

# Geurts: Navy Acting to Shore Up Industrial Base to Ease Virus Impact on Readiness



Contractors aboard the aircraft carrier USS Gerald R. Ford test a lower stage weapons elevator. Navy Assistant Secretary James F. Geurts says the sea service is working to make sure that remaining work on the Ford and construction of the Columbia-class submarine is minimally disrupted during the COVID-19 outbreak. U.S. Navy/Mass Communication Specialist Seaman Apprentice Riley McDowell

ARLINGTON, Va. – The U.S. Navy is taking active measures to ease the impact of the COVID-19 virus on the operations and finance of its defense industrial base to minimize disruptions to its acquisition and readiness, the service's top acquisition official said.

James F. Geurts, assistant secretary of the Navy for research, development and acquisition, speaking March 25 in a teleconference with reporters, said the Navy is "using all the levers we have" such as moving up contract awards, accelerating contract payments and establishing baselines to compare pre-virus versus post-virus contractor performance.

[See: Port Visits Cancelled, Submariners' Health Monitored to Contain Coronavirus](#)

Geurts said his effort is focused of three lines of operation:

- The health of the defense industrial work force, including the government work force and its industrial partners such as prime contractors, subcontractors, small suppliers and individuals.
- Ensuring the health of the industrial base.

- Ensuring warfighting readiness of the Navy and U.S. Marine Corps.

Geurts said he is communicating with various stakeholders such as shipbuilder and aircraft builder presidents and Navy shipyards, regional maintenance centers and fleet readiness centers to take the pulse of operations and address concerns at all levels, including reducing barriers and freeing up funding. He said he is especially concerned about the resilience of the many small supplier companies that fill out the industrial supply chain.

The Navy's concerns about major shipyards vary by site, but Geurts said the sea service is "seeing a tightening on the supply base as smaller shops deal with their local situations. We've got a pretty good view of that with some of the real-time systems we are using. I do expect some delay or disruption."

Geurts said a key initiative was to establish baselines of the performance of current programs before the pandemic hit to understand the effects of delay and disruption with delays that were already incurred in programs and work through those issues on the back side of the pandemic and adjust as necessary.

He said the Navy is not slowing down in its contracting activity and is, in fact, accelerating it "wherever we can to get that demand signal in" so that there is meaningful work waiting as the pandemic ends to avoid a lag effect in getting back to work at full speed.

Regarding ship repair periods, the secretary said the Navy is reducing the normal 10% payment withholdings across the board.

For claims that have been adjudicated but not yet paid, the Navy is looking to pay those out, and where claims have not yet been adjudicated, it will attempt to accelerate

adjudication of those claims.

“On the [contract] penalty side, we will continue to understand where those penalties are and work through how to deal with those penalties,” Geurts said.

Geurts said his team is 90% to 95% dispersed and teleworking but he is “driving the team to accelerate” and he praised its dedication to performance despite the disruption of the virus.

The secretary said the Navy is working to make sure there is no or only minimal disruption to the construction of the Columbia-class ballistic-missile submarine and the remaining work on the aircraft carrier Gerald R. Ford.

He said he has “not seen any major impacts to that work [on the Columbia SSBN] yet but we are tracking it very closely.”