



# Austal Facility

A Partnership with the Community,  
SDUPD and the US Navy

*January 2020*

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# Austal Project

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## Table of Contents:

- The Austal Project
- About the LCS and EPF Ships
- US Navy Need for Dry-Dock Space
- Displaced Repair Work
- Site Specifics & Selection Criteria
- Austal's Community Involvement



# Austal Project

- US Navy has significant need to repair & dry dock vessels
  - Littoral Combat Ship (LCS 2)
    - 19 Ships Contracted; 10 Delivered
    - 10 Homeported in San Diego
    - Austal holds multiple repair contracts with the Navy for LCS
  - Expeditionary Fast Transport (EPF)
    - 14 Ships Awarded; 11 Delivered
    - 1 Ships to be Homeported in San Diego
  - Littoral Combat Ship (LCS 1)
    - 2 LCS1 Variants permanently Homeported in San Diego
  - *Potential*: 10 US Navy Fast Frigates (FFG<sub>(x)</sub>)

**Over 30 Ships in San Diego with growing maintenance needs**



# Austal Project

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- US Navy Repair and Dry Dock Need
  - **Currently being met with multiple US locations**
  - Impact to San Diego:
    - San Diego jobs: 250-600 per year
    - San Diego area revenue: \$100M - \$125M per year
    - Development and Training for Community: Austal substantially trains each locally-hired craftsman
    - Positive community impact
  - Current Repair Yards are at capacity with larger ships
- Austal Experience:
  - \$150-\$250M in repair revenues
  - Worldwide presence – nearly 4,500 employees
  - Prime Contractor for shipbuilding and ship repair for the US Navy
  - Active membership in San Diego organizations



# LITTORAL COMBAT SHIP (LCS)



## Small Surface Combatant

- 419' x 104' x 14'
- 40+ kts
- Berthing for 98
- SUW, ASW, MCM Missions

### **LCS 2 – 20 Delivered (10 Total)**

<b>LCS 22</b>	<b>~97% complete</b>	<b>Deliver FEB 2020</b>
<b>LCS 24</b>	<b>~85% complete</b>	<b>Deliver APR 2020</b>
<b>LCS 26 (USS MOBILE)</b>	<b>~60% complete</b>	<b>Deliver SEP 2020</b>
<b>LCS 28</b>	<b>~25% complete</b>	<b>Deliver AUG 2021</b>
<b>LCS 30</b>	<b>~5% complete</b>	<b>Deliver JAN 2022</b>
<b>LCS 32</b>	<b>Start of Construction, October</b>	
<b>LCS 34 – 38</b>	<b>Contracted, not started</b>	



# EXPEDITIONARY FAST TRANSPORT (EPF)



ScanEagle UAV on EPF 1



**EPF 1 – 11 Delivered**

**EPF 12: ~90% complete**

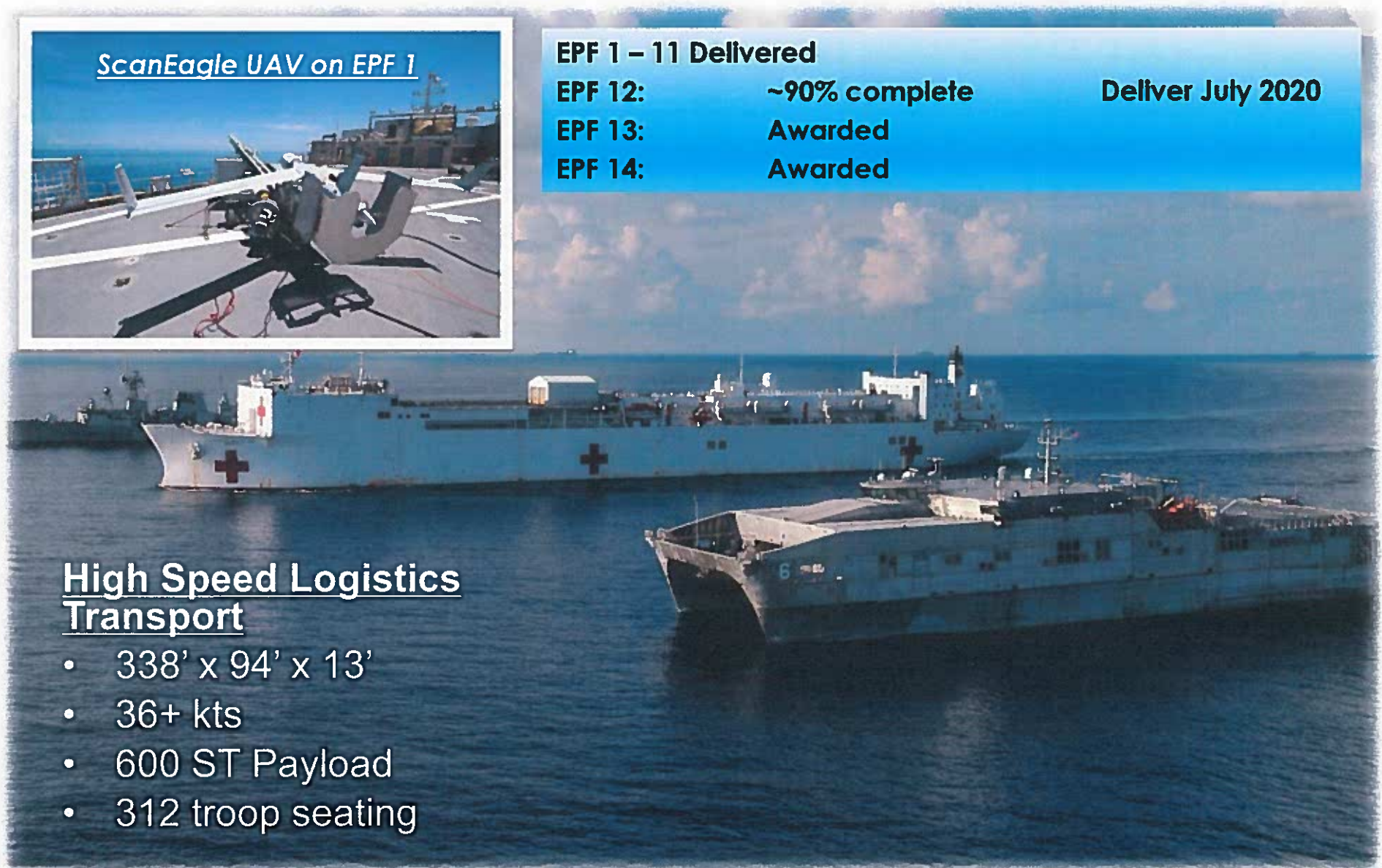
**Deliver July 2020**

**EPF 13: Awarded**

**EPF 14: Awarded**

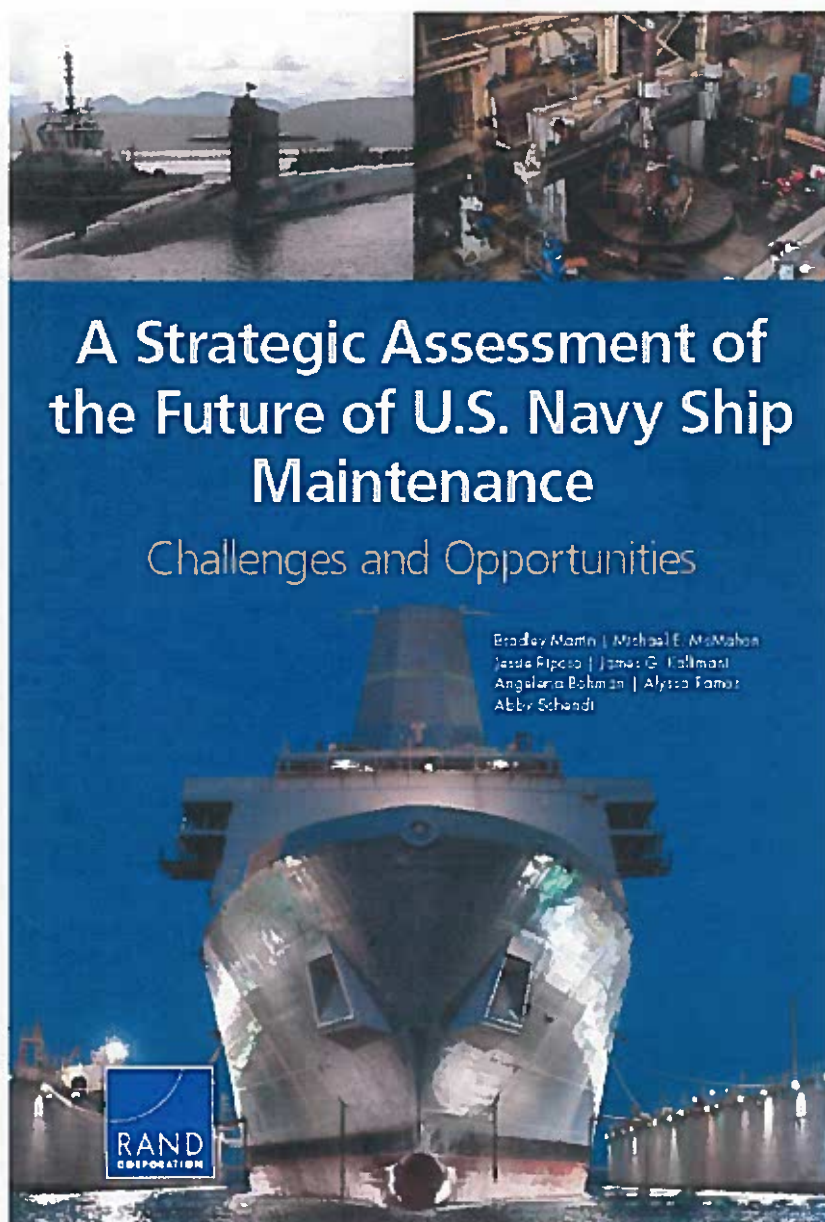
## High Speed Logistics Transport

- 338' x 94' x 13'
- 36+ kts
- 600 ST Payload
- 312 troop seating





# Navy's Need for Dry Dock Space



- US Navy commissioned RAND Corp to study the Supply & Demand of Dry Docks to Support the US Navy
- **Conclusion:**
  - LCS 2 available Dry Dock(s) near the LCS 2 Homeport is limited vs. need
  - New Dry Dock(s) will need to be built to support the LCS 2 variant



# US Navy Dry Dock Need

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- US Navy Need in San Diego:
  - ~8 Ships per year need dry-docking
  - ~5 Displaced Ships per year – no dry dock capacity
- Per RAND Study:
  - “Demands for ... dry docks, will be significant and, at times, overstress available dry docks by port”
  - “The dry-dock demand predicted for the LCS-1 and the LCS-2, when analyzed by homeport, does not appear executable within available facilities within homeport.”





# Navy Dry-Dock Need

**REPORT TO CONGRESS  
ON  
THE LONG-RANGE PLAN FOR  
MAINTENANCE AND MODERNIZATION  
OF NAVAL VESSELS  
FOR FISCAL YEAR 2020**

**Prepared by:  
Naval Sea Systems Command  
1333 Isaac Hull Ave  
Washington Navy Yard, DC 20376**

- “Likewise, *additional dry docks will be needed to address the growing fleet size.*”
- “The ratio of ships to dry docks present in the Pacific presents a significant challenge that reduces margin for schedule changes and growth. The Navy has conducted a market survey of available/potential dry docks and is developing a long-range plan *to increase the number of certified dry docks in the Pacific* (and elsewhere if required) to reduce this shortfall.”
- Both public and private plans specifically focus on three major areas of improvement: *dry dock capacity* and survivability, facility layout and infrastructures optimization, and capital equipment requirements and modernization.



# Navy Dry-Dock Need

- The Navy has identified a significant shortfall in dry-dock capacity in SD area
  - Lack of dry-dock capacity in SD has forced Navy to send ships to other west & gulf coast ports ... detracting from crew time at home and taking revenue and jobs from SD area
- The dry-dock shortfall in SD is well documented
  - Navy & RAND studies
  - Navy testimony to Congress (SECNAV, CNO, NAVSEA)
  - Numerous Austal meetings with Navy leadership – PACFLT, NAVSEA, SEA21, SWRMC, PEO USC
  - Navy Long-Range Plan for Maintenance and Modernization for FY20
- Navy report to Congress
  - “Infrastructure is another significant risk to completing maintenance in San Diego. There are three privately owned, large floating dry docks and one small Navy-owned graving dock. Due to the influx of maintenance, many of the availabilities will need to be performed at other West Coast ports or on the East and Gulf Coasts.



# Repair Work “Displaced”

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- Current Status of LCS-2 Dry Docking:
  - 2 Dry Dockings occurring in Portland, OR
  - 4 Dry Dockings occurring in Seattle, WA
  - 2 Dry Dockings occurring in Mobile, AL
  - BAE/NASSCO/US Navy Dry Dockings for LCS 2: **Zero**
    - Currently only three locations in San Diego with NAVSEA certified Docks
    - Because of demand for larger ships, these locations have made the LCS 2 a lower priority



# San Diego Annual Economic Impact



First Full Year of Operations (~2022)

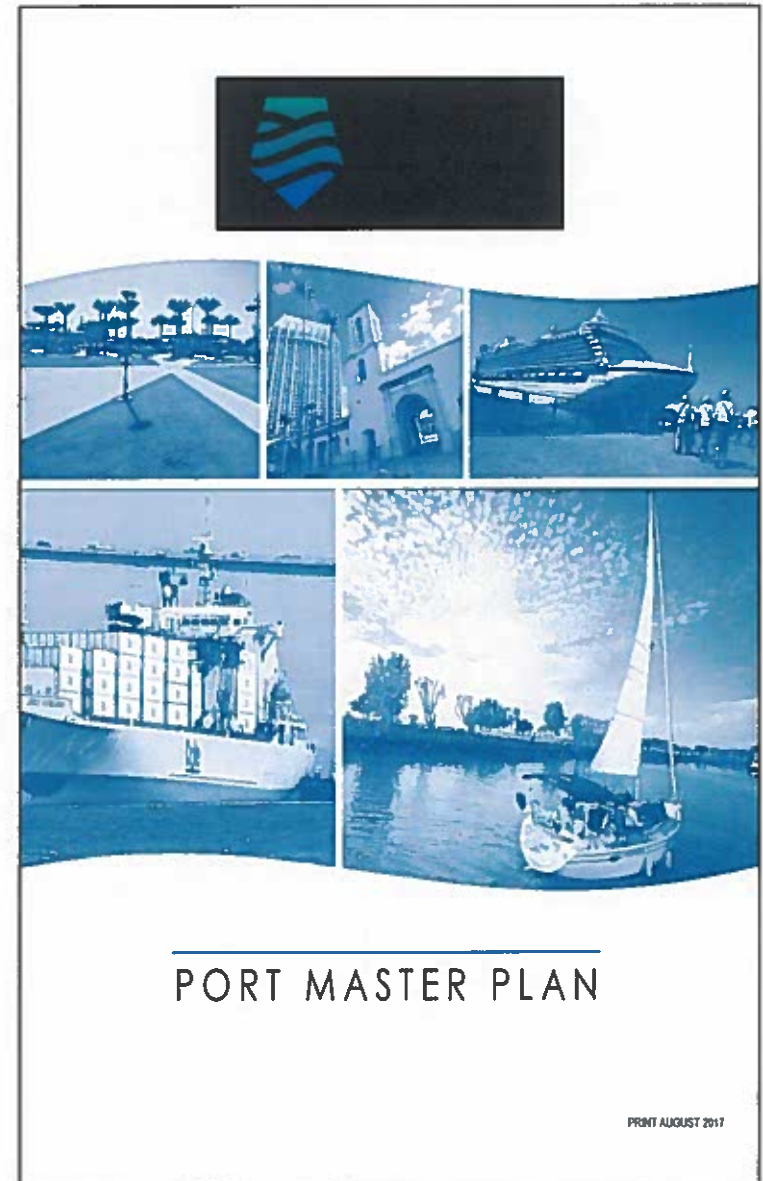
LCS Maint Event Type	# of Employees	# of Subcont Employees	Total Non- Labor Area Spend (\$M's)	Percent Time Work Completed at Crosby Site	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
PSA	75	50	\$ 7.50	20%	25	25	25				25	25	25			
PMVA	30	20	\$ 2.05	10%				10						10		
CMAV/EM	40	20	\$ 7.50	10%		6			6			6			6	
SRA	75	50	\$ 7.15	100%					125	125	125			125	125	125
DSRA	175	75	\$ 30.76	100%	250	250	250	250	250	250	250	250	250	250	250	250
<b>TOTALS</b>	<b>395</b>	<b>215</b>	<b>\$ 54.96</b>	<b>Spend \$</b>	<b>\$3.9</b>	<b>\$4.0</b>	<b>\$3.9</b>	<b>\$3.7</b>	<b>\$5.4</b>	<b>\$5.3</b>	<b>\$5.6</b>	<b>\$4.0</b>	<b>\$3.9</b>	<b>\$5.4</b>	<b>\$5.4</b>	<b>\$ 4.7</b>
<b>Total Annual San Diego Employed</b>				<b>610</b>	<b>275</b>	<b>281</b>	<b>275</b>	<b>260</b>	<b>381</b>	<b>375</b>	<b>400</b>	<b>281</b>	<b>275</b>	<b>385</b>	<b>381</b>	<b>375</b>
<b>Total Annual Non-Labor \$ Spend (\$M's)</b>				<b>\$ 54.96</b>												
<b>Average Employed Base per Month</b>				<b>329</b>												
<b>Avg Monthly Non-Labor Spend (\$M's)</b>				<b>\$ 4.58</b>												
<b>Average Hourly Wage per Employee</b>				<b>\$ 36.00</b>												
<b>Average Monthly Labor Payroll</b>				<b>\$ 2.05</b>												
<b>Annual Payroll (\$M's)</b>				<b>\$ 24.56</b>												
<b>Total Area \$ Impact per Year (\$M's)</b>				<b>\$ 79.53</b>												
<b>Other Indirect Spend</b>				<b>\$ 23.75</b>												
<b>TOTAL (\$M's)</b>				<b>\$ 103.28</b>												

- **US Navy Need to Retain LCS Maintenance & Support in San Diego**
- **Economic Impact to San Diego**
  - 600 new jobs (\$24.56M in Annual Payroll)
  - \$78.72M in additional San Diego Area Direct & Indirect Spend
  - Total Economic Impact: \$103.28M per year

# Site



- San Diego is the Home Port for the LCS 2 US Navy Ship
- Primary Site Selection Criteria: San Diego Location and Environmental Impact
- Identify sites “Industrial Uses” based upon current Port Master Plan.
- Focus a “project site” that does not interfere with current or future cargo operations.
- Review All Planning Districts as potential sites.
- **How did we end up at this site?**





## Selection Criteria

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- Deep water - will require no dredging.
- The site has contiguous land.
- Street access.
- Not interfere with maritime cargo uses.
- Allows for a direct long-term relationship with the Port Authority / Community.

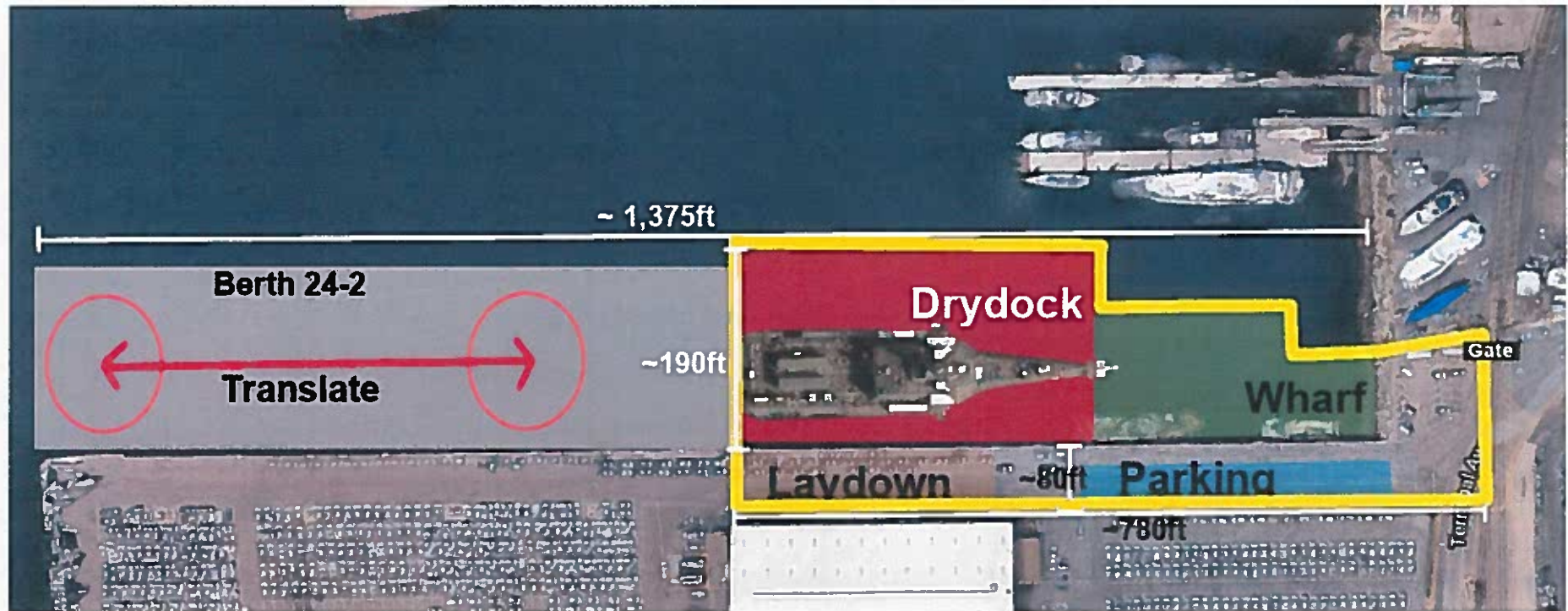


# National City 'North Side' Berths



*NZ# 190 x 450*

# National City Terminal Berth 24-1





# Austal Full Footprint Requirement











# Austal Supports Using Local Firms and Vendors



Austal has engaged a TEAM of local professional firms for the final planning, engineering, design, and construction management for the landside and waterside improvements.

Additionally, the Austal TEAM is prepared to support the SDUPD with professional services associated with the off-site improvements through a cost recovery agreement.

	Company	Functions
	Austal USA	Engineer/Tech Design Project Oversight Dry-Dock Estimate Construction - Land ABS Port Improvement Equipment and Tools for Facility
	Anchor QEA	Engineer/Tech Design Dredging Permitting Environmental
	Heger Dry Dock	Engineer/Tech Design Facility Cert Report Geotechnical 30% and 100% Design
	Kleinfelder	Engineer Design/Permit study Const Support/Site Plan Geotechnical study 10%, 30% and 100% Design
	Triton Engineering	Engineer/Tech Design Pier/ Mooring Design Site Plan Detail Const Design
	Vickerman & Associates	Project Description Design Port of San Diego Liaison Initial Project Mgmt Conceptual Designs



# Austal in the Community

Corporate Social Responsibility is a core value for Austal USA. We are one of the top investors in the greater Mobile, Ala. community providing hundreds of thousands of dollars in donations, sponsorships and other corporate giving to aid economic development, environmental, and social programs.

- Mobile - Support community growth through city and county clean up and growth programs, STEM and robotics engagement at the K-12 level, beautification, preservation and remediation efforts in and around our historic Mobile River Delta and Mobile Bay waterways, and fresh-start programs to our local homeless, disadvantaged youth, and domestic violence victims.
  - Our executive team is actively involved in Leadership positions with numerous organizations
    - Board of Directors - Mobile Area Chamber of Commerce, Business Council of Alabama, United Way, Boys and Girls Clubs of South Alabama, and Mobile Baykeeper.
    - Chairman of the Board, United Way of Southwest Alabama
    - Advisory Board Members, University of South Alabama (Schools of Business and Engineering) and Board Member, Development Council for the University of South Alabama Hospital
- San Diego - We have grown our community involvement in San Diego with memberships at the San Diego Regional Chamber of Commerce, San Diego Ship Repair Association, and the San Diego Port Tenants Association and are looking to do more in the near future. A strong community and our role as a strong community partner is critical to our ability to build and service ships for our U.S. Navy
- Alabama
  - Entrenched in educational, workforce development planning and cybersecurity efforts at the state level, serving in positions appointed by the Governor of Alabama.
    - Workforce development – Board of Directors of Alabama Works
    - Cybersecurity – University of Alabama School of Cyber and Engineering, Board of Directors
  - Business Council of Alabama of Alabama, Board of Directors
- National
  - Chairman, Shipbuilders Council of America
  - Vice Chairman, National Ship Research Program (NSRP)