



SUN SHIP AND A HISTORY OF SEVERAL

Inside and outside the shipbuilding industry, Paul E. Atkinson was considered to be an unconventional, a highly individualistic person. He was his own man as these quotes we have culled from his speeches and interviews show.

On why he had picked Naval Architecture at Webb Institute as his life's work:

"The school was free. I just couldn't afford to go anywhere else." (Interview - 1969)

On the kind of company Sun Ship was and was not:

"When I was invited to speak here, I was intrigued to see that Sun Ship was depicted as an 'old line' shipbuilder. If the 'old line' tag means we have been in this business a long time, as IBM is an 'old line' computer manufacturer, then the tag fits. Or if 'old line' means that we still believe in earnings for our shareholders, then the tag fits. If, on the other hand, 'old line' means 'old hat', doing business in the same old way, it is a case of mistaken identity." (Maritime Conference Speech - 1970)

Protectionism and the U.S. shipbuilding industry:

"I think our industry is wrong to concern itself so much with the concepts of prestige and protectionism. For a strong and viable maritime industry can be built on neither. National prestige is a fine thing, and I realize it has long been associated with a strong merchant marine. But it is of precious little value if it must be attained, and sustained, by Government handouts.

"The concept of protectionism can lead to problems, too. It is true, of course, that we must maintain a basic level of shipbuilding and shipping capacity for national security reasons. But I submit it is also true that in the past too much emphasis has been placed on protectionism in formulating U.S. maritime policy. In my opinion, this has had a debilitating effect on our industry, and has substantially contributed to the position we find ourselves in today.

"In brief, I am saying that we have been too much concerned with prestige and protectionism and too little concerned with the objective of putting our shipbuilding and shipping industries in a self-supporting economic position. We seem somehow to

1. Sun Ship Vice President Paul E. Atkinson (2nd from left) witnesses presentation of service pla to the then sternmost fireman James H. Brown (2nd from right) by Superintendent Robert Galloway (far right). Tom Bishop (17-0) looks on. 2. 11/5 September 1958 and a Bell Telephone engineer discusses outdoor phone equipment with V.F. Paul Atkinson (right). 3. Photo taken shortly before Atkinson succeeded the retiring Sun Ship president Richard L. Burke (right) in 1961. 4. Paul Atkinson assists sponsor during launching ceremonies for Grace cargo liner built in the 1960's. 5. The ADMIRAL WILLIAM M. CALLAGHAN the first gas-turbine powered vessel built for the U.S. Navy and delivered by Sun Ship in December, 1967. 6. The first cut - removal of the bow - and Sun Ship's record-breaking 9-month conversion of the S.S. MANHATTAN into an ice-breaking tanker is underway in early 1969.

PAUL ATKINSON

PICTURES AND A FEW WORDS

have lost sight of the fact that industries and individual businesses grow and prosper only when they have the ability to effectively meet competition. We have not been meeting our competition for a long time and this, I think, should be the real concern of all of us in the maritime industry . . .

"The important fact that we should recognize in the oft-quoted statistics on foreign trade is not that we carry less than 10% of our foreign commerce in U.S. flag ships, but that the other 90% of this growing, burgeoning business is available to us for growth of our fleet, and for almost unlimited job opportunities. The sheer volume of certain individual commodities now moving constitutes a market and an opportunity never before available. The unparalleled growth and customer acceptance of unitized freight movement in all modes of transportation may well prove to be the most significant factor in transportation since the advent of the airplane . . ." (Speech before National Shipbuilding Conference sponsored by International Brotherhood of Boilermakers - 1966)

The U.S. Navy in the 20th century:

"In the case of our fighting Navy, a serious situation exists where an elite officer corps . . . superbly trained for warfare at sea but inexperienced in the rough and tumble of 20th century business . . . are expected to manage one of the world's largest, most complex businesses.

"In the absence of an environment where industrial support and participation can be unleashed, it is not surprising that we find other nations successfully challenging our seapower superiority." (Testimony before U.S. House of Representatives Sea Power Sub-Committee - 1970)

On the future success of shipbuilding in the U.S.:

"If we are to succeed in this last frontier - the oceans - as we have succeeded in the three areas cited (offshore drilling, containerization, defense of the America's Cup) two pre-conditions must exist. Government, the academic community and industry must agree on what our national goals will be and the atmosphere in which they work toward these goals must be one in which the particular American genius for innovation will be rewarded." (Sea Grant Lecture - 1977)

7. Paul Atkinson leads then Maritime Administrator Andrew Gibson (center) on a tour of the MANHATTAN while the vessel was in the yard for conversion. Vice President Charles Zeim (right) accompanies them on the tour. 8. The MANHATTAN is on its way to the Northwest Passage and a test of its icebreaking capabilities. 9. The 940-ft. long S.S. MOBILE ARCTIC - the 128,000-dwt ton tanker is the largest vessel ever built by Sun Ship. 10. The BRIGGS GLOMAR EXPLORER - one of the more spectacular construction programs in the shipyard's history. 11. Paul Atkinson at work in his office. 12. The WESTWARD VENTURE - the last vessel delivered during the Atkinson presidency. 13. No. 4 Dry Dock - a major element in the \$45 million plant expansion and modernization program - is part of the Atkinson legacy that has prepared Sun Ship to meet the shipbuilding demands of the near and long-term future.



NEW PRESIDENT ELECTED BY BOARD

HEPP DEFINES LONG TERM GOAL; SETS STRATEGY

Peter S. Hepp has established a long term goal for the shipyard. "Sun Ship should be a financially self-sufficient, viable company, providing steady, pleasant and rewarding employment; quality products; and consistent dividends to its owners," he stated.

At the same time he defined the terms of achieving this goal.

Hepp stated that the company must re-direct its marketing efforts to include all product areas in which it can compete. These efforts should include non-ship related products as well as the traditional maritime market. Hepp further indicated the necessity of pursuing sales in the industrial products and ship repair areas "in order to increase the percentage of sales revenue obtained through these channels."

In addition to marketing and sales, Hepp indicated the necessity to develop within Sun the highest productivity in the United States for a shipyard. "Manufacturing in this company is a labor intensive business," he noted. "Having a high rate of productivity is a cornerstone to success. It is essential that we give equal emphasis to all our work," he continued, "be it non-ship related items, ship repair or new construction."

In the area of Research and Development, equal emphasis should be placed on the latest techniques of production as well as the most recent developments in naval architecture and marine engineering.

Finally, Hepp set forth a philosophy of management which will make achieving the long term goal possible. It centers around the principles that work is as natural as rest or play; that people need minimum supervision in achieving objectives which they accept; and that ingenuity, imagination and creativity will be exercised by employees on the job if not stifled.

"Management's job is to create an environment in which these three areas are true," Hepp said. "Sun will foster a management style, emphasizing the positive attributes of human nature—desire for meaningful work, need for recognition and the need for security."

Management will be cooperative and open. An organizational structure which eliminates conflicts of goals and duplication of effort will be provided. Additionally, lines of authority will be clearly defined.

"A job evaluation system which is equitable, both inside and outside the company, and understood by all, will be established," Hepp stated.

"The shipyard has its strengths and weaknesses," he noted, "but these weaknesses can be corrected. It is the goal of this administration to have a shipyard in which all employees have pride."

Peter S. Hepp became President of Sun Ship on September 21, 1977. Prior to his election by the board of directors, Hepp had been executive vice president responsible for planning and strategy, ship repair sales, industrial products and materials management. He joined Sun in August 1975.

Hepp takes his new post with a broad variety of experience in industry and management.

He joined the Sun (Oak) Company in 1951 as a research engineer at the Marcus Hook refinery. He then held a number of technical and supervisory posts until 1967 when he was awarded a Sloan Fellowship to the Massachusetts Institute of Technology (M.I.T.).

Following Sun Oil's merger with Suncoy DX in 1968, Hepp was appointed to the merger manager's staff. He later served in various staff positions in the Products Group.

In 1972 he was named Vice President of Sun Oil Company Limited in Toronto, Canada. He held responsibility for manufacturing, marketing and materials management.

He returned to the States in June 1974 and was based in Philadelphia. Hepp was elected vice president of development and planning for the Products Group of the Sun Oil Company. He was elected to the board of directors at the same time.

Hepp received a bachelor's degree in chemical engineering from the University of Pennsylvania in 1951 and his master's degree in industrial management from M.I.T. in 1968. He and his wife, Norma, have four children and live in Media, Pa.



Peter S. Hepp, President, surveys Sun's central yard. He was glad to come here and "considered it an exciting opportunity."

PETER S. HEPP A MAN FOR ALL INDUSTRY

He Enjoyed the Midnight Shift

Understanding the multi-faceted problems of a large manufacturing complex is a tough job. Peter S. Hepp knows them. Most of his career has been spent in an industrial environment and he himself has worked in many areas of it.

Hepp did shift work in the test lab at the Atlantic Oil refinery to help put himself through college. "I always enjoyed working the midnight shift," commented Hepp. "It was interesting to get out of synch with the rest of the world."

He worked as a research engineer at the Sun Marcus Hook refinery following his graduation from college. After being in the refinery's technical service department for six years, Hepp then went into operations as an operations engineer. He also spent five years as a refinery foreman.

"I remember when he was general foreman of the refinery," said Elmer Phillips, father-in-law of Sun Ship employee Horst Grottel. "He was a no nonsense type. I liked working with him... he had tremendous foresight and ability," the retired mechanical foreman continues. "He was always looking for another way to make a buck for the company."

"Working with Pete was a challenge," recalls George Beertsen, Vice President of Sun Oil of Canada, Ltd. "What I remember most about him is his intellectual ability. He was a guiding light in securing approval for the Sarnia (Canada) refinery's installation of the BTX (Benzene Tylene Xylene) unit."

Hepp negotiated with Dow Chemical to have the unit installed at the refinery.

Otto Spork, manager of the refinery today remembers "Pete was convinced that the refinery should be operating at full capacity... to sell all it could. I found him to be very direct," he continues. "He's an in-charge man... possessing an exceptionally quick mind. I was delighted to know he was named President."

"I've worked in an industrial environment with craft people," notes Pete Hepp. "At one point I was in charge of one third of the Marcus Hook refinery and in charge of construction for that portion. There's no difference between construction there and shipbuilding."

"Coming to the shipyard was an exciting opportunity for me," said Hepp in a recent interview. "I wanted to get back into a manufacturing environment. I wanted to be close to the action."



Despite a crushed vertebra incurred in the crash of this airplane, Peter S. Hepp pulled his wife from the center window of the passenger cabin, did her along the wing and lowered her to the ground. He then walked with her 35 feet before collapsing.

THE PLANE BOUNCED TO A STOP

If you knew Pete Hepp five years ago, you would know a man an inch taller than he is today. Hepp "shrank" an inch when the airplane in which he and seven other persons aboard crash landed at Montreal, Canada, on April 10, 1973. The group had traveled to Montreal on a demonstration twin engine Merlin turbo-prop aircraft to attend a Pin Award Dinner being held that evening for long-service Sun Oil employees. Snow was falling at the time of the crash.

The plane did not catch on fire but did bounce 1,500 feet after impact. "I wished the plane would stop bouncing," recalled Hepp, "because sooner or later there would be an immovable object we would bump into."

Hepp suffered a crushed vertebra as a result of the crash. He underwent spinal surgery which involved bone transplant and the insertion of a steel plate in his back.

Hepp's wife, Norma, also aboard the craft, suffered a cracked vertebra.

In addition to Mrs. Hepp, two other persons received cracked vertebrae. Another suffered a fractured chestbone while a sixth passenger was released from the hospital after a physical examination. The pilot and co-pilot, both employees of Air Research Aviation, the owners of the aircraft received minor injuries.

What effect has all this had on Pete Hepp? He laughs, "I hate to fly."