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Cc: [Glenn Burleson](#); [Susan Lacroix](#); [Holly Johnson](#); [Eduardo Seoane](#); [Michael Andrews](#); [Ioannis Zafiris](#); [supplierinfo](#)
Subject: UPDATE: Austal COVID-19 Supply Chain Request
Date: Friday, March 20, 2020 10:03:23 AM
Attachments: [Austal USA \(Mr. Perciavalle\).pdf](#)

Dear Austal Supplier –

We want to thank you for your on-going communication during this very challenging situation and provide you with an update on our response to the COVID-19 health emergency. Austal continues to closely monitoring the status of the outbreak and its potential adverse impact on supply chain continuity in the US Navy shipbuilding industry.

First - **we are open and building ships**. As the number of cases continues to escalate globally, Austal is taking additional preventive measures such as site visit and entry restrictions to stop the potential spread of the disease within our locations.

The health and safety of our employees remains a top priority and we are complying with all local, state and government requirements. Austal’s warehouse locations in Mobile, Loxley, San Diego and Singapore are fully operational - receiving incoming shipments from suppliers and making outgoing shipments to the Navy. However, continued government restrictions and limited availability of transportation may continue to cause some delays in the supply chain.

Further, in accordance with Presidential Policy Directive 21, the U.S. Navy deemed Austal USA as a mission critical business to our national security. In the Navy’s words, ‘delivering or redelivering our ships to the fleet is a national need that is unwavering and crucial.’ The Navy and Marine Corps are dedicated to working closely with us to ensure your safety and our national security. Please see the attachment to this email on a letter from the US Navy.

As a reminder, all of Austal’s Purchase Orders are rated by the Defense Priorities and Allocations Systems (DPAS). Austal’s rating under 15 CFR 700 is Do A3. As a “Rated Order,” your company is to place priority in acceptance, and priority in scheduling, for the building of US Navy ships. You can find more information at https://www.dcms.mil/Portals/31/Documents/DPAS/DPAS_Contractors_REV7.pdf

As you know, Austal communicates regularly with our suppliers to capture updated status information, which in turn we use to keep the US Navy informed of any changes in potential severity of impact to delivery of material, services or equipment manufactured or provided in regions of the world affected by the virus. We understand that certain regulations may have a direct impact on your ability to continue to manufacture, support and deliver materials, equipment and services.

In order to more specifically understand the impact to Austal’s production of U.S. Navy ships, we need as much information as possible regarding the possible delay or change in cost to your material/equipment/service. Please provide, at a minimum, the following information:

- Type of delay your company is facing (e.g. partial shutdown, complete shutdown, limited

resources (labor and/or material))

- Purchase Order Number
- Part Number (are all parts on the PO affected?)
- Part/Service Description
- Current Due Date
- Proposed Due Date
- Dollar value of parts/service/milestone
- Any down-stream supplier issue that you may be concerned about within your own supply chain
- Other extraneous information that could cause an effect to production

Again, Austal values our suppliers and appreciate your diligence in keeping us informed.

Bill Rebarick

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