



# **NSRP SP-3 PANEL**

## **Report from the Chair**

**January 31, 2006**

**Tampa, FL**



# Topics

- **Anti-Trust Rules**
- **SP-3 Panel Shipyard Representatives**
- **Panel Statistics**
- **Meeting Agenda**
- **First Marine International report**
- **Future NSRP Related Meetings**
- **View from the “Chair”**



# Anti-Trust Rules

- **Regarding your company's and/or your competitors' products and services**
  - Do not discuss current or future prices.
  - Do not discuss any increase or decrease in price.
  - Do not discuss standardizing or stabilizing prices.
  - Do not discuss controlling sales or allocating markets for any product.
  - Do not discuss future design or marketing strategies.
- **Regarding your company's and/or your competitors' selection of their supplier companies:**
  - Do not discuss refusing to deal with a company because of its pricing or distribution practices.
  - Do not discuss strategies or plans to award business or remove business from a specific company.
- **Regarding your company's and/or competitors' trade secrets:**
  - Do not discuss trade secrets or confidential information of your company or any other participant.



## **SP-3 Panel Shipyard Representatives**

**Atlantic Marine - Alan Curtis**

**Avondale – (TBD)**

**Bender - J. W Napper**

**Bath Iron Works - Mike Ferrell**

**Electric Boat - Skip Castro**

**Fleet Rep - John Kern**

**Ingalls - Terry Hayes**

**NASSCO - Judie Blakey**

**Newport News – Danny McDowell**

**Todd - Pete Judt**

**Panel Chair - Mark Panosky, Electric Boat**

**Panel Vice-Chair - Alan Curtis, Atlantic Marine**

**NAVSEA Rep - Dail Thomas**



## **SP-3 Panel Statistics**

- **January 2005, Las Vegas, NV**
  - 36 attendees
  - Held in conjunction with the PACE Conference
- **June 2005, Louisville, KY**
  - 61 attendees
  - Held in conjunction with the Mega-Rust 2005 Conference
- **November 2005, Jacksonville FL**
  - 43 attendees
  - Demo of blasting equipment at Atlantic Marine



# Meeting Agenda



# **SBIR Topics Needed**

**The SP-3 Panel has an opportunity to make recommendations for topics that small businesses could work on**

**What shall we recommend?**

**Bill Palko will elaborate.**



## **Mega-Rust is Soliciting Technical Papers**

- **Industrial and Military Coatings**
- **Corrosion Inhibitors**
- **Surface Preparation**
- **Successful Application of New Products**
- **Environmentally Compliant Processes**
- **Lessons Learned**
- **Corrosion Control Methods**
  
- **Title and short abstract due March 3**
- **Final papers due April 28**
- **See [www.NSTCenter.com](http://www.NSTCenter.com) for more details**



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## **Paint Warranty Working Group**

- **The Panel Chair is the SP-3 representative to the NAVSEA working group on paint warrantees.**
- **Comments were solicited from the member shipyards on the draft warranty that was presented at the November meeting.**
- **Only three shipyards provided comments.**
- **These comments have been submitted to NAVSEA.**
- **Paint Warrantees will be discussed today at 2:20 pm as part of the Mega-Rust meeting.**



## First Marine International Report

While there has been marked increase in the rate of improvement in U.S. shipyards since 2001, and the technology gap between U.S. and foreign shipyards is closing, individual U.S. yards still have a way to go to close performance gaps, according to an independent study examining the cost effectiveness of the Navy's ship construction program.

In all but one of seven categories, U.S. shipyards lag behind their international counterparts, according to a study by U.K.-based First Marine International (FMI), a marine industry consulting service, which conducted the survey for the Under Secretary of Defense for Acquisition, Technology and Logistics.

The study compared six U.S. shipyards and seven international yards in Asia and Europe.

## What the report recommended

- Gain a more in-depth understanding of the relationship between ship specification, complexity and work content and work with design authorities to reduce the inherent work content of naval vessels while not compromising functionality;
- Review the acquisition rules, regulations and practices to determine if each adds value and work with the shipyards to find ways to reduce the effect these have on shipyard work content. (i.e., reduce customer factor);
- Stabilize the ship acquisition program;
- Improve shipyard incentives; and
- Continue to support performance improvement initiatives such as the National Shipbuilding Research Program.



# First Marine International Report

U.S. shipyards fared better than foreign yards in outfit manufacturing and storage.

"The main reason for this is that international yards outsource the majority of outfit manufacturing and retain only a basic capability," the report said. "Although some further investment is required, outfit manufacturing in U.S. yards is relatively well organized, having benefited from various lean initiatives in recent years."

However, the report adds that U.S. yards scored low in pipe manufacturing because "some equipment is quite basic, there is a relatively low-level of automation and many shops are not focused on manufacturing pipe families."

"One serious performance inhibitor in outfit manufacturing is the product variety the U.S. shops have to deal with, and the lack of focus on interim product families," the report said.

In the remaining elements: steelwork production; pre-erection activities; ship construction and outfitting; yard layout and environment; design, engineering and production engineering; and organization and operating systems, the United States lags behind the international facilities included in the study.



# First Marine International Report

"The largest technology gaps occur in steelwork production and the pre-erection activities which includes pre-erection outfitting and outfit module build," according to the study. U.S. shipyards have made significant investment and advances in the use of technology in steelwork, however, it remains "one of the lowest scoring groups and there is a significant technology gap when compared with the international yards surveyed," according to the report.

U.S. yards have made negligible improvement in the storage and treatment of steel over the last five years, the study said. "Little has changed in the stockyards; stock levels have reduced but are still very high compared to the international yards and in some cases materials handling methods are outdated. Of all the production elements, these areas are the furthest behind the international yards."

In the past five years, significant improvements have occurred in the areas of minor assembly, sub-assembly and flat unit assembly, placing U.S. shipyards on equal footing with the foreign yards in the study. The improvements have come about as a result of investment in new equipment and introduction of more mechanized assembly lines and the wide use of cell-based manufacturing, the report stated.

"In these and the other assembly areas, U.S. yards have made good progress in closing the gap with their international counterparts although there is considerable room for further improvements. In all the assembly stages, a particular weakness compared to overseas yards is the lack of focus on variety reduction and product standardization," according to the study.



## **Future SP-3 Panel Meetings**

- 1. Mega-Rust Conference, June 12-15, 2006,  
Norfolk VA**
- 2. NSRP All-Panel Conference, date and location TBD**
- 3. SNAME Conference, October 10-13, 2006,  
Fort Lauderdale, FL**
- 4. Seattle, October 2006 ?**
- 5. San Diego, January 2007 ?**
- 6. Dallas, February 2007 (with PACE)**

# Jacksonville, November 2005



THE END