Volume 12, No. 2 See Shipbuilding & Dry Deck Company

April, 1978

# FAMILY DAY SET FOR JUNE 3RD

Family Day for Sun Ship employees and their families will be hald by season and their families will be hald so Stateday, Jane 3dd. Commenting on the ameuscement, shipyand control of the state of the s

the wide range of skills we bring to our work in the yard."

The June 2 rd Farrily Day's the first to be held in San Ship since the yard's new shipbudding facilities became operational in 1976 and, therefore, will prouside all members of the San Ship "farrily" with their first opportunity to see the North Yard budding ship, No. 4 dry dock and the new plate handling and plate busining

In addition to a tour of the new facilities, numerous exhibits illustrating various shipyard carlis, refreshments and munical entertainment will also be features of Family Day.

The day's events will draw to a close with the choicening of the S.S. Konai (San Hull No. 699). The 120,000 deadweight ton "ecology" disso tradies in beiner halfs for such

stating or Sortin for use in the Alaska to Pacific Coast trade. Institutions to Farmily Day will be extended to all curent and retired Sun Skip employees and their families. A Farmily Day tricket will be nailed to each San Skip farmily during the first, shif of May.

Further details about Farmily Day will arrower in future issues of the San

Shin Lon

# Going Up. . . Up. . . SIMPSON NAMED COUNSEL



Seepeen N. Suppose has been named. Counsel, reporting to President Peter S. Hepp. As San Ship Counsel, Simpson with provide legal counsel to the officers and runnagers of the shippyard and will work with external legal counsel used by San Ship.

Prior to joining San Ship, Simpson had been Assistant General Counsel for ARA Services, Inc. in Philadelphia.

Simpson is a 1966 graduate of Harvard University with an A.B. degree in history and is also a 1969 graduate of the Unisessity of Pennsylvania Law School. He, was admitted, to marking in

He was admitted to practice in Pennsylvania in November 1949 and in a member of the American Bar Association and the Philadelphia Bar Association. He is also a member of the Executive Committee of the Philadelphia Industrial Development Corposation. He serves as a trustee of the United Wise of South.



eastern Pennsylvania, the William Penn Charter School and the White/Williams YMCA and the Germantown Historical Foundation. He is also a member of the

### SUN SHIP ENTERS COMPETITION FOR U.S. NAVY SHIPBUILDING WORK

Design Support contract for a new class of Navy weals designated ISD4.1. The Navy has indicated that the winner of the design support contract will probably be awarded the contraction contract for the awarded the contraction contract for the wards are contemplated.

The San Ship proposal marks the shippyord's entry into the U.S. Navy Shippoldidge marks, a market that cooperiors.

approximately 30 per can or all new day continuous art repair work done in this continuous. The Navy is new reviewing the protinuous articles are shown as the second of the Navy is new reviewing the propagation of the second of the second player of have submitted and expects to decident 1, 1978. If Successful articles of the successful solder, a contract might follow for the detail design and countrietions reviews around Auril 1981, wish

On March 31, Sax Ship submitted a take place in the 1981 to 1984 time competitive proposal to the Navy Sea feature.

For the Seguration of the Sea of Sea feature, the Sea of Sea

In this issue Of the LOG. .

NEW FEATURES: Marketing Division Report

page
Maritime Industry Briefs . . . .

page 6

# **TEAMWORK**

One of the areas of concern to me is the need to develop effective teamwork in the company. Many employees are good team players, but there still remain too many who are willing to put their own or their department's welfare absord of the company's. We must pull together! The teamwork spirit must work both between departments and up and down the chain of command. If one department or cerl finds itself interferings with the work of others in a given job, thuy must work together to solve the product nather than take the position that "Your problems are yours,

not mine.

I have had a number of outsiders, who had the chance to view several shippards, tell me that we have poorer tearmork than other yards. If true, each of us should not be pleased with that and ask, "Have we contributed to such an impression?"

Tramsock extends to vertical relationships also. We must trent our workers and we must trent those who supervies us. It is not tramswork when we withhold information about problems from the people whose supervies us. It is not tramswork, there seems to be some feeling that "If I tell the boss or his boss about what we can do to improve, Pill be cheeved out." Supervisions must encourage information flow upward and must pass it on. We can solve any problem, but only if the people with authority to solve it know about it.

Teamwork is vital to success. I urge all work groups to hold small meet-

Peter S. Hepp

Have we a teamwork problem?

- How can we help to improve teamwork?

### SUN SHIP AND CUSTOMER SIGN AMENDED LNC SHIPBUILDING PACT

Sun Shipbuilding and Pacific Marine Associates signed a contract on March 14 amending and updating their povious agreement for Sun Hall Nos. 671 and 672. The signing concluded with the shipyard's receipt of a 59% million check to cover LNG program expenses already incurred by Sun Ship for empirecine

services and major equipment purchases.

The go-ahead for San Ship's construction of the two LNG carriers is closely tied to the customer's winning state and federal appearal for a terminal site to ecceive the liquefied natural gas. Pacific Marine Associates—a consortiam of two major California utilities, Pacific Gas &

Electric Company and Pacific Lighting Corporation-fasses a terminal at Point Conception, Culifornia, a remote area of the California coastline about 50 miles west of Santa Barbara. Previously, a terminal sile in Osmard,

federal government but invalidated by a statute passed by the California state legislature.

A decision by the State of California selecting a terminal site must be made by July 31st under a state law.

SUN SHIP PRIMIPATE PETER S. HIPP RECEIVES 579 MILLION CHECK from Paytic Manin Associate President Kerift McKinney (seasior injul) following signing of contract that amended and updated provisions of previous agreement belvene the shipward and the centimer. Wincomb, the cents are: (from left to eight 1), Kineshin (1994 Marketing, San Ship), F. Lindquist (Partife Gir & Distriction, W. O., Agastine (Perch Lighting Cooperations) and J. Jiac Lee (Perchic Gira & Electricia).

### MARKETING DIVISION REPORT

Beginning with this issue, a wrap-up of the results of recent market activity will be sepocted in the San Ship Log to the efforts being made to being work into our thipysaed.

Most necessity our markets in shape opportunity and the efforts being made to being work into peoplar and industrial work have been characterized by infense competitive origina. As and he seen by the following morison. As and he seen by the following

sharpening we still fell short on teo many pospective desirable contracts. For the foresceable short term we do not expect market conditions to change owned. You may be interested in knowing that your Marketing Division is pursuing some 37 active business opportunities in our three market own prediction repetition.

### SHIP REPAIR

Vessel	Successful Bidder	Sun Ship Bid
SOUTHWEST CAPE	Jacksonville	3rd out of 6 bids
NEW YORK GETTY	Not Published	(High in time)
DREDGE ESSAYONS	Todd	2nd out of 5 hids
MISSISSINEWA	Jackson Engineering	3rd out of 6 bids
KANSAS (Taibhaft)	Atco Marine	4th out of 4 bids
DREDGE RANGER	Sun Ship	(Owner decided
		to do own work
USS CORRY	Coastal Drydock	3rd out of 3 bids
TEXACO BARGE 808	Bethlebem (Balt.)	2nd out of 8 bids
MARIAS	Tampa Drydock	Lost
VANDENBERG	Sun Ship	Won
TEXACO BARGE 808	Maryland Dry Dock	3rd out of 4 bids
APL-19	Sun Ship	Won
DREDGE ESSAYONS	Florida Machine Works	4th out of 5 bids
(Dragheads)		
MYER	Bethlebern (Balt.)	4th out of 7 bids
KOELSCH	Bethlebern (Balt.)	5th out of 5 bids
USS CHARLESTON	Bethlehem (Balt.)	3ed out of 3 bids
OSWEGA PEACE	Newport News	Lost
MOBIL POWER	Not Published	Lost
ACT 3	Not Published	Lost
ACT 4	Not Published	Lost
MAERSK LINES (9 sh(m)	Japanese Bi-I	Lost
TEXACO MARYLAND	Todd (Galveston)	Lost
SUN TRANSPORT	Not Published	Lost
(Taibhaft)	10011 0000000	

TOTAL AWARDS: \$73,046,497

4th out of 6 bids

3rd out of 3 hids

Customer/Description	Successful Bidder	Sun Ship Bid
Wiley Mfg. Boom Stat Weldments	Not Published	Lost
Hooker Chemical Sleews Stub Shaft Blender Repair	San Ship San Ship San Ship	Won Won Won
Century Brass Liner Machining	Not Published	Lost
General Electric 2 Bedplate Assemblies	Not Published	Lost
G.O. Carlson Cylinder Segments	Sun Ship	Won
Sun Petroleum Products Co. Drums/Towers	Not Published	Lost
Elizabeth Iron 26 Structural Girders	Not Published	Lost
Westinghouse (Tampa) Model Boder Shell Barrel Fabrication	Sun Ship	Won
Wyle Laboratories Lateral Restraints	Republic Steel	Lost

TOTAL AWARDS: \$1,174,200

# 96 DEPARTMENT TASK FORCE

### ...making the shipyard a better place to work

There's a "new look" in the shipyard. Wherever you go, you see it. Walk on down to No. 3% pier and there's not only a new safety aralling along the dege of the pier, but the rotted-out planking is being replaced by steel plate and wood launching skids. It's only a short walk over to 47 shop to see more of the same: the Fab Shop is not only brighter with its freshly-painted white walls and steel posts; it's along more shipsdage, with its neathy stacked steel plates.

These and other improvements throughout the yard are the handiwork of the men in Sun Ship's newly-created 96 Department Task Force.

The 96 Department Task Force came about through the joint efforts of Sun Ship and Lodge No. 802 officials to improve ship-yard working conditions while providing temporary employment opportunities to veteran shipyard production workers who faced layoff during the recent reduction in the yard's work force.

.96 Department was created with the view that it would exist until such time that the list of yard improvements had been completed or the new construction and ship repair workload would require transferring the men back to their original departments.

Under this arrangement, 15 men have already returned to their departments and present projections indicate that the remainder of 96 Department will be phased back by early summer.

Commenting on the attitude of the men in the task force, 96 Department Foreman Bob Uhl said: "Although the men in this department bring different shipbuilding skills to the job, they do have one thing in common—pride in their work.

"You simply have to look around you to see that. The 85 men in this department are making the shipyard a better place to work for all of us."



Pick it up ...



Roll it out . . .



96 DEPARTMENT MEN AT WORK painting the interior walls of 47 Shop (top photal, cleaning to the North Yard building slib (center photol) price to land fill operations and the rolling or bostom photol of the new fill filter in the area of the building slib.

# GLOBAL SLUMP AFFECTS SHIP INDUSTRY

### (The following article is reprinted from March

Shipping industries in Western ind No. caught by a lineering plut in global caracity that has idled a third of the orld's tasker tonnage and out the shin. building business in half

a shiebuilding boom begun a decade arocreating new pressures for costly govern rivalries for shares of the shrunker

derous, is getting even sharper-if that is possible as new government backed ship yards in the developing countries have been cutting prices to earn foreign exand keep workers employed Brazil. India and Taiwan, for example, are On the other side of the industry, the

outlook Beart by currentarity they non are slashing rates to attract business and keep ships operating. is recovery a strained rela tionship between the two sides of the industry. The shipyards want to build more ships. The ship owners already have

Predictions of lay-offs involving hun dreds of thousands are fueling drives for cartelization and for more industry pro relationship between shipowners and shipbuilders is likely to deteriorate even stimulate new ship demend while the owners lobby to limit additional capa

#### Shipbuilders' Outlook 'Bleak'

Bleak is the one word that describes outlook for commercial ship-lers," said R.W. Cousins, president of the Tenneco Corneration's Newport The size of the industry is going to

even more a dismal reality Japanese shipbuilders have gone bank-nant. Most Japanese and European yards are operating at only 50 per cent of capacity. And one of the world's largest tinational Gas and Petroleum Company sank last December under the weight of

The American shipping industry, re garded as one of the most insulated in the world because of generous operating construction subsidies, protected markets and fixed shipping rates, is

### Maritime Commission Investigating

Responding to rate cutting by foreign lines. American carriers are believed to be offering rebates to large shippers in viola tion of the Federal law. The Maritime Commission is investigating. In addition, two companies, the Pacific Far East Lines Inc., a subsidiary of R.J. Reynolds industries, has offered rebates on container

The decline in new work has spread

instance, laid off 3,000 workers last fall at its Electric Boat division in G

a trade association estimates that a many as 45,000 jobs of a total of many as 42,000 joos or a social or 176,000 will disappear next year at ing industries and affected communities

#### Sources of New Business

Independent observers believe that those estimates are a bit on the high side from new sources. The move to improve bottoms and segregated ballast tanks will add to the market for ship repair and conversion. Increased off-shore drilling tic Coast, will preserve some jobs at

however, that protective barriers are not doing the job they were designed to do lost a new ship order when it quoted a construction price of \$85 million. Because of the Government subsidy, the or \$42.5 million, A Japanese yard never

Shipbuilders and shipowners around combined with the world recession that followed cut deeply into world demand for tankers and merchant ships just at a

### Worsened by Protectionism

Between 1965 and 1975 the world's 157 million gross tons to 340 million. hope that world trade will take up this slack before the mid-1980's. The situa

In the same period, world shipbuilding capacity rose 33 percent, from 27 million

There is now little work for all the new construction capacity. Shipyards in Janan, which builds half of the world's chine and in Western Europea home six the United States the backlog of according to shipbuilders' estimates.

Heavy subsidies given since World War II to help builders in the United States and Western Fanone to commete against the modern, efficient yards in Japan, have not prevented the decline Common Market countries noused a total of \$600 million into their affine vands last year Since the Merchant

work for American yards the United States has spent \$1.3 billion in construction subsidies. Operating grants to shinowners, incidentally, came to \$1.6 hillion in the period "When the world market is high. American yards compete well," said

the old Brooklyn Navy Yard to commercial use. "But there is no connecting when

#### A Series of Reversals The American yards and constorn ates such as Litton Industries, the Orden Coeporation, Tenneco and General Dynamics, which took them over in the

glory days of the 1960's, have also felt The first Carter budget included requests for only 15 ships for the United States New The industry had hoped for

- Cargo preference legislation, which tankers by raising the percentage of oil carried in United States flag ships to 9.5 percent from about 4 percent, was

The Alaskan pipeline was expected to spur construction of American vessels kan crude is moving in foreign tankers to refineries in the Virgin Islands, which are exempt from the requirement. Suits by the American shipping industry to bring the Virgin Islands within the pur-

### U. S. Shipbuilding: Orders Booked

1972 444 444 4 

1978

\*1979 ---

liquefied natural gas has provented the placement of orders for tankers I N.G. more I.N.G. storage facilities and also

#### Cartelization Plans Discussed American builders would like to see one markets set aside specifically for American ships, such as they failed to

get in the cargo preference bill, while the Europeans and the Japanese are the shiebuilding market. Japan has indicated that it is willing to cut its shipbuilding capacity by 50 percent the Common Market countries are considering reducing their shipyard canacity by 46 percent in exchange for

and Development and the Shipbuilders Association of Janua are in progress tiveness of their subsidy programs. The governments of France, Britain, the Netherlands, Italy and West Germany Britain, the are responding to pressure from ship builders who want an increase in construction subsidies, which now

Shipowners, however, are fighting in creases in construction valuation

"By subsidizing shipbuilding, the in-dustrial world risks a permanent over supply of ships and a permanenth neconomic freight rate structure, tional Marine Industries Forum shipowners to study the industry's

### Need for Mare Billions Seen

The forum calculates that between billion to maintain an industry with own cartelization plans, which would involve a reduction in the number

of ships in operation. This year tanker owners expect to chalk up losses of \$450 million, and by 1980 the figure may rise to \$2 billion. The shipowners Power capacity troubles are aggravated by the which is under-cutting the rates of the shipping conferences of the Western industrialized nations. The weakness of

these rates has depressed the charter rates that owners charge ship operators for raising shipping and charter rates Oslo-based association of independen Scandinavian and Greek tanker owners

rates would probably be met by opposi tion of the international oil companies which are a strong factor in the tanker market. Many observers believe that the

shipping conferences.

# PRODUCT TANKER KEEL LAYING





Celebrating Anniversaries



































### ROBERT S ADAMS NAMED MANAGER MANAGEMENT SYSTEMS DEVELOPMENT

Robert S. Adams has been appointed Margany Marganesant Systems Davidge the president until a Manager for

ening and Management Control is In his new position, Adams will be

enoughly for newiding a variety of internal management consulting support services to all of Sun Ship's divisions and denartments. These see vices will be directed at recommending



and working with all levels of management to assist in the implementation of

Commenting on Adam's ent. San Ship recaident Pete Hero said: Bob's appointment to this staff post gives the shinward on in-house consultant and pooblem solver to work on management problems of every description Managers should feel free to use him. He is here to help anyone in the yard who wants to improve the way we do

Adams' first assignment is to prepare the shipyard organization in the Main and Engineering/Management Office Buildings The accommendation will aim

ness through the optimum location of the Prior to joining Sun Ship, Adams was staff engineer with Suntech, Inc., a

In addition to his line management experience with Sun Company, he performed consulting work in the areas of industrial engineering, organizational study and management systems apply

Adams is a member of the American He and his wife, Barbara, have a son, Geoffrey. They live in Thorndale, Chester County, Pennsylvania

# Father and Son



nertann a magnetic particle inspection of a weld as well as his radiographic fo perform a magnetic person.

Accurates groups.

Jim Janian's visit was port of a school project to get school children to visit the plant of the plan

## MARINE INDUSTRY BRIEFS

#### The More Things Change, The More They Remain The Same

A note in the March 1, 1978 issue of the Delaware County Daily Times reports that 100 years ago ... builder John Roach says it would be a in foreign-built ships, and further force down the price of labor at a time when thousands of men are unable to obtain more than seven cents an hour for their work. Mr. Roach appeared before the in Washington to argue against the free shin clause of the Wood Tariff Bil." In the intervening century the only thing that has changed has been the rate per

(John Roach Shipbuilding Compan serated in Chester up to the carly days of World War D

A Sign of the Times

erent world tanker overcapacity than

NUMBER 2 Sun Shipbuilding and Dry Dock Company Chester, Pa. 19013

Address editorial matter to the Editor. c/o Public Relations Department

the recent article describing a "Yirst". the scrapping of two undamaged supertankers-the 211,000 deadweight ton Dryi Nova and the 212,000 deadweight ton ton Magdalz. Although both vessels are less than 10 years old and are fully opera-

longer operate economically in today's market-place When these foreign-built vessels were

For the purpose of comparison U.S. 25-year span. Therefore, if a U.S. tanker had to be scrapped in just 10 years, the

### All Quiet on the White House Front

#### Edwin M. Hood, President and Board Chairman of the Shipbuilders Council of

America, in a March 15 discussion of the impending downtum in U.S. shipbuilding activity and employment, pointed out the contrast in the federal government's response to the employment crisis in the U.S. shipbuilding industry and its sponse to a similar crisis in the U.S. steel

With the layoff of some 20,000 workers in steel industry, the reflex of covernment was swift. With a projected loss of more than twice as many shipyard workers, there has yet to be any official positive reaction whatsoevers



W WALLS 520--- 11TH AVE PROSPECT PARK PA

they repair. The may shaped antennas of the visual attest to the YANULMET or a section majorine for the U.S. Air Force in its Eastern Test Range in the Arlancic Ocean us of the equal attest to the VANDENBERG's range instrumen