. Those initiatives, such as the guest welding program at Norfolk Technical Center and the Ship Skills Resource Handbooks, would not be possible without the many incredible partnerships fostered by both the Association and Foundation. Nor would they be possible without the dedicated members of the Association, who have always answered the call to provide their time, expertise, and knowledge to share with the next generation. For the many wonderful years I’ve been able to serve this Foundation, and for the incredible progress that you have helped us make in 2016 and beyond, I offer my most sincere and heartfelt gratitude.

NAVY, CONGRESS, AND BEYOND: PARTNERSHIPS & INDUSTRY AWARENESS



VSRA Board Vice Chair Tom Godfrey & Senator Mark Warner

Through the years, the Virginia Ship Repair Association has worked hard to ensure that maximizing industry awareness remains among our top priorities. 2016 was no different, with an expansion of partnerships that had an impact on all levels: from localities to the State, and from the community to Federal representatives, the importance of a strong Ship Repair Industry was on full display.

In a year when workload drops threatened to bring austere times and instability to the Ship Repair Workforce, the VSRA Board of Directors held three crucial roundtable discussions with key Federal legislators: Senator Tim Kaine in February, Congressman Randy Forbes in March, and

Senator Mark Warner in August. These discussions focused on the devastating effects of workload inconsistencies to the Ship Repair workforce, improving dialogue among top-level Navy officials and local industry, and leveling out the “peaks and valleys” in the Navy’s Workload Charts. The overall message was clear: Virginia’s Ship Repairers are crucial to our Nation’s Defense, and must have workload stability to maintain the skills and knowledge that make them the strength behind the fleet.

Continuing the pattern of providing dialogue with our Navy and Government partners, the VSRA Membership heard from key figures throughout the year such as: Virginia State Senator Frank Wagner; Maritime Administrator Paul “Chip” Jaenichen; RADM Christopher Grady, Commander, Naval Surface Force Atlantic; Congressman Randy Forbes, VA-4; RADM Mark Whitney, Director, Fleet Maintenance, U.S. Fleet Forces Command; and Congressman-Elect Scott Taylor, VA-2. Each of these speakers took the time to answer questions from VSRA Members during an open-discussion session, providing the Ship Repair Industry an important opportunity to continue communication with figures from all levels of government.



Senator Tim Kaine & the VSRA Board of Directors



VSRA President Bill Crow & Congressman Randy Forbes

REIMAGINING WORKFORCE DEVELOPMENT: PARTNERS IN EDUCATION AND COMMUNITY

The Hampton Roads region is rich with resources in workforce development, and the Virginia Ship Repair Association and Foundation are proud to have fostered and grown many partnerships in this area in 2016. Representatives from Tidewater Community College, Opportunity Inc., and Norfolk Public Schools attended Foundation Board Meetings as ex-officio, and provided updates on current efforts to strengthen the workforce. Our partnership with Norfolk Technical Center continued to grow in 2016, with experts from Member Companies serving as guest welding instructors. 20 industry representatives attended a showcase of the Second Year NTC Welding Students’ progress through the program, and several companies conducted employment interviews on the spot.

Also in 2016, a Memorandum of Understanding was reached between VSRA, Virginia’s Community Colleges, TCC, TNCC, and PDCCC to facilitate the Pre-Hire Trades Training Program for courses in marine electrical, coatings, and welding to run throughout 2017. The program will train entry-level workers, preparing them for a career in Ship Repair via a two-to-three week immersive training program for their selected skill. Additionally, Opportunity, Inc. has partnered with VSRF to explore cost-saving opportunities for workplace development initiatives for our Members. Throughout the year, the Foundation also worked closely with a number of other local organizations to seek partnerships that will aid both the Ship Repair Industry and the Hampton Roads Community. Among those: the Access College Foundation, the Commonwealth Youth Challenge, the Elizabeth River Project, the Peninsula Council for Workforce Development, VersAbility Resources, and the City of Norfolk.

OSHA & VSRA: PARTNERING TO ENSURE A SAFE WORKPLACE FOR ALL



Stan Dutko & Bill Crow sign the newest OSHA Partnership Agreement

Ensuring every hardworking ship repairer arrives home safely each day is the top priority of both VSRA and OSHA. As a result of this shared goal, the partnership between OSHA and VSRA has continued to grow stronger in recent years, and 2016 was another shining example of the value of this collaboration. VSRA played a key leadership role in teaming up with OSHA, SCA, and the NSRP to begin work on a nation-wide OSHA Maritime Alliance aimed at maintaining positive momentum on injury rates within the industry, increasing knowledge-sharing opportunities, and enhancing collaborative training between OSHA and Industry. At a special Executive’s Luncheon in February, a Partnership Agreement through 2020 was signed, ensuring that the OSHA-VSRA Partnership – the only Maritime OSHA Partnership of its kind – will continue its work to safeguard the men and women of the Ship Repair Industry for years to come.

PRESIDENT’S MESSAGE



William W. “Bill” Crow
VSRA President

In the four years that I have been President of the Virginia Ship Repair Association, you have heard me say many times that, “I am the luckiest Association President in the World!” At no time has this been truer than in 2016. Through difficult economic times, our dedicated partners, members, volunteers, and Board have guided our Association and industry, ensuring that we enter 2017 stronger than ever before. This is in full credit and thanks to you – our dedicated members. You continue to foster strong partnerships and ties within the community, volunteer to reach our future workforce, assist with providing superior training, and dedicate your time to industry events for professional development. 2016 was a year of tremendous partnerships, without a doubt, and I am truly thankful for our greatest and most dedicated partner – YOU! I look forward to continuing to serve you and the ship repair industry in 2017 and beyond.

TRADESMEN OF THE YEAR



2016 Tradesmen of the Year
with Bill Crow

Excellence on the Deck-Plate

Sponsored by PNC Bank, the 2016 Tradesmen of the Year Awards were another highlight for the Foundation’s efforts to enhance the Ship Repair workforce. Larry Nathaniel Broach, Jr., an Outside Machinist at BAE Systems Norfolk Ship Repair, was named Junior Tradesman of the Year due to his outstanding work as valedictorian of his Apprentice School class and dedication to teaching high school students about the shipyard environment and careers available. Diego Mullen, Sr., a Tank Cleaning Specialists at Epsilon Systems Solutions with over 20 years of experience, was honored as the Senior Tradesman of the Year. Diego has a 99% closeout rate in his 14 years with his current company, and has saved the Navy customer thousands of dollars in tank closeout costs, while acting as a new hire liaison and safety leader. These men represent the absolute best of the Ship Repair workforce, demonstrating their pride, patriotism, and passion every day, while keeping an eye toward the future of the industry and next generation of Ship Repairers.

LEGO COMPETITION



2016 LEGO Competition
Participants at the
Mariner’s Museum

Exponential Growth

The 10th Annual VSRF Virtual LEGO Competition was certainly one for the record books. Over 200 middle school students, parents, and teachers representing 17 schools from all across Hampton Roads were in attendance at the Mariner’s Museum in March. This was an incredible 240% increase in participation over the previous year. Ruffner Academy of Norfolk won the competition, taking a check for \$1,500 back to their school. Trinity Lutheran School of Newport News finished second, and won \$1,000 for their school, while Hunter B. Andrews Middle of Hampton rounded out the top three and captured a check for \$500. The VSRF Virtual LEGO Competition seeks to teach Middle School students about the careers available in the Ship Repair Industry, while sharpening skills in problem-solving, creative thinking, math, computer-aided design, and public speaking.