Testimony of Dave Whitcomb, Chief Operating Officer, Vigor Industrial

House Coast Guard and Maritime Transportation Subcommittee

December 1, 2011

Chairman LoBiondo, Ranking Member Larsen, Congressman Young, distinguished members of the Subcommittee.

My name is Dave Whitcomb and I am the Chief Operating Officer at Vigor Industrial, the largest private sector ship construction, repair and maintenance company in the Pacific Northwest. Through Todd Pacific Shipyards in Seattle, which Vigor acquired earlier this year, our shipyards have been closely involved with the maintenance and repair of the Coast Guard icebreakers Polar Sea and Polar Star since they were commissioned in the late 70s. We have also maintained the medium Coast Guard icebreaker, the Healy.

In my testimony today, I want to describe the condition of the existing ships, what can be done economically to ensure that those assets continue to perform their missions, and what the alternative of constructing new heavy polar icebreakers would likely entail and cost.

Let me begin with the single most important point of this testimony- the hulls and frames of both the Polar Star and Polar Sea are perfectly sound and capable of continuing to perform icebreaking for the foreseeable future

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To fully appreciate why this matters and what the unique value of these ships truly is, it helps to understand what goes into building them. The internal frames of ships are comparable to the studs on houses or the girders on skyscrapers. On the Polar Sea and Polar Star frames are spaced 16 inches apart, are 30 inches deep and have an 8 inch face frame on each frame. This leaves an effective space between the Ts of just 8 inches. By comparison, the National Security Cutter internal spacing is 27” in the extreme bow of the ship and 49” in the majority of the ship.

On the Polar Sea and Star, the steel plating in the ice belt of the hull is 1 3/4 inches thick compared to 5/16 and 3/8th inch for an NSC. I'm holding in my hands examples of the difference in the thickness of these hulls and with your permission at the end of my testimony I will pass them up to the committee so you can examine them yourself.

Consider what it takes to bend and fabricate steel of this thickness. Also consider that to weld the framing to the hull plating, the steel plating has to be heated to high temperatures, then highly skilled welders have to go inside the heated and confined space and weld that steel together. It is arduous, difficult, expensive work. Indeed, on the initial build by Lockheed some of the most experienced workers simply walked off the job because the conditions were so challenging.

What all this means is that it is extremely expensive and demanding to build a heavy polar icebreaker, something our nation has not done now for more than thirty years. That is why the existing ships are so unique and hard to replace.

I want to emphasize that we do believe there is a need to build new heavy icebreakers and we urge the Congress and the Administration to work together to quickly authorize and fund

such a project. This position is also held by the Shipbuilders Council of America, which represents more than 50 companies and 120 shipyards across America.

But as members of this committee can appreciate, even if the Congress immediately began the process of authorizing and funding new heavy icebreakers, fully functioning replacements would not likely be mission ready for ten years or longer. What is more, realistic estimates indicate the cost of a new heavy icebreaker would likely be at least one billion dollars.

Until Congress and the Administration provide for such funding and the replacements are actually in the water, we must have the capability to complete the vital missions our polar icebreakers have performed for decades.

The good news is that the Coast Guard Cutter Polar Star is now nearing completion of its reactivation which will prepare it to function effectively for at least a decade or more assuming regular maintenance.

The other good news is that the Polar Sea also can be restored to full mission readiness with a comparable longevity at relatively modest cost and in a reasonably short period of time. Vigor Industrial estimates that bringing the Polar Sea up to an operationally capable condition would require approximately 11 million dollars. We base this on the fact that we have done comparable work on the Polar Star already and are well aware of what is required. My written statement includes more details of that estimate. This work would require approximately two years to complete and might well be finished faster depending on availability of key components.

The take home message is that for just over one percent of the cost of a new vessel, and at a two year versus ten year minimum horizon, the United States of America would have a

second fully functioning heavy icebreaker able to complete vital missions under our own flag for at least a decade or more..

Others today have spoken of the dangers inherent in relinquishing our icebreaking capacity to former adversaries or economic competitors. Our message today from a shipbuilding and repair perspective is simple: there is an affordable, proven, prompt and practical alternative that should not be squandered.

Thank you for the opportunity to speak with you today. I have provided additional information in my written testimony and would be glad to answer any questions.

Itemization of key work that needs to be performed to return Polar Sea to service at level equal to Polar Star. Note, these are rough estimates based on current experience with the Polar Star reactivation.

Task	Time Frame	Estimated Cost
Diesel engine overhaul- return Polar Sea engines to stock configuration as approved by CG on Polar Star	Best case -10 months (Based on Star Experience) Worst case – if delays in parts 18 months	$5 million
Replace obsolete cranes with new. Cranes have already been purchased by CG for both Star and Sea. Cranes intended for Sea are waiting in the warehouse at Allied Crane	7 to 9 months to remove old cranes from Sea and install new (Note: This new configuration will resolve one of the main issues that caused Star and Sea to be placed in caretaker status originally)	Our understanding is cranes have already been paid for by CG. Removal of old and install of new is estimated at $3 million.
Controllable pitch propeller hydraulic system upgrade for all three propeller shafts	6-7 months includes removal of existing obsolete systems, fabrication of replacement and installation in ship. This configuration has already been approved and installed on Star.	$3 million for removal, fabrication and installation
Total Time and Cost	All tasks can be accomplished concurrently. Hence, total realistic Minimum is 10 months – Maximum 18 months	Estimated Total Cost $11 million

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

Truth in Testimony Disclosure

Pursuant to clause 2(g)(5) of House Rule XI, in the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include: (1) a curriculum vitae; and (2) a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by an entity represented by the witness. Such statements, with appropriate redaction to protect the privacy of the witness, shall be made publicly available in electronic form not later than one day after the witness appears.

(1) Name: Dave Whitcomb

(2) Other than yourself, name of entity you are representing:
Vigor Industrial

(3) Are you testifying on behalf of an entity other than a Government (federal, state, local) entity?

YES **If yes, please provide the information requested below and attach your curriculum vitae.**

NO

(4) Please list the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by you or by the entity you are representing:

Electronic spreadsheet is attached.

Signature

11/29/11
Date

Parent Vendor	Contract	Contracting Agency	Contracting Bureau	FY2009	FY2010	FY2011	TOTAL
TODD SHIPYARDS CORP.	DOCAB133M07CN0009 / J999--Non-nuclear Ship Repair (West)	Department of Commerce	National Oceanic and Atmospheric Administration	-1			-1
TODD SHIPYARDS CORP.	DOCAB133M09CN0044 / 1990--Miscellaneous Vessels	Department of Commerce	National Oceanic and Atmospheric Administration	810072			810072
TODD SHIPYARDS CORP.	DOCFH133M09SE1418 / 2090--Miscellaneous Ship and Marine Equipment	Department of Commerce	National Oceanic and Atmospheric Administration	8325.55			8325.55
TODD SHIPYARDS CORP.	DOCFH133M09SU0598 / 1990--Miscellaneous Vessels	Department of Commerce	National Oceanic and Atmospheric Administration	24998			24998
TODD SHIPYARDS CORP.	HSCG4010P40562 / 2010--Ship and Boat Propulsion Components	Department of Homeland Security	U.S. Coast Guard		9378		9378
TODD SHIPYARDS CORP.	HSCG4010PPAT031 / S215--Housekeeping- Warehousing/Storage	Department of Homeland Security	U.S. Coast Guard		18859	19142	38001
TODD SHIPYARDS CORP.	HSCG8504C625509 / J999--Non-nuclear Ship Repair (West)	Department of Homeland Security	U.S. Coast Guard	205428	-89924.03	0	115503.97
TODD SHIPYARDS CORP.	HSCG8505C625306 / J999--Non-nuclear Ship Repair (West)	Department of Homeland Security	U.S. Coast Guard	6607766	15010223		21617989
TODD SHIPYARDS CORP.	HSCG8505C625509 / J999--Non-nuclear Ship Repair (West)	Department of Homeland Security	U.S. Coast Guard		-418817.74		-418817.74
TODD SHIPYARDS CORP.	HSCG8509C6BX667 / J999--Non-nuclear Ship Repair (West)	Department of Homeland Security	U.S. Coast Guard	8956311	31708124	35702972	76367407
TODD SHIPYARDS CORP.	HSCG8511CP45631 / J999--Non-nuclear Ship Repair (West)	Department of Homeland Security	U.S. Coast Guard			6041183	6041183
TODD SHIPYARDS CORP.	N0002400C8514 / 1903--Destroyers	Department of Defense	Navy, Department of the	15119568.88	30681488.86	769948	46571005.74
TODD SHIPYARDS CORP.	N0002404C4152 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	211715			211715
TODD SHIPYARDS CORP.	N0002408C4416 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	46265124.2	44937349.34	48221923.52	139424397.1
TODD SHIPYARDS CORP.	N0002411C4401 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the			10427266	10427266
TODD SHIPYARDS CORP.	N0010410PFA50 / 2010--Ship and Boat Propulsion Components	Department of Defense	Navy, Department of the		33304		33304
TODD SHIPYARDS CORP.	N0040611G0002 / J020--Maint/Repair/Rebuilding of Equipment- Ship and Marine Equipment	Department of Defense	Navy, Department of the			157082	157082
TODD SHIPYARDS CORP.	N0040611P2345 / J020--Maint/Repair/Rebuilding of Equipment- Ship and Marine Equipment	Department of Defense	Navy, Department of the			4719	4719
TODD SHIPYARDS CORP.	N4044210C1004 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		3574068.5		3574068.5
TODD SHIPYARDS CORP.	N4044310P0042 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		509590		509590
TODD SHIPYARDS CORP.	N4523A07D0001 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		765348.8	282444	1047792.8
TODD SHIPYARDS CORP.	N6279902D0001 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	1073770			1073770
VIGOR INDUSTRIAL LLC	DACW5703D0009 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Department of the Army	2569606	-164583		2405023
VIGOR INDUSTRIAL LLC	DOCAB133M09CN0230 / 1990--Miscellaneous Vessels	Department of Commerce	National Oceanic and Atmospheric Administration	13084933	3489370	646889	17221192
VIGOR INDUSTRIAL LLC	DTDTMA1D08014 / V119--Transportation/Travel/Relocation- Transportation: Other	Department of Transportation	Maritime Administration	167000	1348573.05	1225121	2740694.05
VIGOR INDUSTRIAL LLC	HSCG3309PSTH033 / J020--Maint/Repair/Rebuilding of Equipment- Ship and Marine Equipment	Department of Homeland Security	U.S. Coast Guard		12786		12786
VIGOR INDUSTRIAL LLC	HSCG8010PP45JC3 / J998--Non-nuclear Ship Repair (East)	Department of Homeland Security	U.S. Coast Guard		86676		86676
VIGOR INDUSTRIAL LLC	HSCG8509P625571 / J999--Non-nuclear Ship Repair (West)	Department of Homeland Security	U.S. Coast Guard	13654			13654
VIGOR INDUSTRIAL LLC	HSCG8509P6MAH10 / 2090--Miscellaneous Ship and Marine Equipment	Department of Homeland Security	U.S. Coast Guard	3232.64			3232.64
VIGOR INDUSTRIAL LLC	HSCG8510C610AC4 / J999--Non-nuclear Ship Repair (West)	Department of Homeland Security	U.S. Coast Guard		607211	50790	658001
VIGOR INDUSTRIAL LLC	HSCG8510C610K16 / J999--Non-nuclear Ship Repair (West)	Department of Homeland Security	U.S. Coast Guard		2236105		2236105
VIGOR INDUSTRIAL LLC	HSCG8510PP45NA2 / 2090--Miscellaneous Ship and Marine Equipment	Department of Homeland Security	U.S. Coast Guard		8676		8676
VIGOR INDUSTRIAL LLC	N0025310P0586 / J019--Maint/Repair/Rebuilding of Equipment- Ships, Small Craft, Pontoons, and Floating Docks	Department of Defense	Navy, Department of the		165992.5	16693.18	182685.68
VIGOR INDUSTRIAL LLC	N0040609P4380 / J020--Maint/Repair/Rebuilding of Equipment- Ship and Marine Equipment	Department of Defense	Navy, Department of the	499418			499418
VIGOR INDUSTRIAL LLC	N4044208C1020 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	92775			92775
VIGOR INDUSTRIAL LLC	N4044208C2000 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	78560			78560
VIGOR INDUSTRIAL LLC	N4044208C2003 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	2030892			2030892
VIGOR INDUSTRIAL LLC	N4044209C1013 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	5466383			5466383
VIGOR INDUSTRIAL LLC	N4044209C1030 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	4128843	679803.5		4808646.5
VIGOR INDUSTRIAL LLC	N4044209C2004 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	3654378			3654378
VIGOR INDUSTRIAL LLC	N4044209C2012 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	9591503	12220936		21812439
VIGOR INDUSTRIAL LLC	N4044209C3009 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	7602470			7602470
VIGOR INDUSTRIAL LLC	N4044209C3010 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	8615290			8615290
VIGOR INDUSTRIAL LLC	N4044209C4000 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	4412551			4412551
VIGOR INDUSTRIAL LLC	N4044209C4002 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	4467387	2875072		7342459
VIGOR INDUSTRIAL LLC	N4044210C1003 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		6287596		6287596
VIGOR INDUSTRIAL LLC	N4044210C2000 / J998--Non-nuclear Ship Repair (East)	Department of Defense	Navy, Department of the		3944919		3944919
VIGOR INDUSTRIAL LLC	N4044210C2007 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		7661224	2184471	9845695
VIGOR INDUSTRIAL LLC	N4044211C1005 / J998--Non-nuclear Ship Repair (East)	Department of Defense	Navy, Department of the			6116248	6116248
VIGOR INDUSTRIAL LLC	N4044211C1011 / 2090--Miscellaneous Ship and Marine Equipment	Department of Defense	Navy, Department of the			4531223	4531223
VIGOR INDUSTRIAL LLC	N4044211C1050 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the			7680090	7680090
VIGOR INDUSTRIAL LLC	N4044211C2000 / J998--Non-nuclear Ship Repair (East)	Department of Defense	Navy, Department of the			5484028	5484028
VIGOR INDUSTRIAL LLC	N4044211P1027 / J020--Maint/Repair/Rebuilding of Equipment- Ship and Marine Equipment	Department of Defense	Navy, Department of the			148500	148500
VIGOR INDUSTRIAL LLC	N4044309P0076 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	893880			893880
VIGOR INDUSTRIAL LLC	N4044309P2050 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	48426.2			48426.2
VIGOR INDUSTRIAL LLC	N4044310C0176 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		580993	174250	755243
VIGOR INDUSTRIAL LLC	N4044310P0130 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		457237		457237
VIGOR INDUSTRIAL LLC	N4044310P0171 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		276134		276134
VIGOR INDUSTRIAL LLC	N4044310P0208 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		199269		199269
VIGOR INDUSTRIAL LLC	N4044310P0209 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		302382		302382
VIGOR INDUSTRIAL LLC	N4044310P0222 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the		251972		251972
VIGOR INDUSTRIAL LLC	N4044311P0024 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the			631022	631022
VIGOR INDUSTRIAL LLC	N4523A09C5049 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	36109441			36109441
VIGOR INDUSTRIAL LLC	N4523A09D0001 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the	1033580	1854303.16	582116	3469999.16
VIGOR INDUSTRIAL LLC	N4523A10D0001 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Navy, Department of the			751456	751456
VIGOR INDUSTRIAL LLC	W911S009D0002 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Department of the Army	7366462.32	-893167.16		6473295.16
VIGOR INDUSTRIAL LLC	W911S009D0004 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Department of the Army			360325.9	360325.9
VIGOR INDUSTRIAL LLC	W911S011P0086 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Department of the Army			23138	23138
VIGOR INDUSTRIAL LLC	W9127N09D0003 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Department of the Army	1123872.22	7909855.81	4130538.8	13164266.83
VIGOR INDUSTRIAL LLC	W9127N10P0471 / Z299--Maintenance, Repair or Alteration of Other Non-building Facilities	Department of Defense	Department of the Army		93512		93512
VIGOR INDUSTRIAL LLC	W9127N11P0195 / J999--Non-nuclear Ship Repair (West)	Department of Defense	Department of the Army			53917	53917
VIGOR INDUSTRIAL LLC	W912BU07C0003 / 1955--Dredges	Department of Defense	Department of the Army	3215914			3215914

David Whitcomb
Chief Operating Officer

David Whitcomb has more than two decades of experience in marine and ship repair industries. Mr. Whitcomb launched his maritime career in 1989 in Alaska's crab and salmon fisheries as an Ordinary Seaman and Yukon River barge pilot. He attended the United States Merchant Marine Academy at Kings Point, graduating magna cum laude in 1995. While at the academy, Mr. Whitcomb served as a midshipman officer for the waterfront and completed his sea time on a variety of motor and steam vessels. He joined Vigor company Cascade General in 1996 as an assistant superintendent. He moved into a project management role, was promoted to Vice President in 2006 and in 2008 was named Vigor's Chief Operating Officer. Following the acquisition of Todd Shipyards, he continued in his role as COO, based out of the Seattle facility. Mr. Whitcomb is responsible for P&L management of all ship repair operations. He and his staff ensure that Vigor people, facilities and other resources are optimally brought together to meet the Company's business mission to provide sustaining jobs and timely and cost-effective ship repair, conversion and construction.