U.S. shipyards play an important role in supporting our Nation’s maritime presence by building and repairing our domestic fleet. The U.S. commercial shipbuilding and repair industry also has a significant impact on our national economy by adding billions of dollars to U.S. economic output annually. The industry purchases components produced by other industries located throughout the U.S. In 2006, capital investments in the U.S. shipbuilding and repair industry amounted to $270 million. Over the six-year period from 2000 to 2005, a total of $2.336 billion was invested in the industry. The commercial shipbuilding and ship repair industry is a pillar of the American skilled labor workforce employing nearly 40,000 skilled workers.

Aker Philadelphia is a recent success story for the American shipbuilding industry. Not too long ago, the land where Aker now stands was a closed U.S. Navy shipyard. Today Aker is scheduled to deliver six vessels with a combined value of $700 million, and has a backlog of up to another 11 vessels worth in excess of $1 billion. The shipyard went from zero jobs in 1997 to a workforce of over 1,300 employees today.

Since the mid 1990’s, the industry has been experiencing a period of expansion and renewal. The current expansion is largely market-driven, backed by long-term customer commitments. The new assets are much different and more productive than those they replace. For example, articulated double-hull tank barge units (ATB’s) have replaced single-hull product tankers in U.S. coastal trades, new duel propulsion double-hull crude carriers have replaced 30+ year-old, steam propulsion single-hull crude carriers in our Alaska/West oil trades. The new crude carriers are larger, faster, more fuel efficient and have a four-fold increase in pumping capacity over the vessels they replaced. Almost $5 billion worth of double hull construction and conversion work will take place by 2015 to meet the double hull requirement under Oil Pollution Act of 1990.
The Maritime Administration recognizes that construction of vessels for the Nation’s marine highway system could also result in significant new construction and repair opportunities for U.S. shipyards. In addition, the shipbuilding industry is developing vessel portfolios that can be leveraged by the government including military vessels to meet the nation’s needs in time of national emergency. The Navy’s Littoral Combat Ship and Joint High Speed Vessel programs are based on commercially designed and available vessels are examples of such vessel designs.

The Maritime Administration plays a key role in developing international rules, standards and policies affecting the shipbuilding industry. Among these is the continuation of the statutory provisions which exempt the domestic-build requirements of the Jones Act from the national treatment requirements of the General Agreement on Tariffs and Trade/World Trade Organization.

The International Maritime Organization (IMO) regulates international shipping and the International Organization for Standardization (ISO) develops standards for shipbuilding. As a member of several IMO and ISO technical committees, the Maritime Administration plays a key role in helping to develop these important international rules and standards. The Agency’s membership is a direct result of its demonstrated expertise in ship design and engineering, ship operations, and ship repair and maintenance. In addition, the Agency also has a longstanding relationship with the marine transportation community and contributes ships as testing platforms for various new technologies.

Besides its work with the IMO and ISO, the Maritime Administration collaborates with the shipbuilding industry to find technological solutions to the environmental problems associated with the construction and design of ships. By incorporating new shipbuilding designs and technologies into their latest products, U.S. shipbuilders can help solve ballast water and ship waste challenges. Shipyards are also committed to reducing on-the-job injuries and accidents. In recent years, the shipbuilding and repair industry and the Occupational Safety and Health Administration (OSHA) have formed and renewed partnerships to focus on specific areas of shipyard safety and on the means to improve communication between OSHA and the industry to enhance the safety of shipyard workers. These efforts help to assure that the U.S. shipyards will continue to build some of the safest and most technologically advanced ships in the world.