

Marine manufacturing remains vital in Wisconsin

Richard Ryman, USA TODAY NETWORK-Wisconsin Published 1:35 p.m. CT Oct. 27, 2014 | Updated 12:53 p.m. CT Dec. 4, 2014

Bay Shipbuilding Company of Sturgeon Bay has been keeping busy due to the high demand of vessels needed to ship petroleum products in the Gulf of Mexico. (Oct. 2014)



(Photo: Evan Siegle/Press-Gazette Media)
CONNECTTWEETLINKEDINCOMMENTEMAILMORE

Wisconsin is far from any ocean, but it remains a significant player in marine manufacturing.

From Marinette Marine and Bay Shipbuilding in the north to Mercury Marine in Fond du Lac, marine manufacturing is a \$6 billion industry in Wisconsin.

"It's an industry that's grown up locally and by and large remained local with the more significant aspect of construction," said Jeffrey Sachse, state labor economist. "Most of that money stays fairly local."

The industry employs 3,200 people statewide, two-thirds of them in Northeastern Wisconsin. Wages range from \$12.50 an hour for entry level and laborer positions to more than \$23 an hour for a wide range of skilled jobs. Sachse said marine manufacturing jobs average between \$46,000 and \$58,000 annually.

"If you are a first-class welder, you could make \$70,000 to \$80,000. If you are a finish welder at Marinette Marine, you can make closer to \$90,000," he said.

The jobs pay well, in part, because most of the boat builders are in rural communities.

"The remote aspects of being in Sturgeon Bay makes (getting workers) complicated," said Bill Behme, human resources manager for Bay Shipbuilding. "We have a number of employees who commute from Green Bay, but when you get to Appleton or other places, it is not a commutable area."

To a large degree, the region's boat makers do not compete with one another. They share ownership — such as Marinette Marine, Bay Shipbuilding and Ace Marine in Green Bay, all owned by Fincantieri Group — or they are in different markets. There is some overlap, but even that is mitigated by contraction in the industry worldwide.

"It's really been an industry, as is the case with a lot of manufacturing sectors in the state, where they benefited from attrition elsewhere," Sachse said. "It's down to two or three companies nationally that do what they do. We can meet a lot of market needs with two or three producers, and we have them."

Maintaining stability

Employment in the marine industry traditionally is subject to the ability to get long-term orders and contracts. Seasonal layoffs were not uncommon, but that's an expensive way to do business. The companies have had some success in evening out the dips.

Marinette Marine, with its long-term contracts for U.S. Navy Littoral Combat Ships, is not affected, but others work to fill those lax periods.

"We do some commercial stuff, too," said Curt Prokash at yacht builder Burger Boat in Manitowoc, "We just finished a research vessel and we are working on our second tour boat. We do some repair stuff as well. You want to keep the people working."

Prokash said a luxury yacht can provide a year-and-a-half to two years' work, so they prefer those orders when available.

Marinette Marine Corp. is the state's largest marine employer. It has six U.S. Navy Littoral Combat Ships under construction, with two more expected to start next year. Maryland-based Lockheed Martin is the prime contractor on the ships built at Marinette Marine.

"We hire a lot of our workforce in the regional area," Jan Allman, Marinette Marine Corp. president and CEO, said in a teleconference earlier this month. "We have about 2,000 people in our yard daily, and since 2009 we've hired, directly, more than 600 workers... We are one of the key economic development players for this area."

Italian shipbuilder Fincantieri invested more than \$100 million in the yards in Marinette and Sturgeon Bay. Most of that money went into Marinette to support the Littoral Combat Ship program.

Under the current contract with the Navy, Littoral Combat Ship-related work is scheduled through 2019, said Joe North, Lockheed Martin's vice president of Littoral Ships and Systems. More work is possible after that date if government officials opt to press ahead with the program, which has been scrutinized for both cost and performance of the early ships.

Sachse said the U.S. government is getting close to designating Littoral Combat Ships for sale to NATO members, and second-generation plans are already being proposed, either of which could provide long-term work for Marinette Marine.

Forming an alliance

Marine companies are trying to compete less with one another for employees, working instead to build a bigger labor pool. They've formed the North Coast Marine Manufacturing Alliance and are working with high schools and technical colleges to attract and train more workers.

"We're in constant communication with these institutions over innovative ways to train our future and current workforce," Marinette Marine's Allman said.

Sister company Bay Shipbuilding takes a similar approach.

"We have a close working relationship with the high schools and with trade schools as far away as Madison and Illinois," Behme said. "We are working with NWTC in developing course for unskilled individuals."

Northeast Wisconsin Technical College created two marine manufacturing programs three years ago, turning out mechanical designs and welders, primarily.

"Through the help of the marine alliance, we secured some grants for training welders," said Mark Weber, dean of Trades & Engineering Technologies. "We also do direct training for those companies."

Weber said Wisconsin has two advantages in the industry, not necessarily specific to marine manufacturing.

"The advantage we bring is that Midwestern work ethic. I think that's one of the reasons we are successful now," he said. "And there's the whole supply chain. There's a lot of work put into that. We have that because we are a manufacturing area."