



**DEPARTMENT OF THE NAVY**

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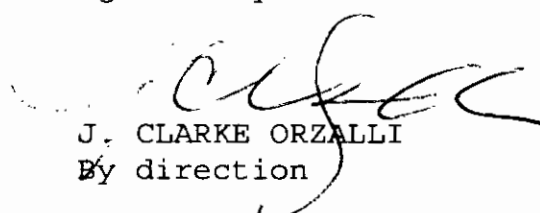
Subj: JOINT INDUSTRY NAVY IMPROVEMENT INITIATIVE (JINII)  
PLANNING SESSION (JPS) AND JINII MEETING MINUTES

Encl: (1) JPS List of Attendees  
(2) JPS and JINII Agenda  
(3) JPS and JINII Minutes  
(4) Action Items

1. The subject meetings were held 30 September - 1 October 2009 in San Diego, CA. JPS attendees are listed in enclosure (1). The meeting agendas are provided in enclosure (2). Meeting minutes are summarized in enclosure (3). Action items resulting from the meetings are contained in enclosure (4).

2. These minutes and the briefs that were presented will be posted on the National Surface Treatment Center website (<http://www.nstcenter.com/jinii.aspx>).

3. The USFF point of contact is CAPT Stephanie Douglas, USFF N431, 757-836-3744, [stephanie.douglas@navy.mil](mailto:stephanie.douglas@navy.mil).

  
J. CLARKE ORZALLI  
By direction

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**JOINT INDUSTRY NAVY IMPROVEMENT INITIATIVE (JINII)  
 PLANNING SESSION (JPS)  
 30 SEP 09  
List of Attendees**

Name	Activity	E-mail
<b>Navy:</b>		
		<b>@navy.mil</b>
RADM Clarke Orzalli	USFF N43	john.orzalli
RADM Joseph Campbell	SEA 04	joseph.f.campbell1
RDML Richard Berkey	COMPACFLT N43	richard.berkey
RDML James McManamon	SEA 21/00V	james.mcmanamon
Mr. William Ryzewic SES	COMPACFLT N43	bill.ryzewic
Ms. Bilyana Anderson SES	SEA 21	bilyana.anderson
Mr. Jerry Punderson SES	SEA 02	jerome.punderson
Mr. Jim Brice SES	SEA 04	james.brice
CAPT Michael Stanton	USFF N431	michael.b.stanton
CAPT Stephanie Douglas	USFF N431	stephanie.douglas
Mr. Jose Gutierrez	CRMC 00B/SEA 04Y	jose.i.gutierrez
Mr. Dale Hirschman	USFF N434	dale.hirschman
Mr. Daniel Gulotta	DASN Ships	daniel.gulotta
Mr. Michael Chi	SPAWAR 4.0	michael.chi
Mr. Kevin Torsiello	USFF N43C	kevin.torsiello
Mr. Robert Ploeger	CACI	rploeger@caci.com
<b>Industry:</b>		
Mr. Joseph Carnevale	SCA	jcarnevale@balljanik.com
Mr. Jeff Brooks	SCA (Earl)	JBrooks@earl-ind.com
Mr. Tom Epley	VSRA (MHI)	tom.epley@mhi-shiprepair.com
Mr. Mike Nowakowski	VSRA (Colonna)	mnowakowski@colonnaship.com
Mr. Bob Kilpatrick	PSDSRA (BAE-SD)	bob.kilpatrick@baesystems.com
Mr. Derry Pence	PSDSRA	dpence@sandiegoshiprepair.com
Mr. Bob Birtalan	JASRA (AMI)	bbirtalan@atlanticmarine.com
Mr. Joe O'Connor	JASRA (Earl )	joconor@earl-ind.com
Mr. Steve Welch	PSSRA (Todd Pacif.)	stephen.welch@toddpacific.com
Mr. Ed Zajonc	PSSRA (Olympic)	edzajonc@aol.com
Mr. Bill Clifford	SRAH (BAE-SR)	bill.clifford@baesystems.com
Mr. Ian Wood	SRAH (Pacif. Ship)	iwood@pacificshipyards.com
Mr. Joe Yurso	AMMA (QED)	jyurso@qedsysinc.com
Mr. Carl Sprayberry	AMMA (Oceantech)	cspraberry@oceantechsvs.com
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Mr. Dan Welch	BAE	dan.welch@baesystems.com
Ms. Karen Odermatt	BAE	karen.odermatt@baesystems.com
Ms. Pat Schwenke	BAE	Pat.Schwenke@baesystems.com

SCA: Shipbuilders Council of America  
 VSRA: Virginia Ship Repair Association  
 PSDSRA: Port of San Diego Ship Repair Association  
 JASRA: Jacksonville Area Ship Repair Association  
 SRAH: Ship Repair Association of Hawaii  
 AMMA: American Maritime Modernization Association  
 PSSRA: Puget Sound Ship Repair Association  
 ASA: American Shipbuilding Association

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JOINT INDUSTRY NAVY IMPROVEMENT INITIATIVE (JINII)  
PLANNING SESSION (JPS)  
30 SEP 09

- 1230 Arrival/Coffee
- 1300 Welcome Remarks/Agenda Review/Desired Results
- RADM Orzalli (USFF N43)
  - RADM Campbell (SEA 04)
  - Mr. Carnevale (SCA)
- 1315 LEAN/Six Sigma Panel Discussion
- Mr. Brooks (SCA)
  - Mr. S. Welch (PSSRA)
  - Mr. Kilpatrick (PSDSRA)
  - Mr. D. Welch (VSRA)
- 1415 Graduated Quality Assurance (QA)
- Mr. Hirschman (USFF N434)
- 1445 Business Case Bases for Modified Navy Technical Processes
- Mr. Birtalan (JASRA)
- 1530 Surface Warfare Enterprise Assessment Program (SWEAP) Update
- Mr. Gutierrez (CRMC)
- 1545 Shipyard Safety
- Mr. Brice (SEA 04R)
- 1600 Round-Table Discussion: JINII Future Direction/Focus
- 1630 Navy-Only Session: Surface Team 1 Mission & Charter
- RDML McManamon (SEA 21/SEA 00V)
- 1700 Adjourn

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**JOINT INDUSTRY NAVY IMPROVEMENT INITIATIVE (JINII) MEETING  
01 OCT 09**

0800-0830   Arrival/Coffee

0815        Welcome Remarks

- RADM Orzalli (USFF N43)
- RADM Campbell (SEA 04)
- Mr. Carnevale (SCA)

0845        JINII Update: JINII Planning Session (JPS) Activities

- CAPT Stanton (USFF N431)

0900        Surface Ship Life Cycle Management (SSLCM) Activity

- RDML McManamon (SEA 21)

0945        Multi-Ship Multi-Option (MSMO) Update

- RDML McManamon (SEA 21)

1030        Break

1045        American Bureau of Shipping (ABS) Hull Life Survey

- RDML Eccles (SEA 05)
- Mr. Ashe (ABS)

1130        Port Loading Model

- Mr. Gutierrez (SEA 04Y)

1200        Lunch

1300        Surface Strategic Maintenance Offsite (SSMO)

- CAPT Wiegand (CNSF N43)
- Mr. Coumes (CNSF N43)

1400        Flag & RMC Commanders Panel Discussion/Industry Interaction  
(Note 1):

- Requirements Improvement & SSLCM
- Health of Private Sector
- Industry Capabilities to Strengthen Maintenance &  
      Modernization

1600        Adjourn

Note 1: Panel composition pending Flag/SES attendance confirmation.

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JOINT INDUSTRY NAVY IMPROVEMENT INITIATIVE (JINII)  
PLANNING SESSION (JPS)  
30 SEP 09

I. Welcome/Admin/Agenda Review/Desired Results (CAPT Stanton, Mr. Carnevale).

Introductions were made by the meeting attendees.

Mr. Carnevale commented that the JINII Planning Sessions have been very productive and provided great dialogue. The individual attendees are able to exchange facts and information more efficiently in the smaller forum. The JPS has put together a good agenda for today, and the JPS attendees are still working on a niche to making changes to the Navy processes.

CAPT Stanton provided a brief history of the JINII meetings dating back to the early 1990s. We need to continue the JINII Planning Sessions to see improvements. These are more conducive to good communications and are proving to be a very important forum. We're counting on the individual association members of this smaller gathering to reach out to their own members to get their issues in front of the Session.

II. LEAN/Six Sigma Panel Discussion (Mr. Carnevale, Mr. Brooks, Mr. S. Welch, Mr. Kilpatrick, Mr. D. Welch).

Mr. Carnevale introduced the discussion. In checking with the private shipyards concerning whether they were willing to discuss their LEAN programs, their responses fell into four categories:

1. One reported doing nothing in LEAN.
2. Three reported doing some LEAN work but not significant enough to brief.
3. Four reported major efforts ongoing, but considered the information proprietary.
4. Four reported major efforts ongoing, and happy to share.

The panel members were introduced, and each member briefed their company's perspective of LEAN efforts:

1. 1. Mr. Brooks - Earl Industries.
  - a. It is encouraging that the private sector has developed a continuous improvement mindset.

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b. Industry is aligned with Navy, and MSMO contracts have enabled the contract holders to do Six Sigma training.

c. All are using the Define, Measure, Analyze, Improve, Control (DMAIC) process, and all are using the Navy's System and Best Practices.

d. Earl Industries is using a measured approach in changing the culture of the work force. In the private sector, LEAN is done as a collateral duty versus using the dedicated members at NAVSEA.

e. Partnership with the Navy is important with training being done through the NAVSEA LEAN College.

f. Priorities are set on weaknesses, strengths and customer feedback regarding how to apply continuous improvement.

g. Earl has a series of Projects and Rapid Improvement Events (RIEs), led by 37 Champions, ranging in seniority from the President to all levels of the company. Earl Industries is starting to see positive results with the challenge to infiltrate into the company culture.

2. Mr. D. Welch - BAE Norfolk.

a. BAE Norfolk is in the second full year of LEAN implementation and maintains a good relationship with the Navy LEAN Six Sigma College (LSSC).

b. The program is driven from the top, and the interaction had resulted in learning in both directions.

c. Some of the company's young people, previously unnoticed, have begun to shine.

d. The 2009 POA addresses items/issues with pay-off potential. Not all are home-runs, but lots of lessons learned.

3. Mr. Kilpatrick - BAE San Diego.

a. BAE San Diego has been engaged in process mapping in their shops and has seen good improvements in cost savings and reduction in shop estimates.

b. BAE is starting to roll in standard safety procedures, which are also lowering costs.

4. Mr. S. Welch - Todd Pacific.

a. Todd Pacific has been doing LEAN for nine years and is using in-house resources.

b. Efforts are focusing on Navy-Todd interfaces in 5 core areas: Advance Planning, Execution Planning, Subcontractor Management, Business Ops, and Funds Management.

c. Positive results have been seen in 19 LEAN events.

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e. During a low workload period, Todd spent the time to do LEAN as a major project.

RADM Orzalli expressed concern that if reduction in costs can't be shown, there is no ROI. We need to go after the high waste areas. Improvement must be shown in the larger areas, not the low cost drivers.

RADM Orzalli presented On-the-Spot awards to the panelists in recognition of the effort and progress their companies have made regarding LEAN/Six Sigma initiatives.

In response to Mr. Brice's question regarding leveraging relationships across the country, RADM Orzalli suggested that LEAN releases in the Naval Shipyards and RMCs should be shared with industry. The following action item was developed:

**Action:** NAVSEA to distribute LEAN Releases to Industry.  
Investigate process for distribution with NAVSEA Legal.  
Distribute previous LEAN Releases.

Further discussion followed during which the following points were made:

1. Process improvement should be instilled from a customer perspective.
2. All should be encouraged to go after the big ticket items.
3. In the new construction world, process improvements result in cutting back the schedule. Repair is not the same, but everyone should keep working on the core processes, as there should be a lot of areas to go after.

III. Graduated Quality Assurance (QA) (Mr. Hirschman).

Mr. Hirschman summarized the action from the last JINII Planning Session (Jun 09) during which some individuals from Industry expressed their views that QA could be reduced through more effective QA targeting in certain areas. He reported that the Navy has already started a Graduated QA process in the area of preservation. He believes more can be done, and he encouraged ideas from Industry.

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Mr. Hirschman stated that the Navy is willing to adopt a graduated plan; however, contractors must still provide 100% QA coverage. Elimination of check points by the Navy would be based on individual contractor's metrics. Business rules are required to ensure the process is applied equitably. Some business rules were proposed, but it will be necessary to partner with Industry to determine what the final business rule would be.

In discussion regarding the source of potential cost savings, Mr. Hirschman stated that there is lost time for the contractor in waiting for the Navy to show up for QA checks. However, savings should not be emphasized too greatly in the beginning, but rather metrics should be captured to document the process. He pointed out that there have been definite returns in the area of paint coating systems. Additionally, SSRAC has already eliminated 13% of the Q-points. Each homeport has a QA committee, and Norfolk has a Quality Management Board (QMB).

Mr. Hirschman observed that, in the past, difficulty has been in the lack of a good set of business rules and the collection of data.

An action item was discussed for Mr. Hirschman to get the right people together and develop business rules by the end of November.

**Action:** USFF N43 will develop Business Rules for executing the Graduated QA strategy. Repair associations will provide POCs to Mr. Hirschman by 23 Oct 09. Provide results to JPS organization.

IV. Business Case Basis for Modified Navy Technical Processes  
(Mr. Birtalan).

Mr. Birtalan stated that numerous modification proposals are made each year to the NAVSEA Standard Items (SI) through the SSRAC change process (326 in 2009).

He stated that sometimes process changes are made without proper cost analysis. Decisions are being made without looking closely at the cost effects. Technical people are making technical and business decisions, and SSRAC has continuously increased the costs of standard processes over the years through these modifications. He presented several examples of process changes



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that were made, which according to his business analysis, could wind up costing the government millions of dollars. Mr. Birtalan recommended that the SI change process be modified to include true cost vetting by both the Navy and Industry, and a joint Navy and Industry forum, such as NSRP, be tasked to develop a standard format to provide cost estimates for the process changes.

After considerable discussion of whether proper cost analysis was indeed being made in the SSRAC process, the following action item was developed.

**Action:** SEA 04 will work with the SSRAC Steering Committee to review the SSRAC instruction to ensure the Submittal Form requires adequate information (i.e., costs) to support business decisions WRT cost increase/reduction. Structure the form to include Global Cost Impact of Change Implementation vs. Risk Impact of Not Implementing the Change. Modify as necessary.

V. Surface Warfare Enterprise Assessment Program (SWEAP) Update (Mr. Gutierrez).

Mr. Gutierrez provided an update to the SWEAP proposal being developed. He stated that SWEAP was briefed to the SSMO and RADM Quinn (CNSL) as an improved plan for assessing ship material condition. In addition to what SWEAP is trying to fix, he explained that it is an engineered assessment process tailored for a particular ship in its cycle and based on need. It uses an Assessment Matrix Tool (AMT) based on the ICMP, and each visit involves find, document, fix, train, and validate configuration. Mr. Gutierrez said he was tasked to validate the merits of SWEAP, proceed with selective pilots, and then brief results to the SSMO at their next session. He was also tasked to submit a draft policy instruction.

Mr. Gutierrez described the assessment team make-up and resource requirements. It was pointed out that the first ships to be assessed are in the MSMO program, yet there is no involvement by the MSMO contractor in the assessments. It was also pointed out that SEA 02 and SEA 00L (Legal) have stated that the MSMO contractors can be involved.

After some discussion the following action item was prepared.

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**Action:** SEA 04 will develop an Integrated Assessment Pilot Plan. Revise the plan to integrate MSMO resources. Ensure appropriate MSMO SMEs are employed for the assessment teams. Combine the most qualified experienced resources. Develop a plan for each ship. Incorporate results of the SEA 21 ABS Hull Life Surveys. Consider training requirements for the team.

VI. Shipyard Safety (Mr. Brice).

Mr. Brice stated that, in 2008, SECNAV started reviewing civilian injury rates in the shipyards, including shipyard employees, ship's force, contractors, subcontractors and other government employees (e.g. SUPSHIP). He has been chartered to research and evaluate safety in both Naval and private shipyards, chart injury rates, and determine what areas need work.

The leading cause of injuries is ergonomics type accidents, such as overexertion and repetitive motion accidents.

Mr. Brice has started looking at the "Big 6" private shipyards and intends to visit all the repair shipyards to study their history, their safety programs and statistics. Based on these studies, he will develop lessons learned.

Mr. Brice stated that the Total Case Incident Rates (TCIR) in the Naval Shipyards has steadily declined since 2002.

NAVSEA headquarters has initiated the OSHA Voluntary Protection Program (VPP).

Mr. Brice solicited everyone's cooperation in voluntarily sharing information and working together to bring down injury rates. He also encouraged feedback regarding shipyard safety issues.

VII. Round-Table Discussion: JINII Future Direction/Focus (All Attendees).

RADM Orzalli asked the attendees for comments regarding JINII future direction and on what areas JPS/JINII should focus. Some of the topics discussed were:

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1. Shipyard security and individual badges. Input is required with respect to the cost of going to all the various shipyards and getting separate badges.

**Action:** Security Badges. Survey the number of hours (man-hours) expended by each contractor in obtaining non-standard security badges for access to Naval and private sector shipyards.

2. JPS/JINII is a good forum to exchange information and ideas on improving overall processes. We are getting a better view of what's going on across enterprises and a better view by Industry on what the Navy is doing.

3. Individual Industry representatives indicated approval of the Navy re-establishing third party ship assessments.

4. The LEAN presentation was favorably received by Industry.

5. More feedback is required from individual Industry representatives regarding recommended issues to be addressed by JPS/JINII.

**Action:** JINII Discussion Issues. Continue to pulse organizations for potential JINII Discussion Issues.

5. More knowledge sharing and exchange is needed amongst Navy and Industry, particularly in the area of safety.

6. Industry participation in the Fleet Maintenance Effectiveness Reviews (FMER) was discussed.

VIII. Closing remarks (JPS Principals).

RDML Berkey discussed that our organizations tend to think regionally; however, we need to think more nationally. Associations need to communicate with each other more and not wait for the government to initiate interactions.

There will be some significant changes resulting from the Fleet Review Panel. Training is expected to be a large piece.

RADM Campbell stated that he is convinced that working within this small group is the right thing to do - let's stay the course. The creation of SEA 04Y presents some good opportunities to move forward.

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Mr. Carnevale stated that Industry appreciates the Navy leadership wanting to make decisions and take action. We will take all the old and new issues and prioritize again. It was terrific working with CAPT Mike Stanton on JINII meetings, and he's looking forward to working with CAPT Stephanie Douglas.

RADM Orzalli stated that we have the horsepower in this group to make things happen. He also discussed knowledge sharing; some things never cross the barriers, but we need to share some of the smaller things. He encouraged everyone to consider better ways to communicate.

There is also concern regarding the Fleet Review Panel, which is reaching across a gamut of issues.

RADM Orzalli asked for input from Industry regarding how many ex-Sailors have been hired and are currently on their payrolls.

**Action:** Former Military Personnel in Private Shipyards.  
Industry will provide the number of former military personnel currently employed in private sector shipyards.

RADM Orzalli thanked everyone for attending and contributing to the Planning Session. Everyone is looking forward to the full JINII session the next day.

JOINT INDUSTRY NAVY IMPROVEMENT INITIATIVE (JINII) MEETING  
01 OCT 09

I. Welcome Remarks (JPS Principals).

RADM Orzalli welcomed and thanked everyone for attending the JINII conference. These conferences have seen improvements over the years and are becoming more action oriented. Planning Sessions are also now being held with a smaller group. Not intended to be exclusive, but it is easier to work action items this way. This larger group will be used to present the issues and thus, be more informative. We will keep focused on moving forward.

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RDML Berkey stated that today's challenge is to think more nationally than regionally. We will emphasize this line of thinking from the leadership to all organizational levels.

Mr. Carnevale stated that we will continue to solicit issues to be addressed by the JPS/JINII organizations.

RADM Campbell discussed that SEA 04 is now responsible for the SEA 04Y organization, formerly CRMC. It is still in transition, but work on the waterfront will continue uninterrupted. Maintenance Teams will continue to respond, regardless of the organization to which they report. The face to the customer is still the RMC and he assured everyone it would continue as it did under the Fleet.

II. JINII Update: JINII Planning Session (JPS) Activities (CAPT Stanton).

CAPT Stanton explained that the JINII Planning Session (JPS) consisted of a smaller number of individual Industry representatives and Navy representatives. The JPS is needed to make the Navy-Industry interface more effective and the large JINII meetings more worth-while.

The June JPS brought Industry reps up to speed on the Navy's Maintenance Road Map and the Strategic Maintenance Process. It also provided an opportunity for individual Industry representatives to present their respective view, facts, and information. CAPT Stanton then discussed the issues briefly, as well as those covered in the JPS on 30 Sep.

RADM Orzalli again added that the meetings are action oriented, with specific actions being assigned to resolve issues. There are knowledge sharing and process improvements involved to make the whole maintenance strategy more effective for both Navy and Industry.

III. Surface Ship Life Cycle Management (SSLCM) Activity (RDML McManamon).

RDML McManamon discussed the establishment of the SSLCM Activity with a focus on Fleet responsiveness. He stressed that SSLCM is

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not a maintenance activity, but a life cycle management activity. The push is to manage information, not the wrench turning. The vision is that it will significantly influence, shape and provide the engineering rigor for the maintenance, repairs and modernization of the Surface Fleet to ensure ships achieve Expected Service Life (ESL). The challenge is to get to the goal of 313 ships.

SSLCM borrowed the best practices from the Carrier Planning Activity (CPA) and SUBMEPP.

The four primary products lines are:

1. Technical Foundation Papers in a CLASS specific environment.
2. Ship sheets, a cost sheet and links between CLASS notional and specific hull requirements.
3. Basic Availability Work Package (BAWP). A ship specific oriented agreement with the TYCOM in support of the life cycle plan.
4. Availability Work Package (AWP). A hull/availability specific plan in support of CNO availabilities.

SSLCM will work very closely with the CLASSRONS. SSLCM will have the lead for the BAWP (CLASSRONS follow), and the CLASSRONS will have the lead for the AWP (SSLCM follow).

SSLCM will be the hub of information for Life Cycle Management by hull number. It will be tied into the internet and web-based.

Questions and Answers:

Q. Will SSLCM result in an increase in cost?

A. Probably initially, but it should result in more maintenance accomplished for the cost. We now have data to show what happens when maintenance is deferred.

Q. Is the long range plan to have fixed availabilities, or a tailored availability for every hull?

A. Probably an availability for a specific hull, with an opportunity to make adjustments.

Q. Are you going to reduce the "oh-my-Gods" which result in the need to extend availabilities?

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A. Absolutely. The reasons for the "oh-my-Gods" have been poor discovery and planning, but also issues such as "it's always been here but we're afraid to tell." This discovery and planning process will have more transparency. Additionally, the hardest issue will be to translate the notional to the hull specific.

RADM Campbell added that we must do better at identifying requirements: that which everyone knows, and that identified through assessments. The submarines are doing better at meeting the availability completion dates, but the surface ships are still running over. We need to understand why we are keeping ships in availabilities longer, and we need to reverse that. It is very painful to eat into the operational time. The length of availabilities is under study.

RDML McManamon added that the 9-week availabilities have no real engineering behind the schedule duration, and they are looking at that now. He expects some adjustments to be made.

Q. Has there been any contact with IWS for depot requirements?

A. Yes, but the main focus has been on HM&E.

IV. Multi-Ship Multi-Option (MSMO) Update (RDML McManamon).

RDML McManamon presented the same brief he gave to the CNO describing MSMO as the primary maintenance procurement strategy for surface ships. MSMO is also used to supplement CVN maintenance in Naval Shipyards.

Due to contract award protests, NAVSEA has worked hard to re-evaluate their contracting strategy and has internally restructured its processes to standardize and be more consistent. Twenty contracts have been competitively awarded with a total volume of \$4.3B over the past four years. MSMO execution has been successful thus far, and Industry has done a good job of maintaining technical proficiency.

The next focus will be cost, and how to reduce inefficiencies to accomplish more productive maintenance:

1. ASN(RDA) Stackley has asked what the Navy is doing to incentivize Industry to deliver the best product for the taxpayers' dollar.

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2. The new Spiral 2 contract structure should improve MSMO with:
- a. Incentive fee on cost savings and schedule adherence.
  - b. Award fee component to make "mid-course" adjustments on management and technical performance.
  - c. Incremental fee payments permitted if strong performance is sustained.

The Navy is pursuing other efforts to improve the stability of MSMO:

1. Reducing variation in schedules.
2. Improving the selection process resulting in more defensible awards.
3. SSLCM Activity identification of critical ICMP tasks.

Questions and Answers:

Q. In 2006, the Navy funded all MSMOs to place a MSMO Contractor Rep on the Maintenance Teams (MT). Who is evaluating the MT process, and is it operating as expected?

A. The MT is evaluated by the Award Fee Board, not just one person, and through the entire process. The real question may be "does the MSMO Contractor Rep understand why he is there?"

Industry responded that five years ago perhaps they didn't know, but after years of experience, the MSMO Contractor Reps now feel as much a part of the Team as the Port Engineer. It does vary with each individual, but the integration of the company does enable better consistency and effectiveness. Also, MT meetings are held at the very beginning of the project to ensure that all understand their roles.

Mr. Ryzewic stressed that the Navy must maintain and nurture the industrial base and the long term partnerships established with the MSMO.

V. American Bureau of Shipping (ABS) Hull Life Survey (LCDR Lind, Mr. Ashe).

LCDR Lind introduced the session. VADM McCoy's intent is to reach out to Industry for Best Practices in taking a holistic look at the actual age of Navy ships. The idea is to determine



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the ability to meet the expected and extended service life. A pilot was started with four surface ships. In FY10, ten hulls will be added and in FY12 it is planned to be a formal program.

Mr. Ashe described the pilot programs and how the assessments were conducted. The objective of the program is to use ABS commercial experience and tools to provide an objective assessment of the Fleet regarding the capability of the ships to meet their expected service life. The results of the assessment will then be used to predict where serious or limiting material conditions may develop. Combining these results with an engineered analysis, input will be provided to maintenance planning for availabilities, and ultimately improve mission readiness.

Program highlights include the following:

1. Initial systems for pilot assessments include structure, water systems, electrical systems and ballast systems.
2. Initial results of the first ship assessment, USS GERMANTOWN, have been reviewed, and the other three ships are still being assessed. Final reports are due out in Jan 2010.
3. Focus Areas were identified which should be assessed more frequently. There were no real surprises; the structural areas identified mostly involved sharp edges, cut-outs and areas of max bending stress.
4. Major lessons learned thus far include:
  - a. Access to drawings and technical material must be streamlined.
  - b. The approach to structural evaluation is working effectively.
  - c. Meaningful assessments require earlier implementation of surveys, review of PMS and application of analysis tools.
  - d. Reporting results must include a systematic (risk-assessment basis) method to prioritize findings.
  - e. The program provides a closed loop to apply lessons learned to established technical criteria (ABS Naval Vessel Rules).
  - f. Value can be maximized by integrating the results with other Navy initiatives, such as SSLCM.

RADL McManamon commented that this program was briefed to Admirals Curtis and Quinn, and it was well received. There is a lot of support from senior leadership. There is always concern

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regarding "surprise" growth in work. The objective is to get this information into the SSLCM database.

Questions and Answers:

Q. Did the assessment team write 2Ks?

A. The discrepancies were given to the Maintenance Team.

Q. Is this program going to cover structures and HM&E?

A. Initially only structures, but it has expanded to other systems. Initial focus was on long term structures that are not usually assessed. Results will be used to update the Class Maintenance Plan (CMP) and the Surface Ship Engineered Operating Cycle (SSEOC). The technical information will be used to develop requirements similar to URO/MRC.

VI. Port Loading Model (Mr. Gutierrez).

Mr. Gutierrez discussed the port loading model used in the five Regional Maintenance Centers (RMCs). The model was developed for each port and represents the total Navy ship repair workload (private sector, excluding new construction) aggregate over multiple ship repair activities.

The model is used to generate budget requirements and to help determine optimum loading. It is a planning tool, not an execution tool. The model does not include nuclear work, but it does include MSMO and Firm Fixed Price (FFP) contracts. There is no analysis at the individual contractor level or trade skill level.

Each year the accuracy of the model is evaluated by comparing the actual loading to the projections. Adjustments are then made to the model. The model is currently 95% accurate.

A Cost Performance Indicator (CPI) is used to compare the actual and budgeted costs. It is a high level indicator used for each organization to evaluate the port loading strategy. It is calculated using the Total Standard Cost Projections for the fiscal year divided by the Total Forecasted Costs as estimated using the cost analysis methodology for each RMC. If the CPI=1, the RMC is operating at budgeted levels; if the CPI is >1, the

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RMC is operating below budgeted costs; if the  $CPI < 1$ , the RMC is operating above budgeted costs.

From year to year, the model is a great leveraging tool, but not suitable as a workload management tool. The model is briefed to Industry, ensuring that proprietary information is protected between shipyards.

RADM Orzalli commented that the Port Loading model is functioning; it is validated and it has credibility. It is a complicated model and each homeport is different.

VII. Surface Strategic Maintenance Offsite (SSMO) (Mr. Coumes).

Mr. Coumes discussed the SSMO origin. SSMO was established by RADM Quinn to:

1. Assess, refine and synchronize efforts to address the maintenance needs of the Surface Force.
2. Avoid redundancy and improve overall effectiveness of near and long term material readiness efforts for the Surface Force.
3. Create synergy among maintenance and Fleet representatives.
4. Clarify and agree upon roles, functions and responsibilities of Surface Force maintenance activities.

Two face-to-face meetings have been held (Jan and Jul 09). Attendees included senior Navy officials involved in surface ship maintenance. Topics discussed by lead activities included:

1. Where are we now? - Chief Readiness Officer (CRO).
2. Review roles and responsibilities - CPF N43.
3. Review status of SHIPMAIN processes - CRMC.
4. Leadership - CRO.
5. Define realistic notional for surface ship - CNSF SES.
6. Review life cycle maintenance and modernization - SEA 21.

Action items were assigned to CLASSROns, SEA 21, OPNAV 43, RMC and SEA 05. These action items involved many facets and all levels of the maintenance and funding processes for surface ships. Some of the actions which drew significant interest from the conference participants included:

1. SSMO will be conducted continuously and meet face-to-face every six months.

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2. A charter will be developed to establish Surface Team 1, with an Executive Level Board (SSMO) and an O-6 level Working Group/Task Force.

3. Port Engineers will be aligned with the TYCOM (additional duty to the CLASSRONS), and a way ahead will be developed for them to shift to government positions vice a mix of government and contractors.

4. Design-life redlines for surface ship maintenance will be developed, similar to the aviation community. The redlines will also be refined to include underway, maintenance and service life.

5. A POAM for Propulsion Examining Board (PEB) implementation will be developed.

6. Near term Ship Sheets will be used to capture Unfunded Technical Requirements (UTRs).

7. SSMO will continue to support the SWEAP approach for targeted ships within existing resources. Expansion will be re-evaluated in six months.

8. The OPNAV Instruction, Surface Ship Engineered Operating Cycle (SSEOC) will be developed. This instruction will help align OPNAV resources to maintenance.

VIII. Flag & RMC Commanders Panel Discussion/Industry Interaction (RMC Commanders and JPS Principals).

The RMC Commanders made introductory remarks. Issues discussed included the following:

1. The maintenance community must get the maintenance and repair requirements right.

2. We must continue to work closely with the private sector.

3. MARMC is transitioning to the Naval Ship Support Activity (NSSA) under Norfolk Naval Shipyard, but it is still the waterfront first line for maintenance.

4. We need to be looking for the right mix of personnel on the Maintenance Teams.

5. We need to determine the right times for the SWEAP program to access the ships' material condition.

6. With ships' decommissioning forthcoming, there is concern for future port loading.

7. Although San Diego still has I-level capability, and Mayport still has some functioning shops, most have been divested to Industry.

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Questions and Answers:

Q. How can the repair associations better support the RMCs?

A. Maintain good communications to take care of the customer and take care of their people. Communicate the bad news quickly; it doesn't get better with age. Help determine the best way to conduct ship checks and assessments. Keep the RMCs informed concerning areas in which the government is causing problems.

Q. Is the government over the hump with the Contract Specialist (1102) number and talent problem?

A. No, not over the hump yet. The problem is still significant; however, work continues to correct it. There is some progress, but it is slow. Additional interns have been hired.

Q. Can Industry help?

A. No. This is a government issue to resolve.

RADM McManamon made a plea for Industry to make proposals more responsive; otherwise, it causes the government to use more time and resources than necessary to do a thorough evaluation.

Q. With the realignment of the RMCs under SEA 04, what advantages/opportunities do you see?

A. Several issues were addressed:

1. Realigned Naval shipyards and RMCs will be able to better coordinate LEAN initiatives and workload.

2. Technical Authority and standard procedures will be easier, as SEA 04X/Y will be better information collection points.

3. NAVSEA will retain all the competencies - contracting, technical decision and maintenance policy.

4. Modernization will also be aligned to NAVSEA.

5. Reporting chains for some of the RMCs will be better aligned, requiring fewer resources to support.

6. SEA 04Y will remain in Norfolk, so Fleet responsiveness will remain strong.

Q. Do the RMC Commanders get together and encourage communications between each other?

A. Yes, but please let us know when you see differences and it appears that we don't.

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Q. As the workload has its ups and downs, are there efforts to balance the workload between the Naval Shipyards and the private sector?

A. In the Northwest, there is a comprehensive strategy which recognizes the private sector, and it is not solely driven to grow the Naval Shipyard. RADM Campbell added that he wants to keep the Naval Shipyards loaded, but he is not taking work away from the private sector to do so. There is no effort which increases the Naval Shipyard workload at the expense of the private sector.

Q. How is the private sector doing with apprentice training to bring in young people.

A. Some shipyards still have apprentice programs, but it is a concern. Mr. Carnevale pointed out that SCA works with all the private shipyards in recruiting. It was noted that this also has SECNAV's attention.

IX. Closing remarks JPS Principals.

RADM Orzalli was pleased with the interaction at this conference. Knowledge Sharing is always important and many lessons were learned by both Navy and Industry. Q and A is always beneficial and must be encouraged at all times (not just during JINII sessions). Everyone involved, both Navy and Industry, must continue to emphasize communication, particularly with national level issues.

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<b>ACTION ITEM #</b>	<b>Source</b>	<b>ACTION</b>	<b>LEAD</b>	<b>DUE DATE</b>	<b>STATUS/REMARKS</b>
SEP-09/1	Sep 09 JINII Planning Meeting	LEAN/Six Sigma. NAVSEA to distribute LEAN Releases to Industry. Investigate process for distribution with NAVSEA Legal. Distribute previous LEAN Releases.	RADM Campbell (SEA 04)	30 Nov-09	POC: Ms. Smoot.
SEP-09/2	Sep 09 JINII Planning Meeting	Graduated QA. Develop Business Rules for executing the Graduated QA strategy. Repair associations provide POCs to Mr. Hirschman by 23 Oct 09. Provide results to JPS organization.	RADM Orzalli (USFF N43)	30-Nov-90	POC: Mr. Hirschman.
SEP-09/3	Sep 09 JINII Planning Meeting	Business Case/SSRAC Standard Item Change Process. Work with SSRAC Steering Committee to review SSRAC instruction to ensure the Submittal Form requires adequate information (i.e., costs) to support business decisions WRT cost increase/reduction. Structure form to include Global Cost Impact of Change Implementation vs. Risk Impact of Not Implementing the Change. Modify as necessary.	RADM Campbell (SEA 04)	30-Dec-09	POC: Mr. Gray.
SEP-09/4	Sep 09 JINII Planning Meeting	SWEAP. Develop an Integrated Assessment Pilot Plan. Revise the plan to integrate MSMO resources. Ensure appropriate MSMO SMEs are employed for the assessment teams. Combine the most qualified experienced resources. Develop plan for each ship. Incorporate results of the SEA 21 ABS Hull Life Surveys. Consider training requirements for the team.	RADM Campbell (SEA 04)	30-Nov-09	POC: Mr. Gutierrez.
SEP-09/5	Sep 09 JINII Planning Meeting	Round Table. Security Badges. Survey the number of hours (man-hours) expended by each contractor in obtaining non-standard security badges for access to Naval and private sector shipyards.	Mr. Yurso (AMMA)	30-Nov-09	

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ACTION ITEM #	Source	ACTION	LEAD	DUE DATE	STATUS/REMARKS
SEP-09/6	Sep 09 JINII Planning Meeting	Round Table. JINII Discussion Issues. Continue to pulse organizations for potential JINII Discussion Issues.	Mr. Carnevale (SCA)	30-Nov-09	
SEP-09/7	Sep 09 JINII Planning Meeting	Closing Comments. Former Military Personnel in Private Shipyards. Industry will provide the number of former military personnel currently employed in private sector shipyards.	Mr. Carnevale (SCA)	30-Nov-09	