

Sun Ship Awarded New Contract Order Book Boosted to \$422 Million



Contract is signed awarding ship construction contract to Sun Ship for a combination container-roll-on/roll-off ship for Waterman Steamship Corporation. Principals at the signing included, from left to right: Edward P. Wabbe,

President of Waterman, Samuel B. Nemirow, Assistant Secretary of Commerce for Maritime Affairs/Designate-MARAD and Joseph J. Kleschick, Vice President, Sun Ship.

Sun Shipbuilding and Dry Dock Company was awarded a \$69,769,836 contract recently boosting the total value of new shipbuilding business the shipyard has brought to Delaware County in the last 18 months to the \$422 million mark. Sun Ship signed contracts in Washington, D.C. with Waterman Steamship Corporation and the U.S. Maritime Administration (MARAD) to build a combination container-roll-on/roll-off ship for Waterman Steamship's use in the U.S. Gulf Coast to India and Middle East trade.

The 692-ft. long vessel is identical to the two ships currently being built at Sun Ship.

Commenting on the contract award, Sun Ship president Peter S. Hepp said: "Winning this contract brings to seven the new ship construction orders the shipyard has captured in the last year and a half. This achievement is particularly noteworthy when viewed against the background of a depressed worldwide shipbuilding market. Although we are certainly pleased with this near term success, Sun Ship is committed to aggressively seeking additional new construction work for the yard's remaining shipbuilding capacity."

Participating in the signing were Joseph J. Kleschick, Vice President-Marketing (Sun Ship), and Samuel B. Nemirow, Assistant Secretary of Commerce for Maritime Affairs-Designate (MARAD).

The contract calls for delivery of the 23,500 dead-weight ton (DWT) vessel during the latter half of 1981.

The vessel has been designed to carry either 20 ft. or 40 ft. containers as well as highway trailers and other over-the-road transportation equipment. The overall cargo carrying capacity of the vessel has been rated at 1524 TEUs (Twenty-foot Equivalent Unit).

The ship will have completely self-sustaining cargo handling capability with a 30-ton crane for handling container storage forward of the house. A large rotating ramp to the second deck at the stern will provide access from either the port or starboard side of the vessel for roll-on/roll-off cargo. An internal ramp and cargo elevator for loading roll-on/roll-off cargo on top of the hatch covers will be installed on the main deck.

The ship will also be capable of servicing 60 refrigerated containers or trailers on the main deck.

The propulsion plant will be a modern steam type with geared turbine drive, producing 32,000 shaft horsepower on a single screw. Centralized control will permit regulation of engine speed and direction from the bridge.

Employee Recreation Club Being Formed

Interested Sun Ship employees, with the approval and support of the company, are forming an Employees Recreation Club. Watch the bulletin board for news of trips, sporting events and special activities. More details will appear in the September issue of the Sun Ship Log.

Family Day Set For September 22

Family Day, the Sun Ship open house for shipyard employees and their families, will be held on Saturday, September 22, 1979. Commenting on the announcement, shipyard president Peter S. Hepp said: "This year's Family Day coincides with the launching of Hull 676, one of the product carriers under construction for Sun International. In keeping with our long standing shipyard tradition, this Day will provide all of us who work at the shipyard with the opportunity to show our families not only our impressive shipbuilding facilities, but also the wide range of skills we bring to our work in the yard."

In addition to watching a launching, employees and their families will be able to tour facilities and see numerous exhibits illustrating shipyard crafts. Additionally, refreshments and musical entertainment will be features of Family Day.

Invitations to Family Day will be extended to all current and retired shipyard employees and their families. Tickets will be mailed during the month of September.

Further details will appear in the September edition of the Sun Ship Log.

Lawrence Named General Manager of Industrial Products

T. K. Lawrence was named General Manager of Sun's Industrial Products Department. In this post he is responsible for overseeing all aspects of the division's manufacturing, engineering, estimating and marketing functions. He reports to Joseph J. Kleschick, Vice President.

Lawrence joined Sun Shipbuilding and Dry Dock Company in March, 1976 as Superintendent of Production Planning and Material Control. In April, 1977, he was given additional responsibilities as Superintendent of Industrial Products as well as Superintendent of Production Planning and Material Control. In December, 1977, Lawrence was given the special assignment to reorganize and systemize the Industrial Products Division.

Prior to joining Sun he served with the Newport News Shipbuilding Company. He joined Newport News Shipbuilding in 1955, serving a five year

apprenticeship as an atomic designer. During his twenty years' service there, he worked in several shipyard areas including yard operations, engineering, production engineering, and programs. Posts held included Program Manager of the Nuclear Powered Guided Missile Cruiser program and Manager Production Planning and Control. His last post with Newport News Shipbuilding was as Senior Liaison Manager of the Cruiser Program.

The Industrial Products Department is responsible for the company's non-ship related products. Among these "products" have been large pressure vessels for the oil and chemical industries, stainless steel core structures for nuclear boiling water reactors, hold down clamps used by NASA in its Saturn V program, the anchorage support system for the Verrazano Narrows Bridge and a half mile long conical shock tube for the Naval Weapons Laboratory.

Sharing Thoughts

TOWARD THE FUTURE

As I indicated in this column a few months ago, your management has a well-defined strategy for returning this corporation to a profitable position. One of the keystones of that strategy is increasing the productivity of the yard substantially through the use of foreign technology. This will not only make us one of the top shipyards in the United States but also will lessen our vulnerability to foreign competition in the event that Congress reduces the Construction Differential Subsidy Program.

Sun Ship plans to implement foreign technology by drawing on the expertise of five individuals who have been active in the Swedish shipyards. They will be here for up to three years. Each will be experienced in a particular area — central planning, computer design, engineering, operations, and overall shipbuilding. Elsewhere in this month's Sun Ship Log is an article and picture of the first of these Swedish shipbuilders to join us. Get to know them; listen to them. In your dealings with them, as well as with our customers, employees, and others, begin to ask yourself, "What can I learn from them; how can we use what they suggest?"

Peter S. Hepp

Sun Ship Signs Contract with PRMSA

Sun Ship has signed a \$29 million contract with the Puerto Rico Maritime Shipping Authority for major conversion work on the S.S. Ponce, a roll-on/roll-off trailership.

Highlights of the conversion include the addition of a 90 ft. midbody and a spar deck and a repowering of the vessel with new boilers.

Addition of the midbody and spar deck will increase the ship's cargo-carrying capacity by approximately 40 percent, permitting the stowage of 390 40-ft. trailers and 126 automobiles.

The conversion will take 18 months to complete following the arrival of the Ponce in the shipyard.

Originally designed and constructed by Sun as the S.S. Ponce De Leon (Sun Hull No. 647), this vessel was the first in a series of ten trailerships the yard built.

The keel for the ship was laid in February, 1967. The trailership was launched on November 16, 1967. The vessel has served in the U.S. to Puerto Rico trade since its delivery in March, 1968.

Foreign Technology

During the Second World War, Sun Ship grew to be one of the largest shipbuilders in the world, employing 35,000 craftsmen and making significant contribution to the war effort. Experience and productivity were second to none. After World War II, the U.S. shipbuilding industry declined. The Swedes, and later the Japanese, took American expertise and applied modern management to it. Gradually they pulled ahead in productivity and profitability.

"Production, modernization and expansion at Sun Ship is an on-going process," says Peter S. Hepp, Sun Ship president. "We're committed to upgrading our facilities and methods to maintain our competitive edge in the U.S. shipbuilding market. To this end, we have decided to import the best methods and technology from wherever available, and we have asked several Swedish shipbuilders to help us."

The first of the Swedes to work with Sun Ship is Sigurdur Ingvason. An international consultant, Mr. Ingvason has spent all of his life in the shipbuilding industry.

"What I am doing here is drawing from my knowledge of shipbuilding and showing how Sun can be the most productive shipyard in this country. I offer no modification to Sun's system that has not already been proven to be successful in other shipyards," said Mr. Ingvason.

One way in which he feels productivity can increase is to improve the flow of communications from the engineering and planning areas to operations. Productive shipbuilding means getting the correct information to the correct workers at the right time, including materials. Surplus information must be eliminated, and information, in terms of instructions and drawings, must be streamlined and simplified. Unnecessary steps in the flow of information must be eliminated. So must duplication of efforts. Planning must work both as centralized and decentralized.

Quality control, too, Mr. Ingvason sees, begins not with the inspector but with the individual worker and supervisor. Quality is ensured when the worker gets the right information to the right person in time. But, he feels, too, that quality begins before drawings even reach the worker. Direct leadership is the first step in quality control.

Mr. Ingvason, who holds numerous patents in the marine industry, including a dry dock, owns his own consulting firm in London. Prior to consulting, he was president of Arendal yard in Gothenberg. Arendal is Sweden's second largest shipyard. Together, the staff and workers equal 4,500 people. The Arendal yard built, during Mr. Ingvason's tenure as president, nine ships per year.

Prior to serving at Arendal, Mr. Ingvason worked at Kockums in Sweden, serving in a number of posts, from 1964 to 1971. His last post was head of production technology, and central planning. Here he was responsible for investigating the complex problems and methods of working and organizing. According to one Kockums official, his wide knowledge and marked creativity resulted in many improvements in productivity for the yard. In many cases, he stated, these were found in modification of design.

Before going to Kockums, Mr. Ingvason worked at Aktiebolaget Gavlö Varv from 1954 to 1964. Here he had responsibility for the engineering, planning and later production. Prior to that, he worked at the Eriksberg Mek. Verkstads Aktiebolag from 1951 to 1954 in the steel department with responsibility for preparation of working drawings and parts scheduling for cargo ships.

Like most of the world's shipyards, Kockums and other great Swedish yards are not in the best of financial health. "This is due to a number of circumstances, including the depressed world market, the social situation and the political situation," Mr. Ingvason notes. "Swedish shipbuilders' problems have occurred for a number of reasons, but not because they are inefficient in design and planning."



Carl Gustav Hakansson (left) and Sigurdur Ingvason (center) check over plans with Sun Ship's Joe Messmer, Manager of Central Planning. Messrs. Hakansson and

Ingvason are the first Swedish shipbuilders to work with Sun Ship in implementing foreign shipbuilding technology to improve productivity.

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Contributing Means More Than Employment

Someone in Sun's personnel department once said that it seemed as if everyone who lives in Chester worked at Sun Ship at one time or another. Although this observation pushes the facts of the matter a little too far, the central point that there is a lot of Chester in Sun Ship, and Sun Ship in Chester, is certainly true. With a hefty payroll and a substantial amount of money in local taxes, Sun Ship plays a significant part in the economic well-being of Chester and the Delaware Valley area in general.

Sun's economic contribution to the area goes further than salaries and benefits for its employees or the tax revenues generated; for the company contributes financially in yet another fashion. Through its Contributions Committee, Sun makes a monetary impact on the community by helping agencies whose work makes the area a better place to live.

Sun's most outstanding contribution is to the United Way, the community agency providing funds for its 39 member agencies dedicated to helping people. This year's corporate pledge amounted to \$35,000. This money added to the employees' contribution of \$124,838 totals \$159,838 which represents 15% of the total funding for the United Way of Southeast Delaware Co. Sun Ship also makes a significant financial contribution to the Crozer-Chester Medical Center, specifically in its funding drive for the Northeast Wing of the Burn Center. In addition to giving to area agencies, Sun Ship allocates funds to education.

Sun's two scholarships offered to employees' children are made possible through the Contributions Committee. The scholarship program is administered through the National Merit Foundation. The shipyard also contributes a specified amount towards a black scholar in the National Merit program.

Local colleges such as Swarthmore and Widener,

receive financial aid from the shipyard. Swarthmore College's "Upward Bound" Program is a recipient. The college's program permits underprivileged children from the Chester area to receive training which attempts to create good study attitudes enabling them to go to college after graduation from high school. "Project Prepare" of Widener College aids low-income disadvantaged youth in making a successful transition from high school to college life.

In another area, the Elwyn Institute program of rehabilitating the handicapped and preparing mentally retarded for useful occupation is made possible in part by a grant from Sun Ship. Goodwill Industries' Funding drive to construct its Central Rehabilitation Facilities is receiving a special amount over a three-year period.

In the immediate locality, the Thomas M. Thomas Community Center's needs are met partially through the financial help of the shipyard. The day care nursery service concentrates on the early years of child development.

A large number of contribution recipients remain constant, although they do change from year to year. The Contributions Committee meets once a month to consider requests. Committee members include George C. Liacouras, chairman, Willis Glenn, Welding, Ed McDewitt, Human Resources, Peirce Bawner, Estimating, Ray Burgess, Finance, serves as Secretary to the committee.

All money is given freely, with no strings attached. "We never even expect a thank-you note," said one member of the committee. However, the Contributions Committee has a file drawer full of them. And although stated simply, the sentiments from one community member sort of sums them up, "I find it very difficult to put into words just how much your gift means to our community . . . Please thank everyone who had any part in making the gift possible."

Anniversaries



A. ROBINSON, JR.
8-314
45 Years



A. ROSKUS
33-395
40 Years



J. APRIL
55-98
35 Years



F. DAMICO
31-91
35 Years



W. WILSON
45-70
35 Years



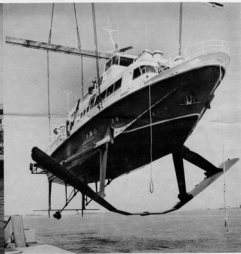
S. MANGERI
84-104
25 Years

"The Ins . . .

And Outs"



While docked at number 4 pier, the Princess of the Waves looks rather ordinary but, out of the water—Surprise! What



a Difference? This hydrofoil is one of three being repaired at Sun. When work is completed, all vessels will operate on the Great Lakes.

New Logo — New Direction



Sun has a new corporate symbol. The orange rising sun has replaced the blue and yellow boxed diamond. "The new logo is symbolic of the future of the company," said Joseph J. Kleschick, Vice President of Marketing, who suggested the new logo. "The rising sun is indicative of the bright future prospects for the shipyard."

"We have achieved a turn around in our business outlook in winning more than \$350 million worth of business in new construction work with an additional \$16 million in repairs for the U.S. Navy in the past 18 months. It's important to realize," continues Mr. Kleschick, "that while the company is taking a new impetus, its a direction founded on past experience. We go into areas with past experience as designers and builders of high technology ships with proven records of performance."

The decision to develop a new logo is based upon the changing marketing direction of the shipyard. Sun has re-emphasized its outside sales and marketing activities. The company is re-establishing itself in the commercial ship building market and additionally is seeking increased ship repair and industrial sales work. As a result of the new direction, Sun has re-entered the U.S. Navy repair and construction business. "Even though we are competing successfully in the commercial shipbuilding area we are bidding on government work that provides over 50% of the repair and construction business in this country," says Mr. Kleschick. "The company's marketing division has identified those Navy construction programs applicable to our shipbuilding expertise. As a result of those efforts, Sun Ship fully expects to be a serious contender for the Navy's new construction business in 1979."

As an example of the new direction in marketing and sales activities, the company is participating in trade shows. Sun Ship recently had an exhibit booth at the Offshore Technology Conference in Houston, Texas. The purpose of the company's participation was to re-introduce itself to and develop additional business contacts in the offshore technology area. The company also participated in a trade show for the American Society of Naval Engineers in Washington, D.C. which gave the company new exposure for Navy work.

The new logo, shown above, is based upon the recently designed logo for Sun Co., the shipyard's parent corporation. "While rooted in the parent company's logo, the new shipyard logo provides a distinctive image reflecting our rising posture in the market place," said Mr. Kleschick. "Of course," he continues, "we saw no reason to change from the very acceptable 'Sun Ship' identity which is very familiar and comfortable to our employees, neighbors and past business relations."



Joseph J. Kleschick, Vice President — Marketing and C. Richard Orth, Director of Sales, stand before the shipyard exhibit that was used in the American Society of Naval

Engineers trade show in Washington, D.C. recently. The company's participation in this show is indicative of its aggressive marketing posture. At the top of the exhibit is the company's new logo.



Crawford Carter receives his certificate of achievement from shipyard president Peter S. Hepp during the Maintenance Division's educational awards ceremony. Mr. Carter was one of 70 shipyard employees who completed the first semester of the continuing educational program. The all volunteer program, conducted after work hours, provides

shipyard employees with the necessary skills needed in maintaining and repairing the wide range of equipment found throughout the yard. Areas of study for this group included basic hydraulics, math, blueprint reading and introduction to electricity and electronics. The second semester of course offerings will begin in September.