

The Shipbuilder

July 2008

Jim Miller's Top 5

1. **Favorite sport:**
Football
2. **Most amazing site visited:** Great Wall of China
3. **Best sports moment:**
Playing against Joe Montana in High School and intercepting him
4. **Favorite quote:**
"It should have been me instead of Montana."
5. **Favorite color:** Orange

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Hello from Jim Miller, President & CEO



It is an honor to be your new President & CEO. While previously working at Aker Solutions, I watched the yard's evolution over the past few years with great interest. Dave Meehan, the management team, and all of you have done a remarkable job in forging a successful business including improvements in HSE, productivity and profitability. I appreciate that this road has been challenging and your dedication is to be truly commended.

My role is simply to lead, inspire and support all of you to rise from "good to great." We will continue to foster a culture of open and honest communication, creativity, innovation, and continuous improvement. Prior to my start date, I spent some time with our management team and toured the yard. I was impressed with the talent and most of all with

the universal attitude that 'we can and will get significantly better.' During those discussions I informally laid out my platform going forward.

First and most important is **Health, Safety, and Environment**. We will be relentless in our pursuit to make even greater gains in this area. We must **believe** that all incidents are preventable and establish a **Zero** incident mindset. This will be my major focus because it is morally right and the biggest area where we can improve efficiency and production.

Second, we will be very open and listen to each other. This will enable us to recognize and discuss issues, develop solutions, and most importantly implement them through good communication. I challenge myself and our management team to be in touch with the "pulse" of the production people and really understand what we need to do to help them become better.

Third, we will empower and delegate decision making to the appropriate levels. I will encourage you to make those decisions and give you the responsibility and accountability that goes with it. We will continue to be more proactive and less reactive. If we make a bad decision, we will have

the courage to admit it and make the proper adjustments.

Fourth, we must have a learning culture. We are all human and will inevitably make mistakes. However, the key to making a mistake is to only make it once – we will learn from them and move forward. The other aspect of learning is to understand and respect what others in the industry are doing and copy the best ideas and practices. The greatest barrier to listening and absorbing better practices is the mindset that "we are different and that will not work here." Instead of stating why we can't do something, ask "why not?"

Fifth, you have my total commitment and energy and I expect the same in return. Once you get to know me, you will see my passion for the business and my strong desire for greatness. By the way, let's have some fun during our journey together.

In closing, please stay focused and keep the "ship" going full speed. Don't wait for me, I am a quick learner and will catch up. I look forward to meeting all of you at some point, and in the meantime, don't be afraid to stop me and say hello.

Best wishes,



APSI Supports Education Initiatives

This month, Aker Philadelphia Shipyard will celebrate two milestones in education. The first apprenticeship class is graduating later this month and the yard's first scholarship recipients have been awarded.

Congratulations Alex Bidy, Joshua Byrne and John Gallagher for graduating from the first apprentice class. In your four years of training and education, you have pio-

neered this program with much success. Your talents and commitment to excellence will help lead this yard and future apprentices as we continue to become the premier commercial shipyard in the United States.

Also, congratulations to Grzegorz Czaplak (son of Production employee Zbigniew Czaplak), and Nicholas J. Krouse (son of Jeffrey J. Krouse of the Planning de-

partment). Both are the first recipients of the Aker Philadelphia Shipyard Sons and Daughters Scholarship, an education initiative started this year to help finance higher education for children of employees.

Each student currently attends Temple University. On behalf of everyone at the yard, we wish you the best of luck in all of your future endeavors.

Did You Know?

The largest fireworks display on record consisted of 66,326 fireworks in Madeira, Portugal on December 31, 2006.

Fourth of July Fireworks Safety Tips

Firework safety tips from The National Council on Fireworks

- Obey local laws. If fireworks are not legal where you live, do not use them!
- Use fireworks outdoors only.
- Always have water handy, whether in the form of a hose or bucket of water.
- Only use fireworks as intended. Do not try to alter them or combine them.
- Never re-light a "Dud" firework, wait 20 minutes and soak in a bucket of water first.
- Use common sense when using fireworks. Spectators should keep a safe distance from the shooter and the shooter should always wear safety glasses.
- Alcohol and fireworks do not mix. Always have a designated shooter.
- Only persons over the age of 12 should handle sparklers at any time. Sparklers can reach up to 1800 degrees Fahrenheit and can be harmful for young children.

Patrick Miller Heads to Australia

In a summer where the main focus will be on 8.08.08, the Summer Olympic Games, Aker Philadelphia Shipyard will be focusing on 8.27.08—the International Cup for Australian Rules Football (A.R.F.)

All eyes will be on Patrick Miller, a buyer here at the yard. Miller recently made the United States Australian Rules Football Team.

A unique sport that most

resembles soccer and rugby, A.R.F. is quickly gaining popularity in the states. The oval shaped field is large, sizing up at 590 feet long and 492 feet wide, and the players are intense. Eighteen players from each team are on the field at all times.

Patrick's team is heading to Australia for the International Cup tournament—an event held every three years. In 2002 the U.S. team finished

5th, in 2005 finished 3rd and this year they hope to become international champs.

Patrick has been playing for six years and says his favorite memory is making the U.S. team. Now, he hopes to add an International Cup win.

For more information on Australian Rules Football visit www.worldfootynews.com or www.phillyhawks.com.



Patrick Miller during a Philly Hawks game

Ship Updates

Steel was recently cut marking the beginning of construction for Hull 012. Construction of this vessel is significant because it is the first product tanker made by the yard to be converted into a shuttle tanker.

A relatively new technology, shuttle tankers will transport crude oil in the U.S. Gulf of Mexico in deepwater areas with no access to pipelines.

Aker Philadelphia Shipyard will be the first U.S. shipyard to venture into this groundbreaking technology.

When completed, this tanker will be fitted with extra equipment to increase maneuverability and will be time chartered to Petrobras, Inc.

As Hull 012 continues production, Hull 009 prepares to head out for sea trials. The last two bow sections were recently mounted and paint-



Artist rendition of
Generation II Shuttle Tanker

ing and onboard work continues. Shortly after Hull 009 is floated, Hull 010 will be moved forward and keel laying will take place for Hull 011. As always, progress in the building dock can be viewed anytime from our webcam on www.akerphiladelphia.com.

Looking forward, long lead time materials are being purchased for Hulls 017, 018, 019 and 020. These vessels are scheduled to begin production early 2010 and be completed in the middle of 2012.

Summertime Ship Events

012 Steel Cutting

009 Launched

010 Skidded

011 Keel Laying

AIM 200 Is Continuous

The AIM 200 Program has been a strong driver for continuous improvement in the shipyard for the last 18 months. It has challenged each of us to bring ideas to the table and develop them into better processes, improved performance or sometimes just a common sense approach that others don't see. The program is continuing with a direct push for improvement with the following project areas:

- *Preventive Maintenance*- Reducing equipment downtime
- *Human Resources*- Highlighting our needs
- *Shop Focus*- Reducing cost and improving quality
- *Logistics*- Better performance supporting Production
- *Lessons Learned*- Improving by analyses of our past performance

These five areas continue to benefit from ideas that come from each of us and are directly implemented through AIM 200 to the entire organization.

For example, your efforts are paying off in terms of reducing the man hours it takes to build each tanker. The Shop Steel departments improved 15% between ships 008 and 010 and the shipyard as a whole has posted four straight quarters of productivity improvement.

At the same time, an effort has been made to ensure that the continuous improvement focus we have established is continued through each of our Departments.

Welding improvement, for example, initially started as

an AIM 200 focus area. Performance measurements and goals were developed and agreed upon. Over the last few months, as AIM 200 has reduced involvement, the Quality Control (QC) Department has continued on its

own to foster exceptional improvement toward the goals that were set.

AIM 200 has taken on a Quality Assurance role to ensure that QC and other departments continue to develop their performance to the level needed after the direct focus of AIM 200 has ended.

In order for this to be effective we are challenging each team to **say what they do** in their written QA processes. If the processes are accurate then we simply need to **do what we say** and we will all be successful.

“Say what you do and do what you say.”

AIM 200

One of the newest areas is Preventive Maintenance. A maintenance request system has been added to the intranet to improve service and reduce equipment downtime.

**Aker
Philadelphia
Shipyards**

**Help us
help others...**

Leading up to the event, we will be raising money for a local charity by selling polo shirts and dunk tank tickets. Money raised will be matched by Aker Philadelphia Shipyards.

Contact us

We want to know what you're thinking. Please send questions, comments and suggestions to kelly.whitaker@phillyshipyards.com.



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Save the Date

As everyone knows, the yard opened its gates ten years ago when it was reconstructed from the ground up.

Today, the yard employs over 1,200 people, making it one of the largest manufacturing employers in Philadelphia. The shipyard has a solid order backlog and continues to improve each day. Much of our success has been due in large part to our dedicated and talented employees.

This September, it's our turn to give back. To celebrate the shipyard's ten year anniversary, we will be having an employee appreciation event.

Save the date for Saturday, September 13th for Aker Family Day, a ten year celebration.

Please join us, along with your family, to celebrate ten years of hard work and achievements. There will be door prizes, food, games, music and entertainment.

During the event, we will also be recognizing employees

who have been here since the yard's inception. All ten year employees will receive service awards as a symbol of our appreciation and gratitude.

Stay tuned for more information on Aker Family Day, but for now save the date for September 13. It's our day to thank you for helping to build the future of Aker Philadelphia Shipyards.

