

An aerial photograph of an industrial facility, likely a shipyard, with a large blue arrow graphic overlaid. The arrow points downwards and contains the text 'GEM CITY SHIPBUILDING' and an anchor icon with two curved arrows pointing outwards from its base. The background shows a large body of water, a tall smokestack, and various industrial buildings and structures.

**GEM CITY
SHIPBUILDING**



**BUILDING NAVAL POWER AND
ECONOMIC STRENGTH IN ERIE, PA**

ERIE PORT AUTHORITY PRESENTATION JANUARY 28TH, 2026

A VISION FOR ERIE, FOR PA, FOR AMERICA

**GCS presents a Public-Private partnership model to create a shipyard
for the construction of vessels for national defense.**

**By reviving Erie's legacy of naval shipbuilding, GCS will contribute to
national security while invigorating the economy of Erie and
surrounding Great Lakes region.**

EXCLUSIVE BUSINESS

U.S. Shipyard Key to Trump's American Revival Is Already Too Busy

'More space' needed at Korean-owned Philadelphia site, with talks under way to potentially make U.S. naval vessels

By [Timothy W. Martin](#) [Follow](#)

Jan. 8, 2026 6:00 am ET

Forbes

BUSINESS > MANUFACTURING

Can America Recover From Its Shipbuilding Crisis?

By [Jim Vinoski](#), Former Contributor. © An author, speaker, and consultant, I explore the world's industries.

Published Nov 28, 2025, 01:46pm EST, Updated Dec 02, 2025, 01:27pm EST

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FOR SUBSCRIBERS

US Navy shipbuilding is 'a mess.' South Korean companies think they can help fix it

UPDATED OCT 20, 2025

US NAVAL SHIPBUILDING DEFICIT AND PATH FORWARD

- America needs **more ships**
 - US Navy estimates a **230-1 shipbuilding deficit to China** (CRS)
 - China makes 6 naval ships for every 1.8 the US does
- In 2026, PLAN fields **395 ships**, the US fields **296 vessels** (CRS)
 - By 2030, estimates place the PLAN at 435 ships
- By 2032, the US aims to eclipse 300 but grow to **381 vessels by FY2045**
 - Annual Long-Range Shipbuilding plan shows the Navy procuring 3 Small Surface Combatants per year through FY2054
 - DoD, along with bipartisan Congressional/Executive support, is beginning to commit to long-term naval fleet revitalization
- SECNAV John Phelan estimates growth potential of **250,000 jobs for US fleet expansion** (USNI)

GCS MODEL

Clean-Up Erie Coke Site

DoD/DoW Funding

Private Capital Raising



Build-Out GCS Shipyard

Build Shipyard

Build Shiplift and Ship Launch



Build Ships in Erie w/ Strategic Partner

Establish 'Strategic Partnership'

Navy, USCG, Allies Vessels

GCS: THE ART OF THE POSSIBLE

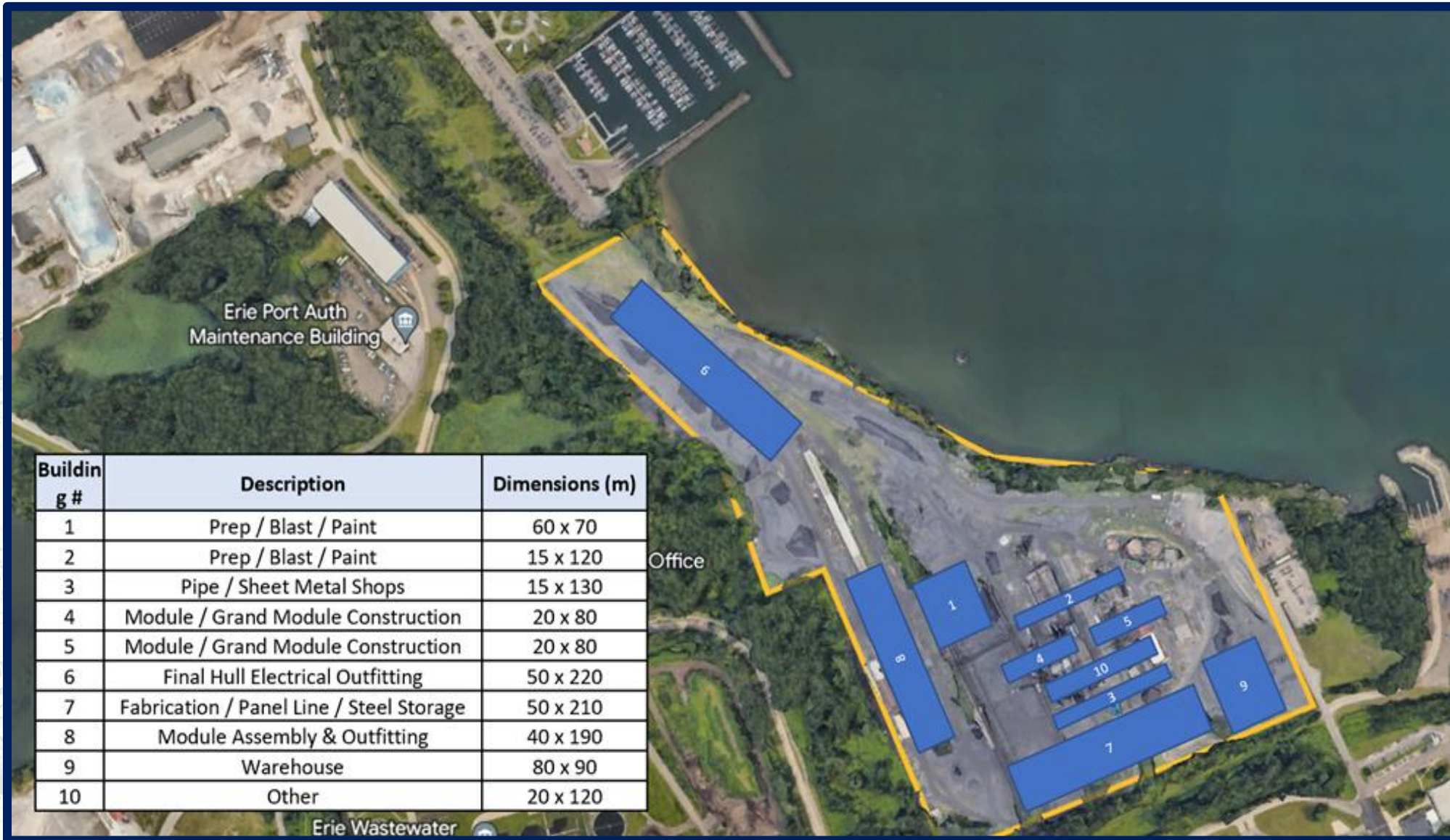


- **Condemned Site**
- **Zero production for seven years**
- **Significant groundwater contamination**



- **Necessitates environmental clean-up**
- **New-build, advanced shipyard**
- **1000+ direct jobs**

GCS: THE ART OF THE POSSIBLE



GCS: THE ART OF THE POSSIBLE



GCS: THE ART OF THE POSSIBLE – SHIP LAUNCH



Draft Lay-Out, would not obstruct Lampe Marina

GCS: POTENTIAL BUILDS



USCG National Security Cutter



USN Landing Ship Medium



Unmanned Vessels



USN FF(X) Frigate

ERIE'S ECONOMIC BENEFIT

- GCS would provide a transformational economic opportunity for Erie
- 2.67 jobs associated downstream for every 1 shipyard job (MARAD)
- High demand for multiple trades:
 - Welders, Steelworkers, Pipefitters, Steamfitters, HVAC, Naval Architects, Engineers, Construction Specialists
- Table below indicates employment at comparable private naval shipyards

Shipyard	Location	Employment
Fincantieri Marinette	Wisconsin	2,175
AUSTAL	Alabama	3,100
Bath Iron Works	Maine	6,900
Hanwha Philly	Pennsylvania	1,800

ERIE'S ECONOMIC BENEFIT

- **Investment in workforce development**
 - On January 8th, Delaware County was given \$8 Million by Dept. of Labor to assist in Maritime Workforce Development
- **Highly Competitive Worker Salary**
 - Avg. Shipyard Salary: **\$62,400 - \$83,200 (SCA)**
 - Avg. Erie County Salary: **\$46,340**
- **Potential paired 'Community Development' initiative**
- **Laundry List of Regional Benefits**
 - Port Authority Revenue Source
 - Education Organizations: Erie Community College, Secondary Institutions,
 - Downstream Business Demand: Metal/Steel Firms, Logistics Firms, Construction, Civil Engineering, Architecture, Hospitality

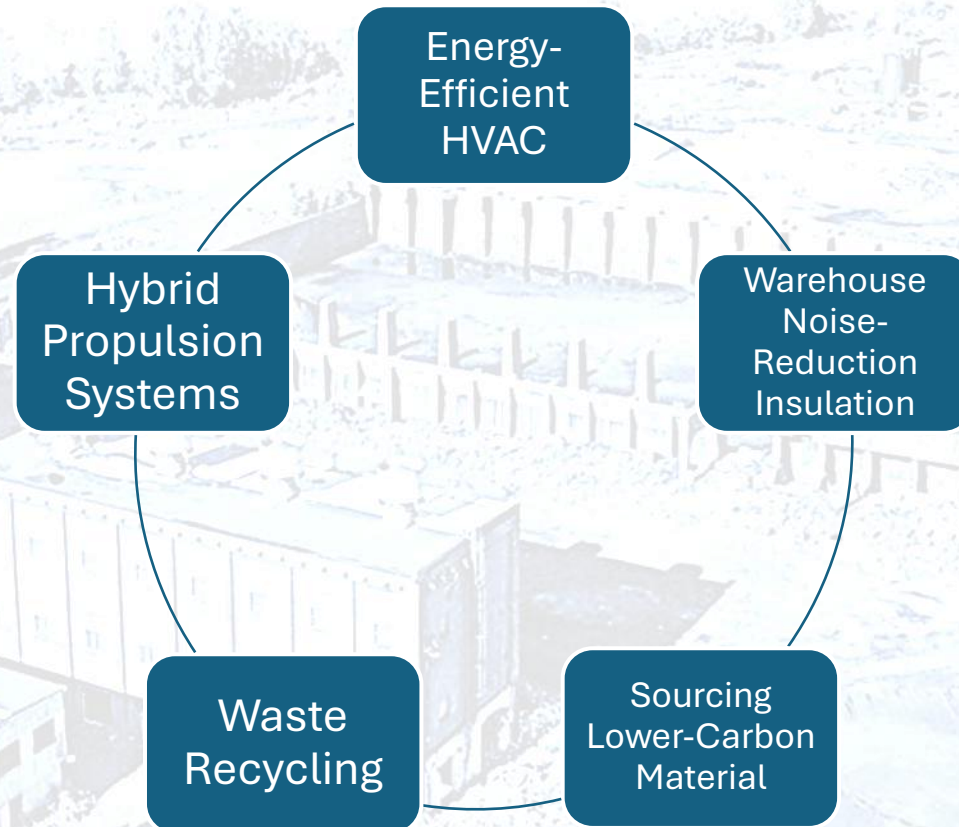
ADDRESSING ENVIRONMENTAL CONCERNS

- GCS would **not** be Erie Coke 2.0
 - GCS would operate in a heavily regulated shipbuilding environment, falling under EPA and NAVSEA Standard Certifications
- Naval shipbuilders are increasingly relying on greener technology to build and install on ships
- Per 2025 ‘Sustainability Reports,’ major US naval shipbuilders reported significant emission decreases and waste recycling

Shipbuilder	2022-2024 Emissions Reduction
Hanwha	16.6%
AUSTAL	11%
Huntington Ingalls	16.4%

ADDRESSING ENVIRONMENTAL CONCERNS

Significant innovation is underway in the shipbuilding industry, with a focus on sustainability and energy-efficiency



PROJECT SUPPORT

- The follow organizations have pledged support for the Naval Yard initiative:
 - **Logistics Plus**
 - **Manufacturers & Business Association**
 - **Erie County Community College**
 - **North American Forgemasters**
- GCS has had productive discussions with the following individuals and groups:
 - **Rep. Kelly**
 - **Sen. Fetterman Policy Team**
 - **Sen. McCormick Policy and Commercial Development Team**
 - **Mayor Daria Devlin**
 - **County Executive Christine Vogel**
 - **Sean Parnell, Chief DoD Spokesman**
 - **Dept. of Navy Maritime Industrial Base Office**
 - **Center for Naval Analyses**
 - **State Rep. Harkins**
 - **State Rep. Bizarro**
 - **Pearlson Group, Shipyard Architecture and Marine Engineering Firm**
 - **Great Lakes Building & Construction Trades Council**
 - **Bartlett Maritime, Submarine Maintenance Company**
 - **Dr. Jerry Hendrix, Naval Analyst**

NEXT STEPS

- | | |
|----------|--|
| 1 | Arrange Dept. of Defense (MIB, CNA) and Prime Site Feasibility Visit |
| 2 | Commission Pearlson Group Site Design and Construction Study |
| 3 | Identify Potential Strategic Partners
Following development of shortlist, begin contacting corporate partners to seek potential interest |



GEM CITY SHIPBUILDING



APPENDIX A: MORE INFRASTRUCTURE NEEDED

AGING AND INSUFFICIENT INFRASTRUCTURE

The infrastructure and physical plants of U.S. shipyards contribute to the challenges facing the shipbuilding enterprise due to their age and relatively outdated status. As far back as 1986, shipbuilding industry analysts in the United States noted that “module construction, prefabrication, assembly lines . . . all require large amounts of physical space, a commodity in very short supply and one difficult to create in older yards.”⁸⁶ The issue of physically constrained production space has been compounded by a lack of spending from both government and industry.⁸⁷ A GAO report similarly noted infrastructure limitations for naval shipbuilders as including aging infrastructure, a lack of space to expand, and insufficient capacity to produce future ship orders.⁸⁸ Former Navy Secretary Carlos del Toro’s WEST 2024 address criticized U.S. shipbuilders for prioritizing shareholder returns and executive compensation over capital expenditures and workforce development.⁸⁹

‘Outlining the Challenges to U.S. Naval Shipbuilding’
CSIS December 2025 Report

GCS PORT AUTHORITY PRESENTATION – Q&A

Q: The Authority has promised to the community an open, transparent process whereby options for the use the Erie Coke site would be fully discussed publicly following the completion of DEP's environmental assessment. Would formal consideration of a proposal from Gem City at this time effectively pre-empt that process?

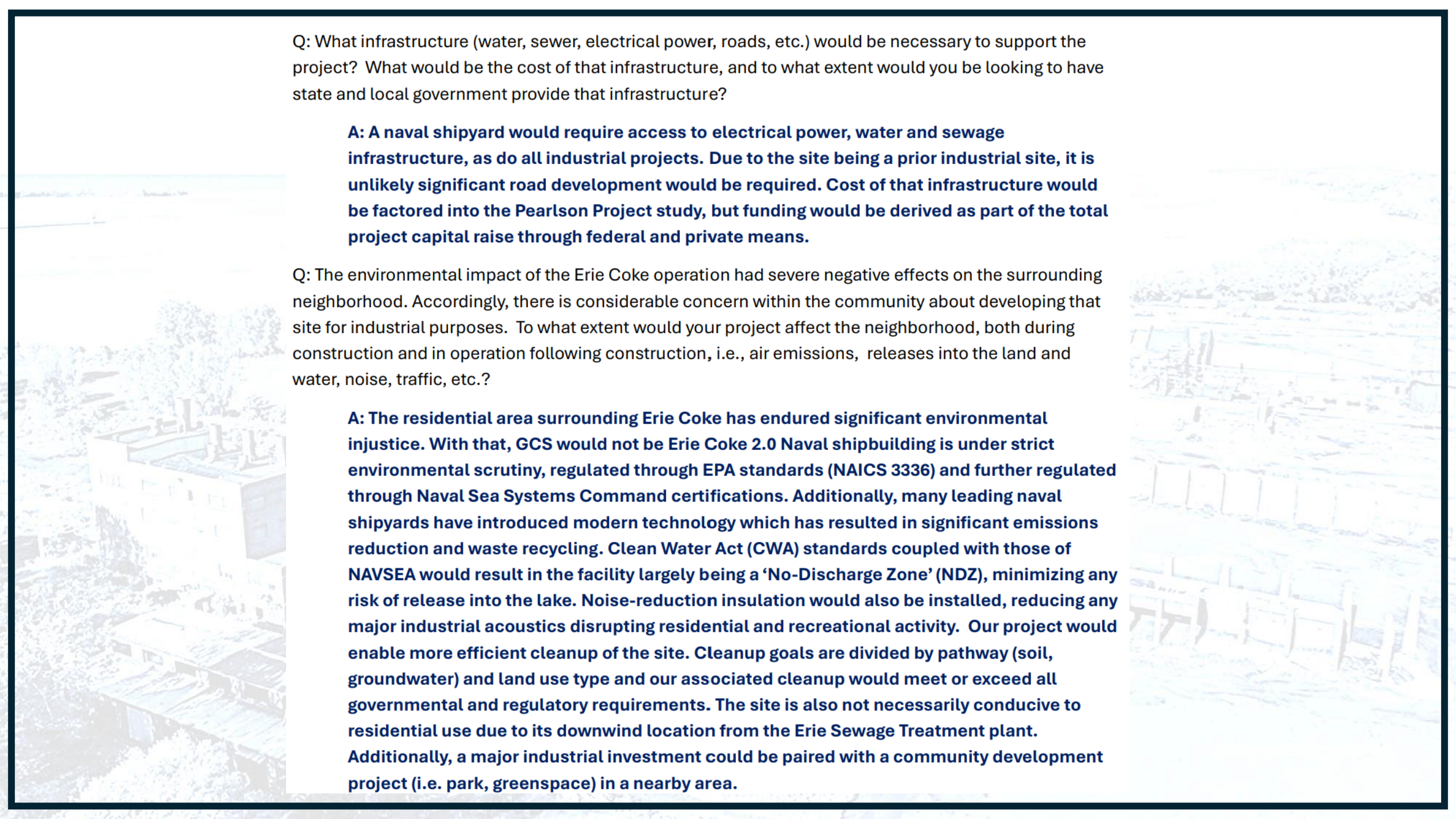
A: No it would not. We view the presentation today as fully part of the transparent community and public discussion process, which is vital to determining the re-use of the Erie Coke site. Additionally, today's presentation is for informational purposes, per official Port Authority correspondence and 'consideration' does not necessitate a decision, therefore lacking the threshold to fully be considered a 'pre-emption' of the public process.

Q: What portion of the Erie Coke site and associated water lots would your proposed project cover? Do you have any renderings which would visually convey the physical scope and impact of the project?

A: Erie Coke Site has roughly 96-100 acres of usable land, a full-fledged naval yard would utilize much of that space. A rendering of a naval yard blueprint is attached in the slide deck.

Q: What would be the overall cost of the project? To what extent would the cost of the project be dependent upon federal funding? Are you seeking any state or local funding? If so, in what amount?

A: The cost of the project would be significant due to both environmental remediation and the construction costs of a new build shipyard. It is likely the project would cost between \$350-750 million, with the large delta being dependent on what ships an Erie naval yard would be contracted to build. The project funding stack would be a combined effort of federal funding (DoD's Office of Strategic Capital, MIB), private capital investment and potentially international investment depending on what organization may be a 'Strategic Partner' for Erie.

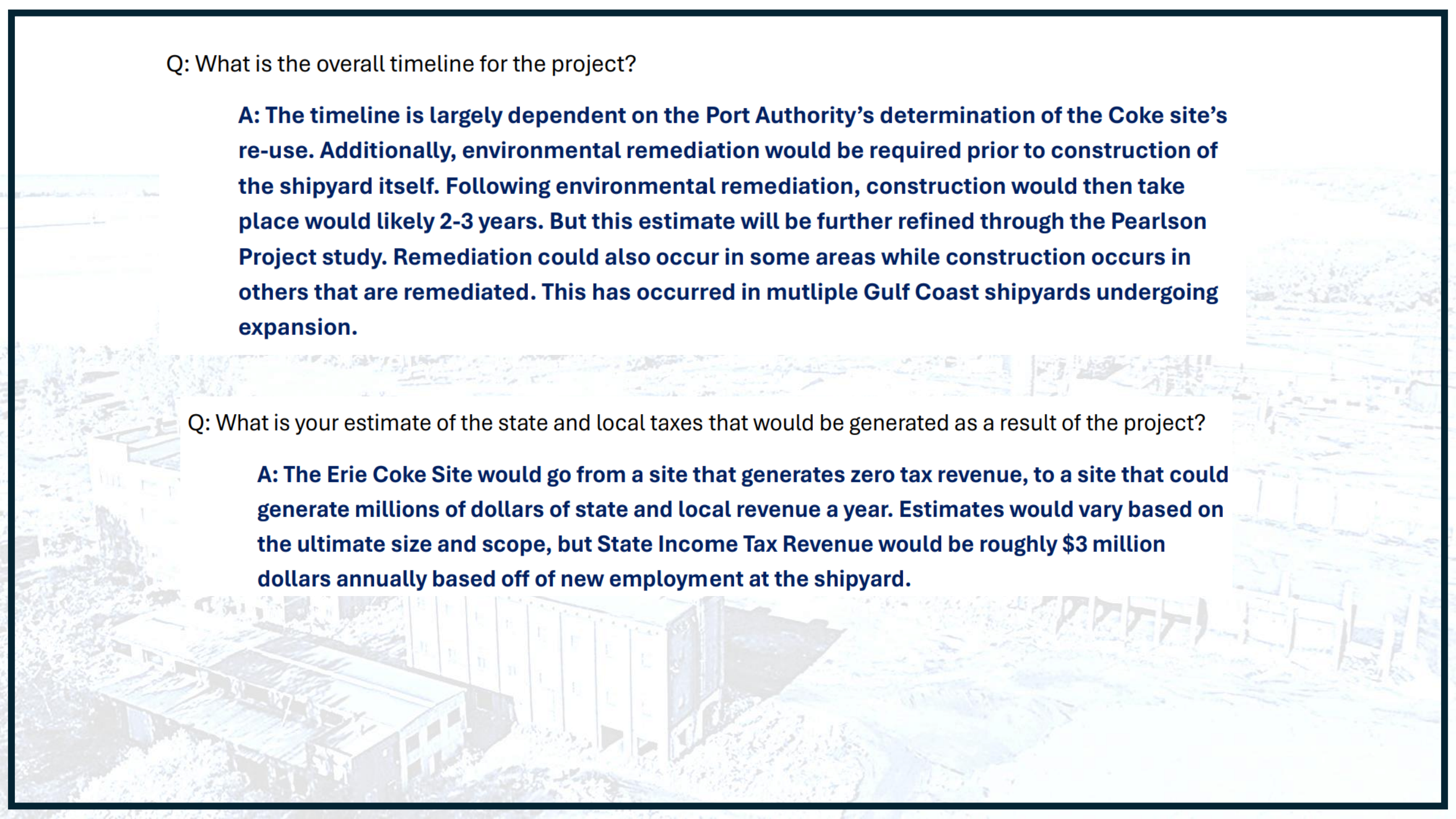


Q: What infrastructure (water, sewer, electrical power, roads, etc.) would be necessary to support the project? What would be the cost of that infrastructure, and to what extent would you be looking to have state and local government provide that infrastructure?

A: A naval shipyard would require access to electrical power, water and sewage infrastructure, as do all industrial projects. Due to the site being a prior industrial site, it is unlikely significant road development would be required. Cost of that infrastructure would be factored into the Pearlson Project study, but funding would be derived as part of the total project capital raise through federal and private means.

Q: The environmental impact of the Erie Coke operation had severe negative effects on the surrounding neighborhood. Accordingly, there is considerable concern within the community about developing that site for industrial purposes. To what extent would your project affect the neighborhood, both during construction and in operation following construction, i.e., air emissions, releases into the land and water, noise, traffic, etc.?

A: The residential area surrounding Erie Coke has endured significant environmental injustice. With that, GCS would not be Erie Coke 2.0 Naval shipbuilding is under strict environmental scrutiny, regulated through EPA standards (NAICS 3336) and further regulated through Naval Sea Systems Command certifications. Additionally, many leading naval shipyards have introduced modern technology which has resulted in significant emissions reduction and waste recycling. Clean Water Act (CWA) standards coupled with those of NAVSEA would result in the facility largely being a 'No-Discharge Zone' (NDZ), minimizing any risk of release into the lake. Noise-reduction insulation would also be installed, reducing any major industrial acoustics disrupting residential and recreational activity. Our project would enable more efficient cleanup of the site. Cleanup goals are divided by pathway (soil, groundwater) and land use type and our associated cleanup would meet or exceed all governmental and regulatory requirements. The site is also not necessarily conducive to residential use due to its downwind location from the Erie Sewage Treatment plant. Additionally, a major industrial investment could be paired with a community development project (i.e. park, greenspace) in a nearby area.

An aerial photograph of an industrial site, likely a shipyard or manufacturing plant. The image shows several large, rectangular buildings with flat roofs, some of which are partially obscured by trees and other structures. A large parking lot with many cars is visible in the foreground. The overall scene is a mix of industrial infrastructure and natural elements like trees.

Q: What is the overall timeline for the project?

A: The timeline is largely dependent on the Port Authority's determination of the Coke site's re-use. Additionally, environmental remediation would be required prior to construction of the shipyard itself. Following environmental remediation, construction would then take place would likely 2-3 years. But this estimate will be further refined through the Pearlson Project study. Remediation could also occur in some areas while construction occurs in others that are remediated. This has occurred in multiple Gulf Coast shipyards undergoing expansion.

Q: What is your estimate of the state and local taxes that would be generated as a result of the project?

A: The Erie Coke Site would go from a site that generates zero tax revenue, to a site that could generate millions of dollars of state and local revenue a year. Estimates would vary based on the ultimate size and scope, but State Income Tax Revenue would be roughly \$3 million dollars annually based off of new employment at the shipyard.

Q: What are the major contingencies that will need to be met in order for the project to go forward? What are the timelines for each of those contingencies?

A: As stated in the 'Next Steps' slide, contingencies include:

- 1) MIB/CAN/Prime Shipbuilder Site Visit (FEB-MAR timeframe)**
- 2) Pearlson Project Study (12-13 Week turnaround following commissioning of study)**
- 3) Identification of a Strategic Partner. Preliminary discussions are being had with multiple entities, however, full establishment of partnership is dependent on Stakeholder alignment.**

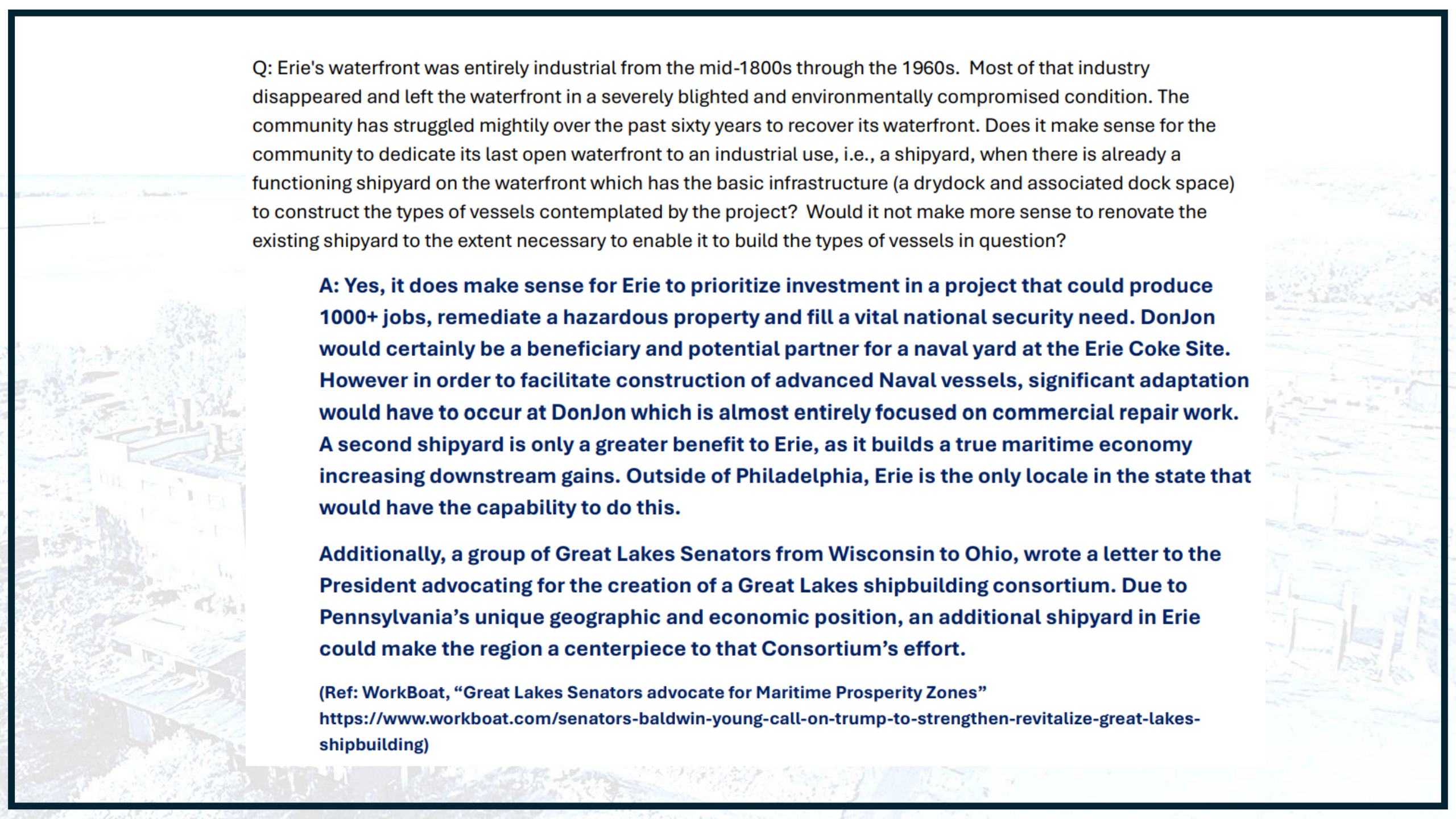
Q: How many jobs would be created by the construction of the project? What would be the average wage for such jobs?

A: A 700,000 sqft. industrial facility (Genetech) was built in North Carolina in 2025 which produced roughly 1,500 construction jobs. With GCS estimating to be roughly 700,000 sq. ft. 1,000-1,5000 construction jobs could be created through this project. Pennsylvania's state average construction contractor salary is \$63,000 which could be referenced as a baseline for a construction salary at an Erie naval yard.

Q: How many permanent jobs would be created as a result of the project? What would be the average wage for such jobs?

A: Based on naval yard industry standards and properties of comparable size, it is likely Gem City Shipbuilding would result in 1,000 direct permanent jobs at the Erie Coke site. Average shipyard salaries range between \$63,400-\$83,200, with variation being differing salaries for the variety of trades at a shipyard.

(Ref: Shipbuilder's Council of America, <https://shipbuildersusa.org/news/the-economic-impact-of-the-u-s-shipbuilding-repair-industry-by-the-state-of-pennsylvania/>)



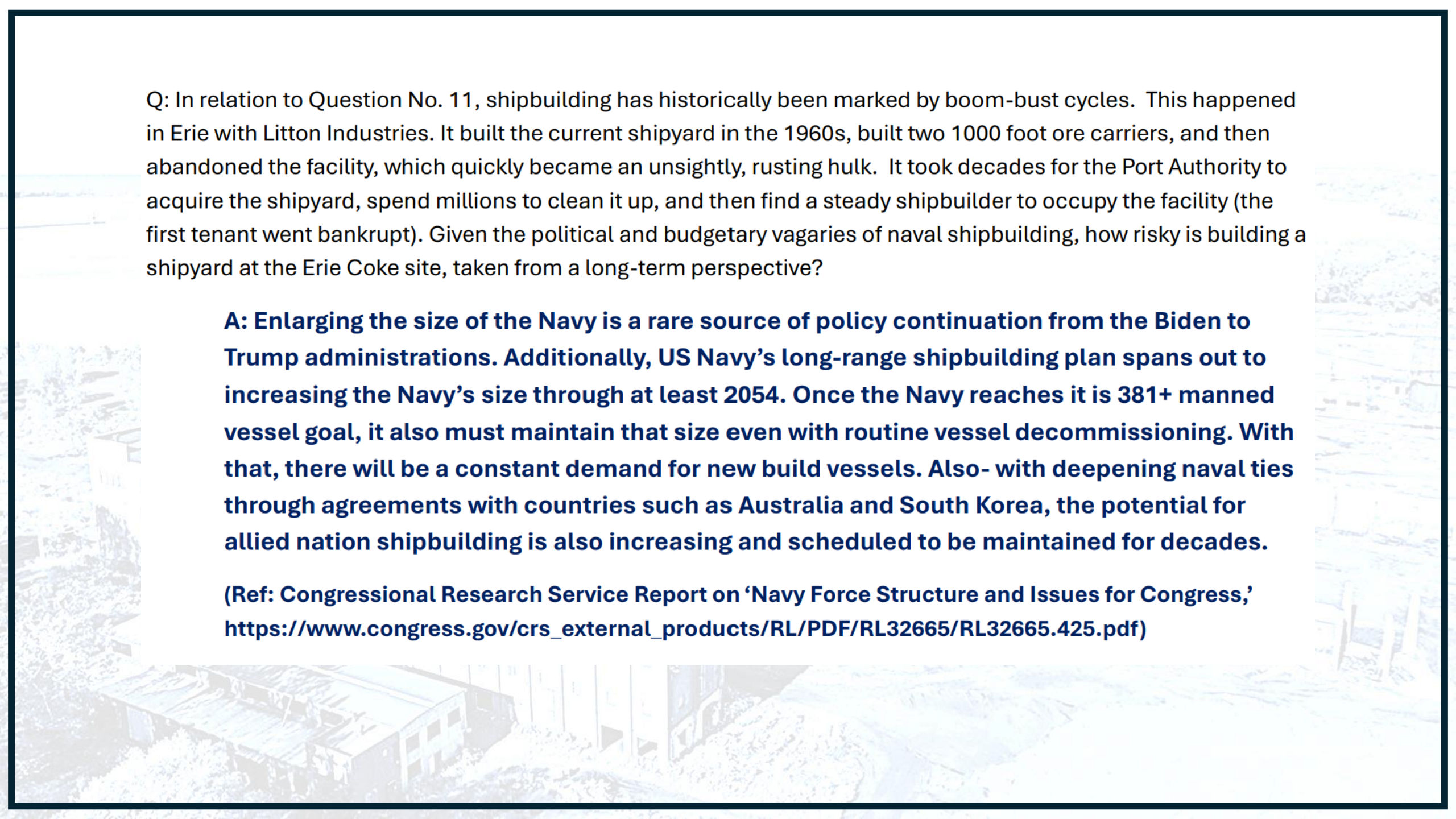
Q: Erie's waterfront was entirely industrial from the mid-1800s through the 1960s. Most of that industry disappeared and left the waterfront in a severely blighted and environmentally compromised condition. The community has struggled mightily over the past sixty years to recover its waterfront. Does it make sense for the community to dedicate its last open waterfront to an industrial use, i.e., a shipyard, when there is already a functioning shipyard on the waterfront which has the basic infrastructure (a drydock and associated dock space) to construct the types of vessels contemplated by the project? Would it not make more sense to renovate the existing shipyard to the extent necessary to enable it to build the types of vessels in question?

A: Yes, it does make sense for Erie to prioritize investment in a project that could produce 1000+ jobs, remediate a hazardous property and fill a vital national security need. DonJon would certainly be a beneficiary and potential partner for a naval yard at the Erie Coke Site. However in order to facilitate construction of advanced Naval vessels, significant adaptation would have to occur at DonJon which is almost entirely focused on commercial repair work. A second shipyard is only a greater benefit to Erie, as it builds a true maritime economy increasing downstream gains. Outside of Philadelphia, Erie is the only locale in the state that would have the capability to do this.

Additionally, a group of Great Lakes Senators from Wisconsin to Ohio, wrote a letter to the President advocating for the creation of a Great Lakes shipbuilding consortium. Due to Pennsylvania's unique geographic and economic position, an additional shipyard in Erie could make the region a centerpiece to that Consortium's effort.

(Ref: WorkBoat, "Great Lakes Senators advocate for Maritime Prosperity Zones")

<https://www.workboat.com/senators-baldwin-young-call-on-trump-to-strengthen-revitalize-great-lakes-shipbuilding>)



Q: In relation to Question No. 11, shipbuilding has historically been marked by boom-bust cycles. This happened in Erie with Litton Industries. It built the current shipyard in the 1960s, built two 1000 foot ore carriers, and then abandoned the facility, which quickly became an unsightly, rusting hulk. It took decades for the Port Authority to acquire the shipyard, spend millions to clean it up, and then find a steady shipbuilder to occupy the facility (the first tenant went bankrupt). Given the political and budgetary vagaries of naval shipbuilding, how risky is building a shipyard at the Erie Coke site, taken from a long-term perspective?

A: Enlarging the size of the Navy is a rare source of policy continuation from the Biden to Trump administrations. Additionally, US Navy's long-range shipbuilding plan spans out to increasing the Navy's size through at least 2054. Once the Navy reaches it is 381+ manned vessel goal, it also must maintain that size even with routine vessel decommissioning. With that, there will be a constant demand for new build vessels. Also- with deepening naval ties through agreements with countries such as Australia and South Korea, the potential for allied nation shipbuilding is also increasing and scheduled to be maintained for decades.

(Ref: Congressional Research Service Report on 'Navy Force Structure and Issues for Congress,' https://www.congress.gov/crs_external_products/RL/PDF/RL32665/RL32665.425.pdf)