

Statement Delivered in Public Testimony

Port of Seattle Commission Meeting

Tuesday, 24 September 2013

Good afternoon, Mr. Chairman and members of the Port Commission. I am John Lockwood, representing Vigor Industrial on Harbor Island. I appreciate the opportunity to provide these comments at today's meeting.

With 10,620 jobs, Washington State is the #10 contributor of labor compensation, jobs, and value added to the country's shipbuilding and repair industry. In Seattle alone, more than 2120 skilled tradesmen and women work at Vigor, Kvichak, Foss, Pacific Fisherman, Lake Union Drydock, and other ship and boat yards. They make an average annual wage of \$73,630. That is 45% higher than the national average for the private sector economy.

I cite these statistics to demonstrate that **These Industrial Jobs Matter!** They represent a valuable and irreplaceable slice of our shrinking middle class. Skilled industrial positions provide family wage jobs for folks without prerequisite four year degrees. They put people to work producing real, tangible, valuable goods. Further, the continued growth of the maritime industrial base in Seattle is key to helping the Port achieve the strategic objectives of its Century Agenda. And, as in every successful public-private partnership, our industry needs the Port's continued strong support with the City, County, and State to maintain the industrial areas and enclaves at which our employees work – and produce - every day.

At Vigor Industrial, we're moving ahead smartly. We're consolidating, modernizing and updating to become more competitive and employ more people. We're pursuing emerging maritime markets like oil and gas support in the Arctic and LNG. Our new training center on Harbor Island is turning out young skilled, certified welders to refresh the industry. We remain committed to reinvigorating the marine industrial base in Seattle and Puget Sound because **These Industrial Jobs Matter!**

Thank you, Mr. Chairman.

Attachments:

1. The Economic Impact of the US Shipbuilding and Repair Industry by the State of Washington
2. The Economic Impact of the US Shipbuilding and Repair Industry by Congressional District WA-7



**THE ECONOMIC IMPACT
OF THE U.S. SHIPBUILDING & REPAIR INDUSTRY
BY THE STATE OF WASHINGTON**

Washington is the #10 state contributor of jobs, labor compensation, and value added related to the shipbuilding and repair industry in the nation.

- There are over 10,620 jobs as a result of domestic shipbuilding and repair in the State of Washington.
- The contribution to GDP in the State is over \$972.8 million annually.
- Nationally, the domestic shipbuilding and repair industry accounts for 402,010 jobs, \$23.9 billion in labor income, and over \$36 billion to the GDP. In 2012, U.S. shipbuilders delivered 1,260 vessels.
- Including direct, indirect and induced impacts, the economic impacts of the industry as widespread and can be found in all 435 congressional districts.
- Each direct job in the shipbuilding and repairing industry leads to another 2.7 jobs nationally. Each dollar of direct labor income leads to another \$2.03 in labor income in other parts of the economy. Each dollar of GDP leads to another \$2.66 in other GDP.
- Average labor income per job was approximately \$73,630 in 2011, 45% higher than the national average for the private sector economy (\$50,786).

***Shipbuilders Council of America (SCA)** is the national trade association representing the U.S. shipyard industry. SCA members constitute the shipyard industrial base that builds, repairs, maintains and modernizes U.S. Navy ships and craft, U.S. Coast Guard vessels of all sizes, as well as vessels for other U.S. government agencies. In addition, SCA members build, repair and service America's fleet of commercial vessels. Learn more at www.shipbuilders.org*



**THE ECONOMIC IMPACT
OF THE U.S. SHIPBUILDING & REPAIR INDUSTRY
BY CONGRESSIONAL DISTRICT WA-7**

Congressional District WA-7, represented by Congressman Jim McDermott (D), contributes jobs, labor compensation, and value added related to the shipbuilding and repair industry.

- WA-7 is home to 2,120 domestic jobs attributable to the shipbuilding and repair industry.
- The total gross domestic product (GDP) from shipbuilding and repair activity in WA-7 exceeds \$233.7 million annually. GDP reflects the income earned by labor, capital and any indirect business taxes generated by the shipbuilding and repairing industry, according to PwC.
- Jobs related to the domestic shipbuilding and repairing industry in WA-7 receive total compensation in excess of \$160.9 million annually.
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- Including direct, indirect and induced impacts, the economic impacts of the industry as widespread and can be found in all 435 congressional districts.
- Each direct job in the shipbuilding and repairing industry leads to another 2.7 jobs nationally. Each dollar of direct labor income leads to another \$2.03 in labor income in other parts of the economy. Each dollar of GDP leads to another \$2.66 in other GDP.
- Average labor income per job was approximately \$73,630 in 2011, 45% higher than the national average for the private sector economy (\$50,786).