



*Shipbuilders Council of America
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February 11, 2013

Hon. Carl Levin, Chair
Armed Services Committee
United States Senate
228 Russell Office Building
Washington, DC 20510

Hon. James Inhofe, Ranking Member
Armed Services Committee
United States Senate
228 Russell Office Building
Washington, DC 20510

Hon. Howard 'Buck' McKeon, Chair
U.S. House of Representatives
Armed Services Committee
2120 Rayburn Office Building
Washington, DC 20515

Hon. Adam Smith, Ranking Member
U.S. House of Representatives
Armed Services Committee
2340 Rayburn Office Building
Washington, DC 20515

Dear Chairmen Levin and McKeon, Ranking Members McCain and Smith:

We the undersigned write to you as a group of concerned maritime businesses and labor union representatives whose workers and members will be impacted by the pending sequestration and continuing resolution. We urge you to pass a defense appropriations bill and avoid sequestration cuts before the Navy begins widespread lay-offs and cancellation of ship maintenance on February 15, 2013.

If no action is taken, the magnitude and indiscriminate nature of sequestration coupled with the 2013 Continuing Resolution will trigger significant reductions in operating budgets across the United States Joint Forces, degrading our military readiness and resulting in economic harm to workers and communities across the country.

Our nation is already seeing the consequences of inaction on the federal budget. The possibility of sequestration and another continuing resolution has resulted in the cancellation of ship maintenance and repair required to support deployments. On February 6, 2013, the Navy cancelled deployment of the U.S.S. Harry Truman aircraft carrier strike group, which had been scheduled to deploy to the Persian Gulf later that week. This leaves the United States with only one aircraft carrier in place to provide critical air power for our troops in that volatile region. Looking ahead, the Navy plans to cancel all 3rd and 4th quarter repair and availabilities to address budget shortfalls due to another continuing resolution.

The situation has profound consequences for America's workers and communities. Should you fail to pass a budget before February 15:

- Up to **46,000** Department of Defense civilian employees will be immediately laid off.
- Another **800,000** workers will face furlough days resulting in a 20 percent pay cut.
- More than **100,000** people could lose jobs in the shipbuilding and repair industry and our supply chain.

The jobs to be lost are in all 50 states, not just Navy homeports and coastal areas. Highly skilled workers will be laid off and might leave the industry altogether. Communities where these workers live will feel the effects in reduced support for local businesses and reduced revenue for schools and local municipal

services at a time when our economy is just beginning to show visible signs recovery. Many small businesses, and minority-, veteran-, women-owned and disadvantaged companies, face going out of business. New workers, including veterans, will not be hired.

Shipbuilding and repair is one of the last vestiges of family-wage heavy manufacturing in the United States. Once lost, many of these jobs will not return to our economy.

Please take action now. Enact the defense appropriations bill for fiscal year 2013 and find an alternative to sequestration. Our national security, maritime industrial base and our livelihoods depend on it.

Sincerely,



Frank Foti
Chairman
Shipbuilders Council of America



Ron Ault
President
Metal Trades Department, AFL-CIO

Enclosures: 1

Supporting AFL-CIO and Metal Trades Department affiliated unions

R. Thomas Buffenbarger
International President
International Association of Machinists and
Aerospace Workers

James A. Williams
General President, International Union of
Painters and Allied Trades

Newton Jones
President, International Brotherhood of
Boilermakers

William P. Hite
General President
United Association

Patrick D. Finley
President
Operative Plasterers & Cement Masons

Joseph J. Nigro
General President
Sheet Metal Workers International Association

James T. Callahan
General President
International Union of Operating Engineers

Gregory J. Junemann
President
International Federation of Professional and
Technical Engineers

William R. Dougan
National Federation of Federal Employees

David J. Holway
National Association of Government Employees