

Texas Governor Abbott, Saronic CEO on Floods, Shipyard Plans

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SUMMARY

Texas is emerging as a key player in America's industrial expansion, particularly with Saronic's \$3.2 billion investment in a next-generation shipyard at the Port of Brownsville, which will focus on manufacturing autonomous vessels. This initiative is expected to create 10,000 jobs and significantly boost the local economy, while Texas continues to enhance its workforce development programs to meet the demands of this growing sector.

- Texas is becoming a hub for industrial growth, including AI, semiconductors, and defense technology.*
- Saronic's investment will establish a state-of-the-art shipyard in Brownsville, focusing on autonomous surface vessels.*
- The project is projected to create 10,000 jobs with an economic impact of \$160 billion over the next decade.*
- Texas ranks first in the U.S. for workforce quality and job creation, supported by strong education programs.*
- The Rio Grande Valley is transitioning from agriculture to a booming industrial region, with significant infrastructure developments.*
- Saronic aims to address the U.S. shipbuilding crisis, increasing shipbuilding capacity significantly.*
- The shipyard will be the largest in the country, with plans to expand capacity to 2 million gross tons.*
- The collaboration between state leadership and local communities is crucial for the success of such large-scale projects.*

Texas is quickly becoming the epicenter of America's next industrial build out. From AI data centers and semiconductor fabs to defense technology now. Autonomous shipbuilder Saronic is making its own major bet on the state. The companies announced a \$3.2 billion investment building a next gen shipyard at the Port of Brownsville, manufacturing medium to large class autonomous surface vessels. Joining us now for an exclusive conversation are Saronic CEO Dino Mavericks and Texas Governor Greg Abbott, alongside our Bloomberg Texas bureau chief Julie Fine.

Governor Abbott, good morning to you from San Francisco. If we could. I'd like to start with a sort of operational update, please, on the flooding situation in your state. I know it's something that you want to communicate on. Sure. Listen. Well, thank you for offering that up. we, we've been following all day yesterday. All last night and today, the massive flooding going on in central and south Texas. it's the same area, where we had the massive 4th of July flooding last year. The difference this year is we're actually getting more rain over the past 24 hours and over the next 24 hours than we got last year. overnight there was one life lost.

we are continuing to surge resources. we've made almost 80 rescues already. I will be leaving here after this interview to go focus on our current response. in regions ranging from, the Kerrville area all the way down to

Uvalde to Del Rio to Laredo, where we expect continue flooding. I just want to make sure that all Texans know, that we have more than 1300 Texas personnel, the National Guard, Texas Department of Public Safety. we have all resources, boats, helicopters available to make sure we will be doing everything possible to save human life. Governor Abbott, I just want to follow on that briefly. As you remember, just a horrible time last year when there was that flooding in the same area.

Your advice to anybody in the area that sees this water that is concerned. What should they do and where should they go? So great, great question. And you all are one of the best communicators to the general public that we're going to have out there with the news media showing this, what I'm about to tell you. And that is there are rapidly rising rivers that will continue to rise through the remainder of today and tomorrow. If if you do not need to be out, don't go out.

we have, one leading reason why people may lose their life in rising waters like this is because people drive into waterways and get swept away. There's an old saying, turn around, don't drown. And that applies here. Second, because rivers are rising so rapidly. if you are near a river, try to get away from that river so you can protect your own life. Each individual in the state of Texas has a full capability of protecting and saving their own life right now, by staying away from the rising rivers and not driving into it. Governor Abbott, thank you very much for that. As a reminder in audience, Saronic, a defense tech startup focused on autonomous maritime drones, investing \$3.2 billion in the state of Texas. A facility at the Port of Brownsville.

Dina mavericks, Saronic CEO, welcome back to Bloomberg Tech. The question we get most often is often the simple one why Texas? What did Texas do to win your business? And before I even talk about that, I just want to say our thoughts and prayers go out to everybody involved in the flooding. Serrano keeps that very, very front of mind. And we're very proud to call Texas home and invest in the community here. So, governor, if there's anything that we can do to support, please let us know.

Sure. Thank you. Texas. Texas is a great state. I mean, the leadership end up in the partnership, the governor. Look, we're building a next generation shipyard. We're going to go and build the most advanced, most efficient, highest throughput shipyard, not only in the country, but in the world. So when you're look, when you're doing that, you're looking for land availability, you're looking for deepwater access. Those things are kind of binary. You either have them or you don't.

What really tipped the scales was the workforce. The people down in Brownsville that we're going to build this company in this project around, and then the partnership with the state and local government, it's the governor's leadership and support, the partnership with the state, Cameron County and the city and the port of Brownsville that help bring this generational project to life. Do you know Brownsville close proximity to space? So that was interesting. The workforce was was the tipping point. How competitive is it in your industry right now in hiring the best people across lots of different disciplines?

I think what you're seeing, it's actually more collaborative than it's competitive. You're building up industry. You're building up infrastructure. You're investing in the community. When you look at what we're going to do

in Brownsville, we're going to invest billions of dollars not just into infrastructure, but into the local region. We're going to create 10,000 jobs, and we're going to create \$160 billion of economic impact in the region. And that's just over the next ten years, right?

With companies like SpaceX and others doing that, it creates an entire ecosystem not only in that part of the state, but in the entire state. Governor Abbott, we just heard Dino talk about the workforce again, that's 10,000 jobs. And I'd like to hear about the plans on how you plan to develop that workforce, to make sure there are enough people available. I'll tell you this. And that is Texas ranks number one in the United States for having the best workforce. Texas ranks number one for adding more new jobs than any other state. And there's reasons for that.

And that's because we work more than, you know, the state to make sure we have the best trained and qualified workforce. We have these massive education programs across the state. One is through the Texas State Technical College. two is through our, two year colleges, but three is through our universities. And we focus our education in Texas on real life job skills that will ensure that when a student graduates or completes the course study there, they're going to be ready to go straight into the workforce. And we talked to Dino.

We talked to Saronic about what our capabilities are to make sure that we would be able to develop, the workforce they need. That's exactly what, Elon Musk found with regard to SpaceX is what other companies are coming to the state of Texas are realizing. I talked to the CEOs all the time. They're coming to the state of Texas, and they tell me the leading reason why they're coming to the state is because we do have that pipeline of well trained workforce, and we will be able to deliver it for Saronic, just like we have been for all these other companies.

Where Texas now is home to more fortune 500 company headquarters than any other state, because Im part of the workforce and supply that we have. Governor Abbott, when you look down the road five years, what does the Rio Grande Valley look like with this addition? So it has changed dramatically. You're familiar with it? Maybe many Americans watching this show may not be familiar with it, but, listen to the real Grand Valley has historically been an agricultural region and things like that. But when you look at some changes taking place, you know, you mentioned one obviously was Starbase down there, and Cameron County, which is near the Brownsville area, was Saronic, which is going to be near the Brownsville area. the is a massive explosion of economic activity. and because that kind of going back to the education component, what our universities are doing, our universities are servicing, campuses and expanding campuses in those regions to make sure that we will be educating students, not not just to be able to go to work for Saronic, but also to fill the other education needs in the entire area. But going back now, the Cameron County area where this project is going to be located is going to be one of the fastest growing regions in the entire state.

So we're building out, transportation facilities, other facilities to make sure this is going to be a thriving community. But it also shows how Texas is the most diversified economy in the United States. Not not just with regard to different business sectors, but geographically in the state. Obviously, with the booming Dallas and Austin and Houston areas. But now we have the booming Rio Grande area. And so our state is absolutely

booming, and we could not be more proud to have some running down there. And the jobs are providing.

So good. This real quick number over the over the course of the coming years, Ceramica is going to be adding more than are up to least 10,000 new jobs at \$75,000 per job, at least when you put it all together, they're going to be injecting \$750 million in paychecks for our fellow Texans. That's going to make a massive difference in our state. You know, we're going to put up. The you know, let me just jump in, because there's another big moment this week for Centcom sharing this video, the first combat use of autonomous surface vessels by the US military. Your technology.

What was the biggest lesson from that operation. I mean, it's delivering the capabilities to our warfighters at speed and scale. That's what Saronic has been based around since the day we founded the company. We looked around and we said, what is the capability that our Navy is missing? Right. And how do we build that fast and get that to our warfighters to deliver real combat power? And that's actually actually exactly what we're doing in Brownsville as well. There's a shipbuilding crisis in this country right now trying to build just 230 to 1.

Our naval fleet is actually shrinking. We have 0.1% of global shipbuilding capacity. Port Alpha is going to turn all of that around. on day one, our initial our initial phase of the project. This will be the largest shipyard in the country. We will have 150,000 gross tons of shipbuilding capacity, which means we will 1.5 x the commercial shipbuilding capacity in the United States. And that's just phase one.

We're going to take that all the way up to 2 million gross tons of capacity, 20 the current capacity in this country. And that's what we need. and in Brownsville, what you're going to see is the development, with space already being there, it's just going to become a critical corridor, not just for business and commerce, but for national security. You know, we just have about 60s left in the program. You said this is phase one. Would you just give us a look into the future in phase two? Absolutely.

So based in the initial phase of the project on 835 acres, we talked about massive land availability. We have the ability to expand up to and over 4000 acres. We're going to continue to invest, continue to build out infrastructure. And keep in mind we are building a brand new shipyard. This is built from the ground up to be the most advanced, to be the most efficient, but most importantly, add net new capacity, brand new shipbuilding capabilities to this country in a way that we haven't seen since World War two.