

March 19, 2018

The Honorable Richard V. Spencer
Secretary of the Navy
1000 Navy Pentagon, Room 4D652
Washington, DC 20350

Dear Secretary Spencer:

During your confirmation hearing, I was glad to hear you express your commitment to ensuring safe workplaces for the Navy's contractors. Specifically, I agree with you that repeatedly awarding major contracts to companies that skirt safety standards, in your words, "does not support a sustainable environment" for the Navy's ship production, especially given the Navy's planned fleet growth. I write to request a staff-level briefing on your efforts to track and monitor the workplace safety records of the Navy's contractors, particularly in the shipbuilding sector.

The Department of Defense (DOD) awards more federal dollars in contracts than any other agency. The Department of the Navy, in recent years, has awarded more contracts than any other DOD department—nearly \$110 billion in Fiscal Year 2017 alone.⁸ And while the Federal Acquisition Regulation requires that contracts be awarded only to "responsible prospective contractors," some companies, including major Navy contractors, have been caught seriously endangering their workers while still continuing to receive massive federal contracts. In fact, several of the largest Occupational Safety and Health Administration (OSHA) penalties in recent years have been issued to Navy contractors.⁹ For example, OSHA found that shipbuilder VT Halter Marine, Inc., has repeatedly and willfully violated federal safety standards, resulting in the deaths and serious, permanent injuries of multiple workers, yet the company has continued receiving Navy contracts whose value dwarfs that of the company's OSHA penalties.¹⁰ When

⁸ "Agency Profile: Department of Defense." *USASpending.gov* (accessed March 12, 2018). Online at: <https://www.usaspending.gov/Transparency/Pages/AgencySummary.aspx?AgencyCode=9700&FiscalYear=2017>.

⁹ "Breach of Contract: How Federal Contractors Fail American Workers on the Taxpayer's Dime." *Office of Sen. Elizabeth Warren* (March 6, 2017). Online at: https://www.warren.senate.gov/files/documents/2017-3-6_Warren_Contractor_Report.pdf.

¹⁰ Gollan, J. "The Deadly Danger of Trump's Naval Buildup." *POLITICO Magazine* (Feb. 10, 2017). Online at: <https://www.politico.com/magazine/story/2017/02/us-navy-ship-builders-deadly-security-military-214760>.


asked about these concerns, a Navy spokesman told a reporter that “we are not the overlords of private shipyards when it comes to workplace safety.” I hope you will agree that this is a disturbing perspective, considering the deadly, avoidable accidents that have occurred in the workplaces of Navy contractors.¹¹

During your confirmation hearing, you said that you “look forward to making sure that we are good stewards of resources,” and you agreed that the Navy should ensure that workers employed in Navy contract shipyards are able to do their work in safe conditions. You committed to “looking into how the Navy tracks and monitors workplace safety violations at the shipyards that it’s doing business with.”¹² In addition, Congress recognized the urgency of addressing this problem by requiring in the National Defense Authorization Act for Fiscal Year 2018 (NDAA) that the Government Accountability Office study DOD’s existing procedures for evaluating the workplace safety records of its contractors. In the conference report accompanying the FY18 NDAA, the committee further instructed DOD to improve its contractors’ compliance with worker protection laws.¹³

Given your plans to grow the fleet to 355 ships, it is important that taxpayer dollars do not reward companies that endanger the hard-working men and women who work in the shipyards that support our Navy. With that in mind, I request that the Navy provide a staff-level briefing no later than April 2, 2018 on your efforts to evaluate the workplace safety records of Navy contractors. I further request that you detail, in writing, your plans to continue to improve Navy’s monitoring of its contractors’ compliance with occupational safety and health standards into the future.

Please do not hesitate to reach out to Sasha Baker or Sam Weinstock of my staff at 202-224-4543 with any questions or concerns. I look forward to working with you further to ensure that America’s shipyard workers and other Navy contractors can return home safely to their loved ones at the end of each day.

Sincerely,



Elizabeth Warren
United States Senator

¹¹ Gollan, *supra* note 10.

¹² Spencer, R. V. “Remarks by the Honorable Richard V. Spencer.” *Senate Armed Services Committee* (July 11, 2017). Online at: <http://www.navy.mil/navydata/people/secnav/Spencer/Testimony/SASC%20Confirmation%20Hearing%20Testimony%20July%2011.pdf>.

¹³ “Conference Report to Accompany H.R. 2810.” National Defense Authorization Act for Fiscal Year 2018. *U.S. House of Representatives* (Nov. 2017). Online at: <http://docs.house.gov/billsthisweek/20171113/HRPT-115-HR2810.pdf>.