

# Other Voices: How to Assure Virginia's Future in Shipbuilding

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By Mike Petters

For 121 years the shipyard I'm proud to lead has been a critical economic engine for both the local community and the commonwealth of Virginia. So on the eve of some important decisions about to be made about Virginia's infrastructure, I felt compelled to point out how these decisions and the future of the shipyard, the very near-term future, are linked.

As the state's largest manufacturing employer, Northrop Grumman Newport News has a work force second to none, numbering nearly 19,000. Our employees range from the brand-new craftsmen to the 500 master shipbuilders, each with 40-plus years of unbroken service. These men and women come from all over our community and many corners of the state. Together, they are building America's defense: ships like the Virginia-class submarines, the final Nimitz-class aircraft carrier George H.W. Bush (CVN 77) and the first ship in a brand-new generation of carriers, the Gerald R. Ford (CVN 78).

Let me tell you a little about what it will take to build Gerald R. Ford - and how this effort is just one example of why we at Northrop Grumman Newport News are so interested, so invested, and indeed, rely so heavily on our state's infrastructure.

By the end of the year, we expect to sign a multi-billion dollar contract with the government to begin construction of the Ford in 2008 with delivery in 2015. Yet today one third of my work force is over 45 years of age and many of these employees will retire by the time we fully engage in building this carrier. I am going to need new employees to build this ship - lots of them.

Over the contract period and based upon our anticipated attrition rate, I estimate we will need to hire thousands of employees.

Where am I going to get these people? Will they have the kind of skills I need? If not, how will they be trained? These are questions I would encourage Virginia to ask as well.

I'm not expecting the state to do everything, and in fact, Newport News is working diligently to find solutions, most notably with The Apprentice School and our work with community colleges. Yet Virginia has played a key role in work-force development, and this role needs to continue and accelerate. One way is for the governor to approve the legislation that enables community college graduates to transfer to state four-year colleges at a lower tuition rate.

Another subject critical to Virginia's future is transportation.

Between the time we sign the contract for the Ford and deliver it to the fleet, together with our Navy customer we will purchase more than \$3 billion of material to build and outfit this ship. This material must get to the shipyard on time. It gets here by sea, by rail, by air, and most of it, by roads. I need a transportation system that supports this. This ship is paid for by taxpayer dollars so our ability to make the transportation system highly functional is mutually beneficial to everyone in Virginia. Without a doubt, transportation should be a critical part of the state's infrastructure.

I applaud the progress made at this General Assembly. The bill has challenges but the Assembly has finally put some money on the table and we support moving ahead on this key piece of legislation.

Finally, it takes a tremendous amount of energy to build a ship that weighs more than 100,000 tons and will serve as a floating city, airport and home to thousands of sailors. Not surprisingly, Northrop Grumman Newport News is one of the top energy customers in the state. Last year we purchased more than \$30 million worth of electricity, natural gas, fuel oil and motor oils. More than half of this was for electricity. Over the course of building the new carrier, we expect to purchase a couple of hundred million dollars of electricity.

The main question I pose to you is: Should Virginia buy electricity from other states or should we generate it for our citizens? I strongly suggest that it would be a good thing, indeed an economic development opportunity, for Virginia to generate more electricity than we use, and export the excess. I hope the governor will sign the bill that creates a new form of electric rate regulation and adds incentives for power plant construction.

In summary, I can't wait until we sign the contract for Gerald R. Ford.

This is a ship that symbolizes the future for my company and an important part of Virginia's future - a future that must include a state infrastructure that both recognizes and is supportive of work-force development, transportation and energy.

It's a future that begins now!

Petters is president of Northrop Grumman Newport News.