

Austal USA Celebrates Opening of Steel Facility



Austal USA hosted a curtain drop ceremony to celebrate the opening of its steel facility. *AUSTAL USA*

MOBILE, Ala. – Austal USA hosted a curtain drop ceremony April 12 to celebrate the opening of the company's state-of-the-art steel facility in front of more than 200 guests, including representatives from the U.S. Navy, Coast Guard, federal, state and local government and the Embassy of Australia, the company said in a release.

The addition of steel shipbuilding capability complements the company's aluminum shipbuilding expertise.

"The opening of the new steel manufacturing line at Austal USA means south Alabama will be able to continue providing high-quality ships for the Navy," said Rep. Jerry Carl (R-Alabama). "This massive \$100 million investment will also create jobs

and spur economic growth throughout the region, while continuing to develop and grow our local workforce with the hiring of countless folks in the trades to meet the demands of the new line.”

“We are so excited to see our plans to add steel to our capabilities come to fruition,” said Austal USA President Rusty Murdaugh. “The addition of steel capability is a game changer as it opens up our capability to support the U.S. Navy, U.S. Coast Guard and other customers with high-quality ships. We appreciate the confidence the Department of Defense and the Department of the Navy have shown in us with the award of the DPA grant to get this project started and look forward to repaying that confidence with our future performance delivering high-quality steel ships.”

The 117,000 square foot manufacturing addition will house computerized and robotic steel processing equipment to handle all of the current and future demands of the U.S. Navy and the U.S. Coast Guard. A 60,000 square foot stock yard will be utilized for handling the raw steel and a 19,500 square foot paint facility will provide the ability to paint and blast simultaneously in two separate cells, or both cells can be combined providing the ability to paint super-modules.

Financing for the new steel production line was provided in part by a Defense Production Act Title III Agreement between the U.S. Department of Defense, in support of the U.S. Navy shipbuilding industrial base, and Austal USA. The agreement, valued at \$50 million, was announced in June 2020 and was part of the national response to COVID-19 to maintain, protect and expand critical domestic shipbuilding and maintenance capacity. Austal USA matched these funds and invested an additional \$50 million into the completion of the steel facility.