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Sun Ship Log

Volume 12, No. 8

Sun Shipbuilding & Dry Dock Company

October, 1978

Keel Laid For Hull 678



With a helping hand from the customer, in the person of Senior Vice President Arthur Haskell of Matson Navigation (right), the keel is laid for the 720 ft. containership S.S. KAUI. Watching Haskell add the

"finishing touch" to the keel laying are veteran Sun Ship steel erectors Frank Garrett (left) and Edward Strzala (center).

First Ship For Matson Since 1973

The keel for Hull 678 was laid on October 18 with the placement of a 225 ton inner-bottom assembly on the A-slab of the new North Yard building ways. On hand for the keel laying ceremonies were members of Sun Ship and Matson management, officials and members of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers as well as representatives from the American Bureau of Shipping and U.S. Coast Guard. Matson Senior Vice President Arthur Haskell directed the placement of the full-width assembly along with Frank Garrett (58-54) and Edward Strzala (58-83), both of whom are senior members of 58 Department (Erectors).

Hull 678 will be christened the *S.S. Kauai* (pronounced "COW-ey"). The 720-foot containership is being built from an advanced design of Matson's three previous containerships and will be capable of carrying 1,168 containers, including 302 refrigerated units. The vessel will be powered by a geared steam turbine rated at 32,000 shaft horse power, with a speed of more than 22 knots. Terms of the contract call for delivery of the ship by January 1980.

Hull 678 will be the largest containership ever constructed by Sun Ship and will be the third vessel built for Matson in the 1970's.

Two previous vessels, the mailships *S.S. Earle* (Hull 662) and *S.S. Matsonia* (Hull 664) are currently being operated by Matson in the U.S. West Coast to Hawaii trade.

This keel laying is the third at Sun Ship this year. Previously the keels for two Sun product tankers had been laid. The three vessels represent a total of \$150 million in construction contracts acquired by Sun since the first of this year.

OSHA Injury Rate for Sun Ship Drops

Sun Ship's OSHA injury rate has dropped more than 40% since the early part of 1978. The shipyard's OSHA injury rate is presently 4.8 lost time injuries per 100 workers, down from a first quarter high of 8.8. Reduction in the number of lost time injuries is of course due primarily to the workers and supervisors thinking and working safely, but it can also be attributed in part to the shipyard's current safety program "Operation Safe Shipyard—1978" which was instituted six months ago.

"The introduction of the safety campaign's Monday 'tool-box' safety meetings, the shop and yard craft safety committees and the quarterly yard wide safety training meetings have led to an increase in safety awareness in most employees," said Searle Walton, Sun's Manager of Safety.

Operation Safe Shipyard is different from previous shipyard programs in three areas. First, the shipyard has established a specific goal of reducing shipyard accidents to at least as low as the OSHA incident rate of 4.5 lost time injuries per 100 employees. (For information on the computation of the OSHA injury rate, see the related article on this page). Second, the program increased the scope of the shipyard's safety training efforts by holding safety training sessions on a more frequently scheduled basis than was done previously. The "tool-box" meetings and various safety committees are part of this area of the safety program. Finally, the program places emphasis on housekeeping. 96 Department's clean-up efforts in several areas got this part of the program moving initially. Additionally, the responsibility for housekeeping in specified shipyard areas has been assigned to the appropriate shipyard supervisor. The Hull Superintendent is responsible for housekeeping safety on the building ways and slabs, the Outfitting Superintendent is responsible for the ships in the wet basin and the Maintenance Superintendent is responsible for yard areas. Department foremen are responsible for their particular shop areas.

"Ultimately the success of the shipyard's program rests with each and every employee," said Searle Walton. "Each employee's participation in and contribution to the Safety Program is a must if the reduction in accident and injuries is to continue." "Safety responsibility can not be delegated to someone else," he continued. "Each employee has his or her responsibility for safety. If we desire to accomplish accident and injury free work, and to continue our present progress in injury reduction, each employee must be willing to take that extra step for safety."

As guidelines for Safety, Mr. Walton recommends the following:

1. Make the effort not to create hazards.
2. Immediately report unsafe or potentially unsafe conditions to supervisors.
3. Consider safety in every job to which you are assigned.
4. Use all required personal protective equipment on every job.
5. Have the attitude that everyone's safety depends on you . . . it does.

Computing The Injury Rate

The OSHA lost time injury rate is a statistic used nationwide by this federal agency in surveying occupational injuries and illnesses. All industries use this statistic; it is the yardstick with which they are compared. OSHA incident rates are based on 100 worker years, i.e., 100 full time employees working for one year. The statistic is derived through the use of a formula. Information used to compute the statistic is (1) the actual number of lost time injuries in the time being studied, (2) the figure 200,000 which is the amount of time 100 employees work in a year's time assuming a 40-hour week and 50 weeks worked, and (3) the number of hours actually worked by all employees for the specific time being studied.

The statistic is achieved by multiplying the lost time injuries by 200,000 and dividing this answer by the number of hours worked. It is illustrated below.

$$\frac{\# \text{ of lost time injuries} \times 200,000}{\text{Hours worked for the period}} = \text{frequency rate}$$

As each year comes to a close, it is important for us to pause in our daily routines and take stock of where our company is going and where it has been. This report in Sun Ship Log and the report in the November issue will summarize for you the progress we have made in solving some of the problems that face us, and the work we still have to do. I hope you will read these columns with interest, because your active support and participation are needed.

In the Fall of 1977, the management team identified several important things we had to do if we were to restore the financial health of our company and be able to provide steady employment. Simply stated, we needed to:

- sell more business;
- improve our productivity, so that we could price our work competitively with the other U.S. shipyards;
- improve the effectiveness of our organization and our ability to supervise people in ways that encourage them to be creative and to make their fullest contribution to their jobs.

Now, a year later, we have made significant progress toward accomplishing these goals. But, in any turnaround situation, it takes time to see concrete results, and we still have a long way to go.

1978: No Backlog, Financial Losses Continue

Financially, 1978 has not been a good year for our company. We continue to have losses, and this is not the first losing year for us. In 1977, we lost around \$40 million.

A second major problem, as you well know, was that we had no backlog of work at the start of 1978. So, as we completed the two tankers for Sohio, we had to begin a series of layoffs. We had another contract with Pacific Marine Associates for two LNG tankers, but the start of work was delayed because the customer had problems getting government approval for the docking facilities the tankers must use.

At this point, we remain optimistic, but work on these ships realistically could not begin before mid-1979.

To build a backlog, we began this year to conduct a strong marketing effort that will be discussed in detail later in this column. And our Marketing Department has achieved results. We received contracts for two tankers from Sun International, and construction on hulls 676 and 677 began in early 1978. These ships are scheduled for delivery in 1979.

We won a contract in industry-wide competition to build a containership for the Matson Navigation Company, and began construction on Hull 678 at mid-year. Delivery on this vessel is scheduled for early 1980.

However, in our business there is a long time period between the signing of a contract and the build up of a workforce. The chart above illustrates this situation. On a new ship, there is nearly a year of design work before construction can begin. Then the number of people needed on the job builds up to a peak during the fabrication and erection stages. You can see that this peak is about 20 months after the signing of the contract.

So, for Sun Ship to be able to offer steady employment, we must have enough backlog so that as one ship is completed, the workers can be assigned to the next one. This is the goal of our marketing effort, but even with the current successes, our ability to return to our former levels of employment will still be months away.

Employment Decline is Reversed

Nevertheless, the decline in our employment level has begun in the past several months to turn up again. During the first half of the year, our workforce had been reduced from 4,500 employees to around 3,100. This is a situation which we are committed to reverse.

In an effort to lessen the impact of the layoffs, one step taken was to create Department 96, which provided temporary work for 140 people. Department 96 made a significant contribution with its clean-up, paint-up, fix-up activities. The project cost about one-half million dollars, but it was money well spent. Besides the work it provided, it greatly improved safety and working conditions.

An important objective of the changes we are making in our company and in the way we work is to develop enough backlog to stabilize our workforce as much as possible. I know this is important to you, and it is important to our owners because there is no way our company can be profitable at our current level of employment. We must build our business back up to the point where we can effectively employ at least 4,000 people.

I am happy to report that, today, with the work under way on Hulls 676 and 677, our employment levels have at last started up again. Requisitions for more than 500 hourly jobs have been processed since last August, and more than 350 people have already returned to the payroll.

I am especially pleased that despite the need to reduce the workforce during 1977-78, we are still making progress toward achieving our equal employment goals. In 1977, about 29 percent of our employees were from minority groups. Today, the figure is up to 32 percent.

For example, if a company has 20 lost time injuries for a given month and the actual number of hours worked by all employees totaled 480,000 the rate would be 8.3. It is figured below.

$$\frac{20 \times 200,000}{480,000} = 8.3$$

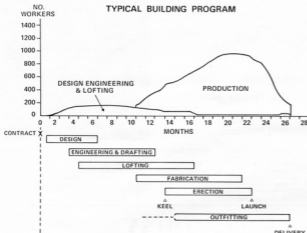
To see how other industries stack up using this formula, the table below will give you the relative values.

State Of The

Industry	Frequency Rate
Logging	14.2
Anthraxite mining	10.2
Shipbuilding	10.2
Trucking	7.5
Highway and Street construction	5.2
Rail Transportation	4.8
Hospitals	3.1
Restaurants	2.3

Company Report

(Part I)



Goal 1: Selling More Business

Our aggressive marketing effort is aimed at getting business back to the point where we have worked for at least 4,000 employees, and reestablishing Sun Ship as a leader in our industry.

In the past year, we have broadened our search. For example, we have begun bidding on U.S. Navy new ship construction and repairs. This is a significant opportunity, since the Navy does more than half of all new ship construction and ship repairs in U.S. yards. Our marketing staff is making literally hundreds of calls on potential commercial customers. We have established formal relations with every major customer group, including ship operators and owners, naval architects, industry consultants and the Maritime Administration.

As a measure of our effort, our Marketing and Engineering Departments constantly are working on proposals for 20 new ship contracts, 12 to 15 repair jobs and 20 industrial product sales. Our Estimating Department has also increased its activities substantially over prior years. In the past 12 months, we have performed 12 major estimates, compared with 4 to 5 major estimates in earlier years. Additionally, every one of these major estimates has to be much more detailed than before, so the time and effort spent on engineering has risen greatly too.

Our aggressive salesmanship is beginning to have results. We have signed a letter of intent with the Waterman Steamship Corporation for the construction of two to four containerships. We competed for this contract and won against Avondale, which had already been talking with Waterman for four months before we made our first contact.

Obviously, not every proposal results in a sale, but our efforts are building a good reputation for Sun Ship in the industry. For example, in a competitive bid for five ships for the American President Lines against five other shipyards, only Sun Ship and Avondale are still left as competitors.

Turnaround Takes Time

With the work currently under way, and with the effort being put into marketing, I am optimistic about the future employment opportunities and finances of Sun Ship. But, as I said at the start of this column, we still have a long way to go. Our workforce is starting to grow again, but only slowly. And our company is still losing money.

In the next issue of the Sun Ship Log, I will offer some additional perspective on our financial situation. And I will talk about some new programs that we have started to improve our productivity, as another means of attracting new business.

Peter S. Hepp

Sun Ship Log Survey Yields Interesting Results

In the August Sun Ship Log, a survey was conducted to determine what shipyard employees wanted to read in their company newspaper. The survey ended on September 29. The results are tabulated in this article. On the whole, while employees were satisfied with the Log, they wanted a larger more comprehensive newspaper with more articles about what's happening at Sun Ship and what their fellow workers are doing.

148 coupons were returned to the editor, Carol Luttrell. This represents 4% of the shipyard workforce. Of this number 126 coupons had signed names. 22 responses were unsigned but had preferred items checked off and suggestions written in. 60% of the entire response came from the operations workforce.

History a favorite

By far the most popular item was the request for a history of the shipyard to be published in the Log. 66% were interested in finding out about Sun's past achievements. One operations employee responded that this history "most definitely" should be included in future editions.

The next most popular item, with 58% indicating a preference, was for stories about the various shipyard departments. One employee requested specifically to see more "news on other facets of the company such as the rocket shop and Wetherill plant work." Following "Shipyard departments" was "People stories" which 57% of the responses expressed an interest in.

The next highest categories were the Question-and-Answer section (45%) and the publication of promotions and transfers. 47% of those who responded said they felt the Log gave enough news coverage. 33% said they wanted more news. The "Our Yard Yesterday and Today" section was a big favorite with 75% saying they liked it. 4% said they did not like it and 1% was undecided. 20% did not indicate their preference. The "Celebrating Anniversaries" section drew an interesting response. 64% said that they liked this feature but 14% said they did not. 1% was undecided and 21% did not check this item off. A few employees said the anniversary section took up too much space. A suggestion came in to have the anniversary pictures show employees with 10 years of service rather than beginning with shipyard workers having 20 years of service. The rationale for this is that service award pins start with 10 years of service.

Exchange program, savings bonds, recipes

The "Other" category, asking for suggestions for items not included in the survey, brought a wide range of responses. One of the more unusual items was the suggestion that an exchange program between the yard and office workforces be set up. Under this program, two individuals would exchange jobs, for a day, so each could begin to understand the role the other plays and what he or she contributes to the building of a ship.

A few requested that the Log publish the shipyard's financial statements, particularly the profit and loss sheets. Publishing humorous anecdotes and cartoons depicting shipyard life was another suggestion. One reader felt the publication of a "Recipe of the Month" would get employees' wives more interested in the Log.

One employee suggested that a monthly contest, with a savings bond as the prize be held. The contest would consist of a monthly quiz on shipbuilding or related topics in each edition of the Log. A winner would be drawn each month from those answering the quiz correctly.

There were a few requests for articles showing how Sun Ship compares to other U.S. shipyards in terms of size and shipbuilding contracts.

There were negative comments about the Log, too. One employee wrote "The Log has too many stories on R & D (Research and Development) and new salaried employees. How about the Sun employees who have been here for 25 years and who everybody knows?"

The suggestions and responses received by the editor will be used in determining the future course of the Log. To all of those who responded, many thanks from the editor. To those who have not responded, feel free to drop a note to her or call with suggestions for future editions. The editor is always interested in your suggestions and comments. The newspaper belongs to all of us. Let's tell everyone what's going on!

SUN SHIP LOG	
VOLUME 12	NUMBER 8
Sun Shipbuilding and Dry Dock Company Cheslet, Pa. 19013	
Address editorial matter to: Carol Luttrell Editor Extension 795	

OUR YARD - YESTERDAY



35 YEARS AGO

In October 1943, the MARINE DEVIL (Hull 344) was christened by Mrs. Emma J. Thomas, wife of Robert Thomas, a shipyard employee. The MARINE DEVIL is still sailing. Re-christened the HAWAIIAN QUEEN, this ship is now operated by Matson Navigation in the U.S. West Coast to Hawaii trade.



30 YEARS AGO

In October 1948, "Our Yard" contained this photograph of the M.S. PENNSYLVANIA SUN (Hull 108) and the MAMEI here at Sun Ship for repairs. The PENNSYLVANIA SUN is shown in #1 dry dock. This dry dock was built here at Sun and was made entirely from wood. The MAMEI is shown in #2 dry dock which had a wooden pontoon and steel wing walls. It was bought from an outside vendor.

20 YEARS AGO



In October 1958, "Our Yard" contained an article on Sun's completion of the "seventh bridge for the New Jersey State Highway Department." This last girder, shown being delivered in the photo above, is for an overpass in Bellmawr, New Jersey. Sun Ship had fabricated more than 200 girders involving more than 6,000 tons of steel when this job was completed.

OUR YARD - TODAY

Sun Gets A Lift With The Dixon Special



No, this machinist isn't preparing to uncork a giant bottle of wine. He's posing with the "Dixon Special",

a portable hoist developed by shipyard machinist Abe Dixon (36-66). For more information about this unique piece of equipment, read the article on this page.

Abe Dixon (36-66) has spent 40 years at Sun Ship as a machinist. About two years ago, while inspecting reduction gears which were in storage, Abe realized that the shipyard could use a piece of equipment to lift the covers for upper gear cases and suspend them for several hours while the gears were being inspected. He sat down and designed a portable hoist (shown at left) to do just this. The "Dixon Special" is now in #3 store room in the North Yard. While it was designed for lifting gear covers, its flexibility of design and 5-ton lifting capacity have enabled this machine to do a number of jobs, large and small.

Features on the Dixon Special include a drill press, wire brush grinding wheels, power hack saws, a vice, two trolleys and chain falls. Staging brackets are available for use when staging is required and the built-in ladders enable employees to have access to different parts of the machine components being worked on.

The Dixon Special was constructed in 1977 by the Boiler Shop (30 Department). It was made from the yard's scrap surplus; only the wheels were purchased. "The guys in the boiler shop were great," said Abe. "And Larry Triboletti (Machinery Superintendent) and Joe Waltz (Machinery Installation Foreman) were with me all the way on the project."

Before the hoist was built, a lot of time was lost waiting for a crane to be moved to the store room to do a job. This piece of equipment has saved time and money because when workers in #3 store room were ready to do a lifting job, the hoist is there, all set to be rolled into place. Joe Waltz said he was "real pleased" when Abe developed the design for the hoist.

The hoist is versatile and can be used just about anywhere at Sun, from the plate yard to the deck of a ship. "The machine was designed and built for the shipyard," said Abe proudly. "And the way it's built, when Sun is building ships 60 years from now, this piece of equipment will still be working."

Abe, a long time employee, is a first class machinist and a graduate of the shipyard's apprentice school. He's said by many to be "one of the best" machinists in the yard. He's modest, too. Some employees wanted to put a plaque on the hoist in honor of its designer, but Abe wouldn't hear of it. In fact, Abe is so modest that he wouldn't pose with his machine for this article. Fellow machinist Bill Schatz (36-94) did the honors.

The EL PASO Barbecue — Hot Diggity Dog!

Hot dogs were cooked by the hundreds. Hamburgers were grilled by the score. Potato chips came by buckets full and coffee flowed from five gallon containers. For two hours on a fall afternoon, the helicopter flight deck of the EL PASO was turned into a huge barbecue as hundreds of Sun Ship employees were luncheon guests of Captain E. W. Foote and his crew. The barbecue was held in order to get shipyard and U.S. Navy personnel acquainted with each other.

In addition to sponsoring the barbecue, Captain Foote expressed his sentiments about coming to Chester in a letter which is printed below.

The EL PASO is the second major contract Sun Ship has received from the Navy within the past year and a half. The shipyard was awarded the \$8.5 million contract to overhaul and repair this vessel, an amphibious cargo ship. Principle work on the vessel includes overhaul and installation of a new sewage system, blasting and coating, machinery and electrical work and the overhaul of winches and rigging. The vessel will be here approximately until March of next year.

To all Members of the Sun Ship Family,

On behalf of the crew of USS EL PASO (LKA 117) I wish to convey to you my pleasure that Sun Shipbuilding was selected as the prime contractor for our overhaul. As this letter is being written, EL PASO is in the third week of our 31-week yard period, and already I have been extremely impressed with the "can do" attitude of everyone. A ship overhaul is a long and sometimes grueling process for everyone concerned, but based on my observations and those of my men, I am confident that you are the team that can complete our overhaul on time, and will exhibit the highest standards of craftsmanship and professionalism. Sun Ship is a company that figures heavily in the Navy's plans for future ship overhauls; I am proud that EL PASO has the opportunity to further the company's reputation as a yard of the future.

I firmly believe that you will find the members of EL PASO to be cooperative, hardworking, and professional; I am certain that as the overhaul progresses we will discover those same qualities exhibited in like measure by each of you. The concept of teamwork is absolutely vital to the success of our overhaul, and I feel that we have already established the rapport for a working relationship that will see us through until the time when EL PASO heads back to Norfolk to join the fleet in tip-top condition. On 30 March, EL PASO will be a source of great pride for all of us, both as working people and as taxpayers. There is no doubt in my mind that the people of this country will get their money's worth, and more, from the EL PASO/Sun Ship Team.

Sincerely,

E. W. Foote
Capt. USN
Commanding Officer
USS EL PASO



Keep the chow line moving! (Top photo) Shipyard employees dig in as they prepare to have lunch on board the EL PASO. (Center photo) This lunch hits the spot for shipyard employees. (Bottom photo) The EL PASO's Commanding Officer, Captain E.W. Foote, whose apron proclaims he's "Number One", Commander Upchurch and General Superintendent Ed

LaCrosse prepare to eat. At left, Commander McKay takes a scoop of the potato salad. At the Captain's invitation, hundreds of employees got to eat on board the EL PASO and got acquainted with members of the crew. One shipyard employee, a World War II navy veteran, watched the Captain cooking and mused "This ain't the navy I remember."

Celebrating Anniversaries



R. PEET
33-516
45 YEARS



W. BUCCIARELLI
45-873
35 YEARS



A. DE CARRO
47-1085
30 YEARS



W. DOWE
59-325
25 YEARS



W. LOCKE
75-90
20 YEARS

Be Alert! Prevent Back Injuries

While the total number of lost time injuries has decreased in recent months, the percentage of back injuries or back problems has increased. In most cases, these back problems occur, not from slips, trips or falls, but rather from improper lifting, pulling on, or sudden movements. Statistics tell us that 50% of all back injuries result from improper lifting.

The general rules for safe lifting are:

1. Stand close to the object to be lifted.
2. Squat down, straddle the load somewhat, keep the back straight and bend the knees.
3. Grasp the object firmly—be sure of your grip.
4. Breathe in—inflate lungs support the spine.
5. LIFT WITH LEGS—slowly straighten them.

After legs are straight, bring back to vertical position.

6. Hold the object as close to the body as possible.

ADDITIONAL PRECAUTIONS

1. Avoid sudden movements, especially when handling a load.
 2. Pull lines smoothly, don't jerk on them.
 3. Get help when lifting heavy or odd shaped objects.
 4. Dismount ladders and other elevations carefully—Know where you place your feet.
- Follow these simple rules and give your back the consideration and care it deserves.

No pictures available —

J. MARTIN, JR.
59-1783
40 YEARS

E. FIELDS
59-1298
25 YEARS

A. COVELESKY
68-134
20 YEARS

United Way Drive Moves Forward

Sun Ship's United Way campaign got started on October 3rd at 7:00 A.M. as members of the United Way committee were at Sun's main gate urging fellow employees to pledge their contributions to the annual campaign. United Way leaflets and balloons were handed out as members of the first and third shifts passed through the yard's Morton Avenue entrance.

The importance of Sun's involvement in the campaign was stated by Steve Simpson, Sun's Corporate Counsel as he addressed the shipyard's United Way captains. "For the next five weeks, all of you will be working to help Sun Ship meet an ambitious, yet realistic goal of \$149,500. This amount is approximately 10% of the United Way of Southeast Delaware County's budget," he stated. "Our shipyard campaign is part of the overall local campaign being carried out on behalf of 40 community organizations. These are community organizations in every sense of the word. They are run by people of the community for people of the community. They are not government operated or funded through your tax dollars. They are independent private agencies which can be supported through volunteer contributions."

Awards Stated

At the conclusion of the campaign, three awards will be given. A group award, the Liberty Award, will be given to the department having the highest percentage in five categories. These categories include highest percentage of employee participation, highest percentage of Fair Share givers, highest percentage of increase in Fair Share givers, highest per capita per person, and the highest degree of increased participation. Additionally, individual awards will be given to the two Captains with the highest percentage of participation and increase in contribution over last year, highest percentage of Fair Share givers and highest per capita giving.

W WALLS 00-1087
520--11TH AVE
PROSPECT PARK PA 19076



Stephen W. Simpson, Sun's Corporate Counsel, speaks to the Captains of the United Way Committee at a campaign meeting. Sun's goal of \$149,500 represents approximately 10% of the entire budget for the United Way Campaign in this area. He and his wife also are members of the Board of Trustees for the United Way of Southeast Pennsylvania.



HMO Plan To Be Offered At Shipyard

At this time information is being mailed to all Sun Ship employees concerning Health Maintenance Organizations, more commonly referred to as "HMOs." HMOs offer a pre-paid health care plan which competes with other forms of health insurance, including Blue Cross, Blue Shield insurance currently offered at Sun Shipbuilding & Dry Dock Company.

The basic difference between our Blue Cross coverage and HMOs is that HMO coverage includes outpatient care in the doctor's office. This together with the standard health benefits are pre-paid according to a fixed plan rate.

The three HMOs are: Health Service Plan of Pennsylvania (HSP); Health Maintenance Organization of Pennsylvania (HMO-PA) and The Health Plan (GDVHIC).

As employees you will be notified of meetings to be held at Sun Ship describing benefits, costs, comparisons and other details related to HMO coverage. We recommend that you read the literature carefully and give this service your honest consideration. The choice of health care coverage is yours. You may continue with Blue Cross or you may accept coverage from one of the HMOs. The decision for health care coverage is an individual one for each employee. The company is merely making these various options available to you.