LONG RANGE FACILITIES
PLANNING
EXHIBITS
Vol. V of V
Long Range Facilities Planning Exhibits Vol. V of V
Naval Surface Warfare Center CD Code 2230 - Design Integration Tools
Building 192 Room 128 9500 MacArthur Bldg Bethesda, MD 20817-5700

Approved for public release, distribution unlimited

Security classification: unclassified

Limitation of abstract: SAR

Number of pages: 95

Form Approved
OMB No. 0704-0188

Standard Form 298 (Rev. 8-98)
Prepared by ANSI Std Z39-18
LONG RANGE FACILITIES
PLANNING
EXHIBITS
Vol. V of V

NATIONAL STEEL AND SHIPBUILDING COMPANY
IN COOPERATION WITH THE
DEPARTMENT OF TRANSPORTATION
MARITIME ADMINISTRATION

APRIL, 1982
EXHIBITS

Volume V

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- Preliminary Report for MK Board
- South Yard Development Plans (Repair Yard)
- News Releases
This report covers the refinement of the previous report concerning the use of the ITT site, dated the 8th and 27th of August.

The refinements are the result of NASSCO's senior management narrowing the field of potential site usages and more clearly defining the direction which should be taken. This report also has taken into consideration the comments received as a result of the last report distribution.

The major change has occurred in the number of phases and how the site should be utilized. Phase I has been split into two scenario's, one with NASSCO getting the DD-963 contract and the other addresses use of the site without the contract. This phase in either case will primarily deal with the acquisition of the ITT building, leasing the land on which the building sits and obtaining options for the other adjoining parcels. Phase II will cover the drydock construction and start-up using the ITT site in the same manner it was used in Phase I. Phase III deals with several possibilities including using the NASSCO South Site for main yard shops, other than marine construction activities and/or any other function that would be economically viable and, thus, profitable to NASSCO.

As requested with the first usage report, you are once again being solicited for your comments and recommendations. Please forward your input no later than Sept. 25, 1981, as the next step will be to add costs and this does require that the statements in this report are exact and to the point.

I personally would like to thank those people who have made comments on the previous site usage report. Copies of their comments have been included in this report under Exhibit K.

JRR/yr
SOUTH SITE DEVELOPMENT PHASES
SOUTH SITE DEVELOPMENT PHASING

Phase Ia.

This would cover only those items which are required at the NASSCO South Site to handle repair work on the two DD-963 vessels (Ray & O’Brien) or any other Navy repair contract. This site would be handled the same as the North Island or the 32nd Street Naval Station. The ITT Building itself would be virtually off limits to the repair operation except for a small area in the southeast corner.

This would include:

- Lease approximately 20 acres which is the site of the building owned by ITT (Parcel 1). See Exhibit A.
- Purchase leasehold right of ITT in the 320,000 sq. ft. building.

- Lease approximately 1200 ft. of the 1500 ft. wharf located on the Sweetwater channel plus access area for servicing (Parcel 3). See Exhibit A.

- Install utilities required to support the two DD-963’s.

- Lease -water area (Parcel 4) adjacent to the wharf (Parcel 3), approximately 150 ft. wide. See Exhibit A.

- Obtain lease option agreement from Port Authority for future lease of 20 acres (Parcel 2) west of ITT site and adjoining water area (Parcel 5) to be exercised upon approval of all required permits. See Exhibit A.

- Use of the ITT Building for existing warehousing which can be moved out of present warehouses or lease out portions of the building until NASSCO can utilize the space. The most cost effective approach will be developed in conjunction with warehousing supervision.

- Locate temporary Navy berthing, messing and parking on ITT site.

- Use existing on-site parking facilities for NASSCO employees.

- Start engineering and planning for construction of dry-dock in Phase 2.

- Apply for permits and expedite the permitting agencies for site development for drydock in Phase 2.
Phase Ib.

This would cover the acquisition of the NASSCO South Site for future repair and conversion activities (or other marine or non-marine related work). Note that the only firm commitment is for the 20 acre ITT site and the 320,000 sq. ft. building.

This would include:

- Lease approximately 20 acres which is the site of the building owned by ITT (Parcel 1). See Exhibit A.

- Purchase leasehold right of ITT in the 320,000 sq. ft. building.

- Obtain lease option agreement from port Authority for future lease of 1200 ft. of the 1500 ft. wharf located on the Sweetwater channel plus access area for servicing (Parcel 3) and adjoining water area (Parcel 4) which would be executed at time of contract award. See Exhibit A.

- Obtain lease option agreement from Port Authority for future lease of 20 acres (Parcel 2) west of ITT site and adjoining water area (Parcel 5) to be executed upon approval of all required permits. See Exhibit A.

- Use of the ITT Building for existing warehousing which can be moved out of present warehouses or lease out portions of the building until NASSCO can utilize the space. The most cost effective approach will be developed in conjunction with warehousing supervision.

- Start engineering and planning for construction of drydock in Phase 2.

- Apply for permits and expedite the permitting agencies for site development for drydock in Phase 2.
**SOUTH SITE DEVELOPMENT PHASING**

**Phase II**

This would be the first step in the development of the site to increase NASSCO’s repair capabilities. The usage of the site would not drastically change from how it is used in Phase Ia, except we would have the capability to drydock vessels.

This would include:

- Execute lease on approximately 20 acres (Parcel 2) adjacent to ITT site (Parcel 1) which would be the milestone indicating Phase II has officially started. See Exhibit A.

- Preliminary grading of the whole west waterfront site to bring it to the desired overall level for ease of operation, and to facilitate the construction of the proposed drydock.

- Start and complete construction of drydock.

- Pave site.

- Use area inside the ITT Building for clean room combatant electronics area (if economically justified or required by contract terms). Assumes this was not done in Phase Ia.
**Phase III**

In this phase any and/or all of those items which are cost justified through ROI analysis, or required by a specific contri.

This could (and we emphasize could) include:

- Use existing ITT Building offices for repair offices plus any other offices that would complement the Long Range Plans for the main yard. These areas are shown on Exhibit B by Items 1, 2 & 3.

- Use southeast bays of ITT Building for repair shops such as, Carpenter Shop Repair, Pipe Repair, Rigging Repair, Machinery Repair, etc. See Exhibit B, Item 4.

- Use area under 75 ton crane for laydown and construction. See Exhibit B, Item 5.

- Move New Construction Pipe Shop from the main yard into ITT Building. See Exhibit B, Item 2. This will open up the center of the main yard for Platen 1 lengthening or unit staging as indicated in the main yard Long Range Facility Plan (LRFP).

- Move New Construction Sheetmetal Shop from the main yard into the ITT Building. See Exhibit B, Item 3. This move will clear the 28th St. Mole Pier for a new construction outfitting staging area as indicated in the main yard LRFP.

- Move New Construction Electrical Shop from the main yard into the ITT Building. See Exhibit B, Item 4. This also supports the LRFP for the main yard.

- The remaining open space in the ITT Building should be used for warehousing. It should be noted that approximately 100,000 sq. ft. of warehousing will be displaced by moving shops from the main yard into the ITT Building. The most logical place to relocate the warehousing would be to the north in a 100,000 sq. ft. warehouse that the port has recently erected. See Exhibit C.

- Use ITT clean room area for an electronics combatant systems work area. See Exhibit 3, Item 1.
- Execute all or part of lease option on water area (Parcel 5) approximately 200 ft. wide. See Exhibit A. Construct up to 2300 lineal feet of new wharf*, extending the existing wharf along the southern boundary and wrapping around to the west boundary to the northern property line. See Exhibit C.

construct permanent Navy berthing and messing facilities to the east of the site. See Exhibit C.

Lease approximately 20 acres between 32nd Street and Sweetwater wharf. This could be used as employee parking to support shops in ITT Building. Also note that this is an area which would lend itself to drill rig construction should the need arise.

- Add crane track alongside the drydock for gantry crane service.

- Although no definite need is foreseen, gantry rails could be supported by the wharf and thus provide the gantry service to the berthing positions.

- Adequate acreage for laydown exists for preconstruction outfitting of ship’s modules or other marine/non-marine work.

*All new wharfs should be designed to take crane rails later, if required.
IMPLEMENTATION PROGRAMS
PHASE Ia – IMPLEMENTATION PROGRAM

List of Implementation Factors

1. Land and Water Facilities
2. Repair Shops
3. Repair Support Functions
4. Warehousing
5. Office Functions
6. Utilities
7. Navy Berthing, Messing and Parking
8. Material Handling and Lifting Capacities
9. Interyard Transportation
10. Parking for NASSCO Employees
11. Permits and Pollution Problems
12. Hazardous Waste
13. Fire Services
14. Security
15. Safety Se-mites
16. Personnel and Industrial Relations
17. First Aid Services
18. Food Services
19. Outside Restrooms
20. Lockers
21. Fueling Services
22. Telephone Services
Project

To make the NASSCO South Site ready to handle the repair contracts for two DD-963 Navy vessels (Ray & O'Brien) the use of this site for other Navy contracts have the same basic Implementation Program. However, the details would possibly vary. For example, type and quantity of material handling equipment would be different for each contract. Additionally, the use of the remainder of the building for NASSCO warehousing (or short-term lease to others) will be analyzed by Facilities and Warehousing supervision to determine the most cost efficient use of this space.

1. **Land and Water Facilities** (Exhibit D)
   - Acquire the ITT Building, with long-term lease for land on which it stands (Parcel 1).
   - Lease approximately 1200 ft. of the 1500 ft. wharf and adjoining service space (Parcels 3 & 4).
   - Obtain lease option for 20 acres (Parcel 2) west of ITT site and adjoining water area (Parcel 5).

2. **Repair Shops**

   The repair shops will remain within the confines of the main yard. Two or three portable buildings similar to Sea Train containers will be used for on-site support shops at the South Site. These portable shops will be located pier side for easy access.

   Combatant electronics systems test area will be required. Since this function requires a semi-clean room facility, the logical place will be in the ITT Building’s present clean room area. See Exhibit E.

3. **Repair Support Functions**

   A storage and staging area will be provided alongside the wharf: for staging of equipment and materials to be used aboard ship.

4. **Warehousing**

   An area will be provided within the ITT Building for the contract required warehousing for the DD-963 vessels.

   Existing off-site warehousing which can be moved to the ITT Building economically will be done to fill the remaining warehouse space and/or it may be leased out until NASSCO can utilize it.
5. **Office Functions**

The only offices that will be required at the site will be for repair supervisors. Four trailers will be placed at pier side so that the supervision will be located at the job site. The offices in the ITT site will not be used for the Repair Supervisor. They will only be used for other office functions if economically justifiable. These offices may also be leased out if so desired.

The plan is that no permanent offices will be provided in the ITT Building for Navy/SupShips personnel. It is estimated that office accommodations will have to be provided for 16 people per DD-963 vessel being repaired. It is proposed that this should be done in trailers rented for each contract.

6. **Utilities**

The Long Range Plans are to establish an infrastructure for utilities distribution at the NASSCO South Site, as shown in principle in Exhibit F. This will take the form of permanent underground trenches from which branch services can be run as appropriate. For Phase I, utilities runs will be made to the Sweetwater wharf and Navy berthing and messing. This will be in line with the Long Range Plans for utility distribution network.

For the repair of the two DD-963 vessels, service to the wharfs would require:

- **Electrical**: Continuous service of 2500 - 3000 KVA. Assumed that the NASSCO Shore Power Panels will be used. Need transformers with 30-week lead time.

- **Natural Gas**: Is available in adequate quantities at the site.

- **Other Gases & Oxygen**: Initially will be supplied from bottles. Later, may add bulk services.

- **Compressed Air**: Will need 5,000 - 10,000 cfm above what is available on site. Plan initially to rent this.

- **Steam**: Adequate supply from the main utility boiler house; to be piped as appropriate.

- **Fresh Water**: Each ship will need 40,000 g.p.d. at 40 - 80 p.s.i. Navy berthing and messing could add 45,000 g.p.d. per ship. Present service is 6" line at 125 p.s.i.; should be no problem of main supply, but will need distribution piping.
- **Fire Protection Water**: Each ship will need 2,500 g.p.m. at 60 p.s.i. Each berth will require 4,200 g.p.m. available; will need to supply either loop system or pumps.

- **Sewerage**: Each ship will need capability of 150 g.p.m. at 150 p.s.i. from ship through interconnects to city main.

7. **Navy Berthing, Messing and Parking**

    The plan is to provide temporary facilities situated on the ITT property. The most suitable location from the standpoint of access and installation costs is site one on the east side of the ITT Building as indicated in Exhibit G. If additional area would be required for additional facilities at a later date location two could be utilized. The parking that is displaced by the berthing and messing will be relocated to the bay side (west) of the ITT Building.

    Approximately 1.6 acres would be required initially to house the Navy personnel for a DD-963. Berthing quarters would consist of sixteen 24' x 60' stackable trailers, one 10' x 50' officers' trailer and one 36' x 60' messing trailer. Parking would be available for 200 - 300 personnel.

8. **Material Handling and Lifting Capacities**

    For dockside repair work on the DD-963 vessels at the South Site and associated warehousing, the following handling equipment would be needed:

    a) 2 - 4-ton forklifts
    b) 1 - 15-ton forklift
    c) 1 - 3500 lb. highlift picking truck
    d) 2 - 100-ton mobile cranes, 150 ft. boom
    e) 1 - 35-ton hydro-crane

    Items a, b, c, and d could either be rented (if the Navy contract situation is short-term or uncertain) or bought (probably cheapest long-term, if major contracts are sure). A detailed study of these requirements will be needed when the Navy contract situation becomes clearer.

    Item e is now dedicated to repair work (either this 35-ton or a smaller 18-ton) and should be relocated from the main yard to the South Site.

    It is understood that some extra heavy blind lifts, through the stacks, may be required. It is proposed that a suitable barge-mounted crane will be rented for these lifts, when needed.
9. **Interyard Transportation**

There will be a substantial amount of work done at the main yard to serve South Site repair needs. Additional transportation needs will be as follows:

1. Standard 3/4-ton pick-up for supervisors, quick pick-ups, mail, etc.
2. 12-foot stake truck. This is a 1-ton pick-up for intermediate loads.
3. 20-foot stake truck. This is a 2-1/2-ton standard stake truck for handling the larger loads. This truck should have a hydraulic tailgate.

Other larger moves can be handled with existing main yard facilities:

- 8' X 40' flat bed semi-trailer for engines and generators.
- Barges for any larger equipment.

Rail services are available at both sites, if needed. It is not planned to use rail for interyard transportation at this time.

0. **Parking for NASSCO Employees**

A total of 238 parking spots are available on the ITT site. Fifty extra can easily be added in the northeast corner. The majority of these spaces will be displaced by Navy berthing and messing and the five acres of paved and dirt area on the bay side of the ITT Building will be used for employee parking.

11. **Permits and Pollution Problems**

Permits will (or may) be required for many of the functions and equipment which will be in operation at the South Site. Lead times in obtaining permits may be critical. Permits may have to be obtained from:

- APCD (Air Pollution Control District)
- Corps of Engineers
- Coastal Authorities
- Port of San Diego
- National Pollution Discharge Elimination System
- Spill Prevention, Control & Countermeasure
- industrial Discharges, City of San Diego/National City
Hazardous Waste

Plans are that hazardous waste will be staged in suitable cells (to be constructed) behind (north of) the present utility building. This will be a designated area for this service. During Phase I, the hazardous waste will be handled on a sub-contract basis by a licensed hauler.

Fire Services

Plan is to have one person available round the clock doing extinguisher checks, maintenance, hose checks, etc. Alarm monitoring would be in the main security guardhouse. Some basic equipment will be needed. Buildings and ships being repaired will be covered.

Security

Plan to use NASSCO personnel. Two people on duty round the clock, one full time in the guardhouse monitoring security and fire checks, the other a roving guard.

Safety Services

One person full time on first shift - 5 days only. Other functions (industrial hygienist, etc.) part time. Tie in with main yard services as needed. Located in a tailer at pier side. Some equipment will be needed at the South Site.

Personnel and Industrial Relations

All hiring and keeping of main personnel records will be done at the main yard.

First Aid Services

The handling of first aid requirements will fall into several categories.

a) Minor injuries which can be taken care of on site with the use of a first aid box.

b) Injuries which require medical attention - the employee will be required to report to the main yard medical office on his own.

c) Injuries of a serious nature requiring treatment at site of accident and transportation to hospital will be handled by National City Paramedics.
18. **Food Services**

   During Phase 1, it is recommended that we use catering trucks with some areas set aside for eating on the same basis as in the main yard. We do not recommend making any drastic changes as to how this subject is handled at the two different sites.

19. **Outside Restrooms**

   Recommended that trailers be purchased to support those working in the outside yard. The number of units should be based on similar allocations for men and women, as those in the main yard.

20. **Lockers**

   - Trades; for toolboxes, etc., will be purchased as required. Some will be transferred from main yard.

   - Clothing lockers will be provided in similar design to that which is currently at the main yard.

21. **Fueling Services**

   Fueling services will be needed on-site from the start of operations. It is recommended that the following be supplied:

   - Diesel - 10,000 gal. tank
   - Gasoline Regular - 10,000 gal. tank
   - Gasoline Low Lead - 2,500 gal. tank

   Tanks and fuel pumps must be code distances away from buildings. Probable location would be the rear of the utilities building.

   An alternative to in-ground tanks for fuel storage would be to use a construction maintenance tank type truck for fueling and services.

22. **Telephone Services**

   Arrangement must be made to determine how best the South Site-should be served by telephone, and what interconnects there should be with the main yard. It is suggested that the M-K telephone system representative be asked to study the requirements and make the appropriate recommendations.
PHASE IIb - IMPLEMENTATION PROGRAM

List of Implementation Factors

1. Land and Water Facilities
2. Warehousing
3. Offices
4. Parking
5. Security
6. Telephone Services
PHASE Ib. - IMPLEMENTATION PROGRAM

Project

Acquire the ITT site for a future NASSCO South Site repair and conversion facility (or other marine or non-marine related work). This project deals only with the minimal requirements to tie up the ITT location.

1. Land and Water Facilities (Exhibit H)
   - Acquire the ITT Building, with long-term lease for land on which it stands (Parcel 1).
   - Obtain lease option agreement for future lease of 1200 ft. of the 1500 ft. Sweetwater channel wharf (Parcel 3) and adjoining water area (Parcel 4).
   - Obtain lease option for 20 acres (Parcel 2) west of ITT site and adjoining water area (Parcel 5). Upon approval of all required permits approximately one year from start of phase I. This will signify the start of Phase II.

2. Warehousing

   Existing off-site warehousing which can be moved to the ITT Building economically will be done and/or it can be leased out until NASSCO can utilize it.

3. Offices

   The offices in the ITT Building will only be used if moving an office’s function out of the main yard is required to open up space in the yard or it is economically viable. Alternatively, the space can be leased out until required by NASSCO.

4. Parking

   A total of 238 parking spots are available on the ITT site plus there is space to add an additional 50 spots if required. This should be more than sufficient to handle any requirements if the offices are used.

5. Security

   Plan to use NASSCO personnel; two people on duty round the clock, one full time in the guardhouse monitoring security and fire checks, the other a roving guard.

6. Telephone Services

   The ITT site will keep its present number and will not be integrated into NASSCO’s phone system.
PHASE II - IMPLEMENTATION PROGRAM

List of Implementation Factors

1. Land and Water Facilities
2. Repair Shops
3. Repair Support Functions
4. Warehousing
5. Office Functions
6. Utilities
7. Navy Berthing, Messing and Parking
8. Material Handling and Lifting Capacities
9. Interyard Transportation
10. Parking for NASSCO Employees
11. Permits and Pollution Problems
12. Hazardous Waste
13. Fire Services
14. Security
15. Safety Services
16. Personnel and Industrial Relations
17. First Aid Services
18. Food Services
19. Outside Restrooms
20. Lockers
21. Fueling Services
22. Telephone Services
23. Drydock
PHASE II - IMPLEMENTATION PROGRAM

Project

To increase the NASSCO South Site’s repair capabilities. The usage of the site would not drastically change from how it is used in Phase Ia, except we would have the capability to drydock vessels.

1. Land and Water Facilities
   
   Phase II will utilize all five parcels as shown in Exhibit J. Execute lease option on Parcels 2 and 5.

2. Repair Shops
   
   The statement made in Phase Ia on repair shops will still apply. However, there probably will be a requirement for several additional portable buildings to support the drydock activities.

3. Repair Support Functions
   
   In addition to the requirements stated in Phase Ia there will be a requirement for snaging and storage to support activities in the drydock.

4. Warehousing
   
   All points made in Phase Ia warehousing will remain the same. Only change will occur with each contract requirement. It is anticipated that certain materials for the drydock construction activity will be warehoused on site in the ITT Building.

5. Office Functions
   
   Same as Phase Ia office requirements. During the drydock construction phase a number of the ITT Building first floor offices will be required for project management.

6. Utilities
   
   - The utility requirements at the wharf will remain the same as in Phase Ia.
   
   - The utility requirements for the graving dock will virtually be the same as required at the wharf.

7. Navy Berthing, Messing and Parking
   
   Requirements should basically remain the same as in Phase Ia. If number of ships at the facility increase the berthing and messing requirements will increase.
8. **Material Handling and Lifting Capacities**

   Equipment for dockside repair work and associated warehousing should remain the same as in Phase Ia.

   The additional handling equipment will be required to support drydock activities.

   a) 2 - 35-ton mobile cranes with long reach capabilities.
   b) 1 - 4-ton forklift
   c) 1 - 15-ton forklift

9. **Interyard Transportation**

   Phase Ia requirements will also apply to Phase II.

10. **Parking for NASSCO Employees**

    The number of parking spots will increase as repair activity picks up. During Phase II there still will be sufficient open space to the bay side of the ITT Building to accommodate the increased parking requirements.

   Items 11 through 22 will remain unchanged from Phase Ia descriptions. The item are:

   11. Permits & Pollution Problems
   12. Hazardous Waste
   13. Fire Services
   14. Security
   15. Safety Services
   16. Personnel and industrial Relations
   17. First Aid Semites
   18. Food Services
   19. Outside Restrooms
   20. Lockers
   21. Fueling Services
   22. Telephone Services

23. **Drydock** (1)

    The drydock will be made in such a way that all desired ancillary equipment can be added at a later date. Such equipment will be dock-night system for blasting and painting, crane rails for gantry services, etc. All these ancillaries will be cost justified on their own ROI analysis.

   (1) Drydock size and location presently being analyzed for best market and best utilization of land.
At the present time, no implementation program has been established for Phase III. Each item that was mentioned for possible inclusion in Phase III will have its own implementation program as they each will be considered a major capital project.
LIST OF EXHIBITS

A. South Site Parcel Locations
B. Phase III ITT Building Plan
C. Phase III South Site Utilization
D. Phase Ia Land & Water Requirements
E. Combatant Electronics Location in ITT Building
F. South Site Utility Infrastructure
G. Temporary Berthing & Messing Locations
H. Phase Ib Land & Water Requirements
J. Phase II Land & Water Requirements
K. Comments on Previous ITT Site Use Report
PHASE III

1. Repair Shops
   25,000 SQ.FT.

2. Pipe Shop
   60,000 SQ.FT.

3. Sheetmetal Shop
   62,000 SQ.FT.

4. Electric Shop
   11,000 SQ.FT.

5. Pre-Erection Outfitting
   15,000 SQ.FT.

6. Warehouse
   32,000 SQ.FT.

7. Office Spaces
   8,000 SQ.FT.

8. Office Spaces
   8,000 SQ.FT.

9. Office Spaces
   13,000 SQ.FT.

10. Combatant Electronics (Clean Room)
    32,000 SQ.FT.

11. Maintenance Dept.
    5000 SQ.FT.

12. Boiler/Compressor Room
This layout shows only one variation of location and size of the drydock. The exact size and location will be determined within the next month.
This layout shows only one variation of location and size of the drydock. The exact size and location will be determined within the next month. Phase II utility infrastructure will change if drydock location is different.
Comments and Recommendations Received from NASSCOITES on the Previous ITT Site Usage Report.
In accordance with your IBM dated September 3, 1981 soliciting comments and recommendations on the ITT usage report, I am listing below, by department, pertinent data received from those under Industrial Relations jurisdiction:

**Dept. 41, Personnel Services:**

Item II, Parking for NASSCO Employees and Visitors - How many people will be employed in the various phases? In order to evaluate the adequacy of parking, we need to know how many people will work there. If Phase I maximum is 414 (Exhibit 3), parking is adequate.

Item 15, Personnel and Industrial Relations - Again, this is dependent on how many people are in the yard. We are at least one, possibly more, IR personnel (either Employment, Insurance, Labor Relations, etc.) to staff the site.

Items 12, Fire Services: and, 13, Security - The numbers seem a little low; however, may be sufficient initially.

Item 17, Food Services - Food service seems to be adequately handled. We would also want to have vending there.

**Dept. 42, Medical Department:**

The medical topics are essentially as discussed. No further comment at this time.

**Dept. 45, Labor:**

Nothing further to add at this time.

**Dept. 46, Safety:**

Safety input has already been included in the potential use report.

**Dept. 47, Security/Fire:**

(Please see attached report.)

**Dept. 40, Worker's Compensation:**

One additional person may be needed to prepare claim forms, etc., if the site becomes fully operational. Regularly scheduled trips should suffice for the first year.

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**Personnel and Equipment Requirements for Phase I**

**Security Department**

**Gate House No. 1**

- Twenty-four (24) hour, seven (7) days per week.
- Gate House designed to allow pedestrian entry and exit from yard through a covered portion of the house. Gate House design to be submitted by this department if proposal approved.

1. **Vehicle control** - Gate opened electrically from inside Gate House.
2. **Pedestrian Control** - Employees funnelled through Gate House passageway.
3. **Radio Monitor** - Same frequency as NASSCO base.
4. **Paging System** - Wharf and construction areas.
5. **Alarms** - Fire, Flooding, etc.
6. **Lighting Control** - Ability to control exterior lighting from inside Gate House.
7. **Closed Circuit TV and Monitor** - Wharf and fence line, to be increased as other phases develop.
8. **Telephones** - Security only. No call-offs or general switchboard activity.
9. **Fire Phone**.

**Gate House No. 2**

- Twelve (12) hours, Monday through Friday, 6:00 a.m. to 6:00 a.m. Operational.

1. **Vehicle Control** - Is electrically controlled from Gate House.
2. **Pedestrian Control** - Is controlled from Gate House.
3. **Radio Monitor** - Same frequency as NASSCO base. Not at present in Gate House.

Note: THIS GATE IS NOT RECOMMENDED. However Phase No. 1 shows office being used in the North portion of the building. There are two nice parking lots inside the perimeter fence line in this area and loading dock immediately inside the gate.
The Gate may be essential because it is the only way the personnel working inside the
North end of the building can get in and out. It is also necessary to protect the facility from
outside the perimeter fence.

It is strongly recommended that all fire-related activities be conducted on the East side of the Facility and North of the area
outside the perimeter fence.

**Personnel - Full Time Employees**

- Forty (14) Personnel
  - Gate House #1 - Five (5) personnel
  - Gate House #2 - Two (2) personnel
  - Clockroom - Four (4) personnel
  - Supervision - Three (3) personnel
  - Single Shifts - There are six (6) clock round shifts on Saturday and Sunday.

Sick and vacation relief to be handled with existing personnel.

**Equipment**

- One (1) Vehicle
- Four (4) Bicycles
- Four (4) Handy-Talkies
- Three (3) Clocks and sufficient numbers of keys
- One (1) Scooter

**Fire Department**

- Work and Storage Area - Twenty-four (24) hours, seven (7) days per week.
- Sufficient storage space for equipment list attached plus a repair and maintenance area.
  - Telephone - Both fire and in-plant.
  - Radio - Monitor - Same frequency as NASSCO base.
  - Air - Extinguisher maintenance.
  - Water - Extinguisher maintenance.

**Personnel - Full Time Employees**

- Thirteen (13) Personnel
  - Fire Inspector - Ten (10) personnel
  - Two (2) on each shift

**One (1) Repair and Maintenance**

**One (1) Inspections**

- Supervision - Three (3) Personnel

Sick and vacation relief to be handled with existing personnel.

**Equipment**

1. Extend existing firemain systems to the warf to provide firemain pressure to the Ships (as per drawing).
2. Provide sprinkler hook ups for all trailers and require all trailers equipped with sprinkler systems. This is especially critical for the being used for dressing, boating and recreation rooms.
3. Thirty-five (35) fire trees to provide temporary firemain pressure on the ships.
4. Two-hundred and Ten (210) fifty-foot lengths of 1½ double jacket coiled hose with national pipe threads to equip fire trees.
5. One-hundred (100) fifty-foot lengths of 2½ double jacket cotton fire hose with national standard threads to equip fire trees.
6. Seventy-five (75) all purpose plastic nozzles to equip fire trees.
7. Assorted coupling and adapters.
8. Twelve (12) siamese fittings with check valves to provide an outlet for City Fire Department at boost firemain pressure to the Ships.
10. Twenty-Four (24) gauges for temporary firemain system (five trees).
11. Twenty-Four (24) control valves for temporary firemain system (five trees).
12. Portable fire extinguishers, 150 water pressure (45 g.p.m.) - 100 gal., 50 ft. line, to cover ships, yard, trailers, portable buildings, etc.
13. Fifty (50) pound bags of Purple "K" Powder for recharging EXTON fire extinguishers.
15. Assorted hand tools for repairing extinguishers.

17. Drying rack for fire hose.

18. Three (3) bio pack 60 breathing apparatus with spare cylinders.

19. Two (2) air line hose masks with regulators, hoses, and air cylinders.

20. Four (4) sets of turn out gear, helmets, gloves, coats, pants, and boots.

21. Three (3) rescue harnesses.

22. Six (6) tending lines.

23. Utility vehicle for transporting hose, extinguishers and making repairs on equipment.

24. Four (4) fire extinguisher boxes for lifting extinguishers on and off the ships.

25. Three (3) hand held flood lights.


27. Two (2) Submersible pumps for the control of flooding.

28. Three (3) sets of portable salt water pumps for back up water supply (two (2) supplied from this yard).

Items that are required by HAVSOA that must be provided by temporary services:

1. Back up electrical power and emergency lighting to be provided by temporary services.

2. Emergency alarm system to be provided by communication services.

3. Crane service to be provided by the Rigging Department.

4. De-watering equipment to be provided by the Pipe Test and Machinist Department.
NATIONAL STEEL AND SHIPBUILDING COMPANY
INTER-DEPARTMENT MEMO
24/01/67-65

Date Sept. 11, 1961

To: J.R. RIECHER

Subject: Test Site Potential Use

From: K.K. CHRISTOFA

Ref: (a) Your IM dated 9/3/61, same subject
(b) Report on Use of ITT Property dated 9/24/61

In response to reference (a), I offer the following comments.

(a) I feel that reference (b) is very well done and constitutes a good "airew man" for a long range start.

(b) I strongly recommend that serious consideration be given to establishment of the ITT facility as the NASSCO manufacturing facility (less steel) in addition to repair and overhaul facilities. This would include moving the machine shop to this facility in addition to the other shops contemplated being moved in Phase V. This will also require installation of a sandblast and paint facility for pipe assemblies.

By moving the machine shop to National City, all new construction office functions can be located in the same place in the building by constructing mezzanine floors.

The advantages of having Engineering, Planning, Purchasing and New Construction management personnel located under one roof in close proximity is significant and obvious for coordination purposes.

Additional benefits will accrue from freeing-up the valuable land occupied by the present Engineering building.

c) I acknowledge the fact that the location of the proposed graving dock in only tentative and subject to change. I suggest that consideration be given to the attached two proposals for alternate locations.

Both proposals tend to minimize (i) or eliminate (ii) the fragmentation of the available land area caused by the location of the drydock as shown in reference (b). Proposal II affords a very simple layout of crane necessary to all sharps with only one crane. The disadvantage of II is the loss of some hard footage (approximately 600 feet). The layout will still accommodate 6 DD-951 type ships end-to-end. Reference (b) and proposal II will accommodate 7 each using the same criteria (600 feet of pier space per ship). As mentioned earlier, proposal II leaves the acreage upon that is now occupied by the Engineering building contiguous to the graving dock, allowing for maximum utilization.

The foregoing thoughts are forwarded for your consideration.

ERF/11
Having toured the subject site, I have only a few comments.

1. Overall size of site is adequate.

2. Appears to be a great loss of space unless 2nd and 3rd floors are installed with either freight elevators or ramps and/or both.

3. Designated office space is adequate, but will require extensive remodeling to become functional. Not enough restrooms.

4. Recommend that Repair Purchasing be moved to new site to maintain liaison with Repetition Processing and Repair Shops.

5. Second entrance into site adjacent to Building Two (2) for repair personnel.
Comments on ITT Usage Report per Al Giorgio, Vice President Technical. His comments in general were as follows:

* Should only use those portions of the NASSCO South Site for repair that is really required to support a repair operation.

* Use South Site for new functions such as combatant systems.

* Use South Site to move Main Yard shops that are not justified and fit into the Long Range Plan for NASSCO's Facilities Development Program.

JRR/pkw

Comments on ITT Usage Report per Jim Paulson, Manager Safety. His comment in general was:

* A lab area should be set up in the ITT Building clean room lab area. This is an area that could be used to support a chemical analysis function which is currently performed by outside concern at an extreme cost.

JRR/pkw
Comment on ITT Usage Report via telephone conversation with Ed Solich, Chief Estimator Repair. His comment in general was:

- All offices relating to the repair function should remain under one roof whether it be in the Main Yard or the NASCO South Site.

JHR/pkw

Comments on ITT Usage Report via telephone conversation with Ray Neufkirch, Assistant Superintendent Outfitting. His comments in general were as follows:

- Proposed drydock should be able to handle NASCO's largest built tanker (San Diego Class).
- Should provide for an area for scaffolding erection and inspection very similar to the 28th Street mole pier area.
- Should have a repair carpenter shop to support the drydock. Shop should be similar to the existing 28th Street mole pier carpenter shop.
- Make sure drydock will have sufficient dry air to handle all trades plus air for scaffolders.

JHR/pkw
Comment on ITT Usage Report per Joe Plassmeyer, Manager, Combat Systems. His comment in general was:

- Repair Electronics should be moved to NASSCO South Site. Repair Electronics includes Combat Systems and would only require a small area to start. Joe will get with Don White to work up area requirements.

JRR/pkw

Comment on ITT Usage Report via telephone conversation with Roy McNab, General Foreman, I/R Shop. His comment in general was:

- Machine Shop functions for Repair should not be separate from the rest of the Machine Shop. They need to be together to eliminate confusion.

JRR/pkw
NATIONAL STEEL AND SHIPBUILDING COMPANY

INTER-DEPARTMENT MEMO

In

Date 9/16/01

To

File

Dept

From

J. R. Kuecker

Dept

Subject

ITT SITE USAGE REPORT

Ad. Hr.

Comments on ITT Usage Report via telephone conversation with Loyd Beystrom, General Foreman Transportation. His comments in general was of a technical nature dealing with specifics on Material Handling Equipment.

* Indicated a 15 ton forklift should be used instead of a 10 ton lift.

* The 1/2 ton pickup in the report should have been a 3/4 ton.

* The 20 ft. stake truck should be 2½ tons not 1½ tons.

* The 10' x 40' flat bed trailer should have been 8' x 40'.

JRR/pku
SOUTH SITE
FACILITIES DEVELOPMENT
PLAN
This report covers the costs and timing of the South Site development from a Facilities standpoint. The data contained in this report is only intended to be used for reference as I understand that Fred Hallett will prepare the final report for the Nov. 6th M-K Board Meeting (if, in fact, Mr. McMurren and French decide that a report/presentation is required).

JRR/mc

Distribution

K. Cooley
C. L. French
F. Hallett
L. Haumschilt
S. Timmons

cc: A. Giorgis
    J. Lightbody
    A. Lutter
    R. Vortmann
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## COST RECAP

<table>
<thead>
<tr>
<th></th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
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<tr>
<td><strong>BASIC FACILITIES</strong> and <strong>ANCILLARIES</strong></td>
<td>32,657,780</td>
<td>1,287,638</td>
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<tr>
<td></td>
<td>+ 32,915/mo.</td>
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<td><strong>ADDITIONAL REQUIREMENTS</strong> for <strong>DD-963 CONTRACT</strong></td>
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<td>61,300/mo.</td>
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**TOTALS**

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<th>$ 1,287,638</th>
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<td></td>
<td>+ 94,215/mo.</td>
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BASIC FACILITIES AND ANCI LIARIES
## BASIC FACILITIES AND ANCILLARIES – CAPITAL EXPENSES

<table>
<thead>
<tr>
<th>ITEM</th>
<th>7/4/81 ESTIMATE</th>
<th>10/7/81 ESTIMATE</th>
<th>VARIANCE</th>
<th>FOOT NOTES</th>
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<td>1. ITT BUILDING</td>
<td>6,000,000</td>
<td>6,000,000</td>
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<tr>
<td>2. DRYDOCK</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Site Preparation</td>
<td>2,135,000</td>
<td>2,476,000</td>
<td>341,000</td>
<td>(1)</td>
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<tr>
<td>Drydock Construction</td>
<td>6,018,000</td>
<td>5,814,000</td>
<td>&lt;204,000&gt;</td>
<td>(2)</td>
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<tr>
<td>Cellular Construction</td>
<td>2,630,000</td>
<td>3,280,000</td>
<td>650,000</td>
<td>(3)</td>
</tr>
<tr>
<td>Concrete Slab</td>
<td>4,600,000</td>
<td>5,340,000</td>
<td>740,000</td>
<td>(1)</td>
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<td>Gate &amp; Gate Seat Const.</td>
<td>450,000</td>
<td>700,000</td>
<td>250,000</td>
<td>(4)</td>
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<tr>
<td>Dock Unwavering Pump</td>
<td>100,000</td>
<td>200,000</td>
<td>100,000</td>
<td>(1)</td>
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<tr>
<td>Contractor Indirect Costs</td>
<td>1,100,000</td>
<td>1,323,000</td>
<td>223,000</td>
<td>(5)</td>
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<td>Incentive Fee Target</td>
<td>1,408,000</td>
<td>1,601,000</td>
<td>193,000</td>
<td>(5)</td>
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<td>Contingencies</td>
<td>1,792,000</td>
<td>2,039,000</td>
<td>247,000</td>
<td>(5)</td>
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<td>Engineering</td>
<td>800,000</td>
<td>809,000</td>
<td>9,000</td>
<td>(5)</td>
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<tr>
<td>Docking Blocks</td>
<td>750,000</td>
<td>550,000</td>
<td>&lt;200,000&gt;</td>
<td>(6)</td>
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<td>Permits</td>
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<td>50,000</td>
<td>50,000</td>
<td>(7)</td>
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<tr>
<td>Basic Wall Cap Structure</td>
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<td>462,000</td>
<td>462,000</td>
<td>(7)</td>
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<td></td>
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<tr>
<td>DRYDOCK TOTAL</td>
<td>21,783,000</td>
<td>24,644,000</td>
<td>2,861,000</td>
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<td>3. ANCILLARIES</td>
<td></td>
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<tr>
<td>Wharf Utilities</td>
<td>500,000</td>
<td>362,000</td>
<td>62,080</td>
<td>(4)</td>
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<tr>
<td>Drydock Utilities &amp; Misc.</td>
<td>1,750,000</td>
<td>1,451,700</td>
<td>&lt;298,300&gt;</td>
<td>(4)</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>ANCILLARY TOTALS</td>
<td>2,250,000</td>
<td>2,013,780</td>
<td>&lt;236,220&gt;</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$30,033,000</td>
<td>$32,657,780</td>
<td>$2,624,780</td>
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</tbody>
</table>

FOOT NOTES

(1) 2,861,000
(2) 62,080
(3) <298,300>
(4) <236,220>
FOOTNOTES:

(1) Increased cost due to increasing drydock size from 125' X 850' to 130' X 925'.

(2) Decrease in wall cost is a direct result of the increased number of cells used for drydock walls.

(3) Increased use of cells from 10 to 26 for drydock walls to allow reducing the angle of dock to pier head line to be able to face dock northward into channel.

(4) Refined estimate.

(5) Increase related to increase in direct costs.

(6) Decrease is a result of using 180 existing blocks from main yard building dock. (Total quantity of blocks is 550 which will handle one DD-963.)

(7) Cost overlooked in first estimate.
<table>
<thead>
<tr>
<th>No and/or Description</th>
<th>Work to do or Action to take</th>
<th>1981</th>
<th>1982</th>
<th>1983</th>
<th>1984</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LAND &amp; WATER FACILITIES</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Acquire ITT Bldg.</td>
<td>Cap</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Purchase Lease Option Agreement</td>
<td>Exp</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent ITT Parcel</td>
<td>Exp</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent Wharf</td>
<td>Exp</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent Adjacent Water Area</td>
<td>Exp</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Rent 20 Acres West ITT</td>
<td>Exp</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DRYDOCK</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site Preparation</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drydock Construction</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cellular Construction</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Concrete Slab</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Gate &amp; Gate Seat Const.</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dock Unwatering Pump</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Incentive Fee</td>
<td>Cap</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Contingencies</td>
<td>Cap</td>
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<tr>
<td>Engineering</td>
<td>Cap</td>
<td></td>
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</tr>
</tbody>
</table>
# PROJECT SCHEDULE SHEET

**Covering:** Basic Facilities & Ancillaries

**Status as of:**

**Prepared by:**

**Date:**

## Prof. No. and or Description | Work to do | Action to take | 1981 | 1982 | 1983 | 1984
--- | --- | --- | --- | --- | --- | ---
**Docking Blocks** | Cap | | | | | |
**Permits** | Cap | | | | | |
**Basic Wall Cap.** | Cap | | | | | |

### 3. ANCILLARIES

#### 3.1 Wharf Utilities

##### 3.2.1 Drydock Utilities

##### 3.2.2 Repair Support Shops/Storage

##### 3.2.3 Warehousing

##### 3.2.4 Offices

##### 3.2.5 Mail Handling Equip.

##### 3.2.6 Interyard Transportation

##### 3.2.7 Hazardous Waste

##### 3.2.8 Fire Services

##### 3.2.9 Security

##### 3.2.10 Safety Services

##### 3.2.11 Personnel & Industrial Relations

##### 3.2.12 First Aid Services

##### 3.2.13 Food Services
<table>
<thead>
<tr>
<th>Work to do; Action to take</th>
<th>1981</th>
<th>1982</th>
<th>1983</th>
<th>1984</th>
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</thead>
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<tr>
<td>2.14 Outside Restrooms</td>
<td>Exp</td>
<td></td>
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<tr>
<td>2.15 Lockers</td>
<td>Exp</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.16 Fueling Services</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.17 Telephone Services</td>
<td>Exp</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.18 Maintenance Services</td>
<td>Cap</td>
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</table>

*Note: The table contains entries for various projects including outside restrooms, lockers, fueling services, telephone services, and maintenance services for the years 1981 to 1984.*
### BASIC FACILITIES AND ANCILLARIES

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Land and Water Facilities</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>- Acquire Itt Building</td>
<td>6,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Purchase lease option agreement</td>
<td></td>
<td>247,044</td>
<td></td>
</tr>
<tr>
<td>- ITT Parcel: Rental will be at the current rate of 20¢ per sq. ft. per year (845,417 sq. ft.).</td>
<td></td>
<td>236,716</td>
<td></td>
</tr>
<tr>
<td>- Wharf: Rental on 846 ft. plus 350 ft. of wharf. Note that rental is paid on the 350 ft. whether used or not.</td>
<td></td>
<td>384,840</td>
<td></td>
</tr>
<tr>
<td>- Water area adjacent to wharf: To be negotiated at the time the lease is exercised. This would be based on the fair rental value; current water rate is 7¢ per sq. ft. per year. By January 1982 this is expected to be about 9¢. (179,400 Sq. ft.)</td>
<td></td>
<td>1,6146</td>
<td></td>
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<tr>
<td>- 20 acres of bare land west of the ITT property and adjoining water on the Sweetwater channel. Both land and water rentals will be negotiated at time the option is exercised. The rental rates in 1982 are expected to be:</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>- Land @ 39¢ per sq. ft. (853,129 sq. ft.)</td>
<td>332,720</td>
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<tr>
<td></td>
<td>- Water @ 9¢ per sq. ft. (264,135 sq. ft.)</td>
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<td>FACILITY TOTALS</td>
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<tr>
<td>-------------------------------------------</td>
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</tr>
<tr>
<td><strong>Drydock</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Site Preparation ($2,476,000)</td>
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<tr>
<td>- Onsite cut &amp; fill</td>
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<tr>
<td>- Excavation to disposal</td>
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<td>- Shoreline riprap</td>
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<tr>
<td>- Drydock Construction ($5,814,000)</td>
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<tr>
<td>- Paving &amp; site drainage</td>
<td>1,080,000</td>
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<tr>
<td>- Drydock wall construction</td>
<td>3,674,000</td>
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<tr>
<td>- Construction dewatering</td>
<td>150,000</td>
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<tr>
<td>- Pump sump &amp; underdrain system</td>
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<td>- Stairs, rubstrip, mooring ftg., misc.</td>
<td>430,000</td>
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<tr>
<td>**Cellular Construction ($3,280,000)</td>
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<tr>
<td>- Cellular sheet pile construction</td>
<td>2,760,000</td>
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</tr>
<tr>
<td>- Cellular cofferdam construction</td>
<td>520,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Concrete Slab</strong></td>
<td>5,340,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gate &amp; Gate Seat Construction</strong></td>
<td>700,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Dock Unwatering Pump</strong></td>
<td>200,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contractor Indirect Costs</strong></td>
<td>1,323,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Incentive Fee Target</strong></td>
<td>1,601,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contingencies</strong></td>
<td>2,039,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Engineering</strong></td>
<td>809,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Docking Blocks</strong></td>
<td>550,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Permits ($50,000)- For South Site In General</strong></td>
<td></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td>- APCD (Air Pollution Control District)</td>
<td></td>
<td>-0-</td>
<td></td>
</tr>
<tr>
<td>- Corps of Engineers</td>
<td></td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>- Coastal Authorities</td>
<td></td>
<td>-0-</td>
<td></td>
</tr>
<tr>
<td>- Port of San Diego</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- NPDES (National Pollution Discharge Elimination Systems)</td>
<td></td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>CAPITAL</td>
<td>EXPENSE</td>
<td>REVENUE</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>- SPCCM (Spill Prevention, Control &amp; Counter Measures)</td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>- Industrial Discharges, City of San Diego/National City</td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>• For Drydock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- APCD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Corps of Engineers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Consulting Fees</td>
<td></td>
<td>20,000</td>
<td></td>
</tr>
<tr>
<td>• Mitigation Costs</td>
<td></td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>- Coastal Authorities</td>
<td></td>
<td></td>
<td>200</td>
</tr>
<tr>
<td>- Port of San Diego</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- NPDES</td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>- SPCCM</td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>- Industrial Discharge</td>
<td></td>
<td></td>
<td>500</td>
</tr>
<tr>
<td>• Basic Wall Cap Structures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>462,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRYDOCK TOTALS</td>
<td>24,644,000</td>
<td>9,400</td>
<td>0</td>
</tr>
</tbody>
</table>
### BASIC FACILITIES AND ANCILLARIES - Cont.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ANCILLARIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.1 Wharf Utility Retro-Fit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sewer:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>720 Ft. Trench and Pipe @ $30 per Ft.</td>
<td>21,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1500 Ft. Pipe @ $12 per Ft.</td>
<td>18,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1200 Ft. Pipe @ $8 per Ft.</td>
<td>9,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Lift Station</td>
<td>25,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Electrical, Gas and Telephone Trench</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1380 Ft. @ $26 per Ft.</td>
<td>35,880</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Water:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>600 Ft. Pipe @ $20 per Ft.</td>
<td>12,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Electrical</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two - 3000 KVA Sub-Stations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1380 Ft. - 12,000 V Cable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two - Short Power Stations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six - Power Panels</td>
<td>440,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WHARF UTILITIES TOTALS</strong></td>
<td>562,080</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>3.2 Drydock Utilities &amp; Miscellaneous Ancillaries</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3.2.1 Drydock Utilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Sewer:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2050 Ft. Pipe @ $30 per Ft.</td>
<td>85,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Lift Station</td>
<td>20,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Electrical, Gas &amp; Telephone Trench</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1150 Ft. @ $35 per Ft.</td>
<td>40,250</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>CAPITAL</td>
<td>EXPENSE</td>
<td>REVENUE</td>
</tr>
<tr>
<td>------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>- Electrical:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two - 2000 KVA Sub-Stations</td>
<td>360,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ten - 400 Amp Panels</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Water:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2850 Ft. Pipe @ $15 per Ft.</td>
<td>42,750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Natural Gas System</td>
<td>150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Compressed Air:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One 60' x 40' Pole/roof structure with ten compressor air pads</td>
<td>60,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six - 2000 CFM Compressors with switches</td>
<td>360,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2850 Ft. Pipe/Trench @ $30 per Ft.</td>
<td>85,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fire Protection</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2850 Ft. Pipe @ $30 per Ft.</td>
<td>85,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DRYDOCK UTILITIES TOTAL</strong></td>
<td>1,289,000</td>
<td>-0-</td>
<td>-0-</td>
</tr>
</tbody>
</table>

J.2.2 **Repair Support Shops/Storage**

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital</th>
<th>Expense</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Install fence to enclose storage and staging area alongside wharf; includes gates and movable east end. 1500 lineal feet @ $10.00/ft.</td>
<td>15,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Rehab. area inside 111T building for repair shops/storage areas. 1000 sq. ft. @ $5.00/sq. ft.</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fence for sectioning areas off by trade.</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUPPORT SHOP TOTALS</strong></td>
<td>26,000</td>
<td>-0-</td>
<td>-0-</td>
</tr>
</tbody>
</table>
### BASIC FACILITIES AND ANCILLARIES - Cont.

#### Item

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital</th>
<th>Expense</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.2.3 Warehousing</strong></td>
<td></td>
<td></td>
<td>&lt;360,000&gt;</td>
</tr>
<tr>
<td>● Move in existing off-site warehousing which can be moved to the ITT building economically. 150,000 sq. ft. at 20¢ per sq. ft. (avg.) if present warehousing is consolidated.</td>
<td>150,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Lease out ITT building on a short-term lease until required by NASSCO. 150,000 sq. ft. at 10¢ per sq. ft. per mo. (avg.).</td>
<td></td>
<td></td>
<td>&lt;180,000&gt;</td>
</tr>
</tbody>
</table>

**WAREHOUSING TOTALS**

-0- -0- <180,000>*

*Used rent-out rate for conservatism.

#### 3.2.4 Offices

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital</th>
<th>Expense</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Rehab. 3000 sq. ft. of third floor for repair support offices @ $10.00 per sq. ft.</td>
<td></td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>● Rehab. entire fourth floor for Navy/Supships personnel offices.</td>
<td>40,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**OFFICE TOTALS**

40,000 3,000 -0-

#### 3.2.5 Material Handling Equipment

<table>
<thead>
<tr>
<th>Item</th>
<th>Capital</th>
<th>Expense</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Two 4 ton Forklifts</td>
<td></td>
<td>2,000/mo.</td>
<td></td>
</tr>
<tr>
<td>● One 15 ton Forklift</td>
<td></td>
<td>1,600/mo.</td>
<td></td>
</tr>
<tr>
<td>● One 3500 lb. Highlift Forklift</td>
<td></td>
<td>1,000/mo.</td>
<td></td>
</tr>
<tr>
<td>● One 60 ton Mobile Crane, 150 ft. Boom</td>
<td></td>
<td>8,500/mo.</td>
<td></td>
</tr>
<tr>
<td>● One 80 ton Mobile Crane, 150 ft. Boom</td>
<td></td>
<td>10,000/mo.</td>
<td></td>
</tr>
<tr>
<td>● One 35 ton Hydro-Crane</td>
<td></td>
<td>6,500/mo.</td>
<td></td>
</tr>
<tr>
<td>● One Large Barge Mounted Crane only when required (rent - $4,000/day)</td>
<td></td>
<td>-0-</td>
<td></td>
</tr>
</tbody>
</table>

**MATERIAL HANDLING TOTALS**

-0- 29,600/mo. -0-
### BASIC FACILITIES AND ANCILLARIES - Cont.

#### 3.2.6 Interyard Transportation

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ž One Standard 3/4 ton Pickup</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ž One 12 Ft. Stake Truck 1-ton</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● One 20 Ft. Stake Truck 2-1/2-ton</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ž One 8' x 40' Flat Bed Semi-Trailer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ž One 40' x 80' Barge (a)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ž Four Automobiles (b)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TRANSPORTATION TOTALS

(a) Use existing main yard barge.
(b) Convert four executive autos into T/P Pool.

#### 3.2.7 Hazardous Waste

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Fence in storage area for waste materials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25' x 25' @ $10.00/Ft.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

WASTE TOTALS

#### 3.2.8 Fire Services

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>● Equipment for two ships at wharf and one in drydock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 300 Ft. of 2-1/2&quot; hose/Ship @ $400/Ship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- 1500 Ft. of 1-1/2&quot; hose/Ship @ $1200/Ship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Four fire trees per Ship @ $1500/Ship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Two Siamese fittings/Ship @ $200/Ship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fifty extinguishers/Ship @ $2000/Ship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- One hose drying rack</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- One handheld portable radio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- One Base station radio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- One compact pickup truck</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

FIRE TOTALS

Note: If N/C activity is down move equipment from main yard.

<table>
<thead>
<tr>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>26,100</td>
<td>-0-</td>
<td>-0-</td>
</tr>
</tbody>
</table>
### BASIC FACILITIES AND ANCILLARIES - Cont.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3.2.9 Security</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Four Bicycles</td>
<td>400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● One handheld portable radio</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● One Base station radio</td>
<td>1,200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● One scooter</td>
<td>3,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SECURITY TOTALS</strong></td>
<td>6,100</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>3.2.10 Safety Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Respirator maintenance equipment</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Air sampling equipment</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Equipment lockup cabinet</td>
<td>1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Explosive gas meter</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>● One set of Standards</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SAFETY TOTALS</strong></td>
<td>11,500</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>3.2.11 Personnel and Industrial Relations</strong></td>
<td></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>3.2.12 First Aid Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Medical supplies &amp; equipment</td>
<td>3,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FIRST AID TOTALS</strong></td>
<td>3,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>3.2.13 Food Services</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Move two portable lunch rooms from main yard.</td>
<td>6,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FOOD TOTALS</strong></td>
<td>0</td>
<td>6,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>3.2.14 Outside Restrooms</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>● Move portable restrooms from main yard.</td>
<td>8,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RESTROOM TOTALS</strong></td>
<td>0</td>
<td>8,000</td>
<td>0</td>
</tr>
</tbody>
</table>
### BASIC FACILITIES AND ANCILLARIES - Cont.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2.15 Locker</td>
<td>-0-</td>
<td>8,000</td>
<td>-0-</td>
</tr>
<tr>
<td>• Move portable locker building from main yard.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LOCKER TOTALS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2.16 Fueling Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Install two 10,000 gallon tanks, one for diesel and the other for gasoline.</td>
<td></td>
<td>45,000</td>
<td></td>
</tr>
<tr>
<td>FUEL TOTALS</td>
<td>45,000</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td>* May be able to delete if tank truck from M-K is available.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2.17 Telephone Services</td>
<td>-0-</td>
<td>11,000</td>
<td>-0-</td>
</tr>
<tr>
<td>• Upgrade system to working condition.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TELEPHONE TOTALS</td>
<td>-0-</td>
<td>11,000</td>
<td>-0-</td>
</tr>
<tr>
<td>3.2.18 Maintenance Support</td>
<td>5,000</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td>• Equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MAINTENANCE TOTALS</td>
<td>5,000</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td>DRYDOCK UTILITIES &amp; MISCELLANEOUS ANCILLARY TOTALS</td>
<td>1,451,700</td>
<td>26,000</td>
<td>&lt;180,000&gt;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>+ 32,915/mo.</td>
<td></td>
</tr>
</tbody>
</table>
SOUTH SITE DEVELOPMENT PLAN

BASIC FACILITIES AND ANCILLARIES

This would cover only those item which would be required at the NASSCO South Site to make it suitable for repair and conversion activities.

1.1 Land and Water Facilities (Exhibit A)

The South Site will primarily consist of the 320,000 sq. ft. ITT Building, approximately 42 acres of land including 1196 ft. of the Sweetwater Channel Wharf and approximately 10 acres of Sweetwater Channel water area.

NASSCO has an option on an additional 5.5 acres of water area that can be exercised at any time. This would have to be exercised at the time NASSCO desired to build an additional wharf on the bay side of the NASSCO South Site.

2.1 Drydock (Exhibit B)

The drydock size has been set at 130 ft. x 925 ft. and the floor at -33 ft. (MLLW). This size will allow the docking of the majority of Naval ships stationed in San Diego (see Exhibit C) excluding nuclear-aircraft carriers. The dock will also handle 80 percent of the commercial ships presently operating on the West Coast. The dock has been angled north into the channel and as far south on the property as the constraints of excavation permit. This location will also permit good gantry track alignment to the existing wharf structure when added at a later date. This Layout also provides the best usage of land in regards to possible further expansion into Port of San Diego Property (24th St. Terminal) north of the site. The positioning of the dock in this manner also provides the Dock Master with the best use of tide and wind directions.

The engineering and construction cycle would entail 12 months for engineering and permits, followed by 18 months for the actual construction activity.

3. ANCILLARIES

3.1 Wharf Utilities (Exhibit D)

The wharf will be retrofitted so that it will have the capacity to handle anticipated repair requirements. The sewer line will be run from 32nd Street while the remaining utilities will be run from the southwest corner of the ITT Building to the wharf. Other items such as gases and oxygen will be supplied from bottles.
3.2 DRYDOCK UTILITIES & MISCELLANEOUS

3.2.1 Drydock Utilities (Exhibit D)

The drydock will be outfitted with all the utilities required to perform repair activities in the drydock. The sewer and electrical runs will be made from existing lines running under the ITT Building as shown in Exhibit D, and the water, air, gas and steam will be run from the utility building.

The long range plans are to establish an infrastructure for utilities distribution. This will take the form of permanent underground trenches from which branch services can be run as appropriate. The above mentioned utilities are in line with the long range plans for the utility distribution network.

3.2.2 Repair Support Shops/Storage (Exhibit E)

The main repair shop functions will remain in the main yard and only those repair shop functions required at the South Site will be set up. Space will be provided for these functions and inside storage requirements in the two-bay area in the southeast corner of the ITT Building.

A storage and staging area will be provided alongside the wharf for staging of equipment and materials to be used aboard ship.

3.2.3 Warehousing (Exhibit E)

Existing off-site warehousing which can be moved to the ITT Building economically will be done to fill the warehouse space and/or it may be leased out until NASSCO can utilize it.

3.2.4 Offices (Exhibit E)

The repair offices for the South Site will be located on the 3rd floor of the ITT Building. This office area is sited by elevator and is in the closest practical proximity to all repair activities. Relatively few changes will need to be made to these existing offices.

The fourth floor offices of the ITT Building will be set aside for Navy-Supships personnel. The area is more than initially required and will allow area for growth.

The first floor office, off the north end of the ITT Building, will be set aside for drydock construction management and any other special offices required during site development.
### 3.2.5 Material Handling Equipment

For general movement of material in the ITT Building and yard, the following handling equipment would be needed:

- Two - 4-ton forklifts
- One - 15-ton forklift
- One - 3500 lb. highlift forklift

The lifting capabilities required for a basic repair yard operation would be handled by the following:

- One - 60-ton mobile crane with a 150 ft. boom
- One - 80-ton mobile crane with a 150 ft. boom
- One - 35-ton Hydro crane
- One - large barge mounted crane will occasionally be required for extra heavy lifts. This crane will be rented on an as needed basis.

### 3.2.6 Interyard Transportation

There will be a substantial amount of work done at the main yard to serve South Site repair needs. Additional transportation needs will be as follows:

- One - standard 3/4-ton pick-up for supervisors, quick pick-ups, mail, etc.
- One - 12-foot stake truck. This is a 1-ton pick-up for intermediate loads.
- One - 20-foot stake truck. This is a 2-1/2-ton standard stake truck for handling the larger loads. This truck should have a hydraulic tailgate.

Other larger moves can be handled with existing main yard Facilities:

- One - 8' x 40' flat bed semi-trailer for engines and generators.
- One - barge for any large equipment.

Rail services are available at both sites, if needed. It is not planned to use rail for interyard transportation at this time.

There will also be requirements for handling the movement of personnel between the yards such as management, engineers, safety, medical, etc. For this, four executive automobiles will be assigned when their replacement occurs in 1982.
3.2.7 **Hazardous Waste**

Plans are that hazardous waste will be staged in suitable cells (to be constructed) behind (north of) the present utility building. This will be a designated area for this service. The hazardous waste will be handled on a sub-contracting basis by a licensed handler.

3.2.8 **Fire Services**

The plan is to have around-the-clock NASSCO Fire Department personnel doing extinguisher checks, maintenance, hose checks, etc. Alarm monitoring would be in the South Site main security guardhouse. Some additional basic equipment will be needed, including a compact pickup truck. If the new construction activity is down in the main yard there will be available equipment that can be used at the South Site.

3.2.9 **Security**

The plan is to use NASSCO personnel around the clock providing guardhouse vigilance to monitor security and fire checks and roving security checks of the facility. The Saturday and Sunday shifts will be handled by our present subcontractor (Pinkerton) to fill these shifts.

3.2.10 **Safety Services**

One person full time on 1st shift - 5 days only, other functions (Industrial Hygienist, etc.) part time, tied in with main yard services as needed. Some equipment will be needed at the South Site.

3.2.11 **Personnel and Industrial Relations**

All hiring and keeping of main personnel records will be done at the main yard. Some part-time service will be available for questions on benefits, insurance, etc. Either a part-time or full-time Industrial Relations person will be available as appropriate.

3.2.12 **First Aid Services**

1. The satellite medical facility at the ITT site will be staffed by one licensed nurse (R.N. or L.V.N.) on the day shift and by one medical technician on each of the 2nd and 3rd shifts.

2. All injuries or illnesses at the ITT site will be taken to that satellite medical facility for evaluation and possible treatment.
d. On each shift, the medical person in charge at the satellite will treat, on site, only those cases which fall within his/her treatment capability. The more serious cases will be triaged as follows:

A. **Day Shift**

1. First option is referral to main medical facility in Building 15. Please note that the transportation problems from the satellite ITT site to Building 15 have not been resolved at this time. Only a few of these cases will be able to travel on their own.

2. Second option is transportation to the nearest hospital Emergency Room by paramedics.

B. **Second Shift**

1. First option is use of the South Bay Industrial Medical Clinic.

2. Second option is transportation to the nearest hospital Emergency Room by paramedics.

C. **Third Shift**

1. These cases will be transported to the nearest hospital Emergency Room by Paramedics.

A. The satellite medical unit at the ITT site will be equipped to take full advantage of the treatment capability of a licensed nurse, but will not be equipped with specialized instrumentation of high cost.

3.2.13 **Food Services**

It is recommended not to make any drastic changes as to how this subject is handled at the two different sites. The present practice of using catering trucks with portable lunch room in the main yard should be repeated for the South Site.

3.2.14 **Outside Restrooms**

It is recommended the same portable restroom accommodations that are used in the main yard be used at the South Site. The number of units should be used on similar allocations for men and women as those in the main yard. Available main yard units will be moved to the South Site.
2.15 **Lockers**

- Trades; for toolboxes, 'etc., will be transferred from the main yard.

- Clothing lockers will also be transferred from the main yard. Some lockers already exist in the ITT Building and should be utilized.

3.2.16 **Fueling Services**

Fueling services will be needed *on-site from the start of operations*. It is recommended that the following be supplied:

- One - 10,000 gallon Diesel tank
- One - 10,000 gallon Gasoline tank

*Tanks and fuel pumps must be code distance away from buildings.* Probable location would be the rear of the utilities building.

3.2.17 **Telephone Services**

The current system will require some work to make it operational to start. It is recommended that arrangements be made to determine how best the South Site should-be served by telephone, and what interconnects there should be with the main yard. It is suggested that the M-K telephone system representative be asked to study the requirements and make the appropriate recommendations.

3.2.18 **Maintenance Support**

An area in the northwest corner of the ITT Building has been designated as a maintenance area. Staffing will be on an as needed basis from the main yard.
ADDITIONAL REQUIREMENTS FOR DD-963 CONTRACT
# ADDITIONAL REQUIREMENTS FOR DD-963 CONTRACT - CAPITAL COSTS

<table>
<thead>
<tr>
<th>ITEM</th>
<th>7/4/81 ESTIMATE</th>
<th>10/7/81 ESTIMATE</th>
<th>VARIANCE</th>
<th>FOOTNOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Navy Berthing and Messing</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>(1)</td>
</tr>
<tr>
<td>2. Berthing and Messing Utilities</td>
<td>-0-</td>
<td>121,300</td>
<td>121,300</td>
<td></td>
</tr>
<tr>
<td>3. Parking</td>
<td>-0-</td>
<td>10,000</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>4. Material Handling Equipment</td>
<td>-0-</td>
<td>-0-</td>
<td>-0-</td>
<td>(2)</td>
</tr>
<tr>
<td>5. Warehousing</td>
<td>-0-</td>
<td>11,600</td>
<td>11,600</td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>-0-</td>
<td>$142,900</td>
<td>$142,900</td>
<td></td>
</tr>
</tbody>
</table>

**FOOTNOTES:**

(1) Leased Materials

(2) Included in General Repair Material Handling Equipment; can be leased and charged to DD-963 Contract.
## PROJECT SCHEDULE SHEET

### Corelum Additional Requirements for DD-951 Contract

**Status as of:**

**Reported by:**

**Date:**

<table>
<thead>
<tr>
<th>Proj No and/or Description</th>
<th>Work to Do: Action to Take</th>
<th>1981</th>
<th>1982</th>
<th>1983</th>
<th>1984</th>
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<tbody>
<tr>
<td>1. Housing &amp; Housing</td>
<td>Exp</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Utilities for B &amp; H</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Parking</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Material Handling Equip.</td>
<td>Exp</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Warehousing</td>
<td>Cap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

*Ray*  

*O'Dell*
### ADDITIONAL REQUIREMENTS FOR DD-963 CONTRACT

#### 1. BERTHING & MESSING

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sixteen 24' x 60' temporary berthing units</td>
<td>$12,000/mo.</td>
</tr>
<tr>
<td>One 12' x 60' temporary CO &amp; XO berthing unit</td>
<td>$400/mo.</td>
</tr>
<tr>
<td>One 10' x 40' refrigeration trailer</td>
<td>$300/mo.</td>
</tr>
<tr>
<td>One 36' x 60' temporary messing unit</td>
<td>$2,500/mo.</td>
</tr>
<tr>
<td>Furnishings for berthing and messing facilities</td>
<td>$10,000/mo.</td>
</tr>
<tr>
<td>One 36' x 60' temporary lounge and game room with furnishings</td>
<td>$1,600/mo.</td>
</tr>
<tr>
<td>One 10' x 40' temporary laundry facility</td>
<td>$2,000/mo.</td>
</tr>
</tbody>
</table>

**BERTHING & MESSING TOTALS**

<table>
<thead>
<tr>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>$28,000/mo.</td>
</tr>
</tbody>
</table>

#### 2. UTILITIES (BERTHING & MESSING)

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sewers</td>
<td>$30,000</td>
</tr>
<tr>
<td>1,000 Ft. 6&quot; VCP @ $30 per ft.</td>
<td></td>
</tr>
<tr>
<td>Electrical, Telephone and TV</td>
<td>$4,800</td>
</tr>
<tr>
<td>160 Ft. of Conduit @ $30 per ft.</td>
<td></td>
</tr>
<tr>
<td>Water with Services and Sprinklers:</td>
<td>$36,000</td>
</tr>
<tr>
<td>600 Ft. Pipe @ $60 per ft.</td>
<td></td>
</tr>
<tr>
<td>Two Fans for Sprinklers @ $2,000 each</td>
<td></td>
</tr>
</tbody>
</table>
## ADDITIONAL REQUIREMENTS FOR DD-963 CONTRACT - Cont.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>CAPITAL</th>
<th>EXPENSE</th>
<th>REVENUE</th>
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</thead>
<tbody>
<tr>
<td><strong>UTILITIES (BERTHING &amp; MESSING) Cont.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Electrical:</td>
<td>45,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two - 480 V. lines from Bldg. to Lot</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two - 480 V to 120/208 Transformers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sixteen - Power Panels</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>UTILITY TOTALS</strong></td>
<td>121,300</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>3. PARKING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Fence in a portion of paved area west of ITT Building to provide parking displaced by Navy Berthing &amp; Messing on east side of ITT Building. Approximately 1,000 lineal feet @ $10,000/Ft.</td>
<td>10,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PARKING TOTALS</strong></td>
<td>10,000</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>4. MATERIAL HANDLING EQUIPMENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Two - 80 ton Truck Cranes - Long Boom</td>
<td>24,000/mo.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Two - 12,000 lb. Forklifts</td>
<td>2,000/mo.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• One - 30 ton Hydro-Crane</td>
<td>6,500/mo.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• One - Large Barge Mounted Crane as required ($4,000/Day)</td>
<td>-0-</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MATERIAL HANDLING TOTALS</strong></td>
<td>-0-</td>
<td>32,500/mo.</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>5. WAREHOUSING</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Purchase &amp; Install Storage Packs</td>
<td>11,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>WAREHOUSING TOTAL</strong></td>
<td>11,600</td>
<td>-0-</td>
<td>-0-</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>$142,900</td>
<td>$61,300/mo.</td>
<td>-0-</td>
</tr>
</tbody>
</table>
ADDITIONAL REQUIREMENTS FOR DD-963 CONTRACT

This would make the NASSCO South site ready to handle the repair contracts for two DD-963 Navy vessels (Ray & O'Brien). This includes a few of the items already indicated in the General Repair Requirements.

1. Navy Berthing & Messing

The plan is to provide temporary facilities situated on the ITT property. The most suitable location from the standpoint of access, security and installation costs is on the east side of the ITT Building as indicated in Exhibit F. If additional area would be required for additional facilities at a later date, the parking lot north of the ITT Building could be utilized. The displacement of parking spaces is addressed in #3 of this section.

Approximately 1.6 acres would be required initially to house the Navy personnel for a DD-963. Berthing quarters would consist of sixteen 24'x60' trailers, one 12'x60' Officers' trailer, one 10'x40' Refrigeration trailer, one 36'x60' Messing trailer, one 36'x60' Lounge and Game Room trailer and one 10'x40' Laundry Facility trailer. Parking would be available for 200 - 300 Navy personnel.

2. Berthing & Messing Utilities

The Berthing & Messing complex will be outfitted with all utilities which are required to support such a facility.

3. Parking

When the Berthing & Messing Facility is installed it will displace approximately 200 parking spaces. In order to accommodate the displaced spaces an area will be fenced off on the west side of the ITT Building for parking.

4. Material Handling Equipment

The Material Handling requirements for the DD-963's are as indicated below. This list of equipment has already basically been addressed in the General Repair Requirements and may not be repeated.

Two - 80 ton Truck Cranes with Long Booms
Two - 12,000 lb. Forklifts
One - 30 ton Hydro Crane
One - Large Barge Mounted Crane as required

5. Warehousing

An area will be provided within the ITT Building for the contract required Warehousing for the DD-963 vessels.
LONG RANGE POTENTIAL DEVELOPMENT PLAN
LONG RANGE POTENTIAL DEVELOPMENT PLAN

The long range development would include those items which will enhance the existing operations and provide NASSCO with optimum flexibility to enter into new business ventures, especially in the event of a down-turn in ship construction and repair.

This could (and we emphasize could) include:

- Move New Construction Pipe Shop from the main yard into the ITT Building. This will open up the center of the main yard for Platen area and/or Unit Staging as indicated in the main yard Long Range Facility Plan (LRFP).

- Move New Construction Sheetmetal Shop from the main yard into the ITT Building. This move will clear the 28th St. Mole Pier for a New Construction Outfitting Staging area as indicated in the main yard LRFP.

- Move New Construction Electrical Shop from the main yard into the ITT Building. This also supports the LRFP for the main yard.

- Construct to 2300 lineal feet of new wharf, extending the existing wharf along the southern boundary and wrapping around to the west boundary to the northern property line.

- Adequate acreage exists for pre-erection outfitting of ships modules or other marine/non-marine.

- Add a Combatant Electronics Shop so as to increase NASSCO capabilities to handle 3-B type work for G-Ships. This could be located in the ITT Building Clean Room area.

- Suitable acreage available for drill rig-fabrication and other oil industry related projects.
Exhibits
Naval Vessels Stationed in San Diego That Can be Docked in a 130’ x 925’ x -33’ Floor Drydock.

Cv-34  Oriskany Aircraft Carrier
BB    Iowa Class Battleships
LHA   Tarawa Class Amphibious Assault Ships
AOE   Fast Combat Support Ships
AOR   *Replenishment oilers*
AO    Oilers
AD    Destroyer Tenders
AR    Repair Ships
AS    Submarine Tenders
AFS   Combat Store Ships
LKA   Amphibious Cargo Ships
LPH   Amphibious Assault Ships
APD   Amphibious Transport Dock
LSD   Dock Landing Ships
LCC   Amphibious Command Ships
LST   Tank Landing Ships
FF    Guided Missile Frigates
DD    Destroyers
IT BUILDING UTILIZATION

1. REPAIR SUPPORT SHOPS/STORAGE - 25,000 SQ.FT.
2. SITE DEVELOPMENT PROJECT OFFICES - 8,000 SQ.FT.
3. REPAIR SUPPORT OFFICES - 3,000 SQ.FT (MAX 8,000 SQ.FT)
4. NAVY / SUPSHIPS OFFICES - 13,000 SQ.FT.
5. WAREHOUSE - 165,000 SQ.FT.
6. WAREHOUSE (CLIMATE CONTROLLED AREA) - 32,000 SQ.FT.
7. WAREHOUSE (BLUE-SKY AREA) - 45,000 SQ.FT.
8. MAINTENANCE DEPT. - 5,000 SQ.FT.
NASSCO scrubs 2nd shipyard

By Don Learned
Enterprise News

The National Steel and Shipbuilding Co. has canceled plans to build a second yard in National City that it once projected would draw 300 million a year in repair contracts and create 1,800 jobs.

NASSCO President Larry French said the decision was due to high interest rates, the general state of the economy, and an expected decline in potential Navy contracts amid federal budget tightening.

French said the company would have had to spend 140 million over two years to build two drydocks on now-idle waterfront without any assurance that contracts it hoped for would be available.

"I think the business is probably there," French said, "but there is no guarantee it is, or will be there as quick as we need to justify the expenditures."

He said the decision was made Dec. 13 in a meeting at the House, Idaho, headquarters of NASSCO's parent company, Morton-Kenyon Inc.

French said that the present shipyard has enough work to stay at its current 6,800-employee level until late next year but that without new contracts the staff could be down to 2,000 in 1983.

See NASSCO A-4
Plans Abandoned For Additional Shipyard Here

NASSCO'S Parent Firm Says Decision Based On Difficulty In Lining Up Investment Capital

BY CHERYL CLARK

The parent company of San Diego's National Steel and Shipbuilding Co., the largest shipbuilder on the West Coast, has scrapped plans for a second shipyard here that would have employed about 2,500 people, the firm has announced.

John Murphy, NASSCO's vice president for public relations, said yesterday that National Steel and Shipbuilding Co., the firm's parent company in St. Louis, made the decision because of the difficulties of obtaining investment capital.

Murphy also said the firm that NASSCO recently lost out to a Seattle firm in competition for two contracts with the Navy to replace destroyers played a part in National Steel and Shipbuilding's decision.

The contracts were worth about $2 million.

The second shipyard was to be built on about 40 acres next to the existing shipyard in National City by 1981, with full operation by 1984. There is an ocean launch near the Sweetwater Channel and once was used by the International Telephone and Telegraph Co. for ocean cable manufacturing plants.

The addition would have cost about $45 million over the two-year construction period for the two drydocks. But the company expected to get about $80 million a year in repair contracts.

Early in 1981, NASSCO reported that it was booming with contracts and said its employment picture was looking good, with 1,256 more employees at the end of 1980 than at the end of 1979.

It had a $123 million backlog of orders, and the company had been working on a $25 million modernization program over the last seven years.

But more recently, the firm has been hit by hard times and a declining number of government contracts. The company expects to lay off a large but undisclosed number of its 5,200 workers at next weekend. Murphy said yesterday that the number of workers could be cut in half.

But Murphy said that the second shipyard was expected to save 2,500 jobs.

"This outcome means we will not save a certain number of jobs we were going to save," Murphy said.

Asked if National Steel and Shipbuilding Co. might reconsider its decision, Murphy said there was little chance. The company's "decision is final and irreversable," he said.

But he had news also that NASSCO may be looking at a considerable scaling down of its present operation, because government contracts anticipated have not come forth.

Timmons, president earlier this month that the limited amount of commercial engineering contracts available has been going to other countries, leaving the United States in certain "a nation of unknowns, a country making tremendous steps."

NASSCO now has a backlog of about $25 million in shipbuilding contracts here, but the outlook for the future is not very rosy, according to Timmons.

"I don't see any new orders coming in," said Timmons.

Plans Dropped For Shipyard

(Continued from A-1)

NASSCO's parent company said yesterday that it was planning to scale down its operations here because of difficulties in obtaining investment capital.

Murphy said that the firm had laid off 5,200 workers at the end of 1981, and that the number would be cut in half.

He said that the second shipyard was expected to save 2,500 jobs, but that the firm had to make a decision because of the difficulties of obtaining investment capital.

Murphy also said the firm was losing out to a Seattle firm in competition for two contracts with the Navy to replace destroyers.

The contracts were worth about $2 million.

The second shipyard was to be built on about 40 acres next to the existing shipyard in National City by 1981, with full operation by 1984. There is an ocean launch near the Sweetwater Channel and once was used by the International Telephone and Telegraph Co. for ocean cable manufacturing plants.

The addition would have cost about $45 million over the two-year construction period for the two drydocks. But the company expected to get about $80 million a year in repair contracts.

Murphy said that the company had been working on a $25 million modernization program over the last seven years.

But more recently, the firm has been hit by hard times and a declining number of government contracts. The company expects to lay off a large but undisclosed number of its 5,200 workers at next weekend.
COUNCIL PRESIDENT HOOD’S YEAR-END STATEMENT

Looking back on the past 12 months, it is difficult to select a single adjective or a single descriptive phrase which would appropriately reflect the promises and disappointments, the aspirations and frustrations and the successes and failures as affecting the U.S. shipyard industry.

With the advent of the Reagan Administration in January, there was a new sense of optimism that a comprehensive, coherent and coordinated shipbuilding industrial strategy would be promptly developed and implemented to enhance national security (see 1/8 SW). The nice-sounding statements of the 1980 campaign were interpreted as supportive of that optimism and indicative of a badly-needed “get with it” philosophy. But, at this writing, talk rather than action prevails.

Looking ahead, at year-end, conditions and circumstances appear equally ambiguous. Some yards - those with a comfortable backlog - view the future with a high degree of optimism, others - those forced to lay off skilled workers - are deeply pessimistic. Policy-making as affecting commercial shipbuilding remains distinctly negative in tone, but naval shipbuilding holds the promise of increased activity.

Future markets for the construction of both naval and merchant vessels as well as offshore drilling rigs, however, have been clouded by the confusing rhetoric of governmental statements, the absence of a definitive national maritime policy, and the polemics of the continuing debate on national defense.

Simply stated, the shipbuilding industry of the United States faces a short-term adversity of substantial proportions and a long-term prospect of uncertain dimensions. The infrastructure of an essential base for mobilization is accordingly in serious jeopardy.

President Reagan’s commendable intentions of a sufficient throughput of naval and commercial ship construction work in U.S. shipyards to maintain “our irreplaceable shipbuilding
mobilization base" and a skilled shipyard workforce - as he pledged during the 1980 campaign - have been frustrated by the persistent battle of the budget and a politicized view of the importance of ships and shipyards to national security.

All the while, the existing orderbook for commercial oceangoing vessels is rapidly dwindling. In 1980, contracts for only seven newbuildings of 1,000 gross tons and over were placed with U.S. shipbuilders. The number for 1981 is eight ships. After the end of 1982, only eight vessels will remain to be delivered.

Obviously, Facilities for merchant ship construction in the United States are going to be idled, some perhaps permanently, and many thousands of skilled shipyard workers, including a high percentage of minorities, will be looking for jobs. A progression toward decimation of the commercial shipbuilding segment of the U.S. industry has already commenced. A turn-around before 1984-1985, if then, is highly improbable.

The Administration is "unable at this time (to) project a major merchant ship construction program" for U.S. shipbuilders, but hope is expressed that "we can achieve such goal in the period ahead of us." The "period ahead of us," however, is not delineated.

Alternatively, the general surmise is that naval ship construction will adequately sustain "our irreplaceable shipbuilding mobilization base." Not so! It needs to be emphasized that the expectation of an expanded naval shipbuilding program remains just that: an expectation. A five-year program to accomplish a 600-ship naval fleet (-up from 456 at present), also pledged during the 1980 campaign, has undergone several revisions, each diminimus.

In any event, because of the long lead-time associated with the construction of sophisticated warships, the full impact on shipbuilders is at least three years away and ultimately less than two-thirds of the industry’s total capabilities will be potentially utilized. Meanwhile, more than half of those capabilities are rapidly being idled: at least six (of the 11 usual) naval shipbuilders are now running out of work.

As to merchant vessel construction, a diminimus process has also been set into motion, despite President Reagan’s campaign pronouncements. Through an unorthodox budget reconciliation in the Congress in mid-1981, subsidized shipowners may now build merchant ships abroad and still obtain substantial operating subsidies from the public treasury. The adverse effects on “our irreplaceable shipbuilding mobilization base” cannot be denied.

This departure from long-standing U.S. maritime policy is limited to two years, but, given the evident unreal free trade
attitudes of some advisors within the Administration, there is an uncomfortable feeling that this development could be more than a momentary aberration of President Reagan’s much-publicized and expectantly favorably "new beginning" in shipbuilding.

In addition to the implied end of construction subsidies, the Director of the Office of Management and Budget has indicated that Title XI ship mortgage guarantees are among Federal credit programs which may be reduced, if not eliminated outright. By this program, which has been self-paying and thus no drain on the public treasury, construction, in U.S. shipyards, of thousands of ships and barges plus hundreds of offshore drilling rigs involving employment for many thousands of American citizens has been possible. Already the threat that Title XI may be abandoned has dampened the offshore oil drilling rig construction market which, in the past several years, has been steadily expanding.

The destructive effects on U.S. shipbuilders, their workers and their suppliers will obviously be tremendous. Negative effects on the national economy could be substantial. Ignored by the policy-makers in government are the concrete evidences that, contrary to free" market concepts, every other major maritime power provides an extraordinary variety of meaningful direct and indirect subsidies to ensure the continued availability of shipping and shipbuilding resources considered essential to their national interests.

In this atmosphere, only ship conversions and repairs - now spotty - hold the potential of relatively stable near-term markets for U.S. shipyards. For the long-term, the Reagan Administration appears to be genuinely-embarked on an effort to upgrade and expand the U.S. Navy, but budgetary pressures could preclude accomplishment by the early 1990’s as originally envisioned. A stretch-out in shipbuilding may be fiscally necessary.

As to merchant shipbuilding under governmental auspices, a new maritime policy is now promised by February next, but from all signs, it will very probably not encompass subsidies and other Federal aids in the traditional sense, in which case some builders of commercial ships could fall by the wayside and the Nation’s shipbuilding mobilization base will be severely eroded.

1982, 1983 and 1984 will therefore be significantly crucial in terms of national shipbuilding capability. With high probability, that capability will be significantly further diminished in this period. A downturn in employment of skilled shipyard workers is already underway. Plans for an expanded naval shipbuilding program will not provide an immediate reversal of a diminishing capability within the shipbuilding base. It is equally clear that naval shipbuilding alone will not sustain an adequate U.S. shipbuilding mobilization base.
From this moment forward, U.S. shipbuilders must not only plan for an uncertain near-term future but must also anticipate how best to restore capabilities to meet demands for the years after 1984. Given the task to build a larger Navy, the shipbuilding industry will have to reassemble a significant portion of a skilled workforce, and the unavoidable costs of recruitment and training will again be reflected in a higher price for ship construction.

The prevailing mood within the U.S. shipbuilding industry is thus shaped by both pessimism and optimism. Pessimism in the sense that "mid-course" corrections may come too late for some yards. And optimism in the sense that a constructive national strategy will soon be formulated and implemented and that the burden of costly regulatory and statutory requirements, which inhibits competition on world markets, will soon be lightened. That optimism is fortified by more than $2.0 billion in capital improvements over the past ten years with another $500 million planned over the next several years.

AS OTHERS SEE U.S. SHIPBUILDING OUTLOOK-

Britain's SEATRADE magazine (Nov. issue) said it well: "The question of how large a U.S. naval fleet is needed, what sort of Navy is desirable, how large a shipyard mobilisation base is required and what constitutes a healthy mix of commercial and military shipbuilding will inevitably be answered by the purely subjective forces of politics. Yet, with the federal construction subsidy programme now on ice, and the Reagan Administration committed to both-increased naval construction and anti-Budget reconciliation, it appears almost impossible to speculate on how U.S. shipyards will adjust to changing economic conditions.

"With the prospects for receiving new merchant orders effectively dashed for the immediate future by the eradication of new construction differential subsidy (CDS) funding, U.S. shipyards will, more than ever, rely on the Navy for newbuilding contracts. While the boom in demand for drill rigs has helped several yards to weather the severe decline in orders for new commercial ships, it is not known how long the offshore bonanza will last. And although several of the country’s major yards are confident that repair work will pick up much of the slack in the commercial sector, many analysts, including some in the Administration, remain concerned about the (sharp decline in) total U.S. shipyard employment. . .

"From the shipyards’ perspective, the ordeal of the 1982 Budget will make it difficult to put much faith, for purposes of long-term planning, in the forthcoming five-year naval construction plan (see 12/24 SW) . . critics of the programme can assert that the five-year plan offers little encouragement for industrial base planners."
Layoffs Certain, NASSCO Says

By KEEN-HUDSON

Navy ship repairs and overhauls will help brighten
the bleak outlook for shipyards here but massive em-
ployee reductions appear almost a certainty, an offi-
cial of National Steel and
Shipbuilding Co. said
Wednesday.

Beginning next fall,
layoffs of more than half of
the 5,000 workers at
NASSCO, the largest ship-
yard on the West Coast, are
probable, said Sam Tim-
mons, senior vice president
of the company.

"We're going to end up
like Japan was in the 1930s
—a nation of toymakers, a
country making electronic
toys," Timmons said.

What small amount of
commercial shipbuilding
there is left is going to other
countries, he said.

A combination of factors,
including the probability
that the United States will
be providing subsidies for
operators of foreign-built
cargo ships, are leading to a
near disaster in the U.S.
shipbuilding industry, Tim-
mons said.

Contributing is the ab-
sence of a national mar-
itime policy that requires a
fixed percentage of Ameri-
can cargo be shipped on
American-flag vessels.

Passage of a bill by Con-
gress that would provide
subsidies for foreign-built
freighters and tankers "will
be a severe blow to the in-
dustry and its effects will
be felt on the local as well
as national level," Timmons
said.

It was in reference to
shipbuilding in other coun-
tries, as well as auto manu-
facture and other industrial
production, that led to his
remarks about this country
ending up as a nation of
toymakers.

The production work
force at NASSCO is now a
little more than 5,000 with
about 1,500 other salaried
employees, Timmons said.

The last ship built
by NASSCO will be a Navy
cable vessel scheduled for
delivery in October 1983.

Between now and then the
force reduction will in-
crease.

"I think it would be over
NASSCO Seeks OK For Second Shipyard

By KEN HUDSON
Staff Writer, The San Diego Union

Approval to build a second shipyard in the South Bay at a cost of more than $20 million will be sought by National Steel and Shipping Co. Designated for the overhaul and repair of Navy ships, the National City project would employ about 2,000 workers, NASSCO said.

NASSCO is asking the port commission to approve the preliminary design of a plan whereby it would take over the long-vacant International Telecommunications Co. warehouse at the National City Marine Terminal. The warehouse is about 20 acres and is adjacent to the west sides of the marine terminal.

The complex permits from various local, state and federal agencies smoothly, with some delays and a few problems. If the commission approves the plan, work could begin next year to build the shipyard.

A staff report does not make a recommendation either for or against the entire project. But it does recommend that if a lease is approved, the option be for at least one year.

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The report concludes that a lease agreement of at least one year is necessary to ensure the smooth operation of the shipyard.

The proposed site is the former site of the Naval Supply Depot, which closed in 1975. The depot was once one of the largest in the world, and its closure left a large, undeveloped area.

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Nassco Plans New Dry Dock in South Bay

By Lanie Jones
Times Staff Writer

National Steel and Shipbuilding Co., hoping to stave off massive layoffs in 1982 when existing contracts expire, is planning a new $20-million ship repair yard in National City.
The San Diego Unified Port District Commission Tuesday gave preliminary approval to Nassco’s project, unanimously directing its staff to start negotiations with Nassco over leasing 45 acres of waterfront land for the new dry dock and repair yard.

Nassco Senior Vice President Samuel D. Simmons told the commission that the plant would employ as many as 2,000 people.

But while some South Bay community leaders suggested Nassco would be building a second plant to handle an overflow of work from its main facilities on Harbor Drive, Nassco executives said Tuesday that the main reason would be to keep Nassco in business during slack times ahead.

Survival Move

“I hate to put it in terms of survival but certainly the new ship construction business is going to be going down beginning in 1982-83,” Simmons said outside the Port Commission meeting.

Nassco President Clarence French said in an interview that the company may have to lay off 4,000 of its 6,500 workers over the next few years unless it diversifies quickly and builds the new repair facility.

(The proposed site is on vacant land near the Sweetwater Channel once used by International Telephone and Telegraph Co. for an ocean cable manufacturing plant. The plant has been vacant since 1978 and although Nassco would buy it from ITT, it would have to be modified and a huge dry waterfetched dock or “graving” site would have to be dredged for ship repairs.)

French said that despite campaign promises, to bolster the sagging industry “the Reagan Admin-

Continued from First Page

istration hasn’t done anything for the shipyard industry.”

The Navy has placed no new orders for ships, he said, nor sought bids for the kind of non-nuclear, non-combat auxiliary ships that Nassco builds.

Lull in Buying

Further, French said, once the Reagan Administration began reviewing regulations for commercial ships, ship owners decided to hold onto their old ships and “no ships are being bought on the commercial market.”

Although President Reagan promised to bolster the merchant marine, “he’s torpedoed it so far,” French said.

Although French said he was hopeful of new orders by 1985, in the interim, he said, there is little work in sight and likely will be none for several years since it takes two or three years to start work on a contract after the bids are sought.

“We now have a year and a half’s work (a backlog of $565 million),” French said. “When that’s gone, there’s no more.”

In addition to keeping Nassco productive, the company would like to keep a skilled work force on the payroll. Although National City’s mayor and Chamber of Commerce director both said they hoped the new plant would boost local employment, French said he doubted that.

“These would not be new jobs unless there’s new construction to keep this plant (the main facility) at 7,000 (employees),” he said.

Second Dock Needed

French said his aim also was to provide a much-needed second dry dock for San Diego. The new facility would handle eight Navy ships a year at a cost of from $5 million to $40 million per repair job.

Currently, he noted, the existing dry dock, operated by the Navy at 32nd Street, can handle only eight ships a year, although the Navy requires 30 overhauls a year on the West Coast.

With a new facility, French said, the Navy could do more work in San Diego — and the local economy would benefit since sailors and their families would not have to leave town and move with the ship to be repaired to Seattle, Long Beach, San Francisco or other ports with more dry dock space.

So far the Navy is enthusiastic. Capt. Marty Hill, supervisor of ship building conversion and repair here, said, “If Nassco ... actually digs a new dry dock, that would be a tremendous boon to the ship repair business in San Diego, no doubt about it.”

The venture still needs the approval of Nassco’s parent firm, Morrison-Knudsen Inc. of Boise, Idaho. Its board of directors is to consider final approval at the November board meeting, French said. After that, it could take nearly two years of regulatory approvals and construction before the proposed facility is opened.