

Defense Production Act Funds Go to Support Navy, Coast Guard Industrial Base

ARLINGTON, Va. – The Defense Department has announced five Defense Production Act Title 3 actions that will help sustain defense-critical workforce capabilities in body armor, aircraft manufacturing, and shipbuilding, Lt. Col. Mike Andrews, a Pentagon spokesman, said in a release.

“These actions will help to retain critical workforce capabilities throughout the disruption caused by COVID-19 and to restore some jobs lost because of the pandemic,” Andrews said.

The Pentagon signed a \$19.5 million agreement with Steel America to sustain critical industrial base capability and capacity for U.S. Navy shaft repair and manufacturing during the pandemic.

Using funds authorized and appropriated under the CARES Act, this investment at Steel America’s Norfolk, Virginia, headquarters will expand its domestic production capability and capacity to support the Navy and U.S. Coast Guard.

Steel America will increase core machine shop peak capacity by 200%, build a “rotatable pool” of spare equipment and help reduce dry-dock times, driving time and facilitate cost savings for the government. This will enable Steel America to retain its workforce throughout the pandemic and restore some jobs.

The Pentagon also has signed a \$500,000 agreement with Allied Systems to sustain industrial base capability for manufacturing and service provisioning for cranes and davits

for the Navy and Coast Guard during the pandemic.

This investment at Allied Systems headquarters in Sherwood, Oregon, will address COVID-19 impacts caused by a significant shortfall in CO2 available for welding as well as provide funds to offset disruptions to operations and company orders. DoD and Allied Systems anticipate that it will take three months for initial set-up and support two years of ongoing operations to sustain this capability and capacity.

DoD also signed a \$15 million with Bethel Industries Inc. to increase industrial capacity for specialized laser cutting of laminated nylon fabrics for soldier protective systems.

The Pentagon also signed a \$20 million contract with GE Aviation on June 5 to sustain the industrial base for highly specialized engineering resources. GE Aviation is one of two U.S. suppliers capable of producing large advanced combat engines.

DoD also allocated \$80 million to Spirit AeroSystems Inc. to expand its domestic production capability and capacity for advanced tooling, composite fabrication and metallic machining at Spirit and the supporting lower level supply chain. Spirit AeroSystems designs, develops and manufactures complex structures for the commercial and defense industries. Spirit also makes high-temperature carbon/carbon materials for the Pentagon and defense prime contractors.