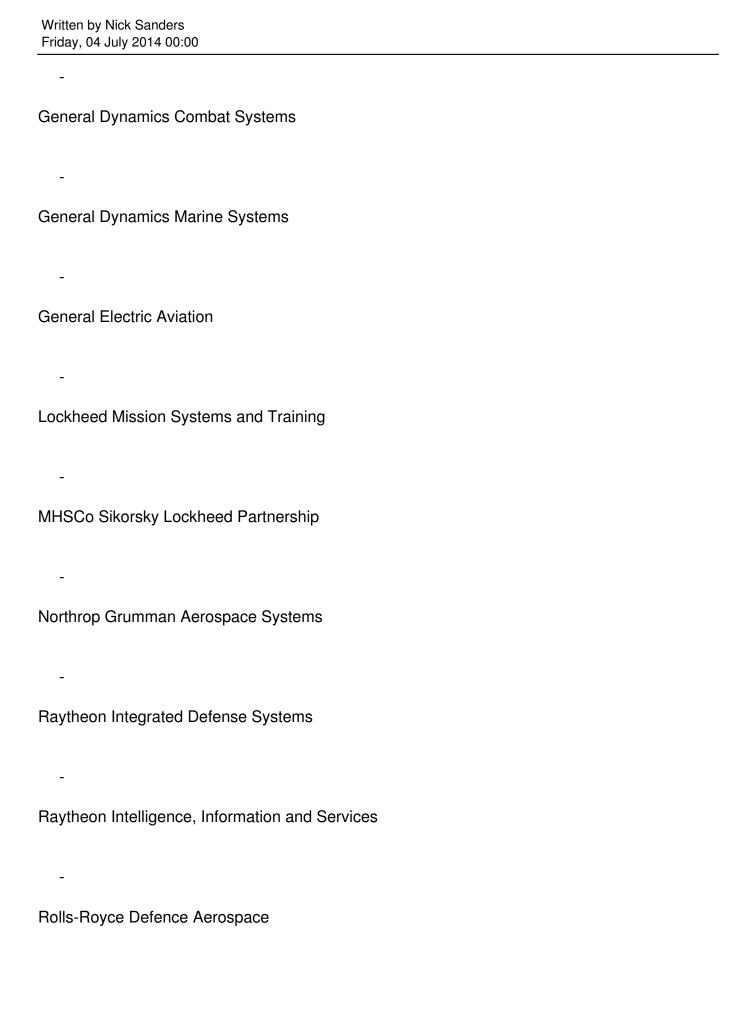


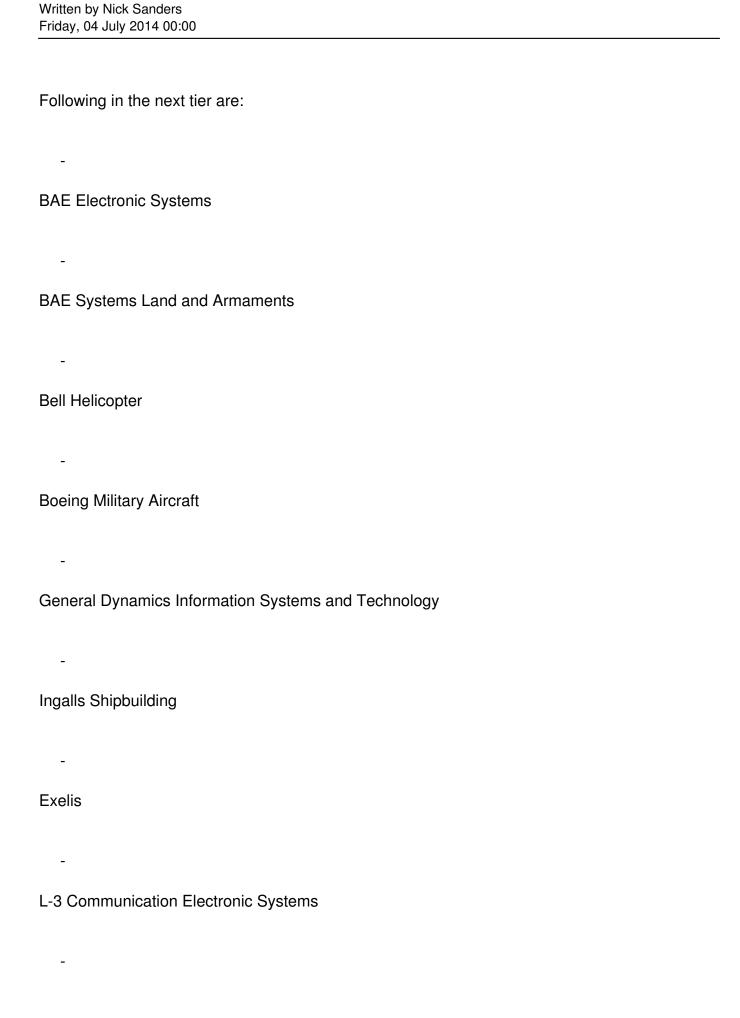
In what is going to be an ongoing thing, in mid-June the Pentagon released a list of "Superior Suppliers" to the U.S. Navy. This is the first — list; there will be other lists for suppliers of the other military services. The ranking of Pentagon suppliers was announced a year ago, as part of Better — Buying Power 2.1. We noted it <u>right here</u>.

Those contractors on the lists are (theoretically) going to be rewarded, while those not on the list ... not so much. It is unclear what rewards are in store for the top tier of Navy suppliers but, in the original announcement, Mr. Kendall stated, "DCAA has agreed to coordinate the results of the low-risk sampling initiative as a potential incentive element of DoD plans to implement a SSIP [Superior Supplier Incentive Program]. DCAA has agreed to work with the Navy to incorporate low-risk sampling into the SSIP and will provide a recommendation on incorporating low-risk sampling into the DoD SSIP incentives for presentation to the BSIG [Business Senior Integration Group] by October 1, 2013." We do not know the actual content of DCAA's input to the BSIG, or if they met the deadline.

Government Executive speculated that the intent of the ranking is to "spark competition" – as if those contractors didn't already compete with cutthroat ruthlessness over the few MDAP opportunities available to them in these sequestered times. The GovExec article is worth
reading
.

So who are the top Navy suppliers? According to the article, the cream of the cream is as follows:





Written by Nick Sanders

Friday, 04 July 2014 00:00 Northrop Grumman Electronic Systems Raytheon Missile Systems Raytheon Space and Airborne Systems **Rockwell Collins Simulation** And finally, the third tranche is: **ATK Defense** Austal USA Bell Boeing Joint Project Office **Lockheed Martin Aeronautics**

Written by Nick Sanders Friday, 04 July 2014 00:00 Lockheed Martin Space Systems Navistar Defense **Newport News Shipbuilding** Sikorsky **UTC Propulsion and Aerospace Systems** Those not on the list are not "top Navy suppliers" and, really, it is only those in the first tier that would seem to have any ability to capitalize on their status. Importantly, Mr. Kendall promised nothing and it would seem to be more about branding than anything else. If there is a benefit to being the crème de la crème, it remains to be seen.

In the meantime, congratulations to the Top Navy Suppliers. Fair winds and following seas.