

The Littoral Combat Ship strengthens the economy of northeastern Wisconsin



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MARINETTE — The river here doesn't have the reputation of the Wisconsin River, the size of the Mississippi, or the romance and poetry of the Brule or Flambeau.

But the Menominee River, which separates Wisconsin from Michigan's Upper Peninsula, has always attracted those who aren't afraid to sweat and get their hands dirty for a day's wages.

Native American encampments, fur traders and the more than two dozen sawmills that at one time lined the banks of Marinette and neighboring Menominee, Mich., are gone, but the hard work from this two-city community of about 19,000 people is far from absent.

The proof will slide into the river on Wednesday with a spectacular \$450 million splash from the 389-foot USS Milwaukee. The boat, small by U.S. Navy standards but enormous for the river, is the third littoral combat ship (LCS) to be completed by the welders, pipe fitters, electricians, engineers and others who are part of Marinette Marine Corp. and its growing workforce of 1,400 people.

"When you've seen all the ships they've built and all of the christenings, it truly is amazing. It takes your breath away. It's like a birth," said Dixie Elliott, 65, who for the last 31 years has owned a two-chair barbershop that overlooks the shipyard. "You're in awe because you know that's going to go somewhere and do something. I look down there, and I don't even recognize it as the same Marinette Marine."

Since 2009, the company, a subsidiary of Italian shipbuilder Fincantieri-Cantieri Navali Italiana S.p.A., has spent

\$74 million to nearly double its indoor production space to 556,000 square feet and has increased its workforce 60 percent. By April, the company plans to add 150 more employees for its LCS program in conjunction with Lockheed Martin, the prime contractor. The boats are designed to operate in shallow water, maneuver at high speeds, have a smaller crew than most ships and could be used by special forces anywhere in the world.

The boats are also helping to stabilize the economy of Marinette County, where the unemployment rate in October was 7 percent. That ranked it tied for 56th out of the state's 72 counties compared to the 5.7 percent statewide unemployment rate, according to the state Department of Workforce Development.

Officials say shipyard improvements were done specifically for the LCS program but could ensure that Marinette Marine remains viable long after the last LCS is built.

“We’ve now built up to be able to build two (LCS) ships per year,” said Chuck Goddard, president, CEO and general manager. “Obviously, it’s a winner-take-all, and if we and Lockheed are successful, we’ll just keep building LCSes for a long time. If LCS doesn’t fill that, we’ll go look for some other work.”

Lockheed Martin has contracted with Austel USA in Mobile, Ala., and Marinette Marine for its 52-ship LCS program. Marinette’s first LCS was the \$650 million USS Freedom that launched in 2006 but which was initially plagued with a cracked hull, propulsion problems and exhaust leaks.

Joe North, Lockheed Martin vice president of Littoral Ship Systems, said those problems have been resolved while the cost of the ships has decreased. In addition, the LCS program has the support of U.S. Navy Secretary Ray Mabus, who visited the shipyard in September and reiterated the Navy’s commitment to buy more of the ships.

North said Lockheed Martin and Marinette Marine have learned from problems with the Freedom, deployed in Southeast Asia, to improve on design and construction. Ultimately, the cost of the ships will be about \$360 million apiece.

“The lead ships are what we want to learn the lessons on,” North said. “The fleet is very satisfied with what we’re delivering.”

Marinette Marine, founded in 1942, is attracting workers from around Wisconsin and the Upper Peninsula of Michigan, has contracted with Northeast Wisconsin Technical College to provide training for new and existing workers, and is working with nine area high schools to provide skilled-trades training. However, the company has struggled to find qualified professional workers in finance, scheduling, planning and other office positions, and it has been difficult to find qualified aluminum and steel welders and other skilled workers from the immediate area who can pass company drug tests, Goddard said.

“That is an issue in this area,” Goddard said. “It’s amazing to me that even though you tell people you’re going to test them, they still come in and fail the drug test.” Others in the community worry about the political and fiscal winds in Washington, D.C.

“With the government in the situation it is in financially, you wonder how long they can keep building ships,” said Elliot, the barber, who has seen her share of strikes and lockouts at the shipyard. “It worries me when the government shuts down and they’re out of money. It frightens me, the whole situation with the economy.”

But for years to come, Marinette Marine should be one of the bright spots in the state economy. The USS Fort Worth, now stationed in San Diego, was delivered by Marinette Marine to the Navy in 2012. The USS Milwaukee is scheduled to launch this week and the Detroit, Sioux City and the Little Rock, her keel laid in June, are all at varying points of construction here. Six other ships have also been scheduled for construction in Marinette through 2016.

“We think we have the best mid-tier shipbuilder in the country,” North said of Marinette Marine. “This is kind of right in the sweet spot for them. They’ve handled some ships larger and some ships smaller, but they’re doing a great job on the (LCS) program. It’s a state-of-the-art facility.”

When Goddard arrived in 2011, two years after the shipyard was purchased by Fincantieri, Marinette Marine employed about 800 people. The company had contracts, however, to build a regional research vessel for the University of Alaska-Fairbanks and a fishery survey vessel for the National Oceanic and Atmospheric Administration. Both of those boats have been completed, but without those contracts, the workforce likely would have dropped to 400, Goddard said. Now, the shipyard, where about 2,000 people a day pass through the security gates, including subcontractors, is focused only on LCS work.

“Some of the subcontractors coming here are very specialized,” Goddard said. “They come with a certain senior level skill set.”

The improvements also include a \$3 million project by the city of Marinette to reconstruct two city streets that feed into Marinette Marine and redo an aging rail spur that is instrumental for bringing in 40-foot-long sheets of steel to the shipyard. The state Department of Transportation contributed \$812,500 to the project. The agency’s secretary, Mark Gottlieb, a Navy veteran and an engineer, toured the facility in October.

“It’s very impressive what’s happening here. I think (the potential) is probably unlimited,” said Gottlieb. “As they continue to show the ability to perform well with these contracts, it would seem to me like the sky is the limit.”

The major improvements to the shipyard include the addition of a steel fabrication building that includes 500-ton press brakes and 12-meter seam welders. There’s a blast and paint facility, and another building where modular ship sections are constructed. The largest building in the yard is the hull block erection facility. At 590 feet by 205 feet — or almost twice the length of a football field and as wide as a hockey rink is long — it has almost doubled in size.

This is where the final major stages of a boat’s construction take place, and where the LCS, which takes two years to build, is equipped. Another year is spent testing the boat and running it through trials on Lake Michigan, sometimes as far south as Milwaukee.

“At 45 knots (52 mph), you can cover a lot of distance,” Goddard said.

In its more than 70-year history, Marinette Marine has built a diverse line of vessels. It began with a contract to build five wooden barges for World War II. Since that time, the shipyard, privately held until Manitowoc Corp. bought the facility in 1999, has made more than 1,500 vessels. They include ice breakers, buoy tenders, fishing boats, tugs, landing craft and, in 2004, the Guy V. Molinari, a 300-foot-long, 4,500-passenger ferry boat for the eight-vessel fleet of the Staten Island Ferry in New York.

The littoral combat ships add not only to the shipyard’s history but to the economic integrity of the region.

“It’s been huge for this county, but it’s impacted the whole state,” said Ann Hartnell, Marinette County’s economic development director. “In some ways its incalculable because the other businesses around it end up growing, too. Even unrelated businesses tend to benefit.”

Marinette Marine

Marinette Marine Corporation

Founded: 1942

Owned by: Fincantieri-Cantieri Navali Italiana S.p.A.

Employees in Marinette: 1,400

Other Wisconsin companies: Bay Shipbuilding in Sturgeon Bay and ACE Marine in Green Bay.

Littoral Combat Ships: Completed are the USS Freedom, USS Fort Worth and USS Milwaukee. Under construction are the USS Little Rock, USS Detroit and USS Sioux City. Six other ships have been awarded.

Littoral Combat Ship program

Prime Contractor: Lockheed Martin Corp.

Ship builders: Marinette Marine Corp. and Austel USA in Mobile, Ala.

Naval architect: Gibbs & Cox

Number of ships planned: 52 between Marinette and Mobile

Cost: \$650 to \$360 million per boat

Design: Advanced semi-planing steel monohull

Length: 389 feet

Weight: 3,200 metric tons

Crew: 50

Sprint speed: 40 knots

Uses: Anti-surface and shallow anti-submarine warfare, mine countermeasures, anti-piracy, special operations, humanitarian and disaster relief and homeland defense.

Each LCS includes: manned aircraft, watercraft, helicopter facilities, decoy launchers, a rolling airframe missile system, 3D radar and the MK46 30mm Naval Weapon System.

If you go

The USS Milwaukee, a littoral combat ship built by Marinette Marine, will launch Wednesday during a ceremony scheduled from 1:15 to 2:15 p.m.

The shipyard is at 1600 Ely St. in Marinette but the best spots for viewing the launch will be in Menominee, Mich., across from the shipyard, or on the bridge that spans the Menominee River.

Web extra

Take a video tour of the Marinette Marine shipyard, see one of the new restaurants that have opened across from the shipyard and checkout more photos from Amber Arnold at www.madison.com/wsj.