



The Honorable Brian Schatz
United States Senate
722 Hart Senate Office Building
Washington, DC 20510

September 7, 2017

Dear Senator Schatz:

Thank you for sending your Legislative Correspondent, Serena Li, to visit Newport News Shipbuilding during the August Congressional Recess.

As proud suppliers for U.S. Navy aircraft carrier construction and maintenance, we are delighted that Serena had the opportunity to tour the shipyard and discuss the aircraft carrier construction and maintenance program.

As a follow up to this visit, and on behalf of the state's aircraft carrier industrial base, we urge you to support a multi-ship procurement strategy for the construction of the next generation of U.S. Navy *Gerald R. Ford*-class aircraft carriers. Toward that end, we request an additional \$520 million in Advance Procurement for the Carrier Replacement Program in the fiscal year 2018 authorization and appropriations process. We are concerned with the House of Representatives' version of the defense appropriations bill, which did not include language for the multi-ship buy for aircraft carriers.

A multi-ship purchase approach for the U.S. Navy's aircraft carrier fleet will save American taxpayers more than \$1.5 billion, approximately \$500 million per ship.

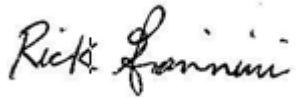
To meet the dual objectives to lower the cost of carrier construction and increase the size of the U.S. Navy aircraft carrier fleet, a multi-ship approach maximizes the material procurement savings benefit through economic order quantities (EOQ) procurement and provides labor efficiencies. Building aircraft carriers at an economically-optimal rate not only meets these two objectives it also supports thousands of jobs in Hawaii and across the country.

This skilled workforce of men and women from Hawaii and your community would greatly benefit from the accelerated build rate. A multi-ship purchase will send a clear signal to these companies: to invest in new equipment and technology, acquire raw materials in economic quantities, and hire more and train skilled workers.

Hawaii's industrial base is committed to building U.S. Navy aircraft carriers at the lowest cost with the greatest efficiency. This is exactly what the multi-ship purchase approach does. It leverages potential efficiencies in the aircraft carrier industrial base to reduce construction costs on future *Ford*-class carriers, a critical objective given the fiscally constrained shipbuilding budget.

Thank you for your consideration, and we look forward to watching your leadership on this issue.

Sincerely,



Rick Giannini
Chair, ACIBC
President and CEO
Milwaukee Valve Company



Darrell Grow
Vice-Chair, ACIBC
Chief Operating Officer
Ammcon Corporation